

Extraordinary Overview & Scrutiny Committee – Meeting held on Monday, 30th October, 2017.

Present:- Councillors Sadiq (Chair), Chahal (Vice-Chair), Chaudhry, N Holledge, Parmar (from 6.34pm), Rana and A Sandhu

Also present under Rule 30:- Councillors Swindlehurst, Bains, Bal, M Holledge, Nazir, Rasib, Smith, Strutton and Wright

Apologies for Absence:- Councillors Sarfraz and R Sandhu

PART I

31. Declarations of Interest

No interests were declared.

32. Call In - Strategic Acquisition of Town Centre Site

The Committee considered a Member Call-In that had been received in relation to a decision of the Cabinet at an extraordinary meeting held on 6th October 2017 to pursue the acquisition of the company owning the freehold of Nova House, 1 Buckingham Gardens, currently Ground Rent Estates 5 Limited.

Nova House had failed the ACM cladding tests instigated by the Government following the fire at Grenfell Tower on 14th June 2017 and the primary reason for the acquisition was to protect the safety and interests of the residents. The Chair explained the procedure that would be followed to consider the Call-In that had been submitted by Councillors Swindlehurst, Nora Holledge and Davis. Members were reminded that some of the detailed information was exempt and could only be considered in Part II.

(Councillor Parmar joined the meeting)

Councillor Swindlehurst acknowledged the importance of the Council taking action to ensure the safety of residents by ensuring the necessary fire prevention measures were taken, however, he set out the reasons for his Call-In request which included:

- The financial liability to the Council and the risk that the costs of remedial works would not be recouped.
- The lack of alternative options considered before taking the decision such as the comparative cost of temporary accommodation in the event the residents had been evacuated.
- Action could have been taken through the use of the Council's enforcement powers.
- The assumption of freehold and exclusive responsibility for the problems associated with a private development.

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- The taking of the decision through urgency procedures without sufficient scrutiny or consideration of all relevant factors.

As a signatory to the Call-In, Councillor Nora Holledge raised a number of issues including the steps the Council would take to recover the cost of works and the plans for moving residents out of the building whilst work was taking place.

Councillor Strutton addressed the Committee under Rule 30. He commended the Council for taking action to protect the safety of residents, but raised wider concerns about the principle of local taxpayers bearing the financial risk that should have been borne by the private developers and leaseholders, many of whom were overseas investors. As the Council's intervention would help restore the value of the leaseholder's assets, he emphasised the importance of ensuring that all necessary avenues were pursued to recover the costs, with suitable repayment plans for the small minority of flats in owner occupation.

The Cabinet Member for Housing, Councillor Nazir, summarised the reasons the Cabinet decided to agree the acquisition in principle and stated that the overriding consideration was the safety of the residents. Without the Cabinet's decision, the residents of Nova House would likely to have been evacuated immediately, hence the need for urgency. The decision making process had not been rushed and the Council had worked closely with Fire Service and Department of Communities & Local Government (CLG) since the Grenfell Tower tragedy. He confirmed that strong action would be taken to recover the costs potentially from a combination of leaseholders, insurance and/or the government. The Director of Place & Development provided Members with a detailed overview of the timeline leading to the decision including the failure of tests of the cladding, wider fire safety inspections of Nova House, engagement with the Fire Service and CLG and discussions with the owners. It was noted that on 27th September 2017, the Fire Service survey work raised major concerns and there was a loss of confidence that the owners and managing agents would be able to carry out the required works. This led directly to the Council's emergency plan being triggered, the provision of additional on site presence in the form of a fire engine and the proposal to change control of the building to the Council to restore confidence.

A number of alternative options had been considered including the use of enforcement powers, which were considered to be too slow and untested to deal with the immediate problem, and/or an unplanned evacuation of circa 200-250 residents. The Cabinet decision on 6th October had provided immediate reassurance that the necessary improvement would be carried out and detailed work and due diligence was now taking place.

The Committee sought clarification on a number of issues including the powers available to the Council to recover costs from leaseholders; the insurance policy; the likelihood of having to move some residents out whilst works took place; the timetable, specification and anticipated costs of the

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work; and the communication with the residents of Nova House. The Director responded to each of these points.

During the course of the discussion it was stated that some of the detailed responses would lead to the disclosure of exempt information. It was therefore proposed and agreed to exclude the press and public prior to the Committees deliberations on the call-in.

Resolved – that the Press and Public be excluded from the meeting during consideration of a part of the agenda item on the call-in as it involved the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the Authority holding the information) as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended).

(The press and public left the meeting)

Below is a summary of the Part II discussion, without disclosing any exempt information.

The Committee received an update on the financial implications of the decision; the cost and terms of the proposed acquisition; the options to recover costs from leaseholders; and the robustness of the insurance policy. All of the questions were answered and assurance was provided that necessary actions were taking place to address the issues raised by Members. At the conclusion of the question and answers, the meeting returned to Part I whilst the Committee deliberated on the call-in.

(The press and public rejoined the meeting)

The Cabinet had agreed that its decisions of 6th October 2017 could be implemented urgently. The Committee was therefore reminded that this was a post decision call-in and the available options were noted. The discussion focused on the lessons learned and several Members expressed support in principle for the decision that had been taken in the circumstances. Some concerns were raised about the transparency of the decision and communication with councillors who were not members of the executive, including the leader of the opposition group. It was noted that the circumstances of the decision meant that it had to be taken under the urgency provisions of the executive procedure rules, and the comments of the Committee in relation to providing as much transparency and communication with Members as possible were noted.

At the conclusion of the discussion, the Committee agreed that no further action be taken in respect of the Call-In.

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Resolved –

- (a) That no further action be taken in respect of the Call In request of the Cabinet Decision of 6th October 2017 on the Strategic Acquisition of Town Centre site.
- (b) That the comments of the Committee in relation to the transparency and communication of the decision be noted.

33. Date of Next Meeting - Thursday 16th November 2017

The next meeting of the Committee would be held on Thursday 16th November, 2017.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.03 pm)