

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Wednesday, 10 July 2019 at 7.00 pm

PRESENT: Councillors Jim Mallory (Chair), Louise Krupski (Vice-Chair), Tauseef Anwar, Juliet Campbell, Patrick Codd, Mark Ingleby, Joan Millbank and James Rathbone

APOLOGIES: Councillor Paul Maslin

ALSO PRESENT: Councillor Chris Barnham (Cabinet Member for School Performance and Children's Services), Councillor Amanda De Ryk (Cabinet Member for Finance and Resources), Timothy Andrew (Scrutiny Manager), David Austin (Head of Corporate Resources), Tom Brown (Executive Director for Community Services), Mala Dadlani (Group Finance Manager, Children and Young People), John Johnstone (Group Finance Manager, Resources and Regeneration), Robert Mellors (Finance Manager, Community Services and Adult Social Care), Theron Newman (Group Finance Manager, Customer Services), Selwyn Thompson (Head of Financial Services) and Sara Williams (Executive Director, Children and Young People) (London Borough of Lewisham)

1. Minutes of the meeting held on 13 June 2019

- 1.1 The Committee discussed the minutes of the meeting held on 13 June 2019. There was a question about a point in section 5.2 of the minutes regarding the external funding available following the mutualisation of the youth service. Contrary to the inference in the minutes, members believed that the service had been able to access external funding. It was agreed that officers would be asked for clarification (N.B the comment from officers was not that the youth service had not received any external funding – but that it had not been as successful as it had anticipated at accessing funding from non-council sources).
- 1.2 **Resolved:** that the minutes of the meeting held on 13 June 2019 be agreed as an accurate record, subject to the clarification outlined above.

2. Declarations of interest

- 2.1 Councillor Mallory declared a non-prejudicial interest in relation to item five as the Chair of Lee Green Lives.
- 2.2 Councillor Rathbone declared a non-prejudicial interest in relation to item five as the treasurer of Lee Green Lives.

3. Responses from Mayor and Cabinet

- 3.1 There were none.

4. Scoping report - commercialisation and culture change in-depth review

- 4.1 Timothy Andrew (Scrutiny Manager) introduced the report - setting out the key issues covered and asking Committee members to consider the recommendations made in the report.
- 4.2 In the Committee's discussion, the following key points were noted:

- That additional consideration should be given to the options for gathering new ideas (from officers and members). That this should enable creative thinking, new ideas and innovation.
- That options could be explored for motivating officers to develop commercial projects.
- There was a range of officers at the Council – who were motivated by different things. The key to culture change would be in tapping into these different motivations.
- ‘Seed funding’ for new ideas might motivate some officers.
- Practical examples could be provided to communicate the value of the money being generated by new projects that would lead to improved services.
- That ideas being developed had to be reasonable and realistic. It was noted that there were significant financial pressure facing the Council.
- That the Council’s duties as a public authority needed to be kept at the forefront of decision making.
- Officers’ responsibilities for their day-to-day responsibilities also had to be respected.
- There were examples of councils that had developed mechanisms for sharing ideas. These included options for members to engage with officers at all levels (rather than just senior officers).
- As well as commercialisation, there were other issues that should be given consideration in each and every decision about the delivery of Council services – this included equalities.
- The Council should seek to improve its commercial mindset to improve service delivery. Minor decisions at the Council often took extended periods because of the level bureaucracy.
- The Committee should be mindful of the push for culture change from different parts of the Council – these should work together.
- The Mayor and the new Chief Executive should be encouraged to free officers from silo thinking and to make decisions in a more efficient way.
- The Committee should consider recommending training and development for members on commercialisation - as well as officers.
- There should be a mechanism for members to share their learning from conferences and workshops.
- Leadership was of key importance as was the consideration about delivering change at every level of the organisation.
- The Committee should aim for the key lines of enquiry for the in-depth review to also be ‘creative and holistic’.
- The Committee considered the outcomes it wanted to achieve as a result of the review. The point was made that one of the principal outcomes should be that the review instigate cultural change within the council, with a view to raising income for the betterment of the people of Lewisham.
- The outcomes would also be considered as part of the Committee’s development of recommendations.

4.3 **Resolved:** that subject to the additions detailed in 4.2 of the minutes the recommendations, key lines of enquiry and timetable for the Committee’s review of commercialisation and culture change be agreed.

5. Children's social care update

5.1 Sara Williams (Executive Director for Children and Young People) introduced the report, the following key points were noted:

- The report followed from previous updates to the Committee about social care. It reflected the attention the Committee had given to this issue over an extended period.
- Councils across the country were facing pressures in children's services. 91% of councils were overspent on children's social care.
- Representations were being made by local government to central government about these pressures.
- A great deal of work had been done over the year to stabilise the children's social care budget.
- Improved budget monitoring and a range of service improvements had taken place.
- Detail had been provided in the report about placements for children - which was where the most significant pressures were.
- A new fostering strategy had been developed.
- There had been a wholesale 'remapping' of staffing levels, which was led by the new Director for Children's Social Care.
- A new 'safe space' team would work with young people to develop solutions to types of complex and interrelated issues - that may not typically be best addressed through traditional social care practice.
- The 'signs of safety' practice model had also been adopted.
- Work to redesign systems (previously criticised by OFSTED) had been taking place. Better data was available, which helped improve decision making.
- Further work was being carried out to improve the use of the Council's financial monitoring systems.
- The numbers of permanent to agency staff compared quite well against benchmarks for other London Boroughs.
- It was predicted that the directorate would be on track to deliver its savings for this year.
- There was still more work to do.

5.2 Sara Williams and Mala Dadlani (Group Finance Manager, Children and Young People) responded to questions from the Committee, the following key points were noted:

- The figures in the Council's budget book were different from those in the report - due to differences in the way that income was reported. Expenditure through the 'no recourse to public funds' budget had also been moved between budgets.
- The tables in the report illustrated averages and trends over time. The data was provided to enable a snapshot of changes over time.
- One of the key areas of spending was on residential placements.
- Percentages of permanent (as opposed to agency) staff remained similar from this year to last. However, a major recruitment (delayed by the work being done for the current OFSTED inspection) was taking place to recruit to a number of management positions.
- The issue of the finances of children's social care was moving up the local government lobbying agenda.
- Lewisham was recognised for its good practice on high needs block spending.

5.3 In the Committee discussion, the following key points were also noted:

- There were some discrepancies in the ways in which the finance figures were presented in the report and in the Council's other financial reporting.
- Members noted the improvements that had been made.

- 5.4 Councillor Chris Barnham (Cabinet Member for School Performance and Children's Services) was invited to address the Committee about the work of the improvement board, the following key points were noted:
- He was still chairing the improvement board - but these meetings had been changed from fortnightly to monthly. This enabled officers to carry out their day to day work without having to 'feed the meetings' with information and updates.
 - The Board was overseeing the improvement programme - which was progressing well.
 - The work of the Board would need to adapt based on the outcome of the OFSTED inspection.
 - The programme that had been delivered so far had resulted in significant changes - including the setting up of new teams and new ways of working. It was likely that the work taking place from now on would still be important but it would result in less immediately noticeable changes.
 - Ensuring that the 'signs of safety' approach was firmly embedded in the Council's ways of working would remain of primary importance to the Board.
 - Cabinet members were meeting with senior officers on a regular basis to review finances in CYP.
 - The Directorate had carried out a self-assessment in advance of the OFSTED inspection and it predicted that Lewisham would still be rated as 'requires improvement' so the service still had a long way to go.
- 5.5 **Resolved:** that the Committee would continue to regularly review spending pressures in the directorate.

6. Financial forecasts 2019-20

- 6.1 Selwyn Thompson (Director of Financial Services) introduced the report, the following key points were noted:
- The report provided the financial position for the first quarter of 2019-20. It projected spending forward from this point to the end of the year.
 - As a result of the Committee's previous comments - and those in the financial control review- more clarity was being provided in the reporting. This set out the key areas of pressure - as well as the management action being taken to deal with those pressures.
 - One of the other new things in the report - was the provision of activity data throughout the report. Finance managers were working with teams to improve this work throughout the year.
 - A 'savings tracker' had also been provided in the report.
 - There was a projected end of year overspend of £4.6m - the main pressures remained in the children and young people directorate (As a result of pressures in the transport budget) and in customer services - in the environment budget.
 - It was hoped that the pressure in the environment budget would be relieved by the decision made at Mayor and Cabinet (that evening) to purchase new fleet vehicles.
- 6.2 Selwyn Thompson, Mala Dadlani and David Austin (Acting Chief Financial Officer) responded to questions from the committee, the following key points were noted:
- There had been some changes to the titles and service areas in different divisions.

- There had also been some movement of services between different divisions.
- There would be further changes between divisions between services. Further information could be provided about these changes and titles for divisions in future reports.
- It was anticipated that (as a result of the decision at Mayor and Cabinet) new fleet vehicles for the environment service would be purchased as soon as possible - it was anticipated that the new vehicles would arrive towards the end of the financial year and that savings could be anticipated from the beginning of the next financial year.
- Further work was taking place to manage spending on SEN transport.
- An external review of passenger services had been carried out by a group of external consultants.
- Additional budget had been added to cover the costs of transport pressures. This would enable better monitoring of the work being carried out by the consultants.
- There had been concern that the Troubled Families grant would be ended. However, indications from government were that it would continue. If for some reason it was ended - a rapid review would need to take place to decide which parts of the programme should continue to be funded from Council budgets.

6.3 Councillor Amanda de Ryk (Cabinet Member for Finance, Jobs and Skills) addressed the Committee, the following key points were noted:

- The consultants working on the review of transport had previously reviewed spending on transport at LB Hillingdon. The model for reviewing transport services was now known as 'the Hillingdon model'. It entailed a focused, detailed look at all transport costs.
- The initial view from the consultants was that they could save the Council money.
- Consultants would be managing the transport service over three years - and close attention would be paid to all of the costs and pressures in this budget over that time.
- It was anticipated that the end result would be a saving of up to £2m (annually).
- Section 106 and neighbourhood community infrastructure funding could be used for projects to mitigate the impact of development - including those designed for climate change mitigation.

6.4 In the Committee's discussion, the following key points were also noted:

- Members noted discrepancies in the reporting of figures in the budget and in the financial forecasts. In particular, there were comments about the differences in reporting of expenditure in different service areas.
- The Committee would welcome further information about changes in Council management arrangements and financial reporting.
- There were concerns about the grant funding from Government for the Troubled Families programme.
- Members welcomed the funding that had been made available for the Council's 'climate emergency' declaration.

6.5 Tom Brown (Executive Director for Community Services) was invited to address the Committee with his 'first impressions' of the Directorate's finances, the following key points were noted:

- He had been in post for a month.

- He had seen fundamentally good quality of practice - with staff that also 'had an eye' on the resourcing implications of the services they were providing.
- He was 'delighted' to hear from an independent audit of adult safeguarding services that it was some of the best practice the auditor had seen.
- He felt that the approach started by the previous Executive Director (supported by the Director of Adult Social Care) to focus on the means that service users had available to them to help them live independently (a recovery/ablement model) - was the right one.
- This practice was embedded in the service - but there were opportunities to do more.
- There were significant pressures on adult social care budgets (locally and nationally) from children and young people transitioning from children's to adult social care. Work had started to address this challenge in Lewisham.
- He was confident that staff were providing good quality services.

6.6 Tom Brown responded to questions and comments from the Committee, the following key points were noted:

- There was a range of Council services that provided support for people to avoid the requirement for care. For example, services - such as adult education, libraries and leisure services- might enable people to interact in their communities – and be less isolated.
- Lewisham spent about £2m on prevention work in the community. Given the current financial position of local government, this was not common in London.
- Placements in residential care had reduced in recent years, which was a significant achievement. Some of the money saved could be redirected to services in the community so that people could stay in their own homes as long as possible.
- About £5m of the Public Health grant was spent on 'wellbeing' services.

6.7 In the Committee's discussion, the following key points were noted:

- The Committee would be inviting the Executive Director to its meeting in November for a more comprehensive review of the adult services budget.
- Members highlighted the cuts that were still required to the Council's budget and noted the importance of demand management in reducing potential future costs.
- The Council's work on healthy neighbourhoods (to improve walking and cycling routes; as well as improving air quality) was also a part of preventative work.
- The Committee wanted to consider the Public Health budget at a future meeting.

6.8 **Resolved:** that a report would be provided on budget pressures in the environment division; it was also agreed that the Committee would add an item on the finances of Public Health to a future agenda.

7. Select Committee work programme

7.1 The Committee agreed that the work programme for its September meeting would include: budget cut proposals; mid-year treasury management review; financial forecasts and an item on budget pressures in the environment division.

7.2 **Resolved:** that the work programme for the meeting on 24 September 2019 be agreed.

8. Referrals to Mayor and Cabinet

8.1 There were none.

The meeting ended at 9.15 pm

Chair:

Date:
