Evidence of extensive financial mismanagement and a systemic lack of financial governance costing millions of pounds of public money, discovered by ‘armchair auditors’ using citizens’ powers under the Local Audit and Accountability Act.

Lambeth Peoples’ Audit, June 2017
Lambeth Peoples’ Audit 2015/16

1 Contents

2 Lambeth Peoples’ Audit Executive Summary .......................................................... 2
3 Introduction ............................................................................................................... 4
4 Intention and reality of the Local Audit and Accountability Act 2014 ....................... 4
   4.1 Problems accessing information ....................................................................... 5
   4.2 Missing data ..................................................................................................... 6
5 New Town Hall ......................................................................................................... 6
   5.1 New Town Hall costs ....................................................................................... 7
6 Sale of Council Assets .............................................................................................. 10
   6.1 Housing .......................................................................................................... 12
7 Major Works ........................................................................................................... 13
   7.1 Kitchens ......................................................................................................... 14
   7.2 Contract Management .................................................................................... 14
8 Housing maintenance .............................................................................................. 15
9 Libraries ................................................................................................................ 15
10 Salaries and Redundancies ..................................................................................... 17
   10.1 UK’s highest paid local authority head teacher ............................................. 18
11 Capital Investment Programme ............................................................................ 19
12 Litigation ............................................................................................................... 19
13 Governance .......................................................................................................... 20
   13.1 Payments without budget or authorisation ...................................................... 20
   13.2 Undeclared Expenditure ............................................................................... 21
   13.3 Contract waivers .......................................................................................... 21
   13.4 Appearance of price fixing .......................................................................... 22
14 Role of the external auditors ................................................................................ 22
15 Conclusion ............................................................................................................ 24
16 References ............................................................................................................ 26

Appendix 1 Officer Remuneration ........................................................................... 29
Appendix 2 Capital Investment Programme ................................................................ 30
Appendix 3 Summary of Contract Extension Waivers-2015/2016 .............................. 31
The Peoples’ Audit of the London Borough of Lambeth’s accounts for 2015-16 is the most extensive use so far of powers provided to citizens to scrutinise their councils’ expenditure under the 2014 Local Audit and Accountability Act.

A group of Lambeth residents, including finance professionals and experienced campaigners, had a month in the summer of 2016 to request accounts, contracts, invoices and correspondence relating to expenditure. They supplemented this with Freedom of Information Requests and Members’ Enquiries by a councillor.

Despite a generally obstructive attitude to the process by Lambeth Council, including refusals to comply with instructions from the Information Commissioner, the team unearthed evidence of extensive financial mismanagement and failings in its financial governance that suggest millions of pounds of taxpayers’ money is being wasted. Lack of governance within Lambeth council appears to be systemic.

In the wake of the Grenfell Tower Tragedy, these failings naturally raise concerns about safety. We found worrying examples of building and maintenance work being paid for but not carried out. Inspection regimes by Lambeth in these cases seemed at best inadequate, and possibly non-existent. If, as it appears from our investigations, Lambeth is not in control of its contracts with building and maintenance suppliers, how can residents be confident that their homes are safe?

Our findings suggest that local authorities facing deep cuts in central government funding should think carefully before making cuts to financial governance systems, which while politically more acceptable, perhaps, than closing a playground or library, nevertheless have far-reaching effects on residents.

Whatever lies behind this mismanagement, it is clear that the sums involved are significant. Harmful cuts to public services could be avoided if Lambeth Council were more rigorous in its financial management and were more open to public scrutiny and engagement with citizens living in the borough.

The findings of the Peoples’ Audit include:

**Over-paying building contractors for work on council estates**
- In a sample of three blocks we checked on the Wyvil Estate in Vauxhall, Lambeth Council paid its contractors for more than twice the number of concrete repairs that were actually carried out. (see section 7)
- Lambeth paying an average £4,000 for kitchen replacements, priced under its Decent Homes contracts at £2-3,000. (see 7.1)
- Contractors for repairs at Cressingham Gardens Estate charging for works that have not been carried out; repeat instances of the same repair; and instances of overcharging. (see 8)

**Appearance of price-fixing in building contracts**
• Indications of possible price fixing between some contractors. In one instance all four tenderers on a £1.3m project were within 7% of each other; in another, two of the tenderers had identical prices for several items – both unheard of in the building industry. (see 13.4)

Lack of control by Lambeth Council of what it spends
• Over £8m of invoices for housing repairs not available to Lambeth’s finance department (see 4.2)
• A fifth of records for payments by Decent Homes programme incomplete (see 4.2)
• “Industrial scale” ignoring of rules on competitive tendering (see 13.3)
• £400,000 paid to City Suburban Tree Surgeons – without advance authorisation (see 13.1)
• Numerous examples of expenditure being under-stated on Lambeth Council’s website, when compared with actual invoices, including £3.2m paid to Transport Trading Ltd (a wholly owned subsidiary of TfL) (see 13.2)

High disrepair compensation costs (see 12)
• Pay-outs of over £10.4m in compensation and legal fees to tenants for housing disrepair claims in the last five years – comprising nearly 30% of all local authority compensation claims for disrepair.

Doubling of ‘Your New Town Hall’ costs (see 5)
• Costs of Lambeth’s controversial project to refurbish the town hall have more than doubled from the £50m the council claimed in 2012 and is now estimated at £104m.
• Part of the shortfall in funding appears to be coming from a raid on council tenants’ rent ring-fenced for repairs to their homes (Housing Revenue Account).
• Little evidence to back up Lambeth’s claim that the development will save £4.5m a year.

Sale of council assets below market value
• Sale to private developer Pocket Living of three pieces of land from Lambeth council estates in Kennington and Streatham at a discount of at least £1m in 2015/16 - without any competitive tender. (see 6)

Secrecy over GLL libraries contact (see 9)
• Evidence of a behind-the-scenes agreement by Greenwich Leisure Ltd (GLL – now rebranded Better) to reduce its fee to Lambeth by £1m annually if Lambeth gave the go-ahead to convert two of its libraries into GLL-run ‘healthy living centres’. GLL’s £100,000-a year-sponsorship of the Black Cultural Archives in Brixton also appears to have been conditional on this deal – a fact not open to scrutiny at the time councillors made their decision.
• The deal constitutes a significant change to GLL’s original contract, possibly putting Lambeth in breach of tendering rules under Public Contract Regulations 2015.

Lack of control over salaries and redundancies (see 10)
• Lambeth is unable to account consistently for the costs of redundancies and salaries including that of the UK’s highest paid local authority head teacher Craig Tunstall, of the Gypsy Hill Federation of primary schools, who received a whopping £330,394 (plus an annual pension contribution of £43,753).
3 INTRODUCTION

Lambeth Peoples’ Audit is a group of Lambeth residents who came together because of a shared concern as to how Lambeth council makes its decisions and how it spends our money. The group includes both finance professionals and experienced campaigners.

Lambeth council have continually stated that the decisions they make are being forced upon them by central government cuts. Whilst recognising the effect of central government cuts we knew that not to be the whole story. From our own experiences of dealing with the council we could see the lack of due diligence or planning that goes into some of the decisions that the council have made.

So we decided to launch our own “Peoples’ Audit” of Lambeth’s 2015/2016 accounts to find out more. We used the provisions of the Local Audit and Accountability Act 2014, which provides a 30 working day period wherein local people can inspect the accounts and any contracts, invoices and the like related to monies spent or received in the financial year.

Our aim was to not only try to get to the bottom of what was happening with Lambeth’s finances but also to try to encourage other citizens around the country actively to scrutinise their councils. After all, local authorities in England alone are responsible for spending £94 billion a year, but how that money is spent receives very little detailed scrutiny.

Lambeth council describes itself as a “Co-operative council” that “empowers and supports citizens and stakeholders to make informed choices and co-design future services”. In this spirit we offered to help the council review how their contracts were operated and to help them save money. Our group contains some highly experienced finance professionals who could see immediately that there were some significant problems. Our input could have saved the council significant amounts of money. Sadly our offer of help was rejected by the council.

This report is a summary of the findings from our audit. We are fully aware of the pressures that local government faces. The Peoples’ Audit can’t change the political climate but we do know that now more than ever it is important that public money is spent wisely and in a transparent manner. We hope that the findings of our audit will produce some positive changes.

4 INTENTION AND REALITY OF THE LOCAL AUDIT AND ACCOUNTABILITY ACT 2014

The Local Audit and Accountability Act 2014 (the Act) gives people the right to look in detail at how councils spend our money in the financial year. For 30 working days in the year anybody who lives within the borough is entitled to look at how the council spends their money. Section 26 of the Act gives any elector the right to:
(a) inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records, and
(b) make copies of all or any part of those records or documents.

Councils are obliged to advertise when the local electors’ inspection period is on their website.

Electors can make a complaint to the external auditor if they believe that an item of expenditure is unlawful or if the council has spent or received money which it did not have the power to spend or receive. The auditor’s power to intervene under the Act however is limited. If there is no unlawfulness, and money has simply been wasted they cannot do much more than issue a report in the public interest, which would then require the council to publish the report on its website and call a public meeting to discuss the auditor’s report.

The intention of the Act is clear: to give local electors visibility of how their money is spent. Unfortunately, we found the reality of trying to use the Act in practice was very different from the intention.

4.1 PROBLEMS ACCESSING INFORMATION

The audit period started poorly. The audit regime allows the public 30 days to inspect the accounts and ask questions. Lambeth did not place the notice advertising the local electors’ inspection period on their website until the day before the inspection period started. The notice should be placed at least two weeks before the inspection period starts to give the council adequate time to respond to electors’ queries.

Once the audit period had begun the attitude of the council as a whole was obstructive. A number of times officers refused access to information after first indicating that we would have access. This could suggest that senior management was exerting pressure on officers not to release information.\(^5\)

Despite repeated chase-up e-mails, for the first week our requests were completely ignored by Lambeth. We were then told that we were being unreasonable in the amount of information that we were requesting.

We were fully aware of how long it should take to retrieve information and purposefully sought to limit our questions so that they would not take up officers’ valuable time unnecessarily. We even offered to help officers retrieve information or sit in front of a computer screen to save time. In any event the legislation does not provide for any limit on the amount of information that can be requested.

The next obstacle that was placed in our way was that Lambeth issued a blanket ban on providing contracts or any detailed information with regard to payment of invoices, citing commercial confidentiality. The most information we managed to garner from Lambeth was a selection of fairly non-descript invoices, which represented a tiny proportion of the information requested.
Despite us providing case law and reasoned argument as to why information would not be considered commercially sensitive, at no time did Lambeth justify why they considered information to be commercially confidential.

It took Lambeth over three weeks to produce the first piece of (minor) information requested. If financial systems are being managed properly, finding such information should take a matter of minutes, hours at most.

It was over a month before Lambeth had even an initial batch of information for us to review, leaving almost no time to interrogate the information and put in questions and objections if necessary. In one instance a member of the Peoples’ Audit team received the first piece of information he requested at 5:42PM on the final day of the inspection period.

All of this clearly limited our ability to properly audit Lambeth’s accounts.

4.2 Missing Data

In addition to refusing access to information, there was also a large amount of information that Lambeth simply couldn’t find. Over £8 million of invoices we requested in relation to housing repairs simply do not exist on Lambeth’s accounting system. Apparently the finance department does not hold invoices for housing repairs. These are held by the housing department, so the finance department does not know exactly what they are paying for. This obvious lack of an audit trail is the sort of thing that Lambeth’s external auditor should have picked up, but appears not to have.

We found other similar examples of poor practice. For example there were payments which had been made without either an accompanying invoice or the necessary authorisation. This was also noted by PWC’s recent audit of Lambeth’s Decent Homes programme which stated “For 1/5 payment applications a copy of the payment application could not be obtained and the item was not recorded on Keystone [Lambeth’s information database].”

5 New Town Hall

“Your New Town Hall” is a controversial project to refurbish Lambeth’s town hall. The scheme has been promoted by Lambeth council as a project that will save at least £4.5M a year by reducing the council’s offices from 14 to 2.

To date there has been little transparency to prove the veracity of this claim. Of particular note is that the calculations provided by Lambeth to back this claim up concentrate solely on savings in running costs without taking into consideration the money that will be spent building the new town hall.
A Freedom of Information request to Lambeth as to which properties they will be losing in order to achieve the savings was rejected by Lambeth.\(^9\) However, we do know that many of the 14 existing buildings were vacated years ago and are obviously surplus to requirements:\(^1\)

- Wynne Road. This site was sold for £1.33M to Pocket Developments, a housing developer, in 2014. The building was vacated in April 2013 and was being squatted before then.
- Hopton House. The lease on this building was terminated in December 2013.
- 205 Stockwell Road. The lease for these offices was terminated in August 2014.
- Blue Star House. The lease on the 7th Floor terminated in 2013/2014.

Furthermore, Lambeth have had to spend a considerable amount of money to buy the freehold of properties they did not own in order for the project to proceed:\(^7\)

- Hambrook House. Lambeth council did not own this building and spent £2.29m in 2014 acquiring the freehold.
- Town Hall Parade. Lambeth council had to make a Compulsory Purchase Order of £1.69m in order to buy the Fridge Bar property.
- Olive Morris House. Lambeth council had been leasing this building and so had to spend £8.74m to buy the freehold in order that the building can be demolished to build new flats.

Whereas the council argue that the savings come from a consolidation of office space into new modern facilities which are cheaper to run, it appears that in reality most of the savings come from the council getting rid of excess office space.

In 2013 Lambeth’s 14 council office buildings housed nearly 3,500 desk spaces.\(^12\) In 2015 Lambeth’s workforce was less than 2,500. Since then over 500 people have been made redundant. An article in Construction News puts the number of people working in the new civic centre at just 1,800.\(^13\)

In a revealing response to a query Lambeth stated, “The project will pay for itself through reducing the estate including disposals and vacating buildings, and will also secure the forecast £4.5m p/a savings. This savings number was based on our actual running costs of the original 14 buildings together with prudent estimates of the future running costs of the eventual 2 buildings. **We have already achieved £3.5m of these planned savings as a result of exiting 8 buildings** and the final £1m balance will come when we move out of Blue Star House, International House, Phoenix House and Olive Morris House and into the refurbished Town hall and the new civic building.”\(^14\)

This clearly suggests that the savings claimed by Lambeth council have nothing to do with the construction of the new town hall. The savings are a result of selling off excess office space.

### 5.1 New Town Hall Costs
The Peoples’ Audit also uncovered some worrying black holes in the finances of this scheme. We asked to see the budget that was originally signed off in 2013 and any changes to that budget since. It took two months of lobbying to get a response, which didn’t answer our question but did raise a range of other concerns. Significantly the information wasn’t released until the day after Lambeth’s budget meeting in February 2017 where cabinet passed a budget approving £55M of cuts which it said that it had to carry out as a result of central government cuts to their funding. Had the information about the town hall budget been in the public domain it would have been a lot harder to explain these decisions.

Lambeth council has consistently told the public that the town hall will cost £50M. However, the small print on the Council website says “The construction cost of Your New Town Hall will be approximately £50 million”. This conveniently omits to mention all the other costs that go into the development, including for example land payments. When you take all the extra items that make up the budget the total project cost adds up to an eye watering £104 million. The table below shows how much costs escalated in the space of just a few months:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>December 2015</th>
<th>April 2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Build Costs</td>
<td>£54,918,836</td>
<td>£65,444,232</td>
<td>£10,525,396</td>
</tr>
<tr>
<td>Development Costs</td>
<td>£13,581,629</td>
<td>£10,029,265</td>
<td>(£3,552,366)</td>
</tr>
<tr>
<td><strong>Total Muse Contract</strong></td>
<td>£68,500,465</td>
<td>£75,473,497</td>
<td>£6,973,032</td>
</tr>
<tr>
<td><strong>Direct Lambeth Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT &amp; Contingency</td>
<td>£5,810,664</td>
<td>£5,810,664</td>
<td>£0</td>
</tr>
<tr>
<td>Land Assembly</td>
<td>£12,375,000</td>
<td>£12,956,237</td>
<td>£581,237</td>
</tr>
<tr>
<td>Delivery Budget</td>
<td>£8,992,896</td>
<td>£9,739,889</td>
<td>£746,993</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td>£95,679,085</td>
<td>£103,980,347</td>
<td>£8,301,262</td>
</tr>
</tbody>
</table>

Lambeth provided a commentary with the figures to try to justify why the budget had increased by £8 million in a few months. This included telling us that costs rose due to excessive inflation in the construction market. However, it is our view that such costs should have already have been built into the budget. Due to the over-heated construction market, construction industry experts have been forecasting annual increases to tenders of 5-7.5% for several years now.

The council also attributes £5 million of the increase to the fact that the bid that they accepted from Muse only allowed for 20% affordable housing. This is despite the fact that the project is being built on council owned land and in the November 2013 decision to approve the scheme it...
was stated “In summing up the Cabinet Member for Finance and Resources said that the scheme would allow the Council to use its assets and the Council would achieve 40% affordable housing.” It also raises the question as to why the council accepted a bid from Muse which did not comply with the council’s requirement to achieve 40% affordable housing.

The council’s response also suggested that there would be further price increases down the track. For example they explained: “a high proportion of this cost relates to asbestos removal and ground conditions which were difficult to fully investigate while the offices remained in use”. Groundworks on the project started after April 2016, after the date the figures above relate to, so these costs would not have been captured in the figures provided.

Regardless of the explanation the fact remains that the project costs had increased by £8m before the project had hardly even started.

So just where is the extra £8m is going to come from to fund this short-fall? A response from Lambeth told us that £6.8m of this was being funded by internal borrowing and that £1M was being taken from the Housing Revenue Account (HRA). The HRA is supposed to be ring-fenced, with the principle being that council tenants’ rent is held in a separate account which is then used to pay for future up-keep of their homes. Lambeth justify using this money to pay for the town hall cost over-runs on the basis that some of its housing staff will be based in the new town hall.

There are still plenty of question about the town hall that remain unanswered, which we will be chasing up. Here are just a few:

a) We still don’t have an answer to our original question which was: What was the budget when the town hall project was originally approved by cabinet in November 2013? The project has always been sold to the public as costing £50M. The chances are that during the lifetime of the project the budget has increased by far more than £8 million. We note that recent hoardings outside the town hall declared that the project is a £165M investment.

b) We were told in Lambeth’s initial Freedom of Information response that the town hall was being funded by £20m from land payments from developers across the borough and £39.7m from items such as sale of offices and savings from monies set aside for works to the existing offices. As the overall budget is now £104m we naturally asked the question where the balance of the funding was coming from. We were told that the £104m budget was being funded by £66.2m of temporary investment of the Council’s cash balances, repayable in full with interest, £11.1m Right To Buy receipts, £3.1m of land receipts from the developer, £4.2m from the sale of council premises and £19.4m of ear marked council reserves. Given that some of these figures contradict the figures that we were previously given, this answer from Lambeth raises more questions than it answers.

c) We are curious to find out if further monies have been taken from the HRA account. A reserve of £8.3m has been earmarked in the HRA section of the
accounts. We have been chasing Lambeth for months as to what this reserve is for. Lambeth have refused to answer this question and the matter now rests with the Information Commissioner.  

Residents whose council homes are facing demolition under Lambeth’s regeneration programme are understandably asking why their rents are being put into a reserve of this size – instead of paying for refurbishment of their homes, something Lambeth have stated they don’t have the funds to do.

d) In February 2017 Lambeth entered into an agreement with Muse to carry out the 2nd phase of the works, the residential works to Hambrook House and Ivor House. Why did Lambeth commit to the town hall scheme without having all the costs agreed before-hand? The report authorising the 2nd phase shows build costs for Hambrook House as being £2,120/m². This is in stark contrast to the figures put forward by Muse in their viability study which gives build costs at between £1,500 and £1,570/m² and viability studies tend to overstate costs. Is there going to be another hike in the budget that hasn’t been declared yet?

e) Lambeth will be selling land to Muse as part of the Town Hall development for something in the region of £3.1m. We have yet to be told what is being sold and on what basis. Given that Lambeth spent over £12m acquiring land in order for the project to go ahead we would like to know exactly what they are selling to Muse.

6 SALE OF COUNCIL ASSETS

We found a number of examples where Lambeth’s assets were sold off below market rate to a private property developer. In one case the asset is then registered with an off-shore company.

We first became interested in this when we discovered that as part of the Your New Town Hall project the council sold its empty offices at Wynne Road to a developer, Pocket Living, for £1.33M. This piqued our interest, as a rudimentary calculation showed this to be below what we considered to be the market value.

Pocket Living’s website describes itself as building “Starter homes for city makers… Pocket builds one bedroom apartments for London’s city makers. They are compact, and priced at least 20% lower than the open market.”

However, Pocket homes’ marketing material neglects to mention that whilst the homes may be 20% cheaper than the market rate for a one bedroom flat the flats are also smaller than the average one bedroom flat. The flats at Wynne Road for example have a floor area of 38m², approximately 25% smaller than a standard one bedroom flat.

To deliver these flats Pocket Living receives a substantial amount of public subsidy. Pocket’s website states “The GLA awarded Pocket a £21.7m loan in 2013, which we have agreed to
recycle over a period of ten years, delivering 4,000 new homes across London.” What the GLA documentation actually states is “The initial funding to Pocket Living (2013) LLP was £21.7 million to deliver up to 384 affordable homes by 2023. It was anticipated that the funding would be recycled to build additional affordable homes beyond this over the ten year term”. 29 In October 2015 the GLA awarded Pocket Living a further £4.7M. 30

The initial loan (which is interest free) equates to over £56,000 per property.

Lambeth state that the Wynne Road site is “redeveloped as 100% affordable housing”. The term affordable must be one of the most abused words in recent years with regard to housing. Pocket state “You could be a Pocket home owner if you earn less than £90K”. A single person earning £90k a year is in the top 1% of income earners in the country.

In 2015/2016 Lambeth sold off three pieces of land on council estates to Pocket Living at a significant discount and without any competitive tender. The cabinet papers approving this sale merely state “The site will be purchased by Pocket Living LLP at values which the Council has considered with advice provided by Lambert Smith Hampton, the Council’s external valuers.”31

The table below shows the values put on the land by Lambert Smith Hampton and the prices that were actually paid for the land.32

<table>
<thead>
<tr>
<th>Site</th>
<th>Lambert Smith Hampton Valuation</th>
<th>Price paid</th>
<th>Loss</th>
<th>Units to be built by Pocket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sail Street, China Walk Estate, Kennington</td>
<td>£1,700,000</td>
<td>£1,550,000</td>
<td>£150,000</td>
<td>27 one bed, 1 wheelchair accessible home and 3 two bed</td>
</tr>
<tr>
<td>Juxon Street, China Walk Estate, Kennington</td>
<td>£2,500,000</td>
<td>£1,990,000</td>
<td>£510,000</td>
<td>34 one bed, 1 wheelchair accessible home and 4 two bed</td>
</tr>
<tr>
<td>Mount Earl Gardens Estate, Streatham</td>
<td>£1,400,000</td>
<td>£1,065,000</td>
<td>£335,000</td>
<td>28 one bed, 1 wheelchair accessible home and 3 two bed</td>
</tr>
</tbody>
</table>

| Total Loss                          | £995,000                        |

In total the discount on the land price to Pocket amount to a subsidy of £1m from Lambeth to Pocket, if we accept the valuations given by Lambert Smith Hampton. However, based on the evidence on the value of the developments put on the site, it appears that Lambert Smith Hampton significantly undervalued the sites. We can see this in the difference between the prices paid for the land and the sales prices of the homes built on the land.33
As a rough rule of thumb property developers usually work on the basis that the cost of the land is in the order of one third of the total sale price. On that basis the land price paid to Lambeth should have been several million more and the real sales prices represent a huge subsidy for Pocket Living.

During our research we also discovered that in September 2016 the site in Mountearl Gardens was the subject of a “UNILATERAL NOTICE in respect of an Agreement for Sale dated 26 August 2016 made between (1) Pocket Living (2013) LLP and (2) Adriatic Land 5 Limited.”

There is limited information available on Adriatic Land 5 Limited other than to say that its address is given as an office in Guernsey, which it shares with at least twenty other companies, including PWC and Capita.

We also discovered that Pocket Living is 50% owned by an American company called Related, whose chairman and founder is Stephen Ross. His personal wealth is stated by Forbes as being an astounding $7.4Bn.

It is beyond the scope of this report to investigate the byzantine financial structures of Pocket Living, other than to say that the latest accounts for Pocket Living (2013) LLP (who bought the Mountearl Gardens land from Lambeth and who have received GLA grant funding since 2013) showed a loss of £1.4M. The previous year’s accounts showed a loss of £1.75M. It is striking that a company engaged in such a profitable business, and that has received substantial subsidy can be recording a loss. Given the presence of an offshore entity in the corporate structure, this loss may be a signal that the company is shifting profits offshore to avoid taxation.

### 6.1 Housing

The Lambeth Labour party was elected to the council in 2014 with a pledge to build 1,000 council homes. The 2015/16 accounts show that council housing stock actually reduced by 410 units in the year. Some of this was due to Right To Buy, but not all. Statistics released by the Department of Communities and Local Government (DCLG) reveal that only 171 properties were...
sold through Right to Buy in the relevant period. It is evident that the council is selling off property outside of Right to Buy.

Given that Lambeth council spent over £26,000,000 on temporary accommodation in 2014/2015 alone it surely makes no financial sense, in the middle of a housing crisis, to be selling off council houses for short term gain when such properties could be used to house people who are currently in temporary accommodation.

Nor does it make any financial sense that Lambeth have hundreds of empty council houses. The latest DCLG statistics show that there are 291 empty council properties in Lambeth, equating to a loss of £2.9M per year in rent, the second highest loss of council rent in London. This figure would however be dwarfed by the amount of money it costs to put someone in temporary accommodation instead of housing them.

7 Major Works

The Peoples’ Audit focused on payments made to one of the council’s largest major works contractors, Mears Ltd in relation to major works carried out on the Wyvil Estate.

A significant proportion of the residents on an estate are leaseholders who are required to pay a proportion of the cost of major works carried out by Lambeth. The Peoples’ Audit have seen several examples of Lambeth trying to over-charge residents for these works, in one case by over 350%. Leaseholders on the estate therefore took a very close interest in the work, knowing that they could be faced with a large bill at the end.

Before the works were carried out, the leaseholders appointed an independent surveyor at their own expense to check the scope of work that Lambeth was proposing. The survey was carried out to one block, with the expectation that its findings would be applied to the rest of the estate. The survey revealed that the quantity of work scoped out by Lambeth was grossly over-estimated. As a result of the independent survey the extent of brickwork repairs to the block was reduced from £12,149 to £1,475 and concrete repairs were reduced from £21,063 to £12,498. Leaseholders expected Lambeth to take the findings of this survey and carry out further surveys on the other blocks on the estate to validate the works proposed. Despite the Information Commissioner ordering Lambeth to provide leaseholders with copies of these validation surveys, Lambeth have failed to do so. We are concerned that they may never have been carried out.

Looking at the final accounts for the works on the estate confirms this view. Almost without exception the quantity of brickwork repairs for the remaining blocks is considerably higher than those identified on the initial survey block. More worryingly, a closer examination of the final accounts reveals that many of the blocks have an identical number of concrete repairs carried out on them, which is highly improbable. We viewed the site records of the concrete repair sub-contractor for three of the 16 blocks, which revealed that the amount of repairs on their records were considerably less than those that had been paid by Lambeth. In all three instances the number of repairs carried out was less than 50% of the amount paid, a potential over-payment in
the order of £10,000. Given that the total bill on the estate for concrete repairs was £142,000, there is the potential for a huge over-payment here.

7.1 KITCHENS

The Peoples’ Audit have viewed the contracts for Lambeth’s Decent Homes contracts which show the price for a kitchen replacement to be in the order of £2-3,000 per kitchen. Yet Lambeth are reporting that they are paying on average £4,000 per kitchen with no adequate explanation as to why. If this lack of diligence is extrapolated over Lambeth’s property portfolio the amount being over-paid could be astronomical.

7.2 CONTRACT MANAGEMENT

We found several examples of severe deficiencies in the way that Lambeth manages its contracts. This concern was confirmed by Lambeth’s Governance Statement which stated that the contracts for mechanical and electrical repair works were “high risk” and that “We found significant deficiencies in the control framework for key areas of the housing management function such as Health and Safety, and Service Charges and Mechanical and Engineering Uplift Contracts.”

We also saw examples of tenders where it is quite clear that nobody from Lambeth or its consultants have queried contractors’ prices or questioned whether they are value for money.

In the case of the Wyvil estate, we discovered that Lambeth had changed the whole basis of the contract after the contract award, which is a breach of generally accepted contract principles. Furthermore we found that variations to the contract scope had been paid without corresponding written instructions. We asked for copies of the instructions from Lambeth for months both directly and via the Information Commissioner. Once again the Information Commissioner ordered Lambeth to send us the instructions but Lambeth have declined to do so. We conclude, therefore, that the instructions never existed and that Lambeth have paid for work which was not instructed. If the instructions did exist they would no doubt have been referenced in the final account.

Worryingly, rust is already starting to appear through the decorations carried out by Mears on the Wyvil estate, less than a year after the works were carried out. Residents on other estates can attest to similar issues, which brings into question what monitoring regimes Lambeth have in place.

It would appear that some of our concerns are shared by someone in Lambeth as we discovered that Lambeth have commissioned a consultant to carry out a forensic audit, costing £60,000, of its contracts with Mears.

When initially queried about this investigation Lambeth’s first response was to deny that any information on this existed. When proof was then provided to Lambeth that they had indeed commissioned this work they then stated that the information was still in production so was not
available and that it was not anticipated that the report would be available until the end of 2016. This despite the consultant invoicing for the work in May 2016.

We were told by Lambeth that we could make a further Freedom of Information request in January or February 2017 by which time the audit report should be completed. So we did-only to be told that we now couldn’t see the report as “The disclosure of the information requested would not, in the Council’s view, further the public interest, but may in fact hinder it because of the detriment it would have on the Council’s ability to effectively consider the implications the audit has, and ability to effectively manage its commercial interest and decision-making ability.”

We are following this up with the Information Commissioner.

8 HOUSING MAINTENANCE

Leaseholders from the Cressingham Gardens Estate met with the Peoples’ Audit and carried out a detailed review of their service charge statements, where they identified £43,000 of contested items for a single year. The leaseholders walked the estate and spoke with residents to confirm if work had been completed and discovered:

- Claims for works that had clearly not been carried out.
- Claims for repairs where no location was identified making it impossible for them to be verified.
- Repeat instances of the same repair.
- Instances of overcharging.
- Charges for works which should be covered by Lambeth’s insurance.

A meeting was held on the estate with Lambeth in February 2016. Within 20 minutes of walking the estate over £5,000 worth of items were identified as being incorrect. Unfortunately the meeting was cut short so only a fraction of the contested repairs were investigated. In light of the severity of the issues a request was made to the Head of Lambeth’s Home Ownership services and Lambeth’s Area Asset Manager, for the historic repairs data for the estate. This has never been provided.

9 LIBRARIES

Ever since demonstrators occupied Herne Hill’s Carnegie Library for several days in April 2016, the borough’s library service has come to symbolise anger felt by many library users locally and nationally at significant cuts to library budgets.

The occupation of the Carnegie library by protestors was a result of Lambeth’s plans to install gyms in some of its libraries. These plans came about following a consultation about the future of libraries carried out by Lambeth, called Culture 2020. The original Culture 2020 consultation had proposed that certain libraries were closed, with the sites being sold and the money used to set up an endowment fund to run libraries elsewhere in the borough. Without public consultation, this plan was changed to a proposal to install gyms within certain libraries and re-label them as
“healthy living centres”. This decision was rubber-stamped by Lambeth’s cabinet in October 2015.\textsuperscript{49}

The gyms will be run by GLL (now re-branded as Better), who currently operate Lambeth’s leisure centres. The Peoples’ Audit were keen to understand how this deal came about and how it was that the contract to run the gyms had been handed to GLL without a competitive tender or any sign of a business plan.

The plans to turn the libraries into gyms with books were not the only option on the table for Lambeth. Libraries campaigners submitted their own business plan (the Barnes Plan, named after the head of libraries) to Lambeth which they say would have kept the libraries open. This plan was rejected by Lambeth as not delivering the necessary savings in time. The Council assessment of the Barnes Plan said the “proposal does not satisfy the assessment criteria and does not deliver within the agreed financial budget for 16/17 or fully meet the agreed policy framework of Culture 2020”.\textsuperscript{50}

However, Lambeth’s own plans for their libraries have fallen significantly short of the requirement to make savings in 2016/2017.\textsuperscript{51} The libraries that were closed in April 2016 remain closed and manned by security guards over a year later with no sign of them re-opening anytime soon either as a gym or a library. They will furthermore require a significant capital investment to convert them into gyms.

We were interested to find out what was going on so we requested to inspect GLL’s invoices to Lambeth. On one of them we found a reference to “Reduced fee. Culture 20.20”.\textsuperscript{52} Whilst it might seem desirable to receive a reduced fee there is no such thing as a free lunch. Normal contract practice and legislation prevents public bodies from substantially changing contract terms as this can lead to allegations of corruption and unfair competition, so we made a Freedom of Information request to see correspondence regarding this.\textsuperscript{53} This correspondence reveals that the day after the cabinet decision was made to convert libraries into healthy living centres, GLL were chasing Lambeth to confirm changes to their contract to reflect a deal that had been struck between them, namely:

1. Lambeth was to remove the break clause option in GLL’s current contract, thereby ensuring that the contract runs until its expiry date in 2023.
2. GLL was to provide a £1m per year reduction in management fee.

A month later GLL write to Lambeth again stating “As you know, finalisation of this initial matter unlocks progress in a number of other areas, in particular we will be able to confirm our sponsorship of the Black Cultural Archives, who are currently pressing us to do so.”

Papers for the October 2015 Cabinet stated that, “As a consequence of the Culture 2020 consultation Greenwich Leisure Limited have stepped forward to offer BCA a sponsorship deal worth in the region £100k pa, which will include £50,000 revenue and £50,000 in -kind technical support.”\textsuperscript{54}
But nothing in the Cabinet papers suggest GLL’s £100,000-a-year sponsorship of the Black Cultural Archives was conditional on this deal to turn libraries into gyms. This conditionality was not publically known or open to scrutiny at the time councillors made their decision.

The link between the BCA sponsorship the £1m reduced fee and the decision by Lambeth to hand control of the libraries to GLL would seem to be undeniable.

Whilst the BCA sponsorship and the £1m reduction in fee might be appear to be highly desirable, this kind of horse trading is exactly not what a public body should be involved in. There is no transparency or demonstration that this is being done for the public good. It is likely that Lambeth’s failure to tender the conversion of the libraries to healthy living centres and the amount of change that has been carried out to GLL’s original contract has amended the nature of the contract to such an extent that Lambeth are in breach of the Public Contract Regulations 2015.

10 SALARIES AND REDUNDANCIES

On 8th February 2016 Lambeth council passed its budget. In presenting the budget, deputy leader of the council Paul McGlone stated, “It is with a heavy heart that we sit around as the cabinet to recommend a very, very tough budget for Lambeth… We now have 1,000 fewer staff than we had in 2010. We will have to take out more people… We need to make tough choices.”

The detail paints a rather different picture. We would like to be able to tell you how many people Lambeth made redundant but it seems that not even Lambeth know themselves. The draft accounts issued on 30th June 2016 state that in 2015/2016 Lambeth made 744 staff redundant. Of these 593 were earning £20,000 or less. The cost of this redundancy exercise is stated as being £10.3M (some higher earners received £80,000 + exit packages). Strangely, less than 3 months later when the audited accounts were issued on 29th September 2016, the number of redundancies had changed to 494 at a cost of £7.5M. This lack of accuracy is a continuing theme that we came across during our audit.

What the cabinet report didn’t say was at the same time Lambeth increased the number of senior managers (earning £50,000-£150,000) by 88 (according to the draft accounts) or 91 (according to the audited accounts). This adds back at least another £5,500,000 onto the annual wage bill. We know that some of this would be due to staff being transferred back into the council following the termination of Lambeth’s arms’ length housing management organisation, Lambeth Living. However, this is not the whole story. For example, of the four new appointments made in 2015/2016 with salaries exceeding £100,000, only one of these was transferred from Lambeth Living.

Bizarrely, although the number of staff decreased substantially Lambeth’s spending on recruitment advertising more than doubled in the year to £675,000. We also noted that the number of agency workers employed through Lambeth’s principal provider, Matrix SCM, even after the round of redundancies in 2015/2016, is still 25% higher than it was in 2012.
The tough choices did not extend to two of Lambeth’s highest earners, Sue Foster and Helen Charlesworth May, who both received 1% pay rises, taking their salaries to £153,711 (more than the prime minister) (Appendix 1). Nor, it would seem did the tough choices extend to councillors, as the overall amount paid to them in allowances rose £110,000 in the year to £1,267,000.62

10.1 UK’S HIGHEST PAID LOCAL AUTHORITY HEAD TEACHER

The most extraordinary salary of all went to Craig Tunstall, the Headmaster of the Gypsy Hill Federation of primary schools, who received a whopping £330,394 (plus an annual pension contribution of £43,753) (Appendix 1). Salaries for Local Authority heads are not routinely published, however it is our understanding that this makes Sir Craig by a long distance the most highly paid local authority head in the country.

The Peoples’ Audit team requested from Lambeth detailed information concerning Sir Craig’s pay award. However this information was denied on the grounds that it was personal information about an employee.

There are serious concerns about whether Sir Craig’s pay is in fact lawful. As a headmaster in a local authority school he should be subject to national pay guidance issued by the Department for Education. This puts the maximum salary for a head teacher in London at around £115,000.63 Although Sir Craig is executive head of a number of schools there is no provision in the guidance for a CEO salary, as is frequently found in academy schools. Where there is a federation of schools the guidance is clear that the group should be treated as one larger school for the purposes of working out head teacher pay.

There is provision in the guidance for the governors of the school to go above the national pay scales in exceptional circumstances. If governors do this they must seek external advice to ensure value for money, and approve the pay award at a meeting of the governors.64

We sent in a Freedom of Information request to the school requesting the minutes from the governors meeting approving the pay award, and the external advice received. We were told that no such documents were held by the school, which suggested that the school had not followed the appropriate procedures when deciding to award Sir Craig his extraordinary pay.

Neither does it appear Sir Craig’s salary was signed off by Lambeth Council. We sent a Freedom of Information request to Lambeth requesting any correspondence between the school and the Authority regarding Sir Craig’s pay award. The authority could find nothing save for having sent the school a copy of the national pay guidance. All of this means that the salary awarded to the UK’s most highly paid local authority head may well be unlawful.

Because the authority had refused to disclose information regarding Sir Craig’s pay during the audit period, compelling us to use the Freedom of Information Act instead, we only discovered the deficiencies in the governance procedures concerning Sir Craig’s pay after the audit period had closed. We reported the issue to Lambeth’s external auditor, who said he would take no
action as the objection had not been received during the audit period. He said he would look into the matter as part of his audit in 2017.

However, in May 2017 Sir Craig was suspended from work pending an investigation into allegations of fraud.

11 CAPITAL INVESTMENT PROGRAMME

The Council’s accounts state “The Council has an ambitious Capital Investment Programme for the 4 financial years of the current political administration 2014/15 – 2017/18.” (Refer to Appendix 2). Almost without exception the amount of money spent in the year is down on the original budget (Investment in Community health projects was a mere £11,000 whereas libraries had only £57,000 spent on them).

The council have portrayed these cuts as being necessary in order to protect the most vulnerable. Councillor Jane Edbrooke stated in a Lambeth Labour post “We have looked at the needs of Lambeth’s residents, especially the most vulnerable, and protected these almost hidden services.”

In fact the figures show that some of Lambeth’s most vulnerable residents have been some of the hardest hit. Investment in vulnerable children and adults was £4.37M compared to an original budget of £10.40M. £12.66M was spent on home improvements for the elderly, disabled and vulnerable compared to an original budget of £14.09M.

The Key Performance Measures (KPMs) that Lambeth measures its performance by show that when it came to the vulnerable, elderly and disabled, the council was rated amber or red for between 66 and 80% of the indicators they were scored against. Not a sign of success by any measure.

What is striking is the number of areas where the amount spent falls significantly short of what was budgeted for. For example, the original budget for Lambeth Housing Standard works during the year was £121M, whereas only £64.9M was actually spent against these works. This could mean that the budgeting forecasts were particularly poor or that the council is not delivering services on time.

One area where the council did overspend its original budget was on Corporate Office Accommodation, Lambeth’s new town hall building. The over-spend here was more than £11,000,000 more than was originally budgeted for. The reasons as to why a project which was trumpeted by the council as saving money has over-spent so much is noted earlier in this report.

12 LITIGATION

It is sad to see that at a time of so many cuts Lambeth saw fit to increase the provision in the budget for litigation by £1M. The number of instances where the council has spent tax payers’
money on legal fees recently is extensive. Cressingham Gardens, the 414 Club, the Shell Centre and the Garden Bridge to name but a few. It has also recently came to light that Lambeth have paid out over £10.4M in compensation and legal fees for disrepair claims in the last five years, the second highest pay-out for a local authority in the UK and nearly 30% of all local authority compensation claims for disrepair.68

One effect of Lambeth engaging in so much legal action it that it forces them to air their dirty laundry in public. One of the revelations of the recent judicial review on the Cressingham Gardens estate redevelopment was that in order to make the development appear to have a positive Net Present Value over 60 years, Lambeth council would have to provide a grant of £7.5m to prop up the development company undertaking the scheme. It is clear even to a layperson that if you put enough free money into any scheme it will become financially viable.69

At the Shell Centre Lambeth found itself spending a great deal of money on a top QC defending a decision of another public authority. The proposals to redevelop the Shell Centre had been called in by the Secretary of State after Lambeth had approved the plans. After the Secretary of State granted planning approval an individual started a judicial review of the Secretary of State’s decision.

Even though the decision challenged was not Lambeth’s decision, and at the hearing, defending the decision was the Secretary of State’s own barrister and two QC’s to represent Shell and their development partner, Lambeth still decided to spend public money to pay for a QC to represent them at the proceedings. In the end, the Lambeth barrister spoke for a total of 15 minutes at the court hearing, despite having charged the authority tens of thousands of pounds for his services.

13 GOVERNANCE

Lambeth’s Annual Governance Statement says, “The council’s governance arrangements aim to ensure that it sets and meets its objectives and responsibilities in a lawful, timely, open, inclusive and honest manner and that its public money and resources are safeguarded, properly accounted for and used economically, efficiently and effectively.”70

Governance should be about making sure that processes are in place to ensure that money is properly accounted for. Our findings below show this not to be the case.

13.1 PAYMENTS WITHOUT BUDGET OR AUTHORISATION

---

*a The Net Present Value is a methodology of measuring profitability by converting all cash flows over a period to current values*
On 19th August 2016, just a few weeks after we started our audit, Lambeth issued an internal report requesting retrospective authorisation for the payment of nearly £400,000 paid over the previous two years to a tree surgery company, City Suburban Tree Surgeons.71

It is highly irregular that such a large amount of money could be paid without authorisation. The Peoples’ Audit Team had been asking questions about this company and we have little doubt that Lambeth’s report was issued as a result of our investigation.

All of this raises real questions as to whether Lambeth have set up the appropriate systems to prevent financial mismanagement and fraud.

13.2 UNDECLARED EXPENDITURE

The Local Government Transparency Code 2015 requires Local Authorities to publish all individual items of expenditure exceeding £500. The aim of the Code is to “meet the Government’s desire to place more power into citizens’ hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.”72

During our audit we discovered multiple instances where the invoices published on Lambeth’s website did not match what the suppliers had actually been paid. For example, we examined what Lambeth claimed they had paid to Transport Trading Ltd (a wholly owned subsidiary of TfL) in 2015/2016 and what they had actually paid them. The difference was nearly £3.2m under-declared by Lambeth. In fact in the last 5 years Lambeth have under-declared the amount they paid to Transport Trading Ltd by nearly £8.7m.73

Such inaccuracies highlight serious deficiencies in Lambeth’s reporting systems and would certainly give the impression that they don’t have control of what they are spending. It furthermore undermines the purpose of publishing the list of expenditure in the first place, which is to provide the public with transparency as to how their money is spent.

13.3 CONTRACT WAIVERS

Lambeth’s Standing Orders, which govern how works are procured, require that works should be competitively tendered unless there are exceptional circumstances, there is only one supplier who can carry out the work or it is demonstrably to the council’s benefit not to tender the works. If one of these exceptions can be demonstrated then a waiver to the Standing Order procedures needs to be issued.74

The Peoples’ Audit discovered that Lambeth have been ignoring these Standing Orders on an industrial scale when it comes to re-tendering existing contracts. Appendix 3 shows contracts that we discovered that have been extended rather than re-tendered, necessitating the issue of a waiver. This is not a comprehensive list as we did not set out to find every contract which had been extended.
In many instances the contracts have not been extended for any of the reasons noted in the Standing Orders. In some instances they have been extended purely because a replacement contract has not been put in place.

The worst example of this relates to a staff agency that Lambeth uses, Matrix SCM. The contract in place terminated on 1st January 2016. On 4th February 2016 a Lambeth report requested an extension to the contract for 8 months in the sum of £30M “whilst competition for the replacement of this service is completed”. Then on 22nd December 2016 a further report was issued requesting a further 8 month extension in the sum of £27M as the contract expires on 31st December 2016 and there is no new contract in place. The extension has therefore been requested to ensure business continuity “whilst a new service is procured”.

This has meant that £57M of services were bought without a tender because Lambeth have taken over two years to procure a replacement service.

13.4 APPEARANCE OF PRICE FIXING

We reported to the external auditor two instances of what we have good reason to believe is evidence of price fixing between some of Lambeth’s contractors. In the first instance all four tenderers on a £1.3M project were within 7% of each other. It is unheard of in the building industry for tenders on this size of project to be so close to each other. In the second instance two of the tenderers had identical prices for several items. It is simply unheard of for two contractors to offer identical prices on individual items.

14 ROLE OF THE EXTERNAL AUDITORS

It appears that the evidence of serious failings in Lambeth’s financial management was not picked up by the external auditor, KPMG. Indeed, Lambeth admitted to us that one member of the Peoples’ Audit had asked to see more information than the auditor had, despite KPMG charging £243,000 for their services.

We would expect Lambeth’s external auditors to take their responsibilities particularly seriously. The audit fees for Lambeth are the 10th most expensive for a local authority in the UK, on a par with crisis-ridden Tower Hamlets and metropolitan district councils such as Leeds, Liverpool and Manchester. Public Sector Audit Appointments, the body responsible for appointing auditors to local government, explained to us that the level of the fee “reflect the auditor’s assessment of audit risk and complexity”.

However, right from the start we felt that KPMG weren’t taking our objections seriously. In more than one instance the auditor hadn’t even bothered to read our objections properly. For example, he rejected an objection on the basis that it did not fall within the financial year, when the evidence clearly showed that it did.
KPMG’s Audit Report dated 26th September 2016 states, “We anticipate issuing an unqualified audit opinion on the Authority’s financial statements by 30 September 2016….We have considered whether any of these objections prevent us from issuing our financial statements audit opinion or our value for money conclusion and do not believe that, as presented or raised, they prevent us finalising those two aspects of our work.” Given that at this stage the auditor had not responded to our objections, which included allegations of potential illegality, we find this statement astonishing.

KPMG then go on to say “The Authority has good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.” In relation to fraud, KPMG state “In line with our methodology, we carried out appropriate controls testing and substantive procedures, including over journal entries…. There are no matters arising from this work that we need to bring to your attention.” These statements come despite the glaring issues in governance that we had already highlighted to KPMG.

We reported our findings to KPMG, and having uncovered serious evidence of financial failings in Lambeth, we had hoped that once presented with the evidence Lambeth’s external auditor would take action to protect taxpayers’ money. It is more than evident to us that the lack of governance within Lambeth council is systemic. Sadly KPMG’s attitude to the audit and the objections we raised can only be described as falling far below the professional standards we would expect.

With regards to the payment of a reduced fee to GLL, the auditor’s response was as follows: “To address your second point about the reference to Culture 2020 on the invoice and the implication this was the justification for reducing the GLL management fee. I have obtained written representation from the Council confirming this was an erroneous note made in error and any other arrangements are non-dependent and not connected to the reduction in fee for the existing contract.”

It is remarkable that having found evidence of serious impropriety in the way in which contract terms were changed, the auditor was satisfied with a simple explanation from an officer at Lambeth declaring that everything is OK. It seems simply implausible someone “mistakenly” wrote “Reduced fee Culture 2020” on an invoice as a genuine error, yet the auditor was happy to accept this proposition at face value, without further investigation.

At one stage we even had to correct the auditor’s approach to one of the objections as he did not understand the technical aspects of the objection.

The grounds under which an external auditor can act under the Act are fairly limited. However, given the severity of what we found happening within Lambeth, we did at least expect the external auditor to make a Public Interest Statement. After three requests to see KPMG’s policy on Public Interest Statement, they eventually admitted to us that they did not have a policy. They told us that they were governed in this respect by the National Audit Office’s Code of Audit Practice. This gives no definition of what is considered to be in the public interest. So it would
seem to be left to the whims of the individual auditor as to what is considered to be in the public interest.

Clause 1.6 of the Code of Audit Practice states: “It is not part of the auditor’s responsibilities to question the merits of policy, but the auditor does have wider duties … to scrutinise and report not only upon the truth and fairness of the financial statements but on aspects of public stewardship and the use to which resources have been put. The auditor carries out this work on behalf of the public and in the public interest.” Tragically it now seems that it is left to voluntary groups such as Peoples’ Audit to carry out this task.

15 CONCLUSION

Using the powers of the 2014 Local Audit and Accountability Act, residents of the London Borough of Lambeth have found extensive evidence of financial mismanagement and failings in the council’s financial governance in 2015/16. The results of our investigations suggest the lack of governance within Lambeth Council is systemic.

With much of its work contracted to private companies, Lambeth Council seems ill-equipped to procure and manage these contracts in a consistently robust way. Competitive tendering, which should contribute to the integrity of spending decisions, appears to have been poorly supervised and, in some instances, entirely lacking.

In its dealings with property developers, Lambeth Council similarly appears ill-equipped to ensure the public can trust it is getting value for money. This is particularly worrying given the huge scale of the “regeneration” programme the borough is currently undertaking.

Whatever lies behind this mismanagement – and it is beyond the scope of Lambeth Peoples’ Audit to ascertain its causes - it is clear that the sums involved are significant. Millions of pounds of taxpayers’ money is being wasted.

In the wake of the Grenfell Tower Tragedy, our findings also raise concerns about safety. If, as it appears from our investigations, Lambeth is not in control of its contracts with building and maintenance contractors, how can residents be confident that their homes are safe?

If concrete and brickwork repairs have not been thoroughly checked against invoices, as our report suggests, can residents of council estates in Lambeth be confident that any work on their buildings has been inspected by council officers to ensure it has been properly completed and meets all safety regulations?

Lambeth Council, which describes itself as a “Co-operative council”, could save money and avoid cutting much-needed services if it were more open to public scrutiny and genuine, meaningful engagement with citizens living in the borough.
The findings of the Lambeth Peoples’ Audit also raise questions about the adequacy of audit arrangements following the abolition on the Audit Commission in March 2015.

When he announced his decision to disband this government body in 2010, it was the vision of then Secretary of State for Communities and Local Government Eric Pickles that the Audit Commission would be replaced by a combination of the private sector and an “army of armchair auditors” – members of the public scrutinising their local authorities’ spending decisions.

But the experience of the Lambeth Peoples’ Audit is that Lambeth Council was unable or unwilling to supply information needed for “armchair auditors” to perform a thorough job.

Furthermore, Lambeth Council’s external auditors, KPMG, who are paid £243,000 to scrutinise Lambeth’s accounts on behalf of the public, failed to pick up evidence of serious failings in Lambeth’s accounts. When Lambeth Peoples’ Audit alerted the external auditor to evidence of failings, KPMG appeared not to take them seriously.

If the intention of the 2014 Act was to open local government finance up to robust public scrutiny, the experience in Lambeth is that the arrangements are insufficient.

16 REFERENCES

4 Lambeth council officer e-mail to Peoples’ Audit dated 26th August 2016 “I met with relevant service directors yesterday…… and I can now confirm that they would not like to take up your offer.”
5 Lambeth council officer e-mails to Peoples’ Audit dated 15th and 27th July 2016 and 26th August 2016
6 Lambeth council officer e-mail to Peoples’ Audit dated 4th August 2016
8 https://lambethnews.wordpress.com/2014/06/20/community-design-to-start-on-lambeths-your-new-town-hall-project/
10 https://www.whatdotheyknow.com/request/property_being_sold_for_your_new#incoming-824650
11 http://futurebrixton.org/map/
12 Lambeth council officer e-mail dated 14th November 2016
13 https://www.whatdotheyknow.com/request/lambeth_offices

14 https://www.constructionnews.co.uk/projects/project-reports/morgan-sindalls-lambeth-metamorphosis/10018876.article

15 Lambeth FOI response dated 23rd August 2016

16 Lambeth FOI response dated 23rd February 2017

17 Lambeth FOI response dated 23rd February 2017

18 Lambeth FOI response dated 23rd February 2017

19 http://www.constructionenquirer.com/2015/02/03/tender-forecasts-rise-as-contractors-turn-the-screw/

20 Lambeth FOI response dated 23rd February 2017


22 Lambeth FOI response dated 4th April 2017

23 Lambeth FOI response dated 23rd February 2017

24 https://www.whatdotheyknow.com/request/new_town_hall_funding_sources#incoming-981838

25 https://www.whatdotheyknow.com/request/ps83m_reserve#incoming-929170


27 Lambeth FOI response dated 31st October 2016

28 Lambeth FOI response dated 23rd February 2017

29 https://www.london.gov.uk/decisions/dd1365-mayor%E2%80%99s-housing-covenant-%E2%80%93-pocket-homes-update

30 https://www.london.gov.uk/decisions/dd1365-mayor%E2%80%99s-housing-covenant-%E2%80%93-pocket-homes-update


32 Lambeth FOI response dated 18th January 2017; Prices paid for land—Land Registry Titles TGL436688, TGL438674 and TGL438675

33 https://www.pocketliving.com/bucket/pocket/developments/current/21_57d304c64ef69.pdf
https://www.pocketliving.com/bucket/pocket/developments/current/19_57d91c02cfc2f.pdf

34 Land Registry Title TGL436688 Charges Register

35 https://beta.companieshouse.gov.uk/company/04538848/filing-history

36 https://www.forbes.com/profile/stephen-ross/
https://beta.companieshouse.gov.uk/company/OC385056/filing-history

https://beta.companieshouse.gov.uk/company/OC385056/filing-history

http://d3n8a8pro7vhmx.cloudfront.net/labourclp132/pages/59/attachments/original/1397750146/LambethLabourManifesto.pdf?1397750146

Lambeth Statement of Accounts 2015/2016 Page 66


https://icasework.lambeth.gov.uk/cus/servlet/ep.getImg?ref=DIR172402&auth=10002


Lambeth consultant’s e-mail to Peoples’ audit dated 9th December 2014


Lambeth FOI response dated 3rd October 2016

Lambeth FOI response dated 7th March 2017


https://www.theguardian.com/books/2016/may/22/lambeth-council-closed-libraries-security-guards

Lambeth council officer e-mail to Peoples’ Audit dated 11th August 2016

https://www.whatdotheyknow.com/request/reduced_fee_gll#incoming-874331

moderngov.lambeth.gov.uk/documents/s77362/Culture%202020%20Cabinet%20Report.pdf p44 point 9.6


Lambeth Draft Statement of Accounts 2015/2016 Page 38

Lambeth Statement of Accounts 2015/2016 Page 40

Lambeth Draft Statement of Accounts 2015/2016 (Page 38) & Statement of Accounts (Page 40)


Lambeth Statement of Accounts 2015/2016 Page 41


Lambeth Statement of Accounts 2015/2016 Page 39
CIPFA article “Signs of suspicious bidding patterns may include… different bids with identical prices” http://www.publicfinance.co.uk/feature/2017/02/dont-be-deceived-how-spot-and-stop-bid-rigging

KPMG audit report 2015/2016 Page 29

http://www.psaa.co.uk/audit-and-certification-fees/2015/16-work-programme-and-scales-of-fees/individual-fees-for-local-government-bodies/

KPMG response to Peoples’ Audit dated 23rd August 2016

KPMG response to Peoples’ Audit dated 20th November 2016

Peoples’ Audit e-mail dated 24th January 2017
**APPENDIX 1-OFFICER REMUNERATION**

### Sa. Officers’ Remuneration

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Year</th>
<th>Salary, Fees &amp; Allowances</th>
<th>Expense Allowances</th>
<th>Total Remuneration excl employers’ pension contributions</th>
<th>Employer pension contributions</th>
<th>Election Payment (Inc pension)</th>
<th>Total Remuneration incl employers’ pension contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derrick Anderson</td>
<td>2015/16</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Former Chief Executive</td>
<td>2014/15</td>
<td>194,806</td>
<td>0</td>
<td>194,806</td>
<td>24,327</td>
<td>15,460</td>
<td>234,593</td>
</tr>
<tr>
<td>Sean Harries</td>
<td>2015/16</td>
<td>180,000</td>
<td>0</td>
<td>180,000</td>
<td>30,972</td>
<td>0</td>
<td>210,972</td>
</tr>
<tr>
<td>Chief Executive</td>
<td>2014/15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Guy Ware *</td>
<td>2013/16</td>
<td>62,787</td>
<td>0</td>
<td>62,787</td>
<td>10,653</td>
<td>0</td>
<td>73,440</td>
</tr>
<tr>
<td>Former Strategic Director, Enabling</td>
<td>2014/15</td>
<td>155,190</td>
<td>0</td>
<td>155,190</td>
<td>26,072</td>
<td>0</td>
<td>181,262</td>
</tr>
<tr>
<td>Jacqueline Bolton</td>
<td>2015/16</td>
<td>152,190</td>
<td>0</td>
<td>152,190</td>
<td>10,751</td>
<td>0</td>
<td>162,941</td>
</tr>
<tr>
<td>Strategic Director, Corporate Resources</td>
<td>2014/15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Helen Charlesworth-May</td>
<td>2015/16</td>
<td>152,190</td>
<td>0</td>
<td>152,190</td>
<td>25,568</td>
<td>0</td>
<td>177,758</td>
</tr>
<tr>
<td>Strategic Director - Commissioning</td>
<td>2014/15</td>
<td>152,190</td>
<td>0</td>
<td>152,190</td>
<td>25,568</td>
<td>0</td>
<td>177,758</td>
</tr>
<tr>
<td>Susan Foster</td>
<td>2015/16</td>
<td>152,190</td>
<td>0</td>
<td>152,190</td>
<td>25,568</td>
<td>0</td>
<td>177,758</td>
</tr>
<tr>
<td>Executive Director – Housing, Regeneration &amp; Environment</td>
<td>2014/15</td>
<td>152,190</td>
<td>0</td>
<td>152,190</td>
<td>25,568</td>
<td>0</td>
<td>177,758</td>
</tr>
<tr>
<td>Dr. Ruth Wallis §</td>
<td>2015/16</td>
<td>150,577</td>
<td>0</td>
<td>150,577</td>
<td>20,431</td>
<td>0</td>
<td>171,008</td>
</tr>
<tr>
<td>Joint Health Executive Director - Lambeth and Southwark</td>
<td>2014/15</td>
<td>150,577</td>
<td>0</td>
<td>150,577</td>
<td>19,329</td>
<td>0</td>
<td>169,906</td>
</tr>
<tr>
<td>Sir Craig Tunstall §</td>
<td>2015/16</td>
<td>330,394</td>
<td>0</td>
<td>330,394</td>
<td>43,758</td>
<td>0</td>
<td>374,152</td>
</tr>
<tr>
<td>Federation of Kingswood &amp; Elwood Primary Schools and Children’s Centres</td>
<td>2014/15</td>
<td>279,922</td>
<td>0</td>
<td>279,922</td>
<td>39,463</td>
<td>0</td>
<td>319,385</td>
</tr>
</tbody>
</table>

2. Guy Ware left the Council in August 2013 and was replaced by J Betton who joined the Council in October 2015.
3. Ruth Wallis. The post is shared equally with LB Southwark, and the Council’s share of total remuneration and contribution to the pension fund is £75,280 and £10,216 respectively. This is based on information Lambeth obtained from Southwark.
4. Craig Tunstall is included, despite being a school employee, due to the nature of schools that are not academies or free schools falling within the Group Boundaries of local government. These group boundaries are defined by regulation and interpreted by Chartered Institute of Public Finance & Accountancy (CIPFA).
## Appendix 2 Capital Investment Programme

<table>
<thead>
<tr>
<th>Community Outcome</th>
<th>Total CIP</th>
<th>2015-16 Original Budget</th>
<th>2015-16 Revised Budget</th>
<th>2015-16 Outturn</th>
<th>CIP Outturn 2015/16</th>
<th>Outturn Variance to Original Budget</th>
<th>Outturn Variance to Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vulnerable Children and Adults get the Support and Protection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expansion and Enhancement of Special Educational Needs Facilities</td>
<td>17,084</td>
<td>10,401</td>
<td>6,449</td>
<td>4,363</td>
<td>(6,032)</td>
<td>(0,032)</td>
<td>(0,293)</td>
</tr>
<tr>
<td>Improvement of Social Care Provision</td>
<td>11,375</td>
<td>8,560</td>
<td>5,360</td>
<td>3,623</td>
<td>(4,937)</td>
<td>(1,377)</td>
<td>(0,496)</td>
</tr>
<tr>
<td>Overall, disabled and Vulnerable People can live independent lives and have control over their lives:</td>
<td>5,709</td>
<td>1,041</td>
<td>1,059</td>
<td>746</td>
<td>(1,059)</td>
<td>(0,904)</td>
<td>(0,245)</td>
</tr>
<tr>
<td>Home Improvements for Vulnerable Residents</td>
<td>21,133</td>
<td>14,091</td>
<td>20,563</td>
<td>12,662</td>
<td>(4,262)</td>
<td>(1,462)</td>
<td>(2,740)</td>
</tr>
<tr>
<td>Home Improvements for Vulnerable Residents (HRA)</td>
<td>18,383</td>
<td>13,035</td>
<td>18,383</td>
<td>11,055</td>
<td>(8,055)</td>
<td>(7,304)</td>
<td>(2,360)</td>
</tr>
<tr>
<td><strong>All Young People have opportunities to achieve their ambitions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expansion and Enhancement of Primary Schools</td>
<td>30,917</td>
<td>37,502</td>
<td>33,041</td>
<td>25,351</td>
<td>(12,151)</td>
<td>(7,290)</td>
<td>(3,528)</td>
</tr>
<tr>
<td>Expansion and Enhancement of Secondary Schools</td>
<td>56,462</td>
<td>33,276</td>
<td>29,062</td>
<td>21,158</td>
<td>(12,118)</td>
<td>(7,904)</td>
<td>(4,930)</td>
</tr>
<tr>
<td>Investment in Waste and Recycling</td>
<td>27,430</td>
<td>98</td>
<td>138</td>
<td>352</td>
<td>(254)</td>
<td>(214)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>People take greater responsibility for their neighbourhood</strong></td>
<td>7,025</td>
<td>4,125</td>
<td>3,841</td>
<td>3,841</td>
<td>(0,027)</td>
<td>(0,027)</td>
<td>(0,027)</td>
</tr>
<tr>
<td>Creation and Enhancement of Community-run Buildings</td>
<td>3,658</td>
<td>490</td>
<td>1,468</td>
<td>1,029</td>
<td>539</td>
<td>(439)</td>
<td></td>
</tr>
<tr>
<td>Investment in Waste and Recycling</td>
<td>1,161</td>
<td>303</td>
<td>361</td>
<td>108</td>
<td>(195)</td>
<td>(253)</td>
<td></td>
</tr>
<tr>
<td><strong>All Lambeth Communities feel they are valued and part of their neighbourhood</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in Libraries and Community Hubs</td>
<td>9,048</td>
<td>3,192</td>
<td>1,886</td>
<td>1,787</td>
<td>(1,409)</td>
<td>(99)</td>
<td></td>
</tr>
<tr>
<td>Enhancement of Community-run Buildings</td>
<td>1,153</td>
<td>953</td>
<td>107</td>
<td>57</td>
<td>(90)</td>
<td>(50)</td>
<td></td>
</tr>
<tr>
<td>Investment in Culture and Heritage</td>
<td>2,497</td>
<td>187</td>
<td>1,107</td>
<td>921</td>
<td>734</td>
<td>(136)</td>
<td></td>
</tr>
<tr>
<td><strong>People live, work and visit our vibrant and creative town centres</strong></td>
<td>23,965</td>
<td>15,422</td>
<td>13,798</td>
<td>12,792</td>
<td>(2,620)</td>
<td>(1,006)</td>
<td></td>
</tr>
<tr>
<td>Resurfacing of Footways and Carriageways</td>
<td>14,667</td>
<td>9,992</td>
<td>10,078</td>
<td>10,034</td>
<td>42</td>
<td>(44)</td>
<td></td>
</tr>
<tr>
<td>Enhancement of Streetscapes and Public Spaces</td>
<td>9,298</td>
<td>5,430</td>
<td>3,720</td>
<td>2,758</td>
<td>(2,672)</td>
<td>(962)</td>
<td></td>
</tr>
<tr>
<td><strong>People are healthier, for longer</strong></td>
<td>12,350</td>
<td>6,420</td>
<td>2,977</td>
<td>1,858</td>
<td>(4,562)</td>
<td>(1,119)</td>
<td></td>
</tr>
<tr>
<td>Investment in Parks and Open Spaces</td>
<td>4,153</td>
<td>3,996</td>
<td>2,844</td>
<td>1,637</td>
<td>(2,368)</td>
<td>(1,207)</td>
<td></td>
</tr>
<tr>
<td>Investment in Leisure Centres</td>
<td>7,773</td>
<td>0</td>
<td>23</td>
<td>210</td>
<td>197</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Health Projects</td>
<td>2,424</td>
<td>2,425</td>
<td>110</td>
<td>11</td>
<td>(2,414)</td>
<td>(99)</td>
<td></td>
</tr>
<tr>
<td>Crime Reduction</td>
<td>152</td>
<td>55</td>
<td>55</td>
<td>53</td>
<td>(0)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Community Safety Projects</td>
<td>152</td>
<td>55</td>
<td>55</td>
<td>53</td>
<td>(0)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td><strong>People lead environmentally sustainable lives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creation of Cycling Infrastructure</td>
<td>8,021</td>
<td>1,522</td>
<td>4,824</td>
<td>1,180</td>
<td>(342)</td>
<td>(342)</td>
<td></td>
</tr>
<tr>
<td>Enhancement Of Street Lighting</td>
<td>1,621</td>
<td>1,522</td>
<td>1,621</td>
<td>1,080</td>
<td>(442)</td>
<td>(541)</td>
<td></td>
</tr>
<tr>
<td><strong>Lambeth residents have more opportunities for better quality homes</strong></td>
<td>246,391</td>
<td>147,895</td>
<td>112,673</td>
<td>78,309</td>
<td>(63,586)</td>
<td>(34,364)</td>
<td></td>
</tr>
<tr>
<td>Investment in Lambeth Housing Standard Boroughwide (HRA)</td>
<td>208,087</td>
<td>121,068</td>
<td>94,112</td>
<td>64,899</td>
<td>(56,169)</td>
<td>(29,213)</td>
<td></td>
</tr>
<tr>
<td>Housing Development Projects</td>
<td>8,342</td>
<td>5,974</td>
<td>4,467</td>
<td>3,897</td>
<td>(4,377)</td>
<td>(770)</td>
<td></td>
</tr>
<tr>
<td>Housing Development Projects</td>
<td>22,784</td>
<td>16,789</td>
<td>7,301</td>
<td>2,994</td>
<td>(13,795)</td>
<td>(4,307)</td>
<td></td>
</tr>
<tr>
<td>Investment in Property Reserves</td>
<td>401</td>
<td>261</td>
<td>166</td>
<td>11</td>
<td>(250)</td>
<td>(155)</td>
<td></td>
</tr>
<tr>
<td>Housing. Estate Facilities (RESA)</td>
<td>6,545</td>
<td>3,648</td>
<td>6,395</td>
<td>6,276</td>
<td>2,628</td>
<td>(119)</td>
<td></td>
</tr>
<tr>
<td>Housing Community Facilities (HRA)</td>
<td>232</td>
<td>155</td>
<td>232</td>
<td>232</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>People live, work and visit our vibrant and creative town centres</strong></td>
<td>6,795</td>
<td>4,795</td>
<td>4,077</td>
<td>3,081</td>
<td>(1,604)</td>
<td>(604)</td>
<td></td>
</tr>
<tr>
<td>Strategic Transport Infrastructure</td>
<td>2,430</td>
<td>0</td>
<td>2,430</td>
<td>2,430</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lambeth Town Centres' Regeneration</td>
<td>4,275</td>
<td>1,750</td>
<td>1,647</td>
<td>801</td>
<td>(945)</td>
<td>(845)</td>
<td></td>
</tr>
<tr>
<td><strong>Enabling</strong></td>
<td>16,376</td>
<td>2,009</td>
<td>14,419</td>
<td>13,600</td>
<td>10,781</td>
<td>(189)</td>
<td></td>
</tr>
<tr>
<td>Investment in Corporate Office Accommodation</td>
<td>14,893</td>
<td>1,625</td>
<td>13,640</td>
<td>13,065</td>
<td>11,440</td>
<td>(575)</td>
<td></td>
</tr>
<tr>
<td>Improvement of Council IT Infrastructure</td>
<td>1,483</td>
<td>1,184</td>
<td>779</td>
<td>535</td>
<td>(649)</td>
<td>(244)</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>455,800</td>
<td>241,543</td>
<td>216,227</td>
<td>156,221</td>
<td>(85,328)</td>
<td>(60,006)</td>
<td></td>
</tr>
</tbody>
</table>
## APPENDIX 3 SUMMARY OF CONTRACT EXTENSION WAIVERS—2015/2016

<table>
<thead>
<tr>
<th>Date</th>
<th>Contract Description</th>
<th>Extension Value</th>
<th>Link</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>23/04/2015</td>
<td>Extension of ECHarris contract for consultancy works on new town hall</td>
<td>£222,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s73444/674-%20-YNT%20ECH%20Waiver%20150326%20v4.pdf">https://moderngov.lambeth.gov.uk/documents/s73444/674-%20-YNT%20ECH%20Waiver%20150326%20v4.pdf</a></td>
<td>£222K extension to a £106K contract</td>
</tr>
<tr>
<td>05/05/2015</td>
<td>Temporary boiler to Brixton Rec</td>
<td>£156,009.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s74884/03-20Single%20Report%20-20-Brixton%20Rec%20Boiler%20Revised%205%202015%20v3.docx.pdf">https://moderngov.lambeth.gov.uk/documents/s74884/03-20Single%20Report%20-20-Brixton%20Rec%20Boiler%20Revised%205%202015%20v3.docx.pdf</a></td>
<td></td>
</tr>
<tr>
<td>05/05/2015</td>
<td>Extension for short break service for children with disabled</td>
<td>£596,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s73763/Short%20Breaks%20Final%20Report.pdf">https://moderngov.lambeth.gov.uk/documents/s73763/Short%20Breaks%20Final%20Report.pdf</a></td>
<td>Contract has already been extended four times</td>
</tr>
<tr>
<td>24/07/2015</td>
<td>Extension of parking enforcement contract</td>
<td>£2,500,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/(S(1byccn45dfcew3bpl23c55)/documents/s76962/Parking%20Management%20Services%20Extension%20-20-Lots%202012.pdf">https://moderngov.lambeth.gov.uk/(S(1byccn45dfcew3bpl23c55)/documents/s76962/Parking%20Management%20Services%20Extension%20-20-Lots%202012.pdf</a></td>
<td>Contract already extended once in 2013; further extension sought; new contract not in place</td>
</tr>
<tr>
<td>11/11/2015</td>
<td>Extension of consultants contracts for estate regeneration</td>
<td>£434,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s77974/735-%20Waiver%20ERP%20Architects%20Extensions%20v4-%20Part%201.docx.pdf">https://moderngov.lambeth.gov.uk/documents/s77974/735-%20Waiver%20ERP%20Architects%20Extensions%20v4-%20Part%201.docx.pdf</a></td>
<td>110% increase on original budget</td>
</tr>
<tr>
<td>17/11/2015</td>
<td>Extension to contract for supported housing for young people</td>
<td>£766,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s78129/Supported%20Housing%20for%20Young%20People%20-%20October%202015%20March%202016.pdf">https://moderngov.lambeth.gov.uk/documents/s78129/Supported%20Housing%20for%20Young%20People%20-%20October%202015%20March%202016.pdf</a></td>
<td>Current contracts had already expired prior to seeking approval for the waiver</td>
</tr>
<tr>
<td>Date</td>
<td>Description</td>
<td>Cost (£)</td>
<td>Link</td>
<td>Notes</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>24/12/2015</td>
<td>Extension to contract for aids and adaptations</td>
<td>£340,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s78750/24122015Aids%20and%20Adaptations%20Works%20Order%20placement%20FV6.pdf">https://moderngov.lambeth.gov.uk/documents/s78750/24122015Aids%20and%20Adaptations%20Works%20Order%20placement%20FV6.pdf</a></td>
<td>Contract already extended once in 2014; a further extension is being sought; procurement started but was abandoned due to lack of resources and restructuring</td>
</tr>
<tr>
<td>11/03/2016</td>
<td>Extension to contract for HIV counselling</td>
<td>£40,000.00</td>
<td><a href="https://www.whatdotheyknow.com/request/317038/response/781319/attachment/2/Response%20all%20information%20to%20be%20supplied.pdf">https://www.whatdotheyknow.com/request/317038/response/781319/attachment/2/Response%20all%20information%20to%20be%20supplied.pdf</a></td>
<td>-</td>
</tr>
<tr>
<td>02/04/2016</td>
<td>Extension to SCM contract for agency workers</td>
<td>£30,000,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s79517/Extension%20of%20Temporary%20Agency%20Worker%20Contract%2004022016%20MDV.pdf">https://moderngov.lambeth.gov.uk/documents/s79517/Extension%20of%20Temporary%20Agency%20Worker%20Contract%2004022016%20MDV.pdf</a></td>
<td>Current contract expired before waiver was sought. No arrangements in place to re-tender works</td>
</tr>
<tr>
<td>05/04/2016</td>
<td>Extension of contract for supported housing for vulnerable adults</td>
<td>£354,000.00</td>
<td><a href="https://moderngov.lambeth.gov.uk/documents/s80325/ODR%20-%20VAP%202016%20%20South%20Patch.pdf">https://moderngov.lambeth.gov.uk/documents/s80325/ODR%20-%20VAP%202016%20%20South%20Patch.pdf</a></td>
<td>Current contract expired before waiver was sought</td>
</tr>
<tr>
<td></td>
<td>Contracts noted as being extended via waiver but officer delegated decision not publically available; Refer to Lambeth 2015-2018</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Procurement Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landesk service desk- C001084</td>
<td>£18,000.00</td>
<td></td>
<td>3 month extension</td>
<td></td>
</tr>
<tr>
<td>Legal services- Devonshires- short life housing- C004942</td>
<td>£187,500.00</td>
<td>Extension from Nov 2014 to Sep 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Software- Northgate- C003648</td>
<td>£10,000,000.00</td>
<td>Expired Feb 2015; 5 year extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational Health- Capita- C003023</td>
<td>£25,000.00</td>
<td>2 month extension as new contract not in place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asbestos Consultancy- Armstrong- C004611</td>
<td></td>
<td>Contract expired-length of extension unknown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Risk Assessment- Hunters- C004682</td>
<td></td>
<td>Contract expired-length of extension unknown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Translation- Face to Face- C004224</td>
<td></td>
<td>Length of extension unknown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment collection- Coop-C004670</td>
<td></td>
<td>Two year extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Payment Banking Automation- C004253</td>
<td>£11,870.00</td>
<td>Two year extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground refuse pods</td>
<td></td>
<td></td>
<td>Contract expired 2013</td>
<td></td>
</tr>
<tr>
<td>Transport Olympic South- C005067-002</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Lambeth Peoples’ Audit 2015/16

Published by Lambeth Peoples’ Audit Ltd Company No. 10836982
<table>
<thead>
<tr>
<th>Service/Project</th>
<th>Cost</th>
<th>Contract Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport-A</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in place-6 month extension</td>
</tr>
<tr>
<td>Transport-C005052-002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advice Service-Centre 70-C005072-001</td>
<td>£55,000.00</td>
<td>One year extension</td>
</tr>
<tr>
<td>Provision of Hub-West London Mission-C005119-001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistive Technology-Red Alert-C005106-002</td>
<td>£37,500</td>
<td>One year extension</td>
</tr>
<tr>
<td>Transport-Access Mobility-C005056-002</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in place-6 month extension</td>
</tr>
<tr>
<td>Transport-Kendall-C005066-002</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in place-6 month extension</td>
</tr>
<tr>
<td>Transport-Kelly-C005061-002</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in place-6 month extension</td>
</tr>
<tr>
<td>Transport-Beckett-C005057-002</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in place-6 month extension</td>
</tr>
<tr>
<td>Transport-CCH-C005058-002</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in place-6 month extension</td>
</tr>
<tr>
<td>Service Description</td>
<td>Cost</td>
<td>Contract Status</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Rough Sleepers Project-St Mungos-C004313-002</td>
<td>£485,000.00</td>
<td>One year extension</td>
</tr>
<tr>
<td>Rough Sleepers Project-St Mungos-C004314-002</td>
<td>£213,525.00</td>
<td>One year extension</td>
</tr>
<tr>
<td>Transport-LadyCARS-C005062-002</td>
<td>£57,666.50</td>
<td>Contract expired-new contract not in place-6 month extension</td>
</tr>
<tr>
<td>Age Concern handyperson-C002832-007</td>
<td></td>
<td>Contract extended-Procurement in progress</td>
</tr>
<tr>
<td>Citizens advice bureau-C004667-002</td>
<td></td>
<td>New contract in place via waver</td>
</tr>
<tr>
<td>Welfare advice-Waterloo Action Centre-C004664-002</td>
<td></td>
<td>New contract in place via waver</td>
</tr>
<tr>
<td>Welfare advice-Centre 70-C004665-003</td>
<td></td>
<td>New contract in place via waver</td>
</tr>
<tr>
<td>Welfare advice-Brixton Advice Centre-C004668-003</td>
<td></td>
<td>New contract in place via waver</td>
</tr>
<tr>
<td>Welfare advice-Lambeth Law Centre-C004663-002</td>
<td></td>
<td>New contract in place via waver</td>
</tr>
<tr>
<td>Assistive Technology-Tunstall-C005094-002</td>
<td>£75,000.00</td>
<td>One year extension</td>
</tr>
<tr>
<td>Transport-CT Plus-C005085-001</td>
<td>£4,058,706</td>
<td>Two year extension</td>
</tr>
</tbody>
</table>

Notes: The above list shows contracts extended by waiver in the financial year 2015/2016. This represents information which is publically available—there may be further waivers in place which are not publically available.