

Minutes of the Public Accounts Select Committee

Thursday, 22 September 2022 at 7.30 pm

In attendance: Councillors James Rathbone (Chair), Rudi Schmidt (Vice-Chair), Eva Kestner, John Paschoud and Eva Stamirowski

Apologies: Councillors Joan Millbank and Susan Wise

Also present: Councillor Chris Barnham (Cabinet Member for Children's Services and School Performance), Timothy Andrew (Scrutiny Manager), David Austin (Director of Corporate Services), Tom Brown (Executive Director for Community Services), Kathy Freeman (Executive Director for Corporate Resources), Pinaki Ghoshal (Executive Director for Children and Young People) and Nick Penny (Head of Service Finance)

Also present virtually: Councillor Amanda De Ryk (Cabinet Member for Finance and Strategy), Kenneth Gregory (Director of Adults Integrated Commissioning) and Lucie Heyes (Director of Children's Social Care)

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken or to satisfy the requirements of s85 Local Government Act 1972

1. Minutes of the meeting held on 30 June 2022

1.1 **Resolved:** that the minutes of the meeting held on 30 June 2022 be agreed as an accurate record.

2. Declarations of interest

2.1 There were none.

2.2 Councillor John Paschoud declared interests during the discussions on adults and children's social care.

3. Responses from Mayor and Cabinet

3.1 There were none.

4. Financial monitoring

4.1 Nick Penny (Head of Service Finance) introduced the report. Nick gave an overview of the Council's financial position as well as outlining areas of overspending and undelivered savings.

4.2 Nick Penny and Kathy Freeman (Executive Director for Corporate Resources) responded to questions from the Committee – the following key points were noted:

- The Council had £20m of un-earmarked reserves that it could use to meet some of the immediate pressures on budgets. It was recognised that this could not continue in the long term. The Council also had earmarked reserves that were set aside for specific risks and projects.
- Energy prices were a significant strain on the Council budget (representing a new budget pressure of £3m). It was anticipated that between schools and corporate buildings there may be further significant increases in this pressure over the winter period.
- The pay award (still being decided) also represented a significant pressure (£4.5m).
- Other councils (notably Croydon) were facing difficult financial circumstances. Lewisham had taken a more cautious and measured approach than some other authorities – which had used borrowing to fund commercial investments.
- There were a number of savings that remained undelivered and these also represented an additional cost pressure.
- The Council had a good level of reserves and was not at immediate financial risk.
- Officers were concerned about the impact of the broader pressures in the economy on the collection fund. Each 1% of council tax uncollected was equivalent to £1.4m.
- Support and information was being provided for households regarding the payment of their council tax. There had been a significant reduction in the number of households choosing to pay their council tax by direct debit.
- The Council would need to consider the levels of statutory and non-statutory services being provided (and the levels at which they were provided) in future.
- The budget pressures would have an impact on the Council's transformation and change programmes.

4.3 In Committee discussions – the following key points were also noted:

- It was recognised that continuing pressures in the economy may well result in increased demand for Council services and an ongoing need to use reserves in the coming years.
- It was also recognised that there may be a potential fall in the amount of council tax (and other charges levied by the Council) collected – due to the cost of living crisis.
- Members were concerned about the cost of living crisis and pressures in the economy lasting for a prolonged period.

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

5. Adult Social Care update

5.1 Tom Brown (Executive Director for Community Services) introduced the report. He outlined some of the upcoming changes to the adult social care system as well as the savings that had been made from the Council's services and ongoing/future plans for changing ways of working and managing the budget.

- 5.2 Councillor John Paschoud declared an interest due to a family member in receipt of a package of adult social care.
- 5.3 Tom Brown responded to questions from the Committee – the following key points were noted:
- Many of Lewisham’s adult social care providers were well rated by the care quality commission.
 - Demand management was an important part of the adult social care programme. The Council supported carers and the enablement service to improve this work.
 - There were other areas (such as supporting younger people to live more independently) in which it was recognised that more work was needed.
 - Work was taking place to develop a range of supported housing options.
 - Systems and processes were in place to monitor and manage the costs of care and support packages.
 - Significant progress had been made on collecting contributions to care packages from the NHS for cases funded by continuing health care. There had been historic issues in collecting contributions that fell below this threshold.
 - There were also ongoing challenges in collecting historic contributions from service users (and their estates). The collection rate was approximately 70%. The outstanding debt was approximately £15m
 - There was a ‘debt group’ of officers – which focused on recovering outstanding debts.
- 5.4 In the Committee discussion – the following key point was noted:
- Members emphasised the importance of collecting outstanding debts – in the context of increasing demand; areas of fixed costs and the statutory requirement to deliver services.
- 5.5 **Resolved:** that the report be noted.

6. Children’s Services update

- 6.1 Councillor John Paschoud declared an interest as a co-operative governor of Parkwood Hall co-operative academy, which is in receipt of funding from Lewisham Council.
- 6.2 Lucie Heyes (Director of Children’s Social Care) introduced the report. Lucie set out progress on delivering savings and cuts in the children’s social care division – with an overview of the primary areas of spending: workforce, demand management and the sufficiency strategy.
- 6.3 Lucie Heyes and Pinaki Ghoshal (Executive Director for Children and Young People) responded to questions from the Committee – the following key points were noted:
- The largest area of turnover for staff was amongst agency workers. However, Lewisham had one of the highest rates in London for retention of permanent staff – as well as good levels of conversion of agency staff to permanent staff.

- The increased demand for services meant that the number of social workers also had to increase, which was challenging to achieve.
- The management team was stable – which created stability and consistency across the service.
- Lewisham was also recruiting student social workers – which helped to meet demand – but the service could only sustain a set level of trainees.
- Lots of work had taken place to redesign and improve social work systems and processes to ensure that social workers were able to spend most of their time working with families.
- Surveys of staff indicated that the majority of social workers were happy in their roles – however – the difficult and demanding nature of child protection social work meant that staff worked for a limited amount of time in these roles before moving on (this was an issue for child protection teams everywhere). Senior managers’ focus was on making this difficult job as manageable as possible.
- The most important elements for social worker satisfaction and retention were: the quality of management and supervision available; the size of caseloads and the training offer - these had been a key focus in Lewisham.
- There were opportunities for social workers to move from frontline work into other roles.
- There had been difficulties in training social workers remotely during the pandemic lockdowns and managers were still dealing with the legacy of this. There had been a renewed focus on training and development.
- The pandemic had an impact on the delivery of the improvement plan – and work was taking place to catch up.
- There had been a significant increase in demand for education health and care plans for children with recognised high levels of special educational need. There had also been an increase in the complexity of these cases.
- There had also been an increase in the numbers of children attending special education schools – particularly out of borough.
- There had also been an (unfunded) change to the age range of children and young people who were eligible for health and care plans.
- The cost of transport for children to education settings had increased significantly. Transport providers were reporting significant difficulties in recruiting drivers (and increasing salaries to compensate).
- The combination of these factors had resulted in significant increases in costs.
- Work was taking place to manage the costs of journeys and the balance of in-house provision vs the use of taxis. It was recognised that more work was needed.
- The overall budget for education services from the general fund was approximately £12m – of which £6m was spent on passenger transport.

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

7. **Select Committee work programme**

7.1 The Committee received an update on the agenda for its next meeting.

7.2 The Chair also noted that information items on treasury management and social value in procurement had been circulated by email.

7.3 **Resolved:** that the work programme for the meeting on 1 December be agreed.

Chair:

Date:
