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MINUTES OF THE OVERVIEW AND SCRUTINY BUSINESS PANEL

Tuesday, 25 February 2020 at 7.05 pm

PRESENT: Councillors Bill Brown, Peter Bernards, Juliet Campbell, Patrick Codd, Liam Curran, Jim Mallory, Joan Millbank, John Muldoon and Luke Sorba

ALSO PRESENT: Stephanie Fleck, Councillor Amanda De Ryk, Tom Brown, Charlotte Dale and Kevin Flaherty, and Senior Committee Officer

No apologies for absence were received for this meeting.

285. Minutes

RESOLVED that the Minutes of meeting of the Overview and Scrutiny Business Panel held on 11 February 2020 be confirmed as a correct record.

286. Declaration of Interests

None received.

287. Outstanding Scrutiny Matters

RESOLVED that the report be noted.

288. Open Item(s) - Decision by Mayor and Cabinet on 12 February 2020

The Chair of the Panel, Councillor Bill Brown, announced that he received a request from Councillor Liam Curran after the agenda was published, requiring consideration of five decisions taken at the Mayor and Cabinet meeting on 12 February 2020. It was confirmed that the request was circulated to Members of the Panel, the relevant Cabinet Members, and officers prior to the meeting.

In outlining the process to be followed, the Chair informed that Councillor Curran, the instigator of the request, would be the first to comment on each item. Thereafter, other Members would have an opportunity to contribute. The Chair invited representations on the items and advised that the Panel could make recommendations and/or call-in referrals to the Mayor and Cabinet as appropriate.

1. 2020/21 Budget Update

Councillor Amanda De Ryk, Cabinet Member for Finance and Resources, and the Acting Chief Finance Officer made representations on this Item. Responses to questions raised are summarised below.

a. *Financial Resilience*

The main budget report to be considered at a meeting of full Council on 26 February 2020 highlighted systems to support financial governance. The budget figures showed how the Council would fund services and maintain its funding levels, together with an explanation

of the risk for not doing so. The net general fund budget would be reliant on increases in business rates and council tax.

b. *Achieving budget commitments*

When compared with other London boroughs, budget pressures were not unique to Lewisham. The risk of overspending remains because delays between making a decision about full cost of a service and the actual delivery were inevitable. However, it was unlikely that the use of budget reserves would trigger the issue of Section 114 notice against Lewisham under the Local Government Finance Act 1998. The Council was broadly operating within its own means. In recent years 1/3 of cuts in the budget figures were related to income generation, rather than cost-reducing initiatives.

c. *Rationale for increase*

The increase in council tax comprised the Greater London Authority fund and the local government financial settlement. The increase in housing/hostels rents by 2.7% was linked to the consumer price index inflation following the 4-year funding freeze by the Government to the Housing Revenue Account.

d. *Community considerations*

There was no significant concern in delivering services to residents as part of Lewisham's risks assessment leading to Brexit at this time. Increases in business rates and council tax had no correlation with Universal Credit arrangements. Hardship and other discretionary funds and discounts were in place to help vulnerable residents in Lewisham.

The allocation of the capital programme fund was consistent with the Council's corporate strategy because implementation had much to do with social housing programme, including new-build initiatives. There could be a strain on schools' finances because budgets were based on admissions numbers which are falling.

e. *Entrepreneurial Initiatives*

The Council had financial and technical assets registers that it was maintaining. The Council was already generating income from sales and private rentals on elements of land it owned and/or assets it was sharing with others. This is also balanced with the desire to achieve social value return in lieu of income generation. As an indication, the Council was using its commercial focus as an off-set to deliver a greater proportion of social housing.

Information about fees and charges in the budget will help departments understand the full cost of the work they do as a regular discipline. Fees and charges would be benchmarked with similar councils to enhance the Council's ability to compete effectively in the market place. Staff would be trained to develop a commercial mind-set when undertaking procurement tasks.

Panel's Comments:

Members noted the responses, and that Councillor Jonathan Slater, Cabinet Member for Community Sector, was leading on strengthening expertise on regeneration. Members commented that it would be useful if the plans highlight how the Council would use its properties to benefit the voluntary sector. Members also welcomed a commitment by the Cabinet Member for Finance and Resources to ensure that a proportion of the Transformation budget supports new and innovative ways of income generation.

2. Update on Community Wealth Building and the Inclusive Growth and Innovation Strategy

Councillor Amanda De Ryk, Cabinet Member for Finance and Resources, and the Director of Strategy and Communications made representations on this items. Responses to questions raised are summarised below.

The Panel received clarification that the report was an introduction, therefore, the Mayor and Cabinet simply noted it in light of the proposals which would formed part of the new inclusive growth and innovation strategy. It was stated that the Council was working with anchor institutions, but had plans to consult widely with partners, and to instigate public debates on the proposals, with a view to collate and cost ideas. Furthermore, outcomes from work undertaken by the Lewisham Poverty Commission, and recommendations outlined in the London Improvement Strategy would be considered as the plan progresses.

Panel's Comments:

Members expressed a concern that the executive summary to the report on which the Mayor and Cabinet decision was based was vague and lacked tangible areas for achievements. It was stated that too much emphasis was placed on poverty and borrowing, rather than investment opportunities. Furthermore, the report lacked information on how the proposals would be implemented. Members suggested that:

- the Strategy should have a clear vision for achievements, linked to timescales and budget;
- the proposed local plan should include an industrial component;
- steps should be taken to enhance innovative ways of working with the voluntary sector;
- public debates should include conversations to encourage wealthy residents in Lewisham to invest in the borough, particularly via the credit union.

In closing, Members welcomed information that arrangements to formulate and submit proposed work streams prior to finalising the draft would be submitted for comments to a meeting of the Sustainable Development Select Committee.

3. Integration with the NHS: approval of participation in NHS South East London Clinical Commissioning Group's Lewisham Borough Based Board

The Executive Director for Community Services made representations at the meeting and responded to questions raised.

The Panel was advised that the decision taken was based on a proposal to make a 20% cost savings through re-organisation to deliver five NHS South East London Clinical Commissioning Group (CCG). It was stated that the new governance structure would support devolution on a local scale, with a view to deliver a co-ordinated and accessible community-based care. It was stated that the Borough Based Board for Lewisham would comprised of three senior officers on a non-voting basis. Thus, although the decision-making had been reserved for the CCG members of the Board, the constitutional powers of the Mayor and Cabinet would not be affected by the change. It was confirmed that the Council's democratic influence would continue through input by Members of its Healthier Communities Select Committee, an arrangement which had worked effectively other joint commissioning arrangements through collaborative working.

Panel's Comments:

Members commented that lack of direct democratic involvement in the decision making remained a concern. The Department of Health had indicated that the new arrangements would achieve efficiency in service delivery. Therefore, the Council would monitor implementation to ensure effective delivery to Lewisham residents.

4. State of the Highways Infrastructure – an update on the Highways Asset Management Strategy

The Highways Manager made representations at the meeting and responded to questions raised.

The Panel was advised that the spraying of footways had ceased. The Council had adopted a pragmatic approach in the use of data to complete multiple tasks in its management of roads, bridges and other highway structures. The current software the Council was using to prioritise surveys, maintenance and procurement activities was adequate. Thus there was no plan to purchase additional software to support highways asset management activities at the present time.

The Panel also received an assurance that outcomes from survey data were used to prioritise programme of works and monitor highways maintenance arrangements. The Council was continuing with periodic inspections to identify defects and schedule repair works on its roads, bridges, footways, carriageways and other highway structures in accordance with national guidelines. The Council keeps abreast of innovation and techniques, and was the benchmarking rates and approaches to data collection for continuous improvement.

It was further confirmed to the Panel that plans were in place to remove obstructions to Lewisham's drains, and there would be cost implications. Nonetheless, implementation would ensure that tickets for maintenance and/or replacement works are issued in a timely fashion as part of the Council's galley cleansing management protocol. Furthermore, instead of prioritising maintenance works on a rota basis as was previously the case, galleys depths and sediments would be measured to assess the conditions

of the drainage system. Thus, it was likely that there would be an improvement on 2018/19 performance.

Panel's Comments:

Members stated that the concern expressed about the condition of footpaths in Lewisham was from observation, and that imminent steps should be taken to prioritise maintenance works. Members welcomed information that the spraying of pathways had ceased, commenting that insects were important in enhancing biodiversity in the environment.

Members further pointed out that data on performance and decision-making on highways maintenance, referenced in the report as "Table C1" and "Table C2", was missing from the report. It was stated that the missing element would be circulated after the meeting.

**Action: Highway Manager/
Clerk**

5. Community Energy Fund Grant Award Report

The Senior Contract Manager made representations at the meeting and responded to questions raised.

The Panel was advised that the community energy fund represented a contribution to the climate and emergency action plan from a local perspective. Thus, the project had a strategic focus in relation to the delivery on the ambition by Lewisham Borough to be carbon neutral by year 2020.

The Panel also received confirmation that community groups were aware of the bidding process. Successful bids by schools were via a community-based agency. It was confirmed that 14 agencies applied for the funding, but unsuccessful bids were not listed in the report.

On behalf of the Panel, the Chair thanked officers and the Cabinet Member of Finance and Resources for their contributions. The Chair confirmed that written submission on report relating to the "**Integration with the NHS: approval of participation in NHS South East London Clinical Commissioning Group's Lewisham Borough Based Board**" by Councillor Chris Best, Cabinet Member for Health and Adult Social Care was circulated and noted by Members of the Panel.

289. Overview and Scrutiny Select Committee Work Programmes - 2019-2020

The Scrutiny Manager gave an oral report to the Panel about the Council's scrutiny function.

The Panel noted that a proposed new scrutiny structure had been agreed in principle. The elements requiring change would be considered by the Constitution Working Party prior to submission at the Council's Annual General Meeting. The key features of the new constitutional structure included requirements:

- to have 6 Members per select committee, apart from the Children and Young People Select Committee, which would have 8 members plus five independent education representatives;
- to have 5 meetings per select committee within a municipal year;
- to propose to the full Overview and Scrutiny Committee to set up time-limited Task and Finish groups, with a view to carry out in-depth scrutiny into topical issues.

Specific to the work of the select committees, the Panel noted that arrangements were underway to conclude the final cycle of meetings and in-depth reviews. However, time would be required to analyse the volume of evidence to support recommendations in regard to the equalities review. This the work would continue on equalities issues, with a view to submit the final report to the first meeting of the Safer and Stronger Communities Select Committee in the next municipal year.

The Panel also received clarification that task and finish groups to be set up would gather input on cross-cutting issues about the Council's services. Thus, the groups' work would be independent from those undertaken by select committees.

On behalf of the Panel, the Chair thanked the Scrutiny Manager for her contribution.

290. Exclusion of the Press and Public

RESOLVED that the report be noted.

291. Decisions made by Mayor and Cabinet on 12 February 2020

RESOLVED that the report be noted.