

# MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Wednesday, 22 September 2016 at 6:30pm

PRESENT: Councillors Jamie Milne (Chair), Chris Barnham, Brenda Dacres, Amanda De Ryk, Skip Amrani, Mark Ingleby, Sue Hordijkeno, Jim Mallory.

IN ATTENDANCE: Councillors Alan Hall (Chair of Overview and Scrutiny Committee), John Muldoon (Chair of Healthier Communities Select Committee), Hilary Moore (Chair of Children and Young People's Select Committee), Kevin Bonavia (Cabinet Member for Resources), Sir Steve Bullock (Mayor of Lewisham)

PRESENT: Emma Aye-Kumi (Scrutiny Manger), Selwyn Thompson (Head of Financial Services), David Austin (Head of Corporate Resources), Janet Senior (Executive Director for Resources and Regeneration), Robyn Fairman (Head of Strategy, Strategic Resources), Genevieve Macklin (Head of Strategic Housing and Regulatory Services), Aileen Buckton (Executive Director for Community Services), Sara Williams (Executive Director for Children and Young People).

APOLOGIES: Councillors Liam Curran (Chair of Sustainable Development Select Committee), Roy Kennedy and Mark Ingleby.

## 1. Minutes of the meeting held on 5 July 2016

Councillor Milne opened the meeting and welcomed Councillor Sue Hordijkeno as a new member of the committee.

**RESOLVED** that the minutes of the last meeting held on 5 July 2016 be signed by the Chair as a true and accurate record.

## 2. Declarations of Interest

Councillors Hall and Muldoon declared non-prejudicial interests as Governors of SLaM NHS Trust.

## 3. Lewisham Future Programme 2017/18 Draft Revenue Budget Savings Proposals

David Austin (Head of Corporate Resources) presented the savings report. The Chair invited Chairs of the Select Committees to present their Committees' referrals and advised that the Committee should be minded to endorse the referrals.

The following was raised in discussion:

- Members expressed concern over school deficits and felt more information was needed to understand whether this was a local, regional or national

problem. They also wanted a better understanding of how to fund schools in the context of diminishing resources

- Additional equalities impact data had been circulated since the report had been published and Members were broadly satisfied
- Members across the Select Committees were generally opposed to the proposal to remove the Local Assembly Fund
- Priorities for the Budget would be reassessed over the coming weeks
- There would be little point in agreeing to a saving only to create an overspend
- Some projected savings had not delivered quickly enough – the example given was income generation – resulting in an overspend (or overspends in some services)

**RESOLVED** that the Public Accounts Select Committee refer the comments of the Select Committees to Mayor & Cabinet.

The Committee then discussed those savings proposals that were for consideration by the Public Accounts Select Committee.

### **E6 – Property Investment/ Acquisition**

Members supported the proposal but sought clarification of what was meant by “other partners”. Officers clarified that these were recognised institutional bodies that had been risk checked and approved by the council’s treasury advisors.

### **E7 – Conversion of an asset for development**

Members were supportive of this proposal and asked whether the proposed saving could be increased. Officers explained that

- the £150,000 saving related to a particular property, and was based on converting existing office space into 10 x 2 bedroomed units
- further savings would be achieved, but beyond the 2017/18 timescale
- the new units would give rise to cost saving for temporary accommodation.

Members also requested a report on future asset realisation for consideration by the Committee.

### **I11a) and b) – Insurance – level of self-insurance risk**

The Committee were supportive of the proposals and was encouraged to hear that work was being done to explore the possibility of creating a mutual with a partner, to achieve better economy of scale.

### **M7 – No Recourse to Public Funds Costs**

The Committee heard that unless there were specific locational priorities applied to an individual case such as child protection, specific health needs that could only be met in the borough, or a child reaching a critical point in their schooling, many of the 11 household would be placed in East or Outer London where property prices were cheaper. Members asked officers to supply a breakdown.

## **Efficiency Plan in support of Four Year Settlement Offer**

Officers drew the Committee's attention to the 4 year efficiency plan at Appendix xi of the Lewisham Future Programme report. The Committee heard that to take up the offer, the Council was required to notify the Secretary of State by the 14 October 2016.

Members were advised that they should consider whether they thought a better offer would be forthcoming, and whether the new Secretary of State might bring about a change of direction.

### **RESOLVED**

1. that the report be noted
2. that Members be provided with a breakdown of housing locations for the 11 affected families (Action: Head of Strategic Housing and Regulatory Services)
3. that a referral to Mayor and Cabinet be made in the following terms:

The Public Accounts Select Committee endorsed the referrals made by Select Committees (attached at Appendix A). The Committee asked that the Mayor & Cabinet take these referrals into account alongside officer reports when taking a decision on the Lewisham Future Programme – 2017/18 Draft Revenue Budget Savings Proposals report.

The Public Accounts Select Committee noted the assurances given by officers that concerns raised by the Sustainable Development and Safer, Stronger Communities Select Committees regarding the accuracy of equalities impact assessments had been addressed.

The Public Accounts Select Committee agreed the following proposals with no changes: E6, E7, I11(a) and (b), M7(a) and (b).

### **3. Business Rate and Need Consultation**

David Austin, Head of Corporate Resources, presented the report, and highlighted that the first stage consultation would close on 26 September 2016. He explained that Lewisham was a large "top-up authority" with 25 Boroughs receiving top-ups and 8 subject to tariffs in London. Therefore the London voices against any unfairness in the proposed scheme would be strong.

The significant implications of the proposed changes to business rate retention was of concern to some Councillors who felt that as a political group, the Labour party had not had the opportunity to prepare a party response. It was noted that the government's proposals had been around for at least 2 years, and that there had been a briefing at an Overview and Scrutiny Committee meeting.

The following points were noted in discussion:

- HM Treasury or DCLG would decide the level of top-ups, or, if the London pool proposal was accepted, a new body would be created
- Incentivising the business base in Lewisham was very difficult as smaller businesses were exempt from paying business rates. Furthermore, it was reported that planning committees regularly heard the difficulties experienced by landlords of new developments in trying to secure business tenants
- Outside of the consultation process, the Cabinet Member for Resources would draft a “Lewisham Minority Report” to emphasise Lewisham’s value to the rest of London both now and in the future
- There was support for the broad principles of the response, but when the time came, Lewisham would have to stand up for itself
- Members requested that the consultation response be circulated to Select Committees ahead of the deadline.

RESOLVED that the progress of the GLA/ London Councils’ proposals on a system of 100% retention of business rate and the London Councils’ response to the Government’s business rate consultation be noted.

#### **4. Select Committee Work Programme**

Members were asked to note the work programme and date of next meeting.

The following was discussed:

- Business Rates to come back to Committee once the consultation had been analysed (likely next summer)
- Members requested to see detail about which strands of the Budget were income generating.

RESOLVED that the work programme be updated as follows:

- “Income Generation – update” be postponed to November
- new item “Future Asset Realisation” be scheduled for November.

#### **5. Referrals to Mayor and Cabinet**

See Item 3. There were no further referrals.

The meeting ended at 8:28pm.