

# **MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE**

**Tuesday, 14 April 2015 at 7.00 pm**

**PRESENT:** Councillors Jamie Milne (Chair), Mark Ingleby (Vice-Chair), Chris Barnham, Maja Hilton, Ami Ibitson, Roy Kennedy and Crada Onuegbu

**APOLOGIES:** Councillors Abdeslam Amrani, Helen Klier and Jim Mallory

**ALSO PRESENT:** Katie Wood (Scrutiny Manager) and Selwyn Thompson (Head of Financial Services)

## **1. Confirmation of the Chair and Vice-Chair**

### **1.1 RESOLVED:**

That Councillor Jamie Milne be confirmed as the Chair of the Public Accounts Select Committee.

That Councillor Mark Ingleby be confirmed as Vice-Chair of the Public Accounts Select Committee.

## **2. Minutes of the meeting held on 10 March 2015**

### **2.1 RESOLVED:**

That the minutes of the meeting held on 10 March 2015 be confirmed as an accurate record of proceedings.

## **3. Declarations of interest**

3.1 None.

## **4. Select Committee work programme 2015/16**

4.1 Katie Wood, Scrutiny Manager, introduced the report and the draft work programme for the Public Accounts Select Committee for the 2015/16 municipal year.

- The work programme incorporated suggestions from the committee, standard items, suggestions from officers, items arising from previous scrutiny and issues that the committee is required to consider by virtue of its terms of reference.

4.2 In the discussion that followed the following key points were raised:

- Shared services could be a key part of reducing expenditure and more comprehensive information on possible options could be beneficial.
- The update on asset management would be presented to committee at the July committee meeting, meaning that there was potential for

the discussion on that item to feed into the review on income generation.

- The contract monitoring report due to go to committee in December could include information on adult social care contracts and their impact on local employment.

#### 4.3 **RESOLVED:**

That the Public Accounts Committee work programme for the 2015/16 municipal year be agreed.

### 5. **Income Generation Review - evidence session 1**

5.1 Katie Wood, Scrutiny Manager, introduced the report for the income generation review. Committee members were requested to draw out areas of particular interest and identify areas for further evidence in the form of witnesses/ and or visits.

5.2 In the discussion that followed the following key points were raised:

- An entrepreneurial culture within the Council and a cultural shift in how income generation was viewed could be a positive thing. However, it would be difficult to precisely quantify any increases in income as a result of such a change.
- Full cost recovery where possible as well as maximising income were key factors.
- Central Government legislation meant that in some cases charging more than actual costs for a service was not permitted.
- The parking service was an area where income generation had increased in Lewisham, with parking charges experiencing the largest increase in price over recent years.
- Cross-selling services and a commercial culture within the Council would need to be looked at carefully as there could be negative aspects if staff were not fully engaged with the changes or if the customer experience was negatively affected.
- Additional information on Lewisham's proposal for a mutual for the youth service could be useful.
- Outsourcing services had the potential to save money in certain circumstances, but in other instances, bringing services back into Council control could be most beneficial. It would be important to assess the full financial and service quality implications of any proposal. Reducing inefficiencies and good management were key to profitability.
- The Oldham model of a trading arm for adult social care was interesting but there was concern as to whether it could be defined as a mutual and uncertainty about the potential benefits of such a proposal.
- Advertising on the Council website could be highly detrimental to the user experience. It was likely to only generate income if website usage was sufficiently high.

- Other sources of advertising income including identifying potential sites for place advertising, were being investigated and the committee would hear information on this as part of the report they were due to receive at the evidence session in July.
- The London Borough of Camden’s wi-fi scheme seemed innovative and a good source of income. This was an area that could be further researched to see whether there was any potential for replication.
- The model of the London Borough of Brent’s approved inspection status for building regulations was seen as interesting. Selling services competitively could be a useful source of income and could potentially be replicated in different service areas. It would be key to balance any investment costs with the risk element and the potential profit to assess the feasibility of any such project.

5.3 Selwyn Thompson, Head of Financial Services addressed the committee regarding Lewisham’s draft income strategy, appendix A of the report.

- This document was to provide a guide for service managers and to help ensure that fees, charges and other income sources were guided by specific principles and managed in a consistent way.
- The guiding principles for fees and charges were: full cost recovery; market rates where possible; rates rising with inflation; rates benchmarked to neighbouring authorities and/or similar voluntary or private sector organisations; agreed subsidies where deemed necessary; demand understood; concessions being strategically agreed and applied in consistent and transparent manner; and fees being efficiently collected.
- A fees and charges working group had been established which included the Head of Finance, three additional Heads of Service and the Cabinet Member for Resources.

5.4 **RESOLVED:**

That the draft income strategy be noted.

That further evidence be taken from the London Boroughs of Camden, Brent, and Hammersmith & Fulham in the form of witnesses and/or visits.

That the Committee receive additional written evidence from Oldham Council.

## 6. Referrals to Mayor and Cabinet

6.1 There were no referrals to Mayor and Cabinet.

The meeting ended at 8.35 pm

Chair: \_\_\_\_\_

Date: \_\_\_\_\_