



## OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the Overview & Scrutiny Committee held on Monday 28 January 2013 at 12.00 pm at 160 Tooley Street, London SE1 2QH

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- PRESENT:**
- Councillor Catherine Bowman (Chair)
  - Councillor Dan Garfield (Vice-Chair)
  - Councillor Neil Coyle
  - Councillor Nick Dolezal (Reserve)
  - Councillor Toby Eckersley
  - Councillor Gavin Edwards
  - Councillor David Hubber
  - Councillor Lorraine Lauder MBE
  - Councillor Tim McNally (Reserve)
  - Councillor David Noakes
  - Councillor The Right Revd Emmanuel Oyewole
  - Councillor Mark Williams
- OTHER MEMBERS PRESENT:**
- Councillor Fiona Colley, Cabinet Member, Regeneration & Corporate Strategy
  - Councillor Dora Dixon-Fyle, Cabinet Member, Children's Services
  - Councillor Barrie Hargrove, Cabinet Member, Transport, Environment & Recycling
  - Councillor Claire Hickson, Cabinet Member, Communities & Economic Wellbeing
  - Councillor Peter John, Leader of the Council
  - Councillor Richard Livingstone, Cabinet Member, Finance, Resources & Community Safety
  - Councillor Catherine McDonald, Cabinet Member, Health & Adult Social Care
  - Councillor Veronica Ward, Cabinet Member, Culture, Leisure, Sport and Olympic Legacy
  - Councillor Ian Wingfield, Deputy Leader, Housing Management
- OFFICER SUPPORT:**
- Romi Bowen, Strategic Director of Children's & Adults' Services
  - Shelley Burke, Head of Overview & Scrutiny
  - Deborah Collins, Strategic Director of Environment & Leisure
  - Norman Coombe, Legal Services
  - Graeme Gordon, Director of Corporate Strategy
  - Sarah McClinton, Director, Adult Social Care

Gerri Scott, Strategic Director of Housing & Community Services  
Jennifer Seeley, Deputy Finance Director  
Des Waters, Head of Public Realm  
Duncan Whitfield, Strategic Director of Finance & Corporate Services  
Peter Roberts, Scrutiny Project Manager

## **1. APOLOGIES**

- 1.1 Apologies for absence were received from Councillors Paul Noblet and the Right Reverend Emmanuel Oyewole. Councillors Nick Dolezal and Tim McNally attended as reserves.

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

- 2.1 There were no urgent items of business.

## **3. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

- 3.1 There were no disclosures of interests or dispensations.

## **4. BUDGET SCRUTINY**

### **Councillor Richard Livingstone, Cabinet Member, Finance, Resources and Community Safety**

- 4.1 Councillor Richard Livingstone, cabinet member for finance, resources and community safety, reminded the committee that in February last year the council had agreed its budget for 2011/12 and an outline budget for 2012/13 and 2013/14. This year the council had only received formal notification of the budget settlement on 20 December 2012, which had limited the possibility of broader consultation with the community. Provisional figures for 2014/15 had also been provided and would be a big challenge and demand savings of around £21m. Councillor Livingstone emphasised that the real challenge in the current year resulted from a £6.1m cut to the Early Intervention Grant (EIG), which impacted primarily on the children's services budget. He also drew attention to the ongoing negotiation of local authority pay, following the past three years' pay freeze. An increase of 1% was likely.
- 4.2 Members noted paragraph 11 of the cabinet report, requesting the preparation of budget options for 2014/15, and asked whether the cabinet had a process in mind for consultation. Councillor Livingstone explained that the intention was to expand on the model used in respect of the 2011/12 budget. There was a clear indication of the settlement figure and there would be time for meaningful consultation. The Spring period would be used for extensive negotiation with the local community

and the budget would be set in the Autumn. In response to questions from members, Councillor Livingstone stressed that the late notification of this year's settlement had been challenging in terms of consultation.

- 4.3 A member asked why, in view of the government making further funds available to offset rises in council tax, the cabinet was not proposing a 1.5% increase. Councillor Livingstone explained that the government wanted local authorities to freeze council tax and rewarded authorities for doing so. An increase of 2% or above required a referendum funded by the authority. Councillor Livingstone also explained that changes in the council tax regime presented a further challenge in that a lump sum would be allocated to meet council tax benefit.
- 4.4 A member highlighted paragraphs 75 to 78 of the cabinet report relating to concessionary fares and asked whether there were any proposals to review the funding formula, for instance reversing the transfer from passes used back to passes issued. Councillor Livingstone was doubtful whether this would be approved by London Councils.
- 4.5 Members were concerned as to whether adult social care and children's services had received bigger cuts than other departments. Councillor Livingstone reminded the committee that the 2011/12 budget set out a three year horizon to achieve savings of around 25% in each department. Ultimately, back office functions had taken a bigger share of cuts than services involved in direct delivery. The big change for children's services in the upcoming year was around changes to the EIG. Members asked to see details of the percentage cuts for each department 2010/11, 2011/12 and 2012/13.
- 4.6 In response to questions on the business rate, Councillor Livingstone drew members' attention to paragraphs 40 onwards. It was disappointing that an early indication that authorities might retain more of the business rate had not happened. Councillor Livingstone explained that the projection of the council's National Non-Domestic Rate (NNDR) collection had not increased significantly as a result of completion of the Shard. He also directed members to page 42 of the cabinet report for an indication of savings arising from the acquisition of Tooley Street.
- 4.7 A member queried whether use of the word "restructure" in the cabinet report actually implied closure. Councillor Livingstone responded that it described a cost being taken out while retaining a service, for instance retaining the same number of centres. One option might be to share managers across a number of sites. The aim was to find more efficient ways of working and not to effect front line delivery. More work was needed to realise savings, particularly as a consequence of the EIG cut. In response to questions, Councillor Livingstone clarified that funding would be redirected into the Dedicated Schools Grant (DSG) as a result of the EIG cut but commented that the council did not have control over the DSG. He also explained that cutting £6.1m from children's services, as a result of the EIG cut, was not sustainable in order to protect the needs of young people. The savings set out on page 36 therefore totalled around £4m.
- 4.8 Members were concerned about the effects of welfare reform and the results of pilots of direct payments which suggested an increase in arrears. Councillor Livingstone commented that the timetable for implementation of direct payments

had been put back. He added that the council's total rent collection was around 98% and figures from the pilot studies were around 87%. Officers were looking at the figures in more detail, including the number of arrears. At the moment the Housing Revenue Account would be impacted and not the General Fund. In terms of welfare reform, Councillor Livingstone explained that the £1.2m identified for Housing (paragraph 52) had been determined after work carried out by the corporate strategy team and that costs would be monitored on an ongoing basis.

- 4.9 Councillor Livingstone updated the committee on the roll-out of the London Living Wage (LLW). The council anticipated a total cost of £3m in order to incorporate the LLW into all contracts. He reported that the facilities and management contracts for 160 Tooley Street had been integrated and that this would be a LLW contract from 1 February. The two most challenging areas would be Veolia, because it was a long-term PFI contract, and the homecare contract.
- 4.10 A member highlighted the saving of £40k arising from a combining of administrative services across the community safety division (page 38 of cabinet report) and was concerned at any effect this might have on Southwark Anti-Social Behaviour Unit (SASBU). Councillor Livingstone stressed that the essential work of SASBU was being protected. The £40k saving related to the retirement of a particular officer, which was being used as an opportunity for restructuring. In response to another question, Councillor Livingstone confirmed that the commitment of £380k covered the replacement of housing CCTV cameras in 2013/14 (page 33).
- 4.11 Another member questioned the use of £6.8m from balances in order to fund the proposed budget (paragraph 49), particularly in the context of any risk arising from the outcome of NNDR appeals. Councillor Livingstone reported officer advice that the outcome of such appeals could be met by balances and contingencies and that this could be confirmed for cabinet and council assembly. The committee member asked for an estimate of the outturn reserve position at 31 March 2013.
- 4.12 Concerns were also expressed by members about the transfer of public health functions and members asked whether there was any intention to expand the recommendations in the cabinet report to include monitoring of the exercise and management of the new powers. Councillor Livingstone underlined that public health funding was ring-fenced but with the potential to call on the General Fund. He was confident that the budget was safeguarded and would be closely monitored.

**Councillor Peter John, Leader of the Council, and Councillor Fiona Colley, Cabinet Member, Regeneration and Corporate Strategy**

- 4.13 Councillor Fiona Colley, cabinet member for regeneration and corporate strategy, outlined the proposals for the chief executive's department. Councillor Peter John, Leader, drew the committee's attention to an error on page 40 of the cabinet report in that the £50k saving at the bottom of the page related to the collaborative shared service for communications with Westminster. There would be no reduction in the number of editions of Southwark Life per year. Members asked for details of any shared services with Lambeth and Lewisham. Councillor John explained that legal services were shared with Lambeth to a significant degree, as was business

support, and that Southwark and Lambeth were sharing a director of public health. He commented that the issue of shared services had been more difficult to take forward than had been anticipated.

- 4.14 A member asked the leader whether he thought that, bearing in mind the difficult choices around the budget, it was the right decision to keep the labour manifesto commitment of free school meals. Councillor John responded that it was important to provide free and healthy school meals and emphasised that the cabinet was working within its budget principles.
- 4.15. In response to questions, Councillor John clarified the £210k savings relating to Human Resources (page 40). He also confirmed that the £10k increase in the annual Cleaner, Greener, Safer revenue allocation to each ward was permanent.. Some members were concerned as to whether there would come a point when sections of the council would have to be shut down. Councillor John emphasised that numbers of staff had already been shed across the council and that the budget for 2014/15 would present serious challenges. Councillor Colley added that despite taking large cuts, the regeneration department continued to deliver the largest regeneration projects in the country. However it was important that the council retained an experienced team of officers in order to manage the long-term regeneration contracts.
- 4.16 Members asked for details of how many staff had been let go since 2010 and of any savings from a decreased use of consultants. Councillor Livingstone reported that 103 posts had been deleted in 2013/14, including empty posts and retirements, giving a running total of around eight hundred. The amount spent on consultants had been reduced by 56%.
- 4.17 Members also asked how the council was working with the third sector, including voluntary organisations. In responding, Councillor Colley gave the example of the Creation Trust which was involved in socio-economic regeneration on the Aylesbury Estate. Currently the council provided a £250k grant but, through the procurement process, it was intended that a developer would provide funding for the next five years. Councillor John added that the council was also exploring how the third sector could be involved in the Welfare Fund.

#### **Councillor Dora Dixon-Fyle, Cabinet Member, Children's Services**

- 4.18 Councillor Dora Dixon-Fyle, cabinet member for children's services, reported the success of the free healthy school meals policy and an improvement in levels of obesity. She was also very happy with the consultation carried out in respect of nurseries and that four council nurseries had been kept open. Councillor Dixon-Fyle drew attention to the challenges arising from welfare reform, the pressure on the budget as a result of providing secure accommodation and the reduction in the EIG.
- 4.19 The chair of the committee was interested in how the school meals programme was being assessed in terms of its impact on obesity in schools. Councillor Dixon-Fyle explained that the national measuring programme demonstrated the improvements particularly for Year 6 pupils. Another member asked for an update on whether Bishops House Nursery was being retained and whether the building

was being put to its best use. Councillor Dixon-Fyle confirmed that the nursery was being kept in its present location and that a children's centre also made use of the premises.

- 4.20 Members were concerned as to how far the use of money diverted from the EIG to the Direct Schools Grant (DSG) could be negotiated. Councillor Dixon-Fyle stated that the DSG was administered by the Heads' Forum. Romi Bowen, strategic director of children's and adults' services, explained that the funding was allocated according to statutory regulations which had become more restrictive. The funding was aimed at helping disadvantaged children but the council was no longer as much in control. Some of the allocation might be used to help with parenting classes and some used to provide two year olds with day nursery time. The funding needed to be targeted at those children with the most pressing needs.
- 4.21 The chair of the education, children's services and leisure scrutiny sub-committee indicated that the sub-committee had registered that parents no longer needing to apply for free school meals could have a knock-on effect on the pupil premium paid to schools. Officers stated that they were aware of this issue and were working with schools to address it.
- 4.22 In response to questions, Councillor Dixon-Fyle confirmed that 20% of the youth budget had been devolved. Members also highlighted page 36 of the cabinet report relating to £500k of procurement/placement savings and asked whether this had any implications for safeguarding. The strategic director of children's and adults' services explained that a complicated piece of work had been undertaken with the fostering agencies, part of which had been to ask providers to show that they met a framework including safeguarding arrangements. The strategic director was optimistic that the saving could be achieved without it being at the expense of quality.
- 4.23 On behalf of Peckham Rye councillors, a member asked for an update on the One O'clock Club. Councillor Dixon-Fyle replied that initial sites had been visited and three possible sites identified, including the current site and a site near the adventure playground. The council was looking at pricing and at the ownership of land. A decision would be reached after consultation with ward councillors and stakeholders.
- 4.24 Members referred to the £750k commitment to meet the cost of placing children remanded to local authority secure accommodation (page 32) and asked how many young people this related to. Councillor Dixon-Fyle explained that in the past the council had to meet a third of the cost and that she would confirm the figures after the meeting. The council had to meet the requirements of the courts. Members also queried the saving of £100k arising from a review of the effectiveness of SLaM "additional" contracts funded from EIG (page 44). The strategic director of children's and adults' services clarified that this had been included as a target for more effective interventions/arrangements with SLaM. Councillor Dixon-Fyle stated that the aim was to secure value for money.
- 4.25 A member highlighted paragraph 97 of the report and asked whether the government had been lobbied about the issue of families seeking assistance of last resort. Councillor Livingstone stated that the issue had been raised with the

relevant ministers. Officers explained that the Chief Executive had met with the chief executive of the UK Border Agency about the issue of people without the leave to remain in the country but who had yet to be deported. It was hoped that the status of people being supported by the council could be resolved more quickly. The strategic director of children's and adults' services assured the committee that staff were constantly on guard against possibilities such as child trafficking and on occasion made use of internal audit. The primary concern was the safety of children.

**Councillor Claire Hickson, Cabinet Member, Communities and Economic Wellbeing**

- 4.26 Councillor Claire Hickson, cabinet member, communities and economic wellbeing, explained that her portfolio had been created six months ago and that it related strongly to achieving value for money and to responding to the impact of the recession and cuts within the council. The economic wellbeing strategy had been agreed with the aim of making more jobs in the borough and making Southwark a better place for businesses. A future approach to community engagement had also been agreed. In terms of the budget, economic development had taken a massive cut from May 2010 with the removal of the Working Neighbourhood Fund and other funding sources. Positive news was the increase in Cleaner, Greener, Safer funding being devolved to community councils, doubling the revenue funding.
- 4.27 Members queried the Voluntary Sector Transition Fund being reduced to zero and asked whether it was no longer considered necessary. Councillor Livingstone confirmed that it had always been envisaged that the fund be taken down to zero for 2013/14. The intention of the fund had been to help the voluntary sector adapt to a change in circumstances but it had always been time limited. Fewer and fewer voluntary organisations were coming forward for help. Councillor Hickson added that organisations within the sector were keen to share lessons amongst themselves. The chair indicated that Community Action Southwark (CAS) had thought that the transition fund would continue into 2013/14. Councillor Hickson reported that CAS had not raised this with her. Councillor Livingstone reiterated that the intention had always been that the fund be time-limited and that the demand had decreased. He later confirmed that there was £581k remaining in the Voluntary Sector Transition Fund and that this would still be available to the voluntary sector during 2013/14. As a consequence, there was no need to add further funding to this resource.
- 4.28 The chair of the education, children's services and leisure scrutiny sub-committee reported that the sub-committee had concerns about adult learning and asked whether this area had been looked at as part of the budget. Councillor Hickson stated that she hoped to make an announcement in around six weeks which would include the repeat learner fee. She was confident that there would be no need to subsidise any changes.
- 4.29 In response to questions about the Cleaner, Greener, Safer revenue allocation, Councillor Hickson explained that there were plans to review how this was working. Members of the committee felt that it would be interesting to know what the funding had been used for across the borough and how the community had been helped to engage with the decision making process. They felt that it would be useful to

circulate examples of good practice. Members also felt that it might be useful to review the Community Support Grant with a view to extending it over a number of years rather than retaining it as an annual programme.

- 4.30 Members expressed concern at the £55k savings arising out of the “reduction in advice services commissioning on re-procurement of contract” (page 46). Councillor Hickson explained that this related to legal advice on, for example, benefits and housing debts and was a result of the cut in budget settlement. Councillor Livingstone added that this was the first cut for legal advice services in three years. The chair of the committee stressed that this achieved a very small saving and questioned whether it was sensible when the council was preparing for the impact of significant welfare reforms. Councillor Livingstone indicated that he was happy to take up this issue with officers and report back to the committee’s next meeting.

**Councillor Veronica Ward, Cabinet Member, Culture, Leisure, Sport and Olympic Legacy**

- 4.31 Councillor Veronica Ward, cabinet member, culture, leisure, sport and Olympic legacy, reported that no libraries had been closed and that there were high rates of user satisfaction. Despite having overestimated the income it would generate in its first year, Canada Water library was a huge success. The library review had successfully delivered the budget and the restructuring of staff was now complete. Reductions in smaller libraries hours had been managed very sensitively. The fourth floor of Peckham Library had been refurbished and the lengthy process of planning around Camberwell Library was underway. Members asked what would happen to the three shop fronts when Camberwell Library moved to its new position. Councillor Livingstone explained that the council did not own the buildings and therefore only had limited control of their use through the planning process. Duncan Whitfield, strategic director of finance and corporate services, commented that businesses in Camberwell would want businesses taking up the space in order to attract more people to the high street.
- 4.32 In terms of sports and leisure centres, Councillor Ward reported a higher level of satisfaction and a wide range of people using centres. Peckham Pulse was to be refurbished next year and Seven Islands the year after. Legacy projects were making good progress. The council had retained a sports development department which enabled it to raise money through a number of funding schemes and to support our community base. The council continued to support the London Youth Games. Councillor Ward also reported a number of changes that would be made to the arts and culture budget next year and that some money remained unspent in the Olympic contingency fund.
- 4.33 In response to questions, Councillor Ward explained that the shortfall in income at Canada Water library related to the time it took lettings to build up. She was happy with the management of lettings. Councillor Livingstone added that the target income related to rooms on the top floor of the library and the performance space. The target had been optimistic especially in view of the current economic situation. Members asked for a breakdown of the £75k commitment relating to the library (page 33).

4.34 Members highlighted the £490k contract savings to be delivered by the Leisure Management Agreement (page 39). Councillor Ward explained that the refurbishment of leisure centres had led to increased visits. Councillor Livingstone added that centres did not need to be closed for maintenance. Members also highlighted the £200k commitment to consultancy costs (page 33). Councillor Ward stated that negotiation with Fusion was complex, including closing of the Elephant & Castle centre and the opening of other centres. Deborah Collins, strategic director of environment and leisure, added that technical and financial support was necessary in order for the council to get the best service at the best cost. The strategic director of finance and corporate services confirmed that the £200k commitment would fall out after 2013/14.

4.35 In response to a final question, Councillor Ward stated that the council was about to look at the results of consultation over the future use of Kingswood House.

**Councillor Barrie Hargrove, Cabinet Member, Transport, Environment and Recycling**

4.36 Councillor Barrie Hargrove, cabinet member, transport, environment and recycling, stated that the services within his portfolio made a difference to the everyday life of people in the borough. The department delivered quality services and would achieve cuts through efficiency savings, smart procurement and tougher contract management. Out of a £70m budget, savings of £7.3m had been achieved in 2011/12, £5.5m in 2012/13 and a further £2.5m were proposed for 2013/14.

4.37 Members asked for clarification of the £115k efficiency savings from the refuse collection service (page 38). Councillor Hargrove explained that a lot of this was due to the reduction in amounts of waste being sent to landfill and improvements in recycling rates generally. He was confident that the council would meet its target recycling levels for 2012/13.

4.38 Members also sought clarification of the £500k return of budget for risk on parking collection income (page 38). Councillor Hargrove explained that there was an ongoing reduction in the amount of income received and expected from the parking revenue account. In the current year there was a change as a result of more efficient ways of saving. A member asked whether a review of parking was planned and suggested that un-used resident parking spaces could raise revenue. Councillor Hargrove responded that the council was continually reviewing parking and was happy to receive any suggestions about possible new locations. In response to a further question he confirmed that the £600k saving arising out of procurement of a new parking enforcement contract and productivity improvements (page 38) reflected wider powers and increased efficiency. He assured members that there was no incentive in the parking contract to issue tickets.

4.39 A member asked for clarification of the references to Sandgate Industrial Estate and Manor Place Depot at paragraph 129 and on page 32. Councillor Livingstone explained that these reflected the relocation of services part way through 2012/13 and the building into the budget of the costs relating to the Sandgate Estate. When Manor Place went forward the council would receive a capital receipt. The strategic director of environment and leisure added that the rent for the Sandgate Estate went to the property department. The member also noted the £20k saving

in respect of reductions in grounds maintenance contractor management (page 38) and asked whether volunteer schemes such as the Amelia Street park were cost-effective. Councillor Hargrove stated that he welcomed volunteer work and the added value that it brought. The saving of £20k related to the loss of one supervisor from Quadrant which followed on from Head Gardeners being brought into parks.

- 4.40 The chair asked why the council had not signed up to the Safer Lorry Safer Cycling Campaign. Councillor Hargrove indicated that the council was in the process of signing up to this scheme. A recent contract awarded to Conway had to be worked up before this could be done, as did work with Veolia. Councillor Hargrove had been assured that the Conway contract contained all the required measures. He stated that he was committed to the campaign and to ensuring that all Southwark's lorries and its contractors' lorries were safe. He was happy with the council's progress and was continuing to speak to contractors and to Transport for London (TfL) about their contractors.
- 4.41 Members were interested in finding out how the proposed £200k investment in proactive maintenance of highways (page 33) would be spread across the borough. Councillor Hargrove explained that over many years the amount of expenditure had not kept up with the deterioration in roads. The £200k revenue spending on highways would go towards more permanent repairs. No firm decision had yet been reached about where the money would be spent and Councillor Hargrove was happy to receive any suggestions from ward members about roads in their areas. Des Waters, head of public realm, stressed the need for further discussions about priorities. A survey was underway. Currently the council undertook 83% reactive work to make roads safe. The majority of the £200k would be directed towards 28 day repairs to prolong the life of the road. Some members expressed concern about the poor reinstatement of roads and pavements by statutory undertakers and TfL. The head of public realm stated that the council would follow up reports and evidence of bad practice.
- 4.42 A member highlighted the £40k saving on page 38 which Councillor Livingstone had explained as being related to the removal of an environmental enforcement officer post. The member was concerned that a lot of developments were taking place in Southwark which would need judgements to be given about such things as environmental impact and noise. He asked whether there was any scope for Section 106 funding being used to fund such posts. Councillor Livingstone clarified that the retirement of the officer in question allowed a review of how duties might be shared out within the team. He was not sure about Section 106 funding but wondered if it was likely always to be specific to the particular development.

**Councillor Catherine McDonald, Cabinet Member, Health and Adult Social Care**

- 4.43 Councillor Catherine McDonald, cabinet member, health and adult social care, stated that the department had to shoulder a large amount of cuts. Changes had been made around how the council delivered adult social care, moving more towards providing support to enable people to be independent.

- 4.44 Members were concerned that the council was not receiving enough funding in respect of public health, and would not be able to support the work that had in the past been undertaken by the NHS, and asked whether any provision had been made for pan-London working. Councillor McDonald explained that further clarification was needed as to what was within the scope of the role. A number of services were demand led, such as sexual health and NHS health checks. In other areas, such as emergency preparedness for pandemics, it was not clear who would fund any necessary action. Councillor McDonald stated that there were intentions to carry out some pan-London work, including HIV service contracts and immunisation. The council's new role presented great opportunities and challenges.
- 4.45 Members asked for more information about the £1m saving to be made in respect of mental health services (page 37). Councillor McDonald explained that the council was in the process of reviewing its contract with the South London and Maudsley NHS Foundation Trust (SLaM) to ensure value for money and to consider any scope for savings. The council would be ensuring consistent pricing throughout the contract. Some members were concerned at the amount of funding involved and how SLaM would be monitored. Councillor McDonald stressed that local authorities needed to commission work to the best possible effect. This included looking at contracts and ensuring best prices. Within the £1m saving the council was seeking to reduce reliance on high-cost residential care and instead move towards more community based support. The council was looking at unit prices and volumes, which were high in comparison with the rest of London, and aiming to better integrate mental and physical health services and social care.
- 4.46 Members highlighted the fifth bullet point under paragraph 114 and asked for any examples where the injection of a small amount of cash had been effective. Councillor McDonald stated that last year the Innovation Fund had been used to enable small voluntary organisations to be sustainable providers and to provide choice to people with personal budgets.
- 4.47 Members asked the cabinet member if she was happy with the proposed reduction in the community safety budget relating to drug and alcohol services (paragraph 133) Councillor McDonald responded that use of alcohol was one of the priorities of the Health and Wellbeing Board. The alcohol strategy should ensure that good services continued to support people with drug and alcohol dependency.
- 4.48 A member drew attention to the £300k saving related to NHS investment in day services for older people and to the £300k saving from workforce redesign (page 37). Councillor McDonald explained that the initial saving would be balanced by NHS funding. The second saving reflected the redeployment of staff to concentrate on re-ablement. Councillor McDonald also clarified the £930K saving at the bottom of the page. Currently a twenty-five year contract for older people's residential care had weekly rates which included an element of capital repayment. The saving could be achieved if the capital element was repaid early. A member asked if the proposed capital buy-out to achieve the £930k saving could lead to the buy back of the leases of the four care homes. Councillor McDonald emphasised that negotiation was ongoing. She also explained how the revenue funding of Holmhurst and Fred Francis day centres was reflected in the budget.

- 4.49 A member asked if the cabinet member welcomed greater ring-fenced protection for adult social care. Councillor McDonald was ready to work within whatever limits were set. It was important to take a systemic view in respect of health and wellbeing and social care. It was essential to help people to stay healthy as long as possible. Every department in the council had a place in driving up public health.
- 4.50 The chair was concerned about the net loss of £700k in funding related to learning disabilities (a commitment of £1m on page 32 but a saving of £1.7m on page 45). Councillor McDonald explained that the new commitment related to the increasing number of people moving from childhood to adulthood and requiring ongoing social care. A saving of £150k (page 37) was to be achieved by the transitions service making earlier interventions. Officers added that the new commitment addressed the social care needs of young people moving into adulthood. There was also a growth in the number of autistic children born or moving into the borough and the needs of these children were very intense.
- 4.51 Councillor McDonald explained that the saving of £1m reflected the cabinet's vision for learning disabilities. Southwark had one of the highest spends in London on learning disabilities and perhaps had not been as quick as others to embrace the modern approach to providing services. Consultation had sought to establish what people wanted from support and the bringing in of personal budgets. In response to further questions, Councillor McDonald explained that the council had already withdrawn from some day centres for people with learning disabilities. A personal budget was allocated to individuals on the basis of social care needs. If providers continued to be block funded then this would be double funding. The council was trying to develop a sustainable model. Personal budgets were accompanied by detailed plans identifying which support services might best help the person to realise their aspirations. Money was being invested through the Innovation Fund to ensure that a range of provision was available, including voluntary sector provision.

**Councillor Ian Wingfield, Deputy Leader, Housing Management**

- 4.52 Councillor Ian Wingfield, deputy leader, housing management, reported that the council was adhering to the national rent formula and an average rent of £4.46 per week. It was not increasing service charges, garage charges or heating and hot water charges. The council was still gauging the effects of the first year of a devolved HRA and the effects of self-financing. A lot of reserves were earmarked for future spend and balances were underfunded in comparison with most other London boroughs. Councillor Wingfield referred to the report of the Housing Commission which had proposed a number of options on which widespread consultation was planned.
- 4.53 A member asked for details of the impact of the bedroom tax on Southwark's tenants and whether, if a tenant with special needs moved to a smaller property, funding was set aside for adapting the new property. Councillor Wingfield explained that the bedroom tax became effective on 1 April 2013. People with an additional bedroom they were not occupying would receive a 14% cut in Housing Benefit and those with two or more bedrooms would receive a 25% cut. It was estimated that around four thousand residents in Southwark would be effected. The council had done as much as possible to inform people of the upcoming

changes. There was still an active council scheme for people who wished to downsize their property. Councillor Wingfield also explained that, in terms of adaptation, there was a fully resourced ongoing programme.

- 4.54 Members asked for clarification of the commitments set out on page 34 relating to the specialist housing services. Councillor Wingfield explained that an increase in budgets was necessary but that it was difficult to estimate the exact numbers that would be involved. The expectation was that when universal credit was introduced from 1 October 2013 a large number of people would present for temporary accommodation. It was likely that people would already be in arrears. Councillor Wingfield stated that the council had been involved in a pilot with Family Mosaic housing association and hoped that the results of this would avoid any bureaucratic hold-ups. Gerri Scott, strategic director of housing and community services, commented that an analysis of figures had been carried out with colleagues in Housing Benefits and that corporate work was taking place on the impact of welfare reform legislation. Interviews were taking place with families who would be impacted on. Councillor Wingfield added that he had begun monthly monitoring of figures in respect of temporary accommodation.
- 4.55 A member queried paragraph 150, referring to savings that would arise from the decision to bring in-house the customer service contract, asking where these savings appeared on pages 41 and 42. Councillor Livingstone explained that £3m savings would be identified in 2013/14.
- 4.56 Another member asked for further information about the £30k savings related to the generation of fees from telecare monitoring (page 46). The strategic director of housing and community services confirmed the intention to grow the service and generate more income. Councillor Livingstone indicated that the saving might more appropriately be shown in the income generation section rather than the savings section. In response to a further question, the strategic director of housing and community services confirmed that the £5k saving at the bottom of page 39 referred to office furniture.
- 4.57 Members sought clarification of the £100k saving on page 46 ("External providers - St Mungo/St Giles/Victim Support"). Councillor Livingstone explained that this reflected a procurement efficiency from the overall budget rather than it effecting the named providers.
- 4.58 Members also sought clarification about discretionary housing benefit payments. The strategic director of housing and community services explained that these were funded by a government grant which next year had been increased to just over £1m. Members asked for details of where this sat within the council budget.

### **Conclusions**

- 4.59 The committee identified issues and questions on which it would be helpful to have clarification and responses before it drew up its final comments on the budget report:
- whether it would be possible to change the formula in respect of freedom passes

- the extent of lobbying on freedom passes and children with no recourse to public funds
- details of the percentage cut in each department (2010/11, 2011/12, 2012/13)
- the numbers of redundancies per department
- the use of £6.8m of balances and an estimate of balances at 31 March 2013
- any risks from NNDR evaluation appeals
- adequacy of public health budget and scope of responsibility
- the impact on advice services of cuts in legal services, “reduction in advice services commissioning on re-procurement of contract, £55k”
- a breakdown of £75k commitment relating to Canada Water library
- funding of advocacy services, specifically adult social care advocacy
- clarification of the generation of fees from telecare monitoring to service users (£30k)
- the number of young people affected under changes to Youth Justice Board
- clarification of the £15k savings in respect of the adaptations repairs budget for service users in the private sector
- more information required, page 34, reference to “third party costs”
- clarification of £100k saving page 46 described as “external providers – St Mungo/St Giles/Victim Support”, including total contract
- clarification of where £1.1m Discretionary Housing Benefit appears in budget
- page 34, last line, clarification of 70/30 split between General Fund and HRA
- possibility of exploring additional parking meters where resident parking is under-used

4.60 The committee also identified possible themes for consideration at its meeting on 4 February 2013:

- the possibility of S106 contribution to enforcement officer provision
- mental health joint working (delivery across partners)
- sharing of best practice across community councils re cleaner, greener, safer projects (and monitoring of delivery of projects)

- monitoring of cost to council of welfare reform changes
- cumulative impact of cuts on the individual

The meeting ended at 6.35 p.m.