

Sustainable Development Select Committee Agenda

Wednesday, 11 September 2019

**7.30 pm – or - directly following the extraordinary meeting of the Council
(whichever is later)**

Committee room 3

Civic Suite

Lewisham Town Hall

London SE6 4RU

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This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

Part 1

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Sustainable Development Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 11 September 2019.

Janet Senior, Acting Chief Executive
Tuesday, 3 September 2019

Councillor Liam Curran (Chair)	
Councillor Patrick Codd (Vice-Chair)	
Councillor Obajimi Adefiranye	
Councillor Abdeslam Amrani	
Councillor Suzannah Clarke	
Councillor Mark Ingleby	
Councillor Louise Krupski	
Councillor Pauline Morrison	
Councillor Alan Smith	
Councillor James-J Walsh	
Councillor Bill Brown (ex-Officio)	
Councillor Sakina Sheikh (ex-Officio)	

MINUTES OF THE SUSTAINABLE DEVELOPMENT SELECT COMMITTEE

Thursday, 4 July 2019 at 7.00 pm

PRESENT: Councillors Liam Curran (Chair), Patrick Codd (Vice-Chair), Abdeslam Amrani, Suzannah Clarke, Mark Ingleby, Louise Krupski, Alan Smith and James-J Walsh

APOLOGIES: Councillors Obajimi Adefiranye and Pauline Morrison (who was unable to access the meeting room)

ALSO PRESENT: Timothy Andrew (Scrutiny Manager), Vince Buchanan (SGM Green Scene), Deborah Efemini (Capital Project Manager), Viv Evans (Head of Programmes), Tony Piggott (Development Advisor), Kevin Sheehan (Executive Director for Customer Services), Nigel Tyrell (Director of Environment) and Sarah Walsh (Regeneration and Urban Design Planning Manager)

1. Minutes of the meeting held on 4 June 2019

- 1.1 **Resolved:** that the minutes of the meeting held on 4 June be agreed as an accurate record.

2. Declarations of interest

- 2.1 Councillor Ingleby declared non-prejudicial interests in relation to items four and five as Chair of the Friends of Grove Park Nature Reserve and as a Council appointed director for Lewisham Homes.
- 2.2 Councillor Curran declared non-prejudicial interests in relation to item three as a member of the Campaign for Real Ale (CAMRA) and the Save Lewisham Pubs campaign.

3. Responses from Mayor and Cabinet

- 3.1 The Committee discussed the responses from Mayor and Cabinet – the following key points were noted:
- On the response about fire safety – Members were concerned about newly identified cladding materials that were a potential risk in tall buildings. It sought further assurances that evidence was being reviewed and new materials were being taken into consideration.
 - On the response to the Committee's 'preserving Lewisham's pubs review' – Members felt that the response was insufficiently detailed and the Committee was uncertain what decisions had been made nor what action had been taken as a result of their referral.
 - The Committee would welcome a stronger planning policy for the protection of pubs – and would be working with officers to ensure that this was reflected in the new local plan.

- 3.2 Kevin Sheehan (Executive Director for Customer Services) assured the Committee that appropriate action was being taken to consider the risks of materials that had been newly identified for their potential fire risk. The Council was not aware that there were any current implications for Council owned buildings – and it kept a ‘watchful eye’ on properties owned by private landlords.
- 3.3 **Resolved:** that the Committee would refer its views to Mayor and Cabinet, as follows:
- The Committee is concerned about the increasing list of new materials which are being identified as a potential risk for fire safety - specifically (Cllr Curran to add). The Committee asks for confirmation that due care and consideration is being given to the potential presence of these materials in Lewisham’s housing stock.
 - The Committee believes that Lewisham’s pubs are at risk. It has identified an opportunity to increase protection for local pubs through the development of the new local plan. Contrary to the strength of feeling in the Committee about this issue, councillors are not reassured that their comments on preserving Lewisham’s pubs have been given full and thorough consideration. The Committee asks that Mayor and Cabinet direct officers to provide a detailed response to the Committee’s recommendations on preserving Lewisham’s pubs. This should define the actions that have been taken. Furthermore, it reiterates its view that the protection of Lewisham’s pubs should be championed through planning policy and fully incorporated into the new local plan.

4. Parks management review: the future of the parks service update

- 4.1 Vince Buchanan (SGM, Green Scene) provided a verbal update on the proposals for the future of the parks service. The following key points were noted:
- The current green space contract would end in February 2020.
 - Officers were working on an options appraisal for the future delivery of the service.
 - The three main options being considered were: to insource the service (in line with the Council’s corporate strategy); return to the market to put the contract out for competition; create an arms-length local authority trading company (LATCo) to deliver the service on the Council’s behalf.
 - The options report would return to the Committee in September before a decision by Mayor and Cabinet.
- 4.2 Vince Buchanan responded to questions from the Committee, the following key points were noted:
- The ‘LATCo’ option was different from insourcing. Each option would require a different governance structures and management arrangements.
 - Given the Council’s restrained financial position – the expenditure on the new service would be a key consideration. Officers in finance were supporting the financial modelling for each of the options.

- For the options appraisal – officers were using a model developed by the Association for Public Service Excellence – which set out these key assessment criteria: risk; advantages and opportunities; value for money; commercial opportunities for the Council; viability of each option to deliver a quality service; responsiveness of management and assuredness of service delivery; social value (in line with the Council’s newly agreed policy).
- Biodiversity was not included in the formal options appraisal model – but consideration was being given to environmental issues through the Council’s wider work in this area. Further consideration would also be given to the issues of sustainability and environmental protection as part of the detailed work to deliver the chosen option.
- Glendale (the current parks management service provider) had committed to ensuring that they provided a quality service until the end of the contract – despite whichever future option was chosen.
- Seasonal demand meant that operatives and managers were currently focused on maintenance and planting – as opposed to delivery of new projects.
- Officers would work with colleagues in procurement to examine the options for an organisation from the voluntary and community sector provider to deliver the service. The Council had to ensure that any provider had the capacity to deliver a contract of significant size.
- Glendale was contractually obliged to provide equipment for eighteen months beyond the end of the contract in order to enable the Council to maintain the borough’s parks. However, there was some potential ambiguity about the detail of this obligation. If necessary – advice would be sought from the Council’s legal department.
- The Council would expect that staff covered by transfer of undertakings and protection of employment (TUPE) regulations would transfer to any new model of service provision.
- There was a small number of staff that had transferred out of Council employment 20 years ago when the service was put out to contract – these staff would be expected to return under a ‘secondary transfer’..
- A playing pitch strategy had been developed by officers in the Sports Development team. Officers in the parks team would consider the strategy to assess how best the service could support its implementation.
- The amount of meadow in the borough’s parks had been increased over a number of years to support biodiversity. Any decision to increase the amount of meadow area in a park took into consideration all of the space in that park - and its usage - to ensure that there was a good balance.
- Several thousand square metres of meadow had been added to Blackheath in order support biodiversity.
- The Council had a good relationship with friends groups and support for activities to maintain a park (such as litter picking) were welcomed. Engagement with local people helped increase the sense of ownership of parks. However, responsibility for maintaining parks remained with the Council.
- The existing contract with Glendale meant that the provider received all of the income from hosting events (there was an exception for the OnBlackheath festival). Beckenham Place Park was currently run directly

by the Council so all money from events in the park returned to the Council.

- Consideration would be given to the options for raising income from events in parks in any future model for service delivery.
- People who were delivering commercial exercise classes in parks were required to apply for a permit (at a cost).

4.3 In the Committee discussions the following key points were also noted:

- There was a difference of opinion in the Committee about the right quantity of meadow in Lewisham's parks.
- Members welcomed the support of 'friends of parks' groups in maintaining parks – but maintenance of parks should remain the responsibility of the Council – and be provided by paid professionals.
- Members noted the increase in spaces available for different sports (including bowling, tennis and cricket) in parks.
- Any future option for the parks service should give consideration to all users of parks – including parents requiring baby changing facilities and spaces for breastfeeding.
- Members raised concerns about the risk to the Council of running events.
- The Committee highlighted the success of Lewisham's parks in the Good Parks for London report and questioned whether the budget for the parks service could be ring-fenced to protect high quality service delivery.

4.4 **Resolved:** the Committee recommended that in the options appraisal for the future of the parks service – officers should take the following issues into consideration –

- The future management and viability of spaces for sport in parks;
- Options for the ring fencing of the parks budget;
- Safeguarding the employment of professionals with support from volunteers – rather than allowing volunteers to replace paid employees;
- Biodiversity, climate change mitigation and environmental protection;
- Management of rough sleepers;
- The availability of officer resources to deliver the urban national park project;
- The maintenance of specialist assets (such as built features as well as ceremonial and memorial gardens) in parks.

5. Catford regeneration programme update

5.1 Tony Piggott (Development Advisor), Sara Walsh (Regeneration and Urban Design Programme Manager), Viv Evans (Head of Programmes) and Kevin Sheehan responded to questions from the Committee, the following key points were noted:

- The realignment of the south circular would definitely be going ahead.
- Transport for London (TfL) had general resourcing issues – these were not specific to the road realignment project for Catford.
- The Council was working well with TfL – although there had been a delay in modelling work.

- The same team at TfL that was working on the realignment of the A205 would work with the team developing the feasibility work for the A21 corridor so learning could be shared.
- All options for transport were looked at holistically to manage ‘rat running’ and to encourage greening and ‘livability’ of streets.
- Officers still intended that a report would be presented to Mayor and Cabinet in October for decision on the next stage of the masterplan.
- Officers were conscious of the need to minimise disruption for local people during the delivery of the masterplan. It was hoped that TfL would implement the road realignment work as soon as possible.
- There was no proposal to close the pub on the site of the Catford Constitutional Club.
- Everything in the pub that was currently open to the public would remain as part of the pub.
- All of the parts of the pub that could be retained would be retained. The architect working on proposals for the building had expertise in preservation of old buildings.
- No decisions about the Catford Constitutional Club were being made outside of the Council’s usual governance or planning processes.
- Any issues related to the operation of the pub and potential new housing on the site of the Catford Constitutional Club would be dealt with through the planning process.
- All options would be explored to ensure that the development of Catford was as sustainable and as carbon neutral as possible.
- The masterplan provided a platform for future consideration of the operation of the theatre.
- A third director would be appointed to the Catford Regeneration Partnership Limited (CRPL) – this was currently scheduled for a decision by Mayor and Cabinet in September.
- All decisions taken by CRPL were in line with the Council’s decision making processes. Any key decisions about development in Catford would be made by Mayor and Cabinet.
- The overall masterplan for the town centre would provide a framework for development in the Catford that would have weight (as a supplementary planning document) in planning legislation.
- A key difference between the Catford masterplan and other plans – was that the Council had significant land owning interests in the town centre and it had to ensure that the plans were deliverable.

5.2 In Committee discussions, the following key points were also noted:

- Work should take place with the Lewisham cyclists to ensure their views on Catford were incorporated into the masterplan.
- The Committee re-emphasised the importance of retaining the ancillary elements of the pub in the Catford Constitutional Club to ensure that the business remained viable.
- The Committee highlighted the Council’s declaration of a climate emergency and urged that all plans for development should take account of this.
- Members expressed concerns about the future of the Broadway theatre.

- Questions from a member of the public present at the meeting would be submitted to officers for a written response.

5.3 **Resolved:** that the Committee would share its views with Mayor and Cabinet as follows:

- The Committee believes that the sustainability of the town centre redevelopment should be a key consideration. It recommends that this should take account of both - the methods used for the construction of new buildings and infrastructure - as well as the long-term sustainability and energy efficiency of the whole centre. Accordingly, it recommends that 'sustainability' should become one of the key place shaping principles for the town centre and it would welcome detailed information about how issues of sustainability will be considered in future reports.
- The Committee also believes that further work should take place to secure the future viability of the Broadway theatre.
- The Committee recommends that further consideration should be given to the scope and scale of the development both with and without the extension of the Bakerloo line to the town centre.

6. Select Committee work programme

6.1 The Committee discussed the work programme for its meeting in September and agreed that these items would be included on the agenda for the next meeting:

- Cuts proposals
- Future of the parks service
- Economy and partnerships
- Catford regeneration

6.2 It was agreed that these items would also be included for information:

- The implementation of the air quality action plan
- Parking policy update

7. Items to be referred to Mayor and Cabinet

7.1 **Resolved:** that the Committee's views under items three and five be referred to Mayor and Cabinet.

The meeting ended at 9.00 pm

Chair:

Date:

Sustainable Development Select Committee		
Title	Declaration of interests	
Contributor	Chief Executive	Item 2
Class	Part 1 (open)	2019-20

Declaration of interests

Members are asked to declare any personal interest they have in any item on the agenda.

1. Personal interests

There are three types of personal interest referred to in the Council's Member Code of Conduct:

- (1) Disclosable pecuniary interests
- (2) Other registerable interests
- (3) Non-registerable interests

2. Disclosable pecuniary interests are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person* for profit or gain
- (b) Sponsorship – payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member's knowledge, the Council is landlord and the tenant is a firm in which the relevant person* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:
 - (a) that body to the member's knowledge has a place of business or land in the borough;

(b) and either

- (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

*A relevant person is the member, their spouse or civil partner, or a person with whom they live as spouse or civil partner.

3. Other registerable interests

The Lewisham Member Code of Conduct requires members also to register the following interests:-

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party
- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25

4. Non registerable interests

Occasions may arise when a matter under consideration would or would be likely to affect the wellbeing of a member, their family, friend or close associate more than it would affect the wellbeing of those in the local area generally, but which is not required to be registered in the Register of Members' Interests (for example a matter concerning the closure of a school at which a Member's child attends).

5. Declaration and Impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in

consideration of the matter and vote on it unless paragraph (c) below applies.

- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their, family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.
- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

6. Sensitive information

There are special provisions relating to sensitive interests. These are interests the disclosure of which would be likely to expose the member to risk of violence or intimidation where the Monitoring Officer has agreed that such interest need not be registered. Members with such an interest are referred to the Code and advised to seek advice from the Monitoring Officer in advance.

7. Exempt categories

There are exemptions to these provisions allowing members to participate in decisions notwithstanding interests that would otherwise prevent them doing so. These include:-

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

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SCRUTINY COMMITTEES		
Title	2020/21 Revenue Budget Cuts – Draft M&C Report	
Key decision	No	
Ward	All Wards	
Contributors	Acting Chief Finance Officer	
Class	Part 1	September 2019

1. PURPOSE

- 1.1. To set out the draft officer revenue budget cuts proposals for consideration by Scrutiny, to enable their comments to be taken by Mayor & Cabinet (M&C) when receiving these cuts on the 30 October 2019, as part of the preparation of a balanced budget for 2020/21 and future years.

2. EXECUTIVE SUMMARY

- 2.1. The Council's net General Fund budget for 2019/20 is £243m. This is based on using reserves for the sixth consecutive year to balance the budget and in-year pressures in some key services areas resulting in overspending, in part due to the delivery of cuts becoming harder. The current forecast for 2019/20 is an end of year overspend of £4.6m (at May 2019).
- 2.2. To put the Council's finances on a sustainable footing, the Medium Term Financial Strategy identifies the need for £37m of ongoing cuts in the two years to 2021/22 - £20.6m in 2020/21 and £17m in 2021/22. Of the £20.6m required in 2020/21, £8.4m cuts have already been approved by Mayor and Cabinet. This leaves a remainder of £12.2m to be identified. This is on top of the need to address the continuing in-year overspend in some service budgets.
- 2.3. Over the last ten years, the Council has undertaken a major budget reduction programme to manage the difficult financial challenge it has been faced with. In the period 2010/11 to 2019/20 the Council has implemented savings of £173m and identified cuts of £8.4m (out of the £20.6m required) in 2020/21.
- 2.4. The MTFs anticipates that an additional £29m worth of cuts will be required in the two years following 2020/21. However, these projections remain tentative pending confirmation of any policy, funding, or wider implications from the new Chancellor of the Exchequer's Autumn Budget in November and Local Government Finance Settlement announcement in December and the next Comprehensive Spending Review (CSR) and Fair Funding Review. The timings for which remain uncertain as the government focuses on Brexit.

- 2.5. On the 8th August, the Treasury announced a one-year CSR, to be carried out by September 2019, clarifying that:
- This will be a one-year Spending Round which will fund departments' 2020/21 activities
 - In 2020, a full Comprehensive Spending Review (CSR) will be held, reviewing public spending as a whole and setting multi-year budgets
- 2.6. This report concentrates on £9.2m of the £12.2m remaining budget cuts required to balance the budget in 2020/21 and £500k of £17m required in 2021/22.
- 2.7. Table 1 below shows the agreed budget cuts since 2010 by directorate.

Table 1: Agreed Budget Cuts by Directorate from 2010/11

Year	CYP	COM Services	CUS Services	Res. & Regen.	In-year / Corp.	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2010/11	1,494	801	759	1,135	3,300	7,489
2011/12	6,386	5,744	3,591	4,614	113	20,448
2012/13	4,395	4,611	3,529	4,020		16,555
2013/14	6,469	6,930	2,453	5,082		20,934
2014/15	6,123	11,255	2,843	4,273		24,494
2015/16	4,240	16,118	3,381	3,771	700	28,210
2016/17	3,476	6,892	3,339	3,108	1,400	18,215
2017/18	4,297	10,000	4,182	3,756		22,236
2018/19	824	1,151	294	1,087	1,500	4,856
2019/20	1,575	3,681	3,108	906		9,270
Total	39,279	67,183	27,479	31,753	7,013	172,707

Source: Council savings and budget reports.

- 2.8. These cuts have been made in the context of main government funding for Local Authorities in England being reduced by 63% over the decade from 2010, Council's facing inflationary pressures of over 20% since 2010, and in Lewisham the demands on the Council increasing as the population has risen to over 300,000 from the 2011 census position of 275,000, a 10% increase.
- 2.9. The detail presented in this report identifies potential cuts proposals from officers of £9.7m over the years 2020/21 and 2021/22, bringing the total cuts

for 2020/21 to approximately £17.6m, and £500k in 2021/22. By Directorate and Division these proposals are outlined in table 2 below:

Table 2: Summary of Budget Cuts by Directorate and Division

Directorate / Division	20/21 Approved	20/21 New Proposals	21/22 New Proposals	Total
	£'000	£'000	£'000	£'000
Children and Young People (CYP)				
Children's Social Care	1,150	0		1,150
Joint Commissioning and Targeted Support	225	0		225
CYP Total	1,375	0		1,375
Community Services				
Adult Social Care	1,982	4,000		5,982
Crime Reduction, Supporting People, and Enforcement	161	0		161
Culture & Community Services	185	0		185
Community Total	2,328	4,000		6,328
Customer Services				
Environment	852	823		1,675
Housing (non HRA)	696	1,175		1,871
Regeneration and Place	1,105	180		1,285
Planning	100			100
Customer Services Total	2,753	2,178		4,931
Corporate Services				
Financial Services	350	0		350
Legal Services (excl. elections)	32	0		32
Policy & Governance	259	0		259
Strategy	135	0		135
Corporate Resources	0	1,000		1,000
Human Resources	78	0		78

Directorate / Division	20/21 Approved	20/21 New Proposals	21/22 New Proposals	Total
	£'000	£'000	£'000	£'000
Public Services	1,124	500	500	2,124
Technology & Change	0	1,500		1,500
Corporate Services Total	1,978	3,000	500	5,478
Grand Total	8,434	9,178	500	18,112

2.10. The report presents a summary of the cuts proposed with detailed proformas provided for each of the proposed cuts for 2020/21 by Directorate appended, with two exceptions which will follow in separate reports. They are the return of:

- The Environment proposal to reduce the frequency of street sweeping with the pilot underway - £823k; and
- The Regeneration & Place proposal to reduce the number of school crossing patrols on conclusion of risk assessments – est. £80k.

2.11. In addition to the General Fund budget cuts considered in this report, it is anticipated that there may be further cuts to the Public Health Grant. The Service is preparing cuts proposals to ensure spend is maintained within the level of grant. An update is provided at 9.9 with the detail to be brought forward separately for Scrutiny and onto Mayor & Cabinet.

2.12. At this stage, if all the proposed cuts are agreed and there are no further proposals, nor any surprises from the local government finance settlement in December, the Council's budget for 2020/21 would need to be set using £2.9m of reserves or New Homes Bonus (if the scheme continues for 20/21).

2.13. There is scope for two additional rounds of budget cuts to be taken through the decision process as part of setting the 2020/21 budget, as detailed in section 10 below. Consideration of how the gap for 2020/21 will be closed, either through proposals for further cuts or the use of reserves, will be addressed in subsequent reports to Mayor and Cabinet up to and including the 2020/21 budget report in February 2020.

2.14. Overall the strategic focus for services in terms of the Medium term Financial Strategy is on:

- Delivering budget cuts in 2019/20 and taking management action to bring overspends back in-line with budgets;
- Continuing the work to manage demand, improve service effectiveness and efficiency, and generate income to bring the return for this work through the financial monitoring in 2019/20; and

- Work on bringing forward further proposals to close the budget gap as soon as possible, including through 2020/21 so that part year effects can be taken.

3. RECOMMENDATIONS

- 3.1. Scrutiny committees are asked to review and comment on these proposals and recommendations and that their feedback is referred on by Public Accounts Committee for Mayor & Cabinet as follows:
- 3.2. On the 30 October Mayor and Cabinet will then be asked to:
 - 3.2.1. Note the progress with identifying budget cuts, the £2.9m shortfall against the target for 2020/21, and the implications for the use of reserves.
 - 3.2.2. Review the new cuts proposals presented in Section 9 and Appendices 1 to 3, totalling £9.178m and referenced:
 - COM1a,2a,3a and COM18
 - CUS7, CUS15, CUS16, RES19, and RES20
 - CUS11a, CUS14a , RES21 and RES22
 - 3.2.3. Consider the comments of the Public Accounts Select Committee of the 24 September 2019, which incorporates the views of the respective select committees.
 - 3.2.4. Authorise officers to carry out consultations where staff consultation is necessary in relation to the proposal and delegate the decision to the relevant Executive Director for the service concerned.
 - 3.2.5. Authorise officers to carry out consultations where public consultation is necessary in relation to the proposal and ask officers to report back to the Mayor with the outcome, for a decision to be made.
 - 3.2.6. Where no consultation is required, either:
 - agree the cut proposal, or
 - delegate the decision to the relevant Executive Director for the service concerned.
 - 3.2.7. Or, request officers to complete further work to clarify the proposal and that officers then re-submit the proposal at the earliest opportunity for a decision.
- 3.3. Scrutiny committees are asked to review and comment on the Capital programme as it relates to their area(s) of interest and feedback to the Public Accounts Committee.

4. STRUCTURE OF THE REPORT

4.1. The report is structured into the following sections with supporting appendices.

Section	Title
1	Purpose of the report
2	Executive summary
3	Recommendations
4	Structure of the report
5	Policy Context
6	Financial Context
7	Lewisham Contextual Information
8	Approach to 2020/21 Budget Cuts
9	Proposed Budget Cuts
10	Timetable
11	Capital Programme
12	Financial implications
13	Legal implications
14	Conclusion
15	Background documents
	Appendices

5. POLICY CONTEXT

5.1. The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:

Corporate Priorities

- **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
- **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
- **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.

- **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
- **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
- **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

Values

5.2. Values are critical to the Council's role as an employer, regulator, securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In taking forward the Council's Budget Strategy, we are guided by the Council's four core values:

- We put service to the public first.
- We respect all people and all communities.
- We invest in employees.
- We are open, honest, and fair in all we do.

5.3. Very severe financial constraints have been imposed on Council services with cuts to be made year on year on year, and this on-going pressure is addressed here in this report, incorporating further budget cuts for 2020/21.

6. FINANCIAL CONTEXT

6.1. The Council has a net General Fund budget for the current financial year, 2019/20, of £243m. The schools Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) are discrete and so do not form part of this report.

6.2. In addition, the Council receives and spends other income and grants for General Fund services which are budgeted for on a net nil basis – i.e. expenditure matches the level of income. These include: Public Health, Better Care Fund & Improved Better Care Fund, fees and charges; and various grants for areas such as troubled families and homelessness. Any overspend in these areas has to be met from other resources in the General Fund.

- 6.3. In 2019/20 the Council ended the financial year with a Directorate overspend position of £9.6m with the largest pressure being in the area of Children's Social Care. The pressures arise from a combination of:
- The impact of government policy changes;
 - Market developments and responses to inspection findings;
 - Demand pressures as the population of Lewisham grows; and
 - Difficulties in delivering agreed cuts with the full financial impact.
- 6.4. The 2019/20 budget is under pressure from the need to deliver services within the available level of financial resource and identify yet further reductions. The 2019/20 budget was set using £7.5m of reserves as insufficient cuts were agreed.
- 6.5. The impact of a cuts shortfall is that reserves, which can only be used once, are depleted, higher levels of spending are carried forward, and added to the cuts target for the following year. The £7.5m shortfall from 19/20 now forms part of the £20.1m target for 2020/21. Any unachieved cuts in 2020/21 will most likely have to be met by using reserves and will then also be carried forward to 2021/22, increasing the budget reductions requirement for that year.
- 6.6. Furthermore, as at May 2019, Directorates have forecast an end of year overspend in the region of £4.6m, down from £14.6m at the same time last year. The 19/20 budget also used once-off funding to support the Children Social Care budget pending the impact of the continuing improvement programme for this service. Any end of year overspend also has to be met from the use of the Council's once-off reserves and provisions. These positions will be reviewed and
- 6.7. In the ten years between 2010/11 and 2019/20 the Council has agreed budget cuts of £174m of which £172.7m have been and are being delivered.
- 6.8. In July 2019, the Council's Medium Term Financial Strategy (MTFS) was presented to members. This referenced a number of risks, the likelihood and impacts of which remain uncertain. The main risks are in the areas of:
- changes in regulations and standards;
 - government policy and funding changes; and
 - demographic change and wider social implications linked to the above.
- 6.9. For 2019/20 and beyond, to bring the Council's finances in line with the estimated reduced funding levels going forward, the MTFS identifies the need for £29.3m of ongoing cuts in the two years post 2020/21 – split £16.6m in 2021/22 and £12.7m in 2022/23.

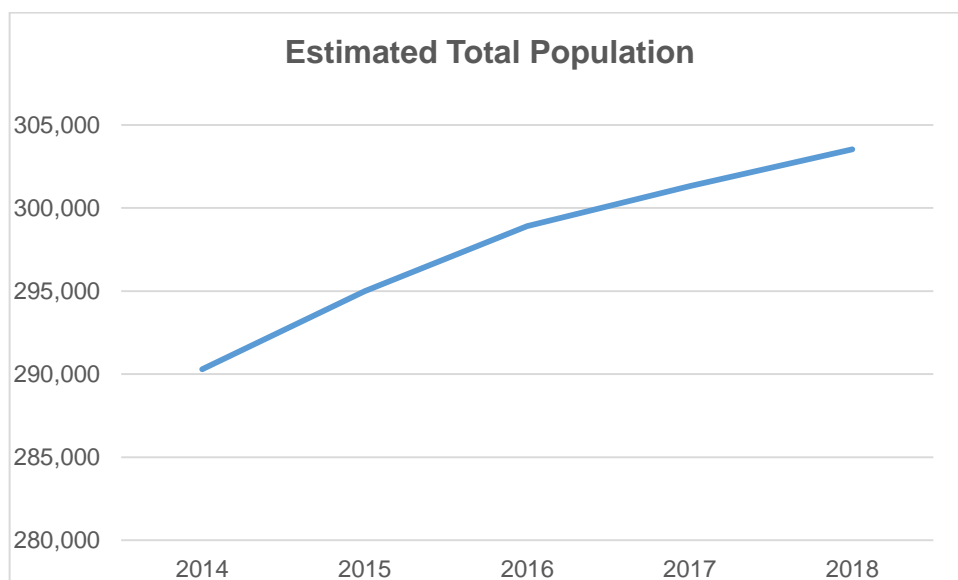
- 6.10. These longer dated cuts projections remain uncertain pending confirmation of any policy, funding, or wider economic changes, especially with the delay in the Fair Funding Review and the change of Government. These estimates will be revisited for any implications from the new Chancellor of the Exchequer's Autumn Budget in November, the next Comprehensive Spending Review (CSR) and in the 2020/21 provisional Local Government Finance Settlement announcement in December.
- 6.11. The Council's four year Revenue Support Grant settlement came to an end in 2019/20. There is uncertainty as to the level of funding the Council will receive after 2019/20. Funding baselines for local authorities, as determined by the local government finance settlement, are based on an assessment of local authorities' relative needs and resources. The methodology behind this assessment was introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.
- 6.12. The government is therefore undertaking a Fair Funding Review to update the needs formula and set new funding baselines. This was originally intended to take effect from April 2020, however confirmation of this is yet to be made by the Secretary of State.
- 6.13. On the 8th August, the Treasury announced a one-year Spending Review (SR), to be carried out by September 2019, clarifying that:
- This will be a one-year Spending Round which will fund departments' 2020/21 activities
 - In 2020, a full SR will be held, reviewing public spending as a whole and setting multi-year budgets
- 6.14. This should now provide an opportunity for MHCLG to announce the following:
- Whether the planned Fair Funding Review and redesign of Business Rates will be implemented, as previously announced, in April 2020; or will be delayed until April 2021, after CSR20.
 - A technical paper on Settlement 2020/21. However, it is likely that this would not be issued until the conclusion of the one-year Spending Review in September.
- 6.15. These delays could pre-empt the assumption that the Funding Settlement for 2020/21 may remain unchanged from 2019/20. Therefore, for prudence, the MTFs has assumed the cuts to funding will continue in its current form. The cuts figures in this report are based on this understanding.
- 6.16. It is expected that the 2020/21 provisional local government finance settlement will be announced in December 2020. Until then, the uncertainty in the Council's future funding forecasts remains.

7. LEWISHAM CONTEXTUAL INFORMATION

- 7.1. The level of cuts required continues to require work on cost control in all areas (e.g. use of agency staff, contract management, etc.) and an acceptance of more service and financial risk through ever leaner corporate governance, risk and control arrangements. These conditions drive the focus on enhancing corporate grip to manage the increased risks across the organisation and keep the financial position in balance.
- 7.2. This section provides an overview of some of the main volume drivers for service income and expenditure considered in reviewing the potential for further cuts (see approach in section 8). They are:
- Population by age band
 - Number of properties by CTax band
 - Looked after Children
 - Adults receiving Social Care
 - Waste disposal volumes
 - Number of Businesses

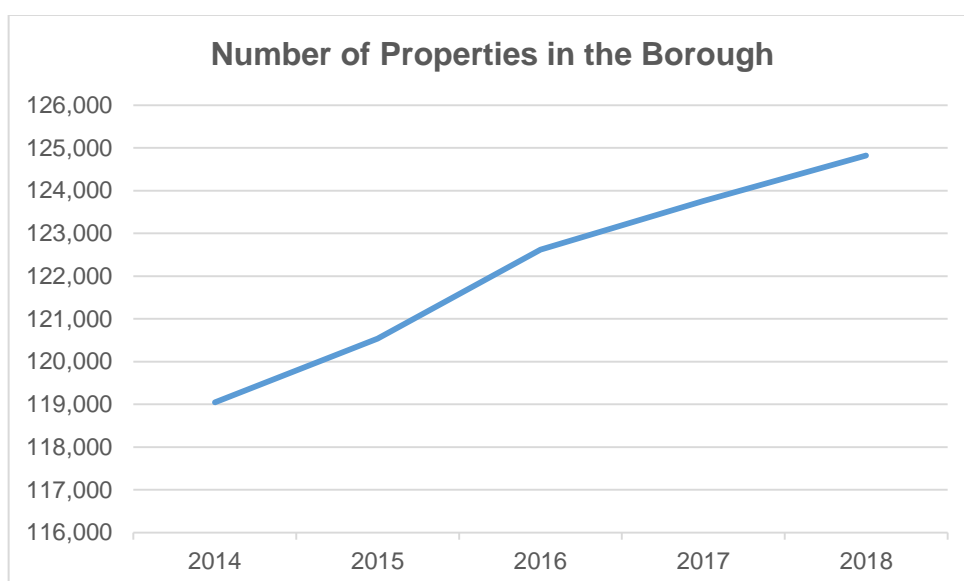
The increase in population over time has increased spend in certain areas such as waste disposal, and other environmental services. The change in Lewisham's demographics is one of the main drivers of Council spending. The graphs below show Lewisham's population and other demographic changes over the last few years.

The following charts and tables highlight some of the changes in Lewisham demographics over the past five years.



Estimated Population Data by Age Group

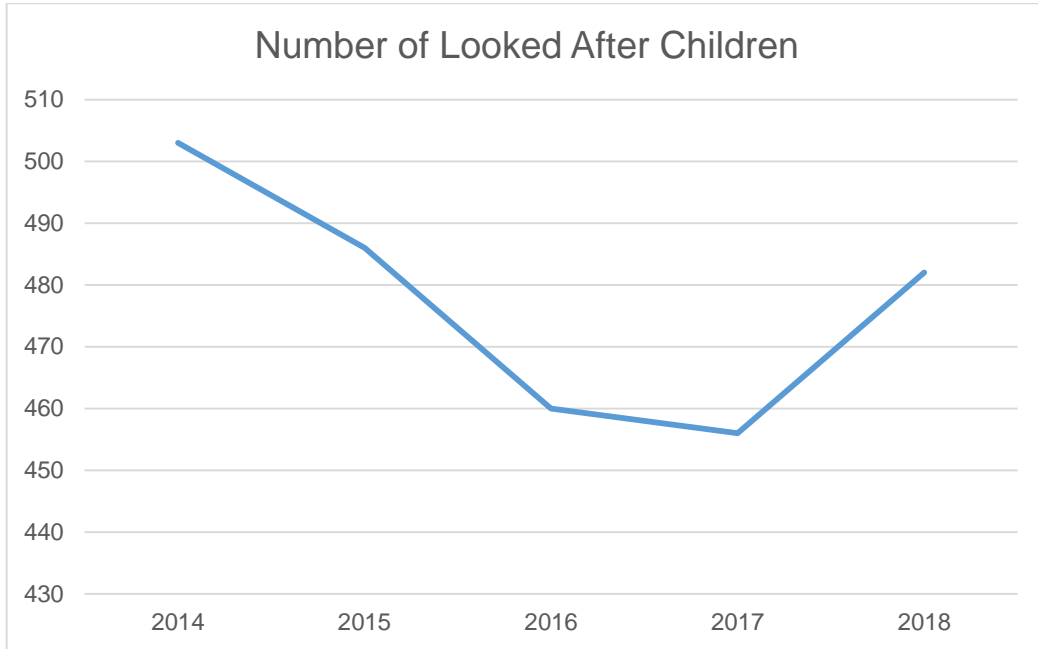
	2014	2015	2016	2017	2018
0 - 5	26,979	27,035	27,019	26,801	26,112
6-18	42,767	43,502	44,001	44,485	45,404
19- 25	28,022	27,617	27,150	26,819	26,436
26 - 65	166,934	171,018	174,669	176,861	178,948
65+	27,320	27,548	27,943	28,088	26,636
Total	290,284	294,999	298,903	301,307	303,536



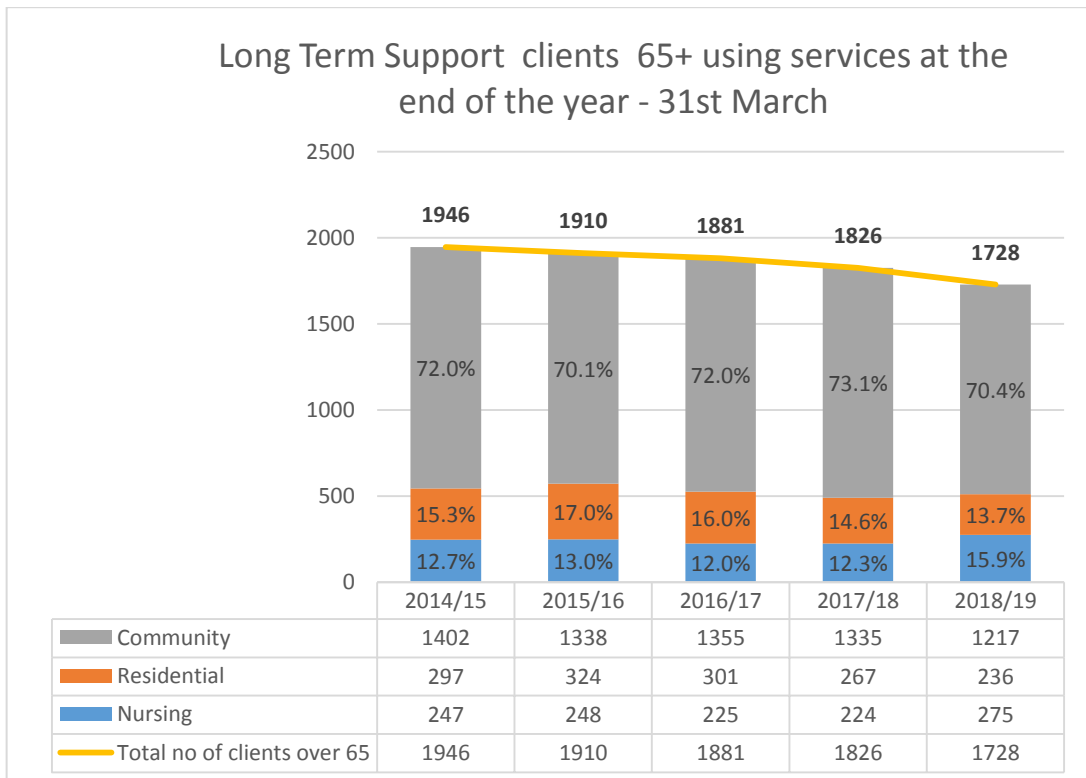
Number of Properties in the Borough by Council Tax Band

Property Band	2014	2015	2016	2017	2018
A	7,281	7,470	7,726	7,789	7,864
B	32,733	33,152	33,691	34,000	34,198
C	42,354	42,944	43,868	44,357	44,852
D	25,285	25,501	25,726	25,955	26,146
E	7,229	72,943	7,413	7,463	7,559
F	2,718	2,725	2,736	2,722	2,727
G	1,277	1,283	1,292	1,300	1,300

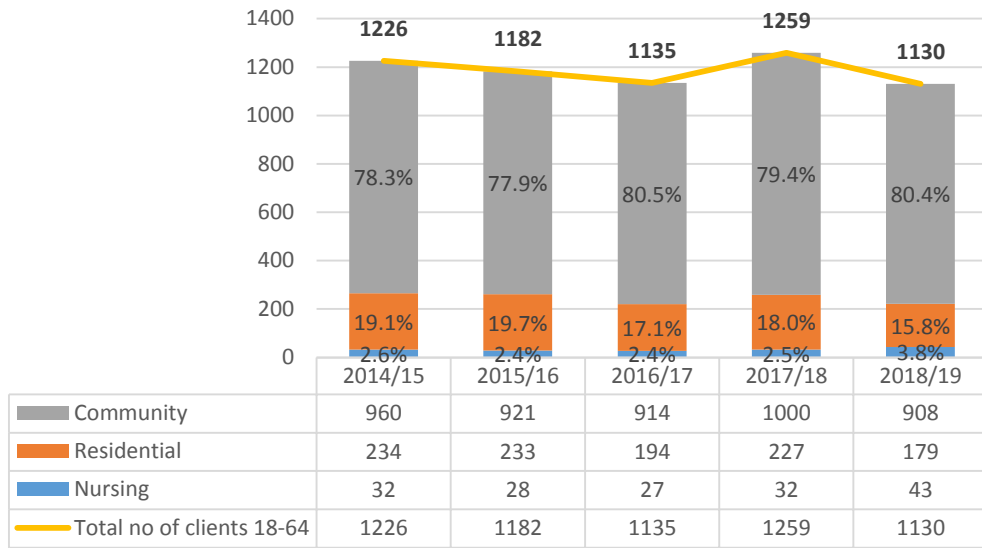
H	170	166	169	171	171
Total	119,047	186,184	122,621	123,757	124,817



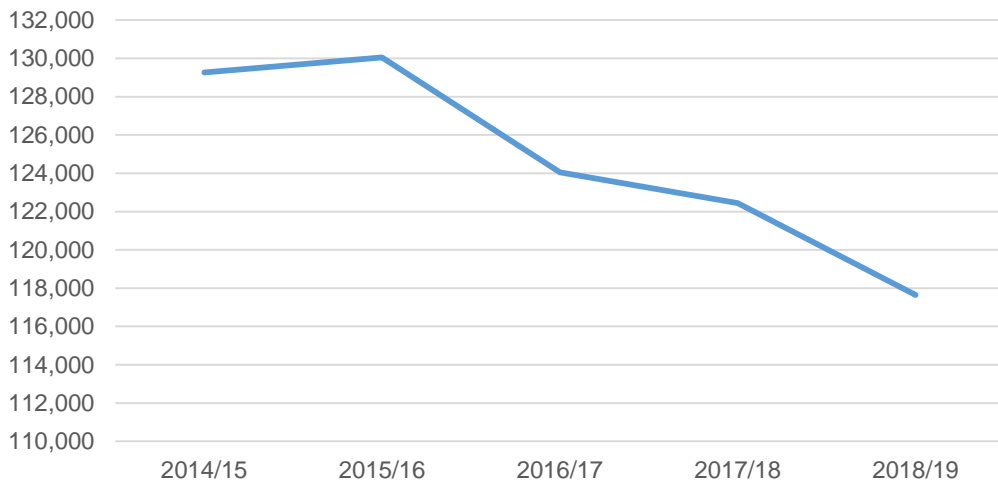
Source: Dept for Education



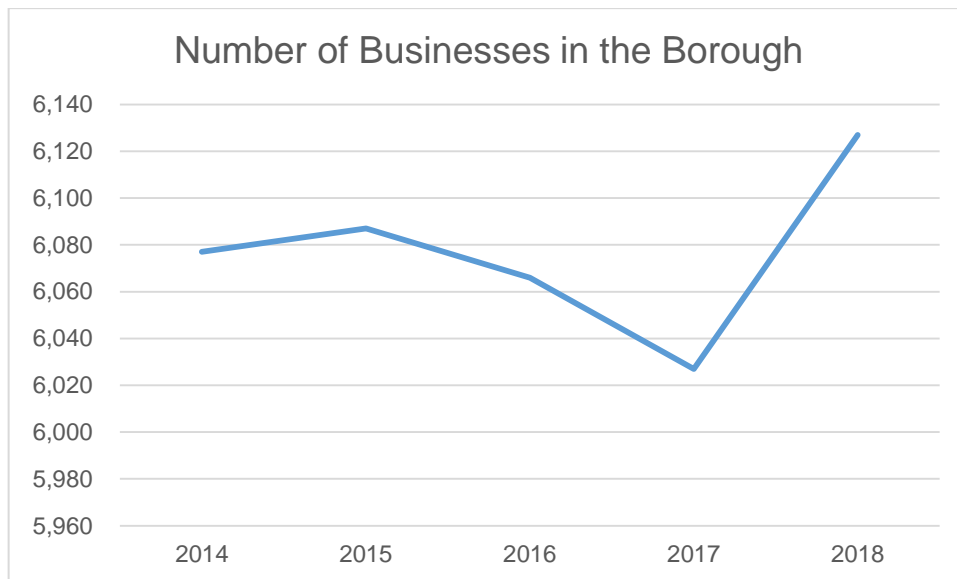
Long Term Support - Adults 18-64 using services as at the end of the year - 31st March



Waste Disposal Volumes



Whilst total waste collection volumes have decreased by 8% over the last five years, the contractual costs of disposal have increased at a greater rate. This has been magnified by the change in the mix, where volumes of incineration waste has declined by 14,000 tonnes (14%) whilst composting volumes have increased by 10,400 tonnes (576%) over the same period. The former is currently charged at £63.52 per tonne for disposal whilst the latter costs up to £78 per tonne. Recycled tonnages has actually decreased by almost 2,000 tonnes (10%) over the same period but the cost is forecast to increase by £0.4m this year as the unit cost has increased by £6.17 (8.4%) pursuant to a new dry recycling contract.



Source: Valuation Office, 2018 numbers based on 2017 revaluation

8. APPROACH TO 2020/21 BUDGET CUTS

- 8.1. Officers have built on the approach to the budget cuts process used in 19/20 which looks differently at the pressures, risks, and opportunities which lie ahead. The approach for bringing forward cuts proposals for 2020/21 maintained the back to basics approach, focused on the Directorates accountability for delivering their services to budget.
- 8.2. This year has continued with the Star Chamber process for all services. Targets have not been set by service area or work strand. The Acting Chief Finance Officer held Star Chamber meetings with each Executive Director and the respective Directors summarising the financial position for their services and the actions being taken to manage costs within budget. Directors then presented their cuts proposals for the year. The purpose of the EMT Star Chamber sessions was to ensure that all options are considered, and any financial interdependencies between services were not overlooked.
- 8.3. In the absence of targets and following the focus last year on the boundary with statutory limits, there were a number of services that are not providing proposals this year. This position was reviewed and challenged with examples of reasons for not offering further cuts including:
 - Currently overspending so any reduced spending to meet existing pressures first (e.g. some children and environment services);
 - At the statutory or regulatory limits of the service and notified following inspection (e.g. enforcement of environmental standards);
 - Risk of severe service weakness or failure if cut further such that better to stop rather than reduce (e.g. a number of corporate services areas); and

- Services severely cut in recent years with change needing to settle before disrupting further (e.g. grants programme)
- 8.4. Those service areas without proposals were challenged to work on setting out their future service needs and the relationships and dependencies with other services to be relevant going forward. Examples of the areas this approach applies to include:
- Links between voluntary sector, Council grants in cash and services in kind (e.g. premises) and adult social services;
 - The future role of Libraires for the community and services they might support;
 - The Leisure offering the Council provides for residents; and
 - Corporate services, in particular the use of technology to support service delivery.
- 8.5. This preparatory work is to help set the ground work for more radical service redesign and prioritising investment in the future, depending on the Council's financial constraints and the opportunities such change may offer. The conclusion of this work will translate through into future service planning and budget rounds.

The Decision making process

- 8.6. The decision making process for budget cuts depends on the nature of each individual cut being proposed. The decision depends on the scale and impact of the proposal and the actions required to deliver it. For example; a proposal requiring staff consultation can either be reserved by Mayor and Cabinet to themselves or follow the usual delegation for employment matters to the chief executive. In either case the decision can only be taken after completion of the consultation and a full report setting out the equalities, legal and financial implications for the decision maker.
- 8.7. Table 4 below shows the combination of criteria possible for a proposal (the first three rows) with the remaining rows identifying the options for concluding the decision available to Mayor & Cabinet. Appendix 7 shows which proposals require consultation etc.

Table 4: Options for Decisions

Decision combinations	1	2	3	4	5	6
Key Decision - >£500k and/or specific ward impact	N	Y	Y	N	Y	Y
Public Consultation	N	N	Y	N	N	Y
Staff Consultation	N	N	N	Y	Y	Y
Decision routes for M&C						
M&C agree to consult – proposal to return to M&C for decision			✓	✓	✓	✓
M&C take decision – no consultation required	✓	✓				
Delegate to Exec. Dir. to consult and take decision				✓	✓	
Delegate to Exec. Dir. – no consultation required	✓	✓				
Other – e.g. seek clarification, reject, endorse.	✓	✓	✓	✓	✓	✓

9. PROPOSED BUDGET CUTS

- 9.1. The £9.178m of cuts presented in the overview in this section all relate to the cuts required of £20.6m for 2020/21 (£8.4m previously approved), and £17m required in 2021/22. The proposed cuts are presented by Directorate and have passed through the Star Chamber process.
- 9.2. The cut proposed here are additional to those already agreed in the £8.4m November 2018 M&C report for 2020/21. Preparations for the implementation of these continues and is tracked through the financial monitoring and will be brought back for re-endorsement as part of the 2020/21 budget setting process.
- 9.3. The referencing for the new proposals presented here continues that from 19/20, not least as a number of the cuts are extensions of the service changes begun with the 19/20 cuts. Those that build on existing work carry the same reference but denoted as a, b, etc.. (e.g. COM1a is a continuation and extension of cut COM1 agreed on the 28 November 2018 as part of the previous cuts round). New cuts extend the numbering from where the previous round stopped (e.g. COM18 is a new proposal).
- 9.4. Further details are presented setting these details out in the proformas at Appendices 1 to 3.

Children and Young People's Directorate

- 9.5. The Directorate of Children and Young People has not proposed further cuts in addition to those already approved by Mayor and Cabinet in November 2018.
- 9.6. A summary of previously approved 2020/21 cuts is attached as Appendix 8 to this report.

Community Services Directorate

- 9.7. The following cuts totalling £4m are proposed by the Community Services Directorate in 2020/21 in addition to the £2.3m already approved in November 2018. The total cuts of £6.3m represent 7% of the Directorate's total net budget. Over half of the total cuts are to the Adult Social Care budget focussing on cost reduction.
- 9.8. Details of each proposal can be found in Appendix 1 of this report and a summary of previously approved 202/21 cuts at Appendix 8.

Table 6: Summary of Community Services Proposed Budget Cuts

Division	Ref	Summary of Proposals	2020/21 £'000
Adult Social Care The service offers a range of care and support services to help frail, disabled and other vulnerable adults to remain independent, active and safe. Support is provided in their own homes, in a community setting or in a care home. Net Budget £53.588m Proposed Cuts £4m			
	COM1a	Managing demand at the point of access to adult social care services	1,000
	COM2a	Ensuring support plans optimise value for money	500
	COM3a	Increase revenue from charging Adult Social Care clients	500
	COM18	Funding inflationary increase from within the ASC Grant	2,000
	Community Services Total		4,000

Public Health

- 9.9. The ring-fenced public health grant is £23,683,000 for 2019/20, following a grant reduction of £642,000 from the 2018/19 grant amount. This makes a total of £3,985,000 in cuts to the public health grant to date. The public health grant settlement for 2020/21 is due to be confirmed in the government one-year spending round this autumn.
- 9.10. The public health team is making preparations in the event that there are further grant reductions of similar magnitude to that in 2019/20. These preparations will be brought back to the Healthier Communities Select Committee in October.
- 9.11. Even if the Public Health Grant Settlement for 2020/21 remains the same as 2019/20 (i.e. no further cut), there will still be a £196,000 cost pressure in the Health Visiting Service budget line for 2020/21. This is a result of the £196,000 recurring budget reduction for this service agreed as part of the PH budget cuts for 2019/20.
- 9.12. There was initially resistance to implementing this proposed cut. An interim arrangement for 2019/20 only, was agreed between the Executive Director of Community Services and the Chief Executive of Lewisham and Greenwich Trust to enable the saving to be achieved without an impact on the budget available to the HV Service. The saving was badged as a reduction in the value of the contract for HV Services but the Trust provided assurance that the reduction in income would be absorbed from elsewhere in the Trust's budget and not result in a reduction in the funds available to the HV Service.
- 9.13. As this was an interim agreement for one year only, an alternative, sustainable method of achieving the £196,000 reduction to the HV Service budget needs to be identified for 2020/21 onwards.
- 9.14. As the current contracts for both Health Visiting (HV) Services and the School Health Service (SHS) expire on 31/03/20, it has been proposed that the contracts & budgets for these services be combined into a single 0-19 service and extended for 1 year to 31/03/21. The combined value of this contract would be £6,909,827 (E52204 = £5,889,000*, E52201 = £1,020,827). * This includes the reduction of £196,000 to the value of the HV Service budget pre 2019/20.
- 9.15. Combining and extending the contract with LGT, for a period of 12 months, will provide both stability and flexibility to enable the provider and commissioners to work together to respond to emerging local and national policy developments whilst developing a new service model capable of identifying, prioritizing and addressing the needs of CYP in Lewisham across the age spectrum.

- 9.16. A number of mutual benefits to this approach have been identified by both the provider and commissioner. This includes greater flexibility and responsiveness enabling:
- Ratios and caseloads across both the HV and SHS workforce to be reviewed and staff resources to be deployed more effectively to meet identified need;
 - Current performance levels and service quality to be maintained within a reduced budget envelope; and
 - Opportunities to test innovative models of delivery to provide proof of concept and inform the ongoing development of the service model.

Housing, Regeneration & Environment Directorate

- 9.17. The following cuts totalling £2.178m are proposed by the new Housing, Regeneration & Environment Directorate in 2020/21, in addition to the £2.7m cuts previously approved in November 2018.
- 9.18. Details of each proposal can be found in Appendix 2 of this report and a summary of the previously approved cuts from November 2018 at Appendix 8.

Table 7: Summary of Housing, Regeneration & Environment Proposed Budget Cuts

Division	Ref	Proposals	2020/21 £'000
Environment			
The service area includes the following - Waste Management (refuse & recycling), Cleansing, Green Scene (parks and open spaces), Fleet and Passenger Services, Bereavement Services and Markets.			
Net Budget £19.8m			
Proposed Cuts £0.823m			
	CUS7	Reduce sweeping frequency to residential roads to fortnightly. NB – no proforma as pilot underway which will report back separately for scrutiny and a M&C decision. This is anticipating the full cut can still be made as previously presented.	823
		Subtotal	823
Strategic Housing			
The service area includes the following - Housing Needs (including Housing Options and Home Search), Housing Partnership & Development and Private Sector Housing.			
Net Budget 5.545m			

Division	Ref	Proposals	2020/21
			£'000
Proposed Cuts £1.175m			
	CUS15	Cuts to No Recourse to Public Funds service budget	1,000
	CUS16	Operational savings in the Private Sector Housing Agency through service improvements	175
		Subtotal	1,175
Regeneration and Place			
The service area works to renew the physical fabric of the borough sustainably, and enhance the overall economic well-being of Lewisham through programme management capital delivery; school place expansion programme; town centre regeneration; asset strategy; contract management; maintenance of the corporate estate (including investment assets); and Transport (including highways improvement and lighting).			
Net Budget £7.8m			
Proposed Cuts £0.18m			
	RES19	School crossing patrol NB – no proforma as risk assessment work is underway which will report back separately for scrutiny and a M&C decision. v	80
	RES20	Nursery Lettings	100
		Subtotal	180
	Housing, Regeneration & Environment Total		2,178

Corporate Services Directorate

- 9.19. The following cuts totalling £3.5m are proposed by the new Corporate Services Directorate over 2020/21, in addition to the £2m cuts previously approved in November 2018, a total of £5.5m across both years.
- 9.20. Full details of each proposal are attached as Appendix 3 to this report and a summary of previously approved cuts at Appendix 8.

Table 8: Summary of Corporate Services Proposed Budget Cuts

Division	Ref	Proposals	2020/21	2021/22
			£'000	
Public Services				
The service area provides the 'front door' to a wide range of services across the Council. This area includes Customer Contact Centre, Registrars, Revenues, Benefits, Emergency Planning and Parking Management.				
Net Budget Revenues and Benefits £1.436m				
Proposed Cuts £0.5m				
Net Budget Parking £(5.81)m				
Proposed Cuts £0.5m				
CUS11a	Process automation in Revenues and Benefits			500
CUS14a	Parking service budget review		500	
	Subtotal		500	500
Corporate Resources				
The service area facilitates the Council's Strategic Finance activities (managing the cuts and budget setting process, providing corporate finance advice (including procurement), performing treasury management functions and managing the pension fund) to support delivery of Council objectives.				
It also oversees the Council's governance, risk and controls processes; coordinates and provide assurance on the framework of internal control, undertakes investigations, and delivers professional guidance and support in respect of insurances, risk management and health & safety.				
RES21	Reduced allocaton of inflation to contract costs		1,000	
	Subtotal		1,000	
Technology & Change				
The service area co-ordinates and manages the provision and maintenance of ICT tools; identifying, supporting and leading transformation and continuous improvement that can be enabled or assisted by ICT				
RES22	Reduced allocation of inflation as dividend for improved ICT provision		1,500	
	Subtotal		1,500	
Corporate Services Total			2,500	500

10. TIMETABLE

10.1. The key dates for considering this cuts report via scrutiny and Mayor and Cabinet (M&C) are as follows:

Review of budget cuts proposals	Healthier	Children & Young People	Sustainable	Housing	Safer Stronger	Public Accounts
Select Ctte.	3 Sept	17 Sept	11 Sept	18 Sept	12 Sept	24 Sept
OSBP	15 October					
M&C	30 October					

10.2. The M&C decisions are then subject to the usual Business Panel scrutiny call in process and reconsideration at the following M&C if necessary. The M&C report will be presented to the Overview and Scrutiny Business Panel on the 15 October 2019.

10.3. If required, two more cuts rounds can be taken through the decision process, still with the possibility (if no consultation required) of achieving a full-year effect of cuts in 2020/21. The key dates for these rounds are as follows:

Review of Cuts proposals	Healthier Communities	Children & Young People	Sustainable Development	Housing	Public Accounts	Safer Stronger
Select Ctte.	4 Nov	16 Oct	28 Oct	30 Oct	6 Nov	9 Oct
OSBP	12 November 2019					
M&C	20 November 2019					
Select Ctte.	2 Dec	5 Dec	4 Dec	16 Dec	16 Dec	26 Nov
OSBP	27 January 2020					
M&C	5 February (Budget)					

10.4. The Overview and Scrutiny Business Panel (OSBP), post M&C, for these rounds will be 3 December 2019 and 11 February 2020 respectively.

11. CAPITAL PROGRAMME

- 11.1. In addition to considering the revenue budget and possible cuts, the Public Accounts Committee has asked the other Select Committees to review the capital programme as it relates to their areas of activity and make any comments on the reporting and monitoring of the schemes underway and planned.
- 11.2. The capital programme is adopted annually as part of the Budget agreed by Full Council in February. Progress is then reported quarterly to M&C as part of the routine financial monitoring. The most recent report (July 2019) is at Appendix 9. In summary the capital programme for 2019/20 is:

2018/19 Capital Programme	Budget Report (February 2019)	Revised Budget	Spend to 31 May 2019	Spent to Date (Revised Budget)
	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	11.0	11.1	0.4	4%
Schools - Other (inc. Minor) Capital Works	1.4	5.9	0.1	2%
Highways & Bridges - LBL	3.5	3.5	0.1	3%
Highways & Bridges - TfL	0.0	2.2	0.0	0%
Highways & Bridges - Others	0.0	2.1	0.0	0%
Catford town centre	5.5	5.1	0.1	2%
Asset Management Programme	2.5	2.0	0.3	15%
Smart Working Programme	0.9	2.3	0.8	35%
Beckenham Place Park	2.5	2.4	0.9	38%
Heathside & Lethbridge Regeneration	0.0	0.6	0.0	0%
Excalibur Regeneration	0.0	1.7	0.2	12%
Lewisham Homes – Property Acquisition	6.0	3.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	1.3	3.8	0.1	3%
Achilles St. Development	0.0	7.3	0.0	0%
Ladywell Leisure Centre Development Site	0.0	1.0	0.0	0%
Edward St. Development	9.1	9.1	0.0	0%
Travellers Site Relocation	1.1	1.1	0.0	0%
Fleet Replacement Programme	0.0	7.8	0.0	0%
Other General Fund schemes	2.2	5.6	0.0	0%
TOTAL GENERAL FUND	47.0	77.6	3.0	4%
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	37.3	21.0	0.3	1%
Decent Homes Programme	57.1	51.4	1.8	3%
Other HRA schemes	0.8	1.6	0.1	4%
TOTAL HOUSING REVENUE ACCOUNT	95.2	74.0	2.2	3%

TOTAL CAPITAL PROGRAMME	142.2	151.6	5.2	3%

11.3. For more detail please see Appendix 9.

12. FINANCIAL IMPLICATIONS

12.1. This report is concerned with the cuts proposals to enable the Council to address the future financial challenges it faces. There are no direct financial implications arising from the report other than those stated in the report and appendices itself.

13. LEGAL IMPLICATIONS

Statutory duties

13.1. The Council has a variety of statutory duties which it must fulfil by law. The Council cannot lawfully decide not to carry out those duties. Even where there is a statutory duty there is often a discretion about the level of service provision. Where there is an impact on statutory duty that is identified in the report. In other instances, the Council provides services in pursuit of a statutory power, rather than a duty, and though not bound to carry out those activities, decisions about them must be taken in accordance with the decision making requirements of administrative law.

Reasonableness and proper process

13.2. Decisions must be made reasonably taking into account all relevant considerations and disregarding all irrelevant matters. These are particular to the service reductions proposed and are set out in the body of the report. It is also imperative that decisions are taken following proper process. Depending on the particular service concerned, this may be set down in statute, though not all legal requirements are set down in legislation. For example, depending on the service, there may be a need to consult with service users and/or others and where this is the case, any proposals in this report must remain proposals unless and until that consultation is carried out and the responses brought back in a further report for consideration with an open mind before any decision is made. Whether or not consultation is required, any decision to discontinue a service would require appropriate notice. If the Council has published a procedure for handling service reductions, there would be a legitimate expectation that such procedure will be followed.

Staffing reductions

13.3. If service reductions would result in redundancy, then the Council’s usual redundancy and redeployment procedure would apply. If proposals would result in more than 20 but fewer than 100 redundancies in any 90 day period, there would be a requirement to consult for a period of 30 days with trade

unions under Section 188 Trade Union and Labour Relations (consolidation) Act 1992. The consultation period increases to 45 days if the numbers are 100 or more. This consultation is in addition to the consultation required with the individual employees. If a proposal entails a service re-organisation, decisions in this respect will be taken by officers in accordance with the Council's re-organisation procedures.

Equalities Legislation

- 13.4. The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 13.5. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 13.6. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.
- 13.7. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 13.8. The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

13.9. <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

13.10. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- The essential guide to the public sector equality duty.
- Meeting the equality duty in policy and decision-making.
- Engagement and the equality duty: A guide for public authorities.
- Objectives and the equality duty. A guide for public authorities.
- Equality Information and the Equality Duty: A Guide for Public Authorities.

13.11. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

13.12. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. <https://www.equalityhumanrights.com/en/advice-and-guidance/making-fair-financial-decisions>. It appears at Appendix 4 and attention is drawn to its contents.

13.13. The equalities implications pertaining to the specific service reductions are particular to the specific reduction.

The Human Rights Act

13.14. Since the introduction of the Human Rights Act 1998 (HRA) the rights set out in the European Convention on Human Rights (ECHR) have been incorporated into UK law and can be enforced in the UK courts without recourse to the European courts.

13.15. Those articles which are particularly relevant in to public services are as follows:-

- | | | |
|-----------|---|---|
| Article 2 | - | the right to life |
| Article 3 | - | the right not to be subject to inhuman or degrading treatment |
| Article 5 | - | the right to security of the person |
| Article 6 | - | the right to a fair trial |
| Article 8 | - | the right to a private and family life, home and |

- Article 9 - correspondence
- Article 9 - the right to freedom of thought, conscience and religion
- Article 10 - the right to freedom of expression
- Article 11 - the right to peaceful assembly
- Article 14 - the right not to be discriminated against on any ground

The first protocol to the ECHR added

- Article 1 - the right to peaceful enjoyment of property
- Article 2 - the right to education

13.16. Some of these rights are unconditional, such as the right not to be tortured or subject to degrading treatment. Others may be limited in finite and well defined circumstances (such as the right to liberty. Others are qualified and must be balanced against the need of the wider community – such as the right to a private and family life. Where there are human rights implications associated with the proposals in this report regard must be had to them before making any decision.

Crime and Disorder

13.17. Section 17 of the Crime and Disorder Act 1998 requires the Council to have regard to the likely effect on crime and disorder when it exercises its functions, and the need to do all that it reasonably can to prevent crime and disorder in its area.

Best value

13.18. The Council remains under a duty under Section 3 Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It must have regard to this duty in making decisions in respect of this report.

Environmental implications

13.19. Section 40 Natural Environment and Rural Communities Act 2006 states that “every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions to the purpose of conserving biodiversity”. No such implications have been identified in this report.

Specific legal implications

13.20. Members’ attention is drawn to the specific legal implications arising in relation to particular proposals set out in the relevant proforma in Appendices 1 to 3 of this report and Appendix 6 which is a summary of specific legal implications for each budget cut proposal.

Equalities Implications

13.21. Detailed policy and equality implications have been appended to this report as Appendix 5.

14. CONCLUSION

14.1. The Council expects to need to make further cuts between now and 2021/22 as the resources available to run services continue to be reduced and because insufficient budget reductions have been identified to date. This results in the Council having to use its reserves when setting the budget. This is not sustainable as reserves are only available on a once off basis.

14.2. The expected amount and timing of the cuts for 2020/21 and future years has been detailed above. However, the definitive position is dependent on the SR19, Autumn Budget and Local Government Finance Settlement due in September, November and December respectively.

15. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

Short Title of Report	Date	Contact
Medium Term Financial Strategy http://councilmeetings.lewisham.gov.uk/documents/g5477/Public%20reports%20pack%2026th-Jun-2019%2018.30%20Mayor%20and%20Cabinet.pdf?T=10	June 2019	David Austin
Budget 2019/20 http://councilmeetings.lewisham.gov.uk/documents/g5131/Public%20reports%20pack%2027th-Feb-2019%2019.30%20Council.pdf?T=10	February 2019	David Austin

Appendices

1. Community Services Budget Cuts Proposals
- 1B. Adult Social Care Savings Consideration 20/21
2. Housing, Regeneration and Environment Budget Cuts Proposals
3. Corporate Services Budget Cuts Proposals
4. Making Fair Financial Decisions Guidance
5. Policy and Equalities Analysis
6. Specific Legal Implications
7. Summary of Cuts Proposals
8. Previously Approved 2020/21 Budget Cuts
9. Capital programme (extract from Financial Monitoring to M&C)

For further information on this report, please contact:
David Austin, Interim Chief Finance Officer on 020 8314 9114

Appendix 1: Community Services Proposals

1. Cuts proposal	
Proposal title:	Adult Social Care
Reference:	COM1a, COM2a, COM3a and COM18
Directorate:	Community Services
Director of Service:	Director of Operations Adult Social Care, Joan Hutton & Director of Joint Commissioning, Dee Carlin.
Service/Team area:	Adult Social Care (ASC)
Cabinet portfolio:	Cabinet Member for Health and Adult Social Care – Cllr Chris Best
Scrutiny Ctte(s):	Healthier Communities Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
a) COM1a Managing demand at the point of access to adult social care services: £1.0m	Yes	No	No
b) COM2a Ensuring support plans optimise value for money: £500k	Yes	No	No
c) COM3a Increase revenue from charging Adult Social Care clients: £500k	Yes	No	No
d) COM18 funding inflationary increase from within the ASC Grant £2.0m	No	No	No

3. Description of service area and proposal
<p>Description of the service area (functions and activities) being reviewed:</p> <p><u>COM1a & COM2a COM3a</u></p> <p>The two main points of access to adult social care are 1) the community via the Social Care Advice and Information Team (SCAIT), and 2) the acute hospitals via the Hospital Discharge Team. The principles of the Care Act 2014 regarding assessment and eligibility criteria are applied to determine the appropriate response to these contacts and referrals.</p> <p>Adult social care have been piloting differing approaches to deliver both effective outcomes for residents who make contact for support, and effective management of demand and the use of resources. This is known as the 3 conversation approach strength and asset based approach to assessment.</p> <p>This approach places the use of prevention and early intervention that can promote self management, independence, rehabilitation and recovery at the heart of practice.</p>

3. Description of service area and proposal

If a person has needs that are not eligible at that time, there is support available to access information and advice or preventative services.

The approach used builds further on the arrangements that have been put in place to manage demand appropriately and effectively. It is complemented by the Councils commitment to community development that links those with care needs to opportunities that are available from universal services and the third sector organisations within the community.

The four neighbourhood assessment teams established across the borough and a team that work specifically with adults who have a learning disability provide the main assessment and support planning function for those with care needs. In accordance with the approach to integration across health and social care and by building on the "Care at home" approach to multi-disciplinary working we will ensure the right support is in place to individuals and work to reduce duplication where possible.

As part of the assessment process and in accordance with the national 'fairer charging policy framework', people in receipt of care and support are financially assessed to ascertain the level of contribution they need to make towards the cost of their care.

Whilst adult social care is chargeable, healthcare is free at the point of delivery. For those people who have support for their healthcare needs there are arrangements in place for the Council to recharge the CCG.

The Adult Social Care budget is divided into two areas of expenditure, care costs £76.4m and staffing costs £11.2 m. There are annual inflationary increases and uplifts which amount to approximately £2.2m, these will be covered using the ASC base grant.

Attached in Appendix 1B is further detailed information relating to these proposals.

Cuts proposal*

COM1a - £1m

The £1.0m identified under COM1a is an extension of the £122k identified and achieved under the 19-20 COM1 cut by piloting new ways of working that "Manage demand for Social Care effectively using the (3 conversations) strength based approach to practice".

We have considered good practice identified from benchmarking the use of resources, using a focused analysis of our spend by the Association of Directors for Adult Social Services (ADASS), Local Government Association (LGA) and Independent Peer Challenge (IPC).

There are approx. 3,175 adults receiving care at any one time. By managing demand and reducing this number by 100 to 3,075 there will be an anticipated cost cut of £1m.

The approach will:

- Connect people at an early stage to support them to get on with their lives independently;
- Identify when people are at risk and apply solutions to make them safe;

3. Description of service area and proposal

- provide a fair and proportionate personal budget that considers where sources of funding come from which includes the persons own resources or health funding if this is appropriate;
- Identify people who are self-funders at an earlier stage and provide them with information and advice so that they can make their own arrangements; and
- provide short term intervention such as rehabilitation, recovery, recuperation and reablement, including therapeutic help, for people who contact the service from within the community via self-referral or from the GP as well as when discharged from the hospital.

This has estimated that a local authority shouldn't spend more than 15% of the domiciliary care budget on a person for 10 hours or less per week, as this level of care can often be accessed by other means particularly ensuring that the correct levels of benefits are in place. Support is provided to people from the staff within the SCAIT team to connect them to these resources and solutions. The proposal would reduce ASC spend from 15.5% of the budget currently, in line with the 15% recommended.

COM2a - £0.5m

In accordance with social care best practice and Care Act requirements, there will be continued reassessments of support plans using the strength asset based approach. This will include the following actions:

- All care packages will be based on medium term goals that assist a person where possible to move to greater independence;
- Continuing Health Care decisions to be completed within national timeframes; and
- Commissioners will continue to work with the care market to ensure that the social care investment used is the most cost effective and of good quality.

COM3a - £0.5m

This proposal relates to an increase in income generation rather than a budget cut and involves joint working between Adult Social Care, Customer Services and Resources and Regeneration.

Since January 2018, corrective work has been carried out to bring everyone's charges up to date, resulting in provisional estimates of additional income of £25k weekly.

Further corrective work and an earlier financial assessment along with the introduction of auto-charging and the provider portal to the financial system, will provide more accurate billing and invoice processing to both the service users who are charged and more accurate payments to the range of care providers who are commissioned.

COM18 - £2m

The approach will rebaseline adult social care budgets to reflect the continuation of grants. The service will fund inflationary uplifts by using the Improved Better Care Fund (IBCF).

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

COM1a and COM2a

4. Impact and risks of proposal

This has required a cultural shift to practice for staff who deal with contacts and assessments. The approach is supported by a learning and development programme led by the Principle Social Worker (PSW).

The approach may reduce or delay the need for care and support provided or commissioned by ASC. It promotes self-management which can have a positive impact on an individual's psychological wellbeing and promotes independence where possible.

The approach may not always meet the initial expectations that residents have from ASC and as a consequence, it is likely, there may be an increase in complaints.

The approach is dependent on there being a range of services available that people can access from the voluntary and community sector, particularly for those who focus on support for vulnerable adults. In addition, council run or commissioned universal services will need to be accessible to support individuals where appropriate.

This is set out in more detail in the separate paper to the Healthier Select Committee for their meeting of the 3 September. The Lewisham Offer, is a summary of the strength and asset based approach that is used to manage demand and resources effectively.

COM3a

Some service users may cancel their care due to the financial contribution they are assessed to pay. They will be supported on an individual basis to ensure they have access to any benefits that they are eligible for.

COM18

By using the grant to fund inflationary increases, there is a risk that providers will request an increase that is higher than we can afford. The Council remains committed to paying the London Living Wage.

Outline risks associated with proposal and mitigating actions to be taken:

In relation to the new cuts being offered, as these are extensions of those previously agreed, the main risks for each area are as follows:

- People will choose not to purchase the care and support they need. This can be mitigated by maximising their take up of welfare benefits;
- There is a risk that community based solutions become less available as funding restrictions impact on voluntary sector partners; and
- Delays in publishing the Green Paper and the longer term care integration and funding proposals for adults social care mean uncertainty regarding the management of pressures going forward.

There will be comprehensive risk assessments undertaken as part of the assessment process.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	64,869	11,261	53,588	
HRA	n/a	n/a		

5. Financial information				
DSG	n/a	n/a		
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
COM1a		1,000		1,000
COM2a		500		500
COM3a		500		500
COM18		2,000		2,000
Total		4,000		4,000
% of Net Budget	%	7.4%	%	%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
5	3	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral	Neutral	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
N/A	N/A	

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	H	Marriage & Civil Partnerships:	N/A
Age:	H	Sexual orientation:	N/A
Disability:	H	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	N/A
For any High impact service equality areas please explain why and what mitigations are proposed:			

8. Service equalities impact

Most people who contact ASC are vulnerable due to age, frailty or disability. Individuals are risk assessed to make sure they remain safe, supported and as independent as possible. Often the care can be provided by partners or family members if deemed appropriate which can fall disproportionately on women. Carers often provide informal support to service users and are considered as part of the strength and asset approach to assessment. It is important that they are offered and encouraged to accept a Carers assessment in their own right that takes into account their Health, Wellbeing and supports them in their caring role.

For all of the proposed cuts areas the same cohort of services users with the same needs and protected characteristics will be affected. Impact assessment above covers all proposals. We will complete separate EIA's in areas where there are changes to provision.

Is a full service equalities impact assessment required: Yes / No	No
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9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No	No
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10. Legal implications

State any specific legal implications relating to this proposal:

The pro forma accurately reflects Care Act duties. However, given the fact that client groups may be vulnerable and have protected characteristics (such as age/disability/gender) there will need to be an equalities impact assessment carried out before a decision can be made.

A report on COM1 & 2 could be merged and requires an overall EIA, as service pathways are likely to alter and the client groups, although also including those who may use the services in the future and are therefore difficult to capture, will also mainly comprise existing or proximate users, who do have protected characteristics.

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc.), implementation:

Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C Full Delivery Plans developed and monitoring arrangements in place
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

APPENDIX 1 B - ADULT SOCIAL CARE CUTS CONSIDERATION 20/21

1. Planned Cuts Position:

Title	Cuts Target 2019-20	May 2019 Update
Managing demand for Social Care (3 conversations) strength based approach to practice	£122k	Cut now full achieved
Ensure support plans optimise VFM	£250k	Cut now fully achieved
Increase revenue from ASC charging	£159k	Cut now fully achieved despite auto charging and configuration still not complete – prospect to improve charging in 20/21
Reducing unit costs for LD in line with London benchmarking companies	£600k	Work in progress – full achievement expected
Increase Personalisation	£60k	Work in progress – full achievement expected
Reduction in ASC contribution to MH Integrated Community Services	£100k	Cut now full achieved
Reduction of MH residential care costs	£300k	Work in progress – full achievement expected
Increase use of shared lives	£200k	Cut now fully achieved
Develop a more cost effective model for transitions	£300k	Work in progress – partial achievement expected in 19/20
Cost reduction target		

Proposed Cuts	£2.091m
Achieved Cuts	£1.891 m
Difference	£200k with work continuing

2. End Year Position 18/19

Adult Social Care finished the year with a £1.1m underspend

Ongoing Budget Pressures

- DoLS

DoLS numbers increased by 10% in 18/19. Whilst it is expected that the Government will change the legislation by 2020, it is recognised that this may not decrease the pressure due to the ongoing monitoring and quality assurance that will still be a statutory duty of ASC. Current Cost Pressure £750k

- Transitions

Transitions care cost are expected to increase in 19/20 due to the numbers of young adults transferring from Children's Services, with each an expected weekly cost of approx. £1,500. The Majority of these costs will impact on the Learning and Disability (LD) budget. There are additional cost pressures associated with the cohort of young people who transition to adult services with a dual diagnosis of autism and LD who often have complex needs and challenging behaviour.

- Hospital Discharges

The level of care required for residents who have been discharged from hospital and the impact of a reduced length of stay continue to put pressure on the adult social care budget.

Approximately 30 people are discharged from hospital a week through a process known as Discharge to Assess. This approach aims to reduce length of stay within an acute hospital setting by 3 nights. On average a person leaving hospital through Discharge to Assess receives 6 extra hours of care to support them to return home, this cost pressures amounts to £168.5k per year ($30 \times 6 \times £18 = £3,240$ per week and $£3,240 \times 52 \text{ weeks} = £168,500$)

The figure above does not include other discharge pathways where people with more complex needs are supported to leave hospital with more complex packages. We are working on defining the cost pressure for these people leaving hospital following a shorter stay.

- Managing demand and Complexity

Adult social care is a demand led service where there is a continued increase in the age and complexity of clients who need support, for example, there are often high Costs associated with supporting residents who have complex Dementia and are unable to live on their own or where the family Carer is also finding it difficult to cope. There is also an increasing cohort of older people whose increasing frailty and declining mobility requires the support of 2 carers to manage their personal care.

There is increased pressure regarding the support required for people with Mental Health, challenging behaviour and physical disabilities. Often the only

option available to manage these complex needs is long term placements that can often be expensive.

- **Market stability.**

Lewisham saw no growth in the provider market and it is unlikely that there will be any significant growth in 19/20. There is little opportunity for further cost negotiations due to overall market conditions and the commitment to the London Living Wage and ethical care charter.

In 19/20 Lewisham lost one of its lead domiciliary care providers. This has put extra pressure on the current market providers that are also faced with the challenges of meeting care standards and maintaining a consistent workforce

In terms of the availability of Care homes, the market remains fragile. Locally there were no Residential or Nursing home beds lost during this period but there are a small number of homes that require improvements to meet CQC inspection standards. Recently a very large national care home provider Four Seasons, went into administration, for Lewisham, this means 5 people are likely to need a new placement.

Locally pressure on the market has increased due to a planned home closure in a neighbouring borough. This will ultimately have an adverse impact on bed availability, particularly for people with dementia. In addition, any embargoes in neighbouring boroughs will impact on bed capacity.

3. Current Proposed Cuts for 20/21

Title	Amount ('000)	Proposed Delivery
Continue to manage demand through the front door of the Council /community and manage the demand from acute hospitals.	£250	<ul style="list-style-type: none"> - Restructure that will add capacity and enhance skill mix at the point of contact so that initial enquiries can be resolved. - Linking people with community solutions and Prevention - Better Support Planning and Monitoring - Consultation with Health Partners regarding the restructure has been undertaken.
Reduce unit costs for LD in line with benchmarking reports	<p>£700</p> <p>£100</p>	<ul style="list-style-type: none"> - Further work on implementing the recommendations from the ADASS/LGA "Use of Resources" Report - Review Day Service and Transport use including undertaking Consultation on proposed changes with current service users - Transforming Care (National agenda to reduce out of borough placements for LD)

Title	Amount ('000)	Proposed Delivery
		- Better management of resources and voids
Increase Personalisation	£112	- Increase no. of PA's to support Direct Payments and Personal Health Budgets
Ensure short term intervention are effective optimises independence	£164	Increase the productivity of Enablement to enable more rehab thus reducing the need for long term care where possible.
Reduce ASC contribution to MH integrated Community Services	£50	- Reduce management costs - Reduce non-direct costs
Reduce MH residential care costs	£200	- Review all Section 117 support to determine eligibility. - De-registering a number of CQC registered home and support providers to provide care in more cost effective supported living placements where people are offered tenancies.
Increase the use of Shared Lives	£370	- Increase number of Shared lives Carers. As this offer is more cost effective and personalised and less restrictive and institutionalised and can reduce the need for placements or support living. -
Develop a more cost effective model for transitions	£200	- Further develop local model offer to reduce Transitions costs in relation to out of borough placements and colleges. - Mapping exercise to be undertaken to identify gaps in local market provision. This may necessitate further consultation with Service Users, Parents and Carers.
Deliver 19/20 predicted unachieved cuts	£200	- Linked to new transitions approach.
TOTAL	£2.246m	

4. Areas for further consideration 20/21

In 18/19 ASC used Care Analytics and some focused London Benchmarking Data on the use of resources and care costs. The recommendations within these reports confirms the continuation of existing strategies that are in place to manage resources effectively. The following areas were identified for potential cuts and reflect the recommendations from these reports:

- a. Further improvements to the management of demand at the front door to the council from the community and from acute hospitals - £1m

The staffing restructure will be fully embedded and there will be more capacity and a wider staff skill mix that will enhance the development of how contacts and enquiries for ASC are managed. The approach is dependent on utilising solutions from within the community and focusing on what a person can do for themselves. Early identification of people who are able to self-fund is essential as they can be supported to identify how their support needs can be met by providing good access to information and advice. Effective use of short term interventions such as Enablement, rehabilitation and recovery is also important as this can reduce or delay the need for longer term care by providing assistance to regain independence. Supporting family Carers to remain healthy and able to continue to provide care and support, should they want to, is also important in terms of managing demand for services.

Measure: The intention is to continue to reduce the numbers of adults accessing long term care and support:

There is a baseline of 3,175 adults receiving care at any one time. By reducing this number by 100 to 3,075 adults at any one time, using the average cost of £200 a package of care per week: = 100 x £200 = £20,000 x 52 = £1.04m

- b. Reducing costs in high spend areas - £500k

Benchmarking data suggests that we have are higher costs associated with some placements and packages of care for:

- People with a Learning Disability;
- Working age adults with Physical disabilities;
- Older people who are Elderly Mentally Ill (EMI);
- Older Adults who are frail and elderly; and
- Mental Health placements.

These changes have to be dealt with on a case by case basis. The cuts are dependent on more cost effective solutions being accepted and the possibility of commissioning more cost effective options that meet outcomes and take account of any risk management issues.

Measure: Reduce costs by 5% in line with benchmark intelligence.

For example: adults 18-65 Placements & Mental Health Working Age Adults

c. Charging, generating Income and reducing debt- £500K

In line with the Charging Policy, we will ensure that following an Financial Assessment that determines what people can afford to pay, we will charge fully (where applicable) for the care that is being provided to Service Users . This will include Residential & Nursing placements, Day Services, Extra Care Housing care element costs, Respite, Telecare, Personal and Domestic Care and Transport.

We are also exploring Local Authority costs associated with Mental Health Section 117 services to ensure that the LA and NHS are sharing the cost of care for individuals.

Implementing changes to the IT systems that support assessment. Charging and the purchasing of care will provide an opportunity to increase revenue and make payments for care reflect accurately the care that has been provided.

Identifying people who can self-fund their care, and giving people information at an early stage who are chargeable will go some way to reduce further debt.

The following tasks will be improved through digital enhancements to the 3 systems that support the customer journey:

- Faster notification of Financial Assessments and outcomes;
- Accurate and timely charging;
- Improve uplift of costs of services;
- Deliver Auto Charging;
- Improvement in provider invoices process;
- Reduction of debt including support for Self Funders; and
- Improved debt collection.

Measure: Reduce numbers of Self Funders where we pay for their care then recharge when we eventually identify them. Provide more timely information so people can make an informed choice regarding the potential cost of care following a financial assessment in line with national guidance:

Implement national guidance on charging for the management of care for self-funders by Introducing a charge for managing Self Funders services = $300 \times \text{£}300 = \text{£}90\text{k}$ 9 (Band3)

Decreasing time taken between Financial Assessment and Billing (average. 6 weeks) = $150 \times \text{£}1,500 = \text{£}225\text{k}$

Increase numbers being charged by introducing Auto-Charging = $50 \times 5,200 = \text{£}260\text{k}$
($50 \times \text{£}100$ per week x 52 Extra Care, Day Care, LD and MH) (Band 11)

Further work is being undertaken to confirm the measures and indicative figures above, we will use these to monitor and deliver the cuts proposed.

Appendix 2: Housing, Regeneration & Environment Proposals

1. Cuts proposal	
Proposal title:	Cuts generated through No Recourse to Public Funds service
Reference:	CUS15
Directorate:	Housing, Regeneration and Environment
Director of Service:	Director of Housing, Madeleine Jeffery
Service/Team area:	Strategic Housing
Cabinet portfolio:	Cabinet member for Housing – Cllr Paul Bell
Scrutiny Ctte(s):	Housing Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
CUS 15 - Cuts generated through No Recourse to Public Funds service: £1,000k	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Housing Division has consistently delivered on its cuts targets over the last 5 years totalling £1.5m or 28% of the total division net budget. It is committed to deliver the cuts agreed for this financial year of £405k and deliver the existing commitment of £696k for 2020/2021, despite the service being under real pressure especially in our homelessness services.</p> <p>There are three main areas considered in this proposal are:</p> <ol style="list-style-type: none"> 1. Homelessness Services (no further cuts proposed) 2. No Recourse to Public Funds (NRtPF) - £1m 3. Other (no further cuts proposed) <p><u>Service Area 1: Homelessness Services</u></p> <p>The Council accommodates almost 2,200 households in various forms of Temporary Accommodation (TA), of which c700 are in “nightly paid” TA which is the most expensive and poorest quality. This is an increase on the previous years. The numbers in all forms of TA has increased every year over the last 10 years as the housing crisis in London deepens. In addition Lewisham, in common with all London Boroughs, has seen very real increases in homelessness demand not just in numbers of households presenting and requiring support but in requirements on the service coming from the 2018 Homeless Reduction Act (HRAct). This legislation is the most radical housing legislation in over 40 years. The service is facing very real pressures now and into the future.</p> <p>For this reason, beyond the cuts already agreed for 19/20 and 20/21, no further cuts in this area are proposed at this time. This until the changes from new legislation have settled and future funding arrangements from government are confirmed.</p> <p><u>Service Area 2: No Recourse to Public Funds</u></p> <p>The No Recourse to Public Funds service consists of a dedicated team of specialist officers who support households who have no recourse to public funds. With a dedicated team of officers delivering an improved service to customers, the number of</p>

3. Description of service area and proposal

active cases has significantly reduced resulting in an underspend against forecast and the potential to offer a budget cut.

The work of the team has achieved a substantial reduction in caseload since 2015 where 330 households were being supported by the service. By April 2018 there were 100 households in receipt of support from the service, which had decreased to 78 at the end of the financial year. During the FY 18/19, 97 cases were closed and 42 cases were re-assessed to understand the changing needs of the household, ensuring that the team were providing the necessary support. The vast majority of cases closed are because households have been supported to regularise their immigration status, providing them with recourse to public funds.

In 2018/19 the NRtPF team spent £2.9m against a budget of £4m which had been increased from corporate pressures in previous years budgets, an underspend of almost £1.1m. This cut, whilst shown in the CYP budgets, is being delivered by the housing team. It is expected that these cuts will be maintained across this and future years (although noting the risk that demands on the service can change quickly especially in the light of national or government changes, like Brexit, and costs can escalate quickly).

The proposal is to deliver an £1m cuts in 2020/21 through continued service efficiencies.

Service Area 3: Other delivered income to council services

The Private Sector Housing Agency works with Children's Services to procure units for care leavers with low support needs. To date 12 young people have been assisted into semi-independent living units through this approach, delivering a cut of £183k per annum for Children's Services. The service sources temporary accommodation for intentionally homeless clients who are owed a duty under s17 of the Children's Act whilst they are being assessed.

It is envisaged that this service will continue into 20/21.

Cuts proposal*

CUS 15 - £1m

The budget for the No Recourse to Public Funds (NRtPFs) team is currently set and located in the Children & Young People's Services. The actual service delivery of the NRtPF team is located within Strategic Housing who are delivering the activity against this work area and drawing down the budget as required. In 2018/19 the budget was £4.062m. The NRtPFs team spent £2.979m in 2018/19, realising an underspend of almost £1.1m.

It is proposed that a £1m cut to this budget is included in 20/21.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No negative impacts on customers or staff.

The impacts from the new proposed cuts in NRtPF of £1m is reflective of the downward trend in caseload management and securing positive outcomes for those

4. Impact and risks of proposal

who approach the service. This cut will not have a negative impact on the service or support being offered to those customers who approach and is a result of the housing team securing efficiencies in the way the services are delivered that benefits customers. The risk will be a spike in the numbers of customers presenting.

Outline risks associated with proposal and mitigating actions to be taken:

No Recourse to Public Funds

There is a risk that the demand on the NRtPF team will increase over FY20/21, particularly due to the currently unknown possible implications of Brexit. For example; in relation to the currently unknown impact of a new immigration system on particular groups, a possible rise in EU nationals with the right to remain but with no entitlement to income based benefits, and lack of certainty as to rights of particular groups under a no-deal scenario and when/if free movement ends. It is for this reason that the proposed service cuts of £1m takes into account possible changes in demand over the year.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	28,746	23,201	5,545	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
No Recourse to Public Funds (CYP Budget)		1,000		1,000
Total		1,000		1,000
% of Net Budget		18%	%	18%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
2		1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		

6. Impact on Corporate priorities		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	8. Good governance and operational effectiveness

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Medium	Pregnancy / Maternity:	N/A
Gender:	Medium	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	
For any High impact service equality areas please explain why and what mitigations are proposed:			
<p>As identified previously in relation to the already agreed cuts, a proportionately large number of BAME households & women engage with the Council's homelessness service.</p> <p>The additional cut being proposed for 2020/21 have no new negative equalities implications for service users, as none of the cuts proposed will have a negative impact on the level, quality or standard of service being provided to service users. The No Recourse to Public Funds proposed cut reflects the downward trend in caseload and positive outcomes for those who approach the service as a result of the work and support provided by the team. This cut will not change the service or support being offered to those who approach the NRtPF team.</p>			
Is a full service equalities impact assessment required: Yes / No			No

9. Human Resources impact	
Will this cuts proposal have an impact on employees: Yes / No	No

10. Legal implications	
State any specific legal implications relating to this proposal:	
No	

11. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)

11. Summary timetable	
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Operational cuts in the Private Sector Housing Agency through service improvements
Reference:	CUS16
Directorate:	Customer Services
Director of Service:	Director of Housing, Madeleine Jeffery
Service/Team area:	Strategic Housing
Cabinet portfolio:	Cabinet member for Housing – Cllr Paul Bell
Scrutiny Ctte(s):	Housing Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Operational cuts in the Private Sector Housing Agency through service improvements and reduction in enforcement budget: £175k	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Housing Division has consistently delivered on its cuts targets over the last 5 years totalling £1.5m or 28% of the total division net budget. It is committed to deliver the cuts agreed for this financial year of £405k and deliver the existing commitment of £696k for 2020/2021, despite the service being under real pressure in our homelessness services.</p> <p>There are three main areas considered in this proposal are:</p> <ol style="list-style-type: none"> 1. Homelessness Services (no further cuts proposed) 2. Private Rented Sector Agency (PHSA) - £175k <p><u>Service Area 1: Homelessness Services</u> The Council accommodates almost 2,200 households in various forms of Temporary Accommodation (TA), of which c700 are in “nightly paid” TA which is the most expensive and poorest quality. This is an increase on the previous years. The numbers in all forms of TA has increased every year over the last 10 years as the housing crisis in London deepens. In addition Lewisham, in common with all London Boroughs, has seen very real increases in homelessness demand not just in numbers of households presenting and requiring support but in requirements on the service coming from the 2018 Homeless Reduction Act (HRAct). This legislation is the most radical housing legislation in over 40 years. The service is facing very real pressures now and into the future.</p> <p>For this reason, beyond the cuts already agreed for 19/20 and 20/21, no further cuts in this area are proposed at this time. This until the changes from new legislation have settled and future funding arrangements from government are confirmed.</p> <p><u>Service Area 2: Private Rented Sector Agency - £175k</u> The Private Rented Sector Agency (PSHA) works to regulate and enforce in the private rented sector; tackle empty homes; provide grants and loans to enable</p>

3. Description of service area and proposal

vulnerable residents to live safely and independently in their homes; improve privately owned homes where funds are not available; and procure new accommodation for use as temporary accommodation to meet temporary housing need across the council.

The licensing and housing enforcement service in the Agency are currently preparing to submit an application to MHCLG to extend the current licensing programmes to an all Borough scheme to deliver on one of the corporate commitments for housing . This would transform the work of the service and move the team from licensing 500 properties to over 30,000. As part of this work to get the service ready for the future, as well as deliver on income targets this year, service improvements are underway though improvements to ICT, data analysis and business processes.

In addition, an expansion of the enforcement tools available to the service will streamline lower level housing enforcement and enable cuts to be offered in the next year. It is these service improvements and enforcement changes that will deliver our cuts proposal of a total of £175k.

Cuts proposal*

Private Sector Housing Agency

It is proposed that the Council makes cuts to the Private Sector Housing Agency budget through changes to the way in which the service carries out its enforcement duties, as well as driving cuts through service improvement delivered through new ICT and data analytics, business process improvements and rationalising budgets.

In 2018/19 the PSHA were successful in licensing 477 properties, a 31% increase in the position as at the end of 2017/18. The Council is currently consulting on an extension to its additional HMO licensing scheme, and on the introduction of a selective licensing scheme that would introduce mandatory licensing for over 30,000 privately rented homes in Lewisham. If this is approved then the service will undergo a radical transformation increasing its operational services and staffing substantially alongside an upgraded ICT system. It is from this business transformation already underway that these additional cuts of £125k will be delivered with no negative impact on the operation of the service or staffing.

The service will also make better use of new methods of delivering enforcement, particularly civil penalty notices which enable officers to take speedy, effective action where appropriate. The use of such methods is also more cost efficient than existing methods and means that the service is able to realise a cut to the existing budget in this area of £50k.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No negative impacts on customers or staff across all proposals.

The service transformation in the PSHA is part of a service improvement programme that includes an ICT project that will introduce a new system that will be able to cope with the demands of the new service and meet the requirement to potentially licence over 30,000 PRS homes in the Borough. Improvements to service design will deliver improvements to the services to landlords and tenants. There is limited risk here as

4. Impact and risks of proposal

service improvements will be introduced even if the borough wide licensing scheme is not agreed.

Outline risks associated with proposal and mitigating actions to be taken:

Minimal risks associated with the cut of £125k. This is linked to service improvement, new ICT and the expansion of the licensing service.

The £50k cut from the enforcement budget will only be a risk if the numbers of enforcements does not increase and with a proposed radical expansion of the licensing scheme this is very unlikely and is mitigated by being conservative with the estimate of the scale of enforcement using this new tool that will be undertaken.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	28,746	23,201	5,545	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Private Sector Housing Agency: operational and enforcement cuts		175		175
Total		175		175
% of Net Budget	%	3%	%	3%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
2		<ol style="list-style-type: none"> 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	

6. Impact on Corporate priorities

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7. Ward impact

Geographical impact by ward:	No specific impact / Specific impact in one or more	
	No specific impact	
	If impacting one or more wards specifically – which?	

8. Service equalities impact

Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Medium	Pregnancy / Maternity:	N/A
Gender:	Medium	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	
For any High impact service equality areas please explain why and what mitigations are proposed:			
As identified previously in relation to the already agreed cuts, a proportionately large number of BAME households & women engage with the Council's homelessness service.			
The additional cuts being proposed for 2020/21 have no new negative equalities implications for service users, as none of the cuts proposed will have a negative impact on the level, quality or standard of service being provided to service users.			
Is a full service equalities impact assessment required: Yes / No			No

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No	No
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10. Legal implications

State any specific legal implications relating to this proposal:
No

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
Month	Activity
May to July 2019	Proposals prepared
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Nursery Lettings
Reference:	RES20
Directorate:	Housing, Regeneration & Environment
Director of Service:	Freddie Murray
Service/Team area:	Property, Asset Strategy & Estates
Cabinet portfolio:	Mayor
Scrutiny Ctte(s):	Sustainable Development Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Nursery Lettings – £100k	No	No	No

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

The Regeneration & Place Division leads on shaping the transformation of Lewisham as a place. The Division has played a key role in delivering some of the successes of the past four years, and an even more important role in delivering a significant part of the the Council's Corporate Strategy, including:

- Working to unlock and drive opportunities to deliver 1,000 new Council homes;
- Taking a lead role in the delivery of the Besson Street private rented sector (PRS) development and unlock the next opportunities for developments like it;
- Managing the Council's non-housing asset portfolio, operational and commercial;
- Continue to deliver the Council's capital delivery programme, including the delivery of new school places and improvements to existing schools to improve the quality of the built environment for our school children;
- Leading on ensuring the delivery of the Bakerloo Line Extension (BLE) to Lewisham and beyond;
- Take a lead role on the Council's Air Quality agenda and lead on enhancing modes of sustainable transport including delivery of new segregated cycle routes through the Borough;
- Lead on the Council's response to the climate emergency and exploring environmental and income generating opportunities such as the development of a heat network in the Borough, and models for publicly owned energy supply companies.

The Division has seen substantial change over the past 5-7 years, with more than a 50% reduction in its net budget over that time, in part due to a reduction of more than 50% in the size of the Corporate Estate. Costs remain relatively stable, although they are, on the whole, asset based whether it's highways or property. Over time, the amount of revenue we spend in these areas has reduced significantly but, unless we decide corporately to close buildings, then these costs will remain and in all likelihood grow as utility, business rates and London Living Wage costs continue to grow. In addition an ever aging estate becomes more costly in the long run to maintain.

One of the key areas for income generation is from the Commercial Estate, which is managed by the Estates Team in the Property, Asset Strategy and Estates service area.

3. Description of service area and proposal

This remains a challenging area for the Division, not only does the continued performance of the portfolio rely on prevailing market conditions, but it is also sensitive to changes in corporate direction. As a result, even existing targets have to be considered as at risk.

There are no proposals to review this service or team itself but look to mitigate existing pressures by further growth of the value of the estate that they manage, looking in particular at opportunities both to invest in the estate and to review the level of rents charged for nursery space in Council buildings.

Cuts proposal*

Nursery lettings - £105k

Reviewing all nursery lettings where we grant concessionary rents to nursery providers operating from Council buildings, and bring these rents up to market levels. Such a review of nursery providers in Council buildings would grow the income from the Council's estate, consistent with members expectations of services to be more commercial.

There are 27 private nurseries in Council owned properties within the Borough and the vast majority of these are let on full commercial leases. However, four nurseries have been identified that are let on less formal arrangements (Licences, Tenancies at Will etc.) at rents that are significantly below market value. These are in Ladywell, Telegraph Hill, Evelyn and Lewisham Central wards.

The total passing rents for these four nurseries are £30,895 per annum and the total market rent is estimated to be circa £125,000. The Estates team will implement these negotiations in accordance with the requirements of the existing agreements, and will enact these changes in line with the scheme of delegation.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No impact to service users, partners or other Council services. There are always risks around prevailing market conditions, and where the Council is subject to rent charges itself.

In terms of the nurseries, these are concessionary nurseries and more work would need to be done with CYP and potentially EIAs undertaken to understand the nature and make up of the users of these nurseries, as putting them on fully commercial rates could result in those nurseries going out of business. A small number of cases every year where tenants make representations as to the level of their rent, particularly where they are voluntary sector organisations providing services, and these representations are assessed on a case by case basis.

Outline risks associated with proposal and mitigating actions to be taken:

As above, mitigation for the nurseries would require further work with colleagues in CYP and Early Years.

5. Financial information				
Controllable budget:	Spend £'000	Income £'000	Net Budget £'000	
General Fund (GF)	49,900	42,100	7,800	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Nursery Lettings		100		100
Total		100		100
% of Net Budget	%	1%	%	1%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Yes			
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
8	4	<ol style="list-style-type: none"> Open Lewisham Tackling the Housing Crisis Giving Children and young people the best start in life Building an inclusive local economy Delivering and defending: health, social care & support Making Lewisham greener Building safer communities Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive	Neutral	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium	Low	

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	If impacting one or more wards specifically – which?
	All wards

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	N/A	Marriage & Civil Partnerships:	N/A
Age:	TBC	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	TBC

8. Service equalities impact

For any High impact service equality areas please explain why and what mitigations are proposed:

An Equalities Impact Assessment may need to be carried out to assess the possible impact of the proposal to bring all concessionary nurseries up to a market rent level.

Is a full service equalities impact assessment required: Yes / No

TBC

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No

No

10. Legal implications

State any specific legal implications relating to this proposal:

TBC

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

Appendix 3: Corporate Services Proposals

1. Cuts proposal	
Proposal title:	Process automation in Revenues and Benefits
Reference:	CUS11a
Directorate:	Corporate Services
Director of Service:	Ralph Wilkinson
Service/Team area:	Public Services / Revenues and Benefits
Cabinet portfolio:	Cllr De Ryk / Cllr Dromey
Scrutiny Ctte(s):	Public Accounts Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Automation - £0.5m	No	No	TBC

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The Revenues Service administers and collects Council Tax, Business Rates, HB overpayments, sundry debt and processes all financial transactions. The Benefits Service administers Housing Benefit, Council Tax Reduction, adult social care financial assessments and concessionary awards.
Cuts proposal*
The Revenues and Benefits service updated its online forms in preparation for the implementation of automated processing of new claims and changes for Housing Benefit and for Council Tax discounts, moves and direct debit set up.
If successful, as anticipated, the Council could further improve the speed of processing and reduce costs. The use of further automated processing will require investment in technology and staff to support it. Investment could lead to other processes being identified for automation but these are not included in cuts.
A cut of £250K has already been agreed for 2020/21. This proposal increases that cut by a further £500K in 2021/22.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
There is no negative impact on service users and partners. There may be an impact on staff as the number needed for processing is expected to reduce and there will be a lower number of new roles needed to oversee and manage the automation. However, in the first instance, the focus is on proving and scaling the operational and service efficiencies from automation before considering the future service design.
Outline risks associated with proposal and mitigating actions to be taken:
There is a risk that the investment will not result in the projected return. The technology is new and has not been widely applied in this area before. To mitigate this the project team will review services where this technology has already been deployed to learn from their experience to reduce the risks.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	7,634	(6,198)	1,436	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
CUS11a – automation of revs and bens			500	500
Total		0	500	500
% of Net Budget		%	34.8%	34.8%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
8		
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High		

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	n/a	Pregnancy / Maternity:	n/a
Gender:	n/a	Marriage & Civil Partnerships:	n/a
Age:	n/a	Sexual orientation:	n/a
Disability:	n/a	Gender reassignment:	n/a
Religion / Belief:	n/a	Overall:	n/a

8. Service equalities impact

For any High impact service equality areas please explain why and what mitigations are proposed:

Note: This proposal has a positive impact on equalities for residents. The automation of these processes will mean that as soon as the Council has all of the information it needs the transaction will be processed and there will be no delays. This will reduce the length of time it takes to receive benefits and provide a longer time for people to pay their Council Tax/rent.

Is a full service equalities impact assessment required: Yes / No No

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No

Workforce profile:

Posts	Headcount in post	FTE in post	Establishment posts	Vacant	
				Agency / Interim cover	Not covered
Scale 1 – 2					
Scale 3 – 5					
Sc 6 – SO2	71				
PO1 – PO5	5				
PO6 – PO8					
SMG 1 – 3					
JNC					
Total					
Gender	Female	Male			
	58	18			
Ethnicity	BME	White	Other	Not Known	
	39	35		2	
Disability	Yes	No			
	4	72			
Sexual orientation	Straight / Heterosex.	Gay / Lesbian	Bisexual	Not disclosed	
	19			57	

10. Legal implications

State any specific legal implications relating to this proposal:

None

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc.), implementation:

Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments

11. Summary timetable

November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Parking service budget review
Reference:	CUS14a
Directorate:	Corporate Services
Director of Service:	Ralph Wilkinson
Service/Team area:	Public Services / Parking
Cabinet portfolio:	Cllr Dacres / Cllr McGeevor
Scrutiny Ctte(s):	Public Accounts Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Parking service budget review £0.5m	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The Parking Service is responsible for the the management of the Council's parking arrangements on street, in controlled parking zones and in car parks. The service is delivered via a contract with NSL Ltd. The service is also responsible for some moving traffic offences on borough roads.
Cuts proposal*
The demand for parking across the borough continues to increase and as a consequence so does the requirement for controlled parking zones which are continuing to increase in numbers. This is resulting in increased permit sales and increased enforcement action. A review of the budget has identified that the service is able to offer up £500k of income.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
There is no impact on service users, partners and staff.
Outline risks associated with proposal and mitigating actions to be taken:
There is a risk that over time the budgeted income may change. Budgets will be monitored closely.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	3,011	(8,821)	(5,810)	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Income review		500		500
Total		500	0	500

5. Financial information				
% of Net Budget		8.6%	%	8.6%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
8	7	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive	Positive	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High	High	

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact as parking controls exist across the borough
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Low	Pregnancy / Maternity:	Low
Gender:	Low	Marriage & Civil Partnerships:	Low
Age:	Low	Sexual orientation:	Low
Disability:	Low	Gender reassignment:	Low
Religion / Belief:	Low	Overall:	Low
For any High impact service equality areas please explain why and what mitigations are proposed:			
n/a			
Is a full service equalities impact assessment required: Yes / No			No

9. Human Resources impact	
Will this cuts proposal have an impact on employees: Yes / No	No

10. Legal implications	
State any specific legal implications relating to this proposal:	
None	

10. Legal implications

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Cut from non-allocation of non-pay inflation
Reference:	RES21 and RES22
Directorate:	Corporate Services
Director of Service:	Director of Corporate Resources
Service/Team area:	Strategic Finance
Cabinet portfolio:	Cabinet member for Finance and Resources
Scrutiny Ctte(s):	Public Accounts Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
RES21: Cuts generated through not allocating inflation uplift to contract costs: £1,000k	No	No	No
RES22: Cuts generated through the improved ICT provision, leading to operational efficiencies: £1,500k	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>In the annual budget build process an allowance is made for a 2.5% of non-pay inflation growth in services.</p> <p>In addition, in recent years the Council has made significant corporate investments in the core technology infrastructure (as part of the Shared Service) and staff equipment (through the smarter technology programme) to support services achieve efficiencies through productivity returns.</p>
Cuts proposal*
<p>To make an efficiency cut in the 20/21 budget by not allocating out the non-pay inflation growth of approximately £2.5m. This will be achieved by not providing</p> <ol style="list-style-type: none"> 1. £1.0m of inflation growth to contract spending 2. £1.5m of inflation as a return for the Council's investment in technology <p><u>Contract inflation</u> Officers across all services which commission or procure goods, works and services for delivery from external providers are effectively managing these contracts to ensure that annual inflation and price uplifts are either not provided for within the contract terms and conditions or, if they are, the pressure is mitigated through a combination of demand management and operational efficiencies as providers work with the Council.</p> <p>This allows for £1m of centrally held budget for inflation uplifts to not be allocated to services in 2020/21.</p> <p><u>Technology – return on investment</u> Officers across the Council have previously assumed the delivery of ICT developments and upgrades which would enable improved service delivery and increased efficiency</p>

3. Description of service area and proposal

and effectiveness, allowing services to deliver improved services at reduced running costs.

The programme of investment in ICT experienced slippage which has now been largely caught up with the underlying service performing much better than previously, being more resilient and secure, and officers having the right equipment to enable them to work more productively. This allows for £1.5m of centrally held budget for inflation in return for efficiency pressures not to be allocated to services in 2020/21.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No negative impacts on service users, partners, customers or staff across both proposals.

Outline risks associated with proposal and mitigating actions to be taken:

The risks on contract inflation are:

- That newer contracts being signed will not include the same favourable T&Cs which limit and restrict inflation increases;
- That demand increases and contracts are varied to increase the spend to meet this, creating budget pressures on contracted services; and
- That the commitment to the London Living Wage (LLW) and other improved employment terms (e.g. Ethical Care Charter) cannot be managed within agreed contract prices.

Mitigations for these risks include the support for services from the procurement and legal services teams to assist services with commercial negotiations, advising on contract performance management, and drawing up contractual terms. This is consistent with the expectation of Members that officers should be more commercial in their mindset and approach to operational risks.

The risks on ICT lead operational efficiencies are:

- That the current improvements are not sustained nor effectively adopted within services and that further operational pressures arise that ICT cannot alleviate or assist in the mitigation of.

Mitigations to these risks are that the ICT service continues to strengthen the relationship with and performance of the shared service to deliver availability, speed and security across the IT estate. The better office programme and smarter working project continue to offer training and support to managers and staff to assist them work more flexibly and productively with the tools that technology now provides.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	2,500		2,500	
HRA				
DSG				
Health				

5. Financial information				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Contract inflation		1,000		1,000
ICT Efficiencies		1,500		1,500
Total		2,500		2,500
% of Net Budget		100%		100%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
8		1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium		

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	N/A	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	
For any High impact service equality areas please explain why and what mitigations are proposed:			
There are no equalities implications as these cuts are not linked to front line service delivery nor directly impacting staffing.			

8. Service equalities impact

Is a full service equalities impact assessment required: Yes / No	No
---	----

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No	No
---	----

10. Legal implications

State any specific legal implications relating to this proposal:

No

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

Month	Activity
May to July 2019	Proposals prepared – this template only as no further supporting papers are required.
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, no additional Equality & HR assessments needed
January 2020	Decision reports return to Scrutiny at the latest – not expected to be required
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

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Making fair financial decisions Guidance for decision-makers

3rd edition, January 2015

Introduction

With major reductions in public spending, public authorities in Britain are being required to make difficult financial decisions. This guide sets out what is expected of you as a decision-maker or leader of a public authority responsible for delivering key services at a national, regional and/or local level, in order to make such decisions as fair as possible.

The public sector equality duty (the equality duty) does not prevent you from making difficult decisions such as reorganisations and relocations, redundancies, and service reductions, nor does it stop you from making decisions which may affect one group more than another group. The equality duty enables you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of your community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on people with different protected characteristics.

Assessing the impact on equality of proposed changes to policies, procedures and practices is not just something that the law requires, it is a positive opportunity for you as a public authority leader to ensure you make better decisions based on robust evidence.

What the law requires

Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

The protected characteristics covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.

The law requires that public authorities demonstrate that they have had 'due regard' to the aims of the equality duty in their decision-making. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had 'due regard'.

It is also important to note that public authorities subject to the equality duty are also likely to be subject to the Human Rights Act 1998. We would therefore recommend that public authorities consider the potential impact their decisions could have on human rights.

Aim of this guide

This guide aims to assist decision-makers in ensuring that:

- The process they follow to assess the impact on equality of financial proposals is robust, and
- The impact that financial proposals could have on people with protected characteristics is thoroughly considered before any decisions are arrived at.

We have also produced detailed guidance for those responsible for assessing the impact on equality of their policies, which is available on our website at www.equalityhumanrights.com

The benefits of assessing the impact on equality

By law, your assessments of impact on equality must:

- Contain enough information to enable a public authority to demonstrate it has had 'due regard' to the aims of the equality duty in its decision-making
- Consider ways of mitigating or avoiding any adverse impacts.

Such assessments do not have to take the form of a document called an equality impact assessment. If you choose not to develop a document of this type, then some alternative approach which systematically assesses any adverse impacts of a change in policy, procedure or practice will be required.

Assessing impact on equality is not an end in itself and it should be tailored to, and be proportionate to, the decision that is being made.

Whether it is proportionate for an authority to conduct an assessment of the impact on equality of a financial decision or not depends on its relevance to the authority's particular function and its likely impact on people with protected characteristics.

We recommend that you document your assessment of the impact on equality when developing financial proposals. This will help you to:

- **Ensure you have a written record of the equality considerations** you have taken into account.
- **Ensure that your decision includes a consideration of the actions that would help to avoid or mitigate any impacts on particular protected characteristics.** Individual decisions should also be informed by the wider context of decisions in your own and other relevant public authorities, so that people with particular protected characteristics are not unduly affected by the cumulative effects of different decisions.

- **Make your decisions based on evidence:** a decision which is informed by relevant local and national information about equality is a better quality decision. Assessments of impact on equality provide a clear and systematic way to collect, assess and put forward relevant evidence.
- **Make the decision-making process more transparent:** a process which involves those likely to be affected by the policy, and which is based on evidence, is much more open and transparent. This should also help you secure better public understanding of the difficult decisions you will be making in the coming months.
- **Comply with the law:** a written record can be used to demonstrate that due regard has been had. Failure to meet the equality duty may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

When should your assessments be carried out?

Assessments of the impact on equality must be carried out at a **formative stage** so that the assessment is an integral part of the development of a proposed policy, not a later justification of a policy that has already been adopted. Financial proposals which are relevant to equality, such as those likely to impact on equality in your workforce and/or for your community, should always be subject to a thorough assessment. This includes proposals to outsource or procure any of the functions of your organisation. The assessment should form part of the proposal, and you should consider it carefully **before** making your decision.

If you are presented with a proposal that has not been assessed for its impact on equality, you should question whether this enables you to consider fully the proposed changes and its likely impact. Decisions not to assess the impact on equality should be fully documented, along with the reasons and the evidence used to come to this conclusion. This is important as authorities may need to rely on this documentation if the decision is challenged.

It is also important to remember that the potential impact is not just about numbers. Evidence of a serious impact on a small number of individuals is just as important as something that will impact on many people.

What should I be looking for in my assessments?

Assessments of impact on equality need to be based on relevant information and enable the decision-maker to understand the equality implications of a decision and any alternative options or proposals.

As with everything, proportionality is a key principle. Assessing the impact on equality of a major financial proposal is likely to need significantly more effort and resources dedicated to ensuring effective engagement, than a simple assessment of a proposal to save money by changing staff travel arrangements.

There is no prescribed format for assessing the impact on equality, but the following questions and answers provide guidance to assist you in determining whether you consider that an assessment is robust enough to rely on:

- **Is the purpose of the financial proposal clearly set out?**

A robust assessment will set out the reasons for the change; how this change can impact on protected groups, as well as whom it is intended to benefit; and the intended outcome. You should also think about how individual financial proposals might relate to one another. This is because a series of changes to different policies or services could have a severe impact on particular protected characteristics.

Joint working with your public authority partners will also help you to consider thoroughly the impact of your joint decisions on the people you collectively serve.

Example: A local authority takes separate decisions to limit the eligibility criteria for community care services; increase charges for respite services; scale back its accessible housing programme; and cut concessionary travel. Each separate decision may have a significant effect on the lives of disabled residents, and the cumulative impact of these decisions may be considerable. This combined impact would not be apparent if the decisions were considered in isolation.

• **Has the assessment considered available evidence?**

Public authorities should consider the information and research already available locally and nationally. The assessment of impact on equality should be underpinned by up-to-date and reliable information about the different protected groups that the proposal is likely to have an impact on. A lack of information is not a sufficient reason to conclude that there is no impact.

• **Have those likely to be affected by the proposal been engaged?**

Engagement is crucial to assessing the impact on equality. There is no explicit requirement to engage people under the equality duty, but it will help you to improve the equality information that you use to understand the possible impact on your policy on different protected characteristics. No-one can give you a better insight into how proposed changes will have an impact on, for example, disabled people, than disabled people themselves.

• **Have potential positive and negative impacts been identified?**

It is not enough to state simply that a policy will impact on everyone equally; there should be a more in-depth consideration of available evidence to see if particular protected characteristics are more likely to be affected than others. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take particular steps for certain groups to address an existing disadvantage or to meet differing needs.

• **What course of action does the assessment suggest that I take? Is it justifiable?**

The assessment should clearly identify the option(s) chosen, and their potential impacts, and document the reasons for this decision. There are four possible outcomes of an assessment of the impact on equality, and more than one may apply to a single proposal:

Outcome 1: No major change required when the assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

Outcome 2: Adjustments to remove barriers identified by the assessment or to better advance equality. Are you satisfied that the proposed adjustments will remove the barriers identified?

Outcome 3: Continue despite having identified some potential for adverse impacts or missed opportunities to advance equality. In this case, the justification should be included in the assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact, as discussed below.

Outcome 4: Stop and rethink when an assessment shows actual or potential unlawful discrimination.

• Are there plans to alleviate any negative impacts?

Where the assessment indicates a potential negative impact, consideration should be given to means of reducing or mitigating this impact. This will in practice be supported by the development of an action plan to reduce impacts. This should identify the responsibility for delivering each action and the associated timescales for implementation. Considering what action you could take to avoid any negative impact is crucial, to reduce the likelihood that the difficult decisions you will have to take in the near future do not create or perpetuate inequality.

Example: A University decides to close down its childcare facility to save money, particularly given that it is currently being under-used. It identifies that doing so will have a negative impact on women and individuals from different racial groups, both staff and students.

In order to mitigate such impacts, the University designs an action plan to ensure relevant information on childcare facilities in the area is disseminated to staff and students in a timely manner. This will help to improve partnership working with the local authority and to ensure that sufficient and affordable childcare remains accessible to its students and staff.

• Are there plans to monitor the actual impact of the proposal?

Although assessments of impact on equality will help to anticipate a proposal's likely effect on different communities and groups, in reality the full impact of a decision will only be known once it is introduced. It is therefore important to set out arrangements for reviewing the actual impact of the proposals once they have been implemented.

What happens if you don't properly assess the impact on equality of relevant decisions?

If you have not carried out an assessment of impact on equality of the proposal, or have not done so thoroughly, you risk leaving yourself open to legal challenges, which are both costly and time-consuming. Legal cases have shown what can happen when authorities do not consider their equality duties when making decisions.

Example: A court overturned a decision by Haringey Council to consent to a large-scale building redevelopment in Wards Corner in Tottenham, on the basis that the council had not considered the impact of the proposal on different racial groups before granting planning permission.

However, the result can often be far more fundamental than a legal challenge. If people feel that an authority is acting high-handedly or without properly involving its service users or employees, or listening to their concerns, they are likely to become disillusioned with you.

Above all, authorities which fail to carry out robust assessments of the impact on equality risk making poor and unfair decisions that could discriminate against people with particular protected characteristics and perpetuate or worsen inequality.

As part of its regulatory role to ensure compliance with the equality duty, the Commission monitors financial decisions with a view to ensuring that these are taken in compliance with the equality duty and have taken into account the need to mitigate negative impacts, where possible.

Appendix 5

Policy and Equalities Analysis

Policy and equality analysis of 2020-21 budget savings

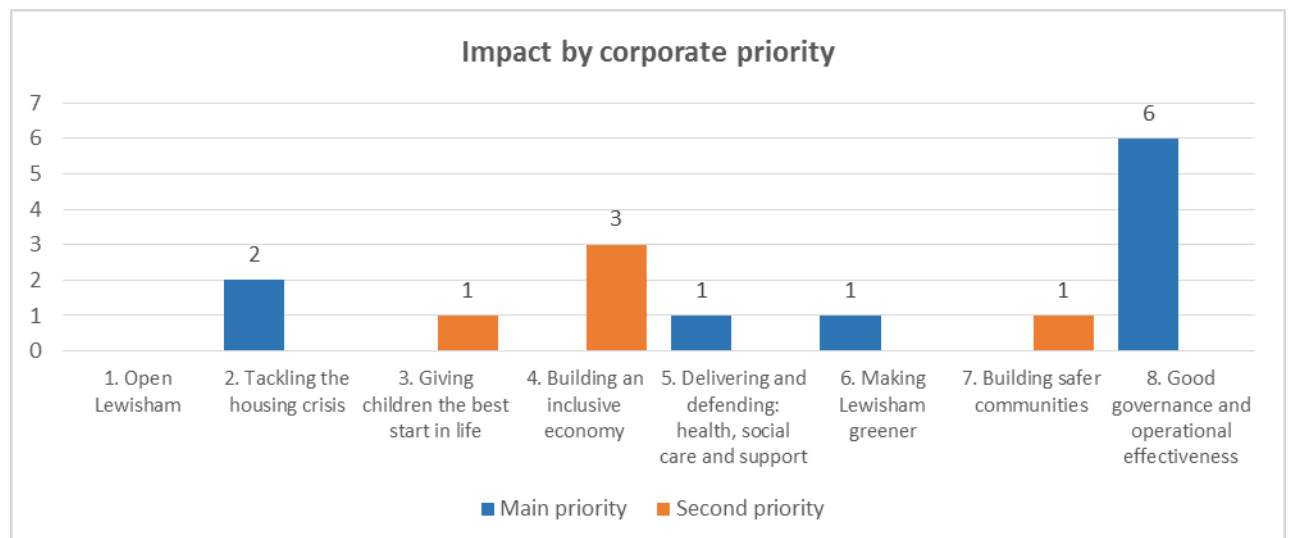
This paper provides an overall assessment of policy and equality impacts of 2020-21 budget savings proposals. In total, ten savings proposals have been considered for this paper. A summary of key points are set out under the headings below.

Impact by corporate priority

The chart below shows the impact of budget savings by corporate priority. Specifically, the charts shows the number of proposals where the impact is on the main priority or the second priority. The chart reveals that priority 8: 'good governance and operational effectiveness' has the bulk of savings proposals assigned to it, following by priority 2: 'tackling the housing crisis'. The only other priorities with savings proposals assigned to them are priority 5: 'delivering and defending: health, social care and support' and priority 6: 'making Lewisham greener', with one savings proposal each.

Of those proposals that will also impact on a second priority, 'building an inclusive economy' has three savings proposals assigned to it, whilst 'giving children the best start in life' and 'building safer communities' have one savings proposal each assigned to them.

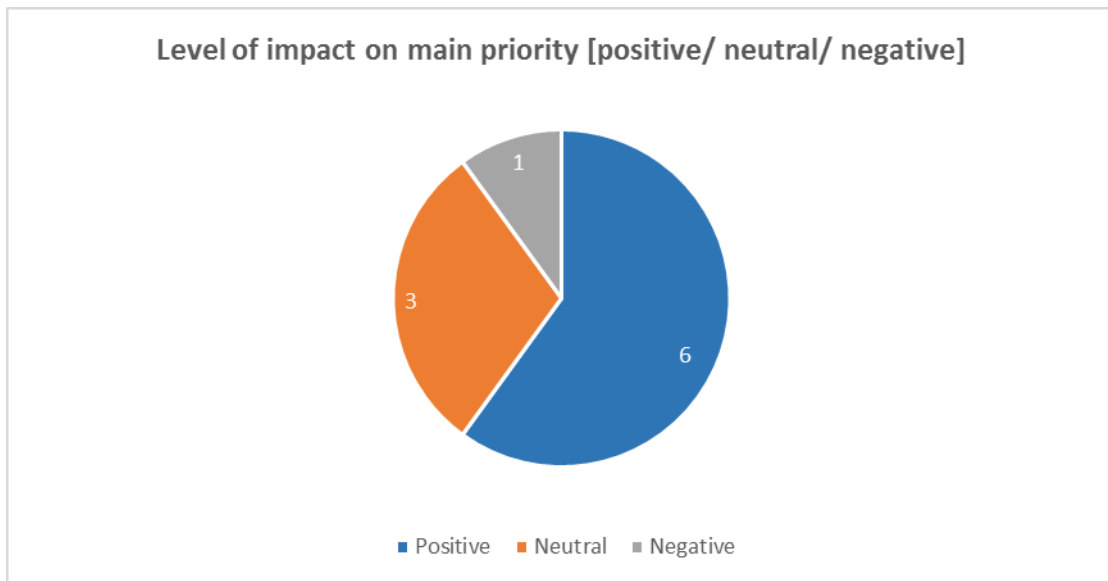
'Open Lewisham' is the only corporate priority against which no savings proposals have been assigned.



Level of impact on main priority [positive/ neutral/ negative]

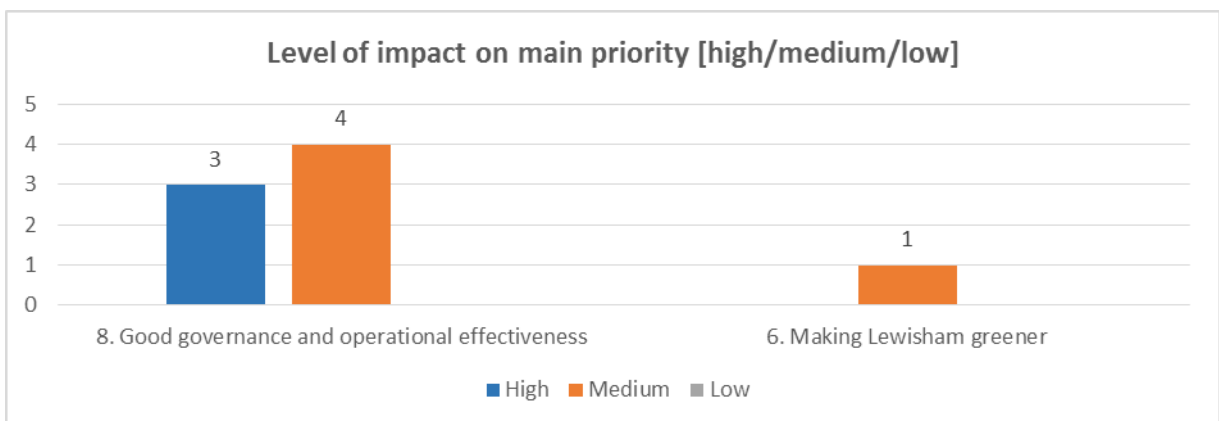
The chart below shows the impact that savings proposals will have on the main priorities, using the designation 'positive', 'neutral' or 'negative'. The chart shows that of the ten savings proposals considered as part of this analysis, it is judged that six are likely to have a 'positive' impact on the

corporate priorities, three are likely to have a 'neutral' impact and one is likely to have a 'negative' impact. The proposal identified as likely to have a 'negative' impact is the reduction in the frequency of residential street sweeping from the current once a week to once a fortnight.



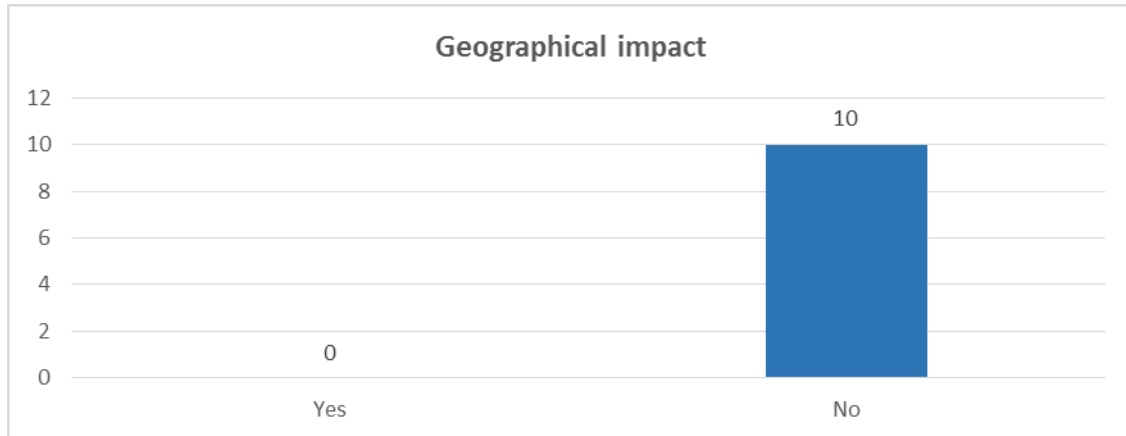
Level of impact on main priority [high/ medium/ low]

The chart below shows the impact that savings proposals will have on the main priority using the 'high', 'medium' or 'low' measure. The chart shows that where information for this assessment was provided, seven savings proposals are shown as having a 'high' or 'medium' impact on 'good governance and operational effectiveness' and one proposal is shown as having a 'medium' impact on 'making Lewisham greener'.



Geographical impact

The chart below shows the geographic impact of savings proposals. In simple terms the chart shows that none of the savings proposals considered in this analysis will have a specific ward impact.



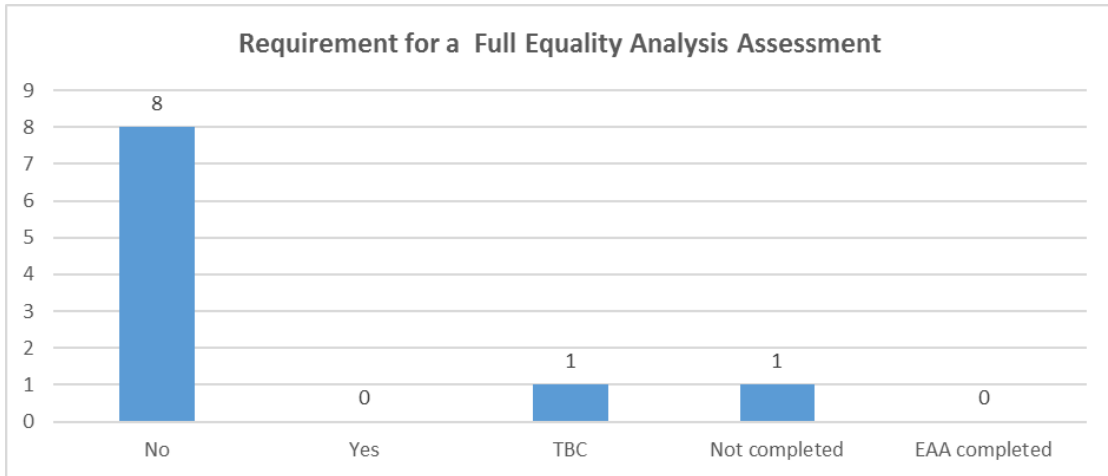
Equalities impact assessment

The table below sets out the impact of savings proposals on protected characteristics where these impacts are known. The table reveals that the greater number of savings proposals are not expected to having any impact on protected characteristics (N/A). However, of those that are expected to have a high or medium impact, those protected characteristics that are most likely to be impacted are sex, age, disability and ethnicity. The proposals that have been identified as likely to have a high impact on protected characteristics relate to adults social care demand management and charging.

Impact	Ethnicity	Sex	Age	Disability	Religion / Belief	Pregnancy / Maternity	Marriage & Civil Partnership	Sexual Orientation	Gender Reassignment
High		1	1	1					
Medium	2	2							
Low	1	1	1	1	1	1	1	1	1
N/A	6	5	5	7	8	8	8	8	8

Requirement for a full equality analysis assessment

The chart below shows the number of savings proposals for which a full equality analysis assessment is required. The chart shows that eight savings proposals are not expected to require an equality analysis assessment, whilst one is still to be confirmed. Information on one other was not provided in the savings proforma.



APPENDIX 6

Specific Legal Implications

Reference	Description	Savings Yr1/2/Total	Legal implications

Attention is drawn to the legal implications set out in the body of the report which apply in addition to those specifically referred to in this appendix.

APPENDIX 7

2020/21 BUDGET REDUCTIONS - SUMMARY TABLE OF PROPOSALS WITH PROFORMAS

Directorate / Division	Ref	Scrutiny Ctte	Proposal	20/21	21/22	Total	Income	Consultation Req'd?		Full Report Req'd?
				£'000	£'000	£'000		Staff	Public	Key Dec.
Community Services										
Adult Social Care										
	COM1a	HCSC	Managing demand at the point of access to adult social care services	1,000		1,000		N	N	Y
	COM2a	HCSC	Ensuring support plans optimise value for money	500		500		N	N	Y
	COM3a	HCSC	Increase revenue from charging Adult Social Care clients	500		500	Y	N	N	Y
	COM18	HCSC	Funding inflationary increase from within the ASC Grant	2,000		2,000		N	N	N
			Subtotal	4,000		4,000				
Community Services Total				4,000		4,000				
Housing, Regeneration & Environmental Services										
Environment										
	CUS7	SDSC	Reduce sweeping frequency to residential roads to fortnightly.	823		823		Y	Y	Y

Directorate / Division	Ref	Scrutiny Ctte	Proposal	20/21	21/22	Total	Income	Consultation Reqd?		Full Report Reqd?
				£'000	£'000	£'000		Staff	Public	Key Dec.
			Subtotal	823		823				
Housing										
	CUS15	HOUSING	Savings generated through No Recourse to Public Funds service	1,000		1,000		N	N	N
	CUS16	HOUSING	Operational savings in the Private Sector Housing Agency through service improvements	175		175		N	N	N
			Subtotal	1,175		1,175				
Regeneration and Place										
	RES19	CYP	School Patrol Crossing	80		80		Y	Y	Y
	RES20	SDSC	Nursery Lettings	100		100	Y	N	N	N
			Subtotal	180		180				
Housing, Regeneration & Environmental Services			Total	2,178		2,178				
Corporate Services										
Public Services										
	CUS11a	PAC	Process automation in Revenues and Benefits		500	500		N	N	N

Directorate / Division	Ref	Scrutiny Ctte	Proposal	20/21	21/22	Total	Income	Consultation Reqd?		Full Report Reqd?
				£'000	£'000	£'000		Staff	Public	Key Dec.
	Cus14a	PAC	Parking service budget review	500		500	Y	N	N	N
			Subtotal	500	500	1,000				
Corporate Resources										
	RES20	PAC	Savings generated through not allocating inflation uplift to contract costs	1,000		1,000		N	N	N
	RES21	PAC	Savings generated through the improved ICT provision, leading to operational efficiencies	1,500		1,500		N	N	N
			Subtotal	2,500		2,500				
Corporate Services			Total	3,000	500	3,500				
Council Total				9,178	500	9,678				

APPENDIX 8

PREVIOUSLY APPROVED BUDGET CUTS 2020/21

Ref	Directorate/Description/Division	2020/21 Approved £'000
	Children and Young People	
CYP01	More efficient use of residential placements	300
CYP03	More systematic and proactive management of the market for independent fostering	600
CYP04	Commission semi-independent accommodation for care leavers	250
	Children Social Care – Sub Total	1,150
CYP05	Residential framework for young people - Joint South East London Commissioning Programme	200
CYP06	Cease funding for former CYP funded post in Voluntary Action Lewisham	25
	Joint Commissioning and Targeted Support – Sub Total	225
	Children & Young People Total	1,375
	Community Services	
COM02	Ensuring support plans optimise value for money	250
COM04	Reduce costs for Learning Disability and Transitions	1,000
COM05	Increased focus of personalisation	482
COM06	Reduction in Mental Health Residential care costs	200
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services	50
	Adult Social Care – Sub Total	1,982
COM10	Crime, Enforcement & Regulation reorganisation	161
	Crime Reduction, Supporting People, and Enforcement – Sub Total	161
COM08	A change in the public engagement responsibilities for air quality and dedicated funding	60
COM15	Broadway Theatre	50
COM16	Cultural and Community Development Service Staffing	75
	Culture & Community Services – Sub Total	185
	Community Services Total	2,328
	Housing, Environment & Regeneration	
CUS02	Income Generation – Increase of Garden Waste Subscription	485
CUS04	Income Generation – Increase in Commercial Waste Charges	300
CUS06	Bereavement Services increase income targets	67
	Environment – Sub Total	852
CUS09	Cost reductions in homelessness provision – income generation and net budget reductions	696
	Housing – Sub Total	696
RES11	Increase in pre-application fees	100
RES12	Catford complex office rationalisation	250
RES13	Reduction in Business Rates for the Corporate Estate	100

RES14	Corporate Estate Facilities Management Contract Insourcing	100
RES15	Commercial Estate Growth	500
RES17	Beckenham Place Park – income generation	105
	Regeneration and Place – Sub Total	1,155
RES18	Electric Vehicle charging points	50
	Planning – Sub Total	50
	Housing, Environment & Regeneration Total	2,753
	Corporate Services	
RES01	Benefits Realisation of Oracle Cloud	350
	Financial Services – Sub Total	350
RES02	Legal fees increase	32
	Legal Services (excl. elections) – Sub Total	32
RES03	Executive Office – Administrative Support Staff Reduction	104
RES04	Policy, Service Design and Intelligence – Reduction on staffing	155
	Policy & Governance – Sub Total	259
RES06	Increase income supporting the Funding Officer post and review the Economy and Partnerships Function	80
RES07	Reduce corporate apprenticeships salaries budget	55
	Strategy - Total	135
	Corporate Resources – Sub Total	0
RES10	Cease graduate programme	78
	Human Resources – Sub Total	78
CUS10	Invest to save – create revenues protection team	394
CUS11	Process automation in Revenues and Benefits	250
CUS13	Invest to save – improve sundry debt collection	480
	Public Services – Sub Total	1,124
	Technology & Change – Sub Total	0
	Corporate Services Total	1,978
	Grand Total	8,434

APPENDIX 9 CAPITAL PROGRAMME

February Budget report

Proposed Capital Programme 2019/20 to 2021/22

The Council's proposed Capital Programme for 2019/20 to 2021/22 is currently £344.7m, as set out in Table A1:

Table A1: Proposed Capital Programme for 2019/20 to 2021/22

	18/19	19/20	20/21	21/22	3 Year Total
	£m	£m	£m	£m	£m
General Fund					
Smarter Working Programme	1.9	0.9	0.0	0.0	0.9
Schools – Pupil Places and other Capital Works	8.5	12.4	7.3	0.7	20.4
Highways, Footways and Bridges	10.3	3.5	3.5	3.5	10.5
Regeneration Schemes	5.8	13.5	0.0	1.1	14.6
Lewisham Homes Property Acquisition	8.0	6.0	0.0	0.0	6.0
Town Centres and High Street Improvements	0.5	2.1	0.8	0.0	2.9
Asset Management Programme	2.5	2.5	2.5	2.5	7.5
Fleet Replacement Programme	2.9	0.0	0.0	0.0	0.0
Beckenham Place Park	3.2	2.5	0.6	0.4	3.5
Other Schemes	8.5	3.6	1.5	1.3	6.4
	52.1	47.0	16.2	9.5	72.7
Housing Revenue Account	35.2	95.2	113.4	63.4	272.0
Total Programme	87.3	142.2	129.6	72.9	344.7

The resources available to finance the proposed Capital Programme are as set out in Table A2 below:

Table A2: Proposed Capital Programme Resources for 2019/20 to 2021/22

	18/19	19/20	20/21	21/22	3 Year Total
	£m	£m	£m	£m	£m
General Fund					
Prudential Borrowing	8.7	16.4	0.8	1.1	18.3
Grants and Contributions	20.1	20.2	8.0	0.7	28.9
Capital Receipts	6.4	1.6	0.0	0.0	1.6
Reserves / Revenue	16.9	8.8	7.4	7.7	23.9
	52.1	47.0	16.2	9.5	72.7
Housing Revenue Account					
Prudential Borrowing	0.0	0.0	18.9	25.0	43.9
Grants	0.0	18.0	10.9	7.1	36.0
Specific Capital Receipts	0.0	7.5	6.5	5.0	19.0
Reserves / Revenue	35.2	69.7	77.1	26.3	173.1
	35.2	95.2	113.4	63.4	272.0
Total Resources	87.3	142.2	129.6	72.9	344.7

July 2019 M&C Monitoring report

CAPITAL EXPENDITURE

The Capital Programme spend as at 31 May 2019 is £5.2m, which is 3% of the revised 2019/20 budget of £151.6m. At this point last year, 8% of the revised budget had been spent, with the final outturn being 82% (£71.1m) of the revised budget of £87.0m.

The table below shows the current position on the major projects in the 2019/20 Capital programme (i.e. those over £1m in 2019/20). Appendix 1 provides a reconciliation of the latest capital programme budget for 2019/20 to the version approved in the 2019/20 Budget Report. Appendix 2 shows the major projects over the three year period 2019/20 to 2021/22.

Table 16 – Capital Programme 2019/20 (Major Projects)

2018/19 Capital Programme	Budget Report (February 2019)	Revised Budget	Spend to 31 May 2019	Spent to Date (Revised Budget)
	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	11.0	11.1	0.4	4%
Schools - Other (inc. Minor) Capital Works	1.4	5.9	0.1	2%
Highways & Bridges - LBL	3.5	3.5	0.1	3%
Highways & Bridges - TfL	0.0	2.2	0.0	0%
Highways & Bridges - Others	0.0	2.1	0.0	0%
Catford town centre	5.5	5.1	0.1	2%
Asset Management Programme	2.5	2.0	0.3	15%
Smart Working Programme	0.9	2.3	0.8	35%
Beckenham Place Park	2.5	2.4	0.9	38%
Heathside & Lethbridge Regeneration	0.0	0.6	0.0	0%
Excalibur Regeneration	0.0	1.7	0.2	12%
Lewisham Homes – Property Acquisition	6.0	3.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	1.3	3.8	0.1	3%
Achilles St. Development	0.0	7.3	0.0	0%
Ladywell Leisure Centre Development Site	0.0	1.0	0.0	0%
Edward St. Development	9.1	9.1	0.0	0%
Travellers Site Relocation	1.1	1.1	0.0	0%
Fleet Replacement Programme	0.0	7.8	0.0	0%
Other General Fund schemes	2.2	5.6	0.0	0%
TOTAL GENERAL FUND	47.0	77.6	3.0	4%
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	37.3	21.0	0.3	1%
Decent Homes Programme	57.1	51.4	1.8	3%
Other HRA schemes	0.8	1.6	0.1	4%
TOTAL HOUSING REVENUE ACCOUNT	95.2	74.0	2.2	3%
TOTAL CAPITAL PROGRAMME	142.2	151.6	5.2	3%

The main sources of financing the programme are grants and contributions, and capital receipts from the sale of property assets. Some £5.8m has been received so

far this year, comprising £4.1m (net) from Housing Right to buy sales and other capital receipts and £1.7m of grants and contributions.

The paragraphs below set out further detail regarding the major capital programmes:

Schools – School Places Programme

Primary place demand has levelled off recently across London and the priority for school place delivery has shifted mainly to Special Educational Need and Disability provision. Four schemes are currently in development and delivery over the next 3 years to 2021. They include:

- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works have commenced in April this year and are due to be completed by summer next year. The project will deliver a new standalone block adjacent to Lewisham Way, improved landscaping within the site and a new entrance and enhanced public realm area to the South of the site.
- Greenvale School, in Whitefoot ward, is Lewisham’s community special school for children and young people between the ages of 11 and 19 years who have significant learning difficulties. A new satellite facility to accommodate an additional 93 students will be constructed on the site of the former Brent Knoll building in Perry Vale. The design stage is currently underway, and works are due to commence on site in October this year and complete in time for the start of the autumn term 2020.
- New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and works will take place over the summer holidays this year to ensure there are adequate facilities onsite to provide a full curriculum from September 2020. This will include minor remodelling and refurbishment of the existing building, provision of a new food technology practical room, and improvements to existing landscaping and external play areas.
- Watergate is Lewisham’s primary special school for children between the ages of three and eleven years who have severe learning difficulties, located in Bellingham Ward. Approval has been granted to expand the school by 59 places through the construction of a new teaching block on the existing site. The design stage commenced in May this year, with works expected to be completed in early 2021.

Schools – Minor Works Capital Programme

The School Minor Works Programme (SMWP) is an ongoing programme of minor capital works to existing community school buildings, primarily relating to mechanical/electrical infrastructure and building fabric needs. The programme is grant funded by central government and has been consistently delivered on budget.

Highways & Bridges

The Council continues to invest resources in maintaining its highway assets, most notably through its £3.5m programme of carriageway and footway resurfacing works. The budget for carriageways allows for 60 to 70 roads to be resurfaced each year and, until 2017, the majority of these roads were those in the worst condition and categorised as “Red” – lengths of road in poor overall condition and in need of

immediate further engineering assessment with a planned maintenance soon. In 2018 we carried out resurfacing to 67 roads from the Council's programme. As a result of the resurfacing programme, the focus has now moved to works to roads classified with Condition Index of "Amber" – lengths of road which, without a planned early intervention, could result in further severe defects and move the Condition Index to "Red". Early intervention using appropriate design, based on carriageway coring information and other factors like bus routes, high volume of traffic, usage and environment will result in better value for money. There are still over 300 roads classified as Amber that require essential works and the Council's long-term investment strategy is taking effect as since 2013, the number of annual insurance claims against the Council for carriageway defects has reduced by approximately 50%.

As progress continues on the condition of carriageways, the balance of focus is also moving towards the footways programme where there are still approximately 70 roads categorised as Red. The proposal is to carry out essential footway replacement works in at least 10 roads in 2019/20 and expanding this in future years.

Catford Town Centre

Architect's Studio Egret West has been appointed to develop a master plan to guide the regeneration of the Town Centre. The plan will be completed in Autumn of 2019 and will form the basis of any future plan for the Town Centre. It will be used as an evidence base for the emerging Local Plan. Work is also continuing with TfL on the agreed proposal to realign the South Circular A205 through the Town Centre and work is expected to start in 2021. Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team's work is expected to continue through the development of the master plan and beyond.

Asset Management Programme

Funding from the Asset Management Programme (AMP) has continued to support reactive and much needed capital works across the operational corporate estate. This has included fabric works such as roof replacement and mechanical works including boiler replacements and lift repairs across the estate of approximately 90 buildings and sites. More recently, the programme has funded works to the Civic Suite, Registry Office and some essential works as part of the main Laurence House refurbishment programme. A full condition survey of the corporate estate is currently under way. The results will help define the future investment need of the estate and also underpin the use of the AMP capital programme funding for future years.

Smart Working Programme

The Smarter Working programme seeks to consolidate offices and release sites for future redevelopment in Catford town centre, whilst refurbishing the council's main office site, Laurence House, to ensure it is fit for purpose until new council offices can be built. The ground floor has been refurbished to provide a modern, welcoming and better functioning reception for the council. It opened to staff and the public in October 2018. Work has commenced on refurbishing floors 1 to 5, improving and extending toilet provision, delivering new meeting rooms and kitchens, improving the heating and ventilation system, new energy efficient LED lighting, decoration and a layout and furniture which supports and encourages agile working. The programme of work will continue until the autumn of 2019, one floor at a time.

Beckenham Place Park

The restoration of Beckenham Place Park (to the western side of the railway) will be completed in 2019/20. Listed buildings, now restored, will become alive again with new uses and the long anticipated restored landscape, with its reinstated lake, will be enjoyed by thousands of local people. The Georgian stable block will become the new park café, and a base for environmental education in the park. The stable yard itself will become an arrival and visitor's hub, with a terrace overlooking the expanded formal gardens. New play facilities will be available in the restored pleasure grounds, and the previously derelict Gardener's cottage will be re-purposed as a hub for volunteer activity in the park, in the midst of the new community garden. Open water swimming will take place in the lake, and visitors will be encouraged to explore the breadth and nature of Lewisham's largest park on new paths and trails.

Lewisham Homes – Property Acquisition

This funding supports the delivery of the Lewisham Homes acquisitions programme that secures properties for temporary accommodation for homeless households, making a saving on the Council's spend on bed & breakfast accommodation.

Achilles Street

Work is underway to deliver a Resident Ballot on the Achilles Street Estate in New Cross to determine if the estate should be redeveloped to provide additional new homes.

Edward Street

Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. Start on site planned early 2020 following tender and contractor appointment.

Fleet vehicle replacement

This budget will finance the replacement of 75 vehicles in the Council's fleet in order to meet the approaching Low Emissions Zone (LEZ) changes in October 2020.

Housing Matters Programmes update

The majority of spend in 2019/20 will relate to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site. Around 27 sites including 376 homes for social rent, are forecast to achieve planning permission by early 2020. 5 schemes delivering 85 homes are currently on site and a further 14 sites delivering 122 homes are forecast to start on site between April and January 2020.

Decent Homes Programme

Lewisham Homes are responsible for ensuring council owned stock under their management is brought up to and maintained to a decent homes level, covering both internal and external enveloping works. Lewisham Homes are leading on the delivery of the decent homes programme (under delegated powers) in consultation / agreement with the Council.

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Mayor and Cabinet		
Report Title	The Future Management and Maintenance of Parks and Open Spaces	
Key Decision	Yes	Item No.
Ward	All	
Contributors	Executive Director for Housing, Regeneration and Environment; Head of Law	
Class		Date October 2019

1 Summary

- 1.1 The Council's current Green Space Management and Maintenance Contract expires on 28th February 2020.
- 1.2 The report sets out the current management arrangements for Lewisham's Parks and Open Spaces. The management of the majority of these services are outsourced via the current Green Space Management and Maintenance contract (2010-2020), with a minority delivered in-house i.e. Beckenham Place Park (West) and Cemeteries and Crematorium grounds. The report then explores three potential future service delivery options. These are set out in section 6.
- 1.3 The Council's Corporate Strategy 2018-2022 (Priority: 'Building an inclusive local economy') states that when considering whether to commission services, 'we will have an assumption that the Council is our preferred provider and in-source our contracts'.
- 1.4 The thorough options appraisal undertaken used a standard framework, drawn from a model designed by the Association of Public Sector Excellence to allow Local Authorities to explicitly consider insourcing of services, which assesses various options and appraises these using both qualitative and quantitative metrics. The qualitative considerations for each operating model were: the risks associated with service delivery, the barriers to entry into the marketplace (high start-up costs or other obstacles that prevent new competitors from easily entering an industry), the responsiveness and control achievable, the commercial potential, and the social value that could be derived. The quantitative assessment looked at the potential and likely estimated cost of service delivery under each model. When combined the qualitative and quantitative measures provide an indication of the overall value for money and ranking of each option. The report sets out the outcomes of the analysis.

- 1.5 It is to be noted however that as with all models it is a desk top exercise which attempts to predict an outcome for each scenario. As such there is potential for the actual results to differ from those anticipated, and there is further the inherent risk that the modelling itself is not reliable.
- 1.6 The selection of the optimal future service delivery model will ensure that the Council will be further aligned with the Council's Corporate Strategy. In particular the priority of 'Making Lewisham Greener' which will contribute to the 'Preservation of our award-winning green spaces' and is also congruent with our Values i.e.:
- We put service to the public first
 - We respect all people and all communities
 - We invest in employees
 - We are open, honest and fair in all we do
- 1.7 The options appraisal considered the following factors:
- Risk
 - Advantages/Opportunities
 - Value for money
 - Commercial opportunities to generate income
 - Barriers to Market entry
 - Responsiveness/management and surety of service delivery
 - Social Value

2 Purpose

- 2.1 The purpose of this report is to inform the Mayor and Cabinet of the current position of the Green Space Management and Maintenance Contract (2010-2020) and provide relevant information to inform decisions on the future service delivery model as recommended by officers.

3 Recommendations

It is recommended that the Mayor and Cabinet:

- 3.1 Agree their intention in principle to insource all aspects of Lewisham's parks and open space services on 1 November 2021, subject to further detailed consideration.
- 3.2 Agree to extend the current contract on the existing terms and conditions with Glendale Grounds Management for 20 months from 29th February 2020 until 31st October 2021 at a maximum cost to the Council of £4,162,308.

4 Background

- 4.1 The majority of the Council's Green Space Maintenance and Management Services are currently delivered via an outsourced contract with Glendale Grounds Management Limited.
- 4.2 Prior to the outsourcing of the services in February 2000, Lewisham's parks services were provided by its in house 'Parks Department'. This continued until the Local Government Act 1988 extended 'Compulsory Competitive Tendering' (CCT) to services such as grounds maintenance and other environmental services.
- 4.3 The impact of this legislation on the delivery of local services across London led to Lewisham setting up its in-house Direct Labour Organisation (DLO), 'DIRECTeam', to deliver the majority of its environmental services e.g. refuse collection, street sweeping, tree/parks and open spaces maintenance.
- 4.4 Quality and 'contract' compliance along with other elements of park services such as park security and infrastructure maintenance were provided by the internal 'Client'. These arrangements continued until all elements of the parks service were combined and outsourced in February 2000 via a Private Finance Transaction (PFT) contract.
- 4.5 The decision to outsource the service was influenced by, among other considerations, many years of under investment and cuts to parks budgets between the mid-1980s and 1997. The Council considered a PFT contract to be a relatively low risk vehicle to finance much needed parks improvements. Therefore, a PFT model of contract was offered to the market and following the procurement process a contract was awarded to Glendale Grounds Management for a duration of 10 years from March 2000 until February 2010.
- 4.6 In 2009 the Council returned to the market offering the opportunity for suitable companies to bid for a further contract to deliver Lewisham's Parks Services for a further 10 years. However, on this occasion there

was a move away from the PFT model of contract as it was considered that it was no longer necessary to require the successful contractor to directly deliver inward capital investment and the financial structure of the contract was changed accordingly. Capital expenditure coming directly from the Council and other outside funding bodies therefore reduced the overall cost of capital required for parks improvements.

4.7 The current management and maintenance contract was awarded to Glendale for a second time commencing on the 1st March 2010. This contract expires on 29th February 2020.

4.8 The contract requires Glendale to provide a combined management and maintenance service for the boroughs parks and highways enclosures.

The following services are included within the scope of the contract:

- Grounds and Ecological Management
- Environmental Maintenance
- Serviced facilities e.g. parks buildings and depots
- Maintenance of park furniture and sports equipment
- Playground Inspection repair and maintenance
- Water play and Water Features
- Infrastructure maintenance
- Keepers/Patrols/Locking/Unlocking
- Events and Activities
- Sports & Sports Development
- Marketing and Development
- Customer Care

4.9 A limited grounds maintenance only service is provided at other locations such as:

- Closed churchyards
- Car Parks
- Homeless Person's Accommodation
- The Corporate Estate, including Laurence House and the Civic Suite
- Two School Playing Fields (Elm Lane and Whitefoot Lane)

4.10 It should be noted that in addition to the outsourced services provided by Glendale a number of Lewisham's open spaces, as set out below, are managed in-house by the Environment Division. This 'mixed economy' of service delivery has been in place for the duration of the outsourced contract and has delivered comparable levels of quality across all location.

- Mature trees within parks
- Street Trees
- Infrastructure maintenance within closed churchyards
- Beckenham Place Park (West) (In House)
- Warren Avenue Playing Fields
- 18 Nature Reserves
- 37 Allotment sites
- Cemeteries and Crematorium Grounds (In House)

4.11 The current contract performance is monitored by Green Scene's Parks and Open Spaces Team. Each month officers undertake a randomly generated inspection of 10% of all park facilities. In addition there is an 'Actual' inspection of the contractor's management systems to ensure that high risk elements of the service are being managed appropriately. This includes Health and Safety, playground inspections, water testing, fire and emergency procedures along with systems related to customer care, such as the contractor's complaints procedure.

4.12 There is a robust procedure for 'Targeted Inspection Notices' (TINs) that enable officers to resolve any performance issues found on site or if notified via park users or the council's corporate complaints system. The issuing of a TIN generates a financial deduction from the contractor's unitary payment.

4.13 The contractor provides regular data across a basket of KPIs and Service Standards. All of these contract monitoring procedures have ensured that the performance of the contractor over the life of the contract has been good. At no point during the contract term has there been any serious concerns regarding performance which may have led to an early termination of the contract.

5. Current Contract Position

5.1 The contract with Glendale is considered a model of good practice with Lewisham's parks being widely recognised as amongst the best in London. This is evidenced in a number of ways including the following:

- The 'Good Parks for London' 2018 benchmarking assessment report confirmed Lewisham as the highest performing London borough
- 18 of the Borough's parks and open spaces were awarded a prestigious Green Flag in 2019
- 84% user satisfaction for parks recorded in the most recent Residents Survey (2015). The highest score of any non-universal service

- Local Government Association (LGA) 'Open Space' Value for Money (VFM) Profile April 2019 shows that Lewisham currently spends £12 per head of population on Open Space compared to the other boroughs within the region who currently spend £18

5.2 The 'Good Parks for London' assessment criteria and the current ranking of each London borough and how their parks service is delivered i.e. in house or via an outsourced contract are set out in **Appendix A**

5.3 It is from this favourable position that officers considered both the opportunities and the risks when making the recommendations regarding the future service delivery model.

5.4 **Appendix B** sets out Risk Allocation for the current contract.

6. Options Appraisal

6.1 Officers carried out initial research into a number of service delivery models that were considered possible viable options for the delivery of Lewisham's Parks Service as follows:

- In House service provision
- Outsourced service provision
- Local Authority Trading Company (LATCo) – sometimes referred to as a 'Wholly Owned Company'.
- Shared service e.g. with neighbouring boroughs

6.2 The Shared Service option was discounted. This was due to decisions taken recently by a number of officers in neighbouring boroughs on the future delivery models for their parks and open space service, who considered that they would have no appetite for a shared service at this time. For instance Bromley have recently procured and awarded a long term contract, Lambeth have insourced their service and the Royal Borough of Greenwich have relatively recently reorganised and joined up their housing, parks and open space services. In addition to these local factors there would likely be various challenges that could prevent a successful shared service being developed at this time. Examples of some of these challenges can be found within the Local Government Association (LGA) report 'Stronger Together', these include:

- Lack of a clear and shared vision of the reasons for shared management
- Concerns around the loss of sovereignty of a council
- A fundamental difference in the organisational culture of the councils
- Fears of a 'takeover' by one council
- A poor relationship or lack of trust between councillors, leaders or managers.

- 6.3 The remaining options considered for future service delivery set out within this report are:
- In House service provision
 - Local Authority Trading Company (LATCo)
 - Outsourced service provision
- 6.4 For the purpose of the options evaluation the assumption has been made that the outsourced option would be based on the same contract model as the current contract and that the Council would procure a new contract on that basis.
- 6.5 Officers advise that there is insufficient time to either procure, insource or set up a LATC by the last day of February 2020. Therefore officers are requesting an extension to the current contract.

Option 1 In-House

- 6.6 The decision to include the option of the in-house service provision has been informed by The Corporate Strategy (2018-2022) priority 'Building an inclusive local economy'. This states that when officers are considering whether to commission services, 'we will have an assumption that the Council is our preferred provider and in-source our contracts'.
- 6.7 APSE research suggests that 'insourcing is happening for practical reasons rather than any ideological stance'. Local Authorities from across the political spectrum have made the decision to insource their grounds maintenance services. These include the London Boroughs of Croydon, Islington, and Lambeth as well as Ashford District Council, Maidstone Borough Council in Kent and Slough Borough Council in Berkshire.
- 6.8 Various reasons have been given for the move to insource services. These include:
- Need for higher standards and better services
 - A need to provide a better service at a reduced cost
 - Contracts had reached their natural conclusion
 - Political support for bringing service back in-house
 - Desire for better and more attractive neighbourhoods
 - Desire for a more flexible, responsive and productive workforce
 - Review of service revealed dissatisfaction with external providers
 - Review of service showed need for service improvement and closer link between service delivery and the local authority's priorities and objectives

- 6.9 APSE research would further suggest that services have also been insourced as a result of unmotivated workforces contributing to poor performance. Poor terms and conditions and poor career development opportunities would appear to impact upon the quality of service delivered.
- 6.10 The option appraisal indicates that costs of delivering the service will increase regardless of the option chosen. However the financial modelling for the in-house and LATCo options indicate that annual cost would be approximately 108k higher than the out sourced option. This should be considered within the context of the Council's current financial position along with the likelihood that this position will be further compounded by ongoing 'perma-austerity' placing increased pressure on all operational budgets. However, the weighted scoring of all options that include the non-financial elements as set out within Appendix C indicate that In-House service delivery would be the most favourable option.
- 6.11 The Council should be fully aware of the financial risk as the longer term costs of delivering any public service cannot be forecast to a high degree of accuracy and will be dependent on a number of factors that are beyond our control e.g. inflation, salaries, fuel costs and possible changes in legislation. The parks service is currently insulated against many of these potential increases in costs as the risks sit with the contractor. However, should the service be insourced any increase in costs could be mitigated by income generation opportunities from events, concessions and other activities such as sports facility hire, which the incumbent provider currently benefits from.
- 6.12 Any increases in costs over and above those as set out within the report will become apparent once the service has been insourced. However, officers assume that based on the Bank of England's Monetary Policy Committee's (MPC) Inflation report February 2019 that annual inflation is likely to be approximately 2% for the Consumer Prices Index (CPI) and 3% for public sector wage inflation. The MPC's forecasts have factored in their potential actions to mitigate any potential risks associated with a possible Brexit and to keep inflation at the target of 2%.
- 6.13 Insourcing would allow the Council to exercise more effective resource allocation and maximise its limited resources. Further it would give the Council greater control over the day to day management of the parks service. It would also allow more control of the budget and spending priorities allowing the Council to consider, and where possible implement, the findings of the recent Lewisham Parks Consultation: 'A New Strategy For Parks & Open Spaces In Lewisham (Autumn 2018) - Your Chance To Have Your Say'. This could include the renovation of park toilets, exploring the possibility of orientating new play areas with café concessions, improving security and a formal presence in parks.

Please note that these priorities, if acted upon could potentially increase costs of the service as more resources may be required.

- 6.14 There will be opportunities to contribute to the implementation of other desired policy outcomes including those that relate to: Social value, increasing the number of directly employed apprentices of all ages, increasing the number of local SMEs within our supply chain, contributing to the mitigation of the Climate Emergency. When tendering parks concessions consideration will be given to reduction in obesity via Sugar Smart options and other healthy eating options as part of our selection criteria. Engage with the self-prescribing initiatives to encourage and support citizens to become more active.
- 6.15 Further, in-house provision would provide more control over quality, local responsiveness and service contribution/connection to other key strategic objectives e.g. the environment, health and/or employment, the ability to work more closely with Public Health, the 'Local Labour' Manager and the Apprenticeship Team to increase the number of horticultural apprentices directly employed by the Council and increase the number of local SMEs within the local supply chain.
- 6.16 In addition to these potential opportunities the Council will also take on the inherent risks that accompany increased control. Many of the risks are set out within Appendix B. with those shown as currently resting with the contractor will transfer back to the Council. These would include:
- Change to British Standards
 - Performance risk
 - Service related legislative change
 - Other legislative change
 - Operational capability
 - Industrial action by contractors staff or sub-contractors
- 6.17 As an external provider currently provides the services and employs staff working on this contract, it is likely that the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") will apply. We do not have information at present about the numbers and types of staff to whom TUPE obligations may be owed. However, depending on the circumstances of Glendale's staffing arrangements, if the contract is terminated it is likely that some staff will transfer to the Council. Further information will need to be obtained from Glendale, and the Council will need to comply with its own TUPE obligations as a potential receiving employer. The benefit of the transfer of staff is that the Council will inherit staff that already have the experience required in relation to the parks in Lewisham from working for Glendale.

- 6.18 Should TUPE apply, then there will be a presumption to harmonise terms and conditions. It is anticipated that this will increase the staffing costs and the pressure on the LGPS.
- 6.19 In addition to the staff transferring as a result of TUPE, it is possible that the Council would need to recruit staff in order to resource the in-house provision.
- 6.20 Insourcing the parks and open space services could be a medium term 'holding position' allowing the Council the opportunity to explore more fully a wider divisional LATCo to deliver a greater number of environmental services in the longer term.

Option 2 LATCo

- 6.21 In England and Wales, under the 2003 Local Government Act, councils have powers to set up companies to trade with a view to making a profit in areas relating to any of their existing functions. It is under this legislation the LATCo option could offer surplus generating potential for the service.
- 6.22 There are examples of successful transition from an outsourced service to a LATCo. For example Liverpool City Council recently incorporated its parks service into its established LATCo who are responsible for the delivery of many of the City Council's other environmental services.
- 6.23 This successful transition appears to have been partly due to extensive negotiations with the Trade Unions in relation to enhancing terms and conditions of transferring staff in return for a more flexible workforce. Harmonisation did not include admittance to the Local Government Pension Scheme (LGPS).
- 6.24 It should be noted that if the Council's key driver for setting up a LATCo was to generate a surplus to reinvest in services, the harmonisation of staff terms and conditions could have a negative impact on the LATCo's commercial competitiveness.
- 6.25 Given the current time constraints and potential resources required to allow officers to undertake more sufficiently detailed research in to the possibility of setting up a division wide LATCo covering all environmental service, officers advise that it would be prudent to explore this option in the longer term. I.e. following the initial insourcing of the park services currently delivered via the Green Space Contract. The advantage of this approach would be to enable the Council to realise its Corporate Priorities as set out in 1.3 and 1.5 and simultaneously consider more fully the key drivers, benefits and risks of setting up of a LATCo

Option 3 Outsourced

- 6.26 There could be advantages to tendering a further outsourced contract if it is based on the current contract terms, conditions and specifications as it is considered to be a model that has proved successful in Lewisham. The advantages include that it is a tried and tested model that has performed well for a relatively low fixed cost. The legal transfer of the asset has also helped deliver a good service as the contractor has some degree of ownership and accountability. It is in the contractors business interests to ensure that remedial works are carried out in a timely fashion to ensure that the parks fabric, building and wider estate are well maintained and free from hazards.
- 6.27 This success has been driven and supported by the robustness of the contract monitoring processes, potential financial deductions for poor performance, sanctions, the level of risk transferred to the contractor and ability for the contractor to exploit potential commercial opportunities to generate additional revenue streams which they keep. Further, the Council's client team have developed a successful partnership with the contractor contributing to a successful service.
- 6.28 The current outsourced model has also demonstrated over almost 20 years that it is possible to provide a high performing public service with low operational risk to the Council at a relatively fixed cost, along with the additional advantage of the current contract model's inbuilt annual efficiency mechanism i.e. reducing the annual contract sum paid to the contractor by RPIx- 3%.
- 6.29 However it should be noted that past performance is not a guarantee of future results. Information obtained from colleagues delivering similar services across London indicates that costs of recently tendered contracts have increased by between 10% and 15%. This trend has been reflected within the cost for an outsourced model in the Appendix C. This means that should the Council tender the service this could lead to bidders exceeding available budget potentially leading to a reduction in service and/or standards.

7 Extension

- 7.1 The recommendation to extend the current contract as set out at 3.2 will allow officers from multiple departments across the organisation sufficient time to plan and input to the process of transferring the parks service from a contractor to the Council. The departments, aside from Green Scene, which will be required to input to the process are as follows:
- Legal Services
 - Human Resources
 - Finance
 - Pensions Team
 - Payroll

- Property Services

- 7.2 The extension will allow Green Scene officers time to plan and make adequate arrangements for the mobilisation and long term delivery of the new service. This will include for the operational elements of the service including budget planning, the calculation of workloads, working patterns, labour requirements and seasonal variations. It will provide time to assess if and prepare for any recruitment should that be required. It will also provide time to prepare for where assets will need to be transferred back to the corporate estate. For these reasons an extension is necessary to help manage the risk of bringing the service back in-house after 20 years of externalisation.
- 7.3 The end of the current contract presents an opportunity to reduce the carbon footprint currently generated in the delivery of the service. An extension will offer the opportunity for officers to quantify cost and potential sources of funding to replace older petrol/diesel powered plant, equipment and vehicles used to deliver the service with new environmentally friendly alternatives such as rechargeable grass cutting equipment and electric vehicles. This will contribute to the aims of the Council's objective to be carbon neutral by 2030.
- 7.4 The Council has legal responsibilities under the Health and Safety at Work Act, including a duty to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all its employees. Giving consideration to this duty and other work streams that will be underway in relation to the demobilisation of the current contract and mobilisation of a new in house service, it is officers advice that there is insufficient time to develop and implement a robust health and safety management system for the service to allow us to meet the necessary requirements on the day of transfer.
- 7.5 Lewisham has a borough wide network of 25 Park User Groups who are linked together by the Lewisham Green Space Forum (LGSF). These are our Key Stakeholders who support, constructively input and work closely with the Council and Glendale on various funding initiatives for parks improvements, as well volunteering their own time on a regular basis for various parks related activities. These groups are highly valued by the service and therefore we would use the contract extension to work and consult closely with them on the future shape of the Parks Service as well as, where appropriate, build their aspirations in to future service planning.
- 7.6 Glendale Grounds Management has confirmed that if required they would be willing to extend the contract for a further 20 months i.e. until November 2021 on the same terms and conditions as is currently in place. This will enable officers to mobilise the service in the autumn when there is less seasonal demand and therefore increasing the likelihood of success.

8 Conclusion

8.1 Please find below total weighted scores for each of the option.

Delivery option	Surety of Service Delivery 10%	Barriers to entry into marketplace 10%	Responsiveness and Control 10%	Commercial potential 10%	Social Value 10%	Cost 50%	TOTAL (out of 100%)
<i>In house</i>	6	6	8	7	8	48.4	83.4
<i>LACTo¹</i>	6	4	6	8	7	48.4	79.4
<i>Commercial contractor</i>	7	7	6	4	5	50.0	79.0

8.2 The current Green Space Contract expires 29 February 2020, therefore the Contract Variation as recommended in section 3 will ensure service continuity from 1st March 2020.

8.3 When developing recommendations to the Mayor and Cabinet consideration was given to the data generated from the APSE insourcing model i.e. the rank and score for each option as summarised at 8.1 and the potential opportunities and risks as set out in Appendix D. This has led officers to the following conclusions:

8.4 Option 1 In-House. In addition to the existing knowledge, skills and experience within the Environment Division, Green Scene and among the existing contractors' staff, who may transfer to the council via TUPE, the Council would be in a good position to deliver a high quality service to citizens. This will be supported by an established corporate centre including HR, Payroll, Legal Services and Corporate Health and Safety. Opportunities will also be presented to work with other services within the Environment Division and exploit possible economies of scale.

8.5 Option 2 LATCo. This option would have a greater chance of success if it were part of a larger Environment Division LATCo. This option would offer the opportunity to increase trading potential and generate additional income. However this would be a much larger entity with a greater scope, delivering significantly more than the parks service. As a totally new entity, i.e. a new company wholly owned by the Council, there would be various political, structural, financial and legal matters to be fully explored and agreed before any realistic chance of developing this further. For these reasons it is therefore not recommended to proceed with this option at this point in time.

¹ Please note that that for the reasons set out below at 8.5 the provisional scores within the table above regarding the LATCo are to be ignored at this stage. As further qualitative and quantitative assessments is required for this option.

- 8.6 Option 3 Outsourced. Since the decision was taken to outsource the Parks and Open Spaces service in 1999 we have developed a contract model that has delivered a high quality service for almost 20 years. However, due to ongoing central government budget cuts the Council's financial position continues to worsen. In its efforts to mitigate these challenges the Council has adopted the corporate objectives as set out within the current Corporate Strategy (2018-22). This includes the assumption that the Council will be the preferred provider.
- 8.7 Tendering a new external contract that allows the contractor to take all revenues generated from concessions, events and other income generating aspects of the service, in such a financially challenging environment, would not be prudent. However, without a contractor receiving the revenues generated from these opportunities, whilst at the same time retaining a contract obligation to accept an inbuilt annual efficiency mechanism and absorb the ongoing cost of the London Living Wage, as well as other legislative, public liability and economic risks contained within the current contract model, it is likely that a new contract let on this basis would come at a greater cost to the Council.
- 8.8 Giving consideration to the cost and quality data (see Table at 8.1) generated using the APSE insourcing evaluation model for the three options set out within the report and to our corporate objectives and values, information gathered from colleagues in other public sector organisations indicate that costs of recently tendered parks maintenance contracts have increased by 10% to 15%. This is a potential 375k increase on the current contract cost. Therefore officers would not recommend re-tendering the service.
- 8.9 **Appendix D** sets out the indicative timelines for the implementation for each option

9. Financial implications

- 9.1 The current annual value of the existing Green Space Management and Maintenance contract is £2,497,385.
- 9.2 The recommendation to extend the current contract in paragraph 3.2 for 20 months from 29th February 2020 until 31st October 2021 will cost the Council a maximum of £4,162,308.
- 9.3 The 19/20 budget for this contract is £2,347,100, which implies potential budget pressures of up to £250k over the period. This is likely to be mitigated, in part or whole, by reductions in the contract value through application of the annual RPIX-3% contract efficiencies, inflationary uplift, and cost deductions.

- 9.4 With regards to the potential in-sourcing of the service from 1st November 2021, three options were appraised using both quantitative and qualitative measures with agreed weightings. Indicative costs for each option is set out at Appendix C.
- 9.5 It should be noted that the LATCo option requires further detailed evaluation in order to provide sufficient assurance as to the potential financial costs. This work should feed into the decision making process in due course about the options for the service from 1st November 2021.
- 9.6 The assumptions on which the costs are modelled are essentially sound but there is a risk that these could change and impact on the final costs of each option. In mitigation, the higher end of market price increases has been used for the outsourcing option (15%) and a blended level of corporate overheads (25% of staffing cost) applied to the in-House option.
- 9.7 The appraisal model indicates that both the In-House and LATCo options cost £108k more than the outsourcing option at £3,264,398 and £3,372,770 respectively. However, the In-House option has the highest overall score when the qualitative measures are factored into the appraisal model as shown in paragraph 8.1.
- 9.8 Within the options appraisal model management overheads, staff inflation at 3%, contract inflation at 2% and some running costs are largely included in the current budget, totalling in excess of £500k. This implies real budget pressures in excess of £500k from 2021. Funding implications for 2021 onwards will need to be contained within the appropriate budget.

10. Legal Implications

Extension of the Glendale Contract

- 10.1 Officers recommend that the contract with Glendale is extended for a period of 20 months for the reasons set out in this report. The contract was awarded to Glendale in 2010 for a period of 10 years. It expires in February 2020.
- 10.2 The Council is obliged to comply with the procurement Regulations (Public Contracts Regulations 2015). Some variations to existing contracts may trigger a requirement to undertake a new competitive tender process. The Council's Contract Procedure Rules set out which variations can be made without a new competitive process (Constitution Part IV I, paragraph 17 of Contract Procedure Rules). This report explains why this extension to the contract for a further year is proposed.

10.3 Contract Procedure Rules say that where a contract variation is 'not substantial', the variation can be made (paragraph 17.5). The definition of 'substantial' takes into account matters including the nature and size of the proposed change relative to the original contract, and the likely market effect of the change (including the change to the scope and economic balance of the contract). There is a reasonable argument that the proposed extension is not substantial. As such, the variation does not trigger a requirement to undertake a new procurement. On that basis, therefore, the proposed changes are allowable under the Council's Contract Procedure Rules paragraph 17.

Recommendation to insource

10.4 Legal issues to be taken into account in this decision are set out below. The report sets out the potential impacts of the options.

- **General powers and decision making:**
The provision and maintenance of green space is a discretionary service which means the Council is not under a duty to provide it. The Council has a general power of competence contained in the Localism Act 2011 which allows the Council to do anything that individuals generally may do provided it is not prohibited by other legislation. General decision making principles require consideration of all relevant matters, including financial impacts and the Council's fiduciary duty to its council tax payers.
- **Best value:**
The Council has a general duty to obtain best value by securing continuous improvement in the way functions are carried out, having regard to a combination of economy, efficiency and effectiveness (Local Government Act 1999 s3). This means that the Council must, on a case by case basis, weigh up the costs of the proposed action against the benefits of the particular relevant issue.
- **TUPE:**
The Council has obligations as set out in its contract with Glendale in relation to TUPE, and under the TUPE regulations. These include a requirement to consult in relation to any measures it would take in relation to staff who would TUPE from Glendale to the Council, and to comply with the terms and conditions of employment of any Glendale staff.

10.5 The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). It covers the following protected characteristics: age, disability, gender reassignment, marriage

and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

10.6 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

10.7 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. The decision maker must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

10.8 The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found on the EHRC website.

10.9 The EHRC has issued five guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

11. Crime and Disorder Implications

11.1 There are no direct crime and disorder implications arising as a result of this report.

12 Equalities Implications

- 12.1 There are no direct equalities implications arising as a result of this report.

13 Environmental Implication

- 13.1 There are no direct environmental implications arising as a result of this report. However there are a number of potential advantages of delivering an in-house service with respects to environmental/ecological benefits and our aspirations to be carbon neutral by 2030. An in-house service will mean that changes to park specifications to alter the management to benefit ecology are easier and quicker to enact. This may increase or decrease the resource demand in terms of labour and machinery but could be carefully managed to suit.
- 13.2 With respect to the climate emergency, it is difficult to anticipate exactly what future requirements will be in terms of energy efficiency and reducing carbon emissions. The Council will have the flexibility to corporately innovate across a wide range of service areas and divisions to maximise the opportunities for energy efficiency and to reduce carbon emissions if it is operating an in house service. This flexibility may not be available for the other service delivery models without it being reflected in their ability to be commercially competitive and to provide a revenue return.

Appendix. A

Parks for London are an independent charity that support the mission to improve the criteria applied was as follows:

- 1. Public satisfaction with parks** - taken from borough public satisfaction surveys, where available.
- 2. Awards for quality** - the number of Green Flag Awards attained for parks directly managed by boroughs.
- 3. Collaboration with other boroughs** - indicates that Parks for London/ London Parks Benchmarking Group is supported.
- 4. Events** - is the number of internally and externally managed events held in parks across the borough expressed as a % of green space managed.
- 5. Health, fitness and well-being** - is a combination of the number of outdoor gyms and food-growing areas in Borough parks.
- 6. Supporting nature** - is a combination of the percentage of parks that have a management plan that includes in any borough that have a management plan that includes Biodiversity Action Plan (BAP) objectives (as a % of total parks) and has a BAP.
- 7. Community partnerships** - is a combination of Community Green Flag Awards, number of friends groups and whether the borough has a borough-wide Friends group forum.
- 8. Skills development**- is the number of park apprentices as a percentage of the total workforce.
- 9. Sustainability** - is a combination of green fleet as a percentage of total fleet and battery operated as a percentage of total handheld equipment that contribute to reducing air and noise pollution.
- 10. Strategic planning** -is a combination of having a green/open or infrastructure space strategy and an asset management plan.

Borough	Good Parks for London Score	Current Provision
Lewisham	45	External
Southwark	41.5	External
Lambeth	39.5	Internal
Ealing	39	External
Richmond upon Thames	36	External
Islington	33.5	Internal
Westminster	33.5	External
City of London	32.5	Internal
Haringey	32.5	Internal
Harrow	32	Internal
Hillingdon	31.5	Internal
Tower Hamlets	31.5	Internal
RB Greenwich	30	Internal
Bromley	29.5	External
Hackney	29	Internal
Havering	29	Internal
Camden	28.5	External
Kensington & Chelsea	28	External
Sutton	28	Internal
Hounslow	27	External
Croydon	26	Internal
Barnet	25.5	Internal
Barking & Dagenham	25.5	Internal
Bexley	25.5	External
Redbridge	23.5	Mixed *
Hammersmith and Fulham	22	External
Brent	21.5	Internal
Wandsworth	21.5	External
Waltham Forest	21	Internal
Enfield	20	Internal
Merton	17.5	Internal
Newham	14.5	External
Kingston upon Thames	11.5	External

* Usually a combination external providers and in – house provision

Appendix. B

Risk Allocation – current contract

Type of Risk	Glendale	Council
Legislative change requiring, say, only certain types of fuel to be used in vehicles.	✓	
Legislative change requiring change in waste disposal requirements		✓
Legislative change removing parks function from LBL		✓
General legislative change	✓	
A changing block burns down		✓
A building collapses due to subsidence		✓
A changing room in a park is covered in graffiti	✓	
Change to British Standards	✓	
Performance risk	✓	
Service related legislative change	✓	
Other legislative change	✓	
Operational capability	✓	
Industrial action by contractors staff or sub-contractors	✓	
Sub-contractor default	✓	
Inflation	✓	
Third party income	✓	
Approval of further commercial events	✓	
Health and Safety	✓	
TUPE transfer at start	✓	
TUPE transfer at end	✓	
Generation Play clubs R&M		✓
Enhanced redundancy payments to staff	✓	
Works to redundant buildings		✓
Works inside bowls pavilions		✓
Access denied by LBL		✓

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Appendix 3

TOTAL WEIGHTED SCORED OPTIONS APPRAISAL

Delivery option	Surety of Service Delivery 10%	Barriers to entry into marketplace 10%	Responsiveness and Control 10%	Commercial potential 10%	Social Value 10%	Cost 50%	TOTAL (out of 100%)	RANK
<i>Commercial contractor</i>	7	7	6	4	5	50.0	79.0	3
<i>In house</i>	6	6	8	7	8	48.4	83.4	1
<i>LACTo¹</i>	6	4	6	8	7	48.4	79.4	2

¹ Please note that that for the reasons set out at 8.5 within the report, the provisional scores within the table above regarding the LATCo are to be ignored at this stage as further qualitative and quantitative assessments is required for this option.

Appendix 3

Qualitative Evaluation

Delivery option	Surety of Service Delivery 10%	Barriers to entry into marketplace 10%	Responsiveness and Control 10%	Commercial potential 10%	Social Value 10%
	Who bears the delivery risk and how high is this under each option? Ability to manage delivery risk and low risk scores highly.	What barriers exist to entering and operating in this marketplace? Low barriers to entry score highly.	How is control achieved and how flexible will the model be? Is this important? High control and high flexibility scores highly	What other commercial potential exists through using this structure / approach? High potential scores highly	What wider social value (see Council's Social Value Policy here: https://lewishamcouncil.sharepoint.com/sites/Intranet/Intranet%20documents/Lewisham%20Council%20Social%20Value%20Policy.pdf) can be delivered through using this structure / approach? High potential scores highly
<i>Commercial contractor</i>	7	7	6	4	5
<i>In house</i>	6	6	8	7	8
<i>Wholly owned contractor</i>	6	4	6	8	7

Appendix 3

Qualitative Evaluation

In column B describe the nature of the delivery risk, who bears it and how manageable this risk is.

The lower the risk or the more manageable the higher the score. Insert the score in column C.

Delivery option	Surety of Service Delivery 10%	Score out of 10
	<p>Who bears the delivery risk and how high is this under each option?</p> <p>Ability to manage delivery risk and low risk scores highly.</p>	
Commercial contractor	<p><i>The allocation of risk can be determined within the conditions of a new contract. Could include similar to existing Green Space Contract. Ultimately risk remains with the council. There are also other vicarious responsibilities that cannot be passed on to a contractor e.g. those responsibilities related to the management of Health and Safety</i></p>	7
In house	<p><i>The council would be directly exposed to: financial, reputational, public liability, legislative and H&S Risk. Service could be at of risk budget cuts related to 'perma austerity' and the council's responsibility to provide other statutory services.</i></p>	6
Wholly owned contractor	<p><i>The council could be indirectly exposed to: financial, reputational, public liability, H&S risk. Service could be at lower risk of budget cuts related to 'perma austerity' and the council's responsibility to provide other statutory services than in house provision. A lack of organisational capacity and commercial astute staff to operate effectively in a competitive market environment.</i></p>	6

Appendix 3

Qualitative Evaluation

In column B describe what barriers to entry into the market place exist, e.g. lack of expertise or assets.

The lower the barriers the higher the score. Insert the score in column C.

Delivery option	Barriers to entry into marketplace 10%	Score out of 10
	<p>What barriers exist to entering and operating in this marketplace? Low barriers to entry score highly.</p>	<p>See the model, the more expensive the option the lower it will score.</p>
<p>Commercial contractor</p>	<p>Grounds maintenance industry sufficiently mature to enable other contractors to tender for a new contract offering the benefits of competitive tension.</p>	<p>7</p>
<p>In house</p>	<p>Capital expenditure presents a potential high barrier to entry if all plant and equipment is to be purchased at current market prices. However, condition 33.5 of the current contract states that the "Contractor shall ensure that there is immediately prior to the Termination Date adequate Plant and Equipment available to be used in connection with the provision of the Service so as to ensure the continuation of the Service by the Council or another person for a reasonable period thereafter and that all such items of Plant and Equipment are fit for their purpose. Legal opinion will be required to determine the scope of this condition.. This should reduce the amount time effort and requirements for capital expenditure required for mobilisation likely to be the highest barrier for the Council due to the its current financial position . Potential for 60+ staff to transfer (TUPE) into the organisation HR capacity and overheads,, possible T&C harmonisation likely to further increase cost of In house service delivery.</p>	<p>6</p>

Appendix 3

<p>Wholly owned contractor</p>	<p><i>See in house comments above. Organisations appetite for 'Municipal entrepreneurship' The council may not currently be in a position to set up and run a wholly owned Green Space management contract giving consideration to the work required over the next 12 months to either procure or insource the current service? Competition law and state aid issues and other restriction such as the Public Contracts Regulations 2006 may present further barriers (legal imps). May have to bring in-house initially enabling the council to undertake the work required to make the LACTo commercially viable</i></p>	<p>4</p>
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In column B describe how control is achieved and how flexible the model will be, but also whether this is important. If it is important then high control and high flexibility will score highly. Insert the score in column C.

Delivery option	Responsiveness and Control 10%	Score out of 10
	<p>How is control achieved and how flexible will the model be? Is this important? High control and high flexibility scores highly</p>	

Appendix 3

<p>Commercial contractor</p>	<p><i>A performance based contract model to ensure flexibility to deliver best outcomes meeting specification. Not overly prescriptive. Robust monitoring regimes, financial deductions and contract termination process in the event of or poor performance. Opportunities to negotiate changes in specification if budget cuts are required. However this may be difficult as this will impact on the contractors financial forecast. Potential for contract dispute unless this process clearly expressed within the contract conditions. This may increase costs as they build in future cuts to their tender price. There is also a downside risk that the competitive process drives down price to an unsustainable level impacting on the contractors ability to deliver to specification leading to financial defaults and the potential for the contractor to approach the council for additional revenue to support the service.</i></p>	<p>6</p>
<p>In house</p>	<p><i>Managed in such a way that service contributes to the borough moving towards the Council's Vision, reflecting its values and operating within its policies and procedures. Potential opportunities in relation to economies of scope of other council services e.g. facilities management, sports development, public health increasing the number of directly employed apprentices. Increased risk of being subject to budget cuts if the council's financial position becomes more challenging due to further central government funding cuts. would have direct control of how risk will be managed</i></p>	<p>8</p>

Appendix 3

<p><i>Wholly owned contractor</i></p>	<p>Opportunities to ensure a focused governance model via a Management Board made up of Key Stake holders e.g. Elected Members, Staff and Service Users. Managed in such a way that service contributes to the borough moving towards the Council's Vision, reflecting its values and operating within its policies and procedures. Potential opportunities in relation to economies of scope of other council services e.g. facilities management, sports development, public health. environmental services, Increased risk of being subject to budget cuts if the council's financial position becomes more challenging due to further central government funding cuts. The Teckal exemption offers flexibility with up to 20% of its services provided to other public authorities. May offer greater financial freedom to make investment and operational decisions if it meets the functional test of providing 80% of its services to the Council. Opportunity to reinvest any surplus in to the LACTo or return back to the Council</p>	<p>6</p>
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Qualitative Evaluation

In column B describe what commercial potential exists through using this structure (note some services are statutory and have very restricted commercial potential), high potential will score highly.

Insert the score in column C.

Delivery option	Commercial potential 10%	Score out of 10
	<p>What other commercial potential exists through using this structure / approach? High potential scores highly</p>	

Appendix 3

Commercial contractor	<p><i>Dependent on the conditions of the contract we could potentially structure the events and concessions specification in such a way that the council receives any income generated from events minus a administration fee or perhaps a profit share arrangement to incentivise the contractor to deliver high quality events that will be appreciated by the boroughs diverse communities.</i></p>	4
<p><i>In-house</i></p> <p><i>Wholly owned contractor (LACTo)</i></p>	<p><i>Would require a dedicated resource to develop a comprehensive business plan that will exploit the many income generating opportunities presented within our open spaces. This will also allow us to ensure that the events reflect our diverse communities. income generated would offset expenditure</i></p> <p><i>Teckal exemption would allow the LACTo to provide service to public bodies without a formal procurement process. This would reduce transaction costs. Could develop a culture for municipal entrepreneurship developing members of the team to become more commercial astute increasing the opportunity to generate up to 20% of income via shared service provision when the opportunity arises to embrace income-generation for the public purpose. Surpluses can be reinvested in to the service or returned to the Council build the capacity of local communities and institutions, creating new economic, social and political networks through policy innovations and interventions in local markets. Keep public value at the forefront of your thinking</i></p>	<p>7</p> <p>8</p>

Qualitative Evaluation

In column B describe what wider social value can be delivered through using this structure.

High levels of additional benefits and social value will score highly. Insert the score in column C.

Delivery option	Social Value 10%	Score out of 10
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Appendix 3

	<p>What wider social value (see Council's Social Value Policy here: https://lewishamcouncil.sharepoint.com/sites/Intranet/Intranet%20documents/Lewisham%20Council%20Social%20Value%20Policy.pdf) can be delivered through using this structure / approach? High potential scores highly</p>	
Commercial contractor	<p>Contractors will commit to the social value policy objectives and the KPIs if they want to be the successful bidder. However post procurement It may be a challenge to influence them to deliver the council's desired policy outcomes. Giving some consideration to 'Agency Theory' we will have no direct control of decision making and there is the risk that the contractors other organisational /financial objectives in their opinion outweigh the clients desire to deliver social value from the contract.</p>	5
In-house	<p>Real opportunities to align the service with the Council's Social Value Policy and work across the organisation and become a vehicle to deliver on all aspects of the policy as set out and measured via the recommended KPIs.</p>	8
Wholly owned contractor (LACTo)	<p>This would be dependent on the structure of the LATCo could present opportunities similar to the In-house option however being at arm's length we could lose opportunities to influence and work across the organisation top deliver desired policy outcomes</p>	7

Summary of score for costs for service delivery

	Score (out of 10)	Weighted Score
Commercial contractor November 2021	10.0	50.0
In house at point of transfer November 2021	9.7	48.4
LATCo Wholly owned contractor at point of transfer Nov 2021	9.7	48.4

Appendix 3

Appendix E

Option 1 In-House

Table 1

Potential Advantages: Value for money; commercial potential	Risk/Comments & barriers to entry into the marketplace
<p>Insourcing allows the public authority to exercise more effective resource allocation and maximise its limited resources. This could allow more control of the budget and spending priorities allowing us to consider and where possible implement the findings of the recent Lewisham Parks Consultation: 'A New Strategy For Parks & Open Spaces In Lewisham (Autumn 2018) - Your Chance To Have Your Say'.</p> <p>Any increased costs could be mitigated by income generating opportunities from events, concessions and other activities such as sports facility hire.</p> <p>Opportunity to improve Terms & Conditions for staff transferring to the council. Although this is also a potential cost driver as set out within risk comments opposite.</p> <p>Potential to reduce transaction costs by cutting out the 'middleman' when procuring goods and specialist services</p> <p>Opportunities to increase the synergies with our other existing in-house open space management and operations such as Nature conservation, Allotments, Beckenham Place Park and our Cemeteries and Crematorium.</p>	<p>How VFM is demonstrated would need to be determined/established. Service budget could be at risk due to internal budget pressures as a result of 'perma-austerity'</p> <p>There is a potential for the overall costs of the service to increase following in-sourcing of the service.</p> <p>Cost drivers could include future harmonisation of terms and conditions of employment for staff transferred to the council.</p> <p>Possible increase in corporate overheads due to the requirement to recruit additional staff at the corporate centre to adequately cover various functions e.g. HR/Payroll/accommodation.</p> <p>Potential increase in transaction costs due to the procurement of goods and other specialist services from multiple contractors that are currently sourced via the current contract.</p>
<p>TUPE T&Cs (indicative)</p> <p>Glendale Gardener</p> <p>Hours Worked 40</p> <p>Approximate annual salary with on cost £28,500</p>	<p>Harmonised T&Cs (indicative)</p> <p>NJC Gardener</p> <p>Hours Worked 35</p> <p>Approximate annual salary with on costs £30,714</p>

<p>Annual Leave 22 Days</p> <p>Sick Pay Entitlement</p> <p>10d Full 10d Half - 1 waiting day</p>	<p>Annual Leave Basic entitlement 26 Days increasing to 34 after 10 years' service.</p> <p>Sick Pay Entitlement</p> <p>NJC dependent on length of service.</p> <p>During 1st year of service</p> <p>1 month's full pay and (after completing 4 months' service) 2 months' half pay. 1 month's full pay and (after completing 4 months' service) 2 months' half pay During 2nd year of service 2 months' full pay and 2 months' half pay.</p> <p>During 3rd year of service 4 months' full pay and 4 months' half pay.</p> <p>During 4th and 5th years of service 5 months' full pay and 5 months' half pay.</p> <p>After 5 years' service 6 months' full pay and 6 months' half pay.</p>
<p>Dependent on the formula used to determine the cost allocation for overheads there could be a potential corporate benefit with costs being allocated across a higher number of staff</p>	<p>Overhead cost allocation could increase the overall budget pressure on the Environment Division.</p>
<p>Potential Advantages: In-sourced responsiveness and management</p>	<p>Risk/Comments</p>
<p>Providing the service in house would meet with one of the Council's key priorities set out within the Corporate Strategy 2018-2022. 'Building an inclusive local economy' it states that when we are considering whether to commission services, we will have an assumption that the Council is our preferred provider and in-source our contracts'.</p> <p>Opportunity to deliver the service in 'The Lewisham Way' contributing more effectively to the Council's Vision, it's Corporate Strategy 2018-2022 and reflecting its values the opportunity to achieve this will be enhanced by operating directly within the councils policies and procedures.</p>	<p>Required actions include:</p> <p>Corporate support with project delivery, HR, Communications/Marketing, Administration etc.</p> <p>Creating a new management structure and operating model for the service.</p> <p>Identifying the required level of capital funding for vehicles, plant, equipment etc.</p> <p>Harmonising the terms and conditions of transferring staff.</p>

<p>Presents the opportunity implement all aspects of the council's Social Value Policy'</p> <p>The Environment Division has a good track record of managing good performing frontline environmental services e.g. Refuse Collection , Street Cleansing, as evidenced within the Users satisfaction survey' (2015)</p>	<p>Investment needed for training and resource management.</p> <p>In-sourcing lessons learnt from other boroughs has identified that recruiting any new skilled workforce may take much longer than anticipated/planned.</p> <p>Challenges could arise in the mobilisation phase leading to short term customer dissatisfaction.</p>
<p>In-house provision would provide more control over quality, local responsiveness and service contribution/connection to other key strategic objectives e.g. the environment, health and/or employment i.e. ability to work more closely with our Public Health colleagues, the 'Local Labour' Manager and the Apprenticeship Team to increase the number of local SMEs within the local supply chain with the potential to increase the number of horticultural apprentices directly employed by the Council. Improving succession planning and increasing the pathways in to work.</p>	
<p>Would allow greater flexibility in future decisions making in relation service provision e.g. when exploring other management and maintenance models for our environmental service such as a LATCo i.e. a company wholly owned by the Council.</p>	
<p>Potential Advantages: Surety of delivery and risk management</p>	<p>Risk/Comments</p>
<p>Direct control of risks similar and /or comparable to those borne by other council departments and frontline services.</p>	<p>The Council will bear all of the risk currently borne by the contractor.</p> <p>Challenges could arise in the mobilisation phase of insourcing process leading to short term customer dissatisfaction.</p>

	Medium to long term risks if budgets are subject to further cuts due to 'perma-austerity'.
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Potential Advantages: Environmental and Ecological benefits	Risk/Comments
<p>Changes to parks specifications to alter the management to benefit ecology and biodiversity is possible. This can increase or decrease the resource demand in terms of labour and machinery.</p> <p>It would be potentially quicker to implement the training/coaching needs for the park teams than via the other delivery models.</p>	

Potential Advantages: Carbon neutral by 2030	Risk/Comments
<p>It is difficult to anticipate exactly what future requirements will be in terms of energy efficiency and reducing carbon emissions. The Council will have the flexibility to Corporately innovate across a wide range of service areas and divisions to maximise the opportunities for energy efficiency and reduce carbon emissions. The council will potentially benefit from economies of scale and will be in control of the whole process to phase implementation delivery and take account of any additional infrastructural or capacity needs.</p>	

Option 2 LATCO

Table 2

Potential Advantages: Value for money; commercial potential	Risk/Comments & barriers to entry into the marketplace
Able to demonstrate VFM via the competitive tendering process	
<p>If the cost of a new contract remains broadly in line with the existing cost there could be a potential cost advantage to the council against an in-house model as this will be lower than the in-house option.</p>	<p>Possible that tenders may exceed available budget leading to reduction in the specified service or standards.</p> <p>The current contract cost and external validation could be considered lagging indicators and it should be recognised that past performance is not a guarantee of future results.</p> <p>Potential surplus value returned to the contractor as profit.</p>
<p>The contract price would be relatively fixed so costs are broadly understood for the lifetime of the contract.</p> <p>The contract sum would cover all elements of the contract specification. It is possible to ask the bidders to include the payment of the London Living Wage (LLW) within their tender and to require the contractor to deliver annual efficiencies.</p> <p>We would be able to give consideration to the council's recently adopted Social Value Policy when evaluating tender submissions,</p>	<p>Potentially less flexibility for the council to negotiate changes to the operating model to reduce costs in response to changing circumstances. Contractors may also find delivering efficiencies unsustainable over a long period of time causing a drop in service standards and worst case scenario, early termination of the contract.</p> <p>Although increase in the LLW are currently absorbed by the contractor and not charged directly to the Council, this could change with the risk of the annual increase in the LLW being passed directly to the Council. Historically the LLW % wage annual increase has been higher than the NJC agreed pay rise for local government workers.</p> <p>There will be costs attached to variation works that fall outside of the specification and/or bills of quantities.</p>
<p>Removing events and concessions management from the contract specification and tendering directly for parks concessions would offer opportunities to generate income for the Council that currently goes to the contractor.</p>	<p>Removing events and concessions management from the contract specification and tendering directly for parks concessions could be reflected in an increase in the tender price for the delivery of the remaining elements of the contract to maximise revenues and close the gap due to loss of income. APSE studies also suggest lack of motivation for outsourced contractors to innovate and this has been cited by some local authorities as a reason for insourcing.</p>

Potential Advantages: Contract responsiveness and management	Risk/Comments
The Council has a good track record of managing a well performing external parks services provider.	There is no guarantee that a new contract would be as successful as the current one.
Potential Advantages: Surety of delivery and risk management	Risk/Comments
Much of the operational risk is transferred to the contractor*	<p>Bidders likely to reflect costs of transferred risks within their tender submission. This will inflate the cost to the council who ultimately retain all risk, including a vicarious responsibility in all aspects the management of health and safety.</p> <p>The transfer of risk may prove to be a barrier for some contractors as experienced during the 2009 procurement process where a bidder stated their withdrawal from the process was due to a 'high level of liability'. This may have been due to their inability to reliably cost this risk in their tender</p>

Potential Advantages: Value for money; commercial potential	Risk/Comments & barriers to entry into the marketplace
Able to demonstrate VFM via the competitive tendering process	
If the cost of a new contract remains broadly in line with the existing cost there could be a potential cost advantage to the council against an in-house model.	<p>Possible that tenders may exceed available budget leading to reduction in the specified service or standards.</p> <p>The current contract cost and external validation could be considered lagging indicators and it should be recognised that past performance is not a guarantee of future results.</p> <p>Potential surplus value returned to the contractor as profit.</p>
<p>The contract price would be relatively fixed so costs are broadly understood for the lifetime of the contract.</p> <p>The contract sum would cover all elements of the contract specification. It is possible to ask the bidders to include the payment of the London Living Wage (LLW) within their tender and to require the contractor to deliver annual efficiencies.</p> <p>We would be able to give consideration to the council's recently adopted Social Value Policy when evaluating tender submissions,</p>	<p>Potentially less flexibility for the council to negotiate changes to the operating model to reduce costs in response to changing circumstances. Contractors may also find delivering efficiencies unsustainable over a long period of time causing a drop in service standards and worst case scenario, early termination of the contract.</p> <p>Although increases in the LLW are currently absorbed by the contractor and not charged directly to the Council, this could change with the risk of the annual increase in the LLW being passed directly to the Council. Historically the LLW % wage annual increase has been higher than the NJC agreed pay rise for local government workers.</p> <p>There will be costs attached to variation works that fall outside of the specification and/or bills of quantities.</p>
Removing events and concessions management from the contract specification and tendering directly for parks concessions would offer opportunities to generate income for the Council that currently goes to the contractor.	Removing events and concessions management from the contract specification and tendering directly for parks concessions could be reflected in an increase in the tender price for the delivery of the remaining elements of the contract to maximise revenues and close the gap due to loss of income. APSE studies also suggest lack of motivation for outsourced contractors to innovate and

	this has been cited by some local authorities as a reason for insourcing.
Potential Advantages: Contract responsiveness and management	Risk/Comments
The Council has a good track record of managing a well performing external parks services provider.	There is no guarantee that a new contract would be as successful as the current one.
Potential Advantages: Surety of delivery and risk management	Risk/Comments
Much of the operational risk is transferred to the contractor*	<p>Bidders likely to reflect costs of transferred risks within their tender submission. This will inflate the cost to the council who ultimately retain all risk, including a vicarious responsibility in all aspects the management of health and safety.</p> <p>The transfer of risk may prove to be a barrier for some contractors as experienced during the 2009 procurement process where a bidder stated their withdrawal from the process was due to a 'high level of liability'. This may have been due to their inability to reliably cost this risk in their tender</p>

Potential Advantages: Environmental and Ecological benefits	Risk/Comments
Changes to parks specifications to alter the management to benefit ecology or biodiversity is possible. It can increase or decrease the resource demand in terms of labour and machinery.	Requires cooperation and formalisation by the LATCo, training & coaching of parks teams.

Potential Advantages: Carbon neutral by 2030	Risk/Comments
<p>It is difficult to anticipate exactly what future requirements will be in terms of energy efficiency and reducing carbon emissions. The Council will have the flexibility to Corporately innovate across a wide range of service areas and divisions to maximise the opportunities for energy efficiency and reduce carbon emissions. It will require close working and coordination so that any changes can be planned and accounted for in the LATCo business operating model. The council will still potentially benefit from economies of scale and will be in control of the whole process to phase implementation delivery and take account of any additional infrastructural or capacity needs.</p>	<p>Coordination may prove problematic and this may be reflected in the ability to be commercially competitive and to provide a revenue return.</p>

Option 3

Outsourced option

Potential Advantages: Value for money; commercial potential	Risk/Comments & barriers to entry into the marketplace
<p>Able to demonstrate VFM via the competitive tendering process</p>	
<p>If the cost of a new contract remains broadly in line with the existing cost there could be a potential cost advantage to the council against an in-house model.</p>	<p>Possible that tenders may exceed available budget leading to reduction in the specified service or standards.</p> <p>The current contract cost and external validation could be considered lagging indicators and it should be recognised that past performance is not a guarantee of future results.</p> <p>Potential surplus value returned to the contractor as profit.</p>

<p>The contract price would be relatively fixed so costs are broadly understood for the lifetime of the contract.</p> <p>The contract sum would cover all elements of the contract specification. It is possible to ask the bidders to include the payment of the London Living Wage (LLW) within their tender and to require the contractor to deliver annual efficiencies.</p> <p>We would be able to give consideration to the council's recently adopted Social Value Policy when evaluating tender submissions,</p>	<p>Potentially less flexibility for the council to negotiate changes to the operating model to reduce costs in response to changing circumstances. Contractors may also find delivering efficiencies unsustainable over a long period of time causing a drop in service standards and worst case scenario, early termination of the contract.</p> <p>Although increase in the LLW are currently absorb by the contractor and not charged directly to the Council, this could change with the risk of the annual increase in the LLW being passed directly to the Council. Historically the LLW % wage annual increase has been higher than the NJC agreed pay rise for local government workers.</p> <p>There will be costs attached to variation works that fall outside of the specification and/or bills of quantities.</p>
<p>Removing events and concessions management from the contract specification and tendering directly for parks concessions would offer opportunities to generate income for the Council that currently goes to the contractor.</p>	<p>Removing events and concessions management from the contract specification and tendering directly for parks concessions could be reflected in an increase in the tender price for the delivery of the remaining elements of the contract to maximise revenues and close the gap due to loss of income. APSE studies also suggest lack of motivation for outsourced contractors to innovate and this has been cited by some local authorities as a reason for insourcing</p>
<p>Potential Advantages: Contract responsiveness and management</p>	<p>Risk/Comments</p>
<p>The Council has a good track record of managing a well performing external parks services provider.</p>	<p>There is no guarantee that a new contract would be as successful as the current one.</p>
<p>Potential Advantages: Surety of delivery and risk management</p>	<p>Risk/Comments</p>
<p>Much of the operational risk is transferred to the contractor*</p>	<p>Bidders likely to reflect costs of transferred risks within their tender submission. This will inflate the cost to the council who ultimately retain all risk, including a vicarious responsibility in all aspects the management of health and safety.</p>

	<p>The transfer of risk may prove to be a barrier for some contractors as experienced during the 2009 procurement process where a bidder stated their withdrawal from the process was due to a 'high level of liability'. This may have been due to their inability to reliably cost this risk in their tender</p>
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*Appendix B sets out the current contract Risk Allocation

Potential Advantages: Environmental and Ecological benefits	Risk/Comments
<p>Changes to parks specifications to alter the management to benefit ecology or biodiversity is possible. It can increase or decrease the contract sum.</p>	<p>Requires cooperation and formalisation by the contractor, training & coaching of contractor's park operatives.</p>
Potential Advantages: Carbon neutral by 2030	Risk/Comments
	<p>It is difficult to anticipate exactly what future requirements will be in terms of energy efficiency and reducing carbon emissions. It is unlikely that contractors working on behalf of the council would be considered outside of the scope of the Council pledge. Therefore, the contract may need to have in built flexibility so the Council can impose change on the Contract. This will be reflected in a possible increase to the contract sum.</p>

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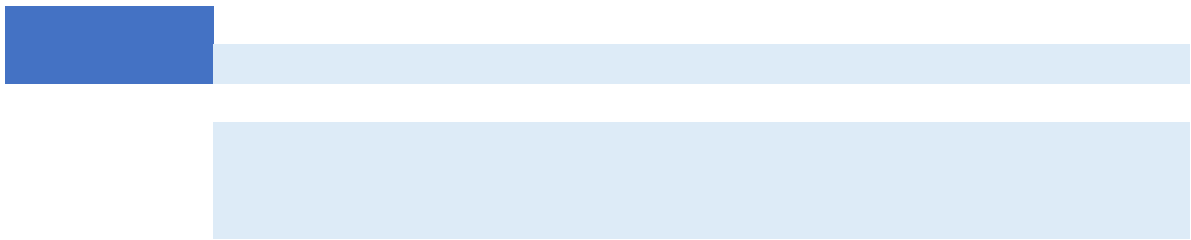
31/03/19

Re-procure external provider

- 1 EMT agreement
- 2 M&C agreement to procure
- 3 M&C agreement to extend current contract
- 4 Prepare contract and procurement documentation
- 5 Launch procurement
- 6 OJEU 2 stage procurement
- 7 M&C approve award report
- 8 Mobilisation (including TUPE)
- 9 New contractor starts

In source

- 1 EMT agreement
- 2 M&C agreement
- 3 M&C agreement to extend current contract
- 4 Commence insourcing process
- 5 - TUPE (incl harmonisation of T&Cs, payroll, pensions etc.)
- 6 - vehicles
- 7 - equipment
- 8 M&C report to update on readiness
- 9 New in house provision starts



[Redacted]

[Redacted]

[Redacted]

[Redacted]

Sustainable Development Select Committee		
Report Title	Economy and Partnerships Service – Implementing the 2018-2022 Corporate Strategy	
Key Decision	No	Item
Ward	All	
Contributors	Director of Strategy and Communications Director of Financial Services Director of Law Director of Corporate Policy and Governance	
Class		Date: 11/09/19

1. Purpose of the Report

- 1.1 This report briefs the Committee on the work of the Economy and Partnerships Service and sets out how the service contributes to the delivery of the 2018-2022 Corporate Strategy.

2. Recommendation

- 2.1 The Committee is asked for its views on the work of the economy and partnerships service
- 2.2 The Committee is asked to review and provide suggestions to strengthen the CDI Strategy, the Spatial Guidance and Local Economic Assessment
- 2.3 The Committee agrees to receive a draft of the new Inclusive Growth Strategy on our priorities for delivering Inclusive Growth through our work on employment, skills, support for businesses, inward investment at the end of 2019 or early 2020.

3. Policy Context

- 3.1 *Corporate Strategy* - This report sets out how the Economy and Partnership service supports the delivery of the Council’s corporate priorities, as set out in the Council’s Corporate Strategy. The work of the service contributes to all seven corporate strategy priorities but it is the lead service for delivering a number of the commitments under “Building an inclusive local economy”.

4. Background

- 4.1 The Economy and Partnerships Service was set up in January 2017 following a review that brought together the Strategy and Partnerships Team with the Economic Development and Enterprise team under the Head of Strategy in the Resources and Regeneration Directorate, now the Director of Strategy and Communications in the Corporate Services Directorate.

4.2 The Economy and Partnerships (E&P) service works to support inclusive growth in the borough, which benefits all of our residents. The service works on cross cutting projects where multiple partners are involved; this includes services from across the Council, other local authorities, public sector organisations in Lewisham, developers, businesses and community/voluntary sector organisations.

4.2 There are 5 distinct teams within the service, they include:-

- Business Partnerships and Engagement;
- Lewisham Construction Hub;
- The Apprenticeship Team;
- The Support for Families Team;
- The Better Placed Partnership.

4.3 The service also delivers a range of inclusive growth programmes which are led by the head of the service working with officers within the E+P service, across the Council and in partner organisations.

5. Delivering the Corporate Strategy priorities

5.1 This section of the report sets out the current work of each of the teams within the E+P service followed by the corporate strategy commitments that are relevant to the work of each team.

5.2 *Business Partnerships and Engagement*

5.2.1 The Business Partnership and Engagement (BPE) team is the lead champion for businesses, particularly small businesses, in the Council and supports start-ups. The team, provides support for businesses to grow, works with businesses who are growing to stay within the borough and supports the creation of workspaces. The team aims to deliver jobs and economic growth for Lewisham through the following key programmes:-

- Inward Investment programme
 - SHAPES Lewisham – Deptford and New Cross Creative Enterprise Zone (CEZ)
 - South London Innovation Corridor (SLIC) programme
 - Good Growth Fund
 - Lewisham London
 - Local Economic Assessment (LEA)
- DeK Growth Programme funded through European Regional Development Fund
- Small business and enterprise development
 - Business start-up support/IAG
 - Dek Enterprise Hubs – Dek Catford and Dek Place Ladywell

5.2.2 *Shapes Lewisham* – www.shapeslewisham.co.uk
New Cross & Deptford was chosen to be one of six London's first ever Creative Enterprise Zones by the Mayor of London in December 2018. Creative Enterprise Zones (CEZs) aim to:-

- **Space** - secure permanent, affordable, creative workspace, and live-work spaces
- **Skills and support** – build entrepreneurial skills and offer affordable business support to artists, start-ups, sole traders and small businesses as well as create jobs.

- **Policy** – develop Local Plans with pro-creative policies in planning, housing, business development, technology, super-fast broadband and infrastructure, and support local business rates relief policies
- **Community** – create socially-inclusive places and strengthen links with marginalised communities and education providers so that young and local people can access new jobs within the CEZ.

It builds on Lewisham Council's CDI Strategy (see attached report within appendix):

- Re-adopting and re-shaping Lewisham's creative identity
- Business development and developing dynamic local networks and clusters
- Ensuring space is available for creative production and CDI growth
- Refreshing local policies and strategies
- Supporting talent through enterprise and skills training that builds on FE/HE provisions
- Community links and social inclusivity

5.2.3 The Business and Partnerships team is working with the following key partners on SHAPESLewisham- Goldsmiths University of London, Trinity Laban Conservatoire of Music and Dance, The Albany, Second Floor Studios, Studio Raw, Lewisham Education Arts Network; and will involve grassroots community groups and other industry partners to provide governance and delivery. The SHAPESLewisham programme is a strategic programme for our borough with a value of c. £10m (inclusive of partners match funding), £520,000 is CEZ funding from the GLA. The Council is waiting to hear back the share of ESF funding that the GLA has earmarked for the six CEZs in London.

5.2.4 Our CEZ will benefit Lewisham by giving life to our ambition for the borough to be recognised as one of London's most significant creative and digital hubs. The geographical area that is covered by CEZ within New Cross and Deptford has been designated on the London Plan as a CEZ which will make it more attractive to funders as it will be seen as an area of sector growth and should therefore encourage further investments. Other benefits to the borough include:-

- The integrated interventions are intended to create the conditions for CDI sector transformation in Lewisham, helping to facilitate the social and economic outcomes that are expected in an increase in CDI employment by 2021/2022 up to 30% – 1300 people (up from 1000) employed and 700 (up from 400) businesses in CDI sector
- Uplift in creative production floor space by at least c. 9,861 sq.m
- It will facilitate the growth of emerging CDI clusters in other areas of the borough such as Catford, Forest Hill, Brockley and Lewisham Central, e.g. SHAPESLewisham website and social media is intended to promote the CDI sector across Lewisham, initially starting with those based in New Cross & Deptford.

5.2.5 Businesses will benefit from the CEZ in a range of ways including:-

- Access to affordable and appropriate workspace (studio and office) that will support our business community. Two flagship projects are:
 - 86 Studios and Gallery space as part of Deptford Foundry, by Second Floor Studios. Part of a joint CEZ launch on 15th by Deputy Mayor of Culture, Justine Simmons.

- Goldsmiths Enterprise Hub with innovation space within two retail units and upper terrace on New Cross Road and standalone incubator space behind (explained further in SLIC section).
 - Business networking, collaboration, tailored business support (through the ERDF co-funded Dek London programme) and competition/awards
 - Retaining creative talent from the borough's education institutions, Goldsmiths and Trinity Laban, and in the local creative community through pathways for access to employment and tailored enterprise support
 - Embedding development policies within the local plan and identifying council's assets that can help the sector to thrive
- 5.2.6 The Business and Partnerships team is now working with the key strategic partners to deliver the activities in the CEZ Action Plan such as setting up the internal officer group, setting up Programme Partners Group, and towards set-up of a two-tiered approach built around Leadership Steering Board and expert information groups who will provide information and insight to the CEZ; potentially evolving into a new Community Interest Company.
- 5.2.7 *South London Innovation Corridor*
 The South London Innovation Corridor is a major new economic development partnership which aims to drive inclusive creative and tech sector growth across inner South London. The partnership is local authority led involving public, private, education and not-for-profit sectors across the boroughs of Lambeth, Lewisham, Southwark and Wandsworth. Programme governance includes:
- CDI talent development work stream
 - Business support - Diversity and Digital (One tech business support) and Grassroots CDI
 - Programme board
 - Officers Group
- 5.2.8 The boroughs have been awarded a total of £8m from the City of London's Strategic Investment Pot (SIP) with a further £17M of match funding. Lambeth Council is the accountable body for the programme. The funding will be used in the following ways across the four boroughs:-
- £5.2m on workspaces
 - £0.8m on business support
 - £1.0m on talent development
 - £0.2m on shared research and policy
 - £0.8m on programme management
- 5.2.9 In Lewisham, the £1.3m SIP investment funding will support the refurbishment of two retail units and upper terraces on New Cross Rd, into an exciting innovation and enterprise hub with tailored business support by Goldsmiths and world-class industry partners. It will include a highly flexible open plan 'incubator' space based in a single storey building at the back catering for the needs of start-ups and access to the café and Goldsmiths' academic departments.



- 5.2.10 In addition to SIP funding, the Business Partnerships and Engagement team and Goldsmiths University of London have successfully used the SIP funding to secure £1m of match funding from the Mayor's Good Growth Fund. The balance of funding needed for the refurbishments of the units and the creation of the Enterprise Hub was c£2.5m and this has come from Goldsmiths.
- 5.2.11 Progress to date includes; a programme board has been set up, the scheme has received planning consent, a design team has been appointed and an Enterprise Hub Manager recruited to spear head the development of the business support ecosystem in advance of the Enterprise Hub which is due to be ready to open in early 2021.
- 5.2.12 The Business Partnerships and Engagement team is in the process of developing a second inward investment bid with Lambeth, Southwark and Wandsworth to the Strategic Investment Pot (SiP) administered by the Corporation of London. The bid is due to be submitted on 3rd September and we should hear if we are successful towards the end of the calendar year.
- 5.2.13 *Good Growth Fund*
As mentioned above, the Business Partnerships and Engagement team was successful during 2018/19 in securing £1M from the Good Growth Fund to facilitate the development of the Goldsmiths Enterprise Hub. The SIP funding was used as match funding to secure the Good Growth Funding. Goldsmiths' Enterprise Hub governance framework includes representatives from Lewisham Council and the Greater London Authority:
- 5.2.14 *Lewisham London* – www.lewishamlondon.co.uk
One of the key roles of the Business and Partnerships team is to help shape the boroughs identity and promote Lewisham, its town centres and new developments as a place that is open for business. The team works to unlock and steer inward investment opportunities (either through bid writing and/or through working directly with investors or agencies like London and Partners) to drive inward investment into Lewisham. The team also works to influence and encourage take up of commercial spaces in new developments (e.g. consultee for pre-planning applications), minimise empty spaces and work with colleagues/partners to bring forward spaces to engage and attract new businesses and new commercial investment.

5.2.15 *Local Economic Assessment (LEA)*

The team commissioned a local economic assessment for LB Lewisham, in conjunction with the Planning Policy team; to provide current baselines, information on the overall health of the economy, and an outlook for demand trends and sector growth of the local economy. This has created a shared evidence base to underpin strategy development and local planning, and sits alongside the Annual Market Reports and the Employment Land Review. Please see attached report within appendix. The LEA has provided much of the information that we will use to develop the new Inclusive Growth Stratgy.

5.2.16 *Dek Growth Programme* – www.deklondon.com

The deK Growth Programme is a pan-London programme that aims to enhance the competitiveness, innovation and growth of small businesses in the south-east and east of London by advancing their capacity and capability for high-growth business activities. Originally operating out of Lewisham’s deK Enterprise Hubs (Catford deK, Ladywell deK and Deptford deK), small businesses across Lewisham, Greenwich, Southwark, Newham, Tower Hamlets and Hackney, as well as more widely across the LEP area, are being supported to grow through a package of essential business growth support, advanced skill workshops, mentoring and bespoke consultancy solutions. Although these areas have a high proportion of creative and entrepreneurial small businesses, they are not fulfilling their growth potential in terms of employment and GVA (Gross Value Added) growth, and are being outcompeted by established ‘hot spots’ of economic activity – such as Canary Wharf, Silicon Roundabout, Old Street and Shoreditch.

5.2.17 The Business Partnerships and Engagement team is the lead for this programme working with Goldsmiths University of London, London Southbank University and London Small Business Centre (LSBC). It is co-funded by £1M ERDF from the GLA. At the end of April 2019 LSBC withdrew from the programme when it went into voluntary liquidation. The business support 1:1 support and networking events that used to be held on the 5th floor of the Old Town Hall as part of the programme are now held at Goldsmiths or LSBU as part of a new delivery plan. The programme budget and outcome have been scaled down to reflect the delivery changes.

5.2.18 The Dek Growth Programme focuses on accelerating and sustaining growth in small businesses. The programme is offered across three key stages providing a clear roadmap for businesses to travel from low-growth to high-growth activities.



5.2.19 In particular, at stage 2, the programme works to break down barriers that prevent business-university collaboration. As emphasised by the Dowling Review (2015), businesses, particularly small businesses, lack strong links with Higher Education Institutions (HEIs) and the wealth of knowledge and expertise they could offer growing businesses to develop their capacity and capabilities. Partnering with Goldsmiths, University of London and London

South Bank University, the deK Growth Programme has increased business productivity and competitiveness by enabling research and idea exchange tailored for specific business needs. The deK Growth Programme has benefited from the strong partnerships that the Economy and Partnerships Service has established with Goldsmiths and LSBU.

5.2.20 Overall the deK Growth Programme supports SME capacity for economic growth and job creation. This programme directly supports the delivery of the corporate strategy priority, “we will expand our business growth programme to reach 300 small businesses by 2020, and support more start-up businesses to grow and become sustainable”. The programme is currently working to deliver the following outputs by December 2020

- Number of enterprises receiving 12 hours+ support– 200.
- Number of enterprises receiving non-financial support – 200.
- Number of new enterprises supported – 25.
- Employment increase in supported enterprises (New jobs created) – 20.
- Number of enterprises supported to introduce new to the firm products – 50.

5.2.21 We are on track to achieve the programme targets by the life-span of delivery; as at end of July 2019, 175 established businesses from across London have been supported with 1 to 12+ hours of support through the programme, a third from Lewisham. The performance of progress against all Corporate Strategy commitments is monitored regularly by Corporate Policy and reported to Mayor and Cabinet.

5.2.22 *Small Business and Enterprise Development*

The Business Partnership team are the main advocates and champions of small business, social enterprise and entrepreneurship in Lewisham. This includes responsibility for the day to day facilitation and contract management of the Dek Enterprise Hubs and ensuring that our start-ups and SME businesses have access to adequate business support and advisory services.

5.2.23 The team works to support the expansion of affordable and flexible workspace development in the borough, primarily with the aim of using the “Dek Enterprise Hub” brand where possible and promoting via information, advice and guidance our vacant spaces (including Council’s assets). Following the liquidation of one of our DeK delivery partners, the team has brought back in-house the management of the 5th floor Old Town Hall and Place Ladywell DeK. The 4th floor Old Town Hall continues to be successfully run by Bow Arts. Mayor and Cabinet will discuss the future direction for the existing DeK Hubs in September 2019.

5.2.24 The team works with industry partners such as the Chamber of Commerce, the Federation of Small Businesses, local business groups and have formed a Lewisham Business Support Forum to ensure that our businesses have support to deal with the key issues and challenges that they face. To this end we recently signed the Federation of Small Business Charter which confirms our intention to work to find ways to support small businesses. The team also promotes initiatives and funding opportunities that may be of interest to our businesses e.g. the Greater London Investment Fund.

5.2.25 In addition the team are working to have up to date list of vacant commercial property and workspace information that can be disseminated to residents and businesses looking for business space.

5.2.26 In order to celebrate and promote our local business start-up, innovation and expansion throughout the borough, the team hold events such as the Mayor's Business Awards and we acknowledge local businesses that pay their staff the London Living Wage rate.

5.3 *The Lewisham Construction Hub (LCH) incorporating the Local Labour and Business Scheme Team - www.lewishamconstructionhub.co.uk*

5.3.1 The Lewisham Construction Hub is central to the work the Economy and Partnerships team does to ensure that our residents and businesses are effectively prepared for and gain access to the economic opportunities created by the unprecedented pipeline of development activity in the borough, with a focus on securing employment, training, learning and contracting opportunities for our residents and businesses.

5.3.2 The Government's announcement of the Growth Deal for London in July 2014 included £70m of New Homes Bonus (NHB) funding to be used with London boroughs on projects to support the London Local Economic Action Partnership's (LEAP's) Jobs and Growth Plan - The LEAP's New Homes Bonus Programme. The Council's project, "Transforming Construction Skills for South London (Lewisham Construction Hub)" was approved for funding as part of this programme.

5.3.3 The project was developed in partnership with LB Southwark and LB Lambeth, Lewisham Southwark College, Lambeth College, South Thames College, London South Bank University and the Construction Industry Training Board. In 2015, a feasibility study and business case development work was undertaken. As part of this work a construction labour forecast was produced for Lewisham, Lambeth and Southwark. The labour forecast gathered data for approximately 80% of the current and pipeline construction activity in Lewisham, Southwark and Lambeth, covering the following categories:

- Residential
- Commercial
- Industrial
- Infrastructure
- Schools & council-owned assets
- Housing repairs and maintenance

5.3.4 The labour forecast found that a £7.3 billion pipeline of investment was expected across these three boroughs over the next 10, that is to 2025. The construction activity that will take place to deliver this investment presents a range of significant economic opportunities that must be harnessed at the local level, however there are a number of challenges that need to be addressed in order to achieve this, including:-

- Limited forward planning in terms of FE skills provision that responds effectively to industry need
- The move from direct delivery towards subcontracting limits the main contractor's ability to influence up-skilling and apprenticeship creation
- A historic lack of construction industry investment in skills

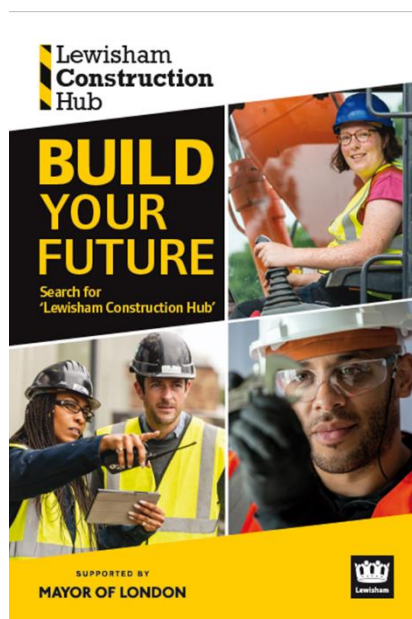
- A move towards compressed programmes and off-site manufacturing
- A general lack of awareness of the range of opportunity in construction
- Low levels of interest in jobs in construction amongst target communities
- Low levels of take up of training and employment opportunities
- Job brokerage- other than the jobs centre, there are no other job brokerage services within the borough
- Access to the supply chain of the main contractors

5.3.5 The Council decided in 2016 to proceed with the creation of the Lewisham Construction Hub independently of its tri-borough partners, London Borough of Lambeth and London Borough of Southwark, with an initial focus on developments in Lewisham. The LCH is now working with these two councils and London Southbank University on the Mayor of London's Construction Academy which is very similar to the LCH but extends our residents access to construction training and employment opportunities across London. We are also part of the London South East Colleges (LSEC) Mayors Construction Academy which means we are able to access opportunities with partners from Greenwich, Bexley right through to central London.

5.3.6 The Lewisham Construction Hub is located on the Lewisham College Deptford Campus site making it extremely accessible to residents as there is a physical building for them to receive the service. Two contracts were awarded under the LCH. Lot 1 was for the delivery of Construction Training, Apprenticeship and Employment services, Lot 2 for the delivery of Local Construction Supply Chain Development Contract. Both contracts have to date struggled to achieve their targets. Deeds of variation have been agreed with both suppliers bringing 50% of the Lot 1 contract in-house and all of Lot 2 in-house to the Local Labour and Business Scheme team from July 2019.

5.3.7 The Lot 1 provider (Lewisham College) has a new management team who are all committed to the successfully delivery of this programme and have made it one of their priority projects. A Recovery plan from the Lot 1 provider for the revised contract targets and an Action Plan to deliver the outstanding targets by the LLBS team are in place and being implemented.

5.3.8 In addition to the work of the LLBS team, supporting businesses to be procurement ready is also taking place through the Lewisham Deal work, through work around the Locality agenda and corporately through the Procurement team. To this end the most recent market warming event took place in the hub on 12th August 2019 where local businesses met with officers working on the tendering of the Council's Facilities Management contract to discuss what "Lots" are coming up, in what order and what the commissioners are looking for in terms of completing the PQQs.



5.4 *The Apprenticeship Team*

- 5.4.1 The Mayor's Apprenticeship Programme was set up in 2008 as part of the Mayor's Ten Point Plan which was a response to the challenges our residents, in particular young people, were facing as a result of the Credit Crunch. Mayor and Cabinet agreed to establish an Apprenticeship scheme in public services (with the potential to do this across public sector partners and in conjunction with other London Local Authorities) on 19th November 2008.
- 5.4.2 Over the last ten and a half years a total of 501 residents have participated in the programme working either at the Council or in one of our partner organisations. Our outcomes continue to be very impressive with:-
- 80% of our apprentices going on into a permanent role
 - 88% of Council apprentices progressing into permanent employment
 - We have worked with over 60 organisations across London
 - We have delivered apprenticeships in over 50 different subject areas
 - It is a multiple award winning programme
- 5.4.3 The Mayor's Apprenticeship Programme is open to Lewisham residents who are aged 16-64 years old interested in learning new skills and gaining work experience in order to move into further/higher education or employment.
- 5.4.4 The Corporate Strategy 2018-22 has a target of achieving 250 apprenticeship starts through the Mayors Programme by 31st March 2022. We have achieved 35 starts as at 31st August 2019. Our performance is currently below target but there is a robust action plan in place and the number of opportunities in our pipeline is very encouraging and so we should meet the overall target.
- 5.4.5 Our current pipeline includes 16 new apprentices recently recruited; 8 are starting in September and 8 are currently going through HR clearing and contracts, so by the end of October we should have 51 starts on the programme. We are also currently advertising for 11 new vacancies so if all of these transfer into starts we will have 62 starts by November 2019. This is

all taking place at the same time as we continue to seek new apprenticeship opportunities.

- 5.4.6 The Apprenticeship Team (of one FTE Coordinator supported by an apprentice!) offer a full front end recruitment service to service managers within the Council or in partner organisations at nil cost. This includes:-
- Business development services – where the team meet with prospective new employers or service managers to discuss the benefits of employing apprentices and to encourage them to use the Mayors Programme particularly if they are an external organisation
 - Assisting managers to create job descriptions, adverts and identify the type and level of apprenticeship
 - Leading on the marketing of all our opportunities using all the comms channels and platforms available to the team
 - Assessing all applicants to ensure they have an adequate level of basic maths and English. We administer paper tests so this involves arranging for groups of people to come in, a room is booked for them to sit the test, the tests are marked and then the application forms from those who pass the assessments go forward to the managers for shortlisting
 - The team prepare all the shortlisting packs
 - Once the interviews take place the packs are returned to the team who then collate all the required paperwork and return them to Corporate HR for processing for roles that are based in the Council. For roles outside the Council, local arrangements apply but in general the paperwork gets processed by their HR departments.
- 5.4.7 Once an apprentice is offered a start date the team work with the service to ensure that they are prepared for the apprentice and have an appropriate induction plan in place. In many cases apprentices are going into their first job or returning to work after a significant break so their induction needs to be tailored to meet their needs in addition to the standard Council induction programme. The team also work with the Managers and a training provider to identify an appropriate course for each apprentice employed through the Mayors Programme. The team ensure the induction, start date and assessor meetings are organised within the first month of the apprentice starting on behalf of the service manager.
- 5.4.8 Whilst on the programme the apprentices are supported by the team in a number of ways to ensure that they not only achieve their apprenticeship, we support them to ensure they have a memorable and positive experience and they are exposed to more than just their day to day role. All apprentices are assigned a mentor and encouraged to work with their mentors to address any issues that may come up either within the placement or outside that place them at risk of not completing. So this could be rent arrears, difficulties with nursery placements etc. The apprentice is also supported by their training provider, line manager and the apprenticeship coordinator who remains their primary point of contact and is the person entrusted to see them through their journey.
- 5.4.9 The Coordinator runs an Apprenticeship Forum that meets every two months bringing apprentices together to discuss any issues that the apprentices encounter and offers an opportunity for the Coordinator to meet with all the apprentices in one go. Finally the Coordinator works with every apprentice and their managers as they approach the end of the placement/apprenticeship to prepare them for their next step such as moving into permanent employment

or support them to progress onto other positive outcome. This includes job searches and interview preparation, including doing mock interviews.

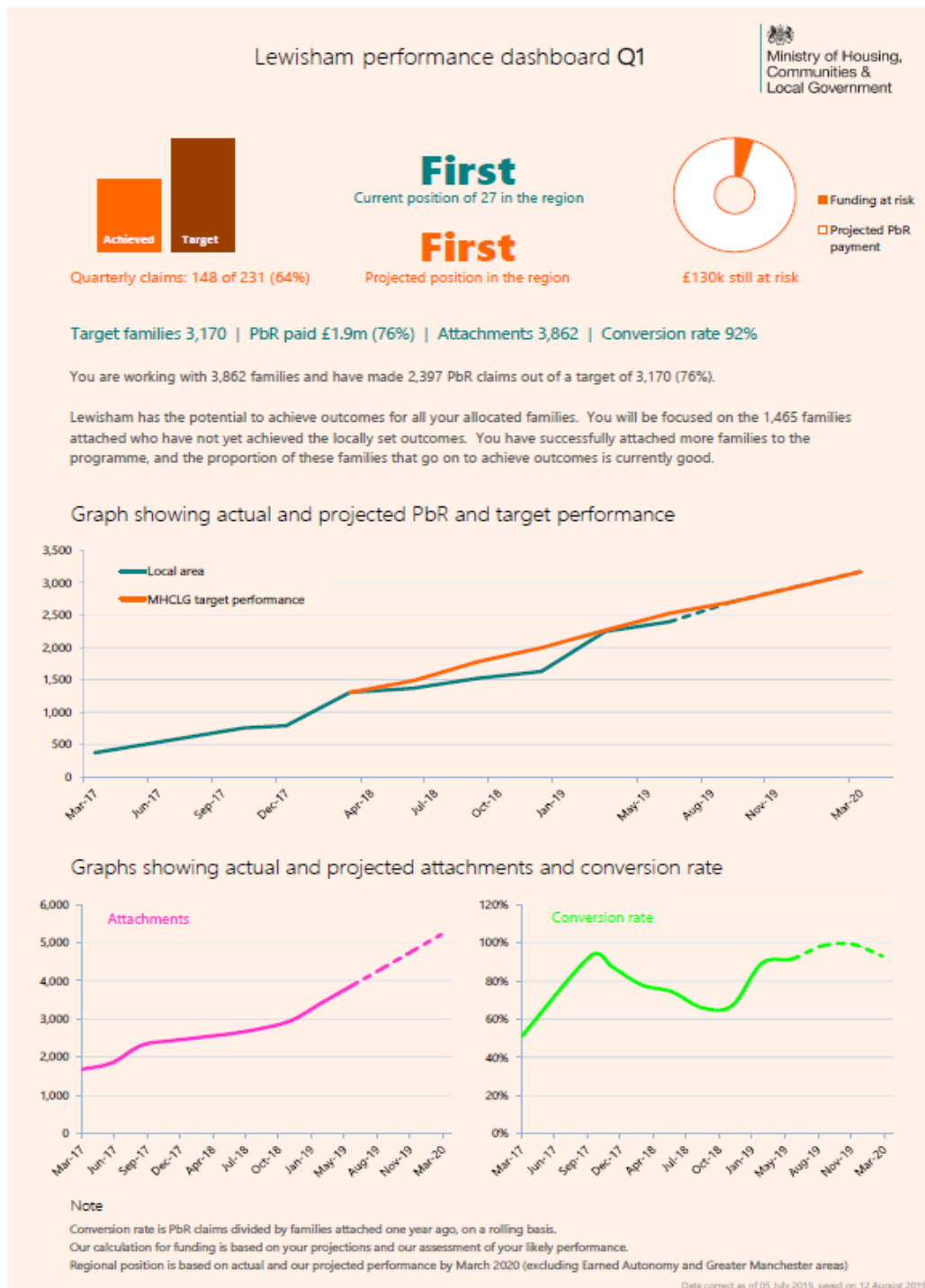
- 5.4.10 Most of the support in place has been running for a long time (nearly ten years) so the apprenticeship team will be carrying out a survey of the current set of apprentices both within the Council and in partner organisations to get feedback on the service, any key issues and improvements. It will be interesting to review the findings to see if their wants and needs are similar across the programme or if there is a variation depending on the organisation. This knowledge will be useful as we roll out our Lewisham Deal work to increase recruitment of apprentices by our partner organisations through the Mayors Programme.
- 5.4.11 The team hold a number of events to promote and celebrate the achievements of our apprentices. The Mayor meets apprentices as part of the annual “Back to the Floor” events that take place in apprenticeship week as well as an annual Apprenticeship Graduation ceremony.
- 5.4.12 Finally, as part of our commitment to support and increase the number of people participating in apprenticeships the team administers the Lewisham Apprenticeship and Workforce Development Fund. Local businesses wanting to get funding to upskill their existing staff or to recruit new apprentices into their businesses can apply to the team for funding from the Council’s unspent Apprenticeship Levy pot.

5.5 The Support for Families Team

- 5.5.1 The Support for Families team delivers the Governments Troubled Families Programme in Lewisham. This is a five year programme that is due to end on 31st March 2020. The team works in partnership with a range of Council services and partner agencies to identify families that meet the Government’s Troubled Families criteria and work with these families to help address their challenges and barriers to employment.
- 5.5.2 As a testament to the partnership nature of this programme and the wider service, the Support for Families team includes two JobCentre Plus work coaches who are attached to the Support for Families Team.
- 5.5.3 This is a Payment By Results (PbR) programme, payment is based on identification of families (£1000 per family) and on a successful claim (£800 per claim). The team are responsible for securing the income for the Council. Currently the income from the programme is used to fund the Core Assets contract commissioned to support the Early Help service in the CYP directorate.
- 5.5.4 The five year programme targets were as follows:-
- Identification target – 3170 families
 - Claims target – 3170 families
 - Total PbR income available to Lewisham - £5,706,000
 - Total number of families attached is 100% of target and we have earned £3,170,000
 - Total number of claims made as at 30th June 2019 is 2397 which has earned Lewisham £1,917,600

- In total the Economy and Partnerships team has to date achieved £5,087,600 funding for Early Help services. There is £618,400 left to claim for our services that support our most vulnerable families.

5.5.5 Lewisham has already achieved 100% on the identification target and is on track to achieve 100% of claims. Below is a copy of the latest quarterly performance report from the Ministry of Housing Communities & Local Government (MHCLG) on Lewisham.



5.6 The Better Place Partnership

5.6.1 Getting residents into work and into better work is at the core of the Better Place Partnership in central south London. The partnership spans the dynamic yet different boroughs of Lambeth, Lewisham and Southwark working with the south London district Jobcentre Plus (JCP). The Partnership works together on areas of common concern relating to growth, economic development and skills and is overseen by a Joint Committee of the three borough leaders/Mayor. The Joint Committee is supported by a board of senior leads from each organisation in the partnership in addition to task and finish groups which oversee specific programmes. The staff resource who facilitates the work of the Better Place Partnership is based in the Economy and Partnerships team and works across the three boroughs. Strong governance and honest, collaborative relationships have been key to the partnerships' success.

5.6.2 The three boroughs started working together because of shared challenges around unemployment and low skills levels for some residents; coupled with a fragmented employment and skills system that was failing to meet local needs and was difficult to navigate. The partnership is more than worthy words and good intention - the three boroughs and Jobcentre Plus have invested £800,000 into the partnership and secured £1.6m of external funding for the partnership's flagship programme Pathways to Employment. This programme started in April 2017 and ended in March 2019 and achieved the following programme outcomes:-

PtE performance	Number receiving 6+ hours of support	Number into employment	Sustained employment 26-32 weeks	Number additional progress ¹
Target	1176	534	265	796
Total Achieved	1254	539	315	781
Total achievement (%)	106%	101%	119%	98%
Lambeth target	420	190	94	282
Lambeth Achieved	435	183	96	266
Lewisham target	420	191	94	284
Lewisham achieved	471	191	106	285
Southwark target	336	153	77	230
Southwark achieved	348	165	113	230

** Additional progress (help to overcome wider barriers such as criminal record or debt)

5.6.3 Now five years old, our partnership is growing in maturity and strength and has helped in changing lives. Political alignment, strategic alignment and operational delivery are all combined with strong relationships focused on getting the best possible deal for our residents, which together make up a population the size of the city of Manchester.

- 5.6.4 The partnership is now assessing its shared challenges and aspirations around supporting residents to progress out of low paid employment, and addressing the challenge of in-work poverty. This will include securing external funds for an in work progression pilot. The pilot will build on the learning to date and extend the pathway of support for residents not only into employment but through residents' employment journeys. We remain convinced that by working together as one, and further to pooling financial resources we're better placed to give residents the practical support they need to build different and better lives into the future.

5.7 Inclusive Growth Programme

- 5.7.1 Working to deliver inclusive growth for ALL our residents and businesses is the vision and at the heart of the Economy and Partnerships service. In addition to the programmes of work set out above, the service also leads on the delivery of a range of projects and initiatives that drive forward our Inclusive Growth focus. These include:-

- Increasing the number of London Living Wage accredited businesses. The service works to promote the benefits of Living Wage accreditation to businesses and we disseminate information about support and incentives provided by the Council such as the Business Rates relief incentive. Increasing the number of London Living Wage employers is a specific Corporate Priority commitment for this and we are currently well on track to achieve the target
- Delivering the Lewisham Deal – this programme brings together the anchor institutions, (Lewisham College, Lewisham Hospital, Phoenix Community Housing, Lewisham Homes, Goldsmiths University) to deliver an inclusive local economy for all our residents and businesses especially around procurement activity, creating apprenticeships, providing information and guidance and promoting London Living Wage accreditation to businesses. The Lewisham Deal was one of the recommendations from the Poverty Commission in 2017
- Employment and Skills – particularly coordinating the implementation of the Work and Health Programme, facilitating meetings of the Lewisham Service Providers Forum and contributing to corporate activity on projects that aim to support residents into work e.g. the Homelessness Trailblazer pilot
- Providing a link between the work of planning, regen and others to ensure that Lewisham businesses and residents are at the heart of our regeneration activity
- Providing expertise to colleagues and external partners on how to secure a variety of social value outcomes through procurement job opportunities and community engagement

6. Economy and Partnerships and the 2018-2022 Corporate Strategy

- 6.1 The work of the Economy and Partnerships Services contributes to the following Corporate Strategy commitments:-

6.2 Commitments that the service leads on

Commitments	Programme(s)
We will double the number of Living Wage employers in Lewisham	<ul style="list-style-type: none"> • Inclusive Growth – Living Wage
We will support an additional 250 people through the Mayors Apprenticeship scheme	<ul style="list-style-type: none"> • Mayors Apprenticeship Programme
We will create more enterprise hubs	<ul style="list-style-type: none"> • Inward Investment
We will expand our business growth programme to reach 300 small businesses by 2020 and support more start-up businesses to grow and become sustainable	<ul style="list-style-type: none"> • DeK London Growth Programme <p><i>Also supported through:-</i></p> <ul style="list-style-type: none"> • SiLL – Start-ups in London Libraries • Lewisham Construction Hub

6.3 Commitments that the service contributes to:-

Commitments	Programme(s)
We will deliver 1000 new social homes	<ul style="list-style-type: none"> • Lewisham Construction Hub • Inclusive Growth – procurement etc
We will improve our children’s social care services to provide support for families at the earliest opportunity	<ul style="list-style-type: none"> • Support for Families
We will work tirelessly with our partners to keep Lewisham’s children and young people safe from exploitation, violence and serious youth crime	<ul style="list-style-type: none"> • Support for Families
We will work with our local communities to ensure that children and young people have early access to a strong and ambitious early help offer	<ul style="list-style-type: none"> • Support for Families
We will work with our partners to ensure that young people transitioning into adulthood achieve the best possible outcomes in relation to education, work, healthy lives and strong community connections	<ul style="list-style-type: none"> • Support for Families • Mayor’s Apprenticeship Programme • Lewisham Construction Hub

Commitments	Programme(s)
	<ul style="list-style-type: none"> • Inclusive Growth programme • Inward Investment programme
<p>We will support our care leavers to stay in education, progress to higher education and take up apprenticeships and other work opportunities</p>	<ul style="list-style-type: none"> • Lewisham Construction Hub • Mayors Apprenticeship programme
<p>We will work with parents and schools to reduce exclusions</p>	<ul style="list-style-type: none"> • Support for Families
<p>We will roll out a business rate discount for employers who commit to fair pay</p>	<ul style="list-style-type: none"> • Inclusive Growth – Living Wage
<p>We will require large contractors to provide high quality apprenticeships for local residents where possible</p>	<ul style="list-style-type: none"> • Inclusive Growth programme • Mayors Apprenticeship Programme • Lewisham Construction Hub
<p>We will support adults to access high quality learning</p>	<ul style="list-style-type: none"> • E+P Service wide • Lewisham Construction Hub • Support for Families • Better Place Partnership
<p>We will review public sector procurement to maximise investment in local independent businesses and support local inclusive growth</p>	<ul style="list-style-type: none"> • Inclusive Growth – Lewisham Deal • Lewisham Construction Hub
<p>We will develop an Evening and Night-time Strategy. We will focus on our arts and music spaces and enable more cafes and restaurants to stay open late in the evenings to bring our town centres to life</p>	<ul style="list-style-type: none"> • Small Business and Enterprise Development

Commitments	Programme(s)
We will work with TfL to extend the Bakerloo line	<ul style="list-style-type: none"> • Inward Investment programme • Lewisham Construction Hub

7. Looking ahead to a new Inclusive Growth Strategy for 2019 and beyond

7.1 Work has begun on a new Inclusive Growth Strategy (2019-2022) that aims to support our residents gain the skills and experience to enable them to access good quality jobs or progress into better jobs. The new Strategy will need to incorporate and reflect the new policy framework and a number of key initiatives including the Government's industrial Skills Strategy, the Mayor of London's Skills for Londoners and GLA's Economic Development Strategies, along with the Central London Forward's Skills Strategy and Inclusive Growth Strategy.

7.2 The service has been thinking through possible implications of Brexit on our residents. Whilst things are still uncertain, most commentators predict a rise in unemployment so the new strategy will set out how we will support our residents and local businesses through the medium and long term impacts of Brexit (with whatever information is known at the time).

7.3 The new Inclusive Growth strategy will also set out how the Council will deliver the Corporate Strategy commitments and our priorities around tackling the challenge of low-pay, supporting our residents especially our vulnerable residents access skills and employment for work, increasing participation in apprenticeships and delivering the Lewisham Deal

7.4 Finally, in addition to setting out priorities around employment and skills, the new Inclusive Growth Strategy will also incorporate priorities to support Small and Medium sized Enterprises as well as work around our Inward Investment programme that's aimed at supporting growth sectors to create local jobs and thereby bringing opportunities for residents to gain skills and access to jobs.

7.5 It is therefore recommended that Committee agree to receive a draft of the new Council Strategy on our priorities for delivering Inclusive Growth (employment, skills, support for businesses) later this year.

8. Legal Implications

8.1 Under S1 of the Localism Act 2011 the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.

8.2 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

8.4 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above.

8.5 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

9. Financial Implications

9.1 The programmes outlined in this report are being funded from the existing Revenue Budget or through grants from external sources. There are no additional financial implications arising from the report.

10. Crime and Disorder Implications

10.1 There are no direct crime and disorder implications arising from this report.

11. Environmental Implications

11.1 There are no immediate environmental implications arising from this report.

12. Equalities Implications

12.1 Our vision and ambition for our borough is that:

“Together we will make Lewisham the best place in London to live work and learn.”

This is underpinned by hard-edged principles for:

- **reducing inequality** – narrowing the gap in outcomes for citizens
- **delivering together efficiently, effectively and equitably** - ensuring that all citizens have appropriate access to and choice of high quality local services

12.2 The Council's Comprehensive Equality Scheme (CES) for 2016-20 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.

12.3 The Council equality objectives through the CES include:

- **tackle** victimisation, discrimination and harassment
- **improve** access to services
- **close** the gap in outcomes for all residents
- **increase** mutual understanding and respect within and between communities
- **increase** citizen participation and engagement

12.4 The strategy addresses the Council's equality objectives as it includes measures to improve access to services for our most vulnerable residents particularly through the implementation of the Local Services Support Framework. The core aim of the strategy is to provide a framework for DWP/the Council and other partners to work to reduce the number of residents on the JSA register, this supports our equality objectives as increased number of residents will participating in work related activity.

13. Background Papers

13.1 There are no background papers other than the appendices

14 Further Information

14.1 If you would like further information on this report please contact Fenella Beckman, Head of Economy and Partnerships, on 020 314 8632.

Appendix A –

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Sustainable Development Select Committee		
Title	Select Committee work programme	
Contributor	Scrutiny Manager	Item 7
Class	Part 1 (open)	11 September 2019

1. Purpose

- 1.1 To advise members of the Committee's work programme for the 2019/20 municipal year and to agree the agenda items for the next meeting.

2. Summary

- 2.1 The Committee drew up a draft work programme at the beginning of the municipal year for submission to the Business Panel for consideration.
- 2.2 The Business Panel considered the proposed work programmes of each committee on 7 May 2019 and agreed a co-ordinated overview and scrutiny work programme.
- 2.3 The work programme can, however, be reviewed at each select committee meeting to take account of changing priorities.

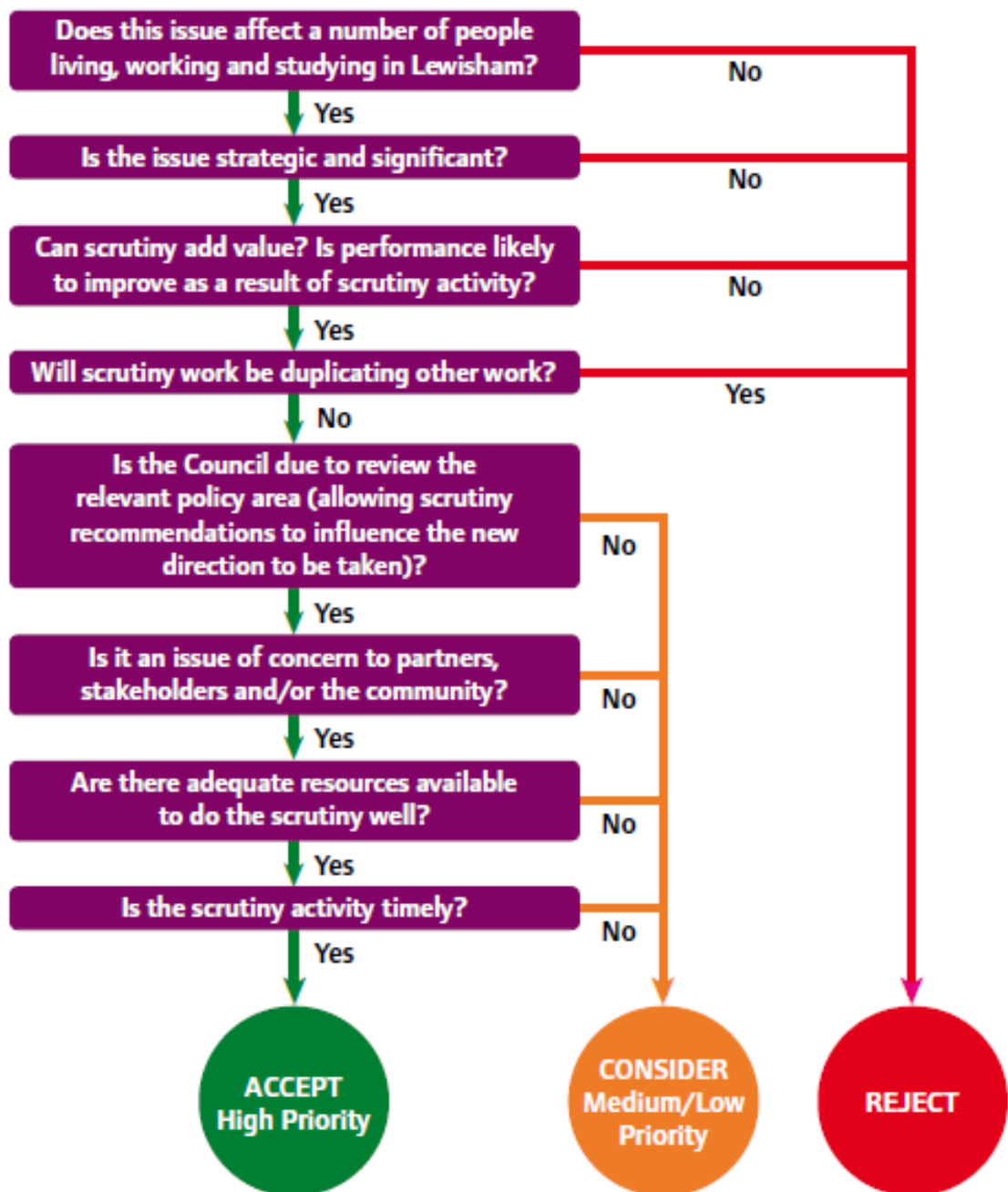
3. Recommendations

- 3.1 The Committee is asked to:
- consider the work programme attached at **Appendix B** – and discuss any issues arising from the programme
 - consider the items scheduled for the next meeting – and specify the information the committee requires to achieve its desired outcomes
 - review the forthcoming key decisions set out in **Appendix C** – and consider any items for further scrutiny

4. The work programme

- 4.1 The work programme for 2019/20 was agreed at the meeting on 30 April 2019.
- 4.2 Members are asked to consider if any urgent issues have arisen that require scrutiny and if any items should be removed from the work programme.
- 4.3 Any additional items should be considered against the prioritisation process before being added to the work programme (see flow chart below).
- 4.4 The Committee's work programme needs to be achievable in terms of the meeting time available. If the Committee agrees to add additional items, members will also need to consider which lower-priority items should be removed to create sufficient capacity.

Scrutiny work programme – prioritisation process



- 4.5 Items within the Committee's work programme should be linked to the priorities of the Council's Corporate Strategy.
- 4.6 The Council's Corporate Strategy for 2018-2022 was approved at full council in February 2019.
- 4.7 The strategic priorities of the [Corporate Strategy for 2018-2022](#) are:
1. ***Open Lewisham*** - Lewisham is a welcoming place of safety for all, where we celebrate the diversity that strengthens us.
 2. ***Tackling the housing crisis*** - Everyone has a decent home that is secure and affordable.
 3. ***Giving children and young people the best start in life*** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
 4. ***Building an inclusive local economy*** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
 5. ***Delivering and defending: health, social care and support*** - Ensuring everyone receives the health, mental health, social care and support services they need.
 6. ***Making Lewisham greener*** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
 7. ***Building safer communities*** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

5. The next meeting

5.1 The following items are scheduled for the next meeting on 28 October 2019.

5.2 The Committee is asked to specify the information and analysis it requires for each item, based on the outcomes it would like to achieve, so that officers are clear about what information they need to provide. The Committee is also asked to decide the priority rating for each item.

Agenda item	Review type	Relevant Corporate Priority	Priority
Implementation of the air quality action plan	Performance monitoring	CP6	Medium
Parking policy update	Performance monitoring	CP6	Medium
Cycling	Pre-decision	CP6	Medium
Catford Town Centre regeneration update	Performance monitoring	CP2, CP4, CP6	High
Parks management in-depth review evidence session	In-depth review	CP6	High

6. Referrals

6.1 Below is a list of the referrals the committee has made in this municipal year:

Referral title	Date of referral	Date considered by Mayor & Cabinet	Response due at Mayor & Cabinet	Response due at committee
Home energy conservation	4 June 2019	26 June	10 October	28 October
Mayor and Cabinet responses on pubs and fire safety	4 July 2019	10 July	To be decided.	To be decided.
Catford regeneration (8)	4 July 2019	10 July	To be decided.	To be decided.

7. Financial implications

- 7.1 There are no financial implications arising from the implementation of the recommendations in this report.

8. Legal implications

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

9. Equalities implications

- 9.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.2 The Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 9.3 There may be equalities implications arising from items on the work programme and all activities undertaken by the select committee will need to give due consideration to this.

Background documents

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

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Sustainable Development Select Committee work plan 2019-20

Work Item	Type of item	Priority	Corporate priority	Delivery deadline	30-Apr-19	04-Jun-19	04-Jul-19	11-Sep-19	28-Oct-19	04-Dec-19	21-Jan-20	02-Mar-20
Development of the Lewisham Local Plan	Performance monitoring	Medium	All	Ongoing								
Catford Town Centre Regeneration	Performance monitoring	Medium	CP2,4,6	Ongoing								
Parks management review	In-depth review	High	CP6	Dec		Scope	Evidence	Evidence	Evidence	Report & referral		
Home energy conservation	Standard item	Medium	CP2,6	Jun								
Neighbourhood CIL strategy	Standard item	High	CP6	Jun								
Economy and partnerships	Standard item	High	CP4	Sep								
Budget cuts	Performance monitoring	High	All	Ongoing				Cuts				
Implementation of the air quality action plan	Performance monitoring	Medium	CP6	Sep								
Parking policy update	Standard item	High	CP4,6	Sep								
Cycling	Standard item	High	CP6	Oct								
Management of the borough's 'red routes'	Standard item	Medium	CP6	Dec								
Flood risk action plan update	Performance monitoring	Medium	CP6	Jan								
Waste strategy implementation and performance monitoring	Performance monitoring	Low	CP6	Jan								
Climate emergency action plan	Standard item	High	CP6	Dec								

Corporate priority (2) - **tackling the housing crisis** - 'everyone has a decent home that is secure and affordable'.

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FORWARD PLAN OF KEY DECISIONS

Forward Plan September 2019 - December 2019

This Forward Plan sets out the key decisions the Council expects to take during the next four months.

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin Flaherty, the Local Democracy Officer, at the Council Offices or kevin.flaherty@lewisham.gov.uk. However the deadline will be 4pm on the working day prior to the meeting.

A "key decision"* means an executive decision which is likely to:

- (a) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
- (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards.

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
April 2019	Future options for the Parks Service	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
May 2019	New Cross Area Framework + Station Opportunity Study Supplementary Planning Document	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Mayor Damien Egan, Mayor		
May 2019	Approval for Single Tender action for Counter Fraud Hub	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
May 2019	Performance Monitoring	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
June 2019	Future of Youth Services	18/09/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
April 2019	Additions to List of Locally Listed Buildings	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Mayor Damien Egan, Mayor		
June 2019	Disposal of Downham Business Enterprise Centre	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
April 2019	Award of Contract Tier 4 Substance Misuse Framework	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
April 2019	Anti-Idling Enforcement	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
June 2019	Adopting a Residents Charter for Lewisham	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
August 2019	CRPL Appointment of Non-Executive Director	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
August 2019	HMO Article 4 Direction Confirmation	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
August 2019	Award of Contract for Tier 4 Substance Misuse Framework	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
August 2019	Alteration of SEN provision at Deptford Green School	18/09/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
August 2019	Approval to Award Tender for Management Development Programmes	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
August 2019	Learning Disability Framework - Extension of Contracts	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Health and Adult Social Care		
August 2019	Cleaning Contract Extension	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
August 2019	Security Contract Extension	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
August 2019	Annual Renewal Microsoft Enterprise License	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
August 2019	Future of Dek Hub workspace	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Joe Dromey, Cabinet Member for Culture, Jobs and Skills (job share)		
August 2019	Achilles Street Landlord Offer for Estate Regeneration Ballot Parts 1 & 2	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
August 2019	Oracle Cloud Update	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
August 2019	Permission to Tender Violence against Women and Girls (VAWG) Service	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
August 2019	Mental Health Accomodation Based Support Service permission to tender	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
August 2019	Request for Extension and Variation of Family Support Contract	01/10/19 Overview and Scrutiny Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
May 2019	Statement of Accounts	02/10/19 Council	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Finance and Resources		
August 2019	Consultation: Proposal to Transfer Management of 5 Community Centres to Lewisham Homes	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Jonathan Slater, Cabinet Member for Community Sector		
June 2019	Disposal of Horton Kirby Centre	10/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
June 2019	Disposal of Bryn Coedwig Outdoor Education Centre Alberllefeni Machynlleth	10/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
June 2019	Disposal of Tyn y Berth Centre, Corris, Machynlleth	10/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
August 2019	CCTV Monitoring Contract	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
August 2019	LIP annual spending submission for 2020/21	10/10/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Brenda Dacres, Cabinet Member		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			for Environment and Transport (job share)		
August 2019	Permission to Tender Obesity Services	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
August 2019	Domiciliary Care Provision	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
February 2019	Insurance Renewal	30/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
April 2019	Contract Award Tier 2/3 Drug Services/Shared Care	20/11/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
August 2018	Lewisham Strategic Heat Network Business Case	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Mayor Damien Egan,		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Mayor		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials