



OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the Overview & Scrutiny Committee held on Monday 31 January 2011 at 10.00 am at 160 Tooley Street, London SE1 2TZ

PRESENT:

Councillor Lisa Rajan (Chair)
Councillor Andy Simmons (Vice-Chair)
Councillor Toby Eckersley
Councillor Gavin Edwards
Councillor Dan Garfield (Reserve)
Councillor Mark Glover
Councillor David Hubber
Councillor Tim McNally
Councillor Helen Morrissey
Councillor Paul Noblet
Councillor the Right Revd Emmanuel Oyewole
Councillor Geoffrey Thornton (Reserve)

**OTHER MEMBERS
PRESENT:**

Councillor Fiona Colley, Cabinet Member, Regeneration & Corporate Strategy
Councillor Dora Dixon-Fyle, Cabinet Member, Health & Adult Social Care
Councillor Barrie Hargrove, Cabinet Member, Transport, Environment & Recycling
Councillor Peter John, Leader
Councillor Richard Livingstone, Cabinet Member, Community Safety
Councillor Catherine McDonald, Cabinet Member, Children's Services
Councillor Abdul Mohamed, Cabinet Member, Equalities & Community Engagement
Councillor Veronica Ward, Cabinet Member, Culture, Leisure, Sport & The Olympics
Councillor Ian Wingfield, Deputy Leader, Cabinet Member, Housing Management

**OFFICER
SUPPORT:**

Shelley Burke, Head of Overview & Scrutiny
Kerry Crichlow, Assistant Director, Children's Services
Deborah Collins, Strategic Director, Communities, Law & Governance
Gill Davies, Strategic Director, Environment

Doreen Forrester-Brown, Legal Services
Eleanor Kelly, Deputy Chief Executive
Sarah McClinton, Deputy Director, Adult Social Care
Gerri Scott, Strategic Director, Housing Services
Jonathan Toy, Head of Community Safety & Enforcement
Des Waters, Head of Public Realm
Darren Welsh, Head of Housing Strategy & Options
Susanna White, Chief Executive, NHS Southwark
Duncan Whitfield, Finance Manager
Adrian Whittle, Head of Culture, Libraries, Learning and
Leisure
Peter Roberts, Scrutiny Project Manager

ALSO PRESENT: Brenda Bond, Age Concern Lewisham & Southwark
Terry Farsky, Southwark Pensioners Action Group
Chris Sanford, Chief Executive, Community Action Southwark

1. APOLOGIES

- 1.1 Apologies for absence were received from Councillors Neil Coyle and Paul Noblet. Councillors Dan Garfield and Geoffrey Thornton attended as reserve members. Councillors Mark Glover, the right reverend Emmanuel Oyewole and Geoffrey Thornton submitted apologies for lateness.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

- 2.1 The Chair had received deputation requests from Community Action Southwark, Southwark Pensioners' Action Group and Age Concern Lewisham & Southwark.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

- 3.1 Councillor Gavin Edwards declared a personal, non-prejudicial interest as an employee of UNISON. Councillor Andy Simons declared a personal non-prejudicial interest as a parent of children at state primary schools and therefore affected by the free school meals proposal. He also declared a prejudicial interest as an employee of SLaM NHS Trust and would withdraw during the part of the meeting relating to health and adult social care.

4. BUDGET SCRUTINY

Deputation – Chris Sanford, Chief Executive, Community Action Southwark

- 4.1 Chris Sanford addressed the committee. He stated that the voluntary sector delivered essential services and had a long record of helping to build a stronger and fairer community. It was now facing a reduction in council investment and in other funding. In his view the impact of this, especially on the disadvantaged,

children and older people, would be greater than the sum of money saved and the result would be to scale back services rather than transform them. Chris Sanford suggested that the transitional fund agreed by the cabinet be placed with an independent distributor. He also was concerned that goodwill in the voluntary sector had not been fully harnessed and that partners were ready to participate in discussions generally around how best to use the funding that was available and specifically around a federated approach to commissioning.

- 4.2 Members asked whether any organisations facing cuts of over 15% would no longer be viable. Chris Sanford believed that this would be the case in some instances. It was difficult to quantify because of the loss of other grants and because voluntary sector partners remained unclear about the council's plans. A major concern was the impact of cuts to open access and day care services.
- 4.3 In response to questions, Chris Sanford clarified his comment on the impact of cuts being greater than the money saved. As an example, the consequence of a 25% cut to a service might be an organisational restructuring that would bring about the loss of staff who had built links to the community. In the case of the most disadvantaged in the community, links were difficult to make and might easily be lost. The cost of rebuilding such links might prove to be more than the sum of money initially saved.
- 4.4 In response to further questions Chris Sanford confirmed that Community Action Southwark would be giving strategic consideration to services and the effect of proposed cuts.

Deputation – Terry Farsky, Southwark Pensioners Action Group

- 4.5 Terry Farsky stated that there were 32,000 elderly people in Southwark, one in four of whom were in poverty due to inadequate income. He could make the case for improving services rather than making cuts. Councillors needed to find out about the poor quality of life of thousands of elderly people in the borough.
- 4.6 Terry Farsky's main concern was the provision of care in the borough. He was worried about the proposed closure of the Holmhurst Day Centre and that there would be more centres in the same position. He did not believe that alternative provision was available. Terry Farsky was also of the opinion that day care provided to the elderly in their own homes was not of good enough quality and needed to be improved.
- 4.7 In Terry Farsky's view, consultation on cuts had been hurried and inadequate. He also drew attention to recent changes to the taxi-card scheme which had led to cost increases for users.

Deputation – Brenda Bond, Age Concern Lewisham & Southwark

- 4.8 Brenda Bond also took the view that consultation with old people had been inadequate and that budget cuts were not being implemented in a thought out way. She also highlighted that the importance of the quality criterion in the homecare tender had been reduced and questioned the closure of the only homecare provider in the borough with an excellent rating and whether there was a proper

plan to transfer service users.

- 4.9 In Brenda Bond's opinion, costs would rise quickly over the next twelve to eighteen months and a lot of people falling below the eligibility criteria would require a higher level of more expensive services. She felt that the price budgeted for a day care session was unrealistic and that no transitional action plan was in place to lead towards personalisation. In addition, there would be no providers in the market to take up the slack resulting from the loss of voluntary sector providers.
- 4.10 Brenda Bond stated that Age Concern Lewisham & Southwark had made significant plans and cost efficiencies within its organisation, responded to consultation and attended meetings but felt that it had been denied access to strategic discussions. It had not been able to comment on the homecare tender situation. It had made proposals relating to day services but had not received any response from members or officers.
- 4.11 In response to members' questions, Brenda Bond clarified the impact of the homecare tender on the voluntary sector. Age Concern was facing the possibility of having to make a number of redundancies.

Budget Introduction – Councillors Peter John and Richard Livingstone

- 4.12 Councillor Peter John commented that the deputations brought home the consequences of the unprecedented level of cuts that the council was having to make. He stressed that, because cuts had been front-loaded into the coming year, the amount of time available was limited. Adult social care, which included day centres and lunch clubs, needed to provide savings. Disparities in the costs of centres could not continue. Councillor John stated that the council was keen to avoid unintended consequences of any cuts and welcomed the opportunity to explore some of the issues. The award of the homecare contract marked the end of a long tender process. The relevant cabinet member had met with Age Concern prior to Christmas. It was regrettable if people felt there had been a lack of consultation.
- 4.13 Councillor Richard Livingstone added that the council was using some of its reserves to meet cuts. The council had also introduced the voluntary sector transition fund and would be talking to Community Action Southwark about the best way to manage this.
- 4.14 In response to questions from members Councillor Livingstone indicated that, to ensure departments were able to manage their budgets effectively, it was unlikely that funding could be reallocated during the year.
- 4.15 In response to further questions, Councillor John outlined the seven budget principles which the cabinet had agreed in September and given to strategic directors. He also clarified the possible use of any money the council received from the government's allocation of an additional £4.3 million for social care and health issues.

- 4.16 Members highlighted the seeming lack of fairness in the financial settlement, comparing it to the settlements received by other boroughs such as Richmond. Those authorities hardest hit were inner city authorities, especially metropolitan authorities and inner London, Labour run boroughs. Councillor John indicated that the final settlement figure had not yet been confirmed and that the council had been making representations to the government pointing out possible consequences. Councillor Livingstone added that the council was amongst those authorities facing the biggest cuts and the biggest challenges.
- 4.17 Members queried the level of contingencies being retained and assumptions made about inflation. Councillor Livingstone responded that the council proposing a three year budget on the assumption that the grant level would remain the same. This assumption might prove optimistic and it was necessary to have contingencies to address this. Similarly, the contingencies were in place should the rate of inflation rise. Councillor Livingstone stated that he would be receiving quarterly returns in order to monitor figures during the year.

Legal and Democratic Aspects of Communities, Law & Governance – Councillor Peter John

- 4.18 A member highlighted the proposal to review the structure of scrutiny committees and the saving of £65,000. As this amount equated to the cost of two committees he asked if this was the cut the cabinet had in mind. Councillor John stated that the saving equated to 25% and that he was keen for scrutiny members to come forward with proposals, not necessarily involving the loss of two committees. Members asked whether the overview & scrutiny committee had been formally consulted. Councillor John reported that he had raised the issue during his cabinet member interview and also with the chair. The chair stated that this issue would be included in next year's work programme when the strategic director and head of overview & scrutiny would provide options.
- 4.19 In response to questions, Councillor John confirmed that savings in legal services (page 39 of the report) took account of joint working already taking place. Other elements included restructuring and investigating the sale of Southwark's legal services to other authorities and externally.
- 4.20 Members asked how savings in respect of community councils would be arrived at. Councillor John indicated that this could include reviewing the planning function of community councils, reviewing their boundaries and reviewing their scope and number of meetings. The Democracy Commission was to be tasked with a wide review of community councils.

Communities, Law & Governance; Equality Impact Assessment – Councillor Abdul Mohamed

- 4.21 Members sought clarification of the commitment of £200,000 in 2011/12 to support continuing activities in Community Action Southwark (CAS) (page 15, paragraph 88 of the report). Councillor Abdul Mohamed explained that this related to CAS' activities in supporting the voluntary sector such as co-ordinating grant applications, organising better premises and developing business strategies. He added that while CAS had been invited to sit on the board managing the voluntary

sector transition fund, he did not support the board being administered independently of the council. In response to questions, the strategic director for communities, law & governance confirmed that there was an error on page 31 of the report and that the amount CAS would be receiving would be £200,000 over two years. She also explained that the board would be advisory rather than decision making and that cabinet on 8 February would agree the process and criteria for accessing the fund.

- 4.22 In response to questions from members, Councillor Mohamed assured the committee that equality impact assessments (EqIAs) were being taken very seriously. The seven principles underpinning the budget proposals included the requirement to carry out EqIAs on all proposals. It was essential to understand the impact of decisions. Members asked when they would be able to see copies of the relevant EqIAs. Officers stated that they would be available as background papers to the cabinet report and on the council website. The chair sought assurance that all EqIAs would be considered on a corporate basis, not only individually, in order to identify the compound impact on particular groups. Councillor Mohamed confirmed that this process would be carried out to look at cross-cutting consequences of the budget proposals.
- 4.23 Councillor Abdul Mohamed reported that the Democracy Commission had already carried out a review of Council Assembly. The second phase of the commission's work would be to look at the role of community councils and how they could best perform. Members felt that an important objective would be to increase public attendance at meetings. Some members suggested that there might be an opportunity to use volunteers as a resource for running community councils. Councillor Mohamed stressed that a lot of people already gave their time and energy to the councils. Councillor Livingstone commented that the levels of support provided could be reviewed but that some professional involvement would always be needed. Some members were concerned that re-modelling community councils could take them away from their original role and objectives.
- 4.24 Members sought clarification of the reference in the cabinet report to a reduction in non-statutory committees. Councillor Mohamed indicated that all committees would be reviewed, including the disciplinary appeals committee.
- 4.25 Members asked for further information about the refocusing of the voluntary sector grants programme including monies previously passed to London Councils (page 15, paragraph 89 of the cabinet report). The strategic director of communities, law & governance indicated that she would provide the committee with a written briefing. Members asked whether there was a possibility that all voluntary sector grants could be brought together within one cabinet portfolio. Councillor Mohamed responded that this would be difficult as they were commissioned by different services within the council. Councillor Livingstone indicated that the commissioning review might introduce some changes. As an example of current practice, he was aware that Cambridge House received twenty-one grants from the council, each grant based on a separate bid and monitored separately. This was clearly not the best arrangement.

Health & Community Services – Councillor Dora Dixon-Fyle

- 4.26 Members referred back to the Age Concern deputation and the view that savings might be made in the short term but that after that costs would increase dramatically. They asked whether officers had done any work on rising costs in future years. Susanna White, the chief executive, NHS Southwark, indicated that officers were very conscious of costs in the future and had carefully considered the effects of the budget proposals with the cabinet member. People needed to be enabled to do as much as they could themselves. In response to a question, Councillor Dora Dixon-Fyle confirmed that the council had been working closely with Age Concern and other groups and had passed on to the minister concerns about the impact of budget cuts on Southwark residents.
- 4.27 Members also raised the comments of deputations that there was a lack of strategic discussion with partners. Councillor Dora Dixon-Fyle was sorry that this view had been expressed. Time was limited but consultation had taken place, for instance she had been to Southwark Pensioners' Centre and other groups. Members noted the savings of £1.05 million to be made in respect of procurement and asked whether the cabinet member would involve Community Action Southwark in reviewing this. Councillor Dora Dixon-Fyle indicated that she was prepared to consider all propositions. She was confident that these savings were achievable.
- 4.28 In response to questions, the chief executive, NHS Southwark, and the finance director clarified the savings to be made in respect of the supporting people budget. The total of £8.4 million included both efficiency and other savings
- 4.29 Members asked for further details about the proposed closure of Holmhurst Day Centre. Councillor Dixon-Fyle explained that because of the proposed changes it would not be used any more. Alternative provision, hopefully better and more suitable, had been found for the current service users. She also confirmed that capacity was available at Fred Francis Day Centre for all active users. Susanna White explained that in the past neither day centre had been used seven days a week and that the aim was to use Fred Francis more intensively.
- 4.30 Some members highlighted the re-tender of the homecare contract and the concerns of the deputations that, in the process, price had become more important than quality. Members noted that one of the providers being lost had an excellent rating and asked what was known about the ratings of the potential providers. Councillor Dixon-Fyle emphasised that this was the end of a three year contract process where the number of contractors had been reduced from eighteen to two. She was assured that there would be quality provision and excellent service. Susanna White clarified that the quality threshold had been determined first, at a level of CQC two stars and above. In the course of the process the financial climate had changed and some contractors became unaffordable. Quality remained a priority and would be carefully monitored.
- 4.31 A member asked where the pressure to lower the cost of meals on wheels originated. Councillor Dixon-Fyle replied that there was a manifesto commitment to halve the price of meals on wheels. The price would be reduced in stages to ensure that the budget stacked up. In response to a further question she explained

the projected increase in costs relating to learning disabilities as clients transferred from children's services to adult social care. Councillor Livingstone added that fortunately people with severe learning disabilities were surviving into adulthood, bringing the need for ongoing support, service provision and treatment.

- 4.32 Members were concerned at proposed changes to lunch clubs. Councillor Dixon-Fyle explained that the council was looking to introduce a new way of providing lunch clubs, reducing the number to one in the north of the borough, one in Camberwell and one in Dulwich. Councillor Livingstone clarified that there was a range of costs across current clubs, from £11 per meal per recipient to the highest of £62 per meal. If groups met together at a smaller number of locations this would reduce costs and also promote positive community cohesion. The most vulnerable people would continue to be provided for.
- 4.33 Members were also concerned at changes to the taxi-card scheme, raised by Southwark Pensioners Action Group. Councillor Dixon-Fyle stated that there were funding issues which were being looked at by GLA and TfL. The council would continue to support the scheme but it would need to be reviewed once TfL had come to a conclusion about costs across London. Costs to users had recently been increased as a result of changes introduced by London Councils.
- 4.34 (Councillor Andy Simmons left the meeting during this part of the questioning.) Members queried savings to be made in respect of mental health. Councillor Dixon-Fyle commented that historically a lot had been put into SLaM NHS Trust. The council was working to disentangle its commitment in certain areas, to ensure it was making an appropriate contribution and to ensure services continued to be delivered.

Children's Services – Councillor Catherine McDonald

- 4.35 In response to questions, Councillor Catherine McDonald confirmed that she had attended a consultation meeting with Southwark Youth Council who had completed the budget exercise identifying preferred savings. Working with young people to transform youth services had been identified as a key issue.
- 4.36 Councillor McDonald confirmed examples of progressive removal of financing. For supplementary schools the council was looking at a phased reduction resulting in a 100% cut to funding. The council would work with schools to sustain these services. For community nurseries the council was looking at a 30% reduction. The aim was to increase fairness and to target the most vulnerable children. There was a danger that cuts would destabilise some providers but the council was working to reduce this risk by ensuring providers had robust business plans and by promoting sustainability of settings.
- 4.37 Members asked what percentage of the youth service budget was represented by the proposed cut of £1.5 million and whether the aim was to spread this evenly across the borough. Councillor McDonald stated that this was 45% of the revenue budget and 35% of the global budget if all funding streams were accounted for. The council intended to use this as an opportunity to redesign youth services to focus on what young people needed and wanted. Mori polls indicated a low satisfaction despite the volume of services offered. The services would be driven

by design rather than history. Of the two types of services; universal and targeted, targeted provision was for those young people who were vulnerable in some way, for example at risk of criminal activity. The transformation of services would be done in consultation with young people and the council was sure that they would be considering the environmental consequences when changes were proposed.

4.38 Members were concerned about future risks to the service. Councillor McDonald stated that the council would not be taking a short term approach. For example, early intervention projects could help save young people from expensive services later down the line. The council would be looking at good practice in other authorities. Councillor McDonald also assured the committee that the council acknowledged the important role of schools and, where possible, was looking to them to develop and sustain supplementary schools and after school provision. There would be an extended school fund that would provide money for the provision of after school clubs but this was due to reach around twenty-eight schools rather than the hundreds of schools in Southwark.

4.39 Members asked for details of the £1 million fund set aside for the youth fund. Councillor McDonald explained that the overall aim of the fund was to maximise the learning and employment opportunities of young people in their late teens and early twenties, through:

- maintenance support for 16 – 18 years olds
- looking at higher education and the impact of higher tuition fees
- making it easier for young people to take the first step on the career ladder

There was a need to look at youth unemployment in the context of skills, and skills were provided by higher education and through university. The council also needed to look at the missing link between apprenticeships and employment so that young people could get their first step on the ladder. Officers had been tasked to come up with proposals for cabinet on 8 February.

4.40 Councillor McDonald clarified the position in respect of the Youth Justice Board. A grant of £1.6 million had been withdrawn and £500,000 had been set aside to help plug this gap. However the situation was unclear as Southwark might still get a grant and the government was consulting through a green paper.

4.41 In response to a member's question, Councillor McDonald explained the reference in the cabinet report to reviewing the market factor to social workers. The council had been paying an honorarium to social workers as this service had been under stress because of wider social work pressures. This practice would be ended as social work had now stabilised professionally.

4.42 Councillor McDonald outlined more effective procurement practices to be adopted. The council was looking to reduce unit costs and the number of young people needing high cost care packages by focusing on early intervention in order to reduce the number of children in residential care. Southwark has a very high number of children with learning difficulties in residential care and if these children were able to remain at home then considerable savings could be made. The council was also negotiating with fostering agencies, independent providers and residential units to achieve lower costs. Members suggested that the council

consider the wider use of volunteers in the community to help support and mentor parents and families experiencing problems and therefore reduce the need for social work intervention.

- 4.43 Members asked how the number of children in care could be reduced, given the council's statutory responsibilities. Councillor McDonald stated that the council would always put needs of children first. However there might be room to do more work with families of older children who were proving challenging. Investment had been made in parenting support and this was proving successful and enabling parents to rise to the challenge. This was much more satisfactory in other terms too as these older children could prove very challenging for the local authority to parent if they arrived in care.
- 4.44 Members challenged a seeming double counting of savings proposals which referred to both staff and management cuts. Councillor McDonald said that this was not the case. Given the scale of savings, the council was looking at significant staff cuts given the proportion of the budget spent on staffing. The aim was to preserve frontline staff. Management was important too as services carries significant risk if something went wrong. The council was looking at de-layering and looking forward to the Monroe report which might lead to a reduction on process and allow cuts.
- 4.45 Councillor McDonald clarified that around 7% of the cuts reflected efficiency savings. Around two thirds of the overall savings would come from efficiencies in procurement, increased trading and better designed services. The remainder the savings would be achieved by service reduction. Councillor McDonald stressed that safeguarding was the council's number one priority.
- 4.46 In response to a final question, Councillor McDonald confirmed that the Schools Forum still met but did not discuss the free school meal pilots at its last meeting.

Transport, Environment & Recycling – Councillor Barrie Hargrove

- 4.47 In response to questions, Councillor Barrie Hargrove explained that the reference in the cabinet report to ending external funding for disposal of non-household waste mean related to CRISP, an organisation which provided a service to recycle computers. He also confirmed that there was no intention to make a charge for household bulk waste collection. Councillor Hargrove also explained that as the trade waste service was no longer in house there was no way for the council to generate income from enforcement.
- 4.48 Councillor Hargrove reported that the council would no longer provide a service to remove untaxed vehicles. This was a DVLA function and not a statutory function for the council. Councillor Hargrove stated that the number of such vehicles had declined. Officers added that the DVLA was now more pro-active in response to untaxed vehicles. Until the year before last it funded the council to provide a service. The council continued to do so after funding ceased but would now stop.
- 4.49 Members asked whether the tie-in to the Veolia contract constrained the savings that could be made. Councillor Hargrove responded that Veolia were long-term partners but that their contract had been varied from time to time and there was

some scope for re-negotiation. The new waste site was a PFI contract so this presented some constraints. In sustainable services, £20 million of the £26 million budget was tied up in the PFI, which put pressure on the remaining £6 million. In response to a question Councillor Hargrove explained that PFI advisors were specific to the Old Kent Road site and would not be retained once this was completed.

- 4.50 In response to further questions Councillor Hargrove confirmed that the new parking contract would not include income for incentivised ticketing. He also outlined the saving of £150,000 relating to the parks service. Management would be restructured and the focus would be on maintenance rather than community outreach.
- 4.51 Councillor Hargrove clarified that the Environment Grants Programme was currently £320,000 and was being reduced to £170,000. A member asked if this would remain as a separate grant programme and what the criteria would be. Councillor Hargrove stated that there were no plans to merge it with other grants, but it would be re-profiled and the criteria would be re-examined.
- 4.52 Members sought further information on how savings from the revision of reactive street maintenance were made up and asked how much of the current budget was being saved. Councillor Hargrove indicated that the council was looking at a decreased response time to road maintenance, pot holes, lighting and signage and so on. The response would not be as fast as currently. Savings would be made purely from a slower response.

Community Safety – Councillor Richard Livingstone

- 4.53 Councillor Richard Livingstone explained that there would no longer be a 24 hour noise service. Instead there would be a daytime service and then a night service until 3am at the weekend. Members highlighted the commitment to establishing a night time economy team with match funding from the GLA and the police. They asked for how long the match funding was guaranteed and whether it justified establishing a team. Councillor Livingstone stated that the funding was guaranteed for three years. It was modelled on an L-shaped area from the Tower Bridge to Elephant and Castle but the team could be moved to any area where there was an issue, including Camberwell, Peckham and Herne Hill.
- 4.54 Councillor Livingstone explained that the saving in respect of the community wardens service constituted a cut of forty-six posts and backroom costs. Members asked which town centres the service would be focussed on and whether there would still be a reactive service. Councillor Livingstone clarified that coverage of patrols would no longer be 100% but that 100% coverage would remain in terms of re-active response. The council was attempting to tailor the service in line with the violent crime strategy and to look at the hotspots for violent crime. Initially this would mean a focus on Walworth Road, Camberwell Green and Peckham. Councillor Livingstone also clarified a reference to the noise team being amalgamated with wardens. The noise team would be a dedicated resource. Wardens could pick up issues but it would remain the noise team which dealt with them. However, environmental enforcement – fly-tipping etc - would be done alongside the wardens.

- 4.55 Members asked how much savings would accrue from the merger of the council's CCTV scheme with Lambeth and Lewisham. Councillor Livingstone explained that the saving would be around £100,000. CCTV had high revenue, monitoring and maintenance costs which could be reduced by working with Southwark's neighbours. However, partnership working meant having to move at the pace of the slowest partner.
- 4.56 Members also asked how income could be generated with reference to houses in multiple occupation. Councillor Livingstone responded that the council had plans to be more pro-active in the identification of houses in multiple-occupancy and enforcement of the licensing procedures.
- 4.57 In response to a final question, Councillor Livingstone clarified the two budget lines relating to drug and alcohol support. The council recognised the need for an integrated approach between strategy and commissioning of services and the role was being moved from Environment and placed within Health and Social Care. In the longer-term, pooling resources with Lambeth and Lewisham could also save resources.

Culture, Leisure, Sport & the Olympics – Councillor Veronica Ward

- 4.58 Members asked whether the cabinet was considering closing any specific libraries. Councillor Veronica Ward stressed that libraries were a high profile topic across the country and that all libraries would be reviewed. There was not time to look at innovation in the service in advance of the first part of the cuts. Ultimately, a lot of aspects needed to be looked at including working with other boroughs. The aim was to meet a wide range of local need.
- 4.59 Councillor Ward explained that efficiency savings would be made from a revised service offer at the new Canada Water library. The intention was to be less ambitious about what was in the library on its opening. Councillor Livingstone commented on the scrutiny review of spending on the library and stressed that while the library was the most expensive in the borough it would operate on similar hours to Peckham.
- 4.60 Members queried the proposal to cut the housebound library service. Councillor Ward indicated that there were 450 users of the services and that alternatives were being investigated, including operating it alongside other boroughs.
- 4.61 Members referred to a recent review of the library stock and buildings in Haringey. Older libraries were closed and stock and services relocated in the bigger libraries. Councillor Ward reported that a study in Southwark showed that 25% of users who went to one library also used another. It was important to look at library usage and at usage of the buildings as a community resource. Canada Water library would be a focal point of the town centre. In response to a question, Councillor Ward clarified the statistics relating to the number of books issued per member of staff at John Harvard library, explaining that the computer system had been down for six months. Councillor Livingstone added that the library was the most efficient in terms of cost per number of visits.

- 4.62 Members were of the view that lessons could be learned from Lewisham in how to provide a cost effective service while keeping all libraries open. Councillor Ward responded that this was part of the rationale behind considering shared services across a number of boroughs but that achieving this would be a long process. A review would have to take account of what local people wanted in terms of hours and stock and be assured of making savings.
- 4.63 Members highlighted a number of programmes with proposed reductions in funding, especially sports, and asked whether these were efficiency savings or a cut to front line services. Councillor Ward responded that a reduction in events had a knock-on effect on the back-up needed. She also drew the committee's attention to the fact that the three good new leisure centres would eventually be paying for themselves. The funding of some organisations was being shaved and the impact of this would be discussed in detail with each organisation. Officers added that re-negotiating the leisure centre management contract and income projections had brought down costs for future years.
- 4.64 Members were concerned about the proposed cut to the community games. Councillor Ward explained that £300,000 had been set aside this year and the next and that after this she hoped that the work of the games would continue in some form or another. In particular she hoped that the council would be able to do something for young people in the Olympic year.
- 4.65 Councillor Ward confirmed that cross departmental discussions were taking place about how best to tackle childhood obesity. Councillor Livingstone clarified the proposed reduction in funding of sports development which reflected the end of the Working Neighbourhoods Fund. He also explained that government funding was no longer available to fund the Schools Sports Partnership. Councillor Ward hoped that funding might be re-visited after the Olympics.
- 4.66 In terms of priorities, Councillor Ward stated that the sports programme was very important and that the Olympics provided an opportunity for the borough to welcome visitors and an opportunity for residents. At the same time, arts were also important as they were very much part of the employment and economy of Southwark.

Housing (General Fund) – Councillor Ian Wingfield

- 4.67 Members were concerned at the proposed review and ratification of the homeless casework team (page 46 of the cabinet report), particularly in view of the impact of changes to the benefits system. Councillor Ian Wingfield stressed that the council was having to make reductions and that no service was immune. The cuts in this area were below those in other areas as it was expected that the call upon its services would be greater in the future. The major thrust of the proposals was to try and reduce usage of bed and breakfast accommodation, increase use of the private sector and other social housing and bring void stock back into use.
- 4.68 In response to questions, Councillor Wingfield stated that it was anticipated that twenty-two full time equivalent posts would be lost over the next three years. Savings of £47,000 would be made in relation to furniture and office costs and of a further £250,000 in efficiency savings. The overall cut would be 17.62%.

Restructuring necessitated an accelerated reorganisation of the temporary accommodation section, remodelling of the caseworker service and reductions in back office functions.

- 4.69 Members considered that it was important to retain a minimum level of environmental services on estates. Councillor Wingfield indicated that it might be beneficial to review how contracts were managed. Members also asked how cuts would affect the housing renewal team. Officers explained that there would be a flattening of the management structure and integration of functions.
- 4.70 Members focussed on temporary accommodation and housing benefits. As a lot of temporary accommodation was paid for by housing benefits they were concerned that costs might go up as a result of defaults and reduced subsidy. Councillor Wingfield responded that the major impact was expected to be in the private sector with private clients forced to look to the council for accommodation. Officers added that the issue would increasingly be around supply in the private sector and the council was encouraging new landlords to come into the market.

Regeneration & Neighbourhoods – Councillor Fiona Colley

- 4.71 Members were concerned at the impact on future regeneration of the reduced use of consultants (page 36 of the cabinet report), for instance on the council's ability to manage projects such as the Aylesbury. Councillor Livingstone commented that this reduction expressed the council's greater confidence in its own officers. Councillor Fiona Colley stated that the budget required savings to be delivered but that major regeneration programmes needed to be maintained. The number of directors had been reduced as there was no longer a major projects director or separate regeneration and neighbourhoods director. Making use of in-house resources allowed a reduction in consultants, helped by the fact that the Elephant & Castle agreement was now signed and that Lend Lease was making a contribution to project costs. Councillor Colley was confident that outside expertise could still be brought in if this proved necessary.
- 4.72 Members highlighted a proposed reduction in the economic development commissioning budget (page 46 of the cabinet report). Councillor Colley explained that this resulted from the government's cancelling of the working neighbourhoods fund programme. In response to a further question she clarified the role of planning aid for London. The service, which in the past had provided general advice on planning and advice to people making planning applications, was now terminated. Members also asked for any detail of how public consultation on planning applications might be changed. Councillor Colley clarified that the council currently did more than the statutory minimum. Depending on a proper review, officers believed that there could be a reduction in spending while still providing effective consultation.
- 4.73 Members sought clarification of the proposed £1 million reduction in the major projects budget and asked whether the budget would be supported by any contribution from reserves. Councillor Colley stated that the budget related to important ongoing projects with a complicated revenue/capital relationship. She pointed out that £400,000 savings related to contributions from Lend Lease. The finance director stressed that the revenue costs of Canada Water, Bermondsey

Spa, the Aylesbury and what remained of the Elephant & Castle had to be protected. Draw downs from reserves would only take place when these were unavoidable and one-off.

- 4.74 In response to questions, Councillor Colley indicated that alternative funding streams to the working neighbourhoods fund were being considered. These included Section 106 which on some big schemes already contributed towards employment and training.
- 4.75 Members asked whether there was any funding available that the Aylesbury would be able to take advantage of. Councillor Colley reported that she had met recently with the Mayor of London's housing adviser and the chief executive of the Homes & Communities Agency who were showing commitment to the project but that funding was not clear. At the moment it was hoped to deliver phase 1 of the scheme with some blocks moving back in phasing and an impact on the decent homes programme.
- 4.76 The deputy chief executive clarified that reviews of support staff to the cabinet and opposition had already taken place and that a broader structural review would follow on from the rationalisations at strategic director and deputy director level.

Finance & Resources – Councillor Richard Livingstone

- 4.77 Councillor Richard Livingstone clarified the reduction in the national non-domestic rates discretionary relief. The criteria for the discretionary relief were unclear and Southwark was one of the few London boroughs that offered the relief. Mandatory relief for charities still remained.
- 4.78 Members asked whether the audit commission was happy with proposed savings in audit review. Councillor Livingstone confirmed that these savings were the result of consultation and had the commission's approval and the approval of the council's external audit service. The priority was to ensure that the council was safe from fraud.
- 4.79 Councillor Livingstone gave details of the £1 million savings in the finance department (page 40 of the cabinet report). A number of different areas were being looked at including 42 posts going over the three year period, integration of functions across departments, collapsing some senior roles, removing duplication and making savings in back office functions. Councillor Livingstone was satisfied that the department could still undertake its key business. The aim was to streamline processes and ensure greater control. He was confident that with risk management savings could be achieved.
- 4.80 Members queried assumptions made about wage and inflationary costs. Councillor Livingstone referred the committee to paragraph 65 of the cabinet report (page 11). The finance director reported that there was no inflation provision in 2011/12 or 2012/13 other than where this was driven by contract prices. Councillor Livingstone commented that most local authorities had retained a pay freeze for this year with some authorities considering a pay cut and changes in terms and conditions. Members asked whether senior officers' pay needed to be reviewed and questioned whether levels had to be maintained in terms of recruitment and

retention and how they compared to those in other authorities. Councillor Livingstone responded that the terms and conditions and employment of senior officers should not be seen any less seriously than those of other staff and was willing to take this issue away and bring back further views. The cabinet was already looking into the current performance related pay scheme. In the finance director's opinion it was important to have transparency over comparative pay.

- 4.81 Members of the committee noted that the government was putting pressure on local authorities to look at similar pay and conditions and that in April 2012 public sector employees would have to pay more towards their pension. Councillor Livingstone explained that local government was different to the civil service in that the pension fund had to meet liabilities already built up. The scheme needed to be affordable and the fund well-managed. An actuarial review was currently underway.
- 4.82 Members asked whether there was to be a radical review of the human resources function across the council. Councillor Livingstone indicated that there would be a significant reduction. Members also asked whether the council currently had a voluntary redundancy scheme. Councillor Livingstone stated that officers had been asked to look at this and possible options for implementation. It would be important to ensure that redundancies were in the right place and that any scheme only invited expressions of interest. Members stressed that it was vital to support those members of staff who were made compulsorily redundant. Councillor Livingstone explained that systems were already in place and emphasised that these needed to be properly managed.
- 4.83 Members highlighted the proposal to increase council tax court costs, particularly in light of challenges made to this in the past by constituents. Councillor Livingstone assured the committee that this had been properly considered and that the priority was to maximise council tax collection.

Recommendations

1. That the cabinet be thanked for the opportunity for overview & scrutiny committee to carry out a scrutiny of the draft revenue budget and cabinet members be thanked for their involvement.
2. That the cabinet work with Community Action Southwark in setting criteria and managing the distribution of the transition fund for voluntary sector funding.
3. That cabinet consider how to involve voluntary organisations in strategic discussions about the commissioning of adult social care services
4. That cabinet clarify the purposes of the £1 million youth fund allocation made on 25 January 2011, including the fair and cost-effective administration of support for individuals.
5. That the cabinet member for children's services update the education & children's services scrutiny sub-committee on how she will involve young people in the redesign of the youth service.

6. That cabinet explore making wider use of volunteers in the community to help support and mentor parents and families experiencing problems.
7. That if the cabinet is minded to create a voluntary redundancy scheme and/or a redeployment pool then it considers a thorough report, including advantages and disadvantages both for staff and the council and including full information on costs and funding.
8. That cabinet carry out a review of senior officers pay, in accordance with the principle in paragraph 136 of the report to review top pay, and report back to overview & scrutiny committee.
9. Given that the sports development budget will be reduced to zero in 2013/14, that cabinet is urged to consider an adequate revenue budget going forward to support sports development, including the Community Games, and making sensible use of the capital allocation from the Olympic Legacy fund.
10. That before implementing any changes for residents parking charges based on vehicle emissions or second or third cars, cabinet consult via community councils on detailed proposals.

The meeting ended at 6.30 pm