

OVERVIEW AND SCRUTINY COMMITTEE			
Report Title	Update from Cabinet Member for Finance & Resources		
Key Decision	No		Item No. 3 (appendix B)
Ward	All		
Contributors	Cabinet Member for Finance & Resources		
Class	Open	Date: 27 January 2020	

Purpose

This report provides an update to Overview and Scrutiny Committee some of the key achievements in the Finance & Resources portfolio.

Recommendation

Overview & Scrutiny Committee is recommended to note this report.

Budget setting

As part of the on-going financial management of the Council, I have been leading the work to build the 2020/21 budget on behalf of the Mayor that will be offered to Public Accounts Select Committee and Mayor & Cabinet in February before being presented to Council on 26th February. This includes navigating the programme of cuts in line with the Medium Term Financial Strategy through to decisions (October 2019), with a series of Cabinet Member 'Star Chambers' that examined the proposals in depth with officers and Cabinet portfolio holders and all-Member briefing sessions looking at each directorate's proposals.

In-sourcing

There is a clear strategic corporate commitment that when the Council is considering whether to commission services, we will have an assumption that the Council is our preferred provider and in-source our contracts. This commitment is being delivered through the development and adoption of an options appraisal framework, based on a model developed by the Association of Public Sector Excellence (APSE) which requires that all service options appraisals include consideration of self-delivery of goods, works and services. This process is now included within the procurement lifecycle for all procurements over £200k in value. To date the Council has agreed to bring back in house the following services: building maintenance; homelessness prevention; fostering recruitment; internal audit and bailiffs. There is also the commitment made to bring back the parks contract; security and cleaning contracts in due course. We are currently consulting with schools on options for the schools

catering contract to ascertain their appetite to see more of the service insourced under a combination of Council and Schools management.

Social value and procurement

Where services remain to be provided by partners outside of the Council there is a firm commitment to ensure that this is done in a manner that supports local communities and maximises investment in local independent businesses. This clear and unwavering commitment has been demonstrated through the publication of the Lewisham Procurement Social Value Policy in February 2019 and the signing of the Lewisham Deal in July 2019.

The social value policy is a step change in approach to the harnessing and increase of social value through commissioned services. In addition to mandating minimum weightings for social value and identifying key performance indicators to ensure accountability and transparency of the social value captured from contracts, there is also the requirement that where quotes are used to secure goods, works or services of £50,000 or less that at least one Lewisham organisation be invited to participate.

Community Wealth Building

In addition to the Lewisham Deal, the Council has been working with the Centre for Local Economic Strategies (CLES) to inform the further development of a community wealth building approach by the Council. CLES has undertaken a diagnostic of the Council and produced a report which lays out the findings of this work along with a series of recommendations for progressing the agenda. The publication of the CLES report and the Lewisham Model for Community Wealth Building is to be brought to Mayor & Cabinet in February 2020 and will form a key consideration of the development of the Inclusive Growth Strategy.

Income generation

In response to austerity funding, and in line with work undertaken by Public Accounts Select Committee, the Council has renewed its focus on income generation. Work is underway to foster an income generating culture in the organisation, including commissioning a new training programme for staff. The work includes better understanding of impediments to more commercial practice and, for example, has resulted in setting up of trading accounts, and an in-depth examination of the way the council handles Fees and Charges. This will also support the budget preparations noted above.

Culture, leadership and policy

The Council reviews its policies to keep in line with current thinking and our own corporate strategy. A number of policies have been recently introduced or reviewed including the premature birth leave policy, menopause policy, and trans policy. Examples of policies we are currently looking at reviewing are recruitment policy, buying annual leave, loans to support rental deposits, and flexible retirement policy. Work has been ongoing through the year on a Management Development Programme with the intention of investing and training the council's staff to progress

up through the organisation. We are also refreshing the way the organisation thinks about itself and others in the Lewisham Way. This is a key organisational cultural policy and has been drawn up in collaboration with members of staff over a number of engagement events and consultations. This process of collaboration will continue as part of a staff led programme of improvement as we seek to finalise and then implement this critical area of work

Audit

Following a referral to Mayor and Cabinet, work with the Chairs of the Audit Panel and Public Accounts Select Committee was progressed and proposals considered at the Constitutional Working Party. As well as the continuous operational improvements in respect of reporting on controls and timely response to audit recommendations which is in hand, the intention is to clarify and strengthen, in line with good practice, the terms of reference of the Panel. This work is ongoing and will report in the next period, along with any changes necessary for the Constitution.

Transformation

With the arrival of the new Chief Executive in October discussions as part of the 'Listen to Learn' engagement are underway to understand and consider how culture and project change management priorities will be addressed going forward. This continues the work to improve grip and speed of change in line with the Corporate Strategy. This work will help embed and enhance the governance improvements that were addressed in 2018/19, as supported by the unqualified Value for Money conclusion from external audit.

Pensions

The work of the Pensions Investment Committee, an oversight of the Pensions Board, continues. The fund performed well in 2018/19 which bodes well for the triennial valuation currently underway. The valuation work started in July and concludes in February. The outputs will inform the Council's investment strategy risk and contribution levels for the next three years. Importantly, it will also enable the Committee to finalise their plans for lower carbon and fossil fuel investments consistent with the Corporate Strategy, the fiduciary duty to Fund Members, and the obligations to invest as part of the London regional pool.

Financial Implications

There are no direct financial implications from noting the contents of this report

Equalities Implications

With respect to the Council's Comprehensive Equalities Scheme 2016-20, the activities described in this report make a clear contribution to the following equality objectives:

- Tackling victimisation, discrimination and harassment
- Improving access to services
- Closing the gap in outcomes between citizens
- Increasing mutual understanding and respect within and between communities
- Increasing participation and engagement

The various activities described in this report will benefit all protected characteristics. Furthermore, although not a characteristic protected under the Equality Act 2010, the activities described in this report will also help to tackle socio-economic inequality, which is part of the lived experience of all characteristics protected under the Equality Act.

Legal Implications

There are no specific legal implications of relevance to this report.