

# Minutes of the Public Accounts Select Committee

Thursday, 2 February 2023 at 7.00pm

In attendance: Councillor James Rathbone (Chair), Rudi Schmidt (Vice-Chair), Eva Kestner, Joan Millbank, John Paschoud, Eva Stamirowski and Susan Wise

Also present: Councillor Mark Ingleby (Chair of Overview and Scrutiny), Councillor Liz Johnston-Franklin, Councillor Stephen Penfold (Chair of the Housing Select Committee) Councillor Aliya Sheikh, Councillor Luke Sorba (Chair of the Children and Young People Select Committee), Mayor Damien Egan, Councillor Amanda De Ryk (Cabinet Member for Finance and Strategy), Councillor Louise Krupski (Cabinet Member for Environment and Climate), Timothy Andrew (Scrutiny Manager), David Austin (Director of Finance), Paul Boulton (Interim Director of Public Realm), Tom Brown (Executive Director for Community Services), Jeremy Chambers (Director of Law, Governance and Elections), Jennifer Daothong (Executive Director for Housing, Regeneration and Public Realm), Kathy Freeman (Executive Director for Corporate Resources), Pinaki Ghoshal (Executive Director For Children and Young People) and Kim Wright (Chief Executive)

Also present virtually: Councillor Bill Brown, Councillor Hau-Yu Tam, Councillor Aisha Malik-Smith, Councillor Jacq Paschoud, Councillor James Royston (Chair of the Sustainable Development Select Committee), Councillor Liam Shrivastava, Councillor Chris Barnham (Cabinet Member for Children and Young People), Councillor Juliet Campbell (Cabinet Member for Communities, Refugees and Wellbeing) Katharine Nidd (Head of Financial Strategy, Planning and Commercial) and Nick Penny (Head of Service Finance)

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 1 December 2022

- 1.1 **Resolved:** that the minutes of the meeting held on 1 December be agreed as an accurate record.

## 2. Declarations of interest

- 2.1 Councillor Susan Wise declared an interest as a Director of Lewisham Homes.
- 2.2 Councillor John Paschoud declared an interest as a Trustee of London Road Safety Council – alongside his role as a Council appointee to the same organisation.

## 3. Responses from Mayor and Cabinet

- 3.1 There were none.

#### 4. Road safety services review

- 4.1 Paul Boulton (Interim Director of Public Realm) introduced the report - providing an overview of the proposed changes to school crossing patrols and new road safety measures.
- 4.2 Paul Boulton and Jennifer Daothong (Executive Director for Housing Regeneration and Public Realm) responded to questions from the Committee as well as councillors attending under standing orders - the following key points were noted:
- Schools entering a service level agreement with the Council to fund their own crossing patrols would do so in addition to the proposed new road safety measures.
  - The approximate cost of a school crossing patrol for a school under a service level agreement would be eight to ten thousand pounds.
  - Some assessment work had already been carried out - but further detailed design work would be required before the implementation of any changes.
  - Each site would be subject to further detailed design work (including consultation with local councillors and schools) which would assess the measures (and appropriate signage) needed, alongside an independent road safety audit.
  - The planned full year savings from the programme would be £140k.
  - The estimate for the capital costs of the mitigation works would be £500k.
  - Lewisham was one of the most progressive London Boroughs in terms of school streets. Every school in the borough where it was feasible would be offered a school street to ensure that walking and cycling to schools was as safe as possible.
  - None of the school crossing patrols would be removed until the mitigation works had been assessed by an independent safety audit.
  - The Council worked with the police across the borough to target speeding where there were safety concerns.
  - Data was collected to assess compliance to the 20mph speed limit.
  - Members could direct specific ward specific questions to Paul and his team following the meeting.
  - Officers agreed that the proposals would be better described as an investment in the improvement of long-term safety measures rather than a revenue saving.
- 4.3 Cllr de Ryk responded to a question about the implementation of the proposal noting that it had been in discussion for an extended period - and the priority was safety for children (as well as all residents).
- 4.4 Members discussed the option of making a recommendation to Mayor and Cabinet to delay or amend the proposals to re-emphasise the importance of road safety over cost saving but noted that the agreement of the proposal would release the funding for further design and development work and thus **resolved**: that the report be noted.

## 5. Council budget 2023-24

- 5.1 Mayor Egan introduced the item - noting the ongoing challenge of finding cuts to Council budgets for each of the past twelve years - combined with the array of pressing national and international issues.
- 5.2 Mayor Egan responded to questions from members attending under standing orders - the following key points were noted:
- The Council was using its reserves in a responsible and limited way.
  - The Council evaluated its level of reserves against other local authorities – and was not an outlier.
  - It was expected that in the coming years the requirement to utilise reserves to balance the budget would reduce.
  - Work was taking place in adult social care to improve services and reduce costs.
  - There were challenges in children’s social care with increased demand, increasing costs and a large cohort of young people taken into care who were becoming care leavers.
  - Eight in ten local authorities were struggling with the costs of children’s social care. Work was taking place to try to mitigate some of these costs.
- 5.3 Kim Wright (Chief Executive) was invited to address the Committee - noting successes in the way the organisation had responded to challenges and changes over a number of years.
- 5.4 Kim Wright, Pinaki Ghoshal (Executive Director for Children and Young People), and Kathy Freeman (Executive Director for Corporate Resources) responded to questions from the Committee as well as members attending under standing orders - the following key points were noted:
- It was intended that the budget was a collaborative endeavour - with all departments putting up savings but, this year there was a view that some parts of the Council had been so ‘hollowed out’ that they should not have to make any further savings.
  - The approach taken to try to protect frontline service by hollowing out corporate services was the right one at the time - but there came a point when this was not sustainable.
  - As part of the work to rebuild corporate services there would be a renewed focus on performance monitoring and evidence led service design.
  - Before the restructure of the finance teams there were potential issues with ‘grip and accountability’ in some financial functions.
  - Consideration had been given to providing free school meals for all school children - at a cost of £11m - but a decision had been taken to deliver the household support fund through schools – so that they could identify and support families most in need.
  - The local government financial settlement had been slightly better than expected - and this had been used to support budgets in several areas (including increased energy costs).

- The reduction in the costs to the general fund for children’s centres was being offset by additional grant funding for family hubs.
- 5.5 Kathy Freeman (Executive Director for Corporate Resources) introduced the report - providing an overview of the decision-making process, noting the key elements of the report and emphasising the challenging financial climate.
- 5.6 Kathy Freeman and David Austin (Director of Finance) responded to questions from the Committee - the following key points were noted:
- The Council had considered the council tax collection rate in previous years (as well as the rate of in-year collection) and had reduced the anticipated collection rate for the coming year.
  - It was expected that energy costs would reduce in the coming year. Energy had been purchased in advance for the coming year, but it was expected that the budget requirement would reduce for the following financial year.
  - The Council had created an energy efficiency role within the Council’s facilities management team. The opening hours of Council buildings were also being reduced to save on running costs.
  - Grant funding was being used more by Government over the past few years. Grants were not included in the base budget because they were only available for limited periods.
  - Consideration was being given to leaseholders’ major works bills - particularly given the strains present in the financial climate.
- 5.7 Councillor Luke Sorba (Chair of the Children and Young People Select Committee) addressed the Committee regarding proposed cuts to the youth service and to children and family centres. Councillor Sorba asked the Committee for its support in referring the cuts back to Mayor and Cabinet - in the context of the provisional local government financial settlement and the importance of preventative services for children and young people.
- 5.8 Kathy Freeman and Pinaki Ghoshal responded to the Comments of the Chair of the Children and Young People Select Committee - the following key points were noted:
- Before the announcement of the provisional local government finance settlement, the Council was already facing significant risks and pressures - including the requirement to deliver on cuts proposals from previous years.
  - Not all the potential risks of inflation had been factored into the budget. A significant amount of work would be required to deliver more than £20m of savings in the coming year.
  - The Council continued to overspend in several areas.
  - It was recognised that difficult decisions had to be made in the restrained financial climate.
  - Children’s services had previously put significant resources into early help - but that help was not always effective, and the cost of unsuccessful preventative work was combined with large numbers of children entering social care.

- A small number (27) of high-cost residential placements resulted in 30% of the placement budgets costs.
- Despite high number of referrals to social care, fewer children were being taken into social care - which meant the numbers of children in care was significantly reducing.
- Contract management meetings with Youth First would be used to encourage the organisation to access more funding from alternative sources to the Council and to focus on targeted support to the children and young people about which the Council had the most concerns. There was also an expectation that it should reduce its back-office costs.
- It was not likely that Youth Service would cease to operate - but in that scenario there were other potential providers of youth services in the borough.

5.9 Councillor Amanda de Ryk (Cabinet Member for Finance and Strategy) addressed the Committee noting her thanks for members' input and highlighting the difficult financial climate facing the Council.

5.10 In Committee discussions the following key points were also noted:

- Members welcomed the input of the Children and Young People Select Committee - and were sympathetic to the comments of the Chair regarding the importance of early help and preventative services. Nonetheless, the Committee felt that - in the overall context of the financial situation facing the Council and the ongoing pressures on the budget - it could not support a referral to Mayor and Cabinet in opposition to the proposed budget cuts.
- Members thanked officers for their work on the budget.

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

## 6. Select Committee work programme

6.1 Members discussed the work programme for its upcoming meeting, and it was agreed that there would be a whole meeting focus on Children's Social Care (budget performance, outcomes, impact and value for money)

6.2 **Resolved:** that the work programme for the next meeting be agreed.

The meeting ended at 9.40 pm

Chair:

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Date:

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