

Minutes of the Public Accounts Select Committee
Thursday, 3 December 2020 at 7.00 Pm

Present: Councillors Patrick Codd (Chair), Alan Hall (Vice-Chair), Tauseef Anwar, Jim Mallory, Paul Maslin and Joan Millbank and Bill Brown and Sophie Davis

Also present: Councillor Peter Bernards, Councillor Juliet Campbell, Councillor Liz Johnston-Franklin, Councillor John Muldoon, Councillor James Rathbone, Councillor Luke Sorba, Councillor Chris Best (Deputy Mayor and Cabinet Member for Health and Adult Social Care), Councillor Chris Barnham (Cabinet Member for Children's Services and School Performance), Councillor Brenda Dacres (Cabinet Member for Safer Communities), Councillor Amanda De Ryk (Cabinet Member for Finance and Resources), Timothy Andrew (Scrutiny Manager), David Austin (Acting Chief Finance Officer), Suki Binjal (Director of Law, Governance & HR), Tom Brown (Executive Director for Community Services), Kathy Freeman (Executive Director for Corporate Resources), Pinaki Ghoshal (Executive Director for Children & Young People), Salena Mulhere (Assistant Chief Executive), Katharine Nidd (Strategic Procurement and Commercial Services Manager), Georgina Nunney (Principal Lawyer), Kevin Sheehan (Executive Director for Housing, Regeneration & Public Realm) and Kim Wright (Chief Executive)

1. Minutes of the meeting held on 24 September 2020

- 1.1. Resolved: that the minutes of the meeting held on 24 September 2020 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. Financial forecasts 2020-21

- 4.1. Kathy Freeman (Executive Director for Corporate Resources) introduced the report – setting out the challenging financial situation facing the Council; noting the ongoing uncertainty surrounding funding and the response to the pandemic and highlighting the measures in place to control overspending.
- 4.2. Kathy Freeman, Tom Brown (Executive Director for Community Services), Kim Wright (Chief Executive) and Kevin Sheehan (Executive Director for Housing Regeneration and Public Realm) responded to questions from the Committee on a number of issues, including:
- The proportion of the Council's budget being spent on social care and public health services (52% in 2010/11 as opposed to 71% in 2018/19).
 - Management of adult social care services – the use of Better Care Fund funding and the long term focus on demand management.
 - Allocation of COVID funding from the government and the financial shortfall in the Council's collection fund.
 - The way in which information is presented in the written report.
 - Impacts of the pandemic on the finances of leisure centres.

- The garden waste subscription service.
 - Achievement of some previously identified savings.
- 4.3. In the Committee's discussion – the following key point was also noted:
- Members believe that there should be a review of adult social care services.
- 4.4. Resolved: that the report be noted.

5. Budget cuts

- 5.1. Councillor Amanda de Ryk (Cabinet Member for Finance and Resources) introduced the item – restating the challenge facing the Council and the difficulty of the making the cuts being proposed.
- 5.2. Councillor de Ryk also spoke at the end of the item – noting the Committee's comments on the importance of: engagement; co-creation of services with service users; and the need for good contract management. She also provided a summary of the decision making process – and the timing for the development of cuts proposals for the January round of scrutiny meetings.
- 5.3. Kathy Freeman (Executive Director for Corporate Resources) introduced the report – giving details of the development of the cuts proposals and asking members to note that the Council's budget for 2021-22 would be prepared in alignment with the Council's recovery process.
- 5.4. Kathy Freeman also set out some of the ongoing challenges facing the Council – including the impact of the decade of austerity (combined with population increase and increased demand for services) as well as the response currently being delivered across a broad range of services to the second wave of the coronavirus pandemic.
- 5.5. Members were asked to note the remaining £19m gap in funding identified through the medium term financial planning process and the additional cuts proposals that would be presented for scrutiny in January 2021.
- 5.6. Kathy Freeman, Kim Wright (Chief Executive) and Tom Brown (Executive Director for Community Services) responded to questions from the Committee on a number of issues, including:
- The process for decision making at Mayor and Cabinet and the implementation of the cuts proposals – including the additional round of cuts that would be brought forward for the January round of select committee meetings for scrutiny.
 - The legal requirement for the Council to set a balanced budget.
 - Processes in place to develop and manage the Council's budget as well as the Council's financial management culture.
 - The thematic approach to developing cuts proposals and the plans being put in place to deliver them.
 - The culture change and staff improvement programme.
 - The capacity of the Council's central (or back office) services.

- The uncertainty facing the Council's finances; the potential impact of the comprehensive spending review; potential changes to council tax and funding for social care.
 - Setting of funeral charges.
- 5.7. The Committee heard from Councillor Luke Sorba (Chair of the Children and Young People Select Committee), Councillor John Muldoon (Chair of the Healthier Communities Select Committee) and Councillor Juliet Campbell (Chair of the Safer Stronger Communities Select Committee) regarding their committees' scrutiny of the cuts.
- 5.8. Pinaki Ghoshal (Executive Director for Children and Young People) responded to questions raised by select committee chairs on a number of issues, including:
- Work taking place to manage demand in children's services.
 - Some of the measures in place to control overspending in children's services.
 - The programme of recruitment taking place in children's social care.
- 5.9. In the Committee's discussion – the following key points were also noted:
- Concerns about the budgets proposed for some services and persistent overspending.
 - The challenging financial situation facing the Council and the difficult task facing officers in identifying and delivering cuts.
 - The importance of rigorous management of contracts as well as the requirement to maintain effective and properly resourced support services in the Council's finance team.
 - Members also highlighted the importance of engagement with service users.
 - Recognition of the concerns of select committees regarding the impact on service users and Council staff - as well as the potential overall impact on the delivery of Council services. In particular, it the careful consideration that must be given to the equality impact assessments of the cuts proposals.
 - Members noted the comments raised by the Healthier Communities Select Committee on the potential savings from outsourcing enablement services (F07).
 - Concerns about the withdrawal of power of attorney services (B08 for vulnerable people (and the potential for banks to provide this services as part of their commitment to corporate social responsibility.
 - The change in funeral charges (E10) following from previous decisions to lower costs in order to increase market share.
- 5.10. The Committee heard from Councillor James Rathbone (Chair of the Audit Committee) who emphasised the challenging financial situation facing the Council and urged that officers bring forward more significant cuts across a broader range of services.
- 5.11. Resolved: that the Committee would refer its views to Mayor and Cabinet as follows:

- The Committee stresses the importance of thorough engagement with service users as well as communication with Lewisham's residents and communities.
- The Committee believes that a review of adult social care services should be carried out – with a specific focus on demand management and benchmarking with other local authorities.
- With due consideration given to the comments and clarifications from scrutiny - the Committee recommends that the cuts proposals should proceed to Mayor and Cabinet for the next stage of decision making.

6. Select Committee work programme

- 6.1. The Chair noted that the programme for the Committee's meeting in February would focus on further cuts and the proposed budget for 2020-21.
- 6.2. Members highlighted the importance of continued monitoring of budget pressures – particularly in relation to children's social care.

The meeting ended at 21:35

Chair:

Date:
