

Minutes of the Public Accounts Select Committee

Wednesday, 1 December 2021 at 7.00 pm

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

Also joining the meeting virtually: Councillor James Royston (online)

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken or to satisfy the requirements of s85 Local Government Act 1972

Apologies: Councillor Jim Mallory

Also present or joining the meeting virtually: Councillor Paul Maslin (Chair of Overview and Scrutiny), Councillor Amanda De Ryk (Cabinet Member for Finance and Resources) (virtually), Timothy Andrew (Scrutiny Manager), David Austin (Director of Corporate Services) (virtually), Kathy Freeman (Executive Director for Corporate Resources) (virtually), Patrick Dubeck (Director of Inclusive Regeneration) (virtually) and Nick Penny (Head of Service Finance) (virtually)

1. Minutes of the meeting held on 23 September 2021

- 1.1 **Resolved:** that the minutes of the meeting on 23 September be agreed as an accurate record.

2. Declarations of interest

- 2.1 There were none.

3. Responses from Mayor and Cabinet

- 3.1 Members requested further updates (in the new financial year) on:
- Contract management training for staff
 - The proposed councillor workshop on commercialisation and risk
 - The progress with an energy efficiency consultancy commercial venture

4. Financial monitoring

- 4.1 Nick Penny (Head of Service Finance) introduced the report – setting out the Council's current financial position and highlighting areas of overspending as well as the costs of pandemic related expenditure. Nick also provided a summary of the savings proposals and achieved by the Council – as well as risks facing the housing revenue account.
- 4.2 Kathy Freeman responded to questions from the Committee - the following key points were noted:

- Work was taking place with Newton (an organisation commissioned to review the costs of adult social care) to reduce expenditure in adult social care.
- Improvements were being made to commissioning arrangements and relationships with health care partners.
- A 'recovery board' had been set up for adult social care to focus on controlling expenditure. So far £4m of additional cuts had been identified from adult social care – which were currently being assessed for deliverability and sustainability.
- The impact of the pandemic on adult social care had been significant in terms of cost packages and the levels of care needed.
- Further consideration was being given to recovery of unspent direct payments – alongside wholesale reviews of care and placement reviews. As a result, some care packages were increasing in cost but many were reducing.
- Children's social care also had a dedicated recovery board (chaired by the Executive Director for Children and Young People) which reviewed the costs of complex care packages.
- Some funding was being held corporately to manage overspending risks in children's social care.
- There was nothing immediate to note regarding the funding of the government's social care changes. The proposals were due to come into place from 2023-24.
- Linking private landlord incentive payments (to access private housing for temporary accommodation) to better standards would be a welcome idea. However, the Council was in a competitive market place, which resulted in a range of challenges.
- Funding had been set aside for a feasibility study for the Bridge leisure centre. A bid had also been submitted to the Greater London Authority to fund a proportion of this work.
- It was intended that - as far as possible – all of the costs of covid would be allocated to government funding. There were some areas (such as the infection control grant) which had strict requirements about expenditure – and might not all be allocated (due to underspending by suppliers). There would be a better view of the costs recovered and those allocated at the end of the year.
- It was recognised that there were some financial control weaknesses in the Council – but the recent restructure and recent appointments of key staff were intended to bring rigour and control to finance processes.
- There were some challenges in 'fixing the basics' given some longstanding issues and ways of working.
- An internal audit review had identified potential issues with domiciliary care overpayments. Work carried out to resolve issues related to overpayment had been subject to a joint discussion between Audit Panel and Public Accounts Select Committee.
- Further extensive work and reconciliation of payments indicated that the overpayment was far lower than had previously been anticipated.
- Further work was taking place to match payments with invoices and additional discussions would take place with providers to recover costs where necessary.

- 4.3 In the Committee discussion the following key points were also noted:
- Members would welcome more up to date figures in the monitoring report.
 - Direct payments were allocated on the basis of need – and whilst the Committee welcomed the focus on costs – it was important to note that people in receipt of direct payments had assessed and recognised needs.

- 4.4 Councillor Amanda de Ryk (Cabinet Member for Finance and Resources) was invited to address the Committee, the following key points were noted:
- The work by internal audit – along with scrutiny and Audit Panel indicated that the Council's processes for financial control were working.
 - The review of key processes and functions being led by the Executive Director was welcome.

- 4.5 **Resolved:** that the report be noted.

5. Capital programme review

- 5.1 David Austin (Director of Financial Services) introduced the report noting recent successes and highlighting some of the challenges facing the delivery of the programme.

- 5.2 David Austin and Patrick Dubeck (Director of Inclusive Regeneration) responded to questions from the Committee – the following key points were noted:
- The amounts in the report related to the expenditure of the capital programme were accurate for the periods to which they related.
 - There was an exercise (continuing) to ensure that section 106 funds were being spent effectively.
 - Work was taking place to review the Council's asset base. There was always more that could be done to improve the benefits associated with the utilisation of the Council's assets.
 - The review would consider how best to make the most of creative, cultural and economic opportunities of developing the Council's assets.
 - There was no formal commitment to an asset strategy at the current time – however – good practice meant that the Council would continually look to make the best use of its assets.
 - The amount of unspent section 106 funds that was unspent was detailed in the report as that allocated to future programmes (£16m).
 - Catford was a key focus for regeneration in the borough – in line with the recently published framework.
 - Work would continue to ensure that the benefits of regeneration would be spread across the borough.

- 5.3 Councillor Amanda de Ryk was invited to address the Committee – the following key points were noted:
- It was important that the Council made the best use of its assets.
 - Consideration was being given to the range of housing tenures in the borough for people of all ages.

- The regeneration of Catford would be a major project for the Council and she supported training on development finance for members.

5.3 **Resolved:** that the report be noted. Members also noted the request to provide training on regeneration finance for members.

6. Select Committee work programme

6.1 **Resolved:** that the agenda for the meeting on 27 January 2022 be agreed.

The meeting ended at: 20:30

Chair:

Date:
