

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Thursday, 5 February 2015 at 7.00 pm

PRESENT: Councillors Jamie Milne (Chair), Abdeslam Amrani, Chris Barnham, Ami Ibitson, Mark Ingleby, Roy Kennedy, Helen Klier, Jim Mallory, John Muldoon, Crada Onuegbu and Alan Hall

APOLOGIES: None.

ALSO PRESENT: David Austin (Head of Corporate Resources), Councillor Kevin Bonavia (Cabinet Member Resources), Aileen Buckton (Executive Director for Community Services), Mayor Sir Steve Bullock (Mayor), Charlotte Dale (Overview and Scrutiny Manager), Alan Docksey (Head of Resources & Performance, CYP), Rob Holmans (Director of Regeneration and Asset Management), Mark Humphreys (Group Finance Manager, Customer Services), Genevieve Macklin (Head of Strategic Housing), Barrie Neal (Head of Corporate Policy and Governance), Georgina Nunney (Principal Lawyer), Roger Raymond (Scrutiny Manager), Justine Roberts (Change and Innovation Manager), Janet Senior (Executive Director for Resources & Regeneration), Kevin Sheehan (Executive Director for Customer Services), Ian Smith (Director Children's Social Care) (Directorate for Children & Young People, LBL), Selwyn Thompson (Group Finance Manager – Budget), Warwick Tomsett (Head of Commissioning Strategy & Performance, Resources, CYP), Katie Wood (Scrutiny Manager).

1. Minutes of the meeting held on 10 December 2014

1.1 RESOLVED: That the minutes of the meeting held on 10 December 2014 be signed as an accurate record of the meeting.

2. Declarations of interest

2.1 The following non-pecuniary declarations of interest were declared:

Councillor Muldoon - lead governor of SLAM NHS Foundation Trust & member of Labour's Finance and Industry Group.

Councillor Alan Hall - Phoenix Community Housing Board Member.

Councillor Onuegbu - SLAM NHS Foundation Trust Board Member.

Councillor Ingleby – Chair of the Friends of Grove Park Nature Reserve.

3. 2015/16 Budget Report

- 3.1 Sir Steve Bullock (Mayor of Lewisham) addressed the Committee, highlighting the following key points:
- The overall gap between available resources and required expenditure is £39m.
 - There are £28m of savings earmarked for next year, with £1.5m of those a carry-over from last year.
 - Some of the required expenditure will be covered by using the Council's reserves.
 - Some of the overspend over the past year is due to unforeseen demand-driven expenditure during the year, such as the increase in those who have declared themselves homeless and in temporary accommodation.
- 3.2 Councillor Kevin Bonavia (Cabinet Member Resources) addressed the Committee, highlighting the following key points:
- The Council would still need to look at further budget savings in later years due to the cuts in Government grant.
 - The Coalition Government's policy in areas such as No Recourse to Public Funds and Welfare Reform is causing some of the budgetary pressures.
 - There is a danger that some of the budgetary pressures could become structural.
- 3.3 Cllr Alan Hall (Chair of Overview & Scrutiny) spoke to the Committee, highlighting the following key points:
- The budgetary process that Lewisham has embarked on has never occurred in Lewisham's history, with the Government grant being cut by a third, causing significant savings to be made.
 - The downward trajectory of spending is a result of the politics of 'austerity' by the Coalition Government.
 - The budgetary process is unique to Lewisham, with extensive pre-decision scrutiny of the proposed budget.
 - Staff should be thanked for their work in co-ordinating such a difficult process.
 - Budget savings updates need to be considered by the relevant Select Committees.
 - Staff needed to be supported through the changes and concerns raised about the changes needed to be addressed.
 - The Budget process needed to be evaluated to see what went well; and learn lessons from what could have been done better.
- 3.4 David Austin (Head of Corporate Resources) introduced the budget element of the report, highlighting the following key points:
- The proposed Capital Programme (General Fund and Housing Revenue Account) budget for 2015/16 to 2018/19 of £424.3m, of which £132.7m is for 2015/16.
 - The provisional Dedicated Schools Grant allocation of £275.8m and a separate Pupil Premium allocation of £18.2m for 2015/16.

- In respect of the General Fund, the assumed net revenue expenditure budget of £245.5m. This is made up of provisional Settlement Funding from government of £159.3m (grant and business rates), forecast Council Tax receipts, and a surplus on collection of Council Tax in previous years from the Collection Fund.

Reports of the Youth Service and Public Health Working Groups

- 3.5 Councillor Johnston-Franklin addressed the Committee in relation to the Youth Service Working Group. The key points to note were:
- Base savings of £1.4m were proposed for the Youth Service with further savings programmed for future years (for which there were a number of options, including setting up an Employee Led Mutual).
 - The Working Group was set up to look at these proposals and their implications in more depth.
 - The Working Group came up with a number of recommendations including ensuing further scrutiny of the detailed business plan that would be drawn up in relation to the potential mutualisation of the Youth Service.
 - It was important that, should the Employee Led Mutual not be viable, other options for the future of the Youth Service would remain on the table.
- 3.6 It was noted that the Children and Young People Select Committee had met last night and recommended that, in relation to Recommendation 1 in the Youth Service Working Group report, all councillors should be kept updated on progress, and not just the ward members for Ladywell and Perry Vale.
- 3.7 Councillor Muldoon addressed the Committee in relation to the Public Health Working Group, spoke about the breadth of services encompassed by public health and about the views of Clinical Commissioning Group in relation to the savings proposals.
- 3.8 The following was noted:
- The Chair thanked the Working Groups for Public Health and Youth Service for the work they have done.
 - Members of the Committee agreed that all councillors should be updated on progress in terms of finding alternative providers for youth provision at Ladywell Youth Village and Rockbourne Youth Centre, not just the ward members for Ladywell and Perry Vale.

Sustainable Development and Safer, Stronger Communities Select Committees Referrals

- 3.9 The following was noted:
- Savings Proposal N1: Councillors were concerned about the expertise within, and capacity of, the park user groups and whether the proposed changes could therefore be delivered. The Mayor commented that it would not be unreasonable to delay the part of the

savings proposal relating to engaging user groups and generating income and implement these in-year once further, more detailed information was available.

- The Committee endorsed the Sustainable Development Select Committee referral and recommended that Mayor and Cabinet should take the concerns of the Sustainable Development Select Committee into consideration before making their decision.
- Savings Proposal G1c: Councillors requested clarification on the administrative costs to the Council in relation to the Blue Badge scheme.

Budget Saving L3:

3.10 Aileen Buckton (Executive Director for Community Services), introduced the report. The key points to note were:

- The Arts Development budget is to be reduced by £40,000. This funding is currently unallocated and would have been used for development projects. The service will retain the Festival Fund and funding for Black History Month.
- Glass Mill car park income – there is a £35,000 new income target for the Glass Mill Car Park which is now operational (the council holds the freehold and is entitled to a percentage of the income).

3.11 The following was noted:

- The Committee commended the proposal to retain the Festival Fund and funding for Black History Month.
- The Council would be able to be creative with the Arts Development budget to use in the necessary areas, even though it is being reduced by £40,000.

Budget Saving L4:

3.12 Aileen Buckton (Executive Director for Community Services), introduced the report. The key points to note were:

- The proposal is to significantly reduce the operating period of the theatre. This is driven partly by the need to deliver savings but also by concerns over the ability to safely manage the scale of operations currently provided at the theatre given the building's limitations.
- The theatre will operate for two focussed programmes during the year rather than a year round provision. This will enable the theatre to continue operating with a focus on community programming such as pensioner events, local showcases etc. whilst the longer term solution for the building is developed as part of the Catford Regeneration.
- All efforts would be made to retain the pantomime season.

3.13 The following was noted:

- The Committee were concerned with the reduction in use of the Broadway Theatre, and the long-term implications this may have for its viability in the future.
- The Council should look at innovative ways to attract smaller productions to use the Broadway Theatre.
- The venue is an important venue for Black and Ethnic Minority productions and this should continue to be the case in the future.

“A” savings

3.14 The following was noted:

- The Committee were concerned about the cumulative effects of all the changes to adult social care on individuals and noted that individual service reviews would address this.

Q1: Improving Triage for Children’s Social Care Services and Redesigning the Children’s Centre and Early Intervention Offer

3.15 The following was noted:

- There will be services running from all the centres, although only four will be officially designated as Children’s Centres and retain the full range of OFSTED-inspected services.
- There will be full consultation on the proposals. Consultation is required for the deregistration of any Children’s Centres.
- This proposal was also discussed at the Children and Young People Select Committee on 4 February 2015.

3.16 The following points were made about other savings proposals:

- The Committee raised some concerns about savings proposal Q1: End of the discretionary freedom pass scheme and how it would impact on those affected.
- The Committee suggested that the Mayor consider the appendix 8b before making a decision on savings proposal B1: Reduction and remodelling of supporting people service.

3.17 David Austin (Head of Corporate Resources) introduced the budget element of the report and, with respect to the treasury strategy, reported that there had been a breach in how protocols were applied.

3.18 The Committee: RESOLVED to refer the following comments to Mayor and Cabinet:

- a) The Committee noted the referrals made by the Sustainable Development and Safer, Stronger Communities Select Committees (attached at Appendix A) and the final reports of the Public Health and Youth Service Working Groups (attached at Appendix B) and asked that the Mayor takes these referrals and reports into account alongside officer reports when taking a decision on the 2015/16 Budget Report. In

relation to the final report of the Youth Service Working Group, the Committee noted that, at the meeting of the Children and Young People Select Committee held on 4 February 2015, it was recommended that, in relation to Recommendation 1 of the Working Group report, *all councillors* should be kept updated on progress, and not just the ward members for Ladywell and Perry Vale.

- b) The Committee discussed and endorsed both the Working Group reports.
- c) The Committee endorsed the Sustainable Development Select Committee referral and recommended that Mayor and Cabinet should take the concerns of the Sustainable Development Select Committee into consideration.
- d) The Committee noted the Safer, Stronger Communities referral and, in relation to savings proposal G1c: Blue Badge Administration Fee, asked for a definitive note to be drawn up and circulated on the costs of producing blue badges, including the costs of administering the scheme, before Mayor and Cabinet makes a decision on this matter.
- e) The Committee would like Mayor and Cabinet to consider savings proposal L4: Broadway Theatre further, in light of the comments made by Members, including:
 - Making more innovative bookings (which require less technical support and backstage facilities)
 - Looking at external funding options
 - Preserving the Pantomime season if possible
 - Ensuring that BME productions will still have access to the theatre.
- f) In relation to the “A” savings (smarter and deeper integration of social care and health) the Committee recommended that Mayor and Cabinet pay particular attention to the cumulative impact of the proposals and the method by which this will be addressed (individual service reviews for each user).
- g) The Committee would like the Mayor to consider savings proposal Q1: Improving Triage for Children’s Social Care Services and Redesigning the Children’s Centre and Early Intervention Offer further; to ensure that vital early years services are not unnecessarily damaged.
- h) The Committee recommends that the equalities impact in respect of savings proposal O1: End of the discretionary freedom pass scheme is particularly taken into account when making a decision on this proposal.
- i) In relation to savings proposal B1: Reduction and remodelling of supporting people service, the Mayor is asked to consider the appendix 8b before making a decision on this proposal.

4. Housing pressures and the use of nightly paid accommodation

4.1 Genevieve Macklin (Head of Strategic Housing), made a presentation to the Committee. The key points to note were:

- The level of usage of “bed and breakfast” accommodation –short term emergency accommodation paid for on a nightly basis - has been increasing since 2012/13.
- As a result of the massive increase in demand for nightly paid accommodation the total annual expenditure level has increased more than sevenfold in three years. The main financial impact for the Council is the limit set by Government on the proportion of that expenditure which can be reclaimed by the Council.
- There are a number of factors driving this increase, and despite these broadly being beyond the control of the Council, nevertheless the Council retains a statutory duty to respond to the problem and also bears the financial pressure associated with it. They include:
 - property price inflation which continues to hugely out-strip other measures of inflation, and which in turn provides incentives for landlords to seek higher rents than can be afforded by the Council or otherwise to sell their properties and cash out of the housing market while prices are high
 - on-going shortfalls in the new supply of all forms of housing and in particular affordable housing and by a general fall in the movement of current tenants within and out of existing stock.
- In response to this crisis the Council has initiated a wide ranging and assertive programme of interventions in the local housing economy, including:
 - the construction of new homes
 - the acquisition of properties for temporary accommodation purposes which provide a more sustainable and better quality alternative to bed and breakfast
 - piloting innovative methods of construction to provide more homes more quickly
 - reducing costs by negotiating with providers of emergency accommodation and landlords and procuring properties at lower cost
 - working across London on a sub-regional basis and with all London Councils on the Inter Borough Temporary Accommodation Agreement to agree rates with providers to keep costs down
 - managing demand by working more intensively to prevent homelessness
 - working on a range of policy changes order to manage demand to address this crisis

4.2 In response to questions from the Committee, the following was noted:

- The two large properties acquired by the Council to be converted into hostels in the short term in order to provide the Council with access to additional short term accommodation are Hamilton Lodge and a building on **Canonbie** Road.

- The purchases would be self-financing, officers would make sure that the capital cost could be covered by the rent achieved.
- The Committee commended the work of officers in attempting to tackle the issues in relation to homelessness and temporary accommodation.

4.3 RESOLVED: That the report be noted.

5. No Recourse to Public Funds Review - Final report

5.1 The Chair circulated some suggested recommendations to the Committee.

5.2 In response to questions from the Committee, and comments from Justine Roberts (Change and Innovation Manager), the following was noted:

- The Committee was given reassurances by officers that the new approach would lead to the savings predicted.
- Some 'back up' funding was being held in the corporate centre in case some individuals do not move onto benefits as quickly as anticipated.
- A Home Office officer has been embedded into the team, to help localise decision-making and aid speedy resolutions.
- The Committee commended officers for the work they have undertaken in this area.

5.3 RESOLVED: That the report be noted and the following recommendations agreed:

The Committee recommends:

- Exerting pressure on central government around NRPF in order to highlight the considerable additional pressure that local authority finances have been put under. To lobby for funding to match the costs passed to local authorities and to pursue the possibility of legal action in cases where Home Office mismanagement leave local authorities with longstanding and costly unresolved cases.
- That the Mayor makes an urgent request of the Home Secretary to explain why Local Authorities should shoulder the cost for cases lost in the Home Office's backlog.
- Supporting the robust front-door approach that has been taken by the NRPF pilot project and recommending that the pilot approach is mainstreamed and made a permanent approach.

- Building on the good work of the pilot by investigating current high-cost NRPF cases and endeavouring to bring the cost of cases down as far as practicable.
- Placing existing cases under irregular, unannounced rolling review to identify if claimants still meet criteria for support.
- Taking action to drive down the housing costs associated with those with NRPF through further improved procurement of private sector housing and seeking more sustainable long term housing solutions for those with NRPF by exploring all available housing options.
- Actively pursuing a shared service around NRPF in as wide an area in London as possible in order to better deal with the problem of NRPF.
- Immediate referral to Mayor & Cabinet at the turn of a new financial year in all cases where an area of spending doubles in the space of one financial year. In 2012 spending on people with NRPF stood at £2.2m 2012 and by 2013 had more than doubled to £5.3m. For similar cases in the future there must be a greater sense of urgency as well as more democratic control and oversight.

6. Select Committee work programme

- 6.1 The work programme was noted and Members were asked for ideas for future scrutiny to include in the Committee's 2015-16 work programme. Shared Services was suggested as one potential future scrutiny item.
- 6.2 RESOLVED: That the work programme be noted.

7. Referrals to Mayor and Cabinet

- 7.1 A referral to Mayor and Cabinet was made in relation to item 3 (the budget) and item 5 (NRPF Final Report).

The meeting ended at 10.05pm

Chair:

Date:

The meeting ended at 10.05 pm

Chair:

Date:
