

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Wednesday, 27 September 2017 at 7.30 pm

PRESENT: Councillors Maja Hilton (Chair), Chris Barnham (Vice-Chair), Paul Bell, Brenda Dacres, Carl Handley, Mark Ingleby, Roy Kennedy and Sophie McGeevor

APOLOGIES: Councillors Amanda De Ryk and Simon Hooks

ALSO PRESENT: Councillor Luke Sorba (Chair Children & Young People Select Committee), Councillor Liz Johnston-Franklin, Councillor Chris Best (Cabinet Member for Health, Wellbeing and Older People), Councillor Joe Dromey (Cabinet Member Policy & Performance), Timothy Andrew (Scrutiny Manager), David Austin (Head of Corporate Resources), Aileen Buckton (Executive Director for Community Services) (London Borough of Lewisham), Joe Derrett (Head of Communications), Dee Carlin (Head of Joint Commissioning) (LCCG/LBL), Stephen Kitchman (Director of Children's Social Care), Barrie Neal (Head of Corporate Policy and Governance), Dave Richards (CYP Group Finance Manager), Janet Senior (Executive Director for Resources & Regeneration), Selwyn Thompson (Head of Financial Services) and Sara Williams (Executive Director, Children and Young People) (London Borough of Lewisham)

1. Minutes of the meeting held on 13 July 2017

1.1 **Resolved:** that the minutes of the meeting held on 13 July 2017 be agreed as an accurate record.

2. Declarations of interest

2.1 There were none.

3. Responses from Mayor and Cabinet

3.1 There were none.

4. Social care budgets

4.1 Aileen Buckton (Executive Director for Community Services) introduced an extended presentation (included in the meeting papers). The following key points (in addition to the content of the presentation) were noted:

- Lewisham had a number of statutory responsibilities to assess residents' requirements for care.
- Assessments did not naturally lead to the Council providing support for people in need. This was determined by eligibility criteria.
- Support provided by the Council was costly and money had to be spent wisely.
- There were a number of pressures facing the social care budget. People were living longer in poorer health and they required more complex packages of care. Some care packages cost up to £12k per week.
- There were also high numbers of people with serious mental health conditions across South East London.

- There were increasing numbers of young people with complex learning difficulties and health care needs.
- There were increased costs related to the deprivation of liberty safeguards.
- The adult social care budget was overspent by £5.3m in 2016-17. This year there was currently an overspend of £1.1m.
- Costs could (and should not) not be controlled by denying people access to services.
- The challenge for officers was how best to meet identified needs and how best to secure value for money services.
- Officers had a range of plans to control costs. High cost packages were under constant review. However, the majority of the budget was spent on care and the environment was challenging.

4.2 Aileen Buckton and Dee Carlin (Head of Joint Commissioning) responded to questions from the Committee. The following key points were noted:

- Approximately half of the people being provided services by Lewisham adult social care services were over the age of 85.
- Work to improve discharge of patients from hospital beds had a positive effect on patients, it also reduced costs for hospitals.
- The increased rate of discharge had increased costs in adult social care because higher numbers of people were leaving hospital in poor health and with ongoing complex care needs.
- The improved better care fund paid for some of the increased discharge costs - but not for ongoing care.
- Work had been carried out to determine why Lewisham had the fourth highest number of autism diagnosis in the country (by head of population).
- The level of service provision in Lewisham was one factor which could explain the higher numbers of diagnosis.
- Practitioners were effective at diagnosing autism. It was also thought to be the case in Lewisham that autism was more often diagnosed as a 'primary need' for children with complex needs.
- Cost comparisons with other boroughs were complicated by the costs associated with paying the living wage and the methods that different councils had for allocating short-term and long-term care costs.
- Some nursing care was paid for by the NHS. There were a number of people who had packages of care that received a contribution from the NHS to pay for their healthcare needs.
- Charges were raised against some properties to pay for people's care. Normally the Council would disregard the value of a resident's property if there was a spouse or dependent relative living in the property. There were options to defer the care costs to a future charge on the property.
- The Council had a list of properties against which it had raised charges to pay for residents' care.
- Officers had carried out work to develop the local market for care services. However, it was not always profitable for small organisations to work in care, due to the high costs involved.
- It was difficult for the Council to influence the costs of national providers.
- Nursing home providers were finding it increasingly difficult to recruit and retain nurses.
- More work was taking place to support people in their own homes as well as to join up the support provided by all health care and social care providers working in people's homes.

- There had not been a growth in the number of appeals against care assessments. However, officers would provide some case examples of the ways in which some residents' care packages had been re-evaluated and changed.
- The demand for residential care was highest in residential short stay. Work was taking place with two neighbouring boroughs to collaborate on short term residential care and support in people's homes.
- All of Lewisham's domiciliary care providers paid their staff the living wage.

4.3 Sara Williams (Executive Director for Children and Young People) introduced the report on children's social care. The following key points were noted:

- The report only covered the children's social care budget, not the whole of the children and young people's directorate budget.
- The issues that children's social care were facing in Lewisham were replicated across London and across the country.
- London Councils and the Local Government Association were lobbying the government to provide more money for children's social care. Additional funds had not been made available for children's social care, unlike adult social care.
- The largest proportion of the overspend in the care budget related to placements (residential and fostering). There was also an overspend on staffing.
- The report explained some of the pressures on the children's social care budget. These included: demand pressures as a result of the increasing population; and the effects of ongoing austerity in the community.
- Demand pressures were accompanied by a lack of flexibility in the options for the provision of social care. There was a tight regulatory regime in place, governed by OFSTED.
- At its last OFSTED inspection Lewisham had received a judgement of 'requires improvement' so the Council had a significant improvement agenda.
- There was also a lack of provision in the market across the country, which was driving costs.
- The report set out the directorate's strategy for reducing costs.
- The Council was working to recruit additional foster carers who would foster directly for the Council. The aim was to reduce reliance on costly independent fostering agencies.
- Officers were working to reduce the number of children in residential placements.
- Work was also taking place to reduce the reliance on agency staff.
- A great deal of work had taken place to reduce the costs of contracts and supplies to ensure that the Council was securing the best value for money.

4.4 Sara Williams, Stephen Kitchman (Director of Children Social Care) and Dave Richards (Group Finance Manager for Children and Young People) responded to questions from the Committee, the following key points were noted:

- It was recognised that foster carers needed a comprehensive offer of support and training.
- The market for foster carers was very competitive.

- A great deal of work had taken place on improving the foster carer development programme.
- The cost of placing a child with a Lewisham foster carer was half that of a placement through an agency.
- It was recognised that there was a high rate of (section 47) child protection enquiries. However, Lewisham had a lower rate of referrals than comparator authorities, the number of children in need and families receiving support was also lower. Lewisham was comparable with other authorities in terms of its number of child protection cases and it was reducing the numbers of looked after children.
- Audits of section 47 enquiries and case practice had been carried out to examine the thresholds and improve practice. Recent audits had indicated that Lewisham's practice was well measured.
- Officers had set out a programme of savings that they believed were achievable. It was increasingly challenging to balance day to day pressures with the requirement to bring about transformational change.
- The directorate received a great deal of support from other Council teams.
- It was often challenging to find suitable residential placements for complex cases. For children/young people in need of secure placements there might be five other authorities trying to secure the same placements.
- The Council was working with London Councils and the South London Consortium to bulk purchase (and discount) placements in order to influence the market.
- There was a national market for residential placements – so working collaboratively with other authorities to contain costs was difficult.
- The OFSTED inspection had indicated that work was required to improve the Council's 'front door' arrangements. Lots of work had gone into training staff, improving procedures and developing relationships with partners.

4.5 In the Committee discussions the following points were also noted:

- Members were supportive of officers in the Children and Young People's directorate in terms of officers' attempts to balance day to day pressures with the requirement to make long term changes.
- The Committee commended the work that officers in the children and young people's directorate were carrying out to improve services and reduce costs.

4.6 **Resolved:** that the reports be noted. It was also agreed that officers would provide further details about the financial assessments carried out on residents' homes to pay for their care costs; and provide some examples of the ways in which some residents' care packages had been re-evaluated and changed. The Committee agreed that it would refer its views to Mayor and Cabinet as follows:

- The Committee asks that Mayor and Cabinet task officers with considering cross borough strategies for the provision of long-term residential and nursing care. The Committee believes that there may be innovative ways of working with other boroughs to improve efficiency and deliver better outcomes for residents.

5. Communicating the Council's budget position

5.1 Joe Dromey (Cabinet Member for Policy and Performance) introduced the report, the following key points were noted:

- The report set out the key messages, key audiences and key communications channels the Council was using to communicate with residents.
- Communication with residents was increasingly important because, whilst people knew that austerity was an issue, there was concern about increases in council tax combined with a reduction in the level of services.
- One of the key messages the Council attempted to get across was that Lewisham was particularly susceptible to reductions in government grant and that's why it had been hit particularly hard by the years of austerity since 2010.
- It was predicted that there would be a 63% decline in government grant from 2010 to 2020.
- Another key communications message was that the Council had already made significant savings and that in doing so it had attempted to protect the frontline and the most vulnerable.
- However, it was also noted that in the next two years the Council needed to make £32m of savings, which meant there would be more difficult decisions to make.
- There were attempts to ensure that the communications message remained positive – in terms of the services that were still being provided and work that was still being carried out (such as the implementation of the London Living Wage).
- There were three principal audiences for communications messages: all council tax payers, Lewisham Council staff and, in the case of specific saving proposals, those service users who were affected by the changes.
- Lewisham Life was a key communication channel. The Council was also increasing its efforts to interact with residents through social media. In the past, council tax letters were an effective way to communicate with residents.
- Officers also used local meetings and local media to communicate with residents. However, it was recognised that the readership of local papers was very low.
- Staff and councillors could also help to communicate key messages.
- The new Head of Communications had been in place for six months. He brought a great deal of public sector experience to the role.
- The communications team were working to improve message discipline. It was recognised that the key messages had to be regularly repeated in order for people to become aware of them.

5.2 Joe Dromey responded to questions from the Committee. The following key points were noted:

- There might be options to run an engagement exercise (similar to the big budget challenge) in the future.
- Major engagement activities were labour intensive and the communications team was much smaller than it had been.
- There would be a change of administration in May, which might change the approach to communications.

- He would discuss the options for using advertising opportunities to convey key budgets messages (on billboards, hoardings and on vehicles) with officers.
- There had to be a consistent message about the impact of austerity on the provision of Council services.

5.3 In the committee's discussions, the following points were also noted:

- Infographics might be a useful way of communicating messages to residents.
- One option for communicating the impact of austerity might be to describe what sorts of services the Council would still be able to offer if its level of funding had remained consistent over the past decade.
- There was lots of data available to buy from organisations that collected information about households. The Council could consider using this to target communication messages.
- The notice boards at the front of the Town Hall could be used to provide information to residents

5.4 **Resolved:** that the Committee would refer its views to Mayor and Cabinet as follows:

- The Committee recommends that Mayor and Cabinet tasks officers with developing a forceful communications campaign that focuses on the use of hoardings and billboards in innovative, large and visually captivating ways in order to reach Lewisham residents with messages about the budget.
- The Committee also recommends officers should also be tasked with considering options for the use of data about Lewisham households to target the Council's communications about its budget.

6. Management report

6.1 **Resolved:** that the report be noted.

7. Income generation and commercialisation update

7.1 Selwyn Thompson (Head of Financial Services) provided a verbal update about the Council's income generation and commercialisation activities. The following key points were noted:

- Before the summer a report had been provided to Committee about the Council's plans to develop a new procurement team with the expectation that this team would lead future income generation and commercialisation work.
- Approval had been given for the recruitment to the lead post in the new team and the job specification and grading had been agreed.
- The internal advert for the new post would be published in the next two weeks.
- Officers had met with consultants, who would provide support for the new post holder.

7.2 Selwyn Thompson responded to questions from the Committee, the following key points were noted:

- Officers had previously considered options for working with the Association for Public Service Excellence. This work could be revisited.
- There were a range of practical activities that the new post holders would be tasked with carrying out. Their initial emphasis would be on procurement and they would review contracts and ensure that the Council was achieving best value for money.
- There were officers in the organisation that might be able to fulfil the lead procurement role, if it was advertised internally.

7.3 In the Committee discussions, the following key points were also noted:

- The Association for Public Service Excellence had a range of officers with experience and knowledge that could support the Council in its approach to income generation and commercialisation.
- Members were concerned about the proposal to recruit the new post holder internally.
- The Committee was sceptical about the use of private sector consultants.

7.4 **Resolved:** that the Committee would share its views with Mayor and Cabinet as follows:

- The Committee recommends that Mayor and Cabinet tasks officers with meeting representatives of the Association for Public Service Excellence to consider how best the Council can generate income through the use of its existing assets and resources.
- The Committee recommends that Mayor and Cabinet seeks justification from officers about the decision to advertise the new senior procurement role internally rather than externally.
- The Committee also recommends that the appointment of consultants to support the creation of the new procurement and commercialisation team be delayed until options for income generation have been explored with the Association for Public Service Excellence.

8. **Select Committee work programme**

8.1 The Committee noted that the Lewisham Future Programme report would provide the principal focus for the next meeting. It was also agreed that an item on 'pressure on household budgets' would provide the main focus for the Committee's December meeting.

9. **Referrals to Mayor and Cabinet**

9.1 **Resolved:** that the Committee's views under items four, five and seven be referred to Mayor and Cabinet.

The meeting ended at 22:15

Chair:

Date:
