

# Minutes of the Public Accounts Select Committee

Thursday, 26 September 2024 at 7.00 pm

In attendance: Councillors James Rathbone, John Paschoud, Mark Ingleby, Eva Kestner and Susan Wise

Also joining the meeting virtually: Councillor Aisha Malik-Smith

Apologies: Councillor Joan Millbank

Also present: Councillor Chris Barnham (Cabinet Member for Children and Young People), Councillor Paul Bell (Cabinet Member for Health and Adult Social Care), Councillor Amanda De Ryk (Cabinet Member for Finance, Resources and Performance), Timothy Andrew (Scrutiny Manager), David Austin (Executive Director for Corporate Resources), Tom Brown (Executive Director of Adult Social Care and Health), Lucie Heyes (Director of Children's Social Care) 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 9 July 2024

1.1 **Resolved:** that the minutes of the meeting on 9 July be agreed as an accurate record.

## 2. Declarations of interest

2.1 Councillor John Paschoud declared an interest in relation to item five as a parent of an adult daughter in receipt of a package of adult 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 – noting the challenging financial situation facing the Council and highlighting pressures in key areas across the general fund, housing revenue account (HRA), dedicated schools grant and capital programme. Nick also provided an update on the savings, cost avoidance and cuts measures projected through the medium-term financial strategy to balance the Council's budget in coming years.

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

- Of the savings outlined for 2024-25 £6.8 million had been achieved. £200k were unachievable and £1m were under review as potentially unachievable.
- The HRA reserves were recognised as being below the optimal level. The intention was to keep 10% of the overall budget in reserve.

- Work was taking place to stabilise the HRA over the medium term – and to rebuild the reserves.
- Work was taking place to ensure that the repairs service was functioning as well as possible – to reduce costs and improve the service for residents.
- Work was still taking place to finalise the budgets for the Lewisham Homes legacy company.
- The process for recharges was currently being reviewed which might reduce some of the charges on the HRA as all of Lewisham Homes' services were reincorporated into the Council.
- The return of right to buy receipts was carried out for a number of reasons – including the benefits of accessing alternative funding as well as slippage in the timing of the capital programme.
- The implementation of some savings proposals had been delayed by practical issues, hampering implementation.
- The largest risk of slippage in the capital programme was on the delivery of new homes.
- The later programmes were delivered through the capital programme the more costly they were (in terms of construction and also due to foregone rents for housing related schemes)
- There were a number of initiatives being carried out to reduce the Council's costs. Collecting Council debts was one part of this.
- Work was taking place to streamline the management of debts and improve the availability of reporting.
- An assessment was being made to determine what the correct level of resourcing was for the council tax and business rate collection teams.
- None of the measures being taken to manage overspending in the HRA had an impact in the general fund (they were kept entirely separate)
- A number of the measures being taken to manage the HRA budget were time limited and would only control costs in the short term.
- Measures were being developed on medium and long term approaches to managing the HRA.
- Officers were ensuring that there was early engagement with the government over the pressures facing the HRA.

4.3 Councillor Amanda de Ryk (Cabinet Member for Finance, Resources and Performance) was invited to address the Committee – the following key point was noted:

- It was clear that the performance of Council tax and business rate collection teams needed improvement – and work was taking place to ensure that they had the correct levels of resources.
- It was recognised that early warning to the government about the pressures facing the HRA was necessary – this would also help to demonstrate that the issues were widespread amongst local authorities.
- It was important to recognise that the Council's housing team had done a great deal of work to ensure that the repairs service was functioning as well as possible.

4.4 **Actions:**

- That the turn around time for void housing be provided to the Committee.

4.5 **Resolved:** that the Committee would refer its views to Mayor and Cabinet, as follows – the Committee recommends that the Council open discussions with the Ministry of Housing, Communities and Local Government about actions which can be taken to stabilise the HRA Budget should sufficient overspend reductions and once-off-funding not be identified.

## 5. Social care commissioning and contracting

5.1 Tom Brown (Executive Director of Adult Social Care and Health) introduced the report – noting the key aims of adult social care, the duties contained in the care act and the pressures facing adult social care.

5.2 Tom Brown and Councillor Paul Bell (Cabinet Member for Health and Adult Social Care) responded to questions from the Committee – the following key points were noted:

- One of the benefits of paying the London Living Wage and the ‘maximising wellbeing at home’ approach taken by the Council meant that the delivery of care in people’s homes was relatively stable – in contrast to much of London.
- The payment of the London Living Wage had benefits beyond the immediate remuneration of the staff involved. It reduced staff turnover and improved overall outcomes for service users.
- Staffing of care home provision was slightly more challenging (but still better than the situation nationally)
- All of the Council’s home care was provided by external providers – there were very few services provided internally. All suppliers had to have a local focus – and they usually recruited locally.
- Some care homes were small family businesses – but some were much larger national organisations.
- The adult social care market was more stable than the children’s social care market. The Care Quality Commission carried out enhanced regulation for the largest care providers in the market.
- The Council had an enablement approach to social work – to support people to live as independently as possible.
- The Council did not have the resources to monitor all of the care providers in the market. The CQC also had a large backlog of providers to review.
- For the organisations that the Council contracted with, regular checks were carried out to ensure compliance.
- The Council was well prepared for the implementation of fair pay agreements in the care sector.
- The cost of increasing all care provision to the London Living Wage would be around £5m.
- The Council did not use care providers that were rated as less than ‘good’ (or were on their way to being rated so) by the Care Quality Commission.
- Consideration had been given to the costs of providing free homecare in line with the recommendations of the Lewisham Disability Commission report but this was currently unaffordable.
- The funding to provide more staff would be welcome but there were also challenges in accessing sufficient social workers.
- The quality of systems and data being used by the Council had been improved and was currently working well.

- There had been interest from other boroughs in the approach being taken by Lewisham and the successes being achieved.
- 5.3 Councillor Chris Barnham (Cabinet Member for Children and Young People) introduced the section of the report on children’s social care – noting the challenges facing the sector and acknowledging the financial pressures in Lewisham.
- 5.4 Lucie Heyes (Director of Children’s Social Care) introduced the report – outlining the numbers of children in contacts with care services, setting out the environment in which the service was operating and highlighting the key costs.
- 5.5 Lucie Heyes and Councillor Chris Barnham responded to questions from the Committee – the following key points were noted:
- Meetings were due to take place with representatives of the new government and London Councils about the cost of social care market.
  - 40% of children entering care went home (or to a family member) in the first year.
  - The cohort of 16- and 17-year-olds was the last legacy of previous poor practice – which had bought an unnecessarily large number of children into care.
  - The development of an integrated adolescent service would help to support families with complex needs.
  - The profile of entries of children into care was changing – 80% of children of secondary school age children were presenting to the service (rather than younger children – who were more likely to be brought into care with a care order, for their protection)
  - A number of local authorities were entering the care market – and creating their own care provision.
  - There were ongoing negotiations with the NHS to share costs.
  - The concern about the history of problematic care homes was recognised. The new provision that was being created would be bespoke, small scale and necessary to ensure that the level of acute need could be met.
  - The provision at Amersham and Northover were different than secure accommodation for children in care – they were larger units for older children due to leave care, as a step to independence.
  - Consideration was being given to the assets available to the Council to provide future provision.
  - There was a dedicated placements team to identify the most suitable placements for children.
  - There had been a range of improvements to the invoicing and payments systems used by the Council.
  - Work was taking place to cleanse the data in the Council systems to ensure future assurance around reporting.
  - There was a weekly panel to review high-cost placements and the movement of children from higher cost to lower cost placements.
  - There was a breakdown of costs from placements provided through the Commissioning Alliance.
  - The Commissioning Alliance faced the same challenges as local authorities facing the power of providers in the market. It was difficult to determine how successful the Alliance had been in containing costs.

- 5.6 In Committee discussions the following key points were also noted:
- Members welcomed the improvements in the provision of services in adult social care.
  - Members highlighted the legacy of problems with the systems used by children’s social care to manage data and payments.
  - The Committee also placed on record its thanks to Tom Brown (who was due to enter retirement).
- 5.7 **Resolved:** to recommend that officers should carry out a further review of the data management systems in children’s social care and return to the Committee with a timeline for improvement.

## 6. Select Committee work programme

- 6.1 The Committee discussed the work programme for its November meeting.
- 6.2 **Resolved:** that the work programme for the meeting on the 28 November be agreed.

The meeting ended at 21:55

Chair:

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Date:

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