

MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 30 October 2018 at 7.00 pm

PRESENT: Councillors Bill Brown (Chair), Juliet Campbell (Vice-Chair), Abdeslam Amrani, Tauseef Anwar, Peter Bernards, Suzannah Clarke, Tom Copley, Colin Elliott, Alex Feis-Bryce, Aisling Gallagher, Leo Gibbons, Alan Hall, Carl Handley, Octavia Holland, Coral Howard, Liz Johnston-Franklin, Caroline Kalu, Silvana Kelleher, Louise Krupski, Jim Mallory, Joan Millbank, Hilary Moore, Pauline Morrison, John Muldoon, Olurotimi Ogunbadewa, Jacq Paschoud, John Paschoud, Alan Smith, Luke Sorba, Eva Stamirowski and James-J Walsh

APOLOGIES: Councillors Obajimi Adefiranye, Patrick Codd, Liam Curran, Sue Hordijkeno, Mark Ingleby and James Rathbone

ALSO PRESENT: David Austin (Head of Corporate Resources), Councillor Chris Best (Deputy Mayor), Charlotte Dale (Interim Overview and Scrutiny Manager), Councillor Amanda De Ryk (Cabinet Member for Finance, Skills and Jobs (job share)), Councillor Joe Dromey (Cabinet Member for Finance, Skills and Jobs (job share)), Mayor Damien Egan (Mayor), James Lee (Service Manager, Inclusion and Prevention and Head of Cultural and Community Development), Kplom Lotsu (SGM Capital Programmes), Barrie Neal (Head of Corporate Policy and Governance), Georgina Nunney (Principal Lawyer) and Councillor Jonathan Slater (Cabinet Member for Community Sector)

1. Minutes of the meetings held on 22 January, 23 May and 18 July 2018

1.1 **RESOLVED:** That the minutes of the meetings held on 22 January, 23 May and 18 July 2018 be agreed as accurate records.

2. Declarations of Interest

2.1 The following non-prejudicial interests were declared:

Cllr Aisling Gallagher: Trustee of the Albany

Cllr Jim Mallory: Chair of Lee Green Lives

Cllr Pauline Morrison: Chair of the Ackroyd Community Association and a volunteer at Crofton Park Library

Cllr Jacq Paschoud: Trustee of the Ravensbourne Trust and a member of Lewisham Seniors

Cllr John Paschoud: Member of the Steering Group for the Voluntary Action Lewisham Children and Young People Forum and a member of Lewisham Seniors.

Cllrs Jacq and John Paschoud each declared the interests of the other (as required to do so as spouses).

3. Mayoral response to referral

3.1 **RESOLVED:** That the response be noted.

4. The Budget

4.1 The Mayor introduced the context for the budget report; described the budget cuts process; and spoke about the need to speak out against austerity which was having a significant detrimental impact across the local government sector. Cllr De Ryk echoed his points and spoke further about the need to transform and reconfigure the way in which council services were delivered.

4.2 David Austin introduced the report and outlined that the medium term financial strategy had identified that the Council would need to make further cuts to balance the budget in the coming years; that pending the Comprehensive Spending review in summer 2019, the level of cuts needed were estimated at £30m (this year), £17m (next year) and £13m (20/21); that the proposals in the report totalled just under £21m over two years, leaving a gap of just over £24m over those two years, or more should all the proposals not be agreed; and that following the decisions made at the Mayor and Cabinet meeting on 21 November 2018, any further work required to finalise the proposals would be undertaken ahead of the budget report for 2019/20 being presented to Mayor and Cabinet in February 2019.

4.3 In response to questions from the Committee on the process/ the budget as a whole, the following was noted:

- If there remained a gap when the 2019/20 budget was agreed in February 2019 reserves could be used on a one off basis to fund the gap.
- The Funding Review involved complex metrics and Lewisham might lose out on sparsity. However, London Councils was making representations on this point, as although London was densely populated, travel between short distances could take considerable time due to heavy traffic.
- The proposed cuts did not account for the current in-year overspend which was being dealt with separately as part of financial monitoring, with money being put in, in-year.
- The four proposals being considered this evening were being considered by all scrutiny councillors, rather than the scrutiny councillors sitting on a single committee as they were strategic and/or cross-cutting proposals. This would not preclude individual select committees from giving them further consideration should they wish to do so.

4.4 It was suggested that the Reserves Strategy could be more detailed and transparent as there had been a number of recent overspends which had required funding to be provided from reserves and any invest to save initiatives needed to be considered in relation to this strategy.

COM 09 – Cut to intensive housing advice and support service

- 4.5 James Lee introduced the proposal and made the following points:
- The proposal related to the funding of non-statutory hostel, supported housing and homelessness prevention services and only related to non-accommodation services as officers were recommending that accommodation based services be protected.
 - Additional resources should become available via new burdens funding attached to the Homelessness Reduction Act, which would assist in mitigating the impact of this cut (possibly 8 to 10 new staff members).
 - By fast tracking the most complex cases directly into the Housing Options Service and the SHIP (Single Homeless Single Intervention and Prevention) Service, the preventative work carried out by the service would be focussed on cases where preventative work was more likely to be successful.
- 4.6 In response to a point raised by a member of the Committee it was noted that the three individuals being brought in-house would be subject to TUPE (Transfer of Undertakings (Protection of Employment) Regulations 1981) arrangements but there would be redundancies at the One Housing Group.
- 4.7 The Committee was concerned that the additional work that the proposal might generate for the Housing Options Service and the SHIP Service had not been fully quantified and that this proposal could equate to cost-shunting to another service. Furthermore, in addition to any additional work generated by this proposal, the roll out of universal credit might also generate extra work. It was noted that the Council was obliged to provide a certain level of service and there would be no turn-aways as such, so any additional work generated would have to be monitored and addressed, possibly via the additional resource due to be brought in via new burdens funding.
- 4.8 Chris Best, as the relevant Cabinet Member, agreed to provide an update on the new burdens funding.
- 4.9 It was agreed that a referral would be made to the Public Accounts Select Committee on this proposal, as outlined at paragraph 4.24.

COM 12 – Cut to main grants budget

- 4.10 James Lee introduced the proposal and reported that there would be a full re-let of the programme four months later than usual, on 1 August 2019 (to give the Voluntary and Community Sector (VCS) sufficient notice), should the cut be agreed. Officers would do everything they could to respond to points raised in the consultation; provide core funding support; highlight alternative funding opportunities; and reduce the burdens the Council places on VCS organisations.
- 4.11 Councillor Slater, as the relevant Cabinet Member, explained that the proposal represented a tough ask of the VCS, but whilst the Council could

no longer afford to be the sole funder for these organisations, the budget would still be £2m per annum.

4.12 The following points were made by the Committee or in response to points raised by the Committee:

- A number of organisations had failed to address the impact of previous cuts on their budgets and this might be addressed by the setting clear efficacy and governance benchmarks.
- Fundraising was difficult and alternative sources of funding were not always that easy to secure so it was important to be realistic about the impact this proposal would have.
- The capacity of the VCS was going down and would decrease further should this proposal be agreed, yet many of this year's proposed budget cuts were relying on the VCS to meet need currently being met by council funded provision.
- Mapping should be carried out to assess the capacity of various sectors of the VCS.
- Lewisham made an approximate £232k contribution to the London Grants Committee, which might come down slightly.
- Consideration needed to be given to social return on investment as money invested in the VCS could lead to sizeable returns for the borough.
- Organisations would be asked to provide clearer information on the benefits they were bringing to the borough in the next funding application round.
- Consideration had been given to alternative funding models (e.g. match funding) but the need was felt to be so great that holding back funding was not felt to be an advisable option and having council funding did help organisations lever in other funding.
- In the last round, approximately 20% of funded organisations were new entrants.
- Not all VCS organisations required training in fundraising so holding back some funding to provide this was not felt to be an advisable option.
- Small groups might be disproportionately impacted by this proposal.

4.13 It was agreed that a referral would be made to the Public Accounts Select Committee on this proposal, as outlined at paragraph 4.24.

COM 14 – Cut to Local Assemblies Fund

4.14 James Lee introduced the proposal and outlined the three options being presented:

Option one – Cease the fund completely (saving £270k)

Option two – Retain £5k per ward for local projects that meet ward priorities (saving £180k)

Option three – Retain a central pot of £50k for projects where

Neighbourhood Community Infrastructure Levy (CIL) money cannot be used (saving £220k).

It was reported that whilst Neighbourhood CIL could be an alternative source of funding provision for local assemblies, it would not be a like-for-like replacement as it could not be spent on the full range of activities and items currently funded by the Local Assemblies Fund. The aim of CIL was capital spending on infrastructure.

- 4.15 It was noted that small organisations might be hardest hit by this proposal and that the development of a re-branded small grants fund might address this, should the separate cuts proposal relating to the small and faith groups funding not be taken.
- 4.16 The Committee was informed that CIL could be redistributed amongst the wards to some extent but members would need to agree on the degree to which this was done. It would be necessary to balance geographical fairness (the need to allow all wards access to funding to spend in their areas), with specific infrastructure requirements (the need to spend CIL on the infrastructure needed to mitigate the impact of developments in a certain locality). A decision would need to be taken by Mayor and Cabinet.
- 4.17 Members of the Committee expressed differing views about the desirability of each of the options, with some Members in favour of each of the three options and some favouring a complete retention of the funding. Some Members expressed the view that local assemblies should be about bringing the community together and felt that the project funding element of the assemblies could sometimes become the main focus to the detriment of wider community building activities. However, other members of the Committee felt that the funding element was crucial to active participatory local democracy.
- 4.18 It was agreed that a referral would be made to the Public Accounts Select Committee on this proposal, as outlined at paragraph 4.24.

RES 12 – Catford Complex Office Rationalisation

- 4.19 Kplom Lotsu introduced the proposal and provided members with a breakdown of the annual running costs of various parts of the Catford complex:
- Laurence House: £1.7m
 - Civic Suite: £400k
 - Eros house: £400k
 - Town Hall Chambers: £200k
 - Holbeach: £200k.
- 4.20 It was reported that Laurence House was currently being refurbished and that the Lewisham Clinical Commissioning Group was due to move in, paying an annual rent of £75k. It was further noted that the proposal to rationalise office space, while profiled at achieving a saving of £250k, could result in higher savings, depending on the rent achieved by leasing out those buildings becoming vacant.
- 4.21 It was noted that property guardians would not be required; that the officers currently based on the second floor of the Civic Suite would move to

Laurence House with that floor being mothballed or rented out; that the Town Hall Chambers could be integrated with the theatre; and that the CCTV team would remain at Eros House.

4.22 Members questioned the feasibility of a person to desk ratio of 10:7 given current ICT limitations which impacted on officers' ability to work from home.

4.23 At the conclusion of this agenda item, it was agreed that a referral outlining the views of the majority of the Committee would be presented to the Public Accounts Select Committee as outlined below.

4.24 **RESOLVED:** That

(1) a referral be made to the Public Accounts Select Committee as follows:

COM 09: Cut to intensive housing advice and support service

The Committee was concerned about the additional work that this proposal might generate for the Housing Options Service and the SHIP (Single Homeless Single Intervention and Prevention) Service, notwithstanding the additional resource that might become available via new burdens funding attached to the Homelessness Reduction Act; and felt that it should not be progressed until the associated impact and risks had been fully assessed.

COM 12: Cuts to main grants budget

It is clear that a number of other proposed budget cuts are reliant, to some extent, on the Voluntary and Community Sector meeting needs that are currently being met by council funded provision. The Committee was therefore of the opinion that this proposal should not be progressed until an analysis has been carried out of the impact that this will have on the sector's capacity to meet the additional need that might be generated from other proposed budget cuts, should they be accepted.

COM 14: Local Assemblies Fund

The Committee felt that this proposal was not yet fully worked up and clarification on the exact parameters within which Neighbourhood CIL (Community Infrastructure Levy) money could be spent was required. Members felt that it might be helpful if the proposal to remove or reduce Local Assembly funding was disaggregated from the mitigating proposal for Local Assemblies to be involved in spending Neighbourhood CIL money.

(2) A briefing note providing more information on the £160m of earmarked reserves and the £60m over which there is some discretion, be provided to Members.

5. Q&A session with the Mayor and Cabinet Members for Finance, Skills and Jobs

5.1 The Mayor was invited to give a brief summary of his first six months in office and his priorities for the rest of the municipal year/administration. It was noted that the manifesto upon which the Mayor had been elected contained over 100 policy commitments, all of which were being actively tracked; assigned to a specific Cabinet Member and lead officer; and showing significant progress. The public had been particularly interested in the Greening Fund and the range of projects for which it could be used. Brief information was provided on:

- the ethical care charter
- the refugee resettlement programme
- balloting residents on estate regeneration
- building 1000 social homes
- developing a private renters charter
- launching a borough wide licensing scheme
- promoting affordable housing
- improving school results
- plans for a publically owned homecare service.

It was further noted that there had been a change in delegations to allow collective decision making at Mayor & Cabinet.

5.2 In response to questions from Members of the Committee, the following key points were noted:

- *Affordable housing:* Developers were beginning to understand that Lewisham was committed to the goal of 50% affordable housing in all developments and it was becoming unusual for schemes with less than 35% to be submitted. It was important that Planning officers were confident about the Council's political priorities when speaking to developers and did not recommend schemes with very low levels of affordable housing for approval, notwithstanding the results of financial viability assessments.
- *New Bermondsey:* The Mayor was actively seeking a meeting with John Berylson, the Chairman of Millwall Football Club, in relation to plans for the development of the new Bermondsey area; and had already spoken to leading officers at Renewal and the Chief Executive of Millwall FC. The architects appointed by Millwall and Renewal had also held a recent meeting.
- *Communications:* This would be a key area of focus for the new Head of Strategy, once appointed. Thought would be given as to whether the Council's current strapline was still fit for purpose and the Mayor was keen to get across to residents the urgency of breaking down barriers and increasing opportunity for all.

5.3 Councillors De Ryk and Dromey were invited to give a brief summary of their first six months in office and their priorities for the rest of the municipal year/administration.

- 5.4 Councillor De Ryk reported that a large proportion of her first six months in office had been spent on the budget but she had also been involved in regular manifesto tracker meetings for the commitments she had been assigned, including reducing the number of agency employees, becoming a timewise accredited employer, tackling modern slavery and making advances in income generation. In terms of priorities, these included reducing the CYP Social Care Budget overspend and ensuring the improvement plan and budget plan were aligned; and building in more transparency and member involvement into the budget process.
- 5.5 Councillor Dromey outlined the importance of improving both the quantity and quality of local employment opportunities, doubling the number of London Living Wage employers in the borough, raising the gender pay gap with local employers, ensuring the provision of high quality apprenticeships; and monitoring the impact of the universal credit roll out.
- 5.6 In response to questions from Members of the Committee, the following key points were noted:
- The Council had a good relationship with JobCentrePlus but felt that their relative lack of concern about the roll out of universal credit was worrying as it was likely to have a significant negative impact on residents.
 - Wherever possible services were being brought back in-house.
 - Although the council was no longer hosting its own job fairs it was assisting others to do so.

RESOLVED: That the responses provided be noted.

6. Items to be referred to Mayor and Cabinet

- 6.1 **RESOLVED:** That a referral be made to the Public Accounts Select Committee for onward referral to Mayor and Cabinet in relation to item 4 (The Budget).

The meeting ended at 10.20 pm

Chair:

Date:
