

**Minutes of the
Public Accounts Select Committee
Thursday, 1 December 2022 at 7.00pm**

In attendance: Councillors James Rathbone (Chair), Joan Millbank, John Paschoud, Eva Stamirowski, Susan Wise and Mark Ingleby

Apologies: Councillors Rudi Schmidt and Eva Kestner

Also present: Councillor Liz Johnston-Franklin, Councillor Luke Sorba (Chair of the Children and Young People Select Committee) Timothy Andrew (Scrutiny Manager), Jennifer Daothong (Executive Director for Housing, Regeneration and Public Realm) and Kathy Freeman (Executive Director for Corporate Resources)

Also present virtually: Councillor Chris Best (Chair of Healthier Communities Select Committee), Councillor Edison Huynh (Vice Chair of Sustainable Development Select Committee), Councillor Ayesha Lahai-Taylor (Chair of Safer Stronger Communities Select Committee), Councillor Chris Barnham (Cabinet Member for Children's Services and School Performance), Councillor Amanda De Ryk (Cabinet Member for Finance and Strategy), Tom Brown (Executive Director for Community Services), Jeremy Chambers (Director of Law and Corporate Governance), Pinaki Ghoshal (Executive Director for Children and Young People), Salena Mulhere (Assistant Chief Executive), Katharine Nidd (Head of Strategic Finance, Planning and Commercial), Nick Penny (Head of Service Finance) and Kim Wright (Chief Executive)

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 22 September 2022

1.1 **Resolved:** that the minutes of the meeting held on 22 September be agreed as an accurate record.

2. Declarations of interest

2.1 The following interests were declared:

- Councillor Wise declared an interest as a board member of Lewisham Homes.
- Councillor John Paschoud declared interests as: a co-operative governor of Parkwood Hall co-operative academy, which is in receipt of funding from Lewisham Council; as a Council appointee to the London Road Safety Council (as well as elected Vice-Chair); and the spouse of a Trustee of the Ravensbourne Project (which provides short breaks for children and young people)
- Councillor Huynh declared an interest as a board member of Youth First.
- Councillor Rathbone declared an interest as an employee of a Lewisham library (although not one of those run directly by the Lewisham library service).

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 – noting the £18.3m variance in the general fund budget – and that this variance had been offset by £4m of covid grant funding and £8m of corporate pressure/reserve funding – leaving a forecast budget overspend of £5.6m. Nick further outlined areas of pressure and highlighted the requirement to achieve savings proposals.
- 4.2 Nick Penny, Pinaki Ghoshal (Executive Director for Children and Young People) and Kathy Freeman (Executive Director for Corporate Resources) responded to questions from the Committee – the following key points were noted:
- More detailed work was required to verify the accuracy of the figures being used to track spending pressures in children’s services.
 - Deficits in the high needs block of the dedicated schools grant were being monitored and managed in coordination with the schools forum.
 - The adult social care improvement programme was forecasting savings of £1.1m for the year.
 - The report provided figures up until the end of October 2022 – information in the section on the capital programme would be updated.
- 4.3 **Resolved:** that the report be noted.

5. Budget reductions report

- 5.1 Councillor Amanda de Ryk (Cabinet Member for Finance and Strategy) introduced the item – highlighting the pressures facing the Council and the ongoing strain on financial services. Councillor de Ryk noted that the Council would need to either take the cuts being proposed or identify others in order to balance its budgets.
- 5.2 Kim Wright (Chief Executive) addressed the Committee – noting the importance of the cuts programme and emphasising the challenging decisions facing the Council.
- 5.3 Kathy Freeman introduced the report – noting the uncertain financial climate as well as pressures facing residents and Council services. Kathy emphasised the challenging financial situation for the Council - following on from more than a decade of cuts and pressures. She highlighted the process for scrutinising and agreeing the cuts proposals as well as the timing for the local government finance settlement.
- 5.4 Councillors Lahai-Taylor, Huynh and Sorba were invited to comment on the proposal to reduce library opening hours (COM_SAV_08). They highlighted their respective select committees’ concerns about the impact of this cuts proposal, particularly on the most vulnerable residents.
- 5.5 Tom Brown (Executive Director for Community Services) was invited to address the Committee regarding the library service proposal. Tom noted the difficulty facing the Council in making cuts and highlighted potential mitigations that would be in place.

- 5.6 Tom Brown responded to questions from the Committee – the following key points were noted:
- Work was taking place to improve the offer from the library service so that libraries would offer a broader range of activities and support for local communities.
 - Officers had been considering the best way to implement the proposal to minimise its overall impact.
- 5.7 Members discussed the library services proposal – noting the difficulty facing the Council in balancing its budget whilst expressing concern about the bluntness of the proposal to reduce hours uniformly across all of the libraries. The Committee noted that the different libraries had different running costs, levels of footfall and facilities. Members considered whether the proposal could be implemented strategically to in order to minimise its impact.
- 5.8 Councillor Sorba was invited to address the Committee regarding other cuts that had been referred by the Children and Young People Select Committee (CYP_SAV_01 – Review of Children Centres Budgets and CYP_SAV_04 – Youth Services Budget Review). Cllr Sorba emphasised the Committee’s concern about the unintended consequences of reducing preventative services – and recommended delaying the decision on the cuts until further information was available regarding the local government finance settlement and the outcome of a recent OFSTED inspection.
- 5.9 Pinaki Ghoshal was invited to address the Committee regarding the proposals and the referral from the Children and Young People Select Committee. Pinaki highlighted the changes in funding that were anticipated (over a three year period) – which would likely result in increased funding for the proposed hub model. He also noted that work was taking place with Youth First to ensure that it increased its funding from additional sources, making it less reliant on its contract with the Council.
- 5.10 Councillor Best was invited to address the Committee regarding other cuts that had been referred by the Healthier Communities Select Committee - sexual and reproductive health services in primary care (COM_SAV_10) the adult social care, Empowering Lewisham Programme (COM_SAV_04) and reassessment of Care plans (COM_SAV_03).
- 5.11 Tom Brown was invited to address the Committee regarding the proposals and the referral by the Healthier Communities Select Committee. Tom noted the changing behaviour in the uptake of sexual health services. He also noted the careful process being followed to ensure that savings from adult social care services were not being double counted and provided additional information about the aims of the programme. Tom also acknowledged the challenges facing all residents from the cost of living crisis – including the most vulnerable residents in social care.
- 5.12 The Committee considered each of the remaining savings proposals – seeking clarification on specific measures and further details about options for implementation on several items. There was an extended discussion on the proposal relating to the road safety service (HRPR_SAV_02) – in which members discussed the options for further scrutiny of the proposal.

- 5.13 In Committee discussions the following key points were also noted:
- Members expressed concern about the pressures facing Council officers in making savings proposals and managing increasing demands.
 - Members questioned whether there were areas of Council service delivery that would have to cease due to the difficulty in recruiting to some posts and sustained pressures on budgets.
- 5.14 Councillor de Ryk and Kim Wright responded to Committee discussions – noting their thanks to the Committee for their scrutiny of the proposals – and recognising the pressures facing staff.
- 5.15 **Resolved:** that the Committee would refer its views to Mayor and Cabinet as follows –
- The Committee welcomes the careful consideration given to the budget reduction proposals by the Healthier Communities; Safer Stronger; Children and Young People and Sustainable Development select committees. It is also grateful for the attendance of select committee chairs and vice-chairs as well as senior officers at the Public Accounts Select Committee meeting to share member views and officer responses on the proposals.
 - The Committee notes that the setting of a balanced budget for 2023/23 is essential to ensuring the ongoing financial viability of the Council and it recognises that there are sustained budget pressures and unfunded costs in a number of areas. Therefore, it is with reluctance that the Public Accounts Select Committee endorses these budget reduction proposals. Members believe that it would be irresponsible to recommend that these proposals should be dropped or delayed.
 - In relation to comments and questions on the proposal to reduce opening hours at libraries (**COM_SAV_08**) the Committee notes and welcomes the comments from members of the other select committees. Public Accounts Select Committee recommends that officers be tasked with a strategic overview of the operation of the service – which should include consideration of the best means of making this saving whilst minimising the impact on residents. The Committee believes that this should include consideration of the hours of operation, footfall and usage levels across the service as well as careful consultation with library users.
 - The Committee also wishes to place on record its appreciation and thanks for the work of Council officers. Members are concerned about considerable budgetary and operational pressures - as well as levels of vacancies across the organisation. Commenting on proposals to manage pay inflation and to restructure senior management (**ALL_SAV_01 and ALL_SAV_02**) the Committee emphasised its worry that the amalgamation of responsibilities would have a further detrimental impact on staff wellbeing and welfare.

6. **Select Committee work programme**

- 6.1 Members considered the work programme for its upcoming meeting – noting that the date of the meeting might change.

6.2 **Resolved:** that the agenda for the upcoming meeting be agreed.

The meeting ended at 9.30 pm

Chair: -----

Date: -----