

Scrutiny & Overview Committee

Meeting held on Tuesday 27 June 2017 at 6:30pm in The Council Chamber, The Town Hall, Katharine Street, Croydon CR0 1NX

DRAFT MINUTES - PART A

Present: Councillor K Bee, Councillor C Bonner, Councillor J Buttinger, Councillor S Fitzsimons, Councillor S Mann, Councillor A Butler (Also In attendance), Councillor S Hall (Also In attendance), Councillor J Wentworth (Also In attendance)

Also present: Richard Simpson (Executive Director Resources), Lisa Taylor (Director of Finance, Investment and Risk), Sarah Ireland (Director of Strategy Communities and Commissioning), and Stephen Tate (Director of District Centres and Regeneration).

Apologies: Apologies were received from Councillor Mohan.

MINUTES - PART A

A1 Minutes

The Committee **RESOLVED** that the minutes of the following meetings were correct records of those meetings:

- Tuesday 7th March 2017
- Wednesday 26th April 2017
- Wednesday 24th May 2017

A2 Disclosure of Interest

There were no disclosures made.

A3 Urgent Business (if any)

There was no urgent business to consider.

A4 Exempt Items

The allocation of business between Part A and Part B of the meeting were agreed as stated in the agenda.

Update on High Rise Housing

Councillor Butler delivered an update on what steps the Council had taken after the incident at Grenfell Tower. Letters had been sent to residents, coupled with officers going door to door, to assure residents that safety issues were being investigated and acted on. Guidance and support was also being provided to residents. Officers were acting to ensure the Council's housing estate was safe, undertaking both internal and external checks on the housing stock with priority given to high rise blocks. Whilst the principle of cladding blocks was right, to help insulate properties during the winter, it had to be done in the correct way and be made with fire retardant materials. Croydon was the first local authority to undertake independent investigations of its cladding after the Grenfell fire. As had been announced at the Council meeting the previous day, sprinklers would be installed in all the Council's tower blocks of ten stories or higher. The Secretary of State had been written to, requesting that the Government relax the borrowing restrictions on the Housing Revenue Account (HRA), to help fund these initiatives. Since the 2009 Lakanal House fire in Camberwell Croydon had invested over £10million in fire safety measures in the Council's housing stocks.

In response to questions from the Committee, the following was stated:

- The fire brigade's advice to residents in tower blocks continued to be that residents should stay within their homes if a fire were to break out. If the blocks contain the correct safety measures then the fire should be contained.
- Storage of prams and scooters in hallways was an ongoing issue in relation to fire safety measures in residential blocks. New builds were including sheltered storage areas to discourage such items being left in corridors, which impeded evacuation measures, and officers were looking to introduce similar measures at other properties. The Council would continue to advise tenants not to store scooters and prams in communal corridors.
- Residents with mobility issues would not normally be housed in a tower block; sheltered accommodation in the borough already had sprinkler systems installed. The Council were looking into establishing an allocation protocol whereby available accommodation situated on lower floors would be prioritised for disabled tenants.
- Private landlords had a responsibility to work with the fire services to ensure their properties were safe. The Landlord Licensing scheme provided for internal fire safety inspections but not inspections of external matters such as cladding. Tenants could contact the Council's Landlord Licensing team with any concerns at private rented properties.
- Croydon had used a different type of cladding to that being inspected by the government, but the Council had undertaken

independent testing to be sure that it was safe. All Brick by Brick developments, including the few tower blocks proposed, were being reviewed but fire safety measures would have been integrated into the designs as a standard part of the process. Larger housing associations were working directly with central government and the fire service on ensuring that safety measures were fit for purpose.

The Director of District Centres and Regeneration in response to questions from the Committee stated the following:

- There were regular tests of the Council's fire safety equipment and the fire alarms were generally designed on a "stay put" policy in the case of a fire. The Council's website contained information for residents and a road show across the borough was planned to further advise residents. Many residents were also reached through the door knocking activity undertaken in the aftermath of the Grenfell fire.
- Caretakers at Council blocks undertook weekly fire safety checks and when contractors undertook maintenance work at Council properties they were asked to undertake safety checks as well. Feedback from residents was encouraged and was integrated into the safety checks undertaken. The idea of fire wardens hadn't been directly considered but there were a number of forms of direct engagements that the Council undertook.
- Council dwellings were the priority for inspections as they posed the highest risk, however after the review of the housing stock, schools would be inspected.

The Committee came to the following conclusions:

- Croydon's response in the immediate aftermath of the Grenfell Tower was excellent and a credit to the Council's officers.
- The Council's civil contingency plan would be considered at a future scrutiny meeting. An item on fire safety should also be added to the work programme.

The Chair thanked the Cabinet Member and officers for their update and for attending at short notice.

A6

Question Time: Cabinet Member for Finance and Treasury

The item began with a slide show presentation that can be found online here:

<https://secure.croydon.gov.uk/akscroydon/users/public/admin/kab14.pl?operation=SUBMIT&meet=26&cmte=SOC&grpId=public&arc=1>

Councillor Hall detailed the scale of reductions to its central government grant that Croydon had faced over the previous seven years. The reduction had also been disproportionate when taking

into account the levels of deprivation in Croydon compared to other boroughs. This was then placed in the context of Croydon facing an increase in demand for Council services with factors such as the freezing of the housing allowance causing a strain on stretched resources. Councillor Hall reported on the Council's three year budget which combined savings with identifying new income streams. Other measures such as stronger contract management, and the ground-breaking Gateway service, were all initiatives being used to help save resources.

The Chair then invited questions to the Cabinet Member, including taking questions related to the item on the July Finance report. In response to questions from the Committee the following was stated:

People Department Budget

- Councillor Hall stated since the austerity measures from central government began, the People department had struggled to balance its budget. The impact of national legislation, such as welfare reform, was a big factor, as was the rise in demand for services. There was also uncertainty over many of these factors, an example was the Immigration Act which had significant implications for Croydon but had not yet been fully implemented by the government. The overspend in Children's Services for the previous financial year had been down to a series of one-off costs such as legal costs for looked after children which were unusually high.
- The Executive Director of Resources added that there were significant challenges with budget setting for the People department as it was hard to forecast what pressures and changes would arise through a given financial year. A contributing factor to the Children's Services overspend had been the reliance on agency staff for social workers. There was an ongoing campaign to address this through encouraging agency staff to move over to permanent contracts with the Council.
- The Director of Finance, Investment and Risk added that the overspend in Children's Services amounted to 10% of that service's budget. The Executive Director of Resources stated that this overspend was not as bad as other London boroughs.
- The Executive Director of Resources stated that there had been significant financial modelling for the People department and a demand management scheme rolled out across the Council with a particular focus on housing and adult social services. An example of additional pressures on the People

department was the Ofsted inspection that was taking place and was a higher priority than rigidly sticking to budgets.

- Councillor Hall stated that it was not possible to objectively predict the pressures on the People department. An example was the high costs associated with young people in care on remand; normally there were no more than a few but in the previous financial year there had been twenty. It would not have been possible to predict such a sharp rise and illustrated the complexity and specialist care required for looked after young people. The drive to move agency staff onto permanent contracts had reaped some benefits and there was optimism expressed that this success would continue. It was stressed that the vast majority of local authorities were suffering from similar problems with social care services budgets. Strong measures were in place for the Outcomes Based Commissioning contract to ensure there were real financial benefits and savings being made, and a strong partnership approach had made a positive difference.
- The Director of Adult Social Care stated that the adult social care budget had been the lowest it had been for several years and a strong foundation had been laid for future savings. Benchmarking against other authorities was a challenge as the services were very different in other boroughs. New models and ways of working were coming from the Outcomes Based Commissioning.
- Councillor Hall stated that officers looked at other local authorities for best practise, however Croydon was looked at by many other Councils as a beacon of best practise in many different areas. Premiums for agency staff were so expensive that even where there were contractual “poaching” penalties in place with agency staff, the savings from bringing these workers in-house would still save significant amounts of money.
- The Director of Strategy, Communities and Commissioning stated that the Council had, despite a challenging market, been successful in acquiring high quality social workers whilst keeping costs down.
- The Director of Adult Social Care stated that a key factor in recruiting social workers had been to support social care staff when they undertook social work university degrees. Through this support many qualified staff had then stayed on at Croydon. Required skill sets had also been reviewed – identified work that did not require social workers was

re-allocated to allow for more efficient utilisation of staff. This was a medium term outlook but savings were expected in the near future.

Capital Budget

- The Executive Director of Resources explained that the capital underspend from capital was partially due to the better than predicted interest rates on the Council's borrowing.

Boundary Review

- Councillor Hall stated that the Boundary Commission had published draft proposals in early 2017 and was due to publish a final version on 11 July 2017. The process was then for the proposals to sit in the House of Commons – if no Members objected after the allotted time then the boundaries were formally adopted. The Boundary Review focussed on local government constituencies and would not affect the constituency boundaries for national elections. If unopposed, the changes would come into effect in May 2018, after the local council elections.
The Boundary Review proposals had to sit in the House of Commons for twenty days and there had never been a case in parliament of an objection being raised to boundary proposals.

Electoral Registration

- Councillor Hall stated that the focus on electoral registration was on areas with low accuracy data. The Brexit referendum had introduced a wave of new registrations, as had the recent general election. There had been targeted canvassing on new housing blocks and officers had worked with Operation Black Vote to target ethnic minority groups that had traditionally been underrepresented on the electoral register. Steps were also being taken to cross reference the electoral register with other records the Council held such as Council Tax data. Details of how to register were also included with all correspondence letters sent pertaining to Council Tax payment. All Council databases, such as the Landlord Licensing scheme, would be used to promote electoral registration, though data protection laws needed to be headed when undertaking this. Sixth forms and colleges were also being targeted to get new voters registered.

Staff Satisfaction

- Councillor Hall stated that the Council's staff survey would take place in the summer and autumn of 2017 and the Chief Executive was passionate about it. In particular the appraisal

process was being reviewed and anecdotal feedback suggested that there had been considerable improvements to it. Results from the staff survey were expected in the autumn of 2017.

- The Executive Director of Resources added that a mentor scheme had been introduced for staff and the link between pay and performance had changed to increase consistency across the organisation.

A7

Commissioning & Contract Management

Councillor Hall welcomed the item coming to scrutiny and stated that the Council had fundamentally changed how it delivered commissioning. The Director of Strategy Communities and Commissioning (SCC) was introduced to deliver a presentation on the new commissioning process. The slide show presentation was submitted as part of the agenda papers.

The Director of SCC informed the Committee that the new commissioning framework had been launched in 2016 and talked Members through the key principles. An important gateway in the new framework was “make or buy” which shaped the model to be used for a given service. Certain parts of the commissioning cycle were identified as areas where scrutiny could make an important contribution to the process. It was also noted that scrutiny already played a role through the call-in process of key decisions.

In response to questions from the Committee, the following responses were provided.

- The Director of SCC stated that the first stage of the commissioning process included engagement with stakeholders so that desired outcomes could be articulated at an early stage of the process. It was also important to ensure flexibility within a contract, with checkpoints along the timeline so allow for review and for changes as and when required.
- Councillor Hall stated that the emphasis had moved to shorter-length contracts, or where there were long contracts to include more break points. This was to ensure that issues that arose could be dealt with at key junctures.
- The Director of SCC stated that an example of the new flexibility focus in effect was the Turning Point contract in which initially too many outcomes had been set. The flexibility of the contract coupled with a good relationship with contractor

allowed for this to be addressed and the contract placed on a more focussed footing.

- Councillor Hall stated that in every contract a balance was struck between flexibility and the associated costs with such terms. Contracts were also broken up such as '3+3+3' which incentivised good partnership working.
- Councillor Hall stated scrutiny had influenced changes to the facilities management contract when it was considered by the Committee in 2014.
- The Director of SCC stated that there could be opportunities for scrutiny to look at contracts during break points but this would need to be considered on a case by case basis as many contracts would contain a number of confidential matters that would require the Committee to move into Part B. Councillor Hall added that the IT contract break point was due in 18 months and this could potentially be such a contract that the Committee could look at.
- The Director of SCC stated that there were hundreds of contracts made in a given year, but those of a high value were categorised and had specific processes to follow. Contract worth over £500,000 were listed and any over £5million had a requirement to be taken to Cabinet.
- Councillor Hall stated that the administration was committed to devolution and part of this included local Ward Member involvement in the strategy formulation of local services such as the Ashburton Library.

A8 Pre-Decision Scrutiny: July Finance Report

This item was considered as part of the Question Time session at item seven of the agenda.

A9 [The following motion is to be moved and seconded as the "camera resolution" where it is proposed to move into part B of a meeting]

The Committee RESOLVED to move the meeting into Part B and thus exclude the press and public.

MINUTES - PART B

B10

Part B Minutes

The Committee **RESOLVED** that the Part B minutes of the meeting held on Wednesday 26 April 2017 were a correct record of that meeting.

The meeting ended at 9.14pm.