

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Thursday, 17 March 2022 at 7.00 pm

IN ATTENDANCE: Councillors Mark Ingleby (Chair), Jim Mallory, Joan Millbank and James Royston

ALSO JOINING THE MEETING VIRTUALLY: Councillor Alan Hall (Vice-Chair)

ALSO PRESENT: Paul Maslin (Chair of Overview and Scrutiny), Councillor James Rathbone, Timothy Andrew (Scrutiny Manager), David Austin (Director of Corporate Services), Rich Clarke (Head of Assurance) and Kathy Freeman (Executive Director for Corporate Resources)

ALSO PRESENT VIRTUALLY: Councillor Amanda De Ryk (Cabinet Member for Finance), Barry Bugden (Social Value Officer), Raymond Kinsella (Principal Business Development Officer), 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 27 January 2022

- 1.1 **Resolved:** that the minutes of the meeting held on 27 January be agreed as an accurate record.

2. Declarations of interest

- 2.1 Councillor Ingleby declared an interest as a trustee of the Goldsmith's Community Association – in relation to any discussion at the meeting regarding business rates.

3. Responses from Mayor and Cabinet

- 3.1 Members asked Kathy Freeman (Executive Director for Corporate Resources) to provide an overview of her section 25 statement on the robustness of the Council's budget.
- 3.2 Kathy Freeman provided an overview of the statement, noting its key elements – including: economic factors; risks to the budget; cost pressures; shortfalls in income and the impacts of the pandemic; organisational capacity and resilience; the capital programme; the future uncertainty in local government finance and the impact of legislative changes as well as the priorities of the Future Lewisham Programme.

3.3 In response to a question from the Committee, Kathy Freeman emphasised the ongoing level of risk and the uncertainties facing the Council.

3.4 **Resolved:** that the response from Mayor and Cabinet be noted.

4. Financial Forecasts

4.1 Nick Penny (Head of Service Finance) introduced the report – noting the level of overspending in the Council’s budget and areas of ongoing pressure. He highlighted children’s and adult social care and the remaining spending from pandemic related funding.

4.2 Nick Penny and Kathy Freeman responded to questions from the Committee – the following key points were noted:

- There had been a slight improvement in the budget overspend for children’s social care.
- There had also been a reduction in overspending the adult social care division due to: direct payment refunds; funding from health partners and management action. There was no expectation of savings from the adult social care review in this financial year.
- Transport services were a particular area of cost pressure.
- There were no longer significant cost pressures in the environment division.
- Works carried out on Lewisham Homes’ leaseholder properties were carried out by contractors and then billed to leaseholders. It was proposed in future that the works were billed upfront (as was the case at many other local authorities). The position of the housing revenue account would improve when funds for works were received from leaseholders.
- Work was taking place to increase the number of specialist placements in the borough for children with complex needs to attend local schools.
- Work was taking place with Lewisham Homes to manage the costs associated with repairs and maintenance. Improved governance arrangements were also in place to monitor spending.
- The adult social care programme had identified a number of areas in which it should be possible to achieve efficiencies and savings.
- Funding was still being held for borough wide community equalities programmes.
- Additional work would need to take place to realise savings from the Oracle programme.

4.3 Councillor Amanda de Ryk (Cabinet Member for Finance) addressed the Committee. She noted the difficult financial situation facing the Council as well as the challenges facing officers in meeting increased demand with fewer people.

4.4 **Resolved:** that the report be noted. It was also agreed that further information would be available at the next meeting regarding mitigations for overspending on schools placements and repairs and maintenance at Lewisham Homes.

5. Audit Panel Update

- 5.1 Councillor Rathbone introduced the item – noting his thanks to the Panel's independent members and to councillor colleagues for their work over the year.
- 5.2 Rich Clarke (Head of Assurance) introduced the report – noting key issues from the Panel's recent meeting (which were not covered in the report).
- 5.3 Rich Clarke and David Austin (Director of Corporate Services) responded to questions from the Committee – the following key points were noted:
- Work was taking place to develop additional internal control measures.
 - Efforts were being made to recruit additional independent Audit Panel members.
 - Grant Thornton (the Council's external auditors) had issued a draft of the value for money statement for review – it was anticipated that this would be formally signed off in June.
 - The Catford Regeneration Partnership Ltd continued to oversee the meanwhile use of Catford shopping centre. Work would take place to further develop and formalise its future functions, an update would be included in the forthcoming update of the Partnership's business plan.
- 5.4 In Committee discussions the following key points were also noted:
- The joint work between the Panel and the Committee on issues raised by internal audit was welcome.
 - The importance of independent members of audit, the potential value of an internal control board and the need to ensure that there are robust governance measures in place.
- 5.5 **Resolved:** that the report be noted.

6. Local Supply Chain Update

- 6.1 Katherine Nidd (Head of Financial Strategy, Planning and Commercial) introduced the report – noting achievements and milestones over the past four years. She emphasised the importance of the 'Lewisham Deal' of key public sector partners in the borough to support inclusive economic development.
- 6.2 Katherine Nidd, Raymond Kinsella (Principal Business Development Officer) and Barry Budgen (Social Value Officer) responded to questions from the Committee – the following key points were noted:
- New initiatives were being trialled to support smaller business and organisations to access procurement opportunities.
 - Focused work was taking place with businesses in different sectors to develop and encourage business growth and resilience.
 - Social value monitoring was being carried out through a number of Council contracts. It was intended that in the next two years, all Council contracts would include deliverable social value measures.

- Procurement was only one of the elements of community wealth building and social value.

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

- Members thanked officers for their work and dedication over the past four years.
- There was potential to grow green industries.
- Recent work at Overview and Scrutiny Committee (drawing on the work of the New Economics Foundation) was relevant to this work.
- There were a number of other issues (including assets and digital inclusion) that were relevant to social value.

6.4 **Resolved:** that the report be noted – and that officers be thanked and commended for their work.

7. **Select Committee work programme**

7.1 The Committee considered the final work programme report of the administration.

7.2 The following work programme suggestions were made for consideration by members of the committee in the new administration:

- Zero based budgeting;
- Capital programme financing;
- Section 106 and CIL (auditing section 106 funding);
- Housing Revenue Account business planning;
- Local supply chains;
- Strategic partnership working (and engagement with land owners);
- Green economy and circular economy;
- Food strategy;
- Reporting back to the Audit Panel on its concerns;
- Staff culture, income generation and commercialisation;

7.3 **Resolved:** that the work programme report be noted – and that the suggestions made be put forward for consideration by members of the Committee in the new administration.

The meeting ended at 9pm

Chair:

Date:
