

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Tuesday, 29 September 2015 at 7.00 pm

PRESENT: Councillors Jamie Milne (Chair), Mark Ingleby (Vice-Chair), Chris Barnham, Maja Hilton, Ami Ibitson, Helen Klier and Jim Mallory.

APOLOGIES: Councillors Abdeslam Amrani and Roy Kennedy

ALSO PRESENT: Councillor Alan Hall (Chair of Overview & Scrutiny Committee), Mayor Sir Steve Bullock (Mayor), Councillor Kevin Bonavia (Cabinet Member Resources), Councillor Hilary Moore (Chair Children & Young People Select Committee), Councillor Stella Jeffrey, Councillor Liam Curran (Chair Sustainable Development Select Committee), Councillor Carl Handley (Chair Housing Select Committee), Councillor Pauline Morrison (Chair Safer & Stronger Communities), David Austin (Head of Corporate Resources), Aileen Buckton (Executive Director for Community Services), Duncan Dewhurst (Head of Service Change and Technology), Robyn Fairman (Head of Strategy), Andreas Ghosh (Head of Personnel & Development), Helen Glass (Principal Lawyer), James Lee (Service Manager, Inclusion and Prevention and Head of Cultural and Community Development), Barrie Neal (Head of Corporate Policy and Governance), Janet Senior (Executive Director for Resources & Regeneration), Selwyn Thompson (Head of Financial Services), Ralph Wilkinson (Head of Public Services), Sara Williams (Executive Director, Children and Young People) and Katie Wood (Scrutiny Manager)

1. Minutes of the meeting held on 14 July 2015

1.1 RESOLVED:

That the minutes of the meeting held on the 14 July 2015 be agreed as an accurate record of proceedings and the Chair be authorised to sign them.

2. Declarations of interest

2.1 Councillor Jim Mallory declared a personal interest in item 3 as he was a school governor at Abbey Manor College.

3. Lewisham Future Programme 2016/17 Draft Revenue Budget Savings Proposals

3.1 David Austin, Head of Corporate Resources, introduced the savings report to the committee and explained that the report continued the work from the last financial year and could be looked at in the context of the Medium Term Financial Strategy. The following points were noted:

- Pending the Comprehensive Spending Review in November and the Local Government Financial Statement in December 2015, there was uncertainty as to the full amount needed for savings up to 2020.

- There was a minimum of £45 million of savings which would be needed over the next two financial years. The current report put forward £12 million of new savings for 2016/17 and a further £14 million of new savings for 2017/18.
 - The Council had already made £120 million savings from 2010 up to 2015.
 - Referrals made by the Public Accounts Select Committee would go to Mayor and Cabinet in the 30th September 2015.
- 3.2 Sir Steve Bullock, Mayor of Lewisham, addressed the committee and stressed the scale of the savings needed as well as that additional details would be known following the Comprehensive Spending Review (CSR) and the Local Government Financial Statement (LGFS) in November and December respectively.
- 3.3 Councillor Bonavia, Executive Member for Resources, addressed the committee reiterating comments from the Mayor and emphasising the size of the reductions needed and that further information would be available following the CSR and LGFS.
- 3.4 Councillor Hilary Moore, Chair of the Children and Young People Select Committee (CYPSC), addressed the committee highlighting the comments and concerns raised at the meeting of the CYPSC on 8 September 2015 as listed in Appendix 18 of the report to Public Accounts Select Committee.
- 3.5 Councillor Stella Jeffrey, Vice-Chair of Healthier Communities Select Committee (HCSC), addressed the committee highlighting the comments and concerns raised at the meeting of the HCSC held on 9 September 2015 as listed in Appendix 18 of the report to Public Accounts Select Committee.
- 3.6 Councillor Liam Curran, Chair of Sustainable Development Select Committee (SDSC), addressed the committee highlighting the comments and concerns raised at the meeting of the SDSC held on 15 September 2015 as listed in Appendix 19 of the report to Public Accounts Select Committee.
- 3.7 Councillor Carl Handley, Chair of Housing Select Committee (HSC), addressed the committee highlighting the comments and concerns raised at the meeting of the HSC held on 16 September 2015 as listed in Appendix 19 of the report to Public Accounts Select Committee.
- 3.8 Councillor Pauline Morrison, Chair of Safer, Stronger Communities Select Committee (SSCSC), addressed the committee highlighting the comments and concerns raised at the meeting of the SSCSC held on 16 September 2015 as listed in Appendix 19 of the report to Public Accounts Select Committee. In addition to this, Councillor Morrison highlighted the importance of considering the equality impact of savings proposals on residents with protected characteristics, both for individual proposals and when considered overall, and that the equalities information provided by officers be updated as these proposals are developed and monitored once implemented, with additional analysis where possible.

- 3.9 Councillor Alan Hall, Chair of the Overview and Scrutiny Committee addressed the committee and thanked the select committees for their work on the budget scrutiny and endorsed Cllr Morrison's comments regarding equalities information.
- 3.10 Ralph Wilkinson, Head of Public Services, addressed the committee on savings proposals F2a and F2b, improving the online offer and encouraging customers to self-serve online wherever possible. During the presentation and the discussion that followed, the following key points were raised:
- Channel shifting to encourage more people to use online services would help to reduce costs.
 - It was important to have a service that was digital end to end to capture the most savings.
 - Data protection tests would be built in to ensure safety of personal information and data accuracy.
- 3.11 Selwyn Thompson, Head of Finance, addressed the committee regarding G2a, G2b and G2c – income generation. During the presentation and the discussions that followed, the following key point was raised:
- The income generation proposals included just over £1 million of savings and included proposing income from the wireless concession as identified by the Public Accounts Select Committee in their in-depth review on Income Generation.
- 3.12 Ralph Wilkinson addressed the committee regarding G2d and G2e – income generation through centralised debt collection and parking charges. During the presentation and the discussions that followed, the following key points were raised:
- The 2013 Parking Policy Review agreed that there would be no parking increases until 2016.
 - It was important that charges were in line with neighbouring boroughs.
- 3.13 Barrie Neal, Head of Corporate Policy and Governance, addressed the committee regarding savings proposal I2a, I2b and I2c addressing policy and performance service redesign, senior management executive support and Governance. During the presentation and the discussions that followed, the following key points were raised:
- The Policy team had a £900,000 reduction in 2015/16 and was now proposing an additional £180,000 savings in 2017/18.
 - The impact of the proposed savings in Governance would be across both the Business & Committee and the Scrutiny Teams.

- 3.13 Ralph Wilkinson addressed the committee regarding I3, reorganisation of complaints with an anticipated saving of £50k. During the presentation and the discussions that followed, the following key point was raised:
- It would be useful to have feedback after the review had taken place and an item on the Public Accounts Select Committee work programme could be beneficial.
- 3.14 Robyn Fairman, Head of Strategy addressed the committee regarding savings proposals I4a and I4b. The savings in the Communications Team were as a result of voluntary redundancies. The savings in the Strategy Team were due to the team having successfully won European Social Funding.
- 3.15 David Austin addressed the committee regarding savings proposals I5 and I6 on commissioning & procurement and insurance & risk.
- 3.16 Selwyn Thompson presented the savings proposal I7 on Finance reductions. During the presentation and the discussions that followed, the following key points were raised:
- There had been significant reductions of £1.6 million in the Finance team over the last few years and a reorganisation.
 - The proposal was for a full review of the non-salary budget and vacancies.
 - It was important to ensure that there enough capacity was maintained in the team to ensure financial obligations.
- 3.17 Helen Glass addressed the committee outlining savings proposal I8 for a minor reorganisation of legal services to incorporate the procurement function.
- 3.18 Andreas Ghosh, Head of Human Resources, addressed the committee regarding savings proposals I9a, I9b, I9c, I9d and I9e. During the presentation and the discussions that followed, the following key points were raised:
- The savings proposal included HR support, Trade Union (TU) secondments, Graduate Schemes, Social Care Training and realigning schools HR costs.
 - The reductions in the TU secondees would only be implemented once the current secondees had ceased post.
 - There was liaison with Adult Social Care on any reductions to Social Care Training.
- 3.19 Duncan Dewhurst, Head of Technology and Change, addressed the committee regarding savings proposals I10a and I10b, revising the IT infrastructure support arrangements and contract and moving to digital access only for committee papers. During the presentation and the discussions that followed, the following key points were raised:

- The Council was moving to a shared service with LB Brent which would save £1 million per annum over 2016/17 and 2017/18.
- There were risks with new infrastructure but these were less than current risks of capacity problems with the current service.

3.20 Standing Orders were suspended at 9.25pm

3.21 Ralph Wilkinson, presented savings proposals O4 and O5, efficiencies in approach to financial assessments and options for changes to the discretionary freedom pass. During the presentation and the discussions that followed, the following key points were raised:

- There were two options considered – the first would withdraw the discretionary scheme. This was for the 1246 users who currently received this on the local criteria but would not be eligible under the national criteria. Some of these users may be entitled to other services such as the 60+ London Oyster Photocard.
- The other option put forward was to close the discretionary scheme to new applicants.
- Concerns were raised that vulnerable residents needed to be protected and that the comments and suggestions put forward by the Safer, Stronger Communities Select Committee on this proposal should be endorsed.

3.22 RESOLVED:

That the following comments be referred to Mayor and Cabinet:

- (1) The referrals made by Select Committees (attached at Appendix A of the full agenda report) be endorsed with the exceptions of referrals I9e from Children and Young People Select Committee, and G2 from Sustainable Development Select Committee on which the committee decided to reserve judgement in order to fully consider these matters at its own meeting. The Committee asked that the Mayor and Cabinet take these referrals into account alongside officer reports when taking a decision on the Lewisham Future Programme – 2016/17 Revenue Budget Savings Report.
- (2) In addition to these Select Committee referrals, the Public Accounts Select Committee agreed to add an additional recommendation to the Mayor and Cabinet as requested by the Chair of Safer, Stronger Communities Select Committee to endorse the importance of considering the equality impact of savings proposals on residents with protected characteristics, both for individual proposals and when considered overall, and that the equalities information provided by officers be updated as these proposals are developed and monitored once implemented, with additional analysis where possible.

- (3) The Public Accounts Select Committee agreed the following proposals be referred with no changes: F2a and F2b;F3; I2a,I2b and I2c;I4a and I4b;I5:I6;I7;I8;I9a,I9b,I9c,I9d,I9e; I10a and I10b; and O4.
- (4) The Public Accounts Select Committee made additional comments for referral on the following proposals:

G2: Income generation

The Committee agreed with the comments of the Safer, Stronger Communities Select Committee and strongly endorsed the appointment of a commercialism specialist at senior officer level. This had been brought out in evidence sessions as part of the Income Generation Review being conducted by the committee and would be one of the key recommendations of the final report which would be presented to Mayor and Cabinet at its meeting on 11 November 2015.

I3: Reorganisation of how complaints are managed across the Council.

The Committee agreed the proposal but requested that the Public Accounts Select Committee receive feedback on the results of the review after it had been completed.

O5 Discretionary Freedom Pass

The Committee endorsed the comments of the Safer, Stronger Communities Select Committee and rejected the proposal in its current form requesting that it be reconsidered in light of the implications on vulnerable residents.

4. Income Generation Review evidence session

- 4.1 Selwyn Thompson, Head of Finance, introduced the report to the committee, highlighting that this evidence session focussed on what LB Lewisham were currently undertaking in the field of income generation. During the presentation and in the discussion that followed, the following key points were raised:
- Generating income was a key strand of the Lewisham 2020 scheme.
 - The Fees and Charges strategy was a central part of this.
 - The current main areas where the Council sold services were to schools in the borough.
 - Improving performance on operational assets was also of key importance including maximising market rent.
- 4.2 Councillor Ingleby, Vice-Chair of the Public Accounts Select Committee, tabled a report highlighting discussions he had held around income generation models, a copy of this will be interleaved with the agenda.

- In the discussion that followed committee members highlighted the importance of a commercialisation specialist being appointed at senior manager level.

4.3 RESOLVED:

- (1) That the report be noted.
- (2) That the additional information tabled by Cllr Ingleby be noted.
- (3) That an update on the Fees and Charges Strategy be brought back to the Public Accounts Committee at the end of this municipal year.
- (4) That the draft recommendations for the Income Generation Review include a recommendation for the Council to appoint a commercialisation specialist.

5. Select Committee work programme

5.1 Katie Wood, Scrutiny Manager, introduced the report to the committee and asked for any comments on the work programme.

RESOLVED:

1. That the report be noted.
2. That an update on the Complaints Review (listed in savings proposal I3) be presented to the committee during the current municipal year.

6. Referrals to Mayor and Cabinet

The meeting ended at 10.10 pm

Chair:

Date:
