

From:
Sent: 10 August 2017 12:37
To:
Cc: PublicInspection <PublicInspection@lambeth.gov.uk>
Subject: RE: Inspection of Lambeth Council Accounts 2016/17 - Unlawful payments (?)

Dear

Please find attached data supporting Notes 35 and 36 to the 2016/17 Statement of Accounts, as requested.

Also, here is the link to where published reports on S106 and CIL can be found.
<https://www.lambeth.gov.uk/planning-and-building-control/section-106-planning-obligations-monitoring-reports>

We will look into your comments below regarding payments and contracts and get back to you with a response. It may take some time to look into all of these. I will liaise with colleagues in Finance and Procurement regarding this. This will go beyond the end of this week but we will get back to you with a response as soon as we can. I am aware tomorrow is the deadline for objections to be made to the auditor.

Kind Regards,

**Group Manager – Financial Standards &
Reporting Corporate Finance
Financial Planning & Management
Finance – Corporate Resources
London Borough of Lambeth
web site: www.lambeth.gov.uk**

Lambeth - a co-operative council

From:
Sent: 10 August 2017 00:12
To: PublicInspection <PublicInspection@lambeth.gov.uk>
Subject: Inspection of Lambeth Council Accounts 2016/17 - Unlawful payments (?)

Group Manager

Dear

Excuse the number of e-mails but time is short and I'm still waiting for the housing stock data and cost coding information.

Thanks once again for the 'Lambeth Contracts Register F' which was the type of information I was expecting. Below is a preliminary analysis showing payments over £5m to suppliers in 2016/17 that MAY, in part, be unlawful.

I have taken the contracts register provided at face value but it is clear there are omissions. The London Contract Register contains a £125m contract for Veolia and £139m and £80m contracts for Apollo Property Services Group. These were missing from the contracts register provided.

I will be registering formal objections to the accounts for ANY significant payment to a supplier in 2016/17 that appears at odds with the contracts information provided on the register. To avoid wasting time later, I would welcome a prompt response on any related matters that finance/procurement staff wish to bring to my attention.

If there are corrections to be made, then it would be better if the job was done properly and not rushed. Should staff require more time to achieve that please let me know.

Payments of over £5m to suppliers in 2016/17 that may, in part, be unlawful

- Muse Developments Ltd (£32.6m in 2016/17)
C004734 contract value £8m
- Matrix SCM Ltd (£25.3m paid in 2016/17)
Only one contract CF004927C (January 2017) on register with value £27m but over a hundred million paid in previous years; £20.8m paid in 2015/16 etc.
- Apollo Property Services Group Ltd (£13.3m paid in 2016/17)
Not mentioned on register
- NHS Lambeth Clinical Commissioning Group (£13.9m paid in 2016/17)
Only one contract (January 2017) mentioned on register value £150k
- Transport trading Ltd (£12.9m paid in 2016/17)
No contract on the register
(I had a discussion with Lambeth finance staff last year and know what these payments are supposed to be for and that other councils also pay them. However, I have yet to see ANY contractual or monitoring documents that I would expect to see with payments on this scale. I have requested underpinning data for Lambeth's payments via TfL/GLA but have not yet received that data.)
- Guys & St Thomas NHS Foundation Trust (£10.9m paid in 2016/17)
Two contracts on register of values £1.4m and £109k
- Capita Business Services Ltd (£9.7m paid in 2016/17)
Recorded contract value on register states £300m. However annual value is stated as £5m and duration is 10 years which appears inconsistent.
- Elliott Group (£8.4m paid in 2016/17)
Recorded contract value is £9.9m (2014 to 2018) however £7.5m was paid in 2015/16 and at least £13.5m previously
- FM Conway Ltd (£7.4m paid in 2016/17)
Not mentioned on register
- Cofely Workplace (£7m paid in 2016/17)
Not mentioned on register
- Extraspace Solutions (UK)Ltd (£6.8m paid in 2016/17)
Not mentioned on register

- Midos Estates Ltd (£6.3m paid in 2016/17)
Not mentioned on register
- Denham International (£5.1m paid in 2016/17)
Not mentioned on register

Kind regards