

**LONDON BOROUGH OF LEWISHAM**

**TO: THE MAYOR AND COUNCILLORS OF THE  
LONDON BOROUGH OF LEWISHAM**

You are hereby summoned to attend a meeting of the Council which will be held in the Council Chamber, Lewisham Town Hall, Catford, SE6 4RU on WEDNESDAY, 17 NOVEMBER 2004 at 7.30 p.m. for the transaction of the business set out in the agenda below.

In the event of the meeting being adjourned, the business not disposed of will be transacted at an adjourned meeting to be held on Thursday, 18 November 2004 at 7.30 p.m. or at such other date and time agreed by the meeting.



Lewisham Town Hall  
Catford  
London SE6 4RU  
9 November 2004

Chief Executive

**A G E N D A**

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### 1. **Minutes - 20 October 2004**

To approve as a true record the Minutes of the meeting of the Council held on 20 October 2004.

### 2. **Declarations of Interests**

Members are invited to make any declarations of personal or other interests they may have in relation to items on this agenda; and are reminded to make any declarations at any stage throughout the meeting if it then becomes apparent that this may be required when a particular item or issue is considered.

### 3. **Announcements or Communications**

To receive any announcements or communications from the Mayor or the Chief Executive.

### 4. **Petitions**

To receive petitions (if any)

### 5. **Public Questions**

In accordance with paragraph 13 of Part IV, Section C of the Constitution, 16 questions have been received from the following members of the public, which will be answered by the Mayor or the Cabinet Member in whose area the question relates:

<u>Question</u>	<u>Questioner</u>
1.	K Maxton
2.	K Maxton
3.	K Maxton
4.	J Green
5.	N Ingham
6.	A Mangera
7.	J Webb
8.	J Hamilton
9.	M Calò
10.	P Richardson
11.	O Busin
12.	I Crosson
13.	Y Rundle
14.	M Paul
15.	J Dowd
16.	D Prangell

## 6. Ninth London Local Authorities Bill

### Summary

This report concerns an in principle agreement to promote a further General Powers Bill on behalf of London local Authorities in the next parliamentary session. At the request of the Association of London Government, the City of Westminster has agreed to act as lead borough in the promotion of the bill.

### Background

The most recent (eighth) London Local Authorities Act, was deposited with Parliament on the 27 November 2001, it received Royal Assent on 13 May 2004 and came into force two months following that. It has the title of the London Local Authorities Act 2004. It is intended that the draft proposals will form part of a Bill planned for the next parliamentary session, promoted by the City of Westminster on behalf of the London Boroughs. The Bill will be deposited in Parliament on 27 November 2004. At that stage, the proposals will be in their statutory form and councils will then have the opportunity to consider them in further detail.

In general, the proposals are made to strengthen Council's ability to manage or regulate environmental problems. It is not possible at this early stage to be specific until details are available of all the proposals eventually agreed to be included in the Bill. At the moment, the proposals received from the Association of London Government are purely ideas and therefore vague. They intend to make provision for all matters listed at **APPENDIX 1**.

Some of the proposals from that list have been set out in a summary below because of their likely relevance for Lewisham. ( A full list of the draft proposals are listed at **APPENDIX 2**.)

A full list of all the Boroughs involved with the promotion of this Bill is set out at **APPENDIX 3**.

### Vehicles

#### (a) Abandoned Vehicles

Further necessary powers to deal with the growing number of abandoned and nuisance vehicles.

## (b) Parking Enforcement

Power to clamp vehicles (especially motorcycles) not displaying or with covered / removed index plates. Powers to enforce against illegal parking on footways.

## (c) Cycling on the footway

Powers to enforce using fixed penalty notices.

**Waste**

## (a) Use of Private Forecourts

A provision to stop commercial premises from using private forecourts to deposit waste as this is detrimental to the street environment.

## (b) Trade refuse

De-criminalisation of trade refuse littering offences similar to the current parking regime.

## (c) Fly Tipping

Powers to seize vehicles used in commission of fly-tipping (possibly based on current London street trading legislation).

## (d) Waste Collection

Optional powers to carry out removal of excessive amounts of household waste by extra collections and the ability to charge for such an additional service.

## (e) Waste Transfer Licences

Further powers to be given to Council enforcement officers to inspect waste transfer licences so as to be commensurate with those granted to the Environment Agency. Also, additional fixed penalty offences.

## (f) Recycling Facilities in Multiple Occupation Accommodation

In Mansion blocks for example, the powers to prescribe to residents how waste is to be separated for collection and recycling. To place an obligation on Managing Agents to provide separate receptacles for different kinds of waste.

## **Fly-posting**

Power to seize posters used in commission of fly-posting (possibly based on current London Street trading legislation); increase penalties, tightening up of legal defences, closing the loophole in the current legislation that allows the companies responsible to simply cover previous posters with new posters.

## **Graffiti**

To reduce the notice period for removal of graffiti from 14 days to 5-7 days, thereby amending section 12 of the London Local Authorities Act 1995.

## **Combating Fraud**

Additional powers for sharing information with other local authorities.

## **Enforcement of Housing Related Matters**

- (a) To provide a register of persons able to accept service of notices on behalf of Landlords.
- (b) To be given increased enforcement powers in respect of property agents letting short term lets.

## **Financial Implications**

We have been advised by the Association of London Government that costs are likely to be between £10,000 and £12,000 per borough. The Association of London Government have emphasised that this is only an estimate, given their experience in promoting Bills. However, that cost is likely to be spread over a number of financial years.

It is not possible at this stage to give an indication of the financial resources which could be required to implement the measures proposed in the Bill. However, members should be aware that some of the proposals would require additional resources if they were to be implemented, while others would enable the Council to generate additional income from charges. The Council would have discretion as to whether to use the powers provided by the Bill and further detail would be provided before a decision was made to exercise that discretion.

## Legal Implications

Section 239 of the Local Government Act 1972 empowers local authorities to promote a local Bill and sets out the procedure that should be followed. Section 87 of the Local Government Act 1985 enables London Boroughs to promote legislation on behalf of other London Boroughs. Under the legislation, we are required to advertise the time and place of the meeting to consider promoting the Bill in a newspaper circulating in the area, giving 30 days' clear notice. That notice was published by the Association of London Government on the Boroughs' behalf on 13 August 2004. A proposal to promote this Bill must be passed by a majority of the whole number of members of the authority whether present and voting at a meeting of Full Council or not.

If Full Council passes the first resolution promoting the Bill, it is required to pass a second resolution after the Bill has been deposited in Parliament.

A Council does not formally become part of the Bill until it has passed the second resolution. At that point, it is possible for a Council to "opt out" of any particular provision it does not approve of. At that stage, the proposals will be in statutory form and the Council will have the opportunity to consider the provisions in more detail.

## Equalities Implications

It will not be possible to screen the issues addressed by the Bill until the next stage of its promotion is reached and its detailed scope agreed.

The Council is therefore

RECOMMENDED to approve the Council's participation in the proposed legislation and its inclusion in the Bill (being promoted by the Westminster City Council) under the name or short title of "London Local Authorities" of provisions affecting all or some of the following purposes : -

- (a) to make provision in respect of the control of portable advertisements; providing better powers to deal with fly posting and graffiti including powers of seizure and stronger penalties; making further provision about unauthorised advertisement hoardings; to provide for telephone call barring for numbers mentioned in unauthorised advertisements including those placed in telephone kiosks; strengthening Councils' powers as regards the control of waste and the use of street litter control notices; prescribing how recyclable waste should be separated,

enabling the making of standard regulations about the use of waste receptacles; charging for additional household waste collections; providing further powers to deal with waste on private land; strengthening and extending the law relating to litter including powers to deal with litter and waste in aquatic environments and dealing with littering from vehicles; controlling the use of civic amenity sites; dealing with waste transfer notes and licences; strengthening enforcement against fly-tipping; strengthening powers to deal with abandoned vehicles and providing powers to remove and dispose of nuisance and other vehicles; updating the law on intruder alarms; dealing with construction noise from underground stations; dealing with control of noise nuisance from street works; providing stronger powers to deal with noise nuisance; strengthening enforcement against illegal “near beer” premises; dealing with the display or possession for supply of R18 videos in unlicensed sex shops; allowing conditions relating to waste and litter to be attached to premises licences under the Licensing Act 2003; dealing with fees for premises and personal licences in London under that Act; increasing the number of members who can sit on licensing committees under that Act; enabling the provision of cleaning up conditions at licensed special events; dealing with charitable collections on the highway and public places; amending the law relating to street trading including dealing with shop forecourts, bridges over the Thames and the South Bank; introducing the licensing of proprietary clubs; altering the law relating to the licensing of special treatment premises, to include dealing with nail art, mobile premises, and premises under the Registered Homes Act; dealing with bicycle rickshaws or pedicabs; amending and extending the law relating to parking and parking enforcement including dealing with repeat offenders, and with motorcycles on the footway; dealing with cycling on the pavement; dealing with abandoned bicycles and other bicycles left in public places; dealing with filming on the highway and in open spaces and making further provision about filming in London; dealing with chairs and tables and other things placed on the highway including the making of additional charges; altering the law relating to overhanging vegetation on the highway; providing exemptions from traffic restrictions for waste collection and road sweeping vehicles; making further provision about vehicle crossovers and driving off the carriageway; removal of articles attached to street furniture and other objects on or abutting the highway; removal of disused telephone kiosks and other disused apparatus and street furniture; the decriminalisation of low emission zone enforcement; stopping vehicles for emissions testing; enabling Councils to provide “wi-fi” technology; providing for the registration of



second-hand dealers; providing for the control or prohibition of smoking in public places or the work place; the provision of consumer advice; altering the concessionary fares scheme; the registration of businesses who provide mail forwarding services; enabling Councils to obtain the names and addresses of people whose telephone numbers are publicised in connection with unlawful activity, including unlawful street trading of vehicles; further decriminalisation of offences prosecuted by local authorities and the introduction of a penalty charge notice regime akin to parking; extending Councils' powers to serve fixed penalty notices to include offences not currently covered; delegating the issuing of fixed penalty notices and further flexibility in relation to fixed penalty notices procedures, including provision for early payment and service of notices on those aged 16 and above; sharing of information to combat benefit fraud and for other purposes; co-operation on pension fund management; altering the London Boroughs Grant Scheme; altering the planning cycle on schools admission; amending the law relating to pipe subways; extending Councils' powers to charge for services; enabling zoning powers within which higher fines can be imposed in relation to certain offences; the change of use of residential property under Town and Country Planning law; enabling schemes of information to be provided; authorising the disturbance of human remains to enable existing graves to be used for further interments; implementing security arrangements in housing estates; strengthening the law relating to short-term letting; providing for the registration of persons able to accept service of notices on behalf of landlords; (in the case of the London Borough of Camden) removing restrictions on the placing of temporary structures in Lincoln's Inn Fields; the regulation of bonfires; the further regulation of use of fireworks; the control of storage or use of acetylene cylinders; further powers to deal with abandoned shopping trolleys and luggage trolleys; allowing charging for discretionary services; relaxing VAT partial exemption restrictions on Councils; removing certain existing capital finance restrictions on Councils; enabling Councils to provide services to a wider market; relaxing requirements relating to tramlines in the road; dealing with overgrown vegetation and other unsightly material on private premises; strengthening the law relating to spitting in public places; further regulating the location of telecommunications masts and base stations to ensure telecommunications operators share sites; and to strengthen planning law relating to the siting of masts; mandatory consultation by water companies with Councils about mains water pressure; enabling charging for the reinspection of premises under certain statutory regimes; making minor amendments to the London Local Authorities and

Transport for London Act 2003 and other local legislation; removing the requirement to provide signs indicating the overnight parking ban for commercial vehicles; extending Councils' powers to make byelaws; enabling Councils to impose a local levy on plastic bags, takeaway food packaging, chewing gum and cigarette packet wrappers; to alter powers of entry of Council officers, particularly those of trading standards officers; to enable Courts to make orders to disqualify persons from holding company directorships if repeatedly found guilty of certain offences relating to the degradation of the amenity of an area or the unlawful sale of products to underage persons; enabling councils to gate off nuisance alleyways and passages and enabling Councils to collaborate further in the provision of services;

- (b) to enact any additional, supplemental and consequential provisions that may appear to be necessary or convenient.

**(NB: This resolution must be passed by a majority of the whole number of members of the authority whether present and voting or not)**

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**COUNCIL MEETING****17 NOVEMBER 2004****ITEM NO. 6****APPENDIX 1**

- control of portable advertisements;
- providing better powers to deal with fly posting and graffiti including powers of seizure, stronger penalties;
- dealing with construction noise from underground stations;
- dealing with control of noise nuisance from street works;
- 
- strengthening councils' powers as regards the control of waste and the use of street litter control notices;
- prescribing how recyclable waste should be separated, enabling the making of standard regulations about the use of waste receptacles;
- charging for additional household waste collections;
- dealing with littering from vehicles; controlling the use of civic amenity sites;
- dealing with waste transfer notes and licences;
- strengthening enforcement against fly-tipping; extending Councils' powers to serve fixed penalty notices to include offences not currently covered;
- updating the law on intruder alarms;
- to provide for telephone call barring for numbers mentioned in unauthorised advertisements including those placed in telephone kiosks;
- strengthening powers to deal with abandoned vehicles and providing powers to remove and dispose of nuisance and other vehicles;
- dealing with bicycle rickshaws or pedicabs;
- strengthening enforcement against illegal "near beer" premises;
- dealing with the display or possession for supply of R18 videos in unlicensed sex shops;
- allowing conditions relating to waste and litter to be attached to premises licences under the Licensing Act 2003;
- dealing with fees for premises and personal licences in London under that Act;
- increasing the number of members who can sit on licensing committees under that Act;
- dealing with charitable collections on the highway and public places;
- amending the law relating to street trading including dealing with shop forecourts, bridges over the Thames and the South Bank;
- introducing the licensing of proprietary clubs;
- amending and extending the law relating to parking and parking enforcement including dealing with repeat offenders;
- dealing with abandoned bicycles and other bicycles left in public places;

- enabling councils to provide "wi-fi" technology;
- dealing with filming on the highway and in open spaces and making further provision about filming in London;
- dealing with cycling on the pavement;
- dealing with chairs and tables placed on the highway;
- altering the law relating to overhanging vegetation on the highway;
- providing exemptions from traffic restrictions for waste collection and road sweeping vehicles; removal of articles attached to street furniture and other objects on or abutting the highway;
- removal of disused telephone kiosks and other disused apparatus and street furniture;
- the decriminalisation of low emission zone enforcement;
- providing for the registration of second-hand dealers; the provision of consumer advice;
- altering the concessionary fares scheme; the registration of businesses who provide mail forwarding services;
- enabling Councils to obtain the names and addresses of people whose telephone numbers are publicised in connection with unlawful activity, including unlawful street trading of vehicles;
- further decriminalisation of offences prosecuted by local authorities and the introduction of a penalty charge notice regime akin to parking;
- sharing of information to combat benefit fraud and for other purposes;
- co-operation on pension fund management;
- altering the London Boroughs Grant Scheme;
- altering the planning cycle on schools admission;
- amending the law relating to pipe subways;
- extending councils' powers to charge for services;
- enabling zoning powers within which higher fines can be imposed in relation to certain offences;
- delegating the issuing of fixed penalty notices and further flexibility in relation to fixed penalty notices procedures, including provision for early payment and service of notices on those aged 16 and above;
- the change of use of residential property under Town and Country Planning law;
- enabling schemes of information to be provided;
- authorising the disturbance of human remains to enable existing graves to be used for further interments;
- implementing security arrangements in housing estates;
- strengthening the law relating to short-term letting;
- providing for the registration of persons able to accept service of notices on behalf of landlords;
- (in the case of the London Borough of Camden) removing restrictions on the placing of temporary structures in Lincoln's Inn Fields;
- the regulation of bonfires;
- the further regulation of use of fireworks;
- the control of storage or use of acetylene cylinders;

- further powers to deal with abandoned shopping trolleys and luggage trolleys;
  - allowing charging for discretionary services;
  - relaxing VAT partial exemption restrictions on Councils;
  - removing certain existing capital finance restrictions on Councils;
  - enabling Councils to provide services to a wider market;
  - relaxing requirements relating to tramlines in the road;
  - providing for the control or prohibition of smoking in public places or the work place;
  - dealing with overgrown vegetation on private premises;
  - strengthening the law relating to spitting in public places;
  - further regulating the location of telecommunications masts and base stations to ensure telecommunications operators share sites;
  - strengthen planning law relating to the siting of masts;
  - stopping vehicles for emissions testing;
  - mandatory consultation by water companies with councils about mains water pressure;
  - altering the law relating to the licensing of special treatment premises, to include dealing with nail art, mobile premises, and premises under the Registered Homes Act;
  - making further provision about vehicle crossovers and driving off the carriageway;
  - strengthening and extending the law relating to litter;
  - providing stronger powers to deal with noise nuisance;
  - enabling charging for the reinspection of premises under certain statutory regimes;
  - enabling the provision of cleaning up conditions at licensed special events;
  - making minor amendments to the London Local Authorities and Transport for London Act 2003 and other local legislation;
  - providing further powers to deal with waste on private land;
  - removing the requirement to provide signs indicating the overnight parking ban for commercial vehicles;
  - extending Councils powers to make byelaws;
  - enabling Councils to impose a local levy on plastic bags, takeaway food packaging, chewing gum and cigarette packet wrappers;
  - to alter powers of entry of Council officers, particularly those of trading standards officers;
  - to enable Courts to make orders to disqualify persons from holding company directorships if repeatedly found guilty of certain offences relating to the degradation of the amenity of an area or the unlawful sale of products to underage persons.
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**COUNCIL MEETING****17 NOVEMBER 2004****ITEM NO. 6****Appendix 2**

Please note that these proposals are IN DRAFT ONLY and subject to further analysis and consideration.

Proposal	Initial Comments
Abandoned vehicles	Further powers to deal with abandoned vehicles
Provision of enforcement control in respect of rickshaws	Due to safety and other concerns
"Near beer" bars	Powers to close so-called "hostess bars"
Enforcement control of hand held advertisements	Eg Golf Sale, Turn Left, Rug Sale, Turn Right.
Trade refuse	Decriminalisation of trade refuse littering offences and apply a regime similar to the parking regime
Parking enforcement	Power to clamp vehicles (especially motorcycles) not displaying or with covered/removed index plates; powers to enforce against illegal parking on footways
Sex shops	Amend the Video Recordings Act 1984 to make it an offence to display R18 videos in unlicensed sex shops (currently limited to "supply" and "offers for supply")
Registration of business addresses with the local authority	Many businesses "hide" behind PO box numbers making regulatory enforcement/tracing difficult
Further decriminalisation measures	Further decriminalisation of offences and moving to fixed penalties; especially in the traffic / environmental spheres
Fly-posting	Powers to seize posters and equipment used in commission of fly-posting (possibly based on

	<p>current London street trading legislation); increase penalties; removal of further loopholes such as boroughs not having the power to ask to see 'arrangements for waste disposal'; tightening up of legal defences, closing the loophole in the current legislation that allows the companies responsible to simply cover previous posters with new posters, which causes a build up of posters and a worsening problem rather than a remedy. Further powers to take action against the company advertised, rather than just the "displaying" company.</p>
Graffiti	<p>Amend section 12 of the LLA 1995 to reduce notice period for removal of graffiti from 14 days to 5-7 days. Further enacting an indemnity regime to protect councils from resulting legal action.</p>
Waste	<p>A provision to stop commercial premises from using private forecourts to deposit waste as this is detrimental to the street environment; removal of some traffic restrictions on street cleansing and refuse collection; powers to allow camera technology to be used</p>
Fly-tipping	<p>Powers to seize vehicles used in commission of fly-tipping (possibly based on current London street trading legislation); Amendment of s.59 of the Environmental Protection Act 1990 to close the loophole in Section 3a which, states that "the court shall quash the requirement if it is satisfied that the appellant neither deposited nor knowingly caused nor knowingly permitted the deposit of the waste" a clause easily exploited.</p>
Fraud	<p>Further powers for local authorities to share information to combat fraud</p>
Construction noise from underground stations	<p>Further powers for authorities to require reasonable remedial action in respect of underground station construction/works noise - often carried out late at night</p>

Pension Funds	Powers to co-operate on pension fund management
Concessionary fares	Greater freedom to implement the scheme upon notice
London Boroughs Grants	Greater freedom for the scheme
Planning cycle on schools admissions	Changes and greater flexibility
Banning smoking in enclosed public places	Likely to be controversial
Controls on second hand dealers	Based on the Nottingham City Council Act 2003 precedent
Recycling facilities in multiple occupation accommodation	Eg mansion blocks and the like. Powers to prescribe to residents how waste is to be separated for collection and re-cycling and place Managing Agents under an obligation to provide separate receptacles for different kinds of waste
Bicycles	Further powers of removal of bicycles chained to railings, lamp posts etc. Indemnity to boroughs against claims for damages to chains.
Waste collection	Optional powers for authorities to carry out removal of excessive amounts of household waste by extra weekly collections and the ability to charge for such an additional service.
Amendments to the GLA Act to allow the budget to be amended by simple majority of the London Assembly	Government almost certain to block.
Pipe subways	Various changes to the pipe subways charging regime.
Further powers to re-charge for a borough's service.	For example, in the case of where a Street Litter Cleansing Notice is issued to a business, but action is not forthcoming, then the borough should have the ability to undertake the necessary work to clean up the environment, but



	then they must have the ability to be reimbursed for undertaking the responsibility.
Further powers to inspect waste transfer licences	Boroughs to be given commensurate powers to the Environment Agency; powers for boroughs to set standard regulations controlling waste storage and collection facilities; further fixed penalty offences
Zoning powers for enforcement action	The flexibility to allow higher environmental fines and penalties to be set in particularly sensitive or affected areas e.g. children playgrounds. Local authorities would have to be careful to avoid confusing the public and would need to use zones only in a clearly defined area, have a clear strategic justification, be properly consulted and publicised.
Extension of descriptions of land in the Street Litter Control Notices Order 1991	It is felt that the definitions need to be extended and clarified to cover more types of premises. An option proposed is for no definition, allowing the boroughs to issue SLCN where it deems appropriate, provided the authority can demonstrate there is a regular problem caused by a specific situation. SLCNs should cover more land types and not just be applied against businesses e.g. householders with continuous accumulated waste. Reduction of the time limit to 21 days from 42; powers for Licensing Cttes to consult on litter-related issues
Further powers to delegate the issue of fixed penalty notices to contractors	Mirrors and extends proposals in the current Bill.
Further flexibility on the use of proceeds for fixed penalty notices	Introduction, e.g. of early payment options.
Noise	Make provisions that occupiers of residencies with burglar alarms must register with the local police.

Change of use	In the case of a person changing the use of land on residential property must seek planning permission before doing.
Information	That the London Boroughs have powers for a Scheme of Information.
Allocation of graves	Proposed by the Corporation of London for applicability in the City
Change the legal framework for filming etc in London to the advantage of both boroughs and film companies	Based on joint work between boroughs and Film London
Street trading	Consequential amendments to the 2004 Act. Further amendments to the regime around former shop premises being used for unlawful trading; re-definition of licensing exemptions for news vendors and changes to conditions; further powers to deal with bridges
Prostitutes' cards	Further powers to deal with this
Consumer advice	Provision for provision of consumer advice within trading standards
Cycling on the footway	Powers for boroughs to enforce via fixed penalty notices
Security on housing estates	Powers for authorities to implement security arrangements
Al Fresco chairs and tables	Amendments to the charging scheme under the Highways Act 1990
Removal of overhanging vegetation	Powers to remove where this obscures road signs
Increased enforcement powers in respect of property agents letting "short term lets".	
Register of persons able to accept service of notices on behalf of landlords.	

**COUNCIL MEETING****17 NOVEMBER 2004**  
**ITEM NO. 6****Appendix 3****List of Participating Boroughs**

Barking and Dagenham Borough Council  
Barnet Borough Council  
Bexley Borough Council  
Brent Borough Council  
Bromley Borough Council  
Camden Borough Council  
Corporation of London  
Croydon Borough Council  
Ealing Borough Council  
Enfield Borough Council  
Greenwich Borough Council  
Hackney Borough Council  
Hammersmith and Fulham Borough Council  
Haringey Borough Council  
Harrow Borough Council  
Havering Borough Council  
Hillingdon Borough Council  
Hounslow Borough Council  
Islington Borough Council  
Kensington and Chelsea Royal Borough Council  
Kingston upon Thames Royal Borough Council  
Lambeth Borough Council  
\*\*Lewisham Borough Council  
Merton Borough Council  
Newham Borough Council  
Redbridge Borough Council  
Richmond Upon Thames Borough Council  
Southwark Borough Council  
Sutton Borough Council  
Tower Hamlets Borough Council  
Waltham Forest Borough Council  
Westminster City Council

## 7. Revenue Budget Savings Proposals 2005/06 - Stage 2

On 20 October 2004 the Mayor and Cabinet considered the report attached as an Appendix and agreed the recommendations contained therein.

The Council is therefore

RECOMMENDED to agree

- (i) in principle the revenue savings identified in the report totalling £3.363m, subject to consultation as appropriate, to consideration of any representations arising out of that consultation and to any other legal requirements;
- (ii) that if any savings are withdrawn or not delivered before the final decision on the 2005/06 budget in February 2005, then either an alternative saving is proposed for agreement, or the shortfall will be met by a reduction in the amount of inflation award to the appropriate directorate in their 2005/06 budget;
- (iii) to note that the savings proposal EC25 in Community Sector Grants, can only be agreed subject to the presentation to Mayor and Cabinet of further details showing that the implications have been fully considered;
- (iv) to note that savings proposals EC30A and EC30B in the library service can only be agreed subject to the recommendations arising from the Best Value Review of Libraries being agreed by the Mayor and Cabinet in January 2005;
- (v) to note that the saving proposal SC&H9 Linkline can only be agreed subject to the required change of policy being reported and agreed by the Mayor and Cabinet in November;
- (vi) to note that all directorates have met their savings proposals targets except Social Care & Health and the reasons for not delivering their target of £1.5m as set out in paragraph 5.7-5.10 of the appendix;
- (vii) to note that there was no formal response from the Public Accounts and Social Inclusion Select committees; and
- (viii) to note that if all the stage 2 savings in the report are agreed then the estimated gap for the 2005/06 budget will reduce from £1.5m to £0.828m.

**COUNCIL MEETING****17 NOVEMBER 2004****APPENDIX****ITEM NO. 7**

<b>Mayor &amp; Cabinet</b>	
<b>Title of Report:</b> Revenue Budget Savings Proposals 2005/06 – Stage 2	
<b>Item No.</b>	
<b>Key decision</b> Yes	<b>Date decision to be made:</b> 20 <sup>th</sup> October 2004
<b>Contributors:</b> Deputy Chief Executive, Executive Directors for Education & Culture, Regeneration and Social Care & Health	
<b>Agenda</b> Part I	

**1. Purpose**

- 1.1 This report is for the Mayor to consider certain savings proposals for 2005/06 that may now be recommended to Council

**2. Recommendations**

The Mayor is asked to:

- 2.1 Subject to consultation, as appropriate, and to consideration of any representations arising out of that consultation and to any other legal requirements in relation to specific proposals, to agree in principle the revenue savings identified in this report totalling £3.363m, summarised in the appendix, for inclusion in the proposals to be made by the Mayor to Council in relation to the 2005/06 budget to be taken at its meeting on 17<sup>th</sup> November.
- 2.2 Agree that if any savings are withdrawn or not delivered before the final decision on the 2005/06 budget in February at Council, then either an alternative saving is proposed for agreement or the shortfall will be met by a reduction in the amount of inflation awarded to the appropriate directorate in their 2005/06 budget.
- 2.3 Note that the savings proposal EC25 in Community Sector Grants, can only be agreed subject to the presentation to Mayor and Cabinet of further details showing that the implications have been fully considered.
- 2.4 Note that savings EC30A and EC30B in the library service can only be agreed subject to the recommendations arising from the Best value review of Libraries being reported and agreed by M&C, currently scheduled for November. (Now January 2005)

- 2.5 Note that the saving proposal SC&H9 Linkline can only be agreed subject to the required change of policy being reported and agreed by M&C, currently scheduled for November.
- 2.6 Note that all directorates have met their savings proposals targets except SC&H and the reasons for them not delivering to their target of £1.5m as set out in paragraph 5.7-5.10.
- 2.7 Note the comments from the Public Accounts and Social Inclusion Select committees (if appropriate).
- 2.8 Note that if all the stage 2 savings in this report are agreed then the estimated gap for the 2005/06 budget will reduce from £1.5m down to £0.828m.

### **3. Summary**

- 3.1 The 2004/05 Budget report made reference to the Mayor's intention to bring forward the annual savings exercise to April/June in order to improve financial planning and the ability to generate cross-cutting efficiency gains. This was targeted as £5m via options of £6m. This allowed the agreed budget to include £375k of savings that were assessed would result from the early implementation of savings for 2005/06. The Deputy Chief Executive wrote to Executive Directors and Heads of Policy and Resources in January starting the savings process for 2005/06. The earlier process also enabled some savings to be agreed earlier, and hence with more certainty of delivery on time, than in previous years.
- 3.2 In considering budget savings for 2005/06 it is important to have regard for the Council's policy framework and the impact of the attached savings proposals. This report includes savings proposals from all four directorates, summarises the nature of the proposals and their potential impact.
- 3.3 Initial working papers supporting budget saving proposals were submitted by directorates to the Corporate finance team in April/May. These were then subject to scrutiny and challenge at a meeting of all four directorates (although some proposals were not fully worked up at this stage). This ensured that savings in one directorate did not have a negative impact on another directorate which were not being reported and that savings from Resources directorate were understood and supported by service directorates as to their impact. Subsequent to the officer scrutiny, a round of 'Resource' Member meetings were held in June by the Cabinet Member for Resources with each Cabinet member with support from directorate Heads of Resources and Corporate Finance.

- 3.4 Early on in the process it became clear that some potential savings, although not ruled out, required further consideration and it was therefore decided to split the process so that savings that did not require further detailed consideration could be agreed in June. At its meeting on 30<sup>th</sup> June the Mayor & Cabinet agreed to recommend to the Council savings of £2.309m and these were agreed by the Council at its meeting on 21<sup>st</sup> July.
- 3.5 Further work has been undertaken on the potential savings that required further consideration and also in identifying additional savings in some directorates that were short on their target. These have been subject to further officer scrutiny, and a round of 'Star Chamber' meetings were held in late September/early October by the Mayor and the Cabinet Member for Resources with each Cabinet Member with support from Executive Directors, directorate Heads of Resources, Deputy Chief Executive and Corporate Finance.
- 3.6 These proposals involve the deletion of 22.5 full time equivalent posts of which around 8.5 are vacant. In addition there are some savings to be further worked up where the staffing implications are currently unclear. Heads of Resources will be discussing the detailed savings proposals and their impact through the local directorate JCCs and a summary briefing paper on the broad package of proposals were presented at the CJC meeting on 12<sup>th</sup> October.
- 3.7 This paper provides the basis for the Mayor to consider which further budget savings to recommend to Council for 2005/06 in order to achieve the savings that will be required for a balanced budget for 2005/06 (but see paragraph 4.4 below).
- 3.8 The savings proposals totalling £3.363m included in this report are considered to be deliverable with minimal or little impact on the Council's services and priorities for the forthcoming year. Where appropriate comments are included in the individual commentaries.
- 3.9 Officers considered the implications of the Government's Spending Review (SR2004) for the Council's Formula Grant during July and August. As expected the spending commitments for 2005/06 largely remained unchanged. The Council's financial strategy for that year was reviewed in the content of the expected position for 2006/07 and 2007/08. This was reported to Mayor & Cabinet on 29<sup>th</sup> September in the Financial Survey 2005/08 and is commented on below.

### **Remaining Key stages of Budget**

Provisional Settlement	Expected w/c 15 <sup>th</sup> November
Final Settlement	Expected end January
Budget report to M&C	2 <sup>nd</sup> February 2005

Budget report to Council	9 <sup>th</sup> February 2005
Notification of Precept/Levies	mid February 2005
Budget report to M&C (with precept etc.)	23 <sup>rd</sup> February 2005
Final Budget report to Council	2 <sup>nd</sup> March 2005
Lewisham's deadline for setting the Council tax	9 <sup>th</sup> March 2005
Statutory deadline for setting the Council Tax	by 11 <sup>th</sup> March 2005

#### 4. **Background & Financial Context**

4.1 The Council has adopted a rolling 3 year medium term financial strategy through the annual Financial Survey that enables Lewisham to ensure that budget decisions are consistent with policy objectives, and to avoid sudden and unexpected shocks. The strategy for 2005/06 was reviewed at the Mayor & Cabinet meeting on 29<sup>th</sup> September. The Mayor agreed to recommend to the Council that it note and endorse the financial strategy set out in the report. This uses an indicative guideline Council Tax increase of up to 4.99% for borough services. The key other assumptions are:

- Passporting of the Schools part of the Education Formula Spending Share (and other grants included in the passporting target) will continue.
- There are no overspends in 2004/05 requiring carry forward to 2005/06.
- Savings of £5m are achieved.
- Front-line service pressures and growth are managed by each directorate, except where there are known revenue implications of capital projects, as set out in the report.
- Budgets are upgraded by inflation in line with the model's estimate, and new assumptions on pay and associated costs.
- The Council's Formula Grant for 2005/06 will only increase by the floor, and this is assumed to be at 4%. This leads to a gap between estimated expenditure and resources of the order of £1.5m and will



be addressed in the next stages of the budget process for 2005/06 after the current exercise on savings is concluded.

- 4.2 As stated above work commenced in February 2004 on identifying savings, with a target of £5m, with options for £6m across the Council. Later targets were set for directorates as below:

<b>DIRECTORATE</b>	<b>AGREED 05/06 SAVINGS TARGET (£'000s)</b>	<b>05/06 SAVINGS TARGET +20% (£'000s)</b>
Education and Culture LEA Block	578	694
Education and Culture non Schools	733	880
Regeneration	1,089	1,307
Resources - Public Services	247	296
Central Support Services	1,008	1,209
- Crime Reduction	95	114
Social Care and Health	1,250	1,500
<b>TOTAL REVENUE SAVINGS TARGET</b>	<b>5,000</b>	<b>6,000</b>

- 4.3 Directorates were asked to identify savings proposals totalling the target plus 20% (i.e. totalling £6m) to ensure that if during the scrutiny and challenge process savings proposals were eliminated, officers could still present to Members a package of savings meeting at least the original target of £5m, and possibly give Members some options.
- 4.4 In considering the saving proposals Mayor & Cabinet should keep in mind the gap in the current budget model of £1.5m referred to above. The Deputy Chief Executive advises that all acceptable savings should be agreed even if these exceed the £5m target originally set in order to reduce the gap in the current budget model for 2005/06.
5. **Overall Approach to Identifying Budget Savings Proposals**
- 5.1 In identifying budget savings proposals consideration has been given to the existing policy framework through agreed Corporate Priorities, changing Government funding regimes (particularly in respect of increased ring fencing of funding) and key service objectives.
- 5.2 Directorates were asked to provide supporting information in relation to saving proposals against the various headings including the following:-

- type of saving against one of four categories: reducing direct service provision, reducing management overheads, demand management, income generation
- risk to achievability
- the **ONE** Corporate Priority **MOST** affected by the service area being proposed for a saving
- the actual impact if any on the Corporate Priority
- any harm to key service objective
- relevant impact on Key Performance indicators, BVPIs
- specific ward impact of saving proposal
- the service area budget position for 2003/04 and 2004/05 (i.e. overspend/underspend)
- directorate management team (DMT) proposed prioritisation for Member consideration.
- staffing implications
- equalities implications.

Directorates were asked to complete spreadsheets detailing this information for each saving proposal and also to show all areas of their directorate budget against which no savings were being made for completeness. This proved useful during the first phases of officer scrutiny to identify areas where no savings had been proposed as the Mayor had specified there should not be any 'no go' areas when savings were being considered.

- 5.3 Each Executive Director was asked to complete a statement of their rationale for savings proposals for stage 1, showing how they went about the task of identifying and considering potential savings. These were reviewed and, where appropriate, revised to ensure their approach could deliver the savings required in stage 2.
- 5.4 The attached appendix shows the more detailed information supporting the analysis outlined below. In terms of process, the lessons learnt from the savings exercise from the last two years have been taken forward. Officers have therefore tried to strike a balance between economy and efficiency – which is essential if the adverse impact of savings, upon service users, is to be minimised. As with stage 1 this report presents proposed budget savings in various filter tables to ensure that the decision making needed to move this process forward can be based on an analysis of information from a range of perspectives. This report also presents this analysis which shows the combined impact of both stage 1 and 2 of the savings exercise.

- 5.5 In total budget savings proposals worth £3.363m have been put forward by the four directorates for this stage. This breaks down by directorate as follows: Education and Culture (E&C) £880k, Regeneration £922k, Resources £779k and Social Care and Health (SC&H) £782k.
- 5.6 With the proposals contained within this report the position is:-

	<b>Stage 1 £'000's</b>	<b>Stage 2 proposals £'000's</b>	<b>Total £'000's</b>	<b>Target £6m £'000's</b>	<b>Difference £'000's</b>
E&C	694	880	1,574	1,574	0
Regeneratio n	385	922	1,307	1,307	0
SC&H	390	782	1,172	1,500	-328
Resources	840	779	1,619	1,619	0
<b>Total</b>	<b>2,309</b>	<b>3,363</b>	<b>5,672</b>	<b>6,000</b>	<b>-328</b>

#### **Comments specifically on the shortfall in SC&H of £328k of proposals to the target**

- 5.7 Social Care & Health have not formally been able to meet their £1.5m savings target, due mainly to the significant budget pressures in Children's Services. However, the directorate clearly understands the impact that this has on the Council's financial position and Council Tax levels. Other actions are in place that will contribute to the overall position, although cannot be considered as savings in the context of this process.
- 5.8 Managers are currently in negotiation with staff and unions on a new management structure for Children's services. Although the main concern has been to design a structure that supports safe, efficient and accountable services to children, the structure has also been designed to minimise the impact on Council resources. Overall the aim has been to reduce tiers of management to enhance accountability. Changes to the original proposals have reduced the cost by £279.5k.
- 5.9 The directorate has developed an action plan with a target of reducing the costs of placements by £2.2m. Although this is unlikely to be fully achieved in the current financial year, there is some progress and it will significantly reduce the impact of the overall Council position in 2005/06. The overspend on placements has been a significant drain on Council resources for some years. The action plan is geared towards best practice, which creates better care outcomes as well as better value for money.

- 5.10 A cabinet taskforce is currently reviewing day care services for adults with a view to ensuring that the Council's provision is seamless, efficient and fit for purpose for the future. The taskforce will be considering how day care, community, leisure and adult education can be configured to maximise the preventative impact and therefore the cost of social care provision and will be building on some of the work of the Adults Best Value Review recently reported.

### **HRA savings process**

- 5.11 The process of bringing together HRA and General Fund savings begun for the first time in 2004-5 has continued for 2005-6 budget preparation. The initial modelling of the HRA, forecast the need to make saving of some £3.2m.
- 5.12 Some initial saving options totalling £700k were identified at stage 1 but further saving options relied on the finding of a review being undertaken by consultants PricewaterhouseCoopers (PWC). PWC have submitted initial findings that suggest savings could be made from the elimination of duplication, improvement to the interface between divisions within Regeneration and the standardisation of resource levels at area offices. These savings in total range between £1.5m and £2.2m.
- 5.13 Further work is essential to identify more precisely where these savings option might fall and then consult with tenants and staff before bringing to Members for consideration.
- 5.14 It is planned to commence tenant and staff consultation during October/November with submission to Members in January as part of the rent increase consideration.
- 5.15 In all this process there is a need to recognise the timing of housing subsidy announcements as well as the tenant consultation process.

## **6. EDUCATION & CULTURE**

### **6.1 Rationale for savings proposals – Statement from Executive Director for Education & Culture**

- 6.2 The following sets out the approach proposed to savings within Education & Culture of £1.574m. – this amounts to a 4.9% reduction on the controllable budget.
- 6.3 All managers have been asked to identify potential general efficiency savings of 1.5% - these are local savings expected of service managers unrelated to any wider procurement or purchasing initiatives. This approach will not work with all budget holders, as some budgets

cannot manage this level of saving via efficiency measures. A saving of 1.5% would generate savings of £487k.

- 6.4 In addition, managers have been asked to identify specific savings options of 5% and 7.5% - the latter therefore providing an option for protecting priority areas.
- 6.5 It is possible to make an estimated saving of £196k in the payments required under the Leisure contract. This follows a similar level of saving in the 2004-05 budget that was possible as a part-year saving following from a scheduled reduction in the annual costs payable to the contractor.
- 6.6 **Priority areas**
- 6.7 The request for information requires a statement of the reasons for areas where, no savings are being proposed or where a reduced/increased level of savings are being targeted.
- 6.8 The table below sets out this information as requested. However, two broad areas are, in particular, being strategically safeguarded from all but efficiency savings in order that we can continue to drive improvement in the life chances of children and young people. These are:
- **School Improvement/Standards Funds** where our results remain too low and where we need to invest more creatively to support and challenge schools where underperformance occurs. Our large ethnic minority community and gaps in achievement are a high priority alongside sustaining our record in recruitment and retention of high quality staff. At present we remain under-capacity in this area in comparison with more successful authorities such as Camden.
  - **SEN/Attendance and Welfare/Ed Psychology** where our performance against both PI's and schools expectations remain low. Improvements have begun to kick in but the services require additional support to make the difference from the very low base two years ago.
- 6.9 The following table sets out the requested information across all relevant budget needs:

Budget area	Reasons
Broadway Theatre	Review being undertaken into the potential for reduction in overhead costs.
Creative Lewisham	Service being externalised in 2004-05 – grant commitment required for the service into 2005-06.

Community Centres	Inadequate budgets currently available to meet basic standards in existing centres.
Attendance & Welfare	Service received growth (£253k) in current year for work on behaviour and attendance – it is considered inappropriate to propose savings before the service has been strengthened.
Admissions & Appeals	The service has to accommodate the new pan-London arrangements for admissions – it is not possible to make the proportionate level of savings.
Educational psychology	The service remains under-funded in comparison with other London boroughs and nationally. It has under-performed and not met expectations of users it is under a new lead manager who is pursuing the integrated children's agenda and securing improvements including where the service has consistently failed to meet the statutory requirement of preparing statements within 18 weeks of request.
SEN Transport	In 2003-04 the service was significantly overspent and is also being examined as part of the Best Value Review of Transport. In the circumstances, it is not proposed to offer savings.
Estate Management	The Estate Management service are required to respond to a significant growth in capital schemes. An increasing element of this work is being managed by Mace (the Council's strategic partner) but it is difficult to make further reductions in service as the capacity of the service to respond is severely stretched.
PFI Team	By April 2004 the Downham PFI will be in contract and appropriate client arrangements determined within E&C. The earliest contract award for the Schools PFI would be Summer 2005 and client arrangements would need to be determined and operational during the course of the financial year. In view of the uncertainties it would be imprudent to assuming anything other than minor efficiency savings at this stage.
Early Retirement/Voluntary Severance budget	The budget was overspent by £750k in 2003-04 and, because of the reductions in schools budgets with many more schools having to make redundancies or secure early retirements to balance their budgets, it is likely to be under similar pressure in the current year. We believe it is an anomaly that these costs statutorily fall to the LEA block rather than the school block. We continue to put pressure on the DfES to change this requirement alongside other authorities in the same predicament.
School Improvement	School Improvement is at the heart of our educational achievement work with schools and is key to our capacity to improve as recently assessed (favourably) by OfSTED. We remain vulnerable in relation to our KS1 and KS4 results in particular and the School Improvement Team remains at under-capacity to drive through the necessary step changes. It is therefore proposed to make

	minor efficiency savings only.
Standards Funds	This is a proportion of the match funding required to Standards Funds that are not within the Schools Block. Reducing this would mean that we could not take-up all Standards Funds available for schools and they would lose money. The DfES would require us to justify such an action and it would not allow us to improve in key priority areas as included above.
16-19 Centre	This budget has been set aside to meet the development costs associated with Crossways Academy. It will be possible to significantly reduce this budget once the building opens in 2004. There may be some residual transition costs but the majority of this budget can now be deleted.
Strategy & Performance Review	Making savings beyond efficiency levels will compromise directorate capacity to continue to develop and interpret sound performance information and improvements.

### 6.11 Stages 1 & 2 combined

Division	Net Budget 2004/05 £'000s	Controllable Net Budget 2004/05 £'000s	Agreed Stage 1 Savings 2005/06 £'000s	Proposed Stage 2 Savings 2005/06 £'000s	Total Savings £'000s	Savings as a % of budget (exc. Schools block)
COMMUNITY SERVICES	16,541	15,374	251	456	707	4.60
SCHOOLS	119,882	-	-	-	-	
PUPIL SERVICES	22,251	7,554	43	137	180	2.38
RESOURCES	6,747	3,610	43	112	155	4.29
SCHOOL EFFECTIVENESS	7,390	3,652	339	105	444	12.16
STRATEGY & PERFORMANCE REVIEW	2,064	1,890	18	70	88	4.66
<b>TOTAL</b>	<b>174,876</b>	<b>32,081</b>	<b>694</b>	<b>880</b>	<b>1,574</b>	<b>4.91</b>

### 6.12 EC16 Outdoor Centres Savings Proposal £5k

The savings can be made from additional income by increasing charges by 50 pence per pupil per day and from increases in non term time use. Schools rarely attend outdoor centres for more than 5 days so the maximum additional cost will be £2.50. Schools seek to ensure that

children are not excluded from Outdoor Education for reasons of affordability and use mainstream or voluntary funds in cases where parents may not be able to make the expected contribution. Total Individual Schools Budget balances increased from £2.8m to £4.3m during 2003-04. The Outdoor Centres will move to a Trust in 2005-06.

Currently the average weekly charge made for our outdoor education centres are for residentials it's £145 excluding travel and for day visits to Horton Kirkby it's £215 per class per day inclusive of travel.

Schools take steps to ensure that low income families are not excluded from outdoor education facilities.

**6.13 EC23 Arts Service  
Savings Proposal £19k**

The Arts & Entertainments service received redirected funding in 2004-05 available as part of the exit strategy for Downham Pride to provide continued support to arts projects in Downham. This was an agreed transitional arrangement in 2004-05 that Downham Neighbourhood Management would then lead. It is now possible to reduce funding to the service by £19k and continue to provide for existing arts and entertainments commitments

**6.14 EC24 Sports Development  
Savings Proposal £8k**

The Sports Development service received redirected funding in 2004-05 available as part of the exit strategy for Downham Pride to provide continued support for sports development in Downham. This was an agreed transitional arrangement in 2004-05 that Downham Neighbourhood Management would then lead. It is now possible to reduce funding to the service by £8k and continue to provide for existing sports development commitments.

**6.15 EC25 Community Sector Grants  
Savings Proposal £133k**

The Mayor has requested that further information be provided on the options for voluntary sector savings so that he can be assured that the implications of the savings proposals have been fully considered before savings are consulted upon and implemented. These proposals will be presented to Mayor & Cabinet in due course to meet the requirements for the setting of the 2005/06 Budget. The level of savings proposed is £133k, equivalent to 2.3% of the Voluntary Sector budget.



**6.16 EC26A Youth Service  
Savings Proposal £40k**

This part of the Youth Service budget provides resources for a number of schools to encourage them to make their premises available for community use. The allocation of this is historic and a review of the community use of the schools budget is underway to assess the use of funds and develop new criteria for schools to access funds as there have been anomalies in the way this has been used. It is proposed that priority will be afforded to fund community groups in the schools locality that meet local need. The savings of £40k will be generated as a result of those not meeting the criteria set.

**6.17 EC26B Youth Service  
Savings Proposal £60k**

This proposal is to reorganise the management arrangements by deleting a management position (saving £40k) and reduce the budget for alternative education support provided by Schoolhouse by £20k. This group provides alternative youth provision for children excluded from school.

**6.18 EC27 Education Action Zone  
Savings Proposal £10k**

The EAZ has funding from Education & Culture, the Neighbourhood Renewal Fund and a number of other external funders. The saving of £10k will be made by prioritising the current programmes and identifying which could be funded by another funding stream.

**6.19 EC28 Education Business Partnership  
Savings Proposal £1k**

Efficiency saving possible from reductions in running costs.

**6.20 EC29 Leisure centres  
Savings Proposal £40k**

Stage 1 savings included £197k as a result of known reductions in the contract payments due under the leisure contract. In the current year, inflation required to meet the costs of the contract has been lower than provided for and, assuming equivalent levels of inflation in 2005/06, a further saving of £40k can now be taken in 2005/06.

**6.21 EC30A Library & Information Service  
Savings proposal £70k**

In order to protect the Resources Fund for the service, it is proposed to consult on the feasibility of making greater use of voluntary work in support of the homebound service. This would save up to £70k in a full year. This is part of the recommendations of the BVR on Libraries that will be considered by Mayor & Cabinet in November. Any underachievement of this saving in 2005/06 would need to be met from a reduction to the Resources Fund.

**6.22 EC30B Library & Information Service  
Saving proposal £70k**

It is proposed to reorganise learning programmes in libraries to be funded by the Learning & Skills Council (subject to the agreement of BVR recommendations). This would save £40k. In addition, it is proposed to reduce staffing by 0.5 post in the library resources centre by £10k and reduce the resources fund by £20k.

**6.23 EC31 Parent & Community Drug Project  
Savings Proposal £5k**

The Project is reducing the hours of the Resource & Publicity Officer, a PO1 Post from 0.4 to 0.2 in Lewisham.

**6.24 EC32 Admissions & Appeals  
Savings Proposal £1k**

Efficiency saving possible from reduction in running costs.

**6.25 EC33 Education Psychologists  
Savings Proposal £13k**

Reconfigure the service provided to children & families to support new ways of working across the Council - reduce by 0.4 post that is currently vacant.

**6.26 EC34 Early Years - central service provision  
Savings Proposal £4k**

Efficiency savings as a result of reducing attendance at conferences.

**6.27 EC35 Early Years centres  
Savings Proposal £51k**

An option is to close the current Early Years centres on the Heathside and Lethbridge estate and re-provide them by purchasing 16 places at the Morden Mount Childrens in Centre at a reduced cost. The majority of children on the Heathside and Lethbridge estate attend Morden Mount school which is being developed into a Children's Centre. Considerable investment would be required to develop similar services at Heathside. The more efficient option, therefore, is to purchase places at the new centre.

The centres are in Blackheath Ward and some families would need to travel further.

**6.28 EC36 Early Years Generation Playclubs  
Savings Proposal £12k**

It is proposed to make further efficiency savings from running costs.

**6.29 EC37 Early Years creche  
Savings Proposal £36k**

An option is to close the Creche run from the Jenner Health Centre in Forest Hill. This provides sessional child care for between 8-10 children with moderate disabilities eg speech & language problems. The places at the centres are not full day care and therefore do not count in Lewisham's target. A similar resource at Sydenham Green will continue to be supported and it is proposed to extend the number of places provided at Sydenham by up to 8. The implementation of Lewisham's Access Strategy will also increase opportunities for children with high incidence SEN to be supported in mainstream schools and nurseries.

The crèche is in Crofton Park Ward.

**6.30 EC38 Early years family support  
Savings Proposal £20k**

This proposal deletes a post that has not been filled for the last year that was originally intended to develop a family support service. The development of strong family support services would require a significant injection of resources. Alternative family support work is provided from Sure Start, Childrens Centres and from the Melliot Road Family Centre

**6.31 EC39 Benefits & Awards  
Savings Proposal £62k**

Efficiency savings can be made from reductions in budgets as result of ICT maintenance no longer required due to changes to current systems and other running costs without impact on existing services.

**6.32 EC40 Estate management unit  
Savings Proposal £50k**

A saving can be achieved by a reduction of £50k to the central repairs and maintenance budget held for urgent repairs to Education & Culture buildings. This is considered difficult to achieve as many of the assets that this budget supports are not in a good condition and the service budgets themselves have little resource for carrying out such repairs. E&C are considering other efficiency savings options that could replace this one for their directorate.

**6.33 EC41 School Improvement  
Savings Proposal £60k**

It is planned to generate efficiency savings of £15k from additional SLA income from schools and reduce the costs of the support to the Education Development Plan (existing budget of £445k) by £45k. The latter would involve reductions to budgets supporting Key Stage 3 & 4 Attainment (£24k), a reduction of programmes for under achievement (£4k) and efficiency reductions to support for schools causing concern (£9k – that is contingency funding for schools going into Special Measures), support for school self-evaluation (£5k) and behaviour and attendance (£3k).

**6.34 EC42 Music Service  
Savings Proposal £22k**

It is proposed to review the funding provided for the Lewisham Music Service with the aim of maximising the use of the Music Standards Fund (£278k in 2004/05) provided in support of music education.

**6.35 EC43 16 to 19 Centre  
Savings Proposal £18k**

A further review has identified an option for additional savings that can be made due to reduced support required for transition costs once the Academy is operational.

**6.36 EC44 Directorate management team  
Savings Proposal £30k**

Full cost of support to Schools Forum from DMT members to be charged to the Schools Forum budget.

**6.37 EC45 Customer services  
Savings Proposal £8k**

Delete post of relief worker and restructure service making maximum use of improved ICT infrastructure for sharing information.

**6.38 EC46 Policy, partnership & Communication  
Savings Proposal £20k**

Further efficiency savings are possible as a result of a reduction in budgets for conferences & directorate events and catering for meetings totalling £16k and stationery £4k.

**6.39 EC47 Performance Quality & information  
Savings Proposal £12k**

Minor staffing reorganisation that will save 0.5fte of a post that is vacant.

**7. REGENERATION**

**7.1 Rationale for savings proposals – Statement from Executive Director of Regeneration**

7.2 In addition to the £1.3 million General Fund savings target, the directorate has identified severe budget pressures in the HRA for 05/06 – requiring the identification of £3.2 million of savings. Overall Regeneration's savings target is £4.5 million. To tackle this an integrated approach is being adopted, generating options for both GF and HRA simultaneously, and feeding them jointly into the corporate process in order that (a) a complete picture of Regeneration's budget challenges is shared and (b) other areas who charge services to the HRA are aware of the budget pressures since they too will need to identify savings towards meeting the target. The non-regeneration 'share' of the HRA savings target is £538K.

7.3 All Regeneration Divisions other than Transport charge staff and services fully or partly to the HRA. To achieve savings of the scale required a robust approach is needed, examining all current organisational arrangements and working practices, to generate savings which, while they must require the loss of a significant number of posts, do the least damage to service delivery. An external review

to develop options for organisational change has been commissioned – a savings target has been allocated to the review, broken down between Divisions. The review also presents opportunities – to identify potential duplication and to get a better fit between current structures and the changing face of housing services in future years.

#### 7.4 Other key principles in the approach have been:-

- (a) to protect key front line services, particularly those who have had growth invested in them in the past 2/3 years, and who contribute to our CPA scores. These services are :- Business regulatory Services including trading standards and environmental health; planning; refuse collection and disposal including the CA site and recycling; abandoned vehicles; graffiti removal; street cleansing; housing needs including homelessness; supporting people and private sector housing. However these areas will be monitored closely to ensure that the increased performance expected to be delivered from that investment is secured.
- (b) To ensure budget decisions are not taken which would cut across delivery of Best Value Review recommendations, for example in Highways and Traffic management and in some key areas covered by the Cleaner Green BVR , listed at (a) above
- (c) To ensure however that ALL services make some contribution through efficiency savings. So, for example protected areas such as Planning and Refuse will generate efficiency savings from their Supplies and Services budgets. We have looked particularly at Mobile phone budgets and the apparent growth over recent years to drive efficiencies in this area not only by reduced numbers but by robust procedures for re-imburement of personal calls.
- (d) Careful scrutiny of support services. Although these are `lean' within Regeneration, having taken significant reductions in previous years, £160k of GF and HRA savings have been identified from the Resources Division for 05/06
- (e) The scale of the savings target means a close examination of non statutory services, such as Opening Doors
- (f) To generate additional income to `contribute' towards savings targets, generated for example by greater productivity [environmental enforcement] or new areas of work [registration]
- (g) Although sickness levels are closely monitored at Management Team level, a more proactive approach to sickness could be linked to budgets. We are proposing to reduce budgets by some 1% across the Directorate to encourage Service Unit Managers to effectively deal with sickness in their areas.

#### 7.5 Finally the directorate has undertaken an analysis of CIPFA 2003/04 statistics to identify services which are comparatively high cost. This is the first stage in ongoing benchmarking work around VFM. Initial

findings are that overall 16 out of 17 services covered are BELOW the Inner London average on cost – in some cases, considerably so. The exception is Waste Disposal – we will carry out further work to establish the validity of this, since it may reflect the differences between disposal/ collection and collection authorities.

- 7.6 Within the initial comparator group [our neighbouring boroughs of Greenwich; Lambeth; Southwark and Bromley] we are the lowest spending for 3 services [ transport planning & policy; School Crossing Patrols and Parks and Open Spaces]. Generally for other services we are also near the bottom.
- 7.7 The areas where we will be undertaking more detailed work because we appear to be higher spending are : Other Housing ; other traffic management and road safety; waste collection and environmental and public health. We will be producing data comparing us across the whole of Inner London, and identifying more clearly what underpins the data – for example, are all boroughs using the same interpretation of `other traffic management'? Where we are found to be genuinely high cost in comparison to Inner London, Service Managers will be required to bring forward proposals for driving down costs over the next 2/3 years.

#### 7.8 Stages 1 & 2 combined

Division	Net Budget 2004/05 £'000s	Agreed Stage 1 Savings 2005/06 £'000s	Proposed Stage 2 Savings 2005/06 £'000s	Total Savings £'000s	Savings as a % of budget
DEVELOPMENT	3,033	11	281	292	9.62
RESOURCES	510	43	55	98	19.26
TRANSPORT	3,179	100	112	212	6.68
ENVIRONMENT	16,365	218	248	466	2.85
HOUSING	2,030	13	226	238	11.73
<b>TOTAL</b>	<b>25,117</b>	<b>385</b>	<b>922</b>	<b>1,307</b>	<b>5.20</b>

#### 7.9 RGN01 Development Division Management Savings Proposal £100k

Reduction in management costs for Development Division, following review to be undertaken by the Executive Director of Regeneration. The review will focus on ensuring effective and efficient management

structures across the Division, ensuring management structures best support current and future service delivery and demands.

The need to ensure effective integration and delivery of key objectives around equalities, crime and disorder and environmental issues will be taken on board in the review.

**7.10 RGN03 Economic Development – Opening Doors  
Savings Proposal £80k**

An external review of the service is being commissioned with the brief of identifying a process by which direct Council financial support can be tapered off and replaced with alternative funding. This review will also identify efficiency savings involving possible reductions in staffing levels and opening hours plus other savings on support costs, efficiency savings within the existing service which can be immediately implemented and these will be of the order of at least £80k in 2005/6.

**7.11 RGN 17 Street services Lumber collection  
Savings Proposal £10k**

This proposal is a combination of increasing lumber collection prices and better publicity of scheme, to encourage higher public awareness and hence take up. Following Member input at Social Inclusion Select Committee at Stage 1 concerning potential impact on lower income residents, officers re-evaluated 2 possible charging options. This reduction is based on the lowest cost charging option, and will increase charges from £15 to £18, with an increased collection target of 9107. The collection figure for 2003/04 was 7700 and the current target for 2004/05 is 8000. The charge of £15 was first introduced during 2002/03 and has not been increased since. This proposal if implemented may not deliver the full amount of savings and if this proves to be the case other measures will be required to compensate.

**7.12 RGN20 Environment, Development & Housing Divisions  
Savings Proposal £154k for General Fund (HRA £1,076k)**

Robust review of all staffing areas charged to HRA, with view to achieving both £1.23 million in savings AND identifying opportunities for better ways of working, through greater efficiency and better fit between service provision and current and future housing service developments in Lewisham. The review is being conducted by external consultants to ensure a robust and objective approach is taken, with all organisational structures being challenged through the review process. There will also be a focus on identifying areas of potential duplication of services/economies of scale across the Directorate. A target of £30k has been allocated to this split £15k HRA, £15k GF.



Regeneration needs to identify significant savings across both HRA and General Fund budgets for 2005/06, and this review will engender savings in both areas. Specific targets have been set within the overall target for the 3 relevant Divisions in addition to the £30 k identified above; these are set out below.

- Development Division :   £44k total,   £35k HRA,   £9k GF
- Environment Division :   £263k total,   £255k HRA,   £8k GF
- Housing Division :       £893k total,   £771k HRA,   £122k GF

There will need to be an assessment of the equalities implications of the detailed proposals, both in terms of the potential impact on staff and on services. Reductions in the Environment Division could have a potential detrimental impact on the estates environment.

#### **7.13 RGN33 Economic Development Service Savings Proposal £20k**

The proposal is to cease the 2006 Annual Business Survey due to be undertaken in February 2006. This survey is the main mechanism through which the Council consults with businesses in Lewisham. This work contributes to the Performance Plan and the Council's Key Performance Indicators. The Survey consults a sample of 250 businesses in the borough. The primary aim of the survey is to collect information on business perceptions of the Council and Council Services. In addition to this the survey provides information on Council Procurement, Crime and Business, business competitiveness, local purchasing, Membership to trade associations, ethnic minority businesses and Business Improvement Districts.

The survey provides up to date local intelligence on BME businesses which helps the targeting of the business support services to these communities. The survey provides detailed information on Crime and Business. Action is underway to put in place an Economic Development Business Plan which will set out how engagement and consultation with the local business community can be pursued in the future within revised frameworks.

#### **7.14 RGN34b Strategic Development Savings Proposal Approx £28k**

The RSL partnership team has three posts which combine to run the RSL programme of £30 million per year. Much of the teams work concentrates on strategic engagement both internal and external and programme management. There is an increased emphasis on section 106 negotiations to secure affordable housing across London.

The proposed savings represent approximately 28% of the team's budget. It is proposed that this is a saving to the General fund by way of a justifiable recharge against the \$106 costs. If after a year this is not considered sustainable, this saving will need to be met in an alternative manner by reviewing staffing structures.

Woman, BME groups and the disabled are disproportionately represented as occupiers of social housing. The effect of not reaching our 35% target, working with RSLs to achieve the decent homes standard etc. would therefore have a greater impact on these groups.

#### 7.15 **RGN35 Regeneration Directorate –wide Savings Proposal £18k**

Regeneration undertook an efficiency review in three key areas – mobile phones, agency and sickness (see also RGN 36 and 37) Review of mobile phone use based on analysis of breakdown of phones with low usage and with high usage. Savings identified will come from reduction in number and volume of calls chargeable to Council across Directorate achieved by review of all current mobile phone users.

Directorate allocation:

Development £ 2.1k

Environment £14.0k

Housing £ 1.9k.

ALL Regeneration Divisions were included – Transport and Resources show mobile phone reductions in specific efficiency savings for their areas, with no `double counting`.

The mobile phone review took on board service delivery and staff safety considerations to ensure no adverse impacts.

#### 7.16 **RGN36 Regeneration – across divisions Savings Proposal £12.1k**

Regeneration undertook an efficiency review in three key areas – mobile phones, agency and sickness (see also RGN 35 and 37) . Review of agency was based on detailed analysis of agency budgets and usage – agency usage is collected monthly in Regeneration's Key performance Indicator data set. Areas below identified for deletion of agency budget following this review. Removal of agency budget will encourage swifter positive action to be taken on sickness absence. The agency budgets being deleted are as follows:-

in Development (Business Regulatory services)	£3.8k
in Environment (Bereavement services) and	£5.0k
in Environment (Abandoned vehicles)	£2.1k
in Housing (Private Sector Hsg)	£1.2k

**7.17 RGN37 Directorate –wide  
Savings Proposal £221.3k**

Regeneration undertook an efficiency review in three key areas – mobile phones, agency and sickness (see also RGN 35 and 36). Sickness savings review was based on analysis of sickness data across Directorate – central data provided by DELPHI is supplemented by monthly sickness data recorded on Regeneration Key Performance Indicator system. Review also analysed budgets linked to sickness cover, such as use of agency staff to cover in key front line services. Saving will come from approximately 1% reduction in employee budgets across Regeneration (excluding grant aided) to encourage positive action to improve sickness absence rates.

The saving breaks down as follows:

Development	£ 47.0k
Environment	£102.0k
Housing	£ 15.0k
Resources	£ 8.0k
Transport	£ 49.3k

**7.18 RGN38 Information & E Government  
Savings Proposal to General Fund of £2k (HRA £3k)**

Reduction in miscellaneous supplies & services to be achieved from efficiency savings. Although this budget is held within the Resources Division, savings will affect the whole directorate.

**7.19 RGN39 Directorate management team  
Savings Proposal to General Fund £4k (HRA £4k)**

The total of £8k to be made in the following budgets; staff expenses £3k, printing £1k, mobile phones £2k and conferences £2k. Although this budget is held within the Resources Division, the savings will affect the whole directorate.

**7.20 RGN40 Financial administration – Wearside depot  
Savings Proposal £25k**

The running costs of the depot will be reviewed to identify efficiency savings of £25k. Costs currently include: security £187k; repairs & maintenance £92k; utilities £190k; NNDR £127k; other £74k.

These total £670k, of which £502k falls to General Fund.

**7.21 RGN41 Financial administration–bad debt provision  
Savings Proposal £15k**

A reduction in the contribution to the provision for bad debts across the directorate (non housing). An enhanced debt recovery function has recently been established and this should result in lower long-term debt levels.

The contribution required at the end of 2003/04 was £51k.

**7.22 RGN42 Highways Design & Maintenance - management and administration  
Savings Proposal £30k**

This saving proposes an increased fee level of £30k from NRSWA inspections – identifying/charging for defects found. New Roads & Streetworks (NRSWA) – gives local authorities role in management/monitoring of Utilities works on the highway.

**7.23 RGN43 Highways Design & Maintenance - management & administration  
Savings Proposal £4.9k**

The proposal is for a reduction in budgets for books/Publications and stationery of £2.1k, general office equipment of £1k, mobile phones of £0.3k and subscriptions of £1.5k.

**7.24 RGN44 Traffic Management  
Savings Proposal £4.5k**

A total of £4.5k is proposed across a range of supplies and services budgets including stationery £1k, legal expenses of £2k and others totalling £1.5k.

**7.25 RGN45 Transport Policy and Customer Care  
Savings Proposal £2.5k**

A total of £2.5k from stationery and general equipment budgets.

**7.26 RGN46 School Crossing/Road Safety/Kerbcraft  
Savings Proposal £20k**

Following implementation of the Highways and Traffic Best Value Review recommendation to review school crossing patrol sites, sites which have not been staffed for some time can be removed. The

assessment was based on guidance issued by ROSPA (Royal Society for the Prevention of Accidents) The proposed reduction in budget for school crossing patrol arises from the review and reflects underspends for sites which have not been staffed for some time.

No major equalities impacts as the review was undertaken following ROSPA guidance to ensure negative impacts would be avoided.

**7.27 RGN47 Transport Policy and Customer Care  
Savings Proposal £2.5k**

Efficiency savings of £2.5k from the customer care and stationery budgets.

**7.28 RGN48 Environmental enforcement  
Savings Proposal £35k**

The proposal is for the saving of £35k to be taken against 2005/06, and can be realised from a proposed re-organisation, with a full year effect. The above saving of one support/technical post could be subject to potential ER/ VR payments, which at this stage are unknown (information from directorate HR being sought).

**7.29 RGN 49 Green Scene services  
Savings Proposal £35k**

The proposal is for the deletion of one post following a review of staffing structure between the respective teams, and reallocation of duties across existing staff to ensure council's policy on environmental sustainability is pursued

The effect on sustainability issues will be managed to have no impact on the council's ability to respond to such matters.

**7.30 RGN50 Regeneration: Waste management (Fridge disposal)  
Savings Proposal £20k**

The proposal is for £20K of savings to be made on fridge disposal costs. These are savings that the department estimates will be made in 2005/6 due to the decline in disposal of fridges from 2003/04. Total fridges disposed of in 2003/04 were 4745; year to date there has been 1137 which reflects the anticipated trend.

7.31 **RGN51 Fleet Services  
Savings Proposal £25k**

Due to continuing investment in a new fleet vehicles, there will be less need for parts replacement. This will generate a saving in vehicle spare parts expenditure during 2004/05 and 2005/06 financial year of an estimated £25k.

7.32 **RGN52 Housing Management  
Savings Proposal £35.5k**

Administrative front office support to Revenues and Benefits, has funding from General Fund budget but can be, and currently is, contained in work of staff funded by HRA.

7.33 **RGN53 HOUSING - Private Sector housing  
Savings Proposal £18k**

Reduction in Private Sector Housing running costs, allocated as follows:- Public transport £0.1k; Car allowances £1.8k; books and publications £0.3k; printing £6k; stationery £1k; general office expenses £3k; other fees £1.5k; computer software £0.5k; subsistence £0.1k; grants to voluntary sector £3k; advertising and publicity £0.5k.

Much of the teams work is geared towards vulnerable, elderly and BME groups who are over-represented amongst private sector households in need of support.

8. **SOCIAL CARE & HEALTH**

8.1 **Rationale for savings proposals – Statement from Executive Director of Social Care & Health**

8.2 SCH has a savings target of £1.5m as a reduction of base budget for 2005/06. In addition it effectively has a target of £2m+ within the Children's budget to get that service (and therefore the directorate) balanced in 2004/05 and beyond. In addition it needs to manage significant pressures, particularly in Adult Services, to prevent additional overspend.

8.3 Stage 1: £390k of savings were put forward. A further £782k of main savings are being put forward in stage 2. The aim is also to achieve part-year savings in 2004/05 towards to current forecast overspend.

8.4 **Adult services**

The Adult Service budget was balanced in 2003/04 and is on course to be so again in 2004/05, but this masks considerable pressures being

managed within the service. There are significant risks still relating to Domiciliary Care, as the overspend on commissioned Domiciliary Care is offset by in-house savings and the use of grant. The in-house savings are sustainable, but it is not yet certain that the grant will continue into 2005/06. There are also significant risks in the Residential & Nursing Care market and from Supporting People Grant reviews. Adults is working with the Strategy & Performance divisions to develop a commissioning strategy that will overarch the existing commissioning projects, and will feed into an integrated commissioning strategy with health.

- 8.5 Access to the majority of Adults social care services is through assessment under the Fair Access to Care policy. Once assessed as having an eligible need, the Council is obliged to provide services to meet those needs. There are a limited number of services not provided under this framework.
- 8.6 The Council therefore has four key routes to reduce spend on these statutory services:
1. Provide/purchase services more cheaply
  2. Raise the eligibility criteria
  3. Reduce discretionary services
  4. Increase charges for services
- 8.7 Major re-tendering exercises are underway for the provision of two key service areas: Residential & Nursing Care, and Domiciliary Care. It is too early to say whether these will offer savings, although market conditions make this unlikely. A savings proposal is being put forward in relation to in-house domiciliary care provision. The service is tied to a corporate catering contract for a further five years. Transport is currently under review under the auspices of the BVR. Transport is currently under review with the aim of clarifying the circumstances when it is appropriate for the Council to provide transport. This may generate savings, but as no revised model of provision has been agreed corporately, it is too early to say.
- 8.8 Revised eligibility criteria were agreed by members in September 2002 based on the Fair Access to Care Services guidance. Officers proposed at that time to use the minimum level of eligibility, namely only those assessed as having substantial and critical levels of need. Members requested the addition of a fifth eligible category "Moderate Deteriorating". A proposal is being put forward to revert to only two categories of eligibility. Eligibility for transport is being picked up through the BVR.
- 8.9 The main area of discretionary service provision is older adults day care where a significant proportion of users are non-FACS assessed.

The Mayor has established a cabinet task-force to examine older adult day care provision.

8.10 There are two main areas of charging: for FACS assesses services under the Fairer Charging regime and for discretionary services. A proposal is being put forward in relation to increasing income from non-FACS services, particularly self-referred Linkline users. A saving proposal was put forward in the first round to raise income through Fairer Charging by promoting benefit take-up to increase clients incomes. A number of options to change the Fairer Charging policy, eg raising the maximum charge, have been considered but would not raise additional income beyond the cost of administering the change. Whilst financial assessments under the existing policy are up to date, a change in the policy is likely to have negative impact on collection as it will add to the confusion amongst service users that are already struggling with the move to monthly billing.

8.11 **Strategy & Performance, and Resources**

Savings proposals were put forward in the first round to make savings in Resources budgets, in relation to consultancy, premises and furniture & equipment. There are proposals in draft to reconfigure Employee Services that may create savings, but this needs to be dealt with in the implications of the creation of the new Childrens Services directorate.

The key financial risks are the costs of Freedom Passes, which are not directly controllable by LBL, and the reducing ability to absorb overheads in grants.

8.12 **Children's Services**

Children's Services is currently projecting an overspend of £2m net of management action. Since the mainstreaming of Quality Protects, Children's is less dependent on direct grant. The main risks in Children's are therefore mainly internally controllable. The main external risk relates to Unaccompanied Asylum Seeking Children. The costs of provision exceed the allowances government makes for it, although we have the ability to seek additional grant.

8.13 As a service it has not balanced its budget for a number of years. Its primary aim must be to reduce spend on placements and salaries to balance its budget. Proposals are currently being worked on to reduce the costs of the management structure.

8.14 The key aspects are:

1. Active management of placements and commissioning to prevent unnecessary accommodation, minimise expensive placements and achieve better value from commissioned services.



There is an action plan linked to placements numbers and types with a target of saving £2m this year.

2. Work to reduce the number of looked after children placed out of borough, which will reduce transport and education costs.
3. The development of a commissioning strategy to provide a framework for commissioning decisions.
4. Re-configuration of the service structure to create safe systems within an affordable budget.
5. Re-configuration of the use of s17 payments, to avoid expensive and long term commitments.
6. Efficiency drive to reduce costs of supplies and stationery.
7. Reduction in use of Council provided transport and increased use of public transport. The Transport BVR is also looking to increase competition in the local taxi market, which could reduce costs.
8. Special circumstance grant claim for UASCs for 0304 and 0405.

The savings proposals being put forward at stage 2 are as follows:-

Stages 1 & 2 combined

Division	Net Budget 2004/05 £'000s	Agreed Stage 1 Savings 2005/06 £'000s	Proposed Stage 2 Savings 2005/06 £'000s	Total Savings £'000s	Savings as a % of budget
ADULT SERVICES	51,826	290	520	810	1.56
CHILDRENS SERVICES	32,880	19	155	174	0.53
RESOURCES	8,880	65	92	157	1.77
STRATEGY & PERFORMANCE MGMT	2,279	16	16	32	1.38
<b>TOTAL</b>	<b>95,865</b>	<b>390</b>	<b>782</b>	<b>1,172</b>	<b>1.22</b>

#### 8.15 SCH03 Resources – Premises management Savings Proposal £20k

This proposal is a reduction in premises management costs resulting from the planned move of staff from St Pauls House, Deptford into mainstream accommodation in the Catford complex. St Pauls House is the current location of the Permanency Team of Children's services.

St Pauls costs the directorate £48k per annum to run and it is recognised as unsuitable for this purpose. The building will be

demolished as part of the Deptford redevelopment. Plans are currently being developed as to the timing of the move and the likely location of the staff. These will form part of a greater set of office accommodation moves that will require plans to be finalised in the next few months. SC&H may need to take other action if this saving cannot be implemented in full from April 2005.

#### 8.16 **SCH07 Adults Home Care** **Savings Proposal £100k**

This proposal is largely around a reorganisation of administrative support to Home Care.

Home Care is undergoing a significant programme of modernisation aimed at reducing its unit cost and to refocus the service on divisional priorities. These priorities include facilitating discharge from hospital and stabilising care packages before handing them over to private sector providers. The Home Care Modernisation Manager has had significant success so far in reducing the unit cost, which has contributed to the balancing of the overall Domiciliary Care budget.

Proposals have been put forward to re-organise the administration of the unit which will generate savings of £100k in 0506. The proposals include the in staff numbers as follows:

Currently the In House Home Care Service has 10 administration/work organisers who support the Home Care Service in all administrative tasks and in deploying carers to clients. It is estimated that this number could be reduced to 7.

A further saving will be made in staffing establishment of £31k (including on costs) through the resolution of the Evening (Put to Bed) service where the post of the Co-ordinator will be redundant as the work will be covered by the existing supervisors in the Specialist (Mental Health) and Core services.

These changes will involve four potential redundancies/redeployment and will not have any impact on service users.

#### 8.17 **SCH09 Linkline** **Savings Proposal £25k**

##### **Non-FACS income policy**

Most service users are assessed under the Council's eligibility criteria (Fair Access to Care – FACS) and are therefore assessed for contributions under the Fairer Charging policy. However, 60 of the 4,000

Linkline users self-referred to the service. The current arrangements for charging this group are inconsistent.

The proposal is to develop a consistent policy for charging for services provided to non-assessed service users. The main area of gain will be Linkline for self-referred users. There is inconsistency at present, which does not maximise income. The aim is to set a rate that at least covers the Council's marginal costs and a contribution to overheads without making the service uncompetitive with the private sector.

A policy is in development for presentation and agreement to Mayor & Cabinet in November, but the charge is likely to be in the region of £3 per week which is at the lower end of the range charged by other local authorities but competitive with the private sector.

The service is predominantly used by older adults and adults with disabilities.

#### 8.18 **SCH10 Adult Services (FACS)** **Savings Proposal £150k**

Access to the majority of Adults social care services is through assessment under the Fair Access to Care policy. Once assessed as having an eligible need, the Council is obliged to provide services to meet those needs. The key route to influencing the volume of service provided is to manage the eligibility criteria.

In September 2002, Mayor and Cabinet agreed to implement revised eligibility criteria for adult community care services. The original proposal was that there would be four categories: **Critical, Substantial, Moderate and Low** needs; and that only those in the critical and substantial categories would be eligible. The select committee expressed concern that eligibility should include those *"falling within lower to moderate categories, in order to prevent social exclusion and diminish the risk of falling into higher categories over a shorter period of time"*. A fifth category of **Moderate Deteriorating** was therefore added, which would invoke entitlement to services for those expected to deteriorate to substantial levels of need. The evaluation of the implementation of this policy has shown that 23% of assessments and re-assessments fall into this category at an estimated cost in excess of £200,000 per annum, based on them being in this category for two months. Making this change will bring Lewisham into line with other authorities.

The proposal is to maintain services for clients originally assessed in this category, but to remove the category for new assessments.

8.19 **SCH11 Children's - Prevention Assessment and Hosp Services & Family Support and Intervention**  
**Savings Proposal £10k**

The Transport BVR has identified a number of areas of poor practice in client transport. Children's over-rely on the use of taxis. The criteria for providing transport have not been clear enough. In Adults services there has not been any documented criteria for the allocation of transport. Children's have spent £38k on taxis in the four months to July, and £36k on public transport.

The implementation of clear criteria and a reduction in the use of taxis will generate savings of £5k – Prevention Assessment and Hosp Services and £5k – Family Support and Intervention

8.20 **SCH12 Adults – Homes for Elderly**  
**Savings Proposal £124.5k**

2004/05 is the last year that SC&H will be paying back the Spend to Save Loan taken out in 2000/01 to help effect the closure of our Residential Homes for the Elderly. Therefore for 05/06 the budget of £124,500 will no longer be required.

8.21 **SCH13 All**  
**Savings Proposal £25k**

A review of supplies & services budgets has identified a number of areas where the volume of activity has either reduced or can be managed to achieve a saving.

The savings are as follows:-

Strategy & Performance - Books & publications £2.5k, Stationery £1.5k, and conferences £4k

Children's – Equipment £15k and  
 Resources – Stationery £2k

8.22 **SCH14 All divisions across the directorate**  
**Savings Proposal £87.5k**

A review of budgets held for consultancy and project support has identified some current underspends and potential for savings.

Childrens Permanence Team - £15k  
 Childrens Business Support - £45k  
 Adults Services Management - £20k  
 Health Partnership and Policy – £2.5k  
 Information Services - £ 5k

**8.23 SCH15 Strategy & Performance/Resources  
Savings Proposal £25k**

A review of the structure of HR support has identified the opportunity to make savings of £25k from the reduction in the number of managers (one of the two managers is retiring in October 04). Further savings may be possible once the new directorate structure is settled.

**8.24 SCH16 Adult Services - Home care  
Savings proposal £100k**

Home care workers are currently paid for walking time between jobs. The proposal is to allow workers to claim casual car user allowance and use their cars (or public transport for non –drivers) in return for abolishing walking time. The time saved and recycled as productive time, net of car allowances, are estimated to equate to a saving of £130k. £30k is required to invest in new systems to schedule work more efficiently. The workers will not lose pay as additional work will be allocated for the remaining time.

**8.25 SCH19 Children's Services – Business Support  
Savings proposal £40k**

This proposal is to delete the vacant service unit manager post within the Business support area of Children's Services, in line with the proposals to flatten the management structure across the division as a whole.

**8.26 SCH20 Children's Services – management structure  
Saving proposal £74.5k**

Further changes to the proposed management structure. The restructure has tried to flatten management structures in line with best practice and to clarify lines of accountability. This also allows the service to redirect resources towards the front line. As discussions with the new Director for Children's Services have progressed scope for efficiencies in the structure have been identified that equate to a reduction in one team manager and one service manager post. These are in addition to the re configuration of structures being proposed in 2004/05 and ongoing, described in paragraph 8.14 point 4.

**9. RESOURCES**

**9.1 Rationale for savings proposals – Statement from Deputy Chief Executive**

- 9.2 Following consideration of the Directorates budget and analysis of areas where the budget is considered to be under particular pressure all service areas were given an individual savings target to achieve determined by their current budget. With the exception of Personnel and Development and Corporate Property all service areas were asked to identify savings that would (a) enable them to meet their target, which included the additional 20% target.
- 9.3 Personnel and Development were asked to identify savings that could be made, but in recognition of the budgetary pressures that (a) the RPAU section is facing due to numbers of job applicants exceeding estimated figures and (b) the increase in occupation health referrals were not expected to meet their savings target
- 9.4 Corporate Property were also not expected to meet their savings target. Lack of repairs and maintenance in the last few years on key buildings has led to them being in a poor state of repair. The letting of a planned repairs and maintenance contract and a responsive repairs contract should deal with the repairs issue but are expected to exceed current resources, creating a budgetary pressure.
- 9.5 This initially identified savings totaling £840K which were offered up as round 1 savings. Additional work was then undertaken to identify savings in areas that hadn't been able to fully meet their target in round 1, ensuring that all areas met their individual targets and that the Resources Directorate also met its target.
- 9.6 Overall the approach was to make savings via efficiencies thus ensuring that the current level of service can be continue to be provided in the future.

#### Stage 1 & 2 combined

Division	Net Budget 2004/05 £'000s	Agreed Stage 1 Savings 2005/06 £'000s	Proposed Stage 2 Savings 2005/06 £'000s	Total Savings £'000s	Savings as a % of budget
CENTRAL SERVICES	29,976	524	675	1199	4.00
PUBLIC SERVICES	8,464	266	40	306	3.62
CRIME REDUCTION SERVICE	2,024	50	64	114	5.63
<b>TOTAL</b>	<b>40,464</b>	<b>840</b>	<b>779</b>	<b>1619</b>	<b>4.00</b>

Note: Crime Reduction Service. Since targets were set in February there have been movements in budget between directorates. This leads to a

higher percentage when the proposed savings are compared with the current net budget.

**9.7 RES 03 Policy and Partnerships Unit  
Savings Proposal £22k**

Savings have been made on the production of the Best Value performance plan and other related documents over the last two years. This saving will require further efficiency for the production of this statutory document.

All necessary steps will be taken to ensure that efficiencies made in the production of the Corporate Performance Plan (formerly Best Value performance plan) and any other documents do not compromise the accessibility and quality of these documents.

**9.8 RES 04 Policy and Partnerships Unit  
Savings Proposal £14k**

This budget supports the Council's commitment to equalities specific activities, supports work on the race equality scheme and DDA and meets the requirements for reaching and maintaining level 5 of the equalities standard. This savings proposal may have implications for the amount of Equalities development work that takes place in year. This is the year that we hope to have achieved level 5 of the Equality Standard for Local Government; there may be constraints on the degree of follow up work that takes place on this. This will also impact on our ability to carry out the Council's duties under the Race Relations (Amendment) Act 2000 and Disability Discrimination Act.

A reduction in this budget will mean we will have to prioritise requests for support on advising on these areas. Appropriate steps will be taken to mitigate, as far as possible, against adverse impact.

**9.9 RES 07 Corporate Property  
Savings Proposal £20k**

Reviewing the income levels for 2003/04 for the commercial property estate against budget, and considering possible sales of some of these assets following a review, it is considered that a saving of £20k can be proposed – medium risk in terms of deliverability and this follows a saving of £23k in 2004/05 which will be achieved. In some years in future there is a possibility that some of these income generating assets will fall into regeneration developments but none are certain as of yet.

**9.10 RES 08 Corporate Property  
Savings Proposal £50k**

Saving arising from a review of the other running cost budgets for the corporate estate e.g. utilities, rates, rents, and other related costs. These savings were not transparent previously as under-spends because previously they had been used to prop up the repairs budgets.

**9.11 RES10 Corporate Finance & Directorate Finance Teams  
Savings Proposal £260k**

A review of financial management services across the council has identified savings totalling £175K (and affecting up to 7 posts, the majority of which are vacant), which can be delivered through a minor restructuring and not filling vacant posts. More detailed work is underway which will identify further ways in which savings can be made through greater efficiencies and better ways of working. This more detailed work has been given a target figure of £85K, therefore ensuring that the £260K savings are achieved for 2005/06.

Until the outcome of the review is known it is not possible to assess the exact impacts on staff or the staff profile – however as these essentially efficiency savings there should be no direct service impact.

**9.12 RES19 RPAU  
Savings Proposal £30k**

Currently potential candidates for Council vacancies can respond to individual job adverts by requesting a paper recruitment pack and application form by contacting our outsourced call centre or going on-line to the Lewisham website (or JobsgoPublic.com and Lgjobs.com). Application forms can then be completed by hand or completed on-line and emailed or posted to Lewisham. Currently 35% of candidates apply on-line. The current process is costly in terms of call centre costs, postage and printing application forms which forms the basis of the £53k budget. In addition managers are charged £45k pa for printing of recruitment packs for their individual vacancies. There is also significant wastage in that of the 41,000 recruitment packs sent out this results in only 12,500 returned applications where each vacancy is treated as a new vacancy with a fresh set of applicants rather than recycling candidates from previous campaigns  
The proposal is therefore to

- (a) Phase in a process where job adverts direct the applicants for the majority of vacancies only to the Lewisham website to view recruitment packs and apply on-line with no opportunity to request a hard copy



pack by phone. This will reduce costs significantly in terms of the call centre, application form printing and postage. There will also be significant savings for managers in terms of recruitment packs. It will also enable shortlisting packs to be produced electronically which will assist in streamlining the process and reducing timescales

- (b) Introduction of the talent pool concept where candidates for some occupational groups (eg admin) are screened and held in a talent pool and matched against vacancies as they arise thus reducing the need to advertise (and incur response handling/advertising costs) for individual vacancies

With the rapid increase in the accessibility of the internet, it is considered that the impact of a move to greater on-line recruitment is likely to be positive in the medium and longer term. However in the short term, it is important to highlight that the changes may impact on the community's perception of accessibility to jobs with the Council. There will therefore be a pilot/phased approach focusing on low risk occupational groups (ie those already with internet access) to assess effectiveness and will include awareness campaigns to maximise accessibility during this transition period. It is also recognised that for certain occupations (eg manual workers) the existing traditional approach will need to be maintained for at least the medium term and this may impact on achieving target savings

A major factor in the image of local govt as a career option are perceptions around bureaucracy and lengthy and difficult recruitment processes (especially young people). A major shift towards on-line recruitment will help tackle both these issues and links closely to the current employer branding project which will focus on Lewisham's website as the main vehicle to recruit future employees.

Lewisham is at the leading edge in public sector on-line recruitment and moving towards a comprehensive on-line approach will set new precedents in the public sector. This development is still relatively uncharted territory and therefore a phased and pilot approach (using the occupational groups model) will be critical

The talent pool approach will be mean a major shift for managers, candidates and HR in terms of how recruitment is managed and will require senior management commitment as well as a comprehensive communication and training package for managers.

Phased implementation will ensure that officers can monitor impact on accessibility for all groups. Need to ensure sufficient internet provision locally. The phased reduction of 43,000 recruitment packs per annum will significantly reduce paper wastage.

**9.13 RES 30 Public Services  
Savings Proposal £30k**

Use income of £30k from the administration of Skips and Scaffold licences to deliver savings.

**9.14 RES 34 Learning & Development  
Savings Proposal £20k**

Reduce generic Learning and Development provision by approx 18 days (approx 180 people development days) and make efficiency savings on Conference events. Options on which training programmes will be reduced will be discussed and agreed at the Corporate Learning and Development Board.

Equalities – The Unit ensures equal access to learning and development across the Council. The cuts proposed will affect all groups equally.

**9.15 RES35 Crime Reduction Service  
Savings Proposal £40k**

Efficiency savings to be achieved on conference costs through partnership support and group and bulk booking of conference facilities and a reduction in the supplies and services budgets.

**9.16 RES 36 Crime Reduction Service  
Savings Proposal £24k**

There are currently 11 CCTV cameras on Goldsmiths College campus that are monitored by Lewisham's CCTV control room. The college have indicated that they are prepared to pay for this service and discussions are ongoing to identify the level of charge that will be made. Current indications are that an income target of £24k will be achieved.

**9.17 RES 37 Corporate Property  
Savings Proposal £60k**

Saving arising from a review of the repairs and maintenance budgets for the Corporate Estate. This saving is informed by a review of underspends in these budgets in 2003/4 and a view to be taken on possible outcomes from a tendering exercise that will be completed between December 2004 and March 2005. The risk of this saving is that when a contract is let for planned maintenance (which has not been in place for several years) then a budget pressure may result if additional costs are incurred.

9.18 **RES 38 E-Government Unit  
Savings Proposal £7k**

Efficiency savings through reduction in costs of conferences, telephones and travelling.

9.19 **RES 39 E-Government Unit  
Savings Proposal £85k**

These savings represent the deletion of the majority of the remaining base budget for the Unit, equivalent to the salary of a Programme Support Officer and 50% of the salary of the Unit Manager, and all but a very small residue of operating costs. This leaves only half the salary of the Manager met through base budget.

The Unit has significant experience in project management and it is therefore proposed that in the future project management support from the Unit will be charged to specific projects eg Worksmart project and that greater use of these internal resources is used across the Council, reducing the need to engage external consultants.

9.20 **RES 40 E-Government Unit  
Savings Proposal £35k**

£35k represents the net budget available (net of ongoing redundancy costs) resulting from deletion of the Technical consultancy post that advised the Head of ICT Strategy and Commissioning.

9.21 **RES41 Public Services  
Savings Proposal £10k**

Use increased income from Council Tax court costs to deliver a saving.

9.22 **RES 42 Legal Services  
Savings Proposal £32K**

Legal currently produce a surplus on an annual basis therefore this saving is to be achieved through an increase in budgeted income, which will be obtained through increasing charges (in line with inflation) to external organisations and a contribution from the annual surplus.

## 9.23 **RES 43 Legal Services Savings Proposal £40K**

Savings are to be achieved through the generation of efficiency savings on Legal Services budget, totalling £30K and a reduction in their training budget of £10K.

## 10 **Analysis of savings proposals in the context of the Council's policy framework**

### 10.1 **Policy framework**

10.2 In stage one of this process it was noted that particular consideration had been given to the impact of budget savings proposals on the Council's priorities. This remains the focus of stage two. However as part of our analysis of the total savings for both stages, we have also sought to establish what we can learn from overlaying savings linked to Council priorities onto comparator priorities in the Community Strategy.

### 10.3 **An increased focus on efficiency**

10.4 One of the key messages emerging from rounds one and two of the budget savings process 2005-06 is that of an increased focus on efficiencies. A total of 72.3% of savings proposed for stages one and two are attributed to efficiencies. This contrasts with the 2004-05 budget round where only 62.7% of savings proposals were defined as efficiencies.

10.5 A more detailed interrogation of this data appears later in this report. However, the message here is a positive one and reflects the need to challenge service costs and safeguard frontline service provision.

10.6 It is also worth noting that in light of the publication of Sir Peter Gershon's Independent Review of Public Sector Efficiency and the messages emerging on future CPA, this focus on efficiency will be further strengthened to inform budget savings in subsequent years.

### 10.7 **Presentation of analysis**

10.8 The following analysis gives particular attention to savings generated as a result of stage two of this process, however the analysis also reflects the whole picture for both stages.

### 10.9 **Savings mapped to Council priority**

10.10 Table 1 below shows, for stage two, that of the £3.3m worth of stage two savings, £2.2m or 66.7% are linked to corporate priority (J) 'inspiring efficiency, effectiveness and equity.' However the next highest savings £519k or 15.5% have been proposed under priority (H) 'caring for adults.'

10.11 Of the other Council priorities priority (A) 'community leadership and empowerment' and (B) 'young people's achievement and involvement' account for £202k or 6% and £120k or 3.5% of savings respectively. Much smaller savings are linked to priority (D) 'safety, security and visible presence' £55k or 1.63%, (G) 'protection of children' £81k or 2.4%, (E) 'strengthening the local economy' £80k or 2.4% and (C) 'clean green and liveable' £60k or 1.8%.

10.12 No savings proposals can be mapped to either Council priority (F) 'decent homes for all' or (I) 'active healthy citizens' as part of stage two.

10.13 It is also worth pointing out that savings under priority (J) are taken to be efficiency rather than equity.

**Table: 1  
Proposed Savings Mapped to Corporate Priorities by Directorate (Stage two)**

Council priority	Regeneration	Resources	E&C	SC&H	Total	%age of savings
	£000's	£000's	£000's	£000's	£000's	
<b>A</b> Community leadership and empowerment	55	14	133	0	202	6%
<b>B</b> Young people's achievement and involvement	0	0	100	20	120	3.57%
<b>C</b> Clean, green and liveable	60	0	0	0	60	1.8%
<b>D</b> Safety, security and a visible presence	55	0	0	0	55	1.63%
<b>E</b> Strengthening the local economy	80	0	0	0	80	2.4%
<b>F</b> Decent homes for all	0	0	0	0	0	0%
<b>G</b> Protection of children	0	0	41	40	81	2.4%
<b>H</b> Caring for adults and older people	0	0	0	519.5	519.5	15.5%
<b>I</b> Active, healthy citizens	0	0	0	0	0	0%
<b>J</b> Inspiring efficiency, effectiveness and equity	672.3	765	606	202.5	2245.8	66.7%
<b>Total</b>	<b>922.3</b>	<b>779</b>	<b>880</b>	<b>782</b>	<b>3363.3</b>	<b>100%</b>

10.14 Table 2 below looks at the combined picture, for stages one and two, and shows that the greater proportion of savings £4m or 72.3% is linked to priority (J) 'inspiring efficiency, effectiveness and equity' followed by £769k or 13.5% against (H) 'caring for adults.' Priority (A) 'community leadership and empowerment' generate the third highest savings overall with £214k or 3.8% of savings, followed by 'safety, security and visible presence', priority (D) with £178k or 3.1%.

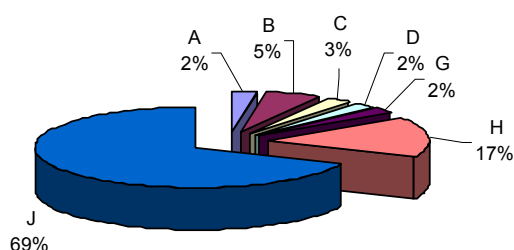
10.15 The analysis also shows that priority (C) 'clean, green and liveable' at £124k or 2.2% and priority (B) 'young peoples achievement' £120k or 2.2% are the only others where more than £100K of savings have been generated. Other priorities generate comparatively smaller amounts to the overall total, with the exception of priority (F) 'decent homes' which is the only one with no savings proposals in the 2005-06 budget round.

<b>Council priority</b>		<b>Regeneration</b>	<b>Resources</b>	<b>E&amp;C</b>	<b>SC&amp;H</b>	<b>Total</b>	<b>%age of savings</b>
		£000's	£000's	£000's	£000's	£000's	
<b>A</b>	<b>Community leadership and empowerment</b>	55	19	140	0	214	3.8%
<b>B</b>	<b>Young people's achievement and involvement</b>	0	0	100	20	120	2.2%
<b>C</b>	<b>Clean, green and liveable</b>	124.7	0	0	0	124.7	2.2%
<b>D</b>	<b>Safety, security and a visible presence</b>	87	91	0	0	178	3.1%
<b>E</b>	<b>Strengthening the local economy</b>	80	0	0	0	80	1.4%
<b>F</b>	<b>Decent homes for all</b>	0	0	0	0	0	0%
<b>G</b>	<b>Protection of children</b>	0	0	41	40	81	1.4%
<b>H</b>	<b>Caring for adults and older people</b>	0	0	0	769.5	769.5	13.5%
<b>I</b>	<b>Active, healthy citizens</b>	0	5	0	0	5	0.1%
<b>J</b>	<b>Inspiring efficiency, effectiveness and equity</b>	960.3	1504	1293	342.50	4099.8	72.3%
<b>Total</b>		<b>1307</b>	<b>1619</b>	<b>1574</b>	<b>1172</b>	<b>5672</b>	<b>100%</b>

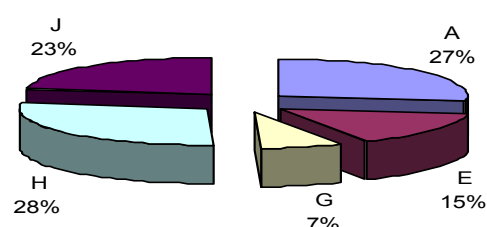
### 10.16 Impact on Council priorities

10.17 The diagrams below show how DMTs judge the likely impact of stage two savings proposals upon deliverability of the Council priorities. These impacts have been identified as 'positive', 'neutral' or 'negative.' Priorities where judgements are deemed 'positive' or 'neutral' are shown together in Diagram 1. Whereas those that could have an adverse impact appear separately in the Diagram 2.

**Diagram 1: Savings with positive or neutral impact**

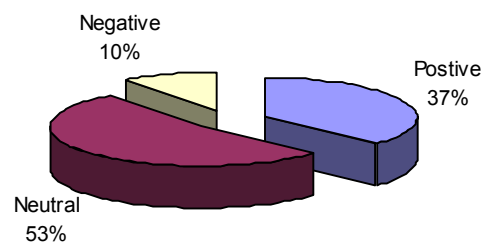


**Diagram 2: Savings with possible adverse impact**



- 10.18 By way of clarity, examples of positive impact savings in stage two include: £100k proposed by Regeneration as a result of a management structure review within its Development Division and £24k proposed by Resources as a result of charging Goldsmiths College for use of CCTV. Whilst 'negative' impact savings proposals include the £80k from a review of the opening doors service and 150k from Social Care and health arising out of changes to the eligibility criteria for adult social care.
- 10.19 The overall picture for stages one and two is captured in Diagram 3 below and shows that 37% of savings proposals equal to £2m are likely to have a 'positive' impact on Council priorities, whilst 53% or £2.9m worth of savings are likely to have a 'neutral' impact. In contrast DMTs have judged that only 10% of savings equal to £574k could have an adverse impact.

**Diagram 3: Overall impact of savings proposals on Council Priorities**



### 10.20 Council priorities versus Community Strategy

- 10.21 The analysis here links savings on the Council priorities to their relationship with Community Strategy priorities.
- 10.22 Table 3 below shows that in several areas, the impact on Council priorities is broadly consistent with those in the Community Strategy. For example, as with the Council priorities, by far the greater proportion of Community Strategy linked savings £4.4m or 80.2% would be generated through efficiency savings. Similarly, 'welfare dependency' attracts the second largest savings proposal £757k or 13.3% reflecting the total attributed to Council priority (H) 'caring for adults and older people.'
- 10.23 Only two Community Strategy priorities 'cultural vitality' and 'health' have no savings proposals linked to them.

<b>Table: 3 Total Proposed Savings (stages one and two)</b>						
<b>Council priority</b>		<b>Total</b>	<b>%age of savings</b>	<b>Community Strategy priority</b>	<b>Total</b>	<b>%age of savings</b>
		£000's			£000's	
A	Community leadership and empowerment	214	3.8%	Cultural vitality	0	0%
B	Young people's achievement and involvement	120	2.2%	Education	105	1.85%
C	Clean, green and liveable	124.7	2.2%	Engage local communities	154	2.7%
D	Safety, security and a visible presence	178	3.1%	Crime	50	1%
E	Strengthening the local economy	80	1.4%	Enterprise and business growth	20	0.35%
F	Decent homes for all	0	0%	Regeneration	34.7	0.6%
G	Protection of children	81	1.4%	Welfare dependency	757	13.3%
H	Caring for adults and older people	769.5	13.5%			
I	Active, healthy citizens	5	0.1%	Health	0	0%
J	Inspiring efficiency, effectiveness and equity	4099.8	72.3%	Ensure equity in service delivery	4551.3	80.2%
				Improve effectiveness, efficiency and sustainability of local public services		
<b>Total</b>		<b>5672</b>	<b>100%</b>	<b>Total</b>	<b>5672</b>	<b>100%</b>

#### 10.24 Type of efficiency saving

10.25 The diagram below provides a more detailed analysis of the savings proposals identified as efficiencies in stage two. At the outset, it needs to be made clear that what is presented is the output of preliminary work utilising the Gershon definitions - described further on. However, this effort illustrates only one aspect of efficiency savings generation ie: that relating to cashable savings. The other aspect of this - efficiency gains- established through increased productivity, has not been considered within the scope of this report as these are non cashable efficiencies.

10.26 It is worth noting that debate continues at national level as to what constitutes an efficiency saving. And we recognise that the development of this debate will help shape the Council's own thinking and enable us to make more precise judgements, in time, when considering future savings proposals.

10.27 The categories we have used to inform our understanding of efficiency savings, reflect the six work streams adopted by the Independent



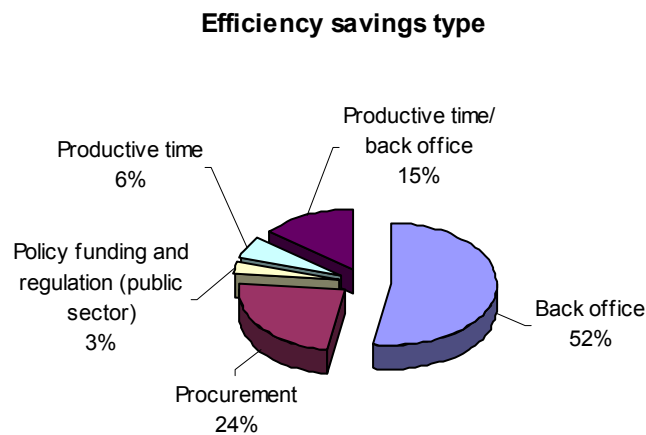
Review of Public Sector Efficiency led by Sir Peter Gershon. For ease of understanding a brief explanation of these appear below:

- **back office** – savings achieved through reforms to functions used to support frontline service provision such as financial processes, IT support, procurement services, travel services, marketing and communications, human resources and legal services.
- **procurement** – savings achieved through the purchase of stationery and supplies, production of statutory documents, commissioning of consultants and temporary staff and contracting of services such as highway maintenance, environmental services and social care.
- **transactional services** – savings achieved through the restructure of internal processes and systems that will reduce duplication or time spent on paper handling, data input and correction - especially as it relates to the payment of benefits and awards and the collection of taxes, charges or fees.
- **policy funding and regulation (public sector)** – savings secured through freedoms from, or flexibilities within, external policy regimes to which the Council is subject, such as external audit or inspection and production of statutory plans, submissions or returns.
- **policy funding and regulation (private sector)** – savings achieved through increased partnership working, risk based inspection and programmed activity that will better target the Council's enforcement and compliance effort in areas such as environmental health, trading standards, consumer protection and licensing.
- **productive time of frontline professionals** – savings achieved through introduction of new technologies, reduction in back office administration, streamlined reporting arrangements, sickness and absence management measures that will maximise the time frontline staff spend with customers.

10.28 Approximately £1.7m worth of cashable efficiency savings have been identified in stage two. Of this total £904k or 52% are linked to back office, £416k or 24% to procurement and a further £100k or 6% to productive time. The only other discrete efficiency type saving that can be identified are those relating to policy funding and regulation (public sector) which accounts for £45k or 3% of the savings total.

10.29 One other efficiency proposal accounting for £250k or 16% of savings is linked to measures taken to address sickness, dependency on agency staff and use of mobile phones, straddles both productive time and back office and has therefore been included under that joint heading.

10.30 Neither, transactional services nor policy funding and regulation (private sector) have any efficiency savings proposals linked to them.



10.31 As noted, the above diagram provides useful information in helping the Council to better understand where cashable efficiencies are being generated. However, because it does not capture information across the spectrum to include non cashable savings, it does not provide a complete picture. Therefore, the Council might well be generating significant efficiencies in areas such as transactional services and policy funding and regulation (private sector) but if they are non cashable they would not appear in the above diagram.

10.32 In respect of policy funding and regulation (public sector), it is also worth noting that the comparatively smaller efficiency savings are in light of the fact that the Council exercises much less control over the external regulatory regime to which it is subject by Government.

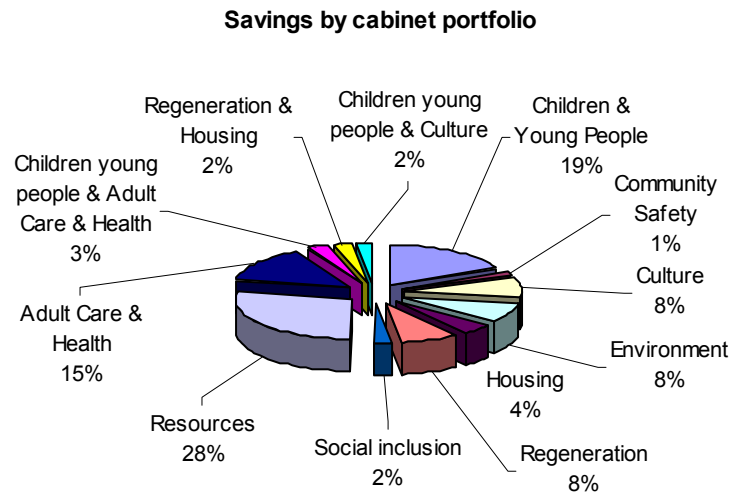
### 10.33 Proposed savings by cabinet portfolio

10.34 The diagram below provides an overview of how savings affect specific cabinet portfolios for stages one and two. It shows that £1.55m or 28% of savings are linked to the Resources portfolio and suggests that the majority of savings have been generated through efficiencies as opposed to reductions in frontline service provision.

10.35 Of the other portfolios, Children and Young People attracts £1m or 19% of savings, Adult Care and Health £809k or 15% and Environment £472k or 8%. A further £456K or 8% is linked to the Regeneration portfolio, £449k or 8% to Culture, £247k or 4% to Housing and £140k or 2% to Social Inclusion. Community Safety is linked to the smallest amount of savings proposals equal to £64k or 1% of the total.

10.36 Directorate colleagues also linked some savings proposals to more than one cabinet portfolio. For example £188k or 3% of savings is linked to both Children Young People and Adult Care and Health, whilst £132K or 2% is linked to Children Young People and Culture. A further

£128k or 2% of savings are linked to the Regeneration and Housing portfolios.



### 10.37 Risk to achievement

10.38 The tables below give a directorate perspective indicator as to the relative level of achievability of savings proposed as part of stage two. The sliding scale methodology used indicates that 1 and 2 savings are those likely to be achieved, but with some difficulty and 3 and 4 are most likely to be achieved without difficulty. It should also be noted that the level of risk associated with achievability is essentially an officer judgement. However, the subsequent challenge to which all proposals have been subject, suggests an increased confidence that all proposals put forward are achievable, regardless of where they sit on the scale of achievability.

10.39 Table 4a shows that £1.2m or 37% of savings proposals (1 and 2) are higher risk in terms of achievability, whilst Table 4b shows that £2.1m or 63% are perceived as low risk and therefore most easily delivered.

<b>Table: 4a Risk to Achievement (stage two)</b>		
<b>Level of risk</b>	<b>Stage 2</b>	<b>%age of savings</b>
	£000's	
<b>1</b>	315	9%
<b>2</b>	947	28%
<b>High risks savings sub total</b>	<b>1262</b>	<b>37%</b>

<b>Table: 4b Risk to Achievement (stage two)</b>		
<b>Level of risk</b>	<b>Stage 2</b>	<b>%age of savings</b>
	£000's	
<b>3</b>	1134.3	34%
<b>4</b>	967	29%
<b>Low risk savings sub total</b>	<b>2101.3</b>	<b>63%</b>

10.40 Tables 5a and 5b below show the risk to achievability for savings proposed for stages one and two combined and indicates that £1.2m or 23% (1 and 2) are perceived by directorates as being more difficult to achieve. In contrast, £4.4m or 77% (3 and 4) are perceived as having a comparatively low level of risk and are therefore more easily deliverable.

<b>Table: 5a Risk to Achievement (stages one and two)</b>				
<b>Level of risk</b>	<b>Stage 2</b>	<b>Stage 1</b>	<b>Total Proposed Savings</b>	<b>%age of savings</b>
	£000's	£000's	£000's	
<b>1</b>	315	0	315	5.5%
<b>2</b>	947	7	954	17%
<b>High risk savings total</b>			<b>1269</b>	<b>23%</b>

<b>Table: 5b Risk to achievement (stages one and two)</b>				
<b>Level of risk</b>	<b>Stage 2</b>	<b>Stage 1</b>	<b>Total Proposed Savings</b>	<b>%age of savings</b>
	£000's	£000's	£000's	
<b>3</b>	1134.3	1351.5	2485.8	43%
<b>4</b>	967	950.2	1917.2	34%
<b>Low risk savings total</b>			<b>4403</b>	<b>77%</b>

#### 10.41 **Staffing implications**

10.42 The impact upon staff is still to be properly analysed. This is in part due to the fact that in some instances proposals relate to reduction in time rather than actual posts. However, in broad terms it is believed that 22.5 (FTEs) posts are affected, of which 8.5 are currently vacant. In addition there are some savings to be further worked up where the staffing implications are currently unclear.

#### 10.43 **Proposed savings that will impact specific wards**

10.44 Table 6 below shows those savings that have been identified by DMTs as likely to have an adverse ward impact. Of these, the Blackheath

proposal £51k relates to closure and of Early Years Service Centres on the Heathside and Lethbridge estate and its re-provision at Morden Mount. Whilst the Crofton Park proposal relates to the proposed closure of the Creche run from the Jenner Health Centre in Forest Hill.

<b>Table: 6 Proposed savings with ward impact (stage two)</b>	
<b>Ward</b>	<b>Total proposed saving</b>
	£000's
<b>Blackheath</b>	51
<b>Crofton Park</b>	36
<b>Total</b>	<b>87</b>

10.45 In terms of the overall picture for both stages a potential ward impact was identified in stage one amounting to £7k worth of community sector grant funding to Edmund Waller in New Cross.

**Please note that there has been some rounding up of figures and percentages in the preparation of this report.**

## 11. Scrutiny Process

- 11.1 The Public Accounts Select Committee will be considering this draft report at its meeting on 13th October.
- 11.2 The Social Inclusion Select Committee will consider the final report at its meeting on 19<sup>th</sup> October.
- 11.3 Any comments from these meetings will be fed back to this meeting.

## 12. Legal Implications

- 12.1 **A Balanced budget:** the Council is under a duty to set a balanced budget and must not knowingly budget for a deficit. The proposals in this paper are an attempt to identify at this stage the reductions that would be required in 2005/06 to meet this legal requirement.
- 12.2 **Constitutional issues:** the Local Government Act 2000 together with regulations made under it and statutory guidance relating to it, provides that it is the responsibility of the full Council to set the Council's budget. Once the budget has been set it is for the Mayor and Cabinet to make decisions in accordance with the statutory policy framework and the budgetary framework set by the Council. Regulations provide that it is for the executive to have overall responsibility for preparing the draft budget for submission to the full Council to consider.

- 12.3 The term budget for these purposes means “the budget requirement (as provided for in the Local Government Finance Act 1992), all the components of the budget such as the budgetary allocations to different services and projects, proposed taxation levels, contingency funds (reserves and balances) and any plan or strategy for the control of the local authority's borrowing or capital expenditure” (Chapter 2 statutory guidance).
- 12.4 Authorities are advised by that statutory guidance to adopt an inclusive approach to preparing the draft budget – to ensure that councillors in general have the opportunity to be involved in the process. However it is clear that it is for the Mayor and Cabinet to take the lead in that process and that proposals to be considered should come from that quarter. The proposals in this paper are for reductions for next year (2005/06) and therefore will be effective if they are reflected in the budget to be fixed by the Council in due course.
- 12.5 **Statutory duty and powers:** the Council has a variety of statutory duties which it must perform by law. It cannot lawfully decide not to perform those duties. For other activities the Council has more discretion, where it carries out activities in pursuance of a power rather than a duty. However, even where a statutory duty exists there is often a degree of discretion about the level of service that is provided to fulfil that duty.
- 12.6 **Reasonableness and proper process:** decisions about how to exercise discretion must be made reasonably, taking into account all relevant considerations and disregarding irrelevancies. These will be particular to the service reduction proposed. It is also essential that any decisions in relation to service reductions are taken only following proper process. Depending on the particular service this may be defined by statute, though not all legal requirements are set down in legislation. For example, again depending on the nature of the service reduction proposed there may be a requirement to consult before making a decision, keeping an open mind, and taking into account representations arising out of that consultation. The proposals contained in this report must therefore remain subject to appropriate consultation, particularly where the proposal is about a service being withdrawn or where the proposal is for an increase in charges, where necessary and proper process including sufficient notice if charges increased. Detailed legal advice will be needed in this respect on the particular proposals made before making a decision.
- 12.7 If in the light of the outcome of consultation the Council does not proceed with any of the proposals it will need to make compensating reductions to achieve a balanced budget.
- 12.8 Particular care needs to be taken in relation to voluntary sector funding where any specific budget reductions will need to be made by reference to criteria which have been communicated to the voluntary

sector and following consultation with the group concerned. Voluntary sector organisations should be given the opportunity to make representations to the Council before a decision is made.

- 12.9 **Human Rights implications:** the Human Rights Act incorporates the rights bestowed by the European Convention of Human Rights into domestic law. In reaching a decision on service reductions the Council will have to take into account the impact of the decision on these rights. Where a cut would impact on those rights the need for appropriate consultation is even more critical.

#### 12.10 **Social Care and Health**

Children's services are provided in accordance with statutory duties mainly arising under the Children Act 1989 and the Children (Leaving Care) Act 2000. Discretionary services include such matters as transport and may be subject to local management to comply with the Councils overall financial framework. There will be additional duties to safeguard the welfare of children arising from the Children Bill which will receive Royal Assent in November.

Adults services are provided in accordance with the National Assistance Act 1948, as amended, the NHS and Community Care Act 1990 and related legislation. Assessment for services remains a statutory duty, but the Council may make service decisions based upon lawfully – devised eligibility criteria. Such criteria may be reviewed from time to time, as is proposed in this report, but services provided for individual users may not be altered or withdrawn without a re- assessment of that individual's needs.

#### 12.11 **The following Legal implications relate to specific proposals**

##### 12.12 **RGN 17 Lumber collection**

As a 'waste collection authority', the Council has a general duty to collect household waste free of charge, under section 45 of the Environmental Protection Act 1990. However, in certain instances, section 45 operates so that this duty does not arise until the Council has been asked to collect it by the person in control of the waste (usually the householder), and allows the Council to charge for doing so. The instances in question are set out in the Controlled Waste Regulations 1992. They include collection of 'bulky' items (such as those weighing over 25 kilograms, or unable to fit into the size of bin provided by the Council). The charge made must be reasonable, and appears to be limited to the cost of collection, rather than including the cost of subsequent disposal.

### 12.13 **RGN 34b Strategic Development**

Government Circular advice in the form of Circular 1/97 requires planning obligations to be sought only where they are necessary, relevant to planning, directly related to the development proposed, fairly related to the proposed development in scale and kind and reasonable in all other respects. Case law has also emphasised the need for such obligations to be fairly and reasonably related to the development proposed.

Therefore where financial contributions have been made to the Council under the terms of a S106 Agreement the Council has an obligation to use the money for the purposes intended by the agreement and in most instances the actual agreement will contain an obligation on the part of the Council to so apply the money.

Where in previous Section 106 agreements developers have made financial contributions towards the cost of off-site affordable housing (where for example they are unable for some reason to provide affordable housing on site) the definition of the contribution is unlikely to be sufficiently wide to cover a contribution towards the cost of employing staff to administer and monitor S106 funded affordable housing schemes.

If the Council seeks to utilise sums received as affordable housing contributions under existing S106 agreements to fund the salaries of officers in this way this could be challenged by the contributing developer on the basis that this was not the purpose for which the contribution was made. However, it may be possible to expand the definition of "affordable housing contribution" in future section 106 Agreements to include an element to cover the costs of monitoring and implementing S106 funded affordable housing schemes although this would be dependent upon reaching agreement with the relevant developer in each case.

### 12.14 **RGN42 Highways Management and Admin**

The New Roads and Street Works Act 1991 and regulations made under it allow local highways authorities to require statutory undertakers to pay prescribed fees for inspecting street works carried out by the undertaker and charges for any unreasonably prolonged works. Any fees or charges which the Council proposes to impose will have to comply with the relevant provisions of the 1991 Act and regulations made under it.

All of the proposals in this report will need to take account of the legal framework applying to the particular saving and service concerned and the eventual implementation of the proposals is subject to compliance with that framework.



### 12.15 **RES 36 Crime Reduction Service**

Section 93 of the Local Government Act 2003 provides local authorities with a general power to charge for discretionary services, ie those which it has power to perform but is not under a duty to perform to the recipient of the service. The charging power may only be used to recover the authority's costs in providing the service, calculated on an annual basis – it may not be used for commercial.

## 13. **Human Resource Implications**

13.1 In respect of the Council's employment of people there are three broad implications. First, the Council has an obligation to consult collectively and individually on its proposals; second the Council needs to mitigate redundancies; and third, the Council needs to implement reorganisations in accordance with its own procedure.

13.2 The staffing implications are set out in paragraphs 3.6 and 10.42 above. Although budget reductions involve the deletion of posts, redundancies will not necessarily follow, as every effort will be made to redeploy displaced staff. Appropriate consultation processes will take place in directorates. The Trade Unions have been briefed at a meeting of the CJC on 12<sup>th</sup> October 2004 with a further opportunity to discuss at a meeting of the works Council on 19<sup>th</sup> October. Their comments can be submitted to Mayor & Cabinet.

13.3 In addition, managers will consult with employees on changes within their work areas both individually and with the appropriate trade unions. Appropriate consultations will take place in directorates and in the case of potential redundancies discussions will take place as to how these can be mitigated. In implementing agreed proposals the Council will follow its management of change guidelines.

## 14. **Financial Implications**

14.1 This paper identifies savings options of £3.363m for decision making against the 2005/06 budget savings target of £5m. The Council has already agreed savings of £2.309m in stage 1 of the Budget Savings process. The Council's overall budget strategy was reviewed through the Financial Survey in September. This showed a gap between estimated expenditure and resources in the order of £1.5m, assuming savings are agreed to the value of £5m. If all the savings in this report are agreed the savings target of £5m will be exceeded by £672k, which can be used to narrow the gap in the current budget model for 2005/06 from the present estimate of £1.5m down to £0.828m.

## 15. **Crime and Disorder Implications.**

15.1 Any crime and disorder implications are set out in the body of the report

## 16. Equalities Implications

### 16.1 Equalities impact assessment on the budget

16.2 Set out in detail below is an examination of the impact of budget savings on personnel and service delivery.

### 16.3 Restructuring and human resources

16.4 In relation to human resources, savings are made up of strategic reviews within directorates which will result in streamlining management structures. In line with best practice and Race Relations (Amendment) Act 2000, major restructures will be subject to an equality impact assessment to identify any adverse impact on the community or staff and actions to rectify this.

16.5 Proposals to delete individual posts or to reduce hours will be subject to corporate HR procedures which has diversity designed in and therefore will ensure equity and fairness in the process.

### 16.6 Service delivery

16.7 In terms of specific service delivery the following key savings proposals have equality impacts.

### 16.8 Education and Culture

Number and amount	Description	Impact
<b>EC 16</b> <b>£5k</b>	<b>Outdoor Centres</b> This is a proposal to increase charges by 50p per pupil per day for the cost of using the outdoor centres. Whilst this would be expected to have an impact on poor families, schools do ensure that pupils are not excluded from outdoor education for reasons of affordability. They have the opportunity to use mainstream or voluntary funds to do this. During 03/04 total individual schools balances increased from 2.8m to 4.3m.	Low
<b>EC 23</b> <b>£19k</b>	<b>Lewisham Arts Service:</b> This is a reduction in the arts service budget which has supported activities in the delivery of Downham Pride. Downham Neighbourhood Management is now in a position to deliver the same level of activities in association with Lewisham Arts Service.	Nil

<p><b>EC 24</b> <b>£8k</b></p>	<p><b>Sports Development</b> This is a reduction in the sports development budget which supported activities in the delivery of Downham Pride. Downham Neighbourhood Management is now in a position to deliver the same level of activities in association with the sports development service.</p>	<p>Nil</p>
<p><b>EC 25</b> <b>£133k</b></p>	<p><b>Community Sector Unit</b> This proposed saving is 2.3% of the budget. The Mayor has asked for further information on the options for voluntary sector savings so that he can be assured that the full implications have been considered. An equalities impact assessment will be part of the process.</p>	<p>Proposal will be subject to an equalities impact assessment.</p>
<p><b>EC 26a</b> <b>£40k</b></p>	<p><b>Youth Service</b> This part of the youth service budget provides resources to encourage schools to make premises available for community use. It is proposed that priority will be afforded to fund community groups in the school's locality that meet local need. Meeting the needs of equalities groups will be a key criteria for assessment.</p>	<p>Nil</p>
<p><b>EC 26b</b> <b>£60k</b></p>	<p><b>Youth Service</b> Two thirds of this savings proposal will come from internal restructuring of the service. This will be subject to an equalities impact assessment. The additional savings have been identified from a review of budgets which support school based and community projects. It is expected that this will be met from project current budgets.</p>	<p>Low</p>
<p><b>EC33</b> <b>£13k</b></p>	<p><b>Educational Psychologists</b> Following recent management changes the service is delivering improved performance. There is no impact identified by the reduction of 0.4 vacant post.</p>	<p>Nil</p>
<p><b>EC 35</b> <b>£51k</b></p>	<p><b>Early Years Centres</b> This is a proposal to close the centre on Heathside and Lethbridge estate and purchase 16 places at another nearby centre. As parents already travel to the current centres it is not expected to have any additional adverse impact as the new</p>	<p>Nil</p>

	provision is within a short distance of the original.	
<b>EC 41 £60k</b>	<b>School Improvement</b> This is a proposed efficiency saving in the costs of the support to the Education Development Plan. Priorities for support in the areas identified for efficiency saving will be set when data becomes available in the spring term. This will include an analysis of the data disaggregated by race and gender.	Nil

### 16.9 Regeneration:

<b>Number and amount</b>	<b>Description</b>	<b>Impact</b>
<b>RGN 3 £80k</b>	<b>Opening doors:</b> This is a 26% budget cut. It is a service that is entirely focused on supporting deprived members of the community to gain training and employment. An external review of this service is to be commissioned and will include an equalities impact assessment.	Service to be subject to an external review and will include an equalities impact assessment.
<b>RGN 17 £10k</b>	<b>Increased charges for lumber collection</b> Following input from Social Inclusion Sub Committee at the first stage of the budget setting process, officers reviewed the impact of charges on lower income residents. They considered two options. This is the lowest cost charging option. Increasing the charges by £3 per collection from £15 to £18 and setting a higher target of 9107 collections will keep the impact to a minimum. Older people, female headed households and ME groups who are unemployed or on low incomes for other reasons are likely to be most affected.	medium
<b>RGN 34b £28k</b>	<b>Strategic development:</b> This is 28% of the budget. The service supports the management of Housing Corporation funding to Registered Social Landlords who provide housing to deprived communities in the borough of which ME groups, women and disabled people are disproportionately represented. Sustainability of this new arrangement will be reviewed in a year.	Low

Number and amount	Description	Impact
<b>RGN 46</b> <b>£20k</b>	<b>Schools crossing/ Road Safety/ Kerbcraft:</b> This is 8% of the budget for school crossing/road safety/kerbcraft. This cut will confirm the reduction in school crossing patrol sites which are currently not staffed. The approach being taken is in line with Royal Society for the Prevention of Accidents guidance.	Low

### 16.10 Social Care and Health

16.11 Most of SC&H are restructuring proposals and are covered in section 1 of the report from Best Value reviews which have already been subject to equality impact assessments.

Number and amount	Description	Impact
<b>SC&amp;H 09</b> <b>£25k</b>	<b>Increasing charges for Link Line:</b> Non-FACS income policy. This is a proposal to develop a new policy by November which will increase income in 05/06 by 25k. delivering a consequent reduction in LBL budget which represents 27% of the total budget. The targeted service is link-line, the majority of users being older people. It is not clear what impact this will have until the policy has been assessed.	Proposal will be subject to an Equalities Impact Assessment.

### 16.12 Resources

Number and amount	Description	Impact
<b>RES 04</b> <b>£14k</b>	<b>Equalities development:</b> Though this budget supports work on delivering the equality, diversity and social inclusion agenda of the Council, the impact of the reductions is to focus on printing and publication costs. This should therefore lead to a more economic means of communication. This will involve utilising more electronic products e.g. CDs and more targeted distribution of printed materials. The impact of these new methods of production will be	Low

Number and amount	Description	Impact
	monitored to avoid any adverse impact.	
<b>RES19</b> <b>£30k</b>	<b>Recruitment:</b> This budget supports part of the job application process for the Council. It is proposed to direct potential applicants to use the council website to view job adverts and apply on line as well as develop other methods for efficiency saving in recruitment. As this is a new policy development it will require an equalities impact assessment in order to identify any adverse impact on the community and actions that can be taken to redress this. It is recommended that RPAU work with equalities advisors from Corporate Equalities Board to further explore the potential equalities impacts of this proposal.	Proposal will be subject to an Equalities Impact Assessment
<b>RES 34</b> <b>£20k</b>	<b>Learning unit:</b> This is 3.4% of the budget which supports the corporate learning and development programme. Key priorities are set by the learning and development board. The Race Relations (Amendment) Act 2000 requires that we monitor availability and take up of training by all ethnic groups including white British. Systems are in place to monitor all training and learning development opportunities. Analysis will be made annually as part of the workforce survey, to ensure no adverse impact on different groups of staff.	Low
<b>RES 36</b> <b>£24k</b>	<b>CCTV income generation:</b> This is a proposal to gain income (and reduce core budget) by increasing charges for CCTV cover to Goldsmiths college. There would be an impact on women and ME groups' safety if Goldsmiths do not agree to the charges. However it is understood that this has been agreed – although no formal agreement has been signed as yet.	Low
<b>RES 39</b> <b>£85k</b>	<b>e-government programme:</b> This is 8% of the budget for a range of services supporting the e government agenda across	Medium

Number and amount	Description	Impact
	the Council. In future all new projects will have to bring in their own funds. E.g. from external sources or from directorates. It will have an impact on supporting social inclusion community focused e-government activities.	

## 17. Environmental Implications

17.1 The environmental implications are set out in the body of this report.

### Background papers – None

**For further information on this report please contact**

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## **8. Appointment of Independent Member to Standards Committee**

In May 1999 the Council established a Standards Committee at the same time as it introduced its interim arrangements in anticipation of the changes contained in the Local Government Act 2000. Currently the Council's constitution provides for a membership of 4 councillors and 4 independent members. One of the independent members chairs the committee.

The Relevant Authorities (Standards Committees) Regulations 2001 require that a standards committee of at least 3 members must have at least 25% independent members. Further, by law, a standards committee may not be chaired by a member of the executive, nor have more than one member of the Executive on it.

On 24 March 2004 the Council appointed four independent members to the Standards Committee. Since that time, one of the independent members, Mr B Joseph, has resigned.

An advertisement for independent members of the standards committee was placed in a newspaper circulating in the area inviting applications from interested persons. The Head of Law and current Chair of the Standards Committee have conducted interviews with 4 candidates and they recommend that Gill Butler be appointed as an independent member of the standards committee. Brief details of the candidate appears at Appendix 1.

### Financial Implications

The Members' Allowances Scheme provides for payment of a co-optees' allowance to the independent members of the Standards Committee which can be met within existing budgets.

### Legal Implications

By virtue of Section 53 of the Local Government Act 2000 the Council must establish a Standards Committee. It must include 2 members of the Council and at least one person who is not a member, or an officer of this or any other authority. It may not include the Mayor.

The Relevant Authorities (Standards Committee) Regulations 2001 require that independent members of the Standards Committee may only be appointed following a public advertisement in at least one newspaper. The Council may only appoint someone who has submitted an application. The appointment must be approved by a majority of the members of the Council (and not just those present and able to vote). People who have been officers or members of the



Authority in the last 5 years may not be appointed as independent members of the standards committee. Neither may their relatives or close friends. These matters were dealt with in the application process and also at interview.

The independent member will, on accepting the appointment, be required to agree in writing to comply with the Council's Member Code of Conduct.

The functions of the Standards Committee include the investigation of matters referred to it by the Independent Standards Board. Following the making of the Local Authorities (Code of Conduct) (Local Determination) Regulations 2003, the Standards Committee is able to determine allegations of breach of the Code of Conduct referred to it by the Standards Board.

The Council is therefore:-

RECOMMENDED to appoint Gill Butler as an independent member to sit on the Standards Committee.

**COUNCIL MEETING****17 NOVEMBER 2004****APPENDIX****ITEM NO. 8****BRIEF DETAILS OF RECOMMENDED CANDIDATE FOR INDEPENDENT  
MEMBERSHIP OF THE STANDARDS COMMITTEE****GILL BUTLER**

Gill Butler is a partner in the local firm of solicitors, Evans Butler Wade. She has a degree in Economics from the London School of Economics and has been working in the justice system for 27 years. She has both public and private sector experience, as well as being involved with a number of community organisations. From 1999-2002 Gill was the Chair of Stonewall.

## **9. Report of the Independent Remuneration Panel on Members' Allowances and Pensions**

### **Summary and Purpose**

To present to members of the Council recommendations of its Independent Remuneration Panel (IRP) in relation to members' allowances and pensions.

### **Background**

The IRP met on 6 October 2004 and a copy of their report is attached as an Appendix. The Panel were asked to review the eligibility of members of the Council to be admitted to the Local Government Pension Scheme in Lewisham.

### **Pensions**

The Panel having considered all the evidence put before it and the London-wide situation, believe that eligibility to join the Pension Scheme should be made available to all members of the Council. They therefore recommend that all councillors under the age of 70 be eligible to join the Local Government Pension Scheme without any qualifying period with effect from 1 April 2005; and that both basic and special responsibility allowances be considered as pensionable pay. They also recommend that the Council's Members' Allowances Scheme be amended accordingly.

### **Performance Assessment**

In July 2003 the Panel expressed its opinion that "in return for the allowances, it is only proper that the Council and the local community are able to assess whether they are achieving best value from their local representatives. Otherwise confidence in the new arrangements will be diminished before they are properly up and running. Local people and fellow councillors have a right to know that others in receipt of allowances fulfil the duties required of their position to a high, professional standard.

The assessment of performance is a difficult task in the political context. Who, other than the electorate, is to be the judge of the effectiveness of a councillor? That said, it seems to the Panel that there may be a role for the Public Accounts Select Committee to develop a method of holding members to account and to receive reports in public from those in receipt of allowances on their activity and performance as a member. The Panel believes that this is an important part of public

accountability and that this task should be given serious consideration in the near future.

In the opinion of the Panel those statements and exhortations still hold. We appreciate that the Overview & Scrutiny arrangements have taken some time to become established in Lewisham as elsewhere but we believe that this recommendation should be fulfilled".

The Panel on 6 October 2004 noted that this recommendation remained outstanding and recommended that the Public Accounts Select Committee discuss the activity and performance of all members in their different roles, whether executive or non-executive, at the earliest opportunity; and that members of the Panel be invited to attend the meeting during discussion of the matter as observers.

The Council is

RECOMMENDED to agree that

- (i) all councillors under the age of 70 years be eligible to join the Local Government Pension Scheme without any qualifying period with effect from 1 April 2005 and that both basic and special responsibility allowances be pensionable pay;
- (ii) the Public Accounts Select Committee meet to discuss the activity and performance of all members in their different roles, whether executive or non-executive, at the earliest opportunity, and that members of the Independent Remuneration Panel be invited to attend that meeting as observers; and
- (iii) the Members' Allowances Scheme be amended accordingly.

**Review of Members' Pensions in Lewisham****Report of the Members Independent Remuneration Panel October 2004**

## 1. INTRODUCTION

This report is written by the Independent Remuneration Panel (the Panel) appointed by the London Borough of Lewisham to advise it in relation to its Scheme of Members' Allowances

## 2. CONSTITUTION OF THE PANEL

The Panel consists of:-

**Sir Ian Mills** – recently retired London Regional Appointments Commissioner with the NHS Appointments Commission, and previously Chair of the London Regional NHS, who also chairs the Panel

**Desmond Clarke** - a former citizens panel representative, previously a member of the Panel of Investigation into Members Allowances which met in 1999. His appointment brings continuity and experience, as well as a knowledge of the issues addressed in previous deliberations.

**Alan MacDougall** – the Managing Director of PIRC, (Pensions Investment Research Consultants) for over 15 years. PIRC is concerned with advising on ethical investments and corporate governance matters in the private sector.

**Maggie Hennessy** - local government recruitment expert formerly of PriceWaterhouseCoopers (PWC) and Veredus, and currently a director of GatenbySanderson, who has a wealth of knowledge relating to local government employment matters, and an appreciation of the role of councillors through regular and frequent contact in her past and current roles.

On this occasion Ms Hennessy could not be in attendance, [though her views have been sought on the contents of this report and she concurs with its recommendations].

### 3. TERMS OF REFERENCE

We were asked to review the eligibility of members of the Council to be admitted to the Local Government Pension Scheme in Lewisham. In particular, we were asked to address the question of whether all councillors ought to be entitled to such access under the Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations (referred to in this report as the 2003 Pensions Regulations).

### 4. DOCUMENTATION AND PROCESS

4.1 The Panel met on 6<sup>th</sup> October 2004. This meeting was supplemented by telephone discussions between the Panel members and drafting meetings between the Panel and its secretariat.

4.2 In the course of our deliberations we considered the following document which now appears at Appendix 1 to this report:-

- An analysis of other London authorities' practice in relation to admitting members to the local government pension scheme.

4.3 We also received a presentation from the Head of Law about:-

- the current position in relation to members' pensions in Lewisham
- a financial update in relation to Members' pensions prepared by the Council's Deputy Chief Executive
- the legal framework for members' admission to the pension scheme.
- the recommendations of the Independent Panel to the Association of London Government entitled "The Remuneration of Councillors in London 2003 Review – Summer 2003, which was available for the Panel at the meeting.

4.4. All members of the Panel agree with the recommendations in this report.

## 5. THE CONTEXT

5.1 A new model of local governance came into effect in Lewisham on the Mayoral and local councillor elections in May 2002. Under that model the full Council sets the overall budget and the statutory policy framework. Within that framework and budget, with the exception of a small number of decisions prohibited to the Mayor, such as quasi judicial functions like licensing and development control, most of the Council's major decisions fall to the Mayor to make. The Mayor may appoint a small group of councillors to serve in a Cabinet alongside him. By law there is a clear separation of executive decision making from the overview and scrutiny of such decisions.

### Decision making by the Mayor and Cabinet

5.2 The Panel understands that the Mayor has appointed 9 other councillors to serve alongside him in the Mayor and Cabinet. These other councillors currently have the following portfolios:-

- Regeneration (Deputy Mayor)
- Children and Young People
- Adult Care and Health
- Social Inclusion
- Resources
- Housing
- Environment
- Culture
- Community Safety

5.3 However, most executive decisions are taken by the Mayor personally in the context of meetings of the Mayor and Cabinet. Cabinet members other than the Mayor are spokespersons in their portfolio area and have a lead in their area of remit but they do not have decision making powers delegated to them. We also understand that the Mayor makes all decisions on the basis of written reports. The public has access to the Cabinet meetings and to the papers as if the decision were being taken by the meeting as a committee. We understand that this operates on a three week cycle.

5.4 Occasionally the Mayor makes decisions alone without the benefit of Cabinet discussion, but this only occurs in circumstances of urgency. Such decisions may only be taken by the Mayor in the presence of statutory officers and on the basis of written reports.

5.5 We are also aware that there are some executive decisions that are not made by the Mayor alone. The Panel understands that decisions in

relation to the award of contracts and those relating to grants awarded by the Council are taken by the Mayor and Cabinet acting collectively.

### Overview and scrutiny role

- 5.6 The Panel understands that all members of the Council who are not members of the Mayor and Cabinet sit on the Overview and Scrutiny committee. The functions of the Overview and Scrutiny Committee include:-
- assisting the Mayor and Cabinet with policy development and
  - holding the Mayor and Cabinet to account.
- 5.7 The Overview and Scrutiny Committee fulfils these roles in relation to all of the Council's functions by the appointment of a number of sub-committees (known as select committees) as follows:-
- Public Accounts
  - Adult Care and Health
  - Children and Young People
  - Environment
  - Quality of Public Services
  - Social Inclusion
- 5.8 These select committees can conduct investigations of their own or hold the Mayor and Cabinet and senior Council officers to account by examining their performance and decisions made. The Mayor, members of the Cabinet and senior Council officers can be required to attend meetings of the Overview and Scrutiny Select committees to answer questions.
- 5.9 We understand that there are also two Business Panels of the Overview and Scrutiny Committee, one dealing only with education matters and the other dealing with all other matters. These Panels, both of which are chaired by the Chair of the main Overview and Scrutiny Committee are entitled to "call in" decisions of the Mayor and Cabinet, before they have been implemented, and to ask the decision maker to reconsider.
- 5.10 We recognise that the role of councillors on the Overview and Scrutiny Committee is an important one and one that is key to local accountability.



## 6. MEMBERS' ALLOWANCES SINCE 2002

- 6.1 On the introduction of the new model of political governance, this Panel's recommendations in January 2002 were accepted in their entirety by the Council. Members' allowances were paid in accordance with those recommendations from the date of the Mayoral and local councillor elections in May 2002.
- 6.2 In July 2003, the Panel made a further report to the Council following the introduction of new regulations in relation both to members' allowances and pensions. A summary of the Panel's recommendations at that time is set out below:-
- To upgrade allowances , both basic and Special Responsibility Allowance (SRA) in accordance with the JNC pay award and to do so automatically in 2004/5 and 2005/6, with review by this Panel for 2006/7
  - An SRA to be paid to the independent members of the Adoption Panel
  - Only 1 SRA to be paid to any member of the Council
  - A co-optees' allowance to be introduced
  - Travel and subsistence to remain at existing levels
  - Dependant carers' allowance to be paid at existing levels
  - Backdating of the revision of allowances to 1<sup>st</sup> May 2003
  - Subsequent in year amendments could be backdated to the start of the year to which they apply
  - The Mayor, all cabinet members and the Chair of the Overview and Scrutiny Committee under the age of 70 years be entitled to admission to the Local Government Pension Scheme without any qualifying period and that both basic and special responsibility allowances be pensionable pay.
  - An item to be included in the work programme of the Public Accounts Committee involving a review of the activity and performance of all members in their different roles – whether executive or non-executive

- 6.3 Again all of the Panel's recommendations were accepted by the Council. A copy of the existing scheme of Members' Allowances appears at Appendix 2.
7. MEMBERS' PENSIONS IN LEWISHAM
- 7.1 As is shown in Appendix 2, the Mayor, all Cabinet members and the Chair of the Overview and Scrutiny Committee are entitled to be admitted to the Local Government Pension Scheme in Lewisham. Of those 11 people, 4 have decided that they do not want to be admitted to the scheme.
- 7.2 In recommending this level of eligibility to the Council in 2003, we considered a number of options, ranging from entitlement only for the Mayor and Deputy Mayor, to entitlement for all members of the Council. The recommendation we made, which is reflected in the current scheme of allowances, reflected our view that members with the most time consuming responsibilities should not be disadvantaged because they have chosen to become involved in representing their community by election to the Council.
- 7.3 As in 2003, we remain of the view that the contribution made by all councillors to the local community is an important one which should not be underestimated. In our deliberations on the subject of pensions at that time we sought to apply a reasoning that entitlement should arise where the extent of public duties as a councillor is likely to impact on the member's ability to continue in employment outside the Council to the same extent as otherwise. Time commitment and the likelihood of reduced earning power outside the Council were key considerations in our deliberations about the level of special responsibility allowances, and so the Panel applied the same rationale in our consideration of pensions also.
- 7.4 We recognised at the time that this rationale did not reflect the position adopted by the ALG, which recommended that all members be entitled to admission to the pension scheme.
- 7.5 We are now asked to reconsider our recommendation in relation to admission to the pension scheme, and in particular whether all councillors under the age of 70 years ought to be entitled to be admitted.
- 7.6 The Panel understands that since the adoption of its recommendation in relation to pensions, there have been a number of changes which mean that the scheme as it stands now presents a degree of complexity.

- 7.7 We have heard that in May 2004, there were a number of changes to the composition of the Mayor and Cabinet. The terms of reference for the portfolios were changed and their number increased by one. At the same time the actual membership of the Cabinet changed. It is the Mayor's prerogative as a matter of law to be able to appoint and dismiss councillors from the Cabinet at any time. In theory then, and in practice, further changes may happen. Members moving in and out of cabinet membership would also be moving in and out of entitlement to admission to the Council's pension scheme. We are advised that a member removed from the Cabinet under the present scheme loses entitlement to LGPS. Similarly a councillor who ceases to be the Chair of Overview and Scrutiny Committee also loses their eligibility to admission to the pension scheme if that committee does not re-elect them.
- 7.8 We understand that this inflexibility not only leads to administrative complexity, but to a lack of clarity for individual councillors, whose entitlement to admission to the scheme does not currently attach to their term as a councillor but to their continuation as a member of the Mayor and Cabinet, or as Chair of the Overview and Scrutiny Committee.
- 7.9 Notwithstanding our views in 2003, we consider this state of affairs to be difficult and unsatisfactory for the member affected.
- 7.10 Were all members entitled to admission to the pension scheme, a change in their position would not affect eligibility to be in the Local Government Pension Scheme, so long as they remained a councillor. The calculation of pensionable pay would be affected, for example if a member were no longer to receive special responsibility allowance, but not the right to join and remain in the pension scheme.

## 8. MEMBERS' PENSIONS ACROSS LONDON

- 8.1 Whether or not extending the eligibility of councillors to join the Local Government Pension Scheme is affordable is a matter for the Council to decide, and not for this Panel. However, we understand that the Council would be limited by our recommendation in its decision about whether, and if so how far, to extend eligibility. We are also advised that whilst the Council need not allow access as broadly as we recommend, neither can it exceed our recommendations in this respect.
- 8.2 We are reminded that councillors who are eligible to join the scheme do not have to do so. They may forgo entitlement. In an attempt to assess the impact of any decision to extend eligibility, we have therefore considered practice elsewhere in London. The document

entitled Members Allowances Scheme, 2004 appearing at Appendix 1 to this report shows that the majority (19) of the other London Boroughs give entitlement to all of their councillors under 70 years to enter the pension scheme. Further research has demonstrated that where there is such entitlement, take up of the option to join the pension scheme ranges from 6% in Islington to a maximum of 44% in Hammersmith and Fulham, with an average take up of 15%.

- 8.3 Were all councillors in Lewisham to be eligible to join the pension scheme, and were the take up in Lewisham to be at the average point (15%), 9 members would be likely to claim eligibility to the pension scheme. This would be an increase of 2 members, as 7 out of 11 eligible members currently take up the option to join the scheme now.
- 8.4 Were Lewisham's take up to match that in Hammersmith and Fulham (44%) then an additional 17 members would join the pension scheme.

## 9. CONCLUSION

- 9.1 The Panel has carefully considered all the evidence before it. We have also considered the London wide position. The level of take up by councillors elsewhere would seem to indicate that where entitlement exists, councillors are exercising choice about whether to join the pension scheme. We believe that this choice should be available to councillors in Lewisham as elsewhere. In the view of the Panel, the circumstances outlined in this report and the accompanying documents would militate in favour of extending eligibility to the Local Government Pension Scheme. To do so would be equitable to all councillors, and would lead to much simpler administration of the scheme, avoiding the problems which currently arise when councillors move in and out of pensionable roles.

- 9.2 We therefore recommend that all councillors under the age of 70 be eligible to join the Local Government Pension Scheme without any qualifying period, with effect from 1<sup>st</sup> April 2005, and that both basic and special responsibility allowances be pensionable pay. We recommend that the Council's Scheme of Members' Allowances be amended accordingly.**

## 10. PERFORMANCE ASSESSMENT

In our report of July 2003, the Panel expressed its opinion as follows:-

- 10.1 *"In return for the allowances, we are proposing in the report, it is only proper that the Council and the local community are able to assess whether they are achieving best value from their local representatives. Otherwise confidence in the new arrangements will be diminished"*

*before they are properly up and running. Local people and fellow councillors have a right to know that others in receipt of allowances fulfil the duties required of their position to a high, professional standard.*

- 10.2 *The assessment of performance is a difficult task in the political context. Who, other than the electorate, is to be the judge of the effectiveness of a councillor? That said, it seems to the Panel that there may be a role for the Public Accounts Select Committee to develop a method of holding members to account and to receive reports in public from those in receipt of allowances on their activity and performance as a member. The Panel believes that this is an important part of public accountability and that this task should be given serious consideration in the near future.*
- 10.3 *In the opinion of the Panel those statements and exhortations still hold. We appreciate that the Overview & Scrutiny arrangements have taken some time to become established in Lewisham as elsewhere but we believe that this recommendation should be fulfilled."*
- 10.4 We note that the above remains outstanding at the time of writing.
- 10.5 We therefore recommend that the Public Accounts Committee meet to discuss the activity and performance of all members in their different roles – whether executive or non-executive, at the earliest opportunity. We also recommend in the interest of members of this Panel developing a better background understanding of what is a complex and sensitive yet very important issue, they be invited to attend that meeting as observers.**











# **MEMBERS' ALLOWANCES**

## **Scheme for Basic and Special Responsibility Allowances (2004)**

Chief Executive  
1 April 2004  
(Agreed by Council 23 July 2003)



Produced by  
GOVERNANCE SUPPORT

**LONDON BOROUGH OF LEWISHAM**

**SCHEME FOR BASIC AND SPECIAL  
RESPONSIBILITY ALLOWANCES**

1. General

Allowances may only be paid for duties specified in the Local Authorities (Members' Allowances) (England) Regulations 2003, which have been made in part under Section 18 of the Local Government and Housing Act 1989.

Provision is made for the following allowances:-

(a) allowances which are both to meet expenses and to provide remuneration

(i)

**basic allowance**

(ii)

**special responsibility allowance**

(b) allowances solely to meet expenses incurred

**travelling and subsistence allowances**

## **LONDON BOROUGH OF LEWISHAM**

### **MEMBERS' ALLOWANCES SCHEME**

1. This scheme may be cited as the London Borough of Lewisham Members' Allowances Scheme, and shall have effect from 1 April 2004 and subsequent financial years.

2. In this scheme

"councillor" means a member of the London Borough of Lewisham who is a councillor;

"total estimated allowances" means the aggregate of the amounts estimated by the Executive Director for Resources & Deputy Chief Executive, at the time when a payment of basic allowance or special responsibility allowance is made, to be payable under this scheme in relation to the relevant year, and for this purpose any election under paragraph 6 shall be disregarded;

"year" means the 12 months ending with 31 March.

3. **Basic Allowance**

Subject to paragraph 7, for each year a basic allowance shall be paid to each councillor. For the period commencing 1 April 2004 to 31 March 2005 this allowance is £8,784 per annum. These allowances will be upgraded in April 2005/06 by a percentage equal to the inflation pay award made to JNC officers in the previous year.

4. **Special Responsibility Allowances**

- (1) A special responsibility allowance shall be paid to those councillors who hold the special responsibilities in relation to the authority that are specified in Schedule 1 to this Scheme.
- (2) Subject to paragraph 7, the amount of each such allowance shall be the amount specified against that special responsibility in that schedule. These allowances will be upgraded in April 2005/06 by a percentage equal to the inflation pay award made to JNC officers in the previous year.
- (3) Only one special responsibility allowance is payable to a member.

## 5. **Financial Limits**

Any payment(s) under this scheme is subject to the amounts in respect of basic allowances and special responsibility allowances not exceeding that amount included in the revenue estimates for the relevant year.

## 6. **Renunciation**

A councillor may by notice in writing given to the Chief Executive elect to forego any part of his/her entitlement to an allowance under this Scheme.

## 7. **Part-year Entitlements**

(1) The provisions of this paragraph regulate the entitlements of a councillor to basic and special responsibility allowances where, in the course of a year, this Scheme is amended or that councillor becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

(2) For councillors who join or leave the authority part way through a financial year, or who take-up or relinquish special responsibilities in the course of the year, their entitlements are to be the appropriate proportion of the full-year entitlement. Likewise, if the Scheme is amended in the course of the financial year, the entitlements for basic and special responsibility allowances are to be the appropriate proportions of the full-year entitlements for the periods before and after the amendment comes into effect.

## 8. **Subsistence Allowances**

These allowances may be paid only in respect of an 'approved duty' if it involves an absence from home exceeding four hours and expenses on subsistence is necessarily incurred in connection with that duty. **It follows that a member must have incurred expense before a claim can be made and a receipt should accompany the claim.**

### 8.1 **Day Subsistence**

A flat rate allowance of £5 is payable.

If the Council provides a meal for a member, the cost of the meal:-

(a) will be deducted from any subsistence allowance payable to the member; or

- (b) will be charged at the time if no subsistence allowance is payable to the member.

## 8.2 **Overnight Subsistence**

In the case of an absence overnight from home the rate is £79.82. This is increased to £91.04 for an absence overnight in London or for attendance at local authority association conferences specified by the Secretary of State.

## 9. **Travel Allowance**

The Department of the Environment, Transport and the Regions lays down the maximum rates and conditions of payment to members when using either public transport, their own private car, a taxi or a hired car for an approved duty. However, the Council has agreed that a flat rate mileage allowance of 35p per mile be paid when members use their private car for those 'approved duties' set out in Schedule 2.

It is expected that members will always use public transport if possible. The conditions and rates of travelling allowance for the use of private vehicles, hire cars and taxis are set out in detail in Appendix A.

**Receipts should be provided to support claims.**

Members are advised to ensure that their personal car insurance covers them for Council business use if they use their vehicle to travel to approved duties.

First class fares are payable for travel by public transport where more than one class of fare is available.

The Council cannot provide official transport for members except when they accompany officers, or where it is considered reasonable and economic to do so for a group of members travelling together.

## 10. **Carer's Allowance**

A carer's allowance is payable to elected members and voting and non-voting co-opted members for the duties specified in the list of approved duties as follows:-

- (i) childcare by a qualified childcare worker provided by the Margaret Sandra Nursery at the rate of £7.50 per hour; and
- (ii) care arranged by members on an 'ad-hoc' basis at the rate of £5 per hour, plus travelling expenses.

Claims should be made on the appropriate forms which are available from the Head of Committee Business at the appropriate meeting, or the Members' Room.

#### 11. **Telephone Charges**

Every member will be supplied with an ASDL telephone line which can be used for enquiries by constituents and for Council business. The cost of this line will be paid by the Council. However, if you do not wish to take advantage of this you will be reimbursed the cost of the basic rental charge for the telephone at your home address, plus the VAT on the basic rental charge. In this case an additional payment of £50 per annum will be made to each member as a contribution towards the cost of telephone calls. An amount of £12.50 will be added to each claim for payment of a quarterly telephone rental charge.

**Claims should be made on a quarterly basis on the appropriate forms which are available in the Members' Room. Claims for more than one quarter will not be paid.**

#### 12. **National Insurance Contributions/Statutory Record and Statutory Sick Pay (SSP)**

The Social Security Act 1973 requires national insurance contributions to be paid on allowances, provided the amounts reach the lower earnings limit, regardless of the fact that members may also be contributing by reason of their normal employment. Under the Act, each employment or office is to be considered separately for contribution purposes.

The lower earnings limit in 2004/05 is £395.01 in any one month. National insurance contributions will be payable if the allowances due to a member in respect of any one month reaches this figure.

The Social Security Act 1973 makes provision for the deduction of national insurance contributions to be related to the 'income tax year', hence the reference to the term 'tax week'. In each year commencing 6 April it is necessary to analyse claims made; to allocate payments for each duty to the tax week in which it occurred; and to aggregate all such payments for each week in order to apply the weekly earnings rule.

For further details see Appendix B.

### 13. **Tax and Benefits**

A rough guide to the rules in respect of social security benefits and income taxation is set out in Appendix C. It explains which allowances are taxable and how being a councillor can affect the benefits which you or your partner claim.

The information contained in the Appendix has been abbreviated and if you require further detailed information please contact the Head of Committee Business on extension 48824.

### 14. **Claims for Allowances**

**A claim for travel and subsistence allowances under this scheme shall be made in writing within six months of the date of the meeting in respect of which the entitlement to the allowance arises.** Therefore any claims which relate to an attendance at a meeting which is not held within the preceding six months will not be paid. Any claim shall be made monthly in arrears and on the official forms. A simple form for claims for travel and subsistence is used and a supply is available in the Members' Room.

Responsibility for inserting details of any 'approved duty' during the period in question rests with individual members. Every claim shall include a statement that the member is not entitled to receive remuneration in respect of the matter to which the claim relates otherwise than under the Scheme.

Any claims received shall be subject to a check to ensure they fall within the list of Approved Duties. Any regarded as not admissible will be deleted and members will be informed.

Completed forms should be submitted to the Head of Committee Business, Governance Support, who will deal with any queries a member may wish to raise.

### 15. **Payments in respect of Basic and Special Responsibility Allowances**

Payments in respect of basic and special responsibility allowances shall be made in instalments of one-twelfth of the amount specified in this Scheme on the 18th day of each month.

Members should retain this document and the accompanying lists so that reference may be made to them when preparing claims.

16. **Register of Allowances**

Particulars of all allowances paid to, or on behalf of, a member have by law to be entered in a Register which is open to inspection by any elector for the Borough. This register is maintained by the Head of Committee Business, Governance Support. Furthermore, the Council is required to publish details of the allowances scheme and to publish after the year end the total sum paid under the scheme to each member in respect of each of the allowances paid i.e. basic and special responsibility allowances.

17. **Local Government Pension Scheme**

The Mayor, all Members of the Cabinet and the Chair of the Overview & Scrutiny Committee under the age of 70 years are entitled to admission to the Local Government Pension Scheme without any qualifying period, and both basic and special responsibility allowances will be counted as pensionable pay.

Lewisham Town Hall  
Catford  
SE6 4RU  
April 2004

Barry Quirk  
Chief Executive



**SCHEDULE 1****SPECIAL RESPONSIBILITY ALLOWANCES**

1. The following are specified as the special responsibilities in respect of which special responsibility allowances are payable, and the amounts of those allowances:

	£
Mayor	60,845
Deputy Mayor	36,207
In the event that a single lead executive member is identified for Lifelong Learning, Social Care & Health or Resources:-	
Deputy for Lifelong Learning	16,470
Deputy for Resources	16,470
Deputy for Social Care & Health	16,470
All other Executive members	10,980
Chair of Council	5,489
Chair of Overview & Scrutiny Committee	10,980
Chairs of Overview & Scrutiny Select Committees	5,489
Chairs of Planning Committees (3)	5,489
Leader of Largest Political Group	8,235
Leader(s) of other Minority Group(s)	3,213
Members of the Adoption Panel who are not employees of the Council	1,035
Co-optees on the Council's Standards Committee and parent governors and diocesan representatives who sit on the Overview & Scrutiny Education Business Panel	517

NB: These allowances are to be upgraded in April 2005/06 by a percentage equal to the inflation pay award made to the Council's JNC officers in the previous year.

**SCHEDULE 2****APPROVED DUTIES**

The activities set out are 'approved duty' for the purposes of payment of travel and subsistence allowances.

Adoption and Permanency Panel

Adult Care and Health Select Committee

Appointment Committee

Children & Young People Select Committee

Constitution Working Party

Council Meeting

Council Urgency Committee

Disciplinary and Capability Appeals Panel

Elections Committee

Environment Select Committee

Health, Safety and Welfare Committee

Licensing Committee

Mayor and Cabinet

Mayor and Cabinet (Contracts)

Overview & Scrutiny Committee

Overview & Scrutiny Business Panel

Overview & Scrutiny Education Business Panel

Pensions Investment Committee

Planning Committee (A)

Planning Committee (B)

Planning Committee (C)

Public Accounts Select Committee

Quality Public Services Select Committee

Schools Organisation Committee

Social Inclusion Select Committee

Social Services (Access to Personal Files) Panel

Social Services Complaints and Representations Panel

Standards Committee

Standing Advisory Council on Religious Education

Strategic Planning Committee

Works Council

**Other Committees and Organisations**

Ackroyd Community Centre Management Committee

Age Concern Lewisham

Age Exchange Reminiscence Theatre

Albany 2001 Council of Management

Art of Regeneration SRB Board

Association of London Government

- (i) Culture and Tourism Forum
- (ii) Education Forum
- (iii) Transport & Environment Committee
- (iv) Economic Development Forum

- (v) Housing Panel
- (vi) Leader's Committee
- (vii) Health & Social Services Forum
- (viii) Community Safety & Policing Forum
- (ix) Grants Committee
- (x) London Housing Unit Committee

Beckenham Place Park Working Party

Blackheath Concert Halls - Board of Management

Blackheath Joint Working Party

Calabash Day Centre Management Committee

Children & Young People Stakeholders Forum

Community Operations Service for Mental Health

Crystal Palace Community Development Trust

Downham Community Partnership Board

Forest Hill and Sydenham Voluntary Association

Get Set for Citizenship SRB Management Board

Greater London Enterprise

Greater London Provincial Council

Housing Board

Hyde Plus - Neighbourhood Panels

Ladywell Centre

Lewisham Citizen's Advice Bureau Management Committee

Lewisham Disability Coalition

Lewisham Health Partnership

Lewisham Local History Council and Society

Lewisham Pensioners' Forum Management Committee

Lewisham Police/Community Consultative Group

Local Authorities Action for Southern Africa – National Steering Committee

Local Government Association – General Assembly

Local Strategic Partnership

London Arts Board Local Authority Forum

London East Connexions Partnership Board

London South East Valuation Tribunal

London Youth Games

Marsha Phoenix Memorial Trust

New Deal for Communities Board

Race Equality Action for Lewisham Management Committee

Rose Apple Centre Management Committee

Silwood SRB Management Board

South East London Combined Heat and Power (SELCHP) Board

South East London Transport Strategy Group

South East London Waste Disposal Group

St Mary's Centre Management Committee

Standing Advisory Council on Religious Education

Thames Gateway London Partnership

Urban Renaissance in Lewisham SRB Board

Voluntary Action Lewisham

**APPENDIX A****TRAVEL ALLOWANCE - CONDITIONS AND RATES**1. Mileage

- 1.1 The mileage to be paid for is from home (i.e. the normal place of residence) to the place where the approved duty takes places; and the return journey home.
- 1.2 If a member travels to the approved duty from another place (e.g. their place of work), this mileage can be paid for, provided it is less than it would be from home.
- 1.3 Exceptionally, if the member travels to the place of the duty from a place other than home and necessarily returns to the same place after the duty, the actual mileage for both journeys can be paid.
- 1.4 Again exceptionally, if the cost of the fare by public transport between the other place of the duty is greater than the cost to the member would have been in travelling to and from home, the cost can be paid.

2. Taxis

- 2.1 Taxi fares to allow women members travelling late at night from an 'approved duty' will be reimbursed. Otherwise taxis should not be taken when public transport is available.
- 2.2 If a taxi is used the fare will have to be paid at the time and a claim submitted to the Head of Committee Business giving details of the journey and the approved duty involved. Members are reminded that waiting time is charged for and should consider whether it will be cheaper to pay on arrival and re-hire for the return journey.

3. Self-Drive Hire Cars

The rate payable is the same as that payable for the use of a member's private car.

4. Rates

The rates per mile payable for travel by private car or motor cycle are:-

4.1 Motor Cycles

- |     |                              |       |
|-----|------------------------------|-------|
| (a) | Solo M/C not exceeding 150cc |       |
|     | 7.3p                         |       |
| (b) | Solo M/C from 151-500cc      | 10.7p |
| (c) | Over 500cc                   |       |
|     |                              | 14.5p |

(Note: the cc is shown in the Vehicle Licensing Document)

4.2 Motor Cars

A flat rate of 35 p per mile is payable.

4.3 Passengers

An additional 1.0p per mile may be paid for each passenger to whom travel allowance would otherwise be payable, up to 4 passengers.

4.4 Tolls, Ferries or Parking Fees

The actual cost may be paid.

**APPENDIX B****NATIONAL INSURANCE CONTRIBUTIONS  
STATUTORY RECORD AND STATUTORY SICK PAY (SSP)**

1. The Social Security Act 1973 requires national insurance contributions to be paid on attendance allowances, provided the amounts reach the lower earning limit, regardless of the fact that members may also be contributing by reason of their normal employment. Under the Act, each employment or office is to be considered separately for contribution purposes.
2. The lower earnings limit in 2004/05 is £395.01 when paid monthly. National insurance contributions will be payable if the attendance allowance due to a member in respect of any one tax week (month) reaches this figure. The Social Security Act 1973 makes provision for the deduction of national insurance contributions to be related to the 'income tax year' hence the reference to the term 'tax week'. In each year commencing 6 April it is necessary to analyse claims made, to allocate payments for each duty to the tax week in which it occurred and to aggregate all such payments for each week in order to apply the weekly earnings rule.
3. Where liability arises, Primary Class 1 contributions will be payable by the member at the rate of 11% and secondary Class 1 contributions by the Council at the rate of 12.8% above the earnings limit.
4. Members in the following groups are not liable to pay any contributions:-
  - (1) Men over age 65, and women over age 60 who have retired for National Insurance purposes.
  - (2) Men over age 65 and women over age 60 who have not retired for National Insurance purposes, and at age 65(60) did not qualify for retirement pension on their own contributions.
5. A certificate of non-liability (for persons making no contributions) must be obtained from the Department of Social Security at 9-19 Rushey Green or 110-114 Norman Road, SE10 and lodged with the Council. In the absence of such a certificate the primary deductions have to be made from members allowances at the standard rate of 11% until a certificate is produced, otherwise the Council could be held responsible for any deficiency in contributions. It is important that



members who can claim 'non-liability' should apply to the Department of Social Security for the appropriate certificate for submission to the Council.

6. The Social Security Act 1973 requires the Council to keep records of National Insurance contributions showing members' National Insurance numbers and it is necessary to know in which cases reduced contributions or exemption from contributions apply. It has been agreed that such information as is required in this respect should be given to the Executive Director for Resources & Deputy Chief Executive.
7. Part 1 of the Social Security and Housing Benefits Act 1982 introduced with effect from 6 April 1983 the Government's scheme called Employer's Statutory Sick Pay (SSP). The definition of 'employee' in relation to SSP includes Councillors insofar as they receive basic allowance and special responsibility allowance, all of which attract liability for National Insurance contributions. Accordingly, for the purposes only of SSP, Councillors are deemed 'employees' of their local authority.

**TAX AND BENEFITS**

Most of the allowances you receive as a councillor count as 'earnings' or 'remuneration' for both tax and social security purposes. You should therefore declare this income on your tax return and to any office where you claim benefits.

The system of allowances introduced in April 1991, particularly the basic allowance, has affected how your payments as a councillor are calculated for tax and benefit purposes.

**Payments from the Council that are taxable**

The following allowances are taxable:

- ◆ the **basic flat rate allowance** paid to all councillors;
- ◆ **special responsibility allowances**, e.g. for the Mayor, Deputy Mayor, Deputies and the Chair of the Assembly

These allowances are taxable because the Inland Revenue considers they are primarily to provide remuneration for duties undertaken, even if they include an amount to cover some expenses. If you choose not to accept any of the above allowances, there will be no liability for income tax but your social security benefits may still be affected.

All the above allowances are treated as a form of remuneration known as 'emoluments'. An emolument includes all salaries, wages, fees, perquisites or profits from your office or employment. Emoluments are taxable under Schedule E and you must also pay Class 1 national insurance contributions in any week when their value exceeds the national insurance threshold. In most cases, the council will deduct income tax and national insurance from your allowances through the PAYE scheme before you receive them.

**Benefits in kind**

The Council provides members WITH EQUIPMENT, SUCH AS ANSWER MACHINES OR COMPUTERS TO USE OUTSIDE THE COUNCIL OFFICES. These are classed as taxable 'perks', equivalent to company cars. However, you will not have to pay tax on them if your total annual income from the council (including the value of these benefits) is less than £8500; the Council requires you only to use the facility or equipment for Council business. Reimbursement of telephone rental also comes into this category.

## Calculating Net Income

In calculating how much of your income from any of these allowances is taxable, you are allowed to offset some expenses which have not already been reimbursed by the Council. You must show that the expenses have been wholly, exclusively and necessarily incurred in the performance of your duties. It is therefore very important for you to keep receipts and invoices and some kind of running account of what you spend. It is worth keeping a monthly record of all your expenditure showing which costs were and were not reimbursed by the Council. You then have a basis for proving to the Inland Revenue how much you have spent on necessary expenses which have not been reimbursed.

Expenses for political purposes such as electioneering or campaign meetings cannot be offset against taxable income. In addition, if you choose to pay for items such as stationery or photocopying when you could have used Council facilities free of charge, you cannot deduct these expenses when calculating your income tax.

## Payments which are not taxable

The following payments and allowances are usually not taxable:

- ◆ **travel allowances** reimbursement of expenditure on travel (eg public transport or taxis) should not be taxable. Whether you will have to pay tax on a mileage allowance will depend on the reason for the journey and the mileage rate paid. The Inland Revenue publishes tax free mileage rates, related to engine size each year and broadly speaking, only payments in excess of these rates will be treated as 'profit' and will therefore usually be taxable.
- ◆ **subsistence allowances** day subsistence allowances are not taxable unless they cover attendance at the offices where the council's meetings or committees normally take place.

## ◆ Self assessment for income tax

Self assessment is a new system, brought in during 1997/98, for informing the Inland Revenue about your annual income and working out how much tax you have to pay.

Self assessment makes it more important than ever for councillors to:

- ◆ keep detailed records of all their income and expenditure for at least two years (six years, if they have any self employed earnings);
- ◆ tell the Inland Revenue about all forms of income received even if they think it might not be taxable;
- ◆ return the self assessment form by the deadline that means the Inland Revenue will calculate how much tax they have to pay. Otherwise they will have to work it out for themselves which could be very complicated and could result in being asked to pay money back or being accused of fraudulently paying too little;
- ◆ ensure they get a Form P11D which provides information on all taxable payments from the Council, which have not gone through PAYE, in the previous year.

### **Income tax for councillors on benefits**

If your only income comes from members' allowances and any of the benefits listed below in column B, you will have to pay income tax if your taxable income from the Council is above your personal tax allowance.

#### **A. Benefits which are taxable**

Industrial Death Benefit  
 Invalid Care Allowance  
 Retirement Pension  
 Widowed Mother's Allowance  
 Widow's Pension  
 Contributory Job Seeker's Allowance  
 Means-tested Job Seeker's Allowance  
 Statutory Sick Pay  
 Statutory Maternity Pay  
 Incapacity Benefit after 28 weeks

#### **B. Benefits which are tax-free**

Disability Living Allowance  
 DSS Attendance Allowance  
 Child Benefit/One Parent Benefit  
 Family Credit  
 Housing Benefit and Council Tax Benefit  
 Income Support  
 Maternity Allowance  
 Incapacity Benefit (first 28 weeks)  
 Severe Disablement Allowance  
 Disability Working Allowance  
 Industrial Disablement Benefit and Reduced Earnings Allowance

### **Claimants who paid no tax before becoming a councillor**

If you were getting one of the taxable benefits (column A) before becoming a councillor, you were probably paying no income tax. This is because the annual value of your benefit was less than your tax allowance. However,

once you become a councillor the value of your taxable allowances will be added to your taxable benefits. This will usually take your income into tax.

### **Claimants who were paying tax on their benefits before becoming a councillor**

If you have other taxable income, such as an occupational pension or part-time earnings, as well as any of the benefits in column A, you would probably have been paying tax each year, whether or not you were a councillor.

If you were paying income tax before becoming a councillor, any taxable payments you receive from the council will simply increase your income tax bill for the year. Depending on your total taxable income, the extra income from the council may take you into a higher tax bracket. For example, if you were only paying 10p in the pound in tax before becoming a councillor, you may find that you have to pay 23p on some of the extra income.

### **Liability for National Insurance contributions**

Women under 60 and men under 65 must pay a Class 1 National Insurance contribution if their income from allowances is above the weekly national insurance threshold. This is called the national insurance lower earnings limit and in 2003/04 is £385.01 per month. Members will have national insurance deducted if the payment exceeds the monthly national insurance threshold. National Insurance, like income tax, is deducted through PAYE.

## **SOCIAL SECURITY BENEFITS**

### **Benefits unaffected by councillors duties or allowances**

The following benefits should be unaffected by being a councillor or by any payments you receive for undertaking your duties:

- ◆ child benefit and one parent benefit
- ◆ retirement or widow's pension
- ◆ disability living allowance or DSS attendance allowance
- ◆ industrial disablement or war disablement benefit paid because you have been assessed as having a percentage disability

If you receive a married woman's retirement pension or if your partner claims benefits which include an amount for you as their dependant, these benefits can be affected by your members allowances.

## **Occupational pensions**

Many councillors get an occupational or works pension. These pensions are not social security benefits but arranged by your previous employer. They are private schemes and each will have slightly different terms and conditions. Councillors who receive one of these pensions will need to find out what the terms are for their particular scheme and whether their income from the Council will affect their pension rights.

## **Claiming benefits - the basic rules**

The following rules apply if:

- ◆ you claim any benefit, other than those listed above, or
- ◆ your partner claims a means-tested benefit, or
- ◆ your partner claims an extra amount of retirement pension, incapacity benefit, severe disablement allowance, maternity allowance or invalid care allowance for you as his or her dependant.

You must notify the office from which you receive the benefits that you are an elected councillor. If your partner claims a means-tested benefit or claims for you as his or her dependant, he or she must also tell the relevant benefit offices about your council duties.

## **Choosing not to accept members' allowances**

Some members think that if they refuse to accept their allowances, this will mean their benefits will not be affected. This is not true. In most cases, the social security rules take into account any income that is available to you, even if you choose not to take advantage of it. This applies to benefits, such as incapacity benefit as well as to means-tested benefits like income support. Even if you decide not to accept your members allowances, the Benefit Agency or the housing benefit/council tax benefit department can treat you as though you had been paid and cut your benefit accordingly.

## **Providing accurate and up to date information**

As an elected councillor, you are expected to act more responsibly and with more probity than the average citizen so it is doubly important that you keep the benefit office(s) informed. If you provide incorrect information or do not tell the benefit office everything about your circumstances, you may receive more benefit than you are entitled to.

## Unemployed councillors

Since 7 October 1996, people who become unemployed claim job seekers allowance (JSA). There are two components to JSA:

- ◆ contributory JSA for up to six months if you have paid enough national insurance contributions
- ◆ means-tested JSA (which is similar to income support) instead or on top of contributory JSA, if your income and capital are low enough.

There are two ways in which being a councillor can affect your right to claim:

- ◆ the Employment Service may decide your council duties interfere with your job search or you have put too many restrictions on the jobs or the hours you would take because of being a councillor. If so, you may be disqualified from signing on
- ◆ your JSA may be reduced or you may lose benefit altogether in weeks when your net income from the council is more than £5.

It is important not to give the impression that your council duties are restricting either the time you spend seeking work or the kind of paid work you would be prepared to take. This ought not to be a problem for backbench members. However, you may have more difficulty once you take on extra responsibilities, such as being Chair of a committee, Deputy Leader or Leader. If the Employment Service decides that your work as a councillor is affecting your job search they could have you disqualified from benefit.

The information contained in this guide has been necessarily abbreviated. If you would like further detailed information, please contact the Head of Committee Business on extension 48824.

## 10. Independent Remuneration Panel - Rules of Procedure

In May 1999 the Council established an external panel to advise it on a new framework for Members' allowances to support new political structures in Lewisham.

On 7 March 2001, the Council agreed that the then existing members' allowances scheme should remain in place until 1 April 2002, subject to an uplift in accordance with inflation, as had been suggested by the original panel. On the same day the Council also agreed to appoint an independent remuneration panel to accord with anticipated changes in the law; and delegated the appointment of Lewisham's independent Remuneration Panel to the Chief Executive.

Regulations provide that the Panel must have at least 3 members none of whom may be, or be disqualified from being, a Councillor. Currently, the membership of the Independent Remuneration Panel is Sir Ian Mills (Chair); Desmond Clarke, Alan MacDougall and Maggie Hennessy.

On 4 October 2004 the Independent Remuneration Panel, among other things, discussed the constitution of the Panel and agreed that rules of procedure should be agreed by the Council and recommended that they be included in the Council's Constitution.

The proposed rules of procedure, which were agreed by the Constitution Working Party on 3 November 2004, are set out in the Appendix to this report.

The Council is therefore

RECOMMENDED to agree that the Rules of Procedure for the Independent Remuneration Panel be included in the Council's Constitution.



**COUNCIL MEETING****17 NOVEMBER 2004****APPENDIX**  
**ITEM NO. 10****LONDON BOROUGH OF LEWISHAM  
INDEPENDENT REMUNERATION PANEL  
RULES OF PROCEDURE****Terms of reference**

The Independent Remuneration Panel (the Panel) appointed by the London Borough of Lewisham (the Council) shall consider and make recommendations to the Council on all matters which relate to allowances to be paid to the members of the Council, members' pensions, travel and subsistence and all other matters which by law the Panel has power to advise the Council on from time to time.

**Membership**

The Independent Remuneration Panel shall be appointed annually at the Council's Annual General Meeting and consist of at least 3 and no more than 6 members.

**Appointment of Chair**

The Panel will appoint one of its members to be the Chair of the Panel at its first meeting in any municipal year

**Meetings**

The Panel shall meet as and when required at least once a year, but more frequently if there is business to be considered.

**Quorum**

The quorum for a meeting of the Independent Remuneration shall be 2.

**Notice of meetings**

Usually all members will be given at least 5 days notice of a meeting by the proper officer of the Council, and the notice of the meeting will set out the business to be conducted, with supporting documentation.

**Place of meetings**

Meetings may take place in such place as the proper officer of the Council shall determine following consultation with the Chair of the Panel.

**Conduct of meetings**

The conduct of the meetings of the Panel shall be at the discretion of the Chair who will use his/her best endeavours to ensure that all members of the Panel are given the opportunity to contribute to debate, and that proceedings are conducted fairly.

**Decision making**

The Council will make sure that there is sufficient information before the Panel in relation to any matter under discussion to enable the Panel to exercise its discretion and reach a decision on the matter under consideration. This information will include a written report which may be supplemented by oral presentation. The Panel may call for further information should it so wish.

**Simple majority voting**

Decisions will be taken by the Panel by simple majority vote. In the event of equality of votes the Chair shall have the casting vote.

**Minutes**

The proper officer of the Council will take minutes of proceedings at meetings of the Panel and provide copies to all members of the Panel. Those minutes will be publicly available

**Publicity**

Recommendations made by the Panel to the Council shall be publicised in at least one newspaper circulating in the area.

**11. Constitution Working Party - Appointment of Member**

On 24 March 2004 the Council appointed members to serve on the Constitution Working Party for the current municipal year. At that time Councillor Jane Hastie was appointed to serve on the Working Party. However, she has now resigned from membership of the Working Party and it is necessary to appoint another member to replace her.

It is proposed that Councillor Morrison be appointed to serve on the Working Party for the remainder of the municipal year.

The Council is therefore

RECOMMENDED to appoint Councillor Morrison to serve on the Constitution Working Party for the remainder of the municipal year.

## 12. Creating a Children's Services Directorate

The Green Paper *Every Child Matters*, published in September 2003, set out a new Government vision for children's services. The document included a detailed response to Lord Laming's inquiry into the death of Victoria Climbié, but went wider than child protection to focus on preventative policies and on the universal services which every child uses, as well as more targeted services for children at risk and in need.

The Government expressed its vision in terms of five outcomes for children and young people: being healthy, staying safe, enjoying and achieving, making a positive contribution and economic well-being. And the package of proposals in the document were grouped into four workstreams: Supporting Parents and Carers; Early Intervention and Effective Protection; Accountability and Integration; and Workforce reform. The third of these workstrands – accountability and integration – includes the proposals on structural change within Local Authorities, but by way of context a brief summary of the other three areas is set out below.

### Supporting Parents and Carers

*Every Child Matters* signals a new recognition of the importance of parenting in the life of a child, and a commitment from Government to develop more and better universal and specialist services to support parents and families in their role. Proposals for all families include a national helpline for parents, training on child development for professionals in order to support parents better, family learning programmes and better communication between parents and schools. The package of measures aimed at parents with particular needs include expanded home visiting programmes, parent education programmes for those with younger children and wider use of family group conferencing. The Government also proposes extending the range of compulsory tools available to professionals working with parents unable or unwilling to take up these opportunities, including increased use of Parenting Orders.

### Early intervention and effective protection

The Green Paper sets out a vision for how early intervention with children at risk of adverse outcomes in later life might become more widely practised. This is in response to evidence from Lord Laming's Inquiry into the death of Victoria Climbié, which showed that a wide range of agencies had been in contact with her but that none of the key agencies had acted adequately on the early warning signs present in her case.

The proposals from Government include improved information sharing between practitioners and between agencies; the establishment of a common assessment framework for professionals working with children; co-locating services; and implementing more robust child protection procedures across all relevant organisations.

### Workforce reform

The proposals aimed at rejuvenating and modernising the children's social care and wider children's workforce are some of the most exciting and challenging ideas in the Green Paper. The efficacy of these group of services depends crucially on the quality of professional and other front-line staff. And hence any re-shaping of service needs to start with the proper re-casting of front-line roles and responsibilities of staff across local agencies. To this end, the Government has committed itself to establishing a workforce reform strategy for the sector, a high profile recruitment campaign for those professions difficult to recruit to, more flexible training routes into social work and common occupational standards and core training for those working with children. The intention is to pay to children's services the same attention which education received on the Government's election in 1997: raising the status, improving access routes, and increasing incentives for new entrants to join the full range of professional roles in the new children's services.

Many of the proposals in these three workstreams dovetail well with Lewisham's own agenda for change. Indeed, developments already underway on children's services in Lewisham actually pre-figured several of the proposals in the Green Paper. For example, we had already made great progress on multi-agency working through among other initiatives our preventative work on the Children's Fund; the establishment of the multi-agency BEST team as part of the Behaviour Improvement Programme; and the new Children and Young People Centre development at Rushey Green; and the Deptford Green extended school was an ambitious forerunner of some of the proposals in the Green Paper around extended and clusters of schools, and Lewisham had already been chosen as a pilot area for the Government's proposals on ICT-enabled information sharing (then named 'Identification, Referral and Tracking', now re-named as 'Information Sharing and Assessment'). Subject to some reservations, including the level of resources forthcoming from Central Government to help realise the vision, Lewisham's multi-agency response to the Green Paper consultation was therefore highly positive.

Other proposals set out in *Every Child Matters* are more demanding for Lewisham, but Directorates have already begun to respond positively to these challenges even before the Children Bill receives Royal Assent.

For example, Children's Social Care have begun very good work on recruiting and retaining social workers in co-operation with a number of other Boroughs, and work on recruiting and retaining quality foster carers – a particular challenge in Lewisham – is also beginning.

### Accountability and Integration

The Children Bill heralds a dramatic change in the configuration of responsibilities for children's services within Central Government, with children's social care moving from the Department of Health to the Department for Education and Skills; Family Policy moving from the Home Office also to the Department for Education and Skills; and the appointment of the first ever Minister for Children, Young People and Families. The establishment of a Children's Commissioner was also a key indication from a Government previously reluctant to respond to widespread calls for such a post that children's issues were rising to the top of the political agenda. But it was and is from the reconfiguration of children's services at the local level that Government expects the real benefits of the Green Paper to flow.

The *Every Child Matters, Next Steps* document and the Children Bill, both published in March 2004, contain five key proposals relating to Local Government structures: improved local partnerships; Local Safeguarding Children Boards; commissioning children's services / development of Children's Trusts; lead Council Member for Children; and Children's Services Director.

### Improved Local Partnerships

The failure of agencies either individually or collectively to respond to the very evident signs of risk in the tragic case of Victoria Climbié encouraged the Government to investigate in some detail the ways in which these agencies organised themselves at a local level. The Government concluded that those areas serving children and their families best tended to have in place a robust partnership arrangement involving the Local Authority, the PCT, the Police, Connexions and the Youth Offending Team among others in making decisions about and planning for local services.

It was therefore proposed in the Green Paper, and enshrined in the Children Bill, that every local area should have a robust partnership arrangement between the Local Authority and its relevant partners including those in the statutory, private, voluntary and community sectors. Key to this new requirement is a reciprocal duty placed on the Police, health bodies, the Probation Service, Connexions partnership and Learning and Skills Councils to co-operate in this partnership – referred to in the Bill as "duty of co-operation to improve well-being".

The Children Bill does not specify a name or organisational title for these partnerships, but in Lewisham it is likely that the existing Children and Young People's Strategic Partnership, either in its current or an updated form, will be the best place to promote the new 'duty to co-operate' among public institutions locally. As the Lewisham multi-agency response to the Green Paper consultation noted, sound and robust arrangements for managerial integration and inter-organisational governance are essential to smooth joint working. There has been some criticism that neither schools nor GPS (crucial institutions in respect of the system failures in the case of Victoria Climbié) are formally subject to the duty to co-operate. However, there will be real and present pressure on all local institutions to co-operate fully to safeguard children's well-being and foster a climate of ambition and achievement. Therefore although the Lewisham CYPSP functions well, it is anticipated that the duty on individual organisations to co-operate will further empower that partnership to take decisions on a pan-agency basis.

The Executive Directors for Education & Culture and for Social Care & Health are jointly leading a process of consultation with the Council's partners to review the partnership architecture in Lewisham in response to this new requirement.

#### Local Safeguarding Children Boards

Building on the Joint Chief Inspectors' report *Safeguarding Children*, published in October 2002, as well as on the obvious inference from the Victoria Climbié case that the Area Child Protection Committee (ACPC) had failed in its safeguarding role, the Government is requiring every local area to upgrade its ACPC into a statutory Local Safeguarding Children Board. These boards are expected to co-ordinate and ensure the effectiveness of local arrangements and services to safeguard children, including services provided only by one agency, and each agency will now have a duty to discharge their normal functions having regard to the need to safeguard and promote the welfare of children.

The Lewisham ACPC has a strong history of co-ordinated work between agencies with a common purpose (currently chaired independently by a senior health sector practitioner), but nonetheless Lewisham's multi-agency response to the Green Paper consultation welcomed the placing of these committees on a statutory footing.

The Interim Executive Director of Social Care and Health is leading on the implementation of the Local Safeguarding Children Board in Lewisham.

## Commissioning children's services and the development of Children's Trusts

*Every Child Matters* set out the Government's intention to inspire the creation of 'Children's Trusts' in every area as the preferred approach to integrating children's services within a single organisational focus. Trusts are not organisational entities in statute - indeed there is no reference to them at all in the Children Bill - but, pending further clarification and guidance, there is currently an expectation that every area should have a Trust in place by 2008, with most areas are 'recommended' to have them in place by 2006.

The Government states that the primary purpose of a Children's Trust is "to secure integrated commissioning leading to more integrated service delivery and better outcomes for children and young people". Thus the improved outcomes associated with Children's Trusts are now expected to flow not from their organisational form but rather from the way in which they will serve to co-ordinate the planning and procurement of children's services in the local area. The Children Bill introduces a new power for local agencies to pool budgets in order to further enhance the co-operation outlined above, and it is in the formation of these 'pooled funds' and the strategic commissioning which they enable that a Children's Trust comes into being. Trusts are likely to have two main components: an overarching strategic partnership, and a series of Section 31 agreements which will comprise lead commissioning, pooled budgets and integrated service delivery, and which will require a governance arrangement.

It is proposed that strategic commissioning will be a key activity for the new Children's Services Directorate described below, and that this commissioning function assumes responsibility for commissioning right across the local children's services economy.

### Lead Council Member for Children

In order to strengthen the role of Councils in engaging local communities to improve children's services, the Children Bill requires a lead member to be appointed for Children's Services. Although under the Mayoral system Lewisham Cabinet Members act as points of liaison with executive management, key local stakeholders and the wider community rather than having delegated executive authority. The Mayor took a clear lead on this issue when in 2003 he appointed a Lead Cabinet Member for Children.



### Children's Services Director

With the aim of creating a single organisational focus for the key services and budgets affecting children and young people, and of tackling what Government has labelled "the critical boundary between children's social services and education", the Children Bill requires all Local Authorities to appoint a Director of Children's Services by 2008, with most areas expected to have the post in place by 2006. The Bill does not prescribe the organisational arrangements supporting that post nor the managerial level at which the post should sit – indeed the Bill does not prohibit the Chief Executive him/herself from absorbing the role – but it is made clear in the legislation that the Director must have responsibility for, as a minimum, the following services:

- The functions relating to children and young people that currently fall to Chief Education Officers;
- The functions relating to children and young people that currently fall to Directors of Social Services.

The explanatory notes accompanying the Children Bill stress that the Director of Children's Services also has a wider remit in relation to co-ordinating the work of agencies across the local area: "Directors of children's services will also be expected to steer local co-operation arrangements in relation to children's services".

It is left to local discretion whether the Director is responsible for adult education, adult social services, housing, leisure, culture, the Youth Offending Team, and any other child-related functions not within the statutory remit of the Chief Education Officer or Director of Social Services.

### Children's Services Directorate

It is proposed that this element of the Children Bill is implemented in Lewisham through the appointment of an Executive Director for Children's Services and the creation of a Children's Services Directorate comprising the core functions of the Director's new statutory remit plus a small number of related services for children and young people. Focused as it is on the statutory functions of the Children's Services Director role, it is anticipated that this proposal would have minimal impact on the wider review of the Council's structure proposed elsewhere in this report.

It is recommended that the role of Director of Children's Services is placed at Executive Director level, the managerial layer at which officer-level accountability for whole-systems service delivery is

principally concentrated in the Council. Placing the role any lower in the hierarchy would entail unnecessary risk given that it incorporates functions currently residing with Executive Directors, and in organisational terms such a decision would skew significantly the balance of responsibilities and management roles aimed for Heads of Service across the Council.

It is further recommended that the Executive Director of Children's Services should, like other Executive Directors in the Council, lead a discrete Directorate. Legislation does not require the Council to bring the Director's responsibilities together into one managerial unit in this way. However, it is suggested that an Executive Directorship spanning more than one Directorate would dilute the clarity of the role, and that it would be unwise to pilot this un-tested organisational form (essentially a 'matrix management' approach) on services as vital as children's social care and education. Were a decision made to establish a Children's Services Directorate, it would be necessary to delete the posts of Executive Director for Education and Culture and that of Executive Director for Social Care and Health and to consider the establishment of a single post of Executive Director for Children's Services. Consideration will also need to be given to senior management arrangements for those services in Social Care and Health and in Education and Culture which it is not proposed to bring within the new CSD. Before making a final decision, under its own reorganisation procedures the Council would be required to consult affected employees and take their views into account. If the recommendations in this report are accepted, that process would begin shortly.

#### Scope of the Directorate

Should the decision be taken in Lewisham to establish a Children's Services Directorate led by an Executive Director for Children's Services the statutory responsibilities of the Director of Children's Services entail placing the following service areas within his/her remit, and thus within the new Directorate:

- All service units within the Children's Social Care division of Social Care and Health.
- All service units within the School Effectiveness Division of Education and Culture.
- All service units within the Pupil Services Division of Education and Culture.

- Relevant service units within the Resources Division of Education and Culture.
- Relevant services units within the Partnerships and Investment Division of Education and Culture.
- The Youth Service (not a statutory responsibility of the Chief Education Officer but closely related to those responsibilities)

Three further sets of decisions remain:

1. Which other services should be in the new Directorate?
2. To what timescale should the Directorate be created?
3. How should the directorate be shaped internally in terms of budgets, management configuration and service delivery?

#### Which other services should be in the new Directorate?

Analysis of the experience of Councils which have already begun to reconfigure their organisational structure in line with the Green Paper agenda suggests that the services listed above, plus those listed in 4.35, 4.46 and 4.53 below, comprise a comprehensive list of service areas which could reasonably be considered as candidates for inclusion in a Children's Services Directorate (CSD).

It is assumed here that the aim of creating a CSD is to concentrate in one Directorate as many of the Council's functions which relate primarily to children and young people as possible. Virtually all areas of Council business impact upon children and young people in some way but it is anticipated that areas such as housing or environmental services which, although having some bearing on them, do not primarily serve children and young people would be outside the Directorate. It is also assumed that, although the organising principle of the CSD will be client-centred, the grouping of particular and linked service functions must also be considered.

And it is further assumed that the new Directorate must not be of an unwieldy size: its overriding priorities will be to raise school standards, to safeguard children, to improve children's health and to provide the commissioning framework for joining up and improving services across social care, health, education, the criminal justice system and the voluntary sector. It is important that the structure is not overloaded with services which risk distracting the Executive Director's attention away from the important and substantial core business of the Directorate.

Although this report focuses on the organisational form in which the Council's children's services should be delivered, in developing these recommendations close attention has been paid at all times to how services can best be delivered from the point of view of the service user. And it is recognised that although structure is important, the real benefits from the implementation of *Every Child Matters* in Lewisham will stem from the ways in which staff deliver services to children and families on the frontline.

It is further assumed that decisions about where a function not regarded as suitable for inclusion in CSD should reside in the Council will be taken at a future point following advice from the Chief Executive on the shape of the wider Council.

### Services currently in Education and Culture

There are a number of functions which are currently located in the Education & Culture Directorate for organisational convenience rather than because they come within the statutory remit of the Chief Education Officer. It is proposed that the Mayor should therefore consider whether these functions would be best placed within the CSD or outside. They are some of those service units within the Culture and Community Services Division of Education & Culture:

- Cultural Services:
  - ⊕ Sport and Active Recreation
  - ⊕ Libraries
  - ⊕ Arts and Entertainment
- Lifelong Learning and Partnerships
  - ⊕ Education Business Partnership
  - ⊕ Adult Education
  - ⊕ Drug Education Project
- Community Sector

### Cultural Services

It is proposed that none of the three service areas within the Cultural Services group is brought within the CSD. While Libraries and Arts & Entertainment both serve the whole community of Lewisham, neither relates primarily to children and young people and it is important that both services are seen to be run for the service of adults without children just as much as for families with children.

The Sports and Active Recreation Service (SARS) would seem to have more links with the CSD given its role in relation to school sport.

However, further analysis suggests that this service area too would be best served by being outside of the CSD. Less than 25% of the SARS budget relates directly to children and young people and the main roles of the service - to client the leisure centre management, parks and open spaces contracts and to provide advice and support to voluntary and private sports centres and clubs – do not concern children and young people primarily.

Furthermore, the drift of policy on sport and active recreation is away from an over-concentration on elite sports and a focus on specific groups and towards the whole population. For example, last year's *The Game Plan* from the Department of Culture, Media and Sport set ambitious targets for increasing by 2020 levels of sport and activity for everyone, not just or even mainly for the young, and the recent Wanless Report into how patients can further their own health put forward over 20 recommendations to Government including the promotion of active travel to work and greater physical activity in the work place, both of which relate to adults. Consideration should also be given to the impact locally if London won its Olympic bid, in which case it is likely that the Council would want its sports function to focus and be seen to focus on the whole community rather than a single client group.

It is therefore proposed that the SARS remains outside the CSD, although there clearly needs to be a commissioning link in place between SARS and the CSD and it will be important for officers to ensure a strong working relationship between this service and school improvement officers and schools.

#### Lifelong Learning and Partnerships

Of the three service areas within the current Lifelong Learning and Partnerships group (excluding the Youth Service which, as mentioned above, is assumed to be within the CSD), it is recommended that the Education Business Partnership, which relates exclusively to children and young people, should come within the CSD, and that Adult Education and the Drug Education Project remain outside the new Directorate.

Although the Education Business Partnership does have important links with business – and ought therefore to maintain strong operational ties with the Regeneration Directorate as the main focus of the Council's relationship with business – its primary purpose is to improve the skills and employability of children and young people. It is therefore recommended that this service remains within CSD.

The arguments for the organisational location of the adult education service is more finely balanced. The main arguments for bringing Adult Education within the CSD are as follows: first, that it relates to learning and the new CSD will have learning as one of its key objectives; secondly, that the Adult Education service's key external relationships are with the Learning and Skills Council and Lewisham College, both of which have an important interface with the education service and thus with the new CSD; and thirdly, that a key area for delivery of this service in recent years has been progress in family learning, which is crucially linked with schools.

Although these issues are important, on balance it is recommended that the Adult Education Service remains outside the CSD. Adult Education does share with CSD the functional goal of learning, but their client groups barely overlap; the two services share a link with the LSC but so too do other Directorates, e.g. Regeneration – the Council's interface with the LSC is not confined to Education and Culture currently; and although family learning is a key deliverable of this service, only 5.5% of the total adult education budget is spent on this area of which 50% is spent purely on educating adults on accredited courses. Furthermore, although the location of services outwith the CSD is outside the scope of this report the potential synergies with other service areas in the Council are clear (e.g. sports and leisure, libraries and adult social care).

It is therefore recommended that Adult Learning is placed outside of the Directorate although operational links will need to be maintained, as now, with schools through the CSD. It is possible, though unlikely, that decisions on the wider Council structure may not yield a suitable Directorate home for this service, in which case this recommendation may need to be further reviewed.

The Community Drugs Education Project (CDEP) provides education and training to parents/carers and the wider community around substance misuse. Thus, although its purpose includes the prevention of drug-taking by children and young people the primary focus of the service is on the functional issue of drugs in the community. The CDEP would seem therefore to be best placed outside the Directorate, particularly given its obvious links with the functional focus of drugs, which is located in the Drug Strategy Team in Resources Directorate. Again, although this report does not go into any detail about the location of functions not for inclusion in CSD, the Drug Strategy Team would seem to be an obvious home for this service.

## **Crime Reduction Service**

Two services currently based in the Crime Reduction Service relate directly to children and young people and therefore merit consideration for inclusion into the CSD. After considerable discussion at management level, it is recommended that neither of the two services – the Youth Offending Team and the Drug Strategy Team – should be brought into the CSD.

The Youth Offending Team commissions and delivers youth crime prevention services and supervises young people on court and pre-court sentences. With few Councils across the country having yet finalised their children's services structures it is difficult to say definitively what the consensus is on whether or not a YOT is best placed within or outside an integrated children's services Directorate. With little clear guidance either from the DfES or from the Youth Justice Board the decision has been left entirely to local discretion and early indications are that decisions are being taken by Councils largely on the basis of local circumstances.

There are several arguments in favour of including the YOT within the CSD. First, is its client link with the CSD: the YOT serves children and young people exclusively. Second, is the potential of a YOT embedded within a mainstream service Directorate to improve access to those mainstream services – including primarily education and social care – for young offenders. Third, while it remains within the Crime Reduction Service the YOT risks stigmatising young clients who may be involved with the youth justice system for reasons stemming more from a failure to engage in (or be engaged with by) education and social care than from their own persistent criminality – perhaps inclusion within CSD would reduce this effect. And finally for one particular client group – looked after children – who are currently disproportionately over-represented within the youth justice system, the inclusion of the YOT within CSD could enable a more seamless series of interventions.

However, as noted above, it is important for the overall balance of management responsibilities across the Council that our design is not rigidly built on a client-based method of organisation. While the YOT clearly shares a client group with the services likely to be included in the CSD, its functions and external links differ markedly and could potentially be disrupted were the YOT to move into CSD and away from its crime-focused partner services. In particular, the YOT has a key set of relationships with the Police, the Courts, Magistrates, the Probation Service and others which it shares with other units in the Crime Reduction Service and for the maintenance of which the YOT's reputation as primarily a 'crime fighting' service and only secondarily as a 'welfare-oriented' service is crucial. The YOT also shares with other

units in the Crime Reduction Service an external link with the Home Office and a fairly intensive relationship with the Government Office for London. Public perception of the YOT as a robust means of tackling youth crime may also be compromised if the YOT moved into a Directorate likely to have a more universal public persona. Against this it must be recognised that a good deal of YOT activity is directed at preventing re-offending – and a preventative approach sits well with the developing CSD philosophy.

It is therefore recommended that the YOT remains within the Crime Reduction Service – managerially accountable to the chief executive; who chairs the Crime & Disorder Reduction Partnership. However, it is recommended that the commissioning of this and certain other services is brought within the strategic commissioning function of the new CSD as discussed below.

The Drug Strategy Team develops and co-ordinates policy on substance misuse and commissions substance misuse services in conjunction with the PCT. Approximately one-quarter of the DST's activities are focussed on young people, and as such the team, or that part of the team which focuses on work with young people, could potentially benefit from being within the CSD. Furthermore, the DST has experienced difficulties in gaining the co-operation of other mainstream services for children and young people with its work, and location within the same Directorate as those services could aid communication around the client group.

However, it is very important for substance misuse to be handled coherently, and the Home Office and Department of Health clearly envisage issues of drug abuse by young people to be handled locally within the context of the overall drug strategy. National policy on drug abuse is expected to shift more towards the compliance end of the spectrum, with indications already that the compulsory drug testing element of the adults Drug Intervention Project is likely to be extended to young people. It is therefore recommended that the Drug Strategy Team remains intact within the Crime Reduction Service but that, as with the YOT, the potential is explored for the commissioning of substance misuse services for young people to be channelled through the new strategic commissioning function in the CSD.

#### Anti-Social Behaviour Action Team

The Anti-Social Behaviour Action Team (ASBAT), currently located within the housing division of the Regeneration Directorate but with strong operational (and premises) links with the Crime Reduction Service, has an operational role to combat anti-social behaviour using all relevant enforcement tools, and also leads on hate crimes including racist,



homophobic and domestic violence incidents. The ASBAT takes its policy direction from the National Anti-Social Behaviour Unit within the Home Office. The majority of the team's workload (around 60%) relates to adults.

Although 40% of the unit's work relates to children and young people and it could therefore be argued that some or all of the unit should move into the CSD, the nature of the role has much stronger parallels with that of anti-social behaviour work with adults and the criminal justice-related function of the rest of the Crime Reduction Service than with the mainstream focus of the putative CSD. Like the YOT, the ASBAT maintains vital links with a range of criminal justice and community agencies including the Police, the Probation Service, Street and Estate Wardens.

Therefore although, again like the YOT, the ASBAT shares a client group with the CSD, the functional links of the team lie firmly within a criminal justice rather than a child-related context. It is thus proposed that the ASBAT should remain outside of the CSD, although it is important to note for future discussions on the shape of the wider Council structure that the organisational location of the ASBAT needs revisiting.

#### Commissioning, Strategy & Performance

The CSD, as with other Directorates, will require a range of support roles including strategy, performance management, finance, human resources and secretarial among other functions. It is recommended that the detail of these services is considered through the Chief Executive's process for crafting the Directorate following a Council decision on its overall shape, but it is relevant for the Mayor to consider as part of this paper proposals for a strategic commissioning function within the new Directorate.

As mentioned above, the DfES's conception of Children's Trusts has evolved over the past year from a purely structural notion to one of function. Children's Trusts are conceived in *Every Child Matters, Next Steps* as a means of bringing together the commissioning of services for children in a local area, irrespective of the provenance of the funding or the identity of the delivery body. The document suggests that, in their fully developed form, Children's Trusts will consist of pooled budgets from the LEA, children's social services, Connexions, certain health services and, where agreed locally, Youth Offending Teams. In the long term they will be able to use a section 31 agreement or the new pooling power in the Children Bill, and commission services on behalf of agencies across the Borough. Some areas may choose to align agencies structurally or transfer staff between agencies to

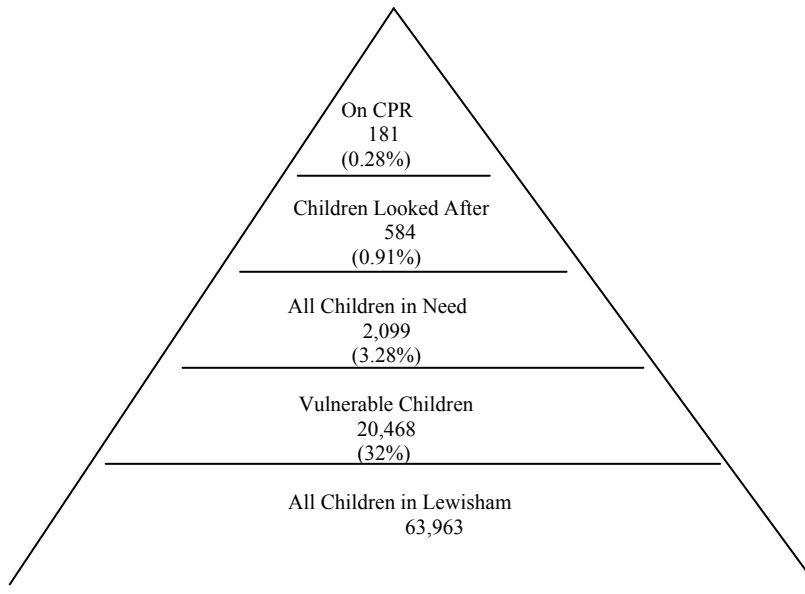
cement these commissioning relationships further, although this is not required statutorily.

It is recommended that the Council does not plan to create a Children's Trust in this form – i.e. using all of the legislative tools available - much before the Government deadline of 2008, and it is doubtful at this stage whether structural integration beyond that envisaged in the creation of the Children's Services Directorate will be necessary at all in Lewisham given the positive range of partnership arrangements already ongoing. However, it is proposed here that the new CSD does have from its inception a strategic commissioning function which devises commissioning strategies and plans both for the range of services merging under the Executive Director for Children's Services and, importantly, for the Primary Care Trust.

In other words, the Directorate will 'jointly commission' with our key partner agencies. Indeed, it is currently envisaged by the Chief Executive of the PCT that the existing (vacant) post of Head of Children's Commissioning in the PCT will be moved into the CSD and will report jointly to the Executive Director of CSD and to the Director of Commissioning in the PCT. That post will have responsibility for commissioning services across the health economy and its inclusion within the CSD strategic commissioning function will place Lewisham at the forefront of the commissioning model envisaged within the Children's Trust concept. The development of full Health Act flexibilities will begin from April 2005, although may take some time to be fully in place.

The detailed structure of the strategic commissioning function will need to be crafted in the coming months and it will be important, in order not to divert resources away from frontline service delivery, to ensure that the scale of this function is proportionate to its task. One emerging option is for this part of the Directorate to be structured around the five key outcomes in *Every Child Matters* listed above, i.e. being healthy, staying safe, enjoying and achieving, making a positive contribution and economic well-being. Alternatively the Unit could be modelled on the 'provision triangle' showcased in *Every Child Matters*, enabling relationships between universal, target and specialist services. In Lewisham as elsewhere (see figure 1 below) the vast majority of our children feature in the 'universal' base of the triangle with only a tiny proportion (0.4 per cent or 1 in 250) featuring on the Child Protection Register. However, here as elsewhere the Council's non-school spending on children is disproportionately weighted on a per capita basis towards those in the 'specialist' tip of the triangle, while the policy thrust of the Green Paper encourages Local Authorities to shift spending down the triangle as far as possible by investing "up-stream" in preventative services. The transparency afforded by a

universal/targeted/specialist split within the commissioning function may help to facilitate this difficult but essential policy shift within Lewisham.



### Structure of the CSD

It is recommended above that the Chief Executive be given delegated authority to take the practical decisions required to create a Children's Services Directorate of the scope agreed on by the Council. However, it may be useful here to set out a flavour of the structure envisaged for the new Directorate.

It is suggested that the Council attempts to minimise the disruption to managers and staff caused by the creation of the new Directorate by limiting as far as possible the number of staff members directly affected by the changes at all levels. It is important that the service reconfiguration currently ongoing in children's social services is neither interrupted nor unpicked by the process of creating the CSD. The proposals here are also informed by the following change management principles:

- ensure that the management and the structure improves the lives of children and young people in Lewisham;
- exploit existing people and systems to their fullest;
- address structural, cultural and behavioural barriers to improvement;
- set up a top team which collectively facilitates the establishment of synergies within services;

- ensure improvement through a focus on both innovation and efficiency; and
- reflect the strategic differentiation set out in both *Every Child Matters* and Lewisham's own Children and Young People's Strategic Plan of universal, targeted and universal services.

The 'top team' of the new Directorate (i.e. Executive Director plus Heads of Service) is currently envisaged (as the basis for consultation) as containing the following roles:

- Executive Director
- Director of Children's Social Care
- Head of Education
- Head of Targeted Services
- Head of Resources
- Head of Commissioning, Strategy & Performance
- Head of Partnerships and Investment

While most of the posts included in this proposed Departmental Management Team incorporate functions more or less as they exist currently in Social Care & Health and in Education & Culture, one or two of the posts may be relatively new. The post of Director of Children's Social Care has been created in recognition both of the critical role of safeguarding within the CSD and of the recent efforts to improve frontline practice in children's social care, on which momentum needs to be maintained at a senior level. The new post-holder joins the Council in November 2004. It is not proposed, however that the new Director grade is replicated elsewhere in the Council.

Beyond the amendments to the top team discussed here, it is not recommended that many other changes are made to service configuration or job descriptions prior to the Directorate going live in April 2005. The timetable for implementation of the new structure is fairly challenging, and it is considered important to get the Directorate Management Team right before disrupting other management layers. To this end the Chief Executive has commissioned a firm of change management consultants – Stanton Maris – to work with the top team of the new Directorate to effect the changes.

This said, however, immediate synergies are apparent in a number of service areas where staff have some responsibilities in both directorates and it is recommended that in this small group of service areas some changes may be implemented from April 2005. The relevant Heads of Service and third tier managers in these areas have begun a discrete piece of work to look at these areas and suggest ways of structuring or

working that will improve efficiency and effectiveness for the children and young people they serve. These areas are:

- services to children with disabilities
- looked after children
- child protection
- early years

It will be the role of the new management team to facilitate changes in these and other areas.

To what timescale should a CSD be created?

It is recommended that a Children's Services Directorate is developed in order to be operational from 1<sup>st</sup> April 2005. This timetable would place Lewisham near the front of authorities responding to *Every Child Matters*. Currently there are some 20 authorities (of 150) that have moved to a Children's Services Directorate – 3 of these in London. Lewisham is one of 3 further London authorities proposing to change their arrangements in 2005.

There are a couple of "push" factors as well as several "pull" factors recommending an early implementation of our structural response to *Every Child Matters* a year ahead of the April 2006 date by when Government intends most Local Authorities to have appointed their Children's Services Director.

It would be desirable to avoid as far as possible the "planning blight" which tends to paralyse parts of any organisation going through structural reorganisation. While managers and staff in the Council are interested in and excited by the Green Paper agenda, the collective memory of previous Council reorganisations suggests that even the most dedicated and supportive staff can become distracted by reorganisation and it would seem sensible to foreshorten this period as far as possible.

Moreover, assessment and inspection of both education and children's social care services is likely soon to favour integration. The Government has signalled its intention to create joint inspectorate teams which will conduct "Joint Area Reviews" of Councils focusing on all aspects of children's services. These reviews could happen as early as 2005, and Councils which have made good progress on integrating their education and social care functions will be in a strong position to gain credit from them. This is particularly key given Lewisham's "Good to Great" agenda, as integration may well feature as a key theme either in the corporate or the children-specific CPA criteria in future years. The

sooner we begin to craft our merged structures, the stronger they will be by the time of our next CPA inspection.

However, it would be misleading to suggest that the key drivers behind the move to a Children's Services Directorate are (a) external in character; and (b) coercive in nature. In fact, Lewisham has a number of characteristics which should encourage us to see early integration as an opportunity for self motivated progressive change rather than a threat.

First, Lewisham has a strong history of partnership working in delivering children's services. The Rushey Green integrated children's centre, which will bring together a wide range of health and social-care related services under one roof, is an excellent example of the vision and foresight which Lewisham agencies, working together, have already shown. The Children and Young People's Strategic Partnership is an effective mechanism for stakeholder oversight. This is evidenced by its ability to produce single responses to Government consultations such as to *Every Child Matters*. Even now the Partnership is working up a joint response to the DfES's current consultation on a single assessment framework for children.

Secondly, while there are undoubted successes among our partnership efforts, so a number of the Council's toughest challenges are also in areas which could be better served by the merging of education and social care functions. The educational qualifications of looked after children, for example, is among the key performance indicators on which our current performance is poor. The merger of education and social services into one directorate could provide exciting opportunities for focused work towards improving our performance against shared targets of this kind.

Thirdly, given our status as a highly successful pilot site for the DfES's Identification, Referral and Tracking scheme (Lewisham Information Sharing and Assessment, or 'LISA'), Lewisham is well placed both to benefit from the information sharing tools anticipated in the Children Bill and to 'oil the wheels' of the merger since Education and Social Care and Health have already been working well together on the LISA project.

Fourthly, although not yet finalised it is likely that Lewisham's second generation Local Public Service Agreement is likely to contain [7] targets relating to children out of a total basket of [12]. Co-ordinating the Council's approach to meeting this cluster of high-profile stretch targets would be better facilitated were all the relevant services to be located within the same Directorate.

And finally, implementing the necessary structural changes early on should enable Lewisham to capitalise on its strengths as a children's authority and deliver quick wins on some of the more operational aspects of the Green Paper such as workforce reform and recruitment. Completing structural reform early on will create momentum for the challenging operational changes which managers and staff will be asked to implement later on.

How should the Directorate be shaped internally in terms of budgets, management configuration and service delivery?

Thus it is proposed that the CSD is launched on April 1<sup>st</sup> 2005. In order for the structure outlined earlier to be functional from this date it is suggested that any vacant posts at senior level will need to be advertised immediately: most notably the post that will head the new commissioning function. As the decisions proposed in this report are in principle only and are to form the basis for consultation, this process will now need to begin with heads of service and other staff likely to be affected by the changes, and also with other staff. Where there are likely to be substantial changes to role and function, any new job descriptions will have to be determined as soon as possible to allow for recruitment to take place. Where changes are minimal, a process of matching and assimilation will need to take place during February/March. Some of these appointments will be made at officer level but others, including the Executive Director, will be member-level appointments. It will also be important to engage in consultation and communication with staff before the structure is finalised. That process will begin following a formal decision to create the Children's Services Directorate by Council.

Risk Assessment

Senior managers are confident that all of the services proposed for inclusion in the CSD will be in an appropriate state by April 2005 to move into the new structure. The work being done in Children's Social Services, perhaps the area requiring most focus in the run-up to the new Directorate, to improve frontline delivery and secure safeguarding practices following the SSI Inspection earlier in the year is yielding positive results, and the Interim Head of Service expects safe systems to be in place by January.

It is vital, however, that the Council makes a comprehensive risk assessment of all services for inclusion into the CSD, as well of the wider organisation, before the final preparations for moving to the new Directorate are activated. A position statement from the Interim Executive Director for Social Care & Health will be produced towards the end of November giving an accurate assessment of the risks to children's social care of merging in April with Education. And the

Deputy Chief Executive will produce a detailed financial and budgetary risk assessment before these changes are finalised/implemented.

In fact, early work on the budgetary implications of merging the various services proposed above suggests that economies of scale may be forthcoming, and that the integration of overlapping areas such as SEN, disabled children's services and children's social care placements could offer real opportunities for minimising duplication. However, the risk of bringing two of the Council's biggest cost pressures – the children's social care placements budget, and SEN – under one Directorate roof will not be underestimated.

### **Consultation**

Because of the nature of these proposals and their potential impact on individual posts, officers have had some discussions with senior managers on these proposals, and have begun working with external partnership on the implications of these proposals across the Borough. Formal consultation with staff needs to take place before a decision made, therefore the agreement sought here is to agree the proposals as a basis for consultation before making a final decision. Should that agreement be reached, a full communication and consultation plan (both internal and external) will be implemented.

### **Consultation Outcomes and Issues**

Following a decision on the proposals outlined in this paper, officers will move to consult with staff on those proposals before a final decision is made.

### **Legal Implications**

Many of the legal implications are referred to in the body of the report. However, in addition the following specific implications ought also to be borne in mind.

The Children Bill is expected to receive Royal Assent shortly. If the Bill remains unamended as appears likely, under Section 18 of the Act, there will be a requirement from a day to be appointed by the Secretary of State, but likely to be 2008, to appoint a Director of Children's Services in respect of the functions set out in that section, broadly children's social services and education. The existing requirement under Section 6 of the Local Authority Social Services Act 1970 will be changed to a requirement to appoint an officer to be known as the Director of Adult Social Services for the purposes of its social services functions other than children's services. The creation



and remit of such a post will need to be considered as part of the wider review of council structures proposed above. (Schedule 2) The existing requirement under Section 532 of the Education Act 1996 to appoint a chief education officer will be repealed.

## **11 Reorganisation**

The reorganisation to create one directorate for Children's Services is not qualitatively different to any other reorganisation, and the Council's reorganisation procedure would apply. Failure to comply with this procedure may render the Council vulnerable in claims for unfair dismissal. As the number of employees affected here is small, there is no statutory requirement to consult, but under the existing reorganisation policy, affected employees should be consulted. If the recommendations in this report are accepted, then the consultation with staff would begin shortly. The outcome of that consultation would need to be borne in mind before making a final decision on the proposals.

## **12 Governance arrangements**

The Bill sets out a duty to designate a lead member for children's services, and in doing so to have regard to any guidance issued in this respect by the Secretary of State. Under the Mayor and Cabinet model of governance set out in the Local Government Act 2000, all executive functions are the responsibility of the Mayor within the policy and budgetary framework decided by the Council. In Lewisham the Mayor has not delegated functions to members of the Cabinet, save those delegated to the Mayor and Cabinet acting collectively, in relation to contracts and grantmaking. Portfolio holders in the Cabinet are Council spokespersons. The decision making power in relation to children's matters which are executive functions remain in the Mayor's discretion, unless he makes such a delegation. It is anticipated that guidance from the Secretary of State will place the lead member in the context of the political model in operation under the 2000 Act.

Advice on the role and constitutional arrangements relating to the Local Safeguarding Children Board (LSCB) will be given when the proposals for it are more developed. Clause 13 of the Bill, when enacted, will place a new duty on local authorities to establish Local Safeguarding Children Boards consisting of the partners listed in that section. Their objectives are to be to co-ordinate what is done by the partners on the LSCB to safeguard and promote the welfare of children in the area, and to ensure that what is done is effective. The Secretary of State may prescribe functions and procedures for the LSCB by regulation. These cannot be made until the Act is in force. Policy

statements have indicated that the functions are likely to be in 5 key areas – strategic planning; preventative work in the areas of child protection, safeguarding and the prevention of harm; interagency training; establishing screening teams; and commissioning serious case reviews.

### **Equalities Implications**

The proposals in this report largely concern senior management structures and as such will have minimal impact in terms of equalities. However, there are a number of groups – particularly disabled children and children in care – who are expected to benefit from the merger of education and children's social care. The work outlined above on developing ways of structuring or working that will improve efficiency and effectiveness for services to children with disabilities, looked after children, child protection and early years is anticipated to have positive effects in terms of the accessibility of services to these particular groups.

### **Financial Implications**

The process of change will generate new costs that will have to be met, including recruitment, consultation, communications and changes in signage and standard documentation. These costs are considered to be low, and will be met from corporate provisions within the delegated approval limit of the Deputy Chief Executive. However, as with all other areas of service in local government, the children's services agenda is subject to the disciplines of the Gershon efficiency review (where 2.5 per cent efficiency gains need to be identified - at least one-half of which has to be "cashable" locally) in each service area. And while the DfES has identified real budget growth nationally in this area, the service is not immune from efficiency gains – whether these arise from productivity improvements arising from re-shaping services and practice management or from reducing management overheads and unnecessary duplication, waste or on-costs.

The bringing together of services will undoubtedly offer the potential for efficiencies in delivery but these will need to be actively managed if "cashable efficiency gains" can be realised. In reality this is more likely to be delivered by service redesign (achieved through joint commissioning) across existing boundaries rather than efficiencies in staffing or procurement. A key challenge will be continuing the work to get the Children's placement budget under control. Part of the answer lies in the commissioning of services that prevent children coming into care, although the benefits from this work will take some time to come through.

The formalisation of partnership and joint commissioning, through s31 agreements and pooled budgets, poses financial risks to the Council as well as bringing benefits. Partnership arrangements bring in another layer of decision making that cannot supplant key financial decision making in the council. The key points of risk are budget setting and risk sharing. It is possible, and even probable, that strategies arising from partnership will conflict with the Council's internal financial priorities from time to time. Pooled budget arrangements can tie the hands of the Council in setting its own budget. Organisational and partnership structures and systems will need to be developed to deal with cross boundary budget setting where the degree overlap is material to both sides.

Risk sharing models will need to be developed that are sufficiently robust to withstand changes in personnel and shifting relationships between the parties. A key issue is the handling of budget variances. Experience on smaller scale partnership arrangements suggest that it can be difficult to negotiate risk sharing agreements that pass legal scrutiny whilst remaining workable in practice.

It is stressed that the new CSD will operate from merged budgets as a maximum, and that growth is not envisaged as a requirement to form the new directorate. Indeed, over time the move should yield efficiency savings.

### **Environmental Implications**

The environmental implications of these proposals are minimal, although it is anticipated that in the medium- to long-term, efficiencies arising from the merger of education and children's social care could yield some environmental benefits in terms of reduced use of paper and other resources.

On 10 November 2004 the Mayor and Cabinet will be asked:

- (i) insofar as the proposals in the report relate to executive functions to:
  - a) agree in principle to the proposal to establish a Children's Services Directorate from April 2005 with the broad scope set out in this report;
  - b) ask the Chief Executive to draw up a proposed new structure and job descriptions, to consult staff on the proposal in accordance with the Council's reorganisation procedure and to delegate to him decisions relating to the

proposal including any human resources or organisational arrangements that may flow from it;

- c) ask the Chief Executive to review urgently the location of those services currently within Education & Culture and Social Care & Health which it is not proposed to include in the new Children's Services Directorate, and other aspects of the Local Authority's services and functions which may be affected. (It is proposed that this review is carried out swiftly in order for senior management arrangements to be in place by April 2005, and for the rest of the structure to take shape between April and June 2005).
- (ii) refer this matter to full Council with a request that it endorse the decisions proposed in recommendation (i) above, and to request that the Council make a similar delegation to the Chief Executive in so far as such decisions are non-executive, with the exception of any matters that are delegated to the Appointments Committee.

(The decisions made by the Mayor and Cabinet will be reported at the meeting).

The Council is therefore

RECOMMENDED to

- (i) endorse the decisions made by the Mayor and Cabinet; and
- (ii) delegate to the Chief Executive, insofar as such decisions are non-executive, decisions relating to the proposal including any human resources or organisational arrangements that may flow from it, with the exception of any matters that are delegated to the Appointments Committee.

### 13. Planning & Highways - Constitutional Changes

Under the Local Government Act 2000 and regulations made under it certain functions (for example determining the policy framework) can only be exercised by the full Council. Certain other “non-Executive” functions specified in the regulations may not be exercised by the Mayor and Cabinet and are therefore to be exercised by full Council or committees appointed by the Council. Lewisham has of course established the local and strategic planning committees to exercise its non-executive planning and highways functions.

Certain minor changes are now required to the Constitution to clarify that matters reserved to full Council include the promotion or opposition of Orders under the Transport and Works Act 1992. Such Orders are promoted in similar fashion to local Bills and if confirmed by the Secretary of State, confer on the promoting authority powers of compulsory purchase, stopping up of highways and planning permission.

In addition, further changes have recently been made to the Local Authorities (Functions and Responsibilities)(England) Regulations 2000 specifying certain additional highways and planning functions which are not to be the responsibility of the Executive. These changes come into effect on 23 November 2004. The additional non-Executive functions are:

- stopping up of highways under Section 247 Town & Country Planning Act 1990;
- power to grant permission for provision of services, amenities, recreation and refreshment facilities on highways and related matters under Section 115E, 115F 115G and 115K Highways Act 1980.

The proposed changes to the Constitution are set out in the Appendix to this report.

On 3 November 2004 the Constitution Working Party agreed the proposed changes to the Constitution subject to the approval of the Council.

The Council is therefore

RECOMMENDED to agree that the Constitution be amended in the manner set out in the Appendix to the report.

**COUNCIL MEETING****17 NOVEMBER 2004****APPENDIX**  
**ITEM NO. 13**

The following changes are recommended to the Constitution:  
(changes in bold)

**PART II**  
**ARTICLE 4**

4.2 Decisions reserved to Council (Pages 28 & 29)

(m) replace with

**“the promotion or opposition of a local Bill in Parliament or an Order under the Transport and Works Act 1992 18”.**

After Notes, insert **“18 Section 239 Local Government Act 1972 and Section 20 Transport and Works Act 1992”**

**ARTICLE 9 COMMITTEES**

Terms of reference of local planning committee (Page 51)

Replace bullet point 10 with:

- creating diverting and stopping up **highways**, footpaths and bridleways.

Replace bullet point 12 with:

- all non-executive highways **and planning** functions not reserved to Council by law or this Constitution as set out in the Schedule of relevant statutes in the Scheme of Delegation

Delete bullet point 14.

**PART IV PROCEDURE RULES – STANDING ORDERS****c. Council Procedure Rules**

22.1 Simple majority (Page 101)

At the end of the first sentence, after “... set out in 22.2 below”, insert, **“or where the decision in question is subject to a specific statutory requirement (e.g. promotion or opposition of a local Bill in Parliament)”.**

## **14. Code of Corporate Governance**

In a document entitled "Corporate Governance in Local Government" CIPFA and SOLACE define corporate governance as "the system by which local authorities direct and control their functions and relate to their communities". In using this definition the document builds on definitions used in the Cadbury Report (which related to the corporate governance of private companies) and acknowledges the political and community leadership roles of local government.

The Appendix attached sets out a brief and overarching Code of Governance for Lewisham which is based on the approach endorsed by CIPFA, SOLACE, the Local Government Association and the Audit Commission.

On 3 November 2004 the Constitution Working Party approved the Code and agreed that it be referred to the Council for adoption and inclusion in the Constitution.

The Council is therefore

RECOMMENDED to adopt the Code of Corporate Governance and agree that it be included in the Council's Constitution.

**A Code of Corporate Governance – Draft****A What is a Code of Corporate Governance?**

A Code of Corporate Governance might be defined as a statement of the system by which a local authority directs and controls the exercise of its functions and relates to the local community. This definition is founded on that used in the Cadbury Report on the Financial Aspects of Corporate Governance which related to the governance of private companies. However it also recognises the key role of local government in community leadership, by placing emphasis on relationships with local people.

**B The Purpose of a Code of Corporate Governance**

Aspects of corporate governance find expression in the everyday practices and procedures of a local authority. However an overarching Code of Corporate Governance fulfils the following purposes:-

- It stimulates confidence in the activities of local government, its politicians and employees, and the way it goes about business
- It focuses the minds of those involved in local government on making decisions in a proper way and engaging local stakeholders
- It assists with continuous improvement in the delivery of services, and serves to minimise the authority's exposure to risk.

**C Fundamental principles**

Cadbury identified three fundamental principles for corporate governance. They are:-

- Openness
- Integrity
- Accountability

These are as relevant in the public sector as the private – possibly more so. These fundamental principles were expanded by the Nolan Committee on Standards in Public Life, and further strengthened as the guiding principles underpinning the statutory model code of conduct for members. These principles are readily accepted by the Council as underpinning all local government activity. They appear as an Appendix to the Council's Member



Code of Conduct but are endorsed as applicable to all Council activity.  
They are:-

- **Selflessness** - members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person
- **Honest and integrity** - members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
- **Objectivity** - members should make decisions on merit, including when making appointments, awarding contract, or recommending individuals for rewards or benefits
- **Accountability** - members should be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their particular office
- **Openness** - member should be as open as possible about their actions and should be prepared to give reasons for them
- **Personal Judgement** - members must take account of the views of others (and this may include their political groups) but should reach their own conclusions on the issues before them and act in accordance with those conclusions
- **Respect for Others** - members should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, gender, sexual orientation or disability. They should respect the integrity and impartiality of the authority's statutory officers, and its other employees and not do anything to compromise that impartiality
- **Duty to uphold the law** - members should uphold the law and on all occasions act in accordance with the trust that the public is entitled to place in them
- **Stewardship** - members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law
- **Leadership** - members should promote and support these principles by leadership, and by example, and should always act in a way that secures or preserves public confidence.

## **D The decision making process**

Decisions will be taken in accordance with the following:-

- a) the decision will be made following an evaluation of options
- b) the decision maker will take professional advice (including financial and legal advice where the decision may have legal and/or financial consequences)
- c) the decision will be taken following a consideration of all relevant matters and disregarding irrelevancies
- d) reasons for the decision will be recorded as will details of options considered with reasons for their rejection
- e) action taken will be proportionate to the result to be achieved
- f) respect for human rights will be balanced with the Council's duty to the wider community
- g) a presumption in favour of openness, unless there are compelling lawful reasons preventing the consideration of matters in public
- h) consultation appropriate to the matter under consideration
- i) clarity of aims and desired outcomes
- j) the highest standards of ethical conduct, avoiding actual, potential and perceived conflicts of interest
- k) consideration of business by Council members will be on the basis of written reports containing all relevant service, corporate, legal and financial considerations
- l) all executive decisions may be subject to scrutiny by the Overview and Scrutiny Committee in accordance with the Council's constitution
- m) decisions will be taken in accordance with the Council or Mayoral Scheme of Delegation as appropriate, and these schemes will be maintained, kept up to date and made available to the public

## **E Ethics**

1. The Council will maintain and promote a Member Code of Conduct, which complies in all respects with all legal requirements.
2. The Council will maintain an Employee Code of Conduct, which complies with all legal requirements and promotes the highest standards of behaviour among employees.
3. Training will be provided for members and staff on the operation of the Codes of Conduct.
4. The Council will maintain a Members' Register of Interests in accordance with the law, and inform members of their duty to keep it up to date.
5. Key senior staff will be requested to disclose any interests which they have, which if they were a member they would be required to disclose, and a register kept of those interests declared.
6. The Council will maintain a protocol relating to the relationship between members and staff, promoting professional and effective relations between staff and all members, whether members of the Cabinet or overview and scrutiny.
7. The Council will adopt and maintain a whistleblowing policy, which is made widely available, and will report on referrals under it each year.

## **F Members' roles**

1. The Council will document the roles of all members of the authority including the relative roles of the Mayor and Cabinet and non-executive members of the authority. Officers will support all members in the performance of these roles.
2. Members will maintain appropriate schemes of delegation and in particular define those matters reserved for collective decision by the full Council.
3. Members will put in place clearly documented processes for policy development, implementation and review and for decision making, monitoring and control, as well as procedural and financial regulations relating to the conduct of Council business.
4. Members will recognise that although within the Council they may fulfill different roles (for example as scrutineer or member of the political

Executive) the Council remains a single corporate entity and can only function effectively if there is an appropriate balance between this corporate approach and the need to ensure that executive decisions are made appropriately and scrutinised constructively.

5. As required by law, members will put in place the terms of their remuneration and arrangements for review by an Independent Remuneration Panel.
6. Each year the Council will publish details of remuneration paid to each member of the Council.

## **G Officers' roles**

1. The Council will maintain the post of Head of Paid Service (Chief Executive - responsible for the management of the Council's workforce and overall corporate management of the authority) separate from the political executive of the authority.
2. The Council will maintain the post of Chief Finance Officer to advise on the proper administration of the Council's financial affairs, keeping proper financial records and maintaining effective systems of financial control.
3. The Council will maintain the post of Monitoring Officer who will be the person responsible to the authority for ensuring that procedure, legislation and good practice are complied with.
4. The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer shall be entitled to attend any meeting of the Council, the Mayor and Cabinet or any committee.
5. When considering any matter members must have regard to the advice of the Council's statutory officers.
6. All staff will have job descriptions which clearly define their roles, responsibilities and remuneration.
7. Council employees will support and advise all members of the Authority irrespective of whether they are executive or non-executive members.

## **H Accountability and Community Focus**

1. The Council will record its decisions in writing and make those written records and the reasons for a decision available to the public.

2. All decisions made by the Mayor or delegated by him will be available for scrutiny by the overview and scrutiny committee in accordance with the Council's constitution.
3. The Mayor, members of the Cabinet and Executive Directors may be required to give account for their performance to the relevant overview and scrutiny committee.
4. The Council will publish annual performance targets in its Best Value Performance Plan and report on performance against those targets annually.
5. The Council will adopt a performance management framework to analyse key performance indicators and make information about performance against those indicators publicly available periodically.
6. The Council will put in place mechanisms to encourage participation in the affairs of the Council by individuals and groups from a broad cross section of the community, and will monitor their effectiveness.
7. In consultation with the local community will develop a vision for the local community and other stakeholders and will ensure that that vision is expressed clearly and publicised.
8. The Council will co-operate fully with external inspectors and respond positively to their findings, making arrangements to implement agreed actions effectively.

## **I Financial matters**

In addition to those financial matters raised elsewhere in this [draft] code, the Council will:-

- put in place a process by which resources are allocated to priorities
- adopt a financial reporting process to ensure that members receive financial monitoring reports at appropriate intervals
- maintain an objective and professional relationship with external auditors
- publish an annual statement of accounts in a timely manner

## **J Risk Management**

1. The Council will put in place a robust system for identifying and evaluating significant risks to the authority

2. The Council will put in place effective risk management systems, including systems of internal control as well as effective arrangements for an objective review of risk management and internal control
3. Annually the Council will publish an objective balanced and understandable statement and assessment of the authority's risk management mechanisms and their effectiveness.

## **K Review**

The Council will monitor compliance with this Code annually. The Head of Paid Service, Chief Finance Officer and the Monitoring Officer will present a joint report to the Standards Committee on the extent of compliance, and the Council's annual statement of accounts will contain a statement explaining the extent of compliance. The officers will also present any proposals for amendment to the Code for consideration.

**15. Questions from Members of the Council**

Section C, paragraph 14 of the Constitution, provides for questions relevant to the general work or procedure of the Council to be asked by Members of the Council. Copies of the questions received and the replies to them will be circulated at the meeting.

**16. Motion in the name of Councillor Muldoon to be seconded by Councillor Massey**

Lewisham Council welcomes the decision of B & Q to cease providing plastic bags at no cost to customers in its Scottish stores.

Council notes that these bags are produced from petrochemicals, take many years to bio-degrade and can cause death and injury to birds, marine mammals and other wildlife. Council acknowledges that whilst these bags can be recycled, they nevertheless contribute unnecessarily to the weight of waste collected in the borough.

Council urges supermarkets with outlets in Lewisham to cease providing free plastic bags.