

<b>Mayor &amp; Cabinet</b>			
<b>Title</b>	Responses of the Public Accounts Select Committee on the Select Committee Work Programme		
<b>Key Decision</b>	No	<b>Item No</b>	
<b>Contributors</b>	Executive Director for Resources and Regeneration		
<b>Class</b>	Part 1	<b>Date</b>	23 March 2016

## 1. Purpose

- 1.1 This report responds to the comments and views arising from the Public Accounts Select Committee on the Select Committee work programme.

## 2. Recommendation

- 2.1 The Mayor is recommended to approve the proposed responses to the comments and views of the Public Accounts Select Committee as set out in Section 3 of this report and report these to the Overview & Scrutiny Committee.

## 3. Comments from the Public Accounts Select Committee

- 3.1 The Committee heard an update from the Head of Financial Services following the Comprehensive Spending Review and Autumn Statement announcements. The Committee was informed that, after the release of the provisional local government settlement, more details would be available which would be in time for the Committee's next meeting in January where it will be considering the annual budget. Following receiving the update, the Public Accounts Select Committee resolved to recommend the following to the Mayor and Cabinet:

- That given the demographic profile of the London Borough of Lewisham, the Committee felt there was a very big concern that changes proposed around Business Rates would have a disproportionately negative effect on the Borough. The Committee therefore recommended that the Mayor make representations to the Secretary of State to highlight these concerns.
- That the Committee had concerns around changes proposed to the Education Services Grant and that this could have a substantial impact on the services managed by the local authority. In addition to this the changes being considered as part of the review of the Dedicated Schools Grant were also likely to have a disproportionately negative effect on pupils in Lewisham. The Committee recommended that the Mayor make representations to the Secretary of State to highlight the potentially damaging effect these changes would have on pupils in Lewisham.

### Response

- 3.2 There is no specific consultation on-going at the present time for business rates. However, Members should note that there was a general consultation launched back in late 2015 about 'how should business rates work' and a more detailed

specific consultation on the administration around valuations and appeals. This consultation closed in January 2016. However, at this stage officers have not been notified of any specific business rates consultation which would lead to a significant impact on the Council's financial position. Notwithstanding, it remains important for Lewisham to ensure its concerns are heard given the important the existing scheme its financial stability. The Mayor will seek to make such representations to government, as appropriate and in conjunction with the work officers are doing with colleagues at London Councils.

- 3.3 On 7<sup>th</sup> March 2016, the government launched a consultation on the schools national funding formula where views are being sought on the structure of the formula. The future of the Dedicated Schools Grant is the main focus of the funding reforms being proposed by government and this will have some impact on the working and distribution of the education services grant. An officer group (including teaching staff representatives) has recently been established to review the consultation documentation and to draft the response for submission to government by the deadline date of 17<sup>th</sup> April 2016. Once drafted, officers will seek the Mayor's involvement to ensure that appropriate representations are made to government which will highlight the potentially damaging effect reforms to the formula would have on pupils in Lewisham.

#### **4. Financial Implications**

- 4.1 There are no specific financial implications arising from this report.

#### **5. Legal Implications**

- 5.1 There are no specific legal implications arising from this report.
- 5.2 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet who are obliged to consider the report and the proposed response from the relevant Executive Director and report back to the Committee within two months, not including recess.

#### **6. Equalities and environmental Implications**

- 6.1 There are no specific equalities or environmental implications arising from this report.

#### **7. Crime and Disorder Implications**

- 7.1 There are no specific crime and disorder implications directly arising from this report.

If you have any queries on this report, please contact Selwyn Thompson, Head of Financial Services on 020 8314 6932