

Minutes of the Public Accounts Select Committee

Thursday, 23 September 2021 at 7.00 pm

Present: Councillors Mark Ingleby (Chair), Alan Hall (Vice-Chair), Jim Mallory, Joan Millbank and James Royston

Also present: Councillor Paul Maslin (Chair of Overview and Scrutiny), Councillor James Rathbone, Councillor Chris Barnham (Cabinet Member for Children's Services and School Performance), Councillor Chris Best (Cabinet Member for Health and Adult Social Care), Timothy Andrew (Scrutiny Manager), David Austin (Director of Corporate Services), Tom Brown (Executive Director for Community Services), Kathy Freeman (Executive Director for Corporate Resources), Pinaki Ghoshal (Executive Director for Children & Young People) and Katharine Nidd (Strategic Procurement and Commercial Services Manager)

1. Confirmation of the Chair

1.1 **Resolved:** That Councillor Mark Ingleby will be Chair of the select committee.

2. Minutes of the meeting held on 7 July 2021

2.1 **Resolved:** That the minutes of the meeting held on 7 July be agreed as an accurate record.

3. Declarations of interest

3.1 There were none.

4. Responses from Mayor and Cabinet

4.1 There were none.

5. Children's social care

This was the first substantive item on the agenda.

5.1 Pinaki Ghoshal introduced the report – outlining areas of progress and highlighting the recent positive feedback from Ofsted.

5.2 Pinaki Ghoshal responded to questions from the Committee – the following key points were noted:

- Previous areas of overspending in children's social care were reducing. It had previously been estimated that the annual overspend would be £4m – but work was taking place to reduce this.
- The numbers of children in care in Lewisham was higher than the London average. Work was taking place to provide more early help and support to families to avoid children being placed in social care. This was a long term programme and it would take time to see improvements.
- Measures were in place to support care leavers and further work was being done to improve the leaving care service.
- Lots of work had taken place to improve placement sufficiency and costs.
- The most expensive placements were residential placements. The costs for these placements had been reduced by reducing numbers as well as

challenging providers and ensuring fair contributions from partner organisations.

- There had not been a significant improvement in the numbers of in-house foster carers. The Council was overly dependent on fostering agencies. The average cost of in-house foster care was £400 per child – as opposed to £1000 for agencies placements. More work was required to encourage foster carers to foster through the Council. Work was taking place to improve the experience for prospective carers.
- Most independent foster care agencies were private organisations – and looked to make profits from being in business.
- There were pressures on the numbers of foster carers available. Lewisham was below the London average for foster carers from within the borough.
- One of the issues highlighted by previous Ofsted inspections was the sustainability and usability of IT systems for frontline staff and lots of work had taken place to overhaul and improve systems.
- Work was taking place to increase the numbers of social workers employed by the Council (rather than through agencies) with a target of 90% of social workers to be permanent employees¹.
- There had been a recent increase in the numbers of children referred to social care – which caused additional pressure on social work caseloads.
- Responding to a question about the Council's management of a complaint (and referral to the ombudsman) Pinaki confirmed that action had been taken to review processes and procedures. There was more work to be done.

5.3 Councillor Chris Barnham (Cabinet Member for Children's Services and School Performance) was invited to address the Committee – the following key points were noted:

- The improvement programme for children's services was a long term initiative.
- The work taking place was improving the quality of services and stabilising the budget.
- The recent Ofsted inspection confirmed that the areas identified by the Council for improvement were the right areas on which to focus.
- More work was required to improve the cost and sufficiency of social care placements.
- Officers should be commended for their hard work – particularly in recruiting and retaining newly qualified social workers.

5.4 **Resolved:** That the Committee notes and commends the progress made by the Children and Young People's directorate on the children's social care improvement programme and on improvements to placement sufficiency for children in care and care leavers.

6. Adult social care review

6.1 Tom Brown introduced the report – welcoming the Committee's recommendation that the Council carry out the review and emphasising the importance of adult social care in providing services to the most vulnerable. He also outlined the initial findings from the review – and the implications for Council budgets and future sustainability of services.

¹ Note following meeting - the previous percentage of permanent social workers was outlined in paragraph 1.2 of the report – the number had increased from 64% in 2018 to 80% in June this year.

- 6.2 Kathy Freeman provided a presentation with benchmarking information and analysis – highlighting key findings from the review and initial opportunities that had been identified for improvement.
- 6.2 Tom Brown and Kathy Freeman responded to questions from the Committee - the following key points were noted:
- Newton based their analysis on reviews of cases with frontline staff – and they built on their experience with other local authorities to support their findings.
 - Officers had met with colleagues at Greenwich Council (which had also commissioned Newton to review its social care services) and were confident that the approach being taken in Lewisham would be as effective.
 - The contract also committed Newton to finding the savings outlined – or carrying out additional work/analysis at their cost to make up any shortfall.
 - The programme was ambitious. It was based on making sure people had access to services when they needed them – whilst also enabling people to be more independent.
 - The improvement programme was important for services across the Council. Adult social care should make good use of the universal services provided by the Council – and those services (and employment opportunities) should be available to everyone.
 - Additional officers and resources were being provided to strengthen the Council's insight and organisational development functions.
- 6.3 Councillor Chris Best (Cabinet Member for Health Wellbeing and Older People) was invited to address the Committee. She noted the importance of making services and employment opportunities available to all residents. She highlighted the ongoing pressures on the budget and emphasised the importance of care work.
- 6.3 In the discussion the following key point was also noted:
- Members believed that the Government would need to carry out a major overhaul of social care.
- 6.4 **Resolved:** That the Committee notes the report on the adult social care review and welcomes the approach being taken – as well as the effort involved in bringing forward the proposals.

7. Financial forecasts

- 7.1 Kathy Freeman introduced the report – noting the overspend (including the costs associated with responding to the pandemic) and the challenges of collecting Council tax and business rates as well as some of the measures being taken to control costs.
- 7.2 Kathy Freeman responded to questions from the Committee – the following key points were noted:
- Consideration would need to be given in the near future to the budget setting process for 2022/23.
 - In terms of COVID related costs – the council had funding set aside to deal with budget pressures (including some funds carried over from the previous financial year).
 - There had been some support from the Government for losses in Council tax and business rates – but more was needed due to the level of risk the shortfall represented.

- There was some delay in the information provided in reports to the Committee – but officers received regular information updates.
- Lewisham previously had one of the lowest collection rates in London for Council tax – but one of the highest for business rates.
- Work was taking place to build increased cost for leisure services into the medium term financial plans.

7.3 **Resolved:** That the Committee notes the financial monitoring report and emphasises the need for action on developing and bringing forward cuts proposals.

8. Treasury management mid-year review

8.1 The Chair noted that earlier in the week there had been an informal briefing session on the mid-year review which was well received by members and officers present.

8.2 Katherine Nidd introduced the report – noting the key issues set out in the report. She highlighted the Council’s commitment to delivering the agreed strategy throughout the pandemic – and noted the challenging financial situation nationally and globally. She also outlined the difficult situation for investment performance.

8.3 Katherine Nidd and David Austin responded to questions from the Committee – the following key points were noted:

- A number of capital plans had been put on hold during the pandemic as officers responded to the crisis. During the pause in the capital programme there was an opportunity to rethink and reprioritise spending.
- There would be opportunities for scrutiny of the capital programme in future.
- The Council received regular updates and risk information about its investments.
- The Council had looked to buy out its LOBO (lender option, borrower option) loans – but it was not considered to be cost effective.
- Most of the Council’s LOBO loans were not extreme or risky (And did not include interest rate swaps).

8.4 **Resolved:** That the Committee notes the report – and that members welcome the clarity of the report as well as the recent training offered.

9. Select Committee work programme

9.1 Members considered items for the upcoming meeting.

9.2 **Resolved:** That – with the addition of the treasury management strategy 2022-23 for the December meeting – the work programme be agreed.

The meeting ended at 21:20

Chair:

Date:
