

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Wednesday, 7 November 2018 at 7.00 pm

PRESENT: Councillors Jim Mallory (Chair), Louise Krupski (Vice-Chair), Patrick Codd, Alan Hall, Paul Maslin and Joan Millbank and Bill Brown and Juliet Campbell

APOLOGIES: Councillors Abdeslam Amrani and Mark Ingleby

ALSO PRESENT: Councillor Chris Best (Deputy Mayor), Councillor Amanda De Ryk (Cabinet Member for Finance, Skills and Jobs (job share)), Mayor Damien Egan (Mayor), Councillor Liz Johnston-Franklin, Councillor Octavia Holland, Councillor Pauline Morrison, Councillor John Muldoon, Councillor James Rathbone, Timothy Andrew (Scrutiny Manager), David Austin (Head of Corporate Resources), Dee Carlin (Head of Joint Commissioning) (LCCG/LBL), Kevin Flaherty (Business and Committee Manager), Joan Hutton (Head of Adult Assessment & Care Management), Robert Mellors (Finance Manager, Community Services and Adult Social Care), Freddie Murray (SGM Property, Asset Strategy and Estates), Barrie Neal (Head of Corporate Policy and Governance), Janet Senior (Executive Director for Resources & Regeneration), Kevin Sheehan (Executive Director for Customer Services), Selwyn Thompson (Head of Financial Services), Ralph Wilkinson (Head of Public Services), Sara Williams (Executive Director, Children and Young People) and Alice Corble (Save Lewisham Libraries Campaign)

1. Minutes of the meeting held on 25 September 2018

- 1.1 The Committee discussed the minutes of the meeting held on 25 September 2018, the following key point was noted:
 - The suggestion had been made that any strategy for improvement in children's social care had to be "corporate and cross-cutting".
- 1.2 The Chair informed the Committee that he had hoped to attend the meeting of Mayor and Cabinet on 10 October 2018, when the Committee's referral on children's social care was considered. However, he had been unable to do so because of commitments in his ward. He advised the Committee that, had he attended Mayor and Cabinet, he would also have raised the following key points:
 - It was important that issues with children's social care and adult's social care were considered in advance of the proposed cuts to the budget – because the burden of overspending in these areas fell on other areas of the Council.
 - The Committee recognised and supported positive improvements that were planned for the children's social care budget, however, it was felt that the reasons for the suddenness of the overspend in 2017-18 had not been fully explained.
 - The Committee was making a "profound leap of faith" in welcoming the children's social care improvement plan and that the Committee would be seeking assurances and accountability in the coming year to ensure that such an unprecedented situation was not repeated.
- 1.3 David Austin (Head of Corporate Resources) was asked to address the Committee in relation to the Chancellor's autumn budget and any potential

additional funds being made available for children's social care by Government. The following key points were noted:

- Lewisham had received £1.3m of the additional £240m funding for 2018-19 and 2019-20 from Government to spend on winter pressures.
- In 2019-20 a further £410m had been made available nationally for children's and adult's social care. Information had not yet been made available about how this would be split and allocated. The assumption being made was that Lewisham would receive an additional £2-3m (based on initial figures from London Councils).

1.4 **Resolved:** that the minutes of the meeting on 25 September 2018 be agreed as an accurate record.

2. **Declarations of interest**

Councillor Alan Hall declared a non-prejudicial interest as Chair of Unite the union community branch for Greenwich, Lewisham and Bexley; member of the Lewisham Trade Union Council and a member of Unison.

Councillor John Muldoon declared a non-prejudicial interest as a subscriber to the Lewisham garden waste service (and- following a complaint- was the recipient of a partial refund)

Councillor Jim Mallory declared a non- prejudicial interest as the Chair of Lee Green Lives (a recipient of funds from the main grants programme and the local assemblies fund) and as a member of the board of Lee Fair Share Time Bank (also in receipt of a grant from the local assemblies fund).

3. **Responses from Mayor and Cabinet**

3.1 There were none.

4. **Adult social care budget**

4.1 Councillor Chris Best (Cabinet Member for Health, Wellbeing and Older People) was invited to address the Committee. The following key points were noted:

- The report highlighted the usual pressures facing adult social care, which included: early hospital discharge; increasing longevity and complexity of needs; transition arrangements between children's and adult's social care; the rising demands of people living with dementia; responsibilities relating to deprivation of liberty safeguards.
- The Council was eagerly awaiting further announcements from Government about future funding. Previous announcements (including a 2% increase in funding for pressures) had merely served as a 'sticking plaster' to for the long term issues facing funding for social care.
- Ultimately, the work of carers should be more highly valued. Lewisham paid London Living Wage – but not all councils did.
- The Council was working hard to support residents and to meet its responsibilities within the statutory framework.

4.2 Joan Hutton (Head of Adult Social Care) introduced the report. The following key points were noted:

- The report outlined the budget for 2018-19 and detailed the expenditure on care (which accounted for the majority of spending).
- Some examples of spending on care packages and levels of activity had been included in the report.

- The Council focused support on those who had the highest levels of need.
- Information had been provided about the levels of hospital discharge and the funding available to support this work.
- There were growing numbers of people presenting with dementia – and this presented a pressure for services.
- Savings had already been delivered from the adult social care budget.
- Integration with health services was ongoing – the Council was working with colleagues in health and in children’s services to reduce duplication and contain costs.
- Communication with potential care service users at an early stage was of vital importance.
- Work was also taking place to ensure that systems, processes and methods for invoicing supported the delivery of frontline services.

4.3 Joan Hutton and Dee Carlin (Joint Commissioner) responded to questions from the Committee, the following key points were noted:

- The Council worked with partners, using a variety of means, to prevent vulnerable people from having to make repeated visits to A&E.
- Adult mental health casework and support services were recorded on different systems. Work was taking place to share information between the systems.
- The Council shared data with partners in mental health services and ensured that statutory returns were made. However, it was hoped that improved use of data between partners would allow better analysis and targeting of support.
- The report to the Committee outlined the adult social care spend – not the whole healthcare spend in Lewisham.
- There were agreements in place across a number of client groups which ‘aligned’ spending between adult social care and health.
- The joint commissioning budget did not show the entirety of spend on client groups in adult social care. To consider the totality of this spending the Committee would need to review the budget for Lewisham’s clinical commissioning group.
- Lewisham was providing more intensive support as a result of early discharge.
- Once people who had been admitted to hospital were medically fit their home was usually the best environment for them.
- The level of people returning to hospital following discharge and reablement in Lewisham was low. Information about the long term care and support requirements of people receiving this support was collected by the Council and this indicated that discharge services were performing well.
- Spending via the adult social care precept and the improved better care fund would continue on the priorities that had previously been identified. Work would also take place to improve local services for young people. There would also be some additional spending on services for people living with dementia.
- It was important to ensure that the local care market remained viable and buoyant.
- The Council did all it could to contain costs whilst managing risks and ensuring that services were safe.

4.4 In Committee discussions, the following key points were also noted:

- Figures were requested detailing the levels of savings that had been generated via the Council's new ways of working (as outlined in the report).
- Reassurance had been given to members of the Committee about the compatibility of data and systems between the Council and partners in mental health over an extended period; but this reassurance appeared to be in doubt.
- Figures and additional detail were sought regarding the joint expenditure between health and social care.
- Detail was sought regarding the plans for funding from the improved Better Care Fund.

4.5 Councillor Best responded to a question about the impact of the cuts on the rest of the Council's budget due to the requirement of maintaining services in adult social care, the following key points were noted:

- She understood the pressures facing the Council and the whole organisation had to work together in order to meet the challenge.
- The Council's responsibilities in social care were set out in the care act.
- Work was taking place to bring some services into the borough. Specific work was taking place with people using learning disability services.
- In particular, the 'shared lives' project was bringing some services back into the borough – which would help to manage the costs of complex cases.
- A number of new initiatives to support the care market in the borough and improve services were being developed.
- More than £30m in savings had been achieved in adult social care services over the period of austerity.

4.6 Councillor De Ryk responded to a question about budget pressures, the following key points were noted:

- Additional funding from government had a significant and welcome impact on adult social care services. The Government should make additional funding available for the pressures in children's social care.
- Further work should take in care services place to better understand and manage demand.
- Ensuring that people were well enough to support themselves (and prevented from having to access care services) would be a key future focus.
- The management review 'star chamber' process highlighted the importance of understanding costs, improving processes and strengthening performance across the Council.

4.7 **Resolved:**

- Figures would be provided detailing the savings made as a result of the new ways of working outlined in the report at section 8.3 onwards.
- Figures would be provided setting out the alignment of the expenditure between adult social care and mental health services.
- Analysis would be provided on the health of patients who had been discharged from hospital with an enhanced package of social care - as well as the longer term financial impact on the Council.
- Information would return to the Committee (when it became available) setting out the plans for funding from the improved Better Care Fund.
- Future updates should be provided about the work the Council was going to undertake on demand management and cost control.

5. Budget cut proposals

5.1 Damien Egan (Mayor of Lewisham) was invited to address the Committee about the budget cuts proposals, the following key points were noted:

- Government austerity continued to impact on the budgets of local authorities nationally and inner London authorities were particularly hard hit.
- In discussions with residents it was clear that there was surprise at the level of cuts the Council had sustained due to government austerity. There was also concern in Lewisham's communities about the increased burden of council tax and cut back to services.
- The Council had reached the limit of the cuts that could be made to 'back office' services and it was likely that reserves would have to be used to balance the budget.
- The cuts being presented to the Committee were officer proposals. He thanked officers, councillors and the Cabinet Member for Jobs, Finance and Skills for the time and effort taken to develop the proposals and to take them through the scrutiny process.
- He had hoped that his first budget could have been made under different circumstances with a more understanding government.

5.2 David Austin (Head of Corporate Resources) introduced the report, the following key points were noted:

- The proposals followed the medium term financial strategy in July - which had set out the pressures being faced by the Council and the cuts still to be made.
- In the next two financial years, savings of £30m needed to be found – split £17m for 2019-20 and £13m for 2020-21. Proposals in the report amounted to £21m so it was likely that the Council would need to use reserves to balance the budget until additional cuts could be found.
- A number of proposals had been through the scrutiny process, the remaining cuts were for the Public Accounts Select Committee to consider.
- The cuts report was due to be considered by Mayor and Cabinet on 21 November.
- Following consideration at Mayor and Cabinet further work would need to be carried out to progress consultations and provide the additional information that had been requested before the draft budget was prepared for consideration by the Committee at its meeting in February (for scrutiny before Mayor and Cabinet and agreement by the full Council).

5.3 David Austin responded to a question from the Committee about the long term use of reserves, the following key points were noted:

- The longer term balancing of the budget depended on the financial settlement from Government and any additional funding made available. It would also require the strengthening of systems within the Council and improved efficiency. Further cuts would also need to be found.

5.4 John Muldoon (Chair of the Healthier Communities Select Committee) and Councillor Octavia Holland introduced the referral from the Healthier Communities Select Committee.

- The referral was endorsed by the Public Accounts Select Committee. It noted the comments about the likely impact of proposals COM1 and COM2 on the VCS, and that other cuts proposals would undermine the ability of the sector to meet that further burden.

- 5.5 Councillor Liz Johnston-Franklin (Vice Chair of the Children and Young People Select Committee) introduced the referral from the Children and Young People Select Committee. A discussion followed, in which the following key points were noted:
- The Committee noted that in the verbal presentation of the referral reference had been made about the issue of the lack of timeframes for the delivery of the proposed cuts.
 - Concern was expressed about the capacity of IT systems across the Council to support proposed changes and service improvements.
 - The Committee believed that there was some variation between schools for the need for crossing patrols. Members also expressed concern about the outright rejection of any changes to school crossing patrols.
- 5.6 Councillor Octavia Holland addressed the Committee (in relation to the CYP referral) the following key points were noted:
- The CYP select committee felt strongly about the impact of the potential cut to school crossing patrols.
 - That the cost of the saving was relatively small compared to the potential harm that would be created by removing the service.
 - That the current provision of school crossing patrols was based on the individual requirements of schools and an assessment of the level of risk.
- 5.7 The Public Accounts Select Committee requested that, while the loss of some patrols might prove less likely to cause serious safety hazards, careful consideration be given to the risks (as well as potential credible mitigating actions) posed by the implementation of proposal RES19 (School crossing patrol), should it be agreed.
- 5.8 Councillor Patrick Codd (Vice-Chair of the Sustainable Development Select Committee) introduced the referral from the Sustainable Development Select Committee. The Committee discussed the referral and the following key points were noted:
- Concern was expressed about the ongoing accounting for events taking place in parks (RES17) in revenue budgets because of the speculative and unpredictable nature of potential revenues.
 - The Committee was concerned about the current regularity of street sweeping on residential streets (CUS7).
 - The Committee was also concerned about the potential impact of the reduction in street sweeping service on the workforce, given that it was believed that the proposals would have a significant impact on low-paid workers.
- 5.9 Councillor Pauline Morrison (Chair of the Safer Stronger Communities Select Committee) introduced the referral from the Safer Stronger Communities Select Committee.
- 5.10 Alice Corble (Save Lewisham Libraries Campaign) was invited to address the Committee regarding COM11 (Hub libraries – cuts to staffed opening hours), the following key points were noted:
- The Campaign was aware of the acute strain being felt by services and it did not want to argue that one service should be cut rather than another, however, its members believed that the library service was of critical importance because the services it provided interconnected with many others.

- A note detailing the campaign's concerns had been circulated to the Committee (a copy is included with the agenda papers).
- One of the main concerns was that the proposals would likely result in the Council breaching its obligations under the equalities act.
- It was also believed that one of the options in the proposals would result in the Council breaching its responsibilities under the 1964 Public Libraries and Museums Act – which required the provision of a comprehensive and efficient service for all persons desiring to make use of such. The Campaign considered that the cuts proposal would breach the requirement to meet the needs of 'all persons desiring to make use of the service'.
- The campaign had a range of pieces of evidence that demonstrated how the cuts would be likely to impact on vulnerable residents in the borough.
- It was proposed that the Public Accounts Select Committee recommend to Mayor and Cabinet that the proposals be reconsidered because they were based on a false economy, which would put large sections of the Lewisham population at risk and would be likely to put the Council in breach of its statutory public sector duties.

5.11 Alice Corble responded to questions from the Committee, the following key points were noted:

- There were a number of examples from judicial review of cuts to library services which demonstrated the requirement to provide a 'comprehensive library service'.
- An equalities impact assessment on the potential impact of the cuts had not yet been carried out. Officers proposed to carry out the equalities impact assessment as part of the consultation (that would last less than two months) over December and January.
- The Campaign considered that the consultation could not be a fair assessment of options – given that one of the proposals would result in the Council breaching its statutory duties.

5.12 Councillor Brown (Chair of Overview and Scrutiny) addressed the Committee, the following key points were noted:

- The Overview and Scrutiny Committee had concerns about the cuts to the main grants programme. There was also a concern about the proposal to use the community infrastructure levy (CIL) to replace assemblies funding. The Committee believed that the process should be in two parts – firstly, that the proposals to cut assemblies funding should be dealt with in their own right and secondly that the process for managing and distributing CIL should be considered. There was a feeling that neighbourhood CIL would not be able to replace the community funding available through the existing assemblies fund.
- The Committee was also concerned that the proposed cuts to housing support services (COM9) might represent a false economy. The Public Accounts Select Committee endorsed this view.

5.13 The Public Accounts Select Committee endorsed the referral from the Safer Stronger Communities Select Committee and agreed that a thorough equalities impact assessment should be undertaken on the library service proposals (COM11). However, if any cuts option were to be taken following the impact assessment, the greater preference was for option 2. The Committee was also mindful of the concerns raised by the Healthier Communities Select Committee about the capacity of the Community and Voluntary Sector and it endorsed the view of the Safer Stronger Communities

Select Committee that the proposed cut to the main grants fund (COM12) was much too high.

5.14 The Committee recognised the need to reduce funding, but it was not confident in endorsing current proposals for the local assemblies (COM14) or the small and faith fund (COM17) due to a lack of detail. The Committee was concerned about the lack of clarity on the process for distributing CIL funds and it felt that the proposals to cut the local assemblies fund were underdeveloped. It was agreed that, without clarity on CIL funding, the Committee could not recommend to Mayor and Cabinet that the proposals be accepted.

5.15 The Committee considered the cuts within its remit. Ralph Wilkinson (Head of Public Services) introduced CUS1 (Printing reduction). The Committee discussed the proposal, the following key points were noted:

- The proposal was to reduce paper across the Council (including at Committee meetings) rather than to remove paper entirely.
- Officers should be encouraged to tighten up the format and length of Committee papers.

5.16 The Committee endorsed the proposal but noted that discretion and sensitivity should be used and that adequate processes should be put in place to support individual accessibility needs.

5.17 Ralph Wilkinson introduced CUS10 (Create revenues protection team). In response to questions from the Committee the following key points were noted:

- The projected income from the proposal included an allowance for discretionary exceptions.

5.18 The Committee endorsed the proposal.

5.19 Ralph Wilkinson introduced CUS11 (Process automation in revenues and benefits). In response to questions from the Committee, the following key points were noted:

- The technology was new to Lewisham (but not new to local government) so a cautious approach was being taken to implementation.
- The proposal would result in a reduction of around six full time members of staff. It was anticipated that because the changes would be implemented over a number of years the reduction in staffing could be made without any redundancies.
- Robust systems would be used to protect the data being used within the service.

5.20 The Committee endorsed the proposal.

5.21 Ralph Wilkinson introduced CUS12 (Housing benefit payment overpayment recovery improved). The Committee endorsed the proposal.

5.22 Ralph Wilkinson introduced CUS13 (Improve sundry debt collection). In response to questions from the Committee, the following key point was noted:

- The new system was currently being implemented. The saving was being implemented over an extended period to allow for the roll out of Oracle Cloud.

5.23 The Committee endorsed the proposal.

5.24 Selwyn Thompson (Head of Financial Services) introduced savings proposal RES1 (Benefits realisation of Oracle Cloud). In response to questions from the Committee, the following key points were noted:

- There were some remaining issues with the system. The system itself had a good level of functionality. Some issues were experienced during the initial implementation period because the business process systems and procedures at the Council were not updated and improved at the same time.
- The overspend in Customer Services (£1m) related to IT services was unrelated to this cut.

5.25 The Committee endorsed the proposal.

5.26 Freddie Murray (Service Group Manager, Property Asset Strategy and Estates) introduced: RES13 (Reduction in business rates for the corporate estate) and RES14 (Corporate estate facilities management contract insourcing). The Committee endorsed the proposals.

5.27 Freddie Murray introduced RES15 (Commercial estate growth). In response to questions from the Committee the following key points were noted:

- The proposed income figures were 'diligently cautious' rather than ambitious.
- Officers were mindful of the Lewisham Community Premises Policy and teams in Asset Strategy and Community Services liaised closely over the use of Council owned buildings for community groups.

5.28 The Committee endorsed the proposal.

5.29 Freddie Murray introduced RES16 (Commercial property).. In response to questions from the Committee the following key points were noted:

- Opportunities had come up in the past to invest in properties in Lewisham – some of these were attractive because of the commercial returns but also because of the possible positive social and regeneration impacts.
- Officers were confident that they had the expertise and support from back office services to manage the risks of investment.
- Work had taken place between services to determine what the full costs, risks and alternatives of this type of investment were. There had also been work to determine possible 'exit strategies' for underperforming investments.
- The development of an investment strategy in order to assess risk, delineate between opportunities and determine which opportunities to pursue would be a key part of this work.
- The investment strategy would be linked to the treasury strategy and the income generation strategy.

5.30 The Committee endorsed the proposal.

5.31 Barrie Neal (Head of Corporate Policy and Governance) introduced proposals: RES3 (Executive office – administrative support staff reduction); RES4 (Policy, service design and intelligence – reduction on staffing); RES5 (Withdrawal of councillor car run delivery service) and RES6 (Increase income supporting the Funding Officer post and review the Economy and Partnerships function). In response to questions from the Committee, the following key points were noted:

- The savings in the executive office and the policy team were not proposed to be implemented in the next year. They were contingent on the whole organisation adapting its ways of working and could not be achieved without Council directorates introducing efficiencies and improving performance. There was also additional work required to improve systems.
- The cut would have to be reviewed again before implementation.

5.32 The Committee noted its concerns about the scale of the cuts already made to 'back office' support services and welcomed the opportunity to consider these proposals again in future. It was concerned that the cuts were unachievable.

5.33 David Austin introduced proposals: RES2 (Legal fees increase); RES8 (insurance costs – premium reduction) and RES9 (Insurance costs – self-insurance reserves). Kevin Sheehan (Executive Director for Customer Services) responded to a question about business continuity, the following key point was noted:

- The Council had stringent business continuity processes in place which were comprehensively tested on a regular basis.

5.34 The Committee agreed the proposals.

5.35 Resolved: that the Committee's comments would be submitted to Mayor and Cabinet, along with those from the select committees.

6. Select Committee work programme

6.1 **Resolved:** that the work programme for the meeting on 12 December be agreed.

7. Referrals to Mayor and Cabinet

7.1 **Resolved:** that the Committee's comments on the budget cut proposals under item five be referred to Mayor and Cabinet.

The meeting ended at 10.00 pm

Chair:

Date:
