



## Public Accounts Select Committee

### Select Committee Work Programme Report

**Date:** 01 December 2021

**Key decision:** No.

**Class:** Part 1

**Ward(s) affected:** Not applicable

**Contributors:** Assistant Chief Executive (Scrutiny Manager)

### Outline and recommendations

This report gives Committee members an opportunity to review the Committee's work programme and make any changes required.

The Committee is asked to:

- To review the work programme attached at **appendix B**.
- Note the four strategic themes of the borough's recovery plan: 'Future Lewisham'
- To consider the items for the next meeting and specify the information required.
- Note the minutes of the recent joint meeting with the Audit Panel at **appendix E**
- To review the forward plan of key decisions at **appendix F** to consider whether there are any items for further scrutiny.

### Timeline of decision-making

Work Programme 2021-22 – draft agreed on 7 July 2021

Work Programme 2021-22 – agreed by Business Panel 20 July 2021

## 1. Summary

- 1.1. The Committee proposed a draft work programme at the beginning of the municipal year. This was considered alongside the draft work programmes of the other select committees and agreed by Business Panel on 20 July 2021.
- 1.2. The work programme should be reviewed at each meeting to take account of changing priorities.

## 2. Recommendations

2.1. The Committee is asked to:

- To review the work programme attached at **appendix B**.
- Note the four strategic themes of the borough's recovery plan: 'Future Lewisham'
- Consider the items for the next meeting and specify what evidence is required, including being clear about the information the committee wishes to be included in officer reports.
- Note the minutes of the recent joint meeting with the Audit Panel at **appendix E**
- To review the forward plan of key decisions at **appendix F** to consider whether there are any items for further scrutiny.

## 3. Work programming

3.1. When reviewing the work programme the Committee should consider the following:

3.2. The Committee's terms of reference (Appendix A).

3.3. Whether any urgent issues have arisen that require scrutiny. If so, consider to the prioritisation process (Appendix C) and the Effective Scrutiny Guidelines (Appendix D)

3.4. Whether a committee meeting is the most effective forum for scrutinising the issue. For example, would a briefing be more appropriate?

3.5. Whether there is time to consider the item - could any work programme items be removed or rescheduled?

3.6. Whether the item links to the priorities set out in the [Corporate Strategy for 2018-2022](#):

- [Open Lewisham](#) - Lewisham is a welcoming place of safety for all, where we celebrate the diversity that strengthens us.
- [Tackling the housing crisis](#) - Everyone has a decent home that is secure and affordable.
- [Giving children and young people the best start in life](#) - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
- [Building an inclusive local economy](#) - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- [Delivering and defending: health, social care and support](#) - Ensuring everyone receives the health, mental health, social care and support services they need.
- [Making Lewisham greener](#) - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
- [Building safer communities](#) - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

3.7. The Committee should also note and take into account the four strategic themes of the borough's Covid-19 recovery plan, 'Future Lewisham', which support what we want for every single resident and that we know are what we need to focus on locally:

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### 3.8. **An economically sound future**

We are working to get the borough back in business, with a future where everyone has the jobs and skills they need to get the best that London has to offer.

We are a borough with businesses that are adaptable and prepared for change, a thriving local economy that sees 'local' as the first and best choice, with digital inclusion at the heart of our plans. We do all we can to support residents into jobs that pay fairly and provide families with the opportunities and security they deserve.

### 3.9. **A healthy and well future**

Good health and wellbeing should be something we can all depend on, something that is equally accessible to everyone.

We know this is much wider than 'medicine' and the NHS. Our health and well-being is also dependent on our housing, the air we breathe, our support networks and more. We will make sure to pay as much attention and invest as much effort into improving these wider factors and taking action on inequality at every turn. Rectifying health inequalities and developing good mental health & wellbeing for everyone drives what we do.

### 3.10. **A greener future**

Our next steps will be our greenest yet, continuing our efforts to preserve our climate for future generations and ensuring everyone can enjoy the place we call home.

We will capture and build on the best of what we saw from the increase in walking and cycling locally, and all the other ways our environment benefitted from behaviour changes over the last year. We will nurture and protect the place we call home so that we can continue to appreciate its benefits for generations to come.

### 3.11. **A future we all have a part in**

We work together as one borough, within our communities and identities, to harness the power of volunteering and community spirit that has helped get us through the last year.

We will work alongside our strongest asset – our community – to strengthen and enhance our borough for everyone. We achieve more together and being connected and taking an active role in our borough benefits us all. Our year as Borough of Culture 2022 will be Lewisham's best year yet, celebrating our fantastic part of London and providing opportunities for everyone to connect and get involved in our local community.

3.12. The Committee is recommended to schedule **two substantive items per meeting**, leaving space available for Mayor and Cabinet responses and other urgent business as the need arises throughout the year.

3.13. Provision is made for meetings to last for up to 2.5 hours, but the committee should aim to **manage its business within 2 hours**. In exceptional cases the committee may decide to suspend standing orders and extend the meeting for a further 30 minutes to conclude any urgent business.

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## 4. The next meeting

- 4.1. The following items are scheduled for the next meeting. The Committee should clearly define the information and analysis it wishes to see in the officer reports.

Agenda Item	Review type
Budget cuts	Standard item
Council budget 2022-23	Standard item
Treasury Management Strategy 2022-23	Standard item

## 5. Financial implications

- 5.1. There are no direct financial implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme will have financial implications and these will need to be considered as part of the reports on those items.

## 6. Legal implications

- 6.1. In accordance with the Council's Constitution, all scrutiny select committees must devise and submit a work programme to the Business Panel at the start of each municipal year.

## 7. Equalities implications

- 7.1. The [Equality Act 2010](#) (The Act) legally protects people from discrimination in the workplace and in wider society. It replaced the previous anti-discrimination laws with a single act, making the law easier to understand and strengthen protection in certain situations. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The Act also imposes a public sector equality duty. This means that in public bodies, of which this Council is designated, they must consider all individuals in carrying out their day-to-day work when shaping policy, in delivering services and in relation to their own employees. It also requires public bodies to:
- Have due regard to the need to eliminate discrimination
  - Advance equality of opportunity
  - Foster good relations between different people when carrying out their activities
- 7.3. The Council recognises diversity is one of its strengths and is committed to creating a more inclusive community. Therefore, having due regard to the Act, is confirmation of the Council's commitment to eliminating all forms of discrimination against any group within the community and to actively promote an equality of opportunity and positive community partnership.
- 7.4. The delivery of the Council's equalities objectives is to be achieved through the

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delivery of all of the Council's strategies, plans and procedures. As such, all select committees and other scrutiny bodies, when planning their work and scrutinising items, bear in mind the delivery of the Council's equality objectives.

- 7.5. Scrutiny tries to make sure that its work reflects the diversity of Lewisham's communities and that the views of residents are fairly represented in scrutiny processes. Any recommendations arising from scrutiny work support the Council's corporate strategy and reflect the needs of local residents

## **8. Climate change and environmental implications**

- 8.1. There are no direct climate change or environmental implications arising from the implementation of the recommendation in this report. However, in February 2019 Lewisham Council declared a Climate Emergency and proposed a target to make the borough carbon neutral by 2030. Items on the work programme may have climate change and environmental implications and reports considered by the Committee should acknowledge this.

## **9. Crime and disorder implications**

- 9.1. There are no direct crime and disorder implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have crime and disorder implications and these will need to be considered as part of the reports on those items.

## **10. Health and wellbeing implications**

- 10.1. There are no direct health and wellbeing implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have health and wellbeing implications and these will need to be considered as part of the reports on those items.

## **11. Report author and contact**

If you have any questions about this report please contact Timothy Andrew (Scrutiny Manager) [timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk)

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## 12. Appendix A - Select Committee Terms of Reference

The following roles are common to all select committees:

### (a) General functions

- To review and scrutinise decisions made and actions taken in relation to executive and non-executive functions
- To make reports and recommendations to the Council or the executive, arising out of such review and scrutiny in relation to any executive or non-executive function
- To make reports or recommendations to the Council and/or Executive in relation to matters affecting the area or its residents
- The right to require the attendance of members and officers to answer questions includes a right to require a member to attend to answer questions on up and coming decisions

### (b) Policy development

- To assist the executive in matters of policy development by in depth analysis of strategic policy issues facing the Council for report and/or recommendation to the Executive or Council or committee as appropriate
- To conduct research, community and/or other consultation in the analysis of policy options available to the Council
- To liaise with other public organisations operating in the borough – both national, regional and local, to ensure that the interests of local people are enhanced by collaborative working in policy development wherever possible

### (c) Scrutiny

- To scrutinise the decisions made by and the performance of the Executive and other committees and Council officers both in relation to individual decisions made and over time
- To scrutinise previous performance of the Council in relation to its policy objectives/performance targets and/or particular service areas
- To question members of the Executive or appropriate committees and executive directors personally about decisions
- To question members of the Executive or appropriate committees and executive directors in relation to previous performance whether generally in comparison with service plans and targets over time or in relation to particular initiatives which have been implemented
- To scrutinise the performance of other public bodies in the borough and to invite them to make reports to and/or address the select committee/Business Panel and local people about their activities and performance
- To question and gather evidence from any person outside the Council (with their consent)
- To make recommendations to the Executive or appropriate committee and/or Council arising from the outcome of the scrutiny process

### (d) Community representation

- To promote and put into effect closer links between overview and scrutiny members and the local community
- To encourage and stimulate an enhanced community representative role for overview and scrutiny members including enhanced methods of consultation with local people
- To liaise with the Council's ward assemblies so that the local community might participate in the democratic process and where it considers it appropriate to seek the views of the ward assemblies on matters that affect or are likely to affect the local areas, including accepting items for the agenda of the appropriate select committee from ward assemblies.
- To keep the Council's local ward assemblies under review and to make recommendations

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to the Executive and/or Council as to how participation in the democratic process by local people can be enhanced

- To receive petitions, deputations and representations from local people and other stakeholders about areas of concern within their overview and scrutiny remit, to refer them to the Executive, appropriate committee or officer for action, with a recommendation or report if the committee considers that necessary
- To consider any referral within their remit referred to it by a member under the Councillor Call for Action, and if they consider it appropriate to scrutinise decisions and/or actions taken in relation to that matter, and/or make recommendations/report to the Executive (for executive matters) or the Council (non-executive matters).

**(e) Finance**

- To exercise overall responsibility for finances made available to it for use in the performance of its overview and scrutiny function.

**(f) Work programme**

- As far as possible to draw up a draft annual work programme in each municipal year for consideration by the overview and scrutiny Business Panel. Once approved by the Business Panel, the relevant select committee will implement the programme during that municipal year. Nothing in this arrangement inhibits the right of every member of a select committee (or the Business Panel) to place an item on the agenda of that select committee (or Business Panel respectively) for discussion.
- The Council and the Executive will also be able to request that the overview and scrutiny select committee research and/or report on matters of concern and the select committee will consider whether the work can be carried out as requested. If it can be accommodated, the select committee will perform it. If the committee has reservations about performing the requested work, it will refer the matter to the Business Panel for decision.

**Public Accounts has specific responsibilities for the following:**

- (a) To exercise all the functions and roles of the overview and scrutiny committee in relation to the following matters:
- To make reports and recommendations to the Council or the Executive which promote the better custodianship of the Council's finances and to make recommendations for best financial practice across the authority.
  - To investigate the possibilities for improving the Council's financial management practice and to make reports and recommendations to Executive or Council as appropriate.
  - To encourage the highest standards of financial custodianship where necessary overseeing training activity for all members in this area.
  - To consult on and to comment on and make recommendations to the Executive in respect of the actual and proposed contents of the Council's budget and without limiting the general remit of the committee, to hold the Executive to account for its performance in respect of all budgetary matters.
  - To receive reports as appropriate from the Audit Panel in respect of their overview of contract procedure rules and financial regulations.
  - To make recommendations and reports for consideration by the Executive or Council to improve procurement practice.
  - To scrutinise the effectiveness of the Audit Panel.

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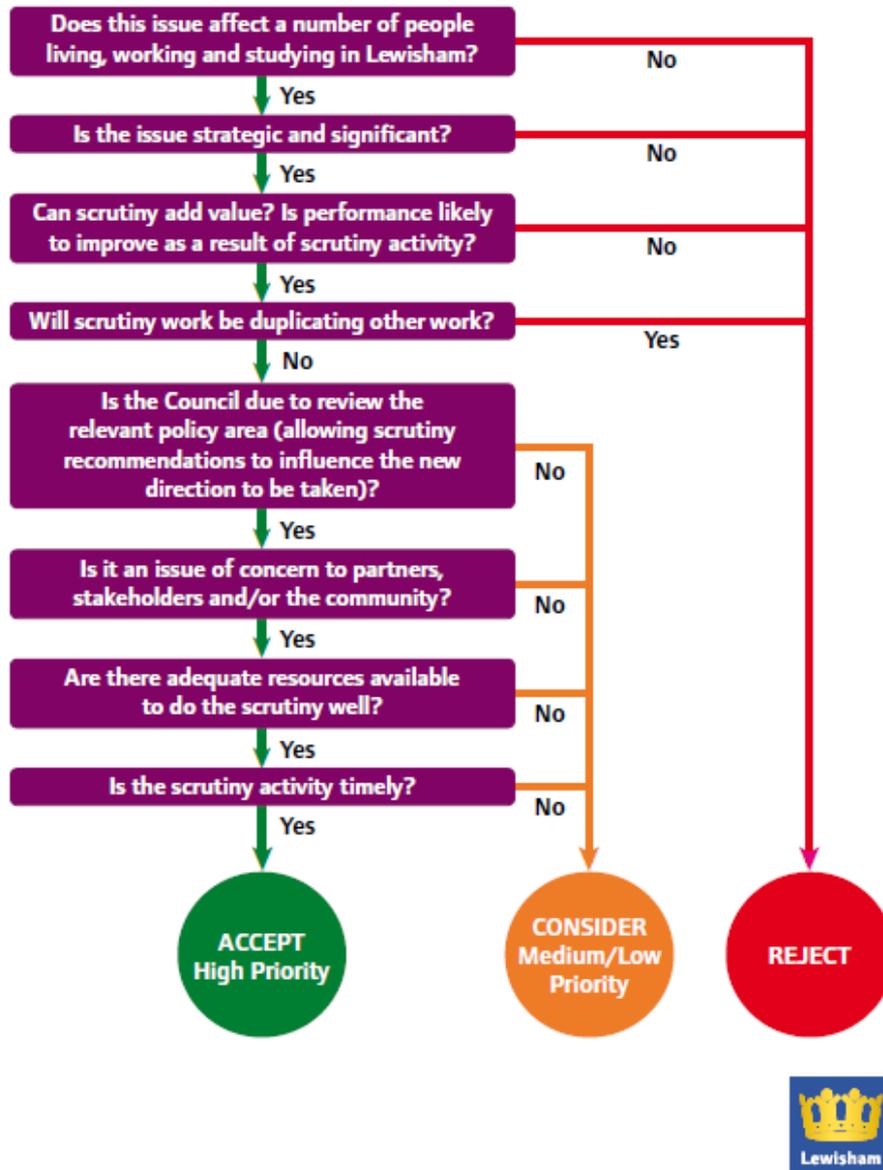
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Appendix C

The flowchart below is designed to help Members decide which items should be added to the work programme. It is important to focus on areas where the Committee will influence decision-making.

### Scrutiny work programme – prioritisation process



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## Appendix D

### Effective Scrutiny Guidelines

#### At Lewisham we:

##### 1. Prioritise

It is more effective to look at a small number of key issues in an in-depth way, than skim the surface of everything falling within scrutiny's remit. We try to focus on issues of concern to the community and/or matters that are linked to our corporate priorities. We only add items to the work programme if we are certain our consideration of the matter will make a real and tangible difference.

##### 2. Are independent

Scrutiny is led by Scrutiny Members. Scrutiny Members are in charge of the work programme and, for every item, we specify what evidence we require and what information we would like to see in any officer reports that are prepared. We are not whipped by our political party or unduly influenced by the Cabinet or senior officers.

##### 3. Work collectively

If we collectively agree in advance what we want to achieve in relation to each item under consideration, including what the key lines of enquiry should be, we can work as a team to question witnesses and ensure that all the required evidence is gathered. Scrutiny is impartial and the scrutiny process should be free from political point scoring and not used to further party political objectives.

##### 4. Engage

Involving residents helps scrutiny access a wider range of ideas and knowledge, listen to a broader range of voices and better understand the opinions of residents and service users. Engagement helps ensure that recommendations result in residents' wants and needs being more effectively met.

##### 5. Make SMART evidence-based recommendations

We make recommendations that are based on solid, triangulated evidence – where a variety of sources of evidence point to a change in practice that will positively alter outcomes. We recognise that recommendations are more powerful if they are:

- Specific (simple, sensible, significant).
- Measurable (meaningful, motivating).
- Achievable (agreed, attainable).
- Relevant (reasonable, realistic and resourced, results-based).
- Time bound (time-based, time limited, time/cost limited, timely, time-sensitive).

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## Appendix E

### Notes of the joint Public Accounts Committee and Audit Panel discussion

19:30-20:30, Wednesday 20 October 2021 MSTeams

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#### Attendees

##### Councillors

James Rathbone (Chair), Alan Hall, Mark Ingleby, Jim Mallory, Joan Millbank, James Royston and Chris Best (Cabinet Member for Health and Social Care)

##### Independent members of the Audit Panel

Carole Murray, Ian Pleace, Stephen Warren

##### Officers

Timothy Andrew (Scrutiny Manager), Sarah Assibey (Committee Support Officer), Tom Brown (Executive Director for Community Services), Dee Carlin (Head of Joint Commissioning), Kathy Freeman (Executive Director for Corporate Resources), Joan Hutton (Director of Adult Social Care) Abdul Kayoum (Strategic Business Partner - Communities, Group Finance), Angela Scattergood (Director of Education Services), Ann Wallace (Education Advisor) Christine Webster (Interim Head of Internal Audit)

#### Apologies

Councillors Leo Gibbons, Susan Wise and Amanda de Ryk (Cabinet Member for Finance and Resources)

#### 1. Overview

1.1. Chairs of the Public Accounts Select Committee and Audit Panel agreed to hold a discussion following concerns raised by members of the Audit Panel during their consideration of a recent internal audit report.

1.2. Key questions posed by the Chair:

- How and why the failures identified (in the internal audit report) happened and what was supposed to have happened.
- What the extent of the financial losses was and whether the Council had been able to recover the lost funds.
- Assurance that the problems identified had been satisfactorily resolved - and that measures had been put in place to prevent future failures.

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## 2. Key points raised in the meeting

2.1. Kathy Freeman addressed the meeting – the following key points were noted:

- The opportunity to address members was welcome. It was important that the issues had been identified through internal audit so they could be considered in full and resolved.
- The domiciliary care audit resulted from concerns raised by Tom Brown relating to duplicate payments.
- An internal investigation found no fraudulent irregularities. This led to an audit of controls, practices and payments.
- The findings of the audit report highlighted weaknesses in internal controls as well as failures of basic processes in several departments across the Council.
- Monthly reconciliation (of invoices with services delivered) required collaboration between service departments and finance teams. In an organisation where the processes were robust issues would be identified – however – in large organisations it was difficult to reconcile every single payment.
- The Council had faced year on year cuts over an extended period – which resulted in a finance team that was 30 percent smaller than previously and this had weakened financial processes and controls.

2.2. Tom Brown addressed the meeting – the following key points were noted:

- The Council had a responsibility to spend public money properly.
- Changes in personnel over the years meant that it was difficult to determine exactly what had happened.
- The full implementation (this year) of the ContrOCC system meant that tracking payments was easier and more robust.
- The issues identified in the report did not contribute towards the overspend in adult social care services.
- Work had started to recover money from organisations that had been over paid. Payment plans had been agreed with some providers.

2.3. Kathy Freeman, Tom Brown and Abdul Kayoum responded to questions from members of the two committees – the following key points were noted:

- Since the implementation of the Care Act (2014) there had been a responsibility on all local authorities to ensure the sufficiency of the local care market. This may have resulted in a decision (in 2015) to approve upfront payments to care providers. However, it was not clear why this continued to happen routinely.
- The homecare workforce was underpaid and undervalued. Lewisham paid the London Living Wage to providers but the profits of care companies were marginal and some struggled to survive.
- It was not unusual for councils to provide upfront payments to care providers because of the vital nature of the services they provided to vulnerable residents.
- Some of the payments related to a period in which the Council was changing its financial systems and some advanced payments were likely made to ensure the sufficiency of providers.

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- Officers would consider the Council's financial regulations – and confirm that advanced payments were against the rules. Where advanced payments were made in future – this would be on an exceptions basis and would be clearly documented.
- Some of the financial processes that the Council had were previously based on spreadsheets, which were owned, updated and understood by a limited number of people. The implementation of the ContrOCC system provided up to date and more easily accessible information.
- Consideration was being given to improving the culture of the Council's finance teams – and their relationship with service managers.
- Work was still taking place to determine the extent of potential financial losses since 2016. An exact figure could not be currently be provided (although it was believed that this was not 'as material' as had been reported in the internal audit report).
- The process of reconciling payments with old invoices was made more difficult by the change of Council systems in 2018 – and a fire at one of the Council's archiving facilities. Consideration was being given to contacting suppliers to provide historic invoices.
- This process was further complicated by: the requirement for physical access to some documents; the change to remote working; changes in personnel; other factors beyond officers' control.
- Regular meetings took place between officers and the Cabinet Member for Finance and Resources.
- It was acknowledged that lack of capacity had been a longstanding issue in Lewisham's finance teams. Work was taking place to improve the Council's finance functions – but this was taking place in the context of a further requirement for cuts.

2.4. Angela Scattergood addressed the meeting – the following key points were noted:

- The internal audit report was welcome.
- Systems were in place to manage payments for transport services. Full reconciliation had taken place with payments, invoices and credit notes for over payments. There was no financial loss from the service.
- Following the audit report systems had been formalised and strengthened and each and every invoice was being matched with expenditure.
- All actions in the audit action plan had been followed through and were either complete or due for completion.
- It was felt that some of the issues raised in the internal audit report were misleading – and stemmed from a lack of understanding of the services being provided.
- Directorate officers would welcome additional oversight of internal audit reports in future – in order to provide clarifications and resolve misunderstandings.

2.5. In the committees' discussion the following key points were noted:

- Members welcomed the progress that had been made in relation to passenger transport and the effectiveness of the internal audit process in identifying and resolving potential issues.
- There was a need for culture change (and an increase in capacity) in the Council's finance functions.

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### **3. Recommendation**

- 3.1. The Chairs of the two committees agreed to receive a further update from officers by 19 November and, based on the progress made, agree whether or not additional scrutiny is necessary at the formal meetings of Public Accounts Select Committee (1 December) or Audit Panel (7 December).

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