

| MAYOR AND CABINET | | | |
|--------------------------|--|-----------------|-------------------------|
| Report Title | Lewisham Future Programme Draft 2015/16 Revenue Budget Savings Report | | |
| Key Decision | Yes | Item No. | |
| Ward | All Wards | | |
| Contributors | Executive Director for Resources & Regeneration | | |
| Class | Part 1 | Date: | 11 February 2015 |

1. EXECUTIVE SUMMARY

- 1.1. This draft report updates the Mayor on the work of the Lewisham future programme and revenue budget savings proposals that, if taken, will support the separate budget report for Mayor & Cabinet in February 2015. The funding position remains that, the Council faces an £85m budget gap over the three years to 2017/18 with an estimated £39m gap for 2015/16.
- 1.2. The report follows on from the savings report taken by Mayor & Cabinet in November 2014. The status of the savings proposed are set out in section 7. In particular, the results of the consultations and further work that was agreed by the Mayor in November on the savings to return to Mayor & Cabinet (£26.4m, of which £18.5m is for 2015/16) and bringing forward two new proposals L3 and L4 (£0.4m for 2015/16). A summary of the proposals are presented in section 8 of the report, with the supporting details for individual proposals in the Appendices.
- 1.3. The Council is now in the fifth year of an eight year long period of resource reduction. The Council developed principles by which savings were made during the period 2010 to 2014 and these same principles for savings apply for those being brought forward in respect of the period 2015 to 2018. This level of continual reduction means that proposals need to be increasingly transformational and are becoming increasingly difficult to identify and implement.
- 1.4. This report continues the work of the Lewisham future programme board to progress the transformational changes necessary to enable the Council to seize the opportunities of growth in London and reposition itself strongly for the future, while at the same time living within the financial resources at its disposal.
- 1.5. The report then sets out the necessary financial, human resources, legal and equalities implications that are required to be considered in respect of these proposals (sections 9, 10, 11 and 12), supplemented by further details for individual proposals in the appendices.

2. PURPOSE OF REPORT

- 2.1. To update Mayor & Cabinet on the further work and results of consultations in respect of the revenue budget savings proposals presented to Mayor & Cabinet on

the 12 November 2014. And ask that these are now agreed to enable a balanced budget for 2015/16 to be put forward to Council in February 2015.

3. RECOMMENDATIONS

3.1 It is recommended that, subject to proper process and consultation where appropriate and if required, the Mayor:

3.1.1 note the decision at Mayor & Cabinet on the 12 November 2014 to endorse previously agreed savings of £1.480m for 2015/16;

3.1.2 note the decision at Mayor & Cabinet on the 12 November 2014 to delegate to officers, subject to proper and consultation where appropriate, the implementation of £11.833m of savings, of which £8.558m are for 2015/16;

3.1.3 consider the comments of the Public Accounts Select Committee of the 5 February 2015, which incorporates the views of the respective select committees;

3.1.4 agree the following savings:

- A1: Adult Care cost effective care packages £2,680k – App 2
- A2: Learning Disability care packages £1,500k – App 3
- A3: Reconfiguring sensory services provision £150k – App 4
- A4: Remodelling building based day services £1,300k – App 5
- A6: Public Health part I £1,500k – App 6
- A8: Public Health part II £1,154k – App 6
- A9: Review of services to support people to live at home £250k – App 7
- B1: Reduction and remodelling of supporting people support £2,523 – App 8
- E1: Reorganisation of Regeneration and Asset Management £600k – App 9
- G1: Charging a fee for administering the Blue Badge scheme £24k – App 10
- H1: Restructuring of enforcement and regulatory services £800k – App 11
- K2: YOS reorganisation, intervention changes, contract reduction £200k – App 12
- L1: Review of main voluntary & community grants programme £1,500k – App 13
- L3: Community Services development £240k – App 14
- L4: Broadway theatre £180k – App 15
- N1: Reduction in maintenance of some parts, highways & mngt. £340k – App 16
- N2: Reduction in street cleansing frequency & mngt. Costs £400k – App 17
- O1: End of discretionary freedom pass scheme £200k – App 18
- Q1: Improve triage for Childrens' social care services and re-design Children Centre early intervention offer £5,515k (£3,208 CYP budget and £2,307 LFP saving) – App 19
- Q2: Reduction in Youth Service provision option 1 £1,406 – App 20

4. STRUCTURE OF THE REPORT

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

| Section | Title |
|---------|--|
| 1 | Executive summary |
| 2 | Purpose of the report |
| 3 | Recommendations |
| 4 | Structure of the report |
| 5 | Background |
| 6 | Lewisham Policy Context |
| 7 | Lewisham Future Programme: Process, Principles and Timetable |
| 8 | Savings proposals by thematic review |
| 9 | Financial implications |
| 10 | Human Resources |
| 11 | Legal implications |
| 12 | Equalities |
| 13 | Conclusion |
| 14 | Background documents |

5. BACKGROUND

5.1. This savings report builds on that published in September 2014 for scrutiny and presented to Mayor and Cabinet on the 12 November 2014. The context set out by the Chief Executive and summary of how the Lewisham Future Programme approached the challenge of preparing savings proposals for the period 2015/16 to 2017/18 was presented in the 12 November 2014 report.

5.2. This report concentrates on the decisions of the 12 November Mayor & Cabinet and progresses the savings proposals to align with the budget report. The budget report will be presented to Mayor & Cabinet and full Council in February 2015. The decisions from the 12 November 2014 meeting were:

- to endorse savings proposals for 2015/16 agreed in previous years;
- following due process in relation to certain identified proposals to delegate decision making to officers; and
- in respect of all other proposals require officers to bring a full report on the savings proposals back to Mayor & Cabinet for decision no later than 11 February 2015.

5.3. The report presents the results of the work undertaken since the 12 November on all those proposals returning as requested to the Mayor & Cabinet. In addition, two new proposals in the Community and Culture area (L3 and L4) and an overall summary on the equalities impact of the savings presented (delegated and returning to Mayor & Cabinet) for 2015/16 are presented in this report.

6. LOCAL POLICY CONTEXT

6.1. The Council's strategy and priorities drive the revenue budget savings process, with changes in resource allocation determined in accordance with policies and priorities. *Shaping our future* is Lewisham's Sustainable Community Strategy. It covers the period for 2008 to 2020 and sets out a vision for Lewisham and the priority outcomes that organisations, communities and individuals can work towards to make this vision a reality. The key priorities are set out at Appendix 1B for reference.

- 6.2. We have embarked on a wide and deep budget discussion with our service users, our residents generally, our staff and their trade unions. The Mayor and the Council are the prime and ultimate decision makers in the tough public choices ahead. In this way, tough decisions will be made with the benefit of wide public dialogue. There is considerable vitality and dynamism in our communities across Lewisham as well as in the wider London economy. Public sector austerity provides one backcloth to these difficult decisions - but so too does positive cultural diversity, strong inward investment and widening economic opportunities.
- 6.3. In taking forward the Council's Budget Strategy, in engaging our residents, service users and employees, and in deciding on the future shape, scale and quality of services, we will be driven 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.

7. LEWISHAM FUTURE PROGRAMME : PROCESS, PRINCIPLES AND TIMETABLE

- 7.1. The savings challenge for the three financial years 2015/16 to 2017/18 was assessed by Mayor & Cabinet in the Medium Term Financial Strategy in July 2014. This identified the savings requirement to be £85m over the three years as set out in the table below.

Table 1: Summary of savings required

| Savings required | 2015/16 | 2016/17 | 2017/18 | Total |
|------------------|---------|---------|---------|-----------|
| £m | 39 | 26 | 20 | 85 |

- 7.2. To develop proposals to meet these targets the Council's managers have been considering ideas for change across all functions and services in weekly meetings of the Lewisham Future Board.
- 7.3. For consistency, the referencing and structure for presenting the savings proposals in this report follows that introduced in the 12 November 2014 Mayor & Cabinet report.

Table 2: Lewisham Future Programme workstrand referencing

| LFP Area | Lewisham future programme work strand |
|----------|--|
| A | Smarter & deeper integration of social care & health (incl. Public Health) |
| B | Supporting people |
| C | Sharing services (incl. third party spend) |
| D | Efficiency review |
| E | Asset rationalization |

| LFP Area | Lewisham future programme work strand |
|----------|--|
| F | Corporate and business support services |
| G | Income generation |
| H | Enforcement and regulation |
| I | Management and corporate overheads |
| J | School effectiveness services |
| K | Crime reduction |
| L | Culture and community services |
| M | Housing strategy and non-HRA funded services |
| N | Environmental services |
| O | Public services |
| P | Planning and economic development |
| Q | Safeguarding and early intervention services |
| R | Customer transformation |

7.4. The Lewisham future programme is a rolling programme to allow savings proposals to be brought forward for decision and progressed as and when ready. This is necessary because the scale of the changes and number of variables, including the risks that some of these proposals require the Council to take, mean that the direction of travel for each work strand will need to be continuously assessed and refined.

7.5. To enable proposals by work strand to be brought forward on a continuous basis, the report has been structured to present an overview for each work strand as follows:

- the numbers (previously agreed/delegated, proposals, expected to follow);
- explanation of the services in review; and
- a summary of the savings proposals being submitted for scrutiny and decision to enable them to be progressed.

7.6. The detail of the savings proposals are then provided in the appendices, including any specific legal implications and supporting appendices such as full reports with consultation papers and equalities analysis to enable Members to make decisions.

8. SAVING PROPOSALS BY THEMATIC REVIEW

8.1. To assist the reader with the navigation of the savings information in this report it is structured as follows:

- Summary of savings by value and work strand shown by their current status (previously agreed, delegated, returning to M&C, and new) in section 8;
- Overview of the individual savings by work strand (A to R), including short description, value, consultation required (staff, public), and reference to appendix with supporting details, in section 8;

- Navigation table of individual proposals and their current status identifying where further information is provided in the report, in Appendix 1A; and
- The savings proforma presented in November 2014 and additional supporting papers for each savings proposal returning to M&C, individual appendices.

8.2. The table below presents the current position. It summarises the savings position for each of the Lewisham future programme work strands for 15/16 (previously agreed/delegated, proposed and expected) and proposals for the future years 16/17 and 17/18.

Table 3: Summary of savings (agreed, delegated, proposed) to 2017/18

| LFP Area | 15/16 £'000 | 16/17 £'000 | 17/18 £'000 | Total £'000 |
|------------------------------------|----------------|----------------|----------------|----------------|
| Total | 28,909 | 6,462 | 4,696 | 39,689 |
| Previously Agreed | 1,480 | 0 | 0 | 1,480 |
| Delegated by M&C Nov 14 | 8,558 | 1,190 | 2,085 | 11,833 |
| Returning to M&C Feb 15 | 18,451 | 5,272 | 2,611 | 26,334 |
| New M&C Proposals | 420 | 0 | 0 | 42 |
| Previously agreed | 1,480 | 0 | 0 | 1,480 |
| E | 47 | 0 | 0 | 47 |
| I | 533 | 0 | 0 | 533 |
| J | 75 | 0 | 0 | 75 |
| L | 50 | 0 | 0 | 50 |
| N | 250 | 0 | 0 | 250 |
| O | 125 | 0 | 0 | 125 |
| Q | 400 | 0 | 0 | 400 |
| Delegated by M&C Nov 14 | 8,558 | 1,190 | 2,085 | 11,833 |
| A | 1,125 | 0 | 0 | 1,125 |
| E | 309 | 760 | 970 | 2,039 |
| F | 900 | 0 | 1,000 | 1,900 |
| G | 950 | 0 | 0 | 950 |
| I | 2,090 | 0 | 0 | 2,090 |
| J | 751 | 0 | 0 | 751 |
| K | 774 | 30 | 0 | 1,004 |
| L | 280 | 0 | 0 | 280 |
| M | 700 | 200 | 100 | 1,000 |
| O | 450 | 200 | 0 | 650 |
| P | 229 | 0 | 0 | 229 |
| Returning to M&C Feb 15 | 18,451 | 5,272 | 2,611 | 26,334 |
| A | 8,534 | 0 | 0 | 8,534 |
| B | 1,349 | 1,174 | 0 | 2,523 |
| D | 2,500 | 2,500 | 2,500 | 7,500 |

| LFP Area | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|--------------|----------|----------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| E | 600 | 0 | 0 | 600 |
| G | 24 | 0 | 0 | 24 |
| H | 800 | 0 | 0 | 800 |
| K | 200 | 0 | 0 | 200 |
| L | 1,125 | 375 | 0 | 1,500 |
| N | 740 | 0 | 0 | 740 |
| O | 200 | 0 | 0 | 200 |
| Q | 4,181 | 1,223 | 111 | 6,921 |
| | -3,208 | | | |
| | <u>1,406</u> | | | <u>-3,208</u> |
| | 2,379 | | | 3,713 |
| New M&C Proposals | 420 | 0 | 0 | 420 |
| L | 420 | 0 | 0 | 420 |

- 8.3. For each of the eighteen work strands of the Lewisham future programme the remainder of this section sets out two things. They are:
- An overview of the work strand and approach being taken to identify the savings proposals required to 2017/18, and
 - A summary of the specific proposals being brought forward for scrutiny and decision now.

- 8.4. Each proposal is supported by a pro-forma saving template and, where necessary (usually when public consultation is required), accompanied by a full report. The pro-forma and full reports are provided in the Appendices.

A. Smarter & deeper integration of social care & health

8.5. Overview

| Proposals - A | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|------------------------------|----------|----------|--------------|
| Agreed/delegated to officers | 1,125 | 0 | 0 | 1,125 |
| Proposed now | 8,534 | 0 | 0 | 8,534 |
| Total | 9,659 | 0 | 0 | 9,659 |
| Select Committee | Healthier Communities | | | |

- 8.6. Adult social care needs to meet the challenge of unprecedented financial pressures and, at the same time, needs to respond to increases in the level and complexity of demand, and meet the new obligations introduced by the Care Act. Following a review and an analysis of expenditure (using the Local Government Association's - Towards Excellence in Adult Social Care tool) savings proposals for 2015/16 in adult social care have been identified - as ones which are outliers in terms of expenditure showing higher than average expenditure when benchmarked against comparator boroughs. These savings proposals have been developed in accordance with the legislation that governs the delivery of adult social care.
- 8.7. For 15/16, the identified proposed savings will be achieved primarily through ensuring that decisions made in relation to packages of care and those that are made on longer term care, including residential and nursing home placements, are

undertaken within a clear framework that enables the service to manage demands within a reduced budget.

- 8.8. For 16/17 and beyond, savings proposals will come from the planned activity within the Adult Integrated Care Programme which will, amongst other things, deliver effective advice and support for self care, develop and improve access to community based care, and link individuals to community networks of support.
- 8.9. In addition, this thematic review has incorporated the work that has been undertaken in Public Health funding which will be reinvested in services with clear public health outcomes.
- 8.10. A more detailed introduction providing additional context to the approach taken to preparing the smarter and deeper integration of social care and health, public health and supporting people proposals is provided at Appendices 2 to 4 to this report.

Summary of proposed savings

- 8.11. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|---|--------------|-------|-------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| A1 | Returning to M&C – App 2 This proposal will ensure that a consistent approach is taken in meeting care and support needs in the most cost effective way. This may result in some community based packages of care ending or being reduced where needs can be met in different and more cost effective ways. | 2,680 | 0 | 0 | N | Y |
| A2 | Returning to M&C – App 3 The majority of this savings proposal (£900k) represents a negotiated reduction in 24 hour individual prices of care packages.£550K of saving relates to pathway clarification and redesign. The final £50 relates to the extension of charging to people using supported living services. | 1,500 | 0 | 0 | N | Y |
| A3 | Returning to M&C – App 4 Reconfiguring sensory services provision. | 150 | 0 | 0 | Y | Y |
| A4 | Returning to M&C - App 5 Remodelling building based day services and associated transport costs. | 1,300 | 0 | 0 | Y | Y |
| A5 | Charging for Adult Social Care Services. | 275 | 0 | 0 | N | Y |

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|---|--------------|----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| A6 | Returning to M&C – App 6 Public Health programme review (I) | 1,500 | 0 | 0 | N | Y |
| A7 | Mental Health provision | 250 | 0 | 0 | N | N |
| A8 | Returning to M&C – App 6 Public Health programme review (II) | 1,154 | 0 | 0 | Y | Y |
| A9 | Returning to M&C – App 7 Review of services to support people to live at home | 250 | 0 | 0 | Y | N |
| A10 | Proposal in respect of recouping health costs | 600 | 0 | 0 | N | N |
| | Sub total – for February 2015 M&C | 8,534 | 0 | 0 | | |
| | Total | 9,659 | 0 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

B. Supporting People

8.12. Overview

| Proposals - B | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------------|--------------|----------|--------------|
| Agreed/delegated to officers | 0 | 0 | 0 | 0 |
| Proposed now | 1,349 | 1,174 | 0 | 2,523 |
| Total | 1,349 | 1,174 | 0 | 2,523 |
| Select Committee | Healthier Communities | | | |

8.13. In Lewisham, housing-related support is delivered by a number of service providers to clients with a range of needs (this was formerly funded via the Supporting People budget). Support takes place across different accommodation settings: high-support hostels, shared supported housing and in the community via floating support. As well as funding a number of schemes providing generic support for vulnerable adults such as sheltered housing Lewisham runs specialist projects for individual client groups, such as drug and alcohol users, women experiencing violence and exploitation, people with mental health, learning disabilities, older people, and rough sleepers.

8.14. A more detailed introduction providing additional context to the approach taken to preparing the smarter and deeper integration of social care and health, public health and supporting people proposals is provided at Appendices 2 to this report.

Summary of proposed savings

8.15. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|---|--------------|-------|-------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| B1 | Returning to M&C – App 8 Efficiency savings through reduced contract values while maintaining | 1,349 | 1,174 | 0 | N | Y |

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|---|--------------|--------------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| | capacity, reductions in service capacity, service closures, a review of mental health services across the board lends itself to changes in what is currently commissioned via the SP programme, and a complete reconfiguration and re-procurement of all remaining floating support services. | | | | | |
| | Sub total – for February 2015 M&C | 1,349 | 1,174 | 0 | | |
| | Total | 1,349 | 1,174 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

C. Shared Service

8.16. Overview

| Proposals - C | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------|----------|----------|----------|
| Agreed/delegated to officers | 0 | 0 | 0 | 0 |
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| Select Committee | Public Accounts | | | |

8.17. There are a number of good examples of sharing services that already exist across the Council and indeed some of the other projects within the Lewisham Future Programme are exploring opportunities to further maximise this potential, often through joint procurement. As a starting point, this project is gathering all of these examples together so we can look strategically across the programme at future ways of working with other local authorities and partners.

8.18. There are no specific saving proposals at this time.

D. Efficiency Review

8.19. Overview

| Proposals - D | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------|----------|----------|----------|
| Agreed/delegated to officers | 2,500 | 2,500 | 2,500 | 2,500 |
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 2,500 | 2,500 | 2,500 | 7,500 |
| Select Committee | Public Accounts | | | |

8.20. In setting the 2014/15 budget the decision was agreed to effect this efficiency saving by means of holding back an annual amount of £2.5m of non-pay inflation when setting service budgets. It is anticipated that this approach will continue for the remainder of the programme (i.e. to 2017/18). This assumption will be re-proposed for agreement as part of setting the Council's annual budget in February each year.

8.21. There are no further specific saving proposals at this time.

E. Asset Rationalisation

8.22. Overview

| Proposals – E | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-------------------------|----------|----------|------------|
| Agreed/delegated to officers | 356 | 760 | 985 | 2,101 |
| Proposed now | 600 | 0 | 0 | 600 |
| Total | 956 | 760 | 985 | 2,701 |
| Select Committee | Sustainable Development | | | |

8.23. The review of the Council's current asset arrangements is linked to the delivery of the regeneration programme. The programme has five key strands of activity linked to rationalising the corporate estate and the facilities management thereof, generating income through the asset portfolio, reviewing arrangements for our commercial estate, energy generation and supply, and the structure of the service.

Summary of proposed savings

8.24. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|--|--------------|------------|------------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| E1 | Returning to M&C – App 9 Structural re-organisation of the Regeneration & Asset Management Division. | 600 | 0 | 0 | Y | N |
| E2 | Efficiencies in the current facilities management contracts and optimising the current operational estate (reduction in the quantum of office accommodation). | 150 | 305 | 670 | N | N |
| E3 | New ways in generating income from assets. | 0 | 0 | 200 | N | N |
| E4 | Generating increased income, based on up-to-date market rates, better use of properties and effective rent collection. Also includes the transfer of commercial assets from the HRA to the GF. | 50 | 445 | 100 | N | N |
| E5 | Energy efficiency measures | 109 | 10 | 15 | N | Y |
| | Sub total – for February 2015 M&C | 309 | 760 | 985 | | |
| | Total | 909 | 760 | 985 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

8.25. Further areas to the above are being considered, including an expected £5.7m to be delivered through the generation of new income from the regeneration of

existing Council assets. However, this may only be delivered by 2021, beyond the timeframe for the Lewisham future programme.

F. Corporate and Business Support Services

8.26. Overview

| Proposals - F | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------|--------------|--------------|--------------|
| Agreed/delegated to officers | 900 | 0 | 1,000 | 1,900 |
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 900 | 0 | 1,000 | 1,900 |
| Select Committee | Public Accounts | | | |

8.27. This is a review of all business support arrangements across the organisation. The review aims to centralise, rationalise and streamline the service into a single professionalised service.

Summary of proposed savings

8.28. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|--------------|--|--------------|----------|--------------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| F1 | Establishment of a centrally located, corporate business support service which combines a general support function with specialist service hubs. | 900 | 0 | 1,000 | Y | N |
| Total | | 900 | 0 | 1,000 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

8.29. Further phases of work will consider opportunities to rationalise senior management support and review case-work processes and structures.

G. Income Generation

8.30. Overview

| Proposals - G | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------|--------------|--------------|--------------|
| Agreed/delegated to officers | 950 | 0 | 0 | 950 |
| Proposed now | 24 | 0 | 0 | 24 |
| Total | 974 | 0 | 0 | 974 |
| Select Committee | Public Accounts | | | |

8.31. This review is considering approaches to optimise income generation through: changes to the Council's fees and charges structures, increasing charges to schools, improving debt collection and reviewing the council's current investment strategy.

Summary of proposed savings

8.32. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|--|--|--------------|----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| G1a | Reviewing charges to our School Service Level Agreements (SLAs) and reviewing the council's current investment strategy. | 450 | 0 | 0 | N | Y |
| G1b | Improving debt collection. | 500 | 0 | 0 | N | Y |
| G1c | Returning to M&C – App 10 Changes to our fees and charges structures. | 24 | 0 | 0 | N | Y |
| Sub total – for February 2015 M&C | | 950 | 0 | 0 | | |
| Total | | 974 | 0 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

8.33. The required consultation report for the blue badge element of this proposal was put on hold by Mayor & Cabinet in November, to be revisited in February 2015.

8.34. This work strand is also:

- conducting an audit of advertising opportunities in the borough,
- looking at embedding some key principles to increase income across the Council,
- implementing a formal annual review of fees and charges, and
- setting a clear income strategy and improving commercialism.

H. Enforcement and Regulation

8.35. Overview

| Proposals - H | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------------------------|----------|----------|------------|
| Agreed/delegated to officers | 0 | 0 | 0 | 0 |
| Proposed now | 800 | 0 | 0 | 800 |
| Total | 800 | 0 | 0 | 800 |
| Select Committee | Safer Stronger Communities | | | |

8.36. This involves reviewing enforcement and regulation services in order to group services together into a community protection hub, public realm hub and built environment hub. The review will also look at opportunities to deliver savings proposals through alternative delivery models.

Summary of proposed savings

8.37. The table below sets out in summary the individual proposals being brought forward for decision now.

8.38. Appendix 5 provides further details on this saving proposal.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|--|--------------|----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| H1 | Returning to M&C – App 11 Restructuring of enforcement and regulatory services | 800 | 0 | 0 | Y | N |
| | Sub total – for February 2015 M&C | 800 | 0 | 0 | | |
| | Total | 800 | 0 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

I. Management and corporate overheads

8.39. Overview

| Proposals - I | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------|----------|----------|----------|
| Agreed/delegated to officers | 2,623 | 0 | 0 | 2,623 |
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 2,623 | 0 | 0 | 2,623 |
| Select Committee | Public Accounts | | | |

8.40. This is a review of all management and professional back office functions to identify options to reduce spend by between 30-50%. This has included: a review of Corporate and Democratic costs, Policy, Strategy and Performance functions, Commissioning and Procurement arrangements, Legal, Human Resources, Information Technology, Finance and Audit & Risk services.

Summary of proposed savings

8.41. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|--|--------------|----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| I1 | Savings in management overheads, commissioning, and professional services budgets covering Finance, Legal Services, Audit and Risk, Human Resources and IMT. | 2,090 | 0 | 0 | Y | N |
| | Sub total – for February 2015 M&C | 0 | 0 | 0 | | |
| | Total | 2,090 | 0 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

J. School Effectiveness

8.42. Overview

| Proposals – J | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-------|-------|-------|-------|
| Agreed/delegated to officers | 826 | 0 | 0 | 826 |

| Proposals – J | 15/16 | 16/17 | 17/18 | Total |
|-------------------------|---------------------------|-------|-------|-------|
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 826 | 0 | 0 | 826 |
| Select Committee | Children and Young People | | | |

- 8.43. This strand is looking at all aspects of services to schools to identify opportunities to increase income (most of which are set out in the income generation review above). In addition, savings proposals of £751k have been identified through reducing the central funding for Educational Psychologists; through grant substitution from the DSG around the management of our early years function and from the Basic Needs Grant for staff working on the expansion of school places.

Summary of proposed savings

- 8.44. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|--|--|--------------|-------|-------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| J1 | The proposal to increase the income from the Service Level Agreement which will increase the costs for schools which will need to be paid for from the Individual Schools Budget block of the DSG. | 751 | 0 | 0 | N | N |
| Sub total – for February 2015 M&C | | 0 | 0 | 0 | | |
| Total | | 751 | 0 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

K. Crime Reduction

- 8.45. Overview

| Proposals – K | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|----------------------------|-------|-------|-------|
| Agreed/delegated to officers | 774 | 30 | 0 | 801 |
| Proposed now | 200 | 0 | 0 | 200 |
| Total | 974 | 30 | 0 | 1,004 |
| Select Committee | Safer Stronger Communities | | | |

- 8.46. This is a review of Drug & Alcohol and Youth Offending Services to identify opportunities for reshaping provision in 2015/16.

Summary of proposed savings

- 8.47. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|--------------------------------------|--------------|-------|-------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| K1 | The Prevention and Inclusion service | 574 | 30 | 0 | Y | N |

| Ref | Description | Amount £'000 | | | SI | PC |
|--|--|--------------|-----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| | will be tendering a number of services to increase efficiencies while reducing and targeting provision such as residential rehabilitation. | | | | | |
| K2 | Returning to M&C – App 12 Restructure of YOS service and changes in interventions and reduction in some contracts. | 200 | 0 | 0 | Y | N |
| K3 | Withdraw funding from the case mgt/support team element of the Integrated Offender Management Service. | 200 | 0 | 0 | N | N |
| Sub total – for February 2015 M&C | | 200 | 0 | 0 | | |
| Total | | 974 | 30 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

8.48. This work strand had anticipated bringing forward a further £350k of savings proposals for 2015/16. However, these have not been identified at this time. Work continues on this strand and will for part of the Lewisham future programme work in 2015/16.

8.49. Appendix 6 provides further information on this saving proposal.

L. Culture and Community Services

8.50. Overview

| Proposals – L | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|----------------------------|------------|----------|--------------|
| Agreed/delegated to officers | 330 | 0 | 0 | 330 |
| Proposed now | 1,545 | 375 | 0 | 1,920 |
| Total | 1,875 | 375 | 0 | 2,250 |
| Select Committee | Safer Stronger Communities | | | |

8.51. This is a review of the Council's grants programme and a review of the management arrangements for library services and the theatre in 2015/16. The proposal for the main grants programme is currently out to public consultation, following agreement from Mayor & Cabinet in July 2014, and if agreed will be operational from July 2015.

8.52. There are two new proposals here for £420k, L3 and L4, in respect of some development budgets and the theatre respectively.

Summary of proposed savings

8.53. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|--|--|--------------|------------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| L1 | Returning to M&C – App 13 Review of VCS grants programme. | 1,125 | 375 | 0 | N | Y |
| L2 | Libraries staff reorganisation. | 280 | 0 | 0 | Y | N |
| L3 | Returning to M&C – App 14 Reduction in number of development budgets and an increase in income from Glass Mill car park. | 240 | 0 | 0 | Y | N |
| L4 | Returning to M&C – App 15 Reduce the operating period within the Broadway Theatre | 180 | 0 | 0 | Y | N |
| Sub total – for February 2015 M&C | | 1,545 | 375 | 0 | | |
| Total | | 1,825 | 375 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

8.54. Further work is currently underway to develop savings proposals of at least £420k for 2015/16. This work is reviewing the budgets for Arts and Sports Development, Leisure, Theatre and the Local Assemblies.

8.55. Appendices 7 and 8 provide further information on proposal L1, L3, and L4.

M. Housing Strategy and non-HRA funded services

8.56. Overview

| Proposals – M | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|----------|----------|----------|----------|
| Agreed/delegated to officers | 700 | 200 | 100 | 1,000 |
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 700 | 200 | 100 | 1,000 |
| Select Committee | Housing | | | |

8.57. This review covers the whole of the Strategic Housing division (including Housing Needs, Private Sector Housing Agency and Housing Strategy & Programmes). It aims to identify how services can be reshaped to meet rising demand at a lower cost, as well as creating opportunities to generate additional income. HRA-funded services are excluded from scope as they will be considered within the Income Generation review.

Summary of proposed savings

8.58. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|--|---|--------------|----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| M1 | Transfer of non-housing stock from the HRA to the General Fund. | 700 | 200 | 100 | N | N |
| Sub total – for February 2015 M&C | | 0 | 0 | 0 | | |

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|--------------|--------------|------------|------------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| | Total | 700 | 200 | 100 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

N. Environmental Services

8.59. Overview

| Proposals – N | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-------------------------|----------|----------|------------|
| Agreed/delegated to officers | 250 | 0 | 0 | 250 |
| Proposed now | 740 | 0 | 0 | 740 |
| Total | 990 | 0 | 0 | 990 |
| Select Committee | Sustainable Development | | | |

- 8.60. This as a review of key environment services, including waste collection & disposal, street cleansing and bereavement. An externally commissioned review of waste disposal services has recently been undertaken as part of a London wide efficiency programme. The review has identified options including changes to the frequency of collection of waste and recycling, charging for elements of the collection process and introducing different vehicle types.

Summary of proposed savings

- 8.61. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|---|--------------|----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| N1 | Returning to M&C – App 16 To close and cease to maintain a number of small parks, highways enclosures and closed churchyards and reduce management and management support posts | 340 | 0 | 0 | Y | N |
| N2 | Returning to M&C – App 17 Reduction in street cleansing frequencies and cleansing management costs. | 400 | 0 | 0 | Y | N |
| | Sub total – for February 2015 M&C | 740 | 0 | 0 | | |
| | Total | 740 | 0 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

O. Public Services

8.62. Overview

| Proposals – O | 15/16 | 16/17 | 17/18 | Total |
|---------------|-------|-------|-------|-------|
|---------------|-------|-------|-------|-------|

| Proposals – O | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------|--------------|--------------|--------------|
| Agreed/delegated to officers | 575 | 200 | 0 | 775 |
| Proposed now | 200 | 0 | 0 | 200 |
| Total | 775 | 200 | 0 | 975 |
| Select Committee | Public Accounts | | | |

8.63. This is aiming to review all aspects of services within the scope of public services to reduce cost, improve collection and streamline service delivery providing the capacity to take on additional customer facing services at low or no cost. Saving proposals of £850k to 2017/18 are currently being proposed.

Summary of proposed savings

8.64. The table below sets out in summary the individual proposals being brought forward for decision now.

8.65. Further information on the discretionary freedom pass proposal is attached at Appendix 9. The consultation was put on hold by Mayor & Cabinet in November, to be revisited in February 2015.

| Ref | Description | Amount £'000 | | | SI | PC |
|--|---|--------------|------------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| O1 | Returning to M&C – App 18 End the discretionary Freedom Pass scheme. | 200 | 0 | 0 | N | Y |
| O2 | Review Parking Contract Client Team. | 50 | 0 | 0 | N | N |
| O3 | Set up an internal 'enforcement agency' (bailiff) service to collect Council Tax and other debts. The internal bailiff service will generate income from the statutory fees charged to debtors. The 'saving' is the net surplus income once operational costs have been taken into account. | 400 | 200 | 0 | N | N |
| Sub total – for February 2015 M&C | | 200 | 0 | 0 | | |
| Total | | 650 | 200 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

P. Planning and Economic Development

8.66. Overview

| Proposals – P | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-------------------------|--------------|--------------|--------------|
| Agreed/delegated to officers | 229 | 0 | 0 | 229 |
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 229 | 0 | 0 | 229 |
| Select Committee | Sustainable Development | | | |

8.67. The Planning Service was last re-structured in September 2011 to facilitate a Development Management approach to the handling of planning applications and to integrate the administration functions within the Area teams to reduce fragmentation of the handling of planning applications. This review seeks to further embed the principles of Development Management. Saving proposals totalling £229k are currently being proposed.

Summary of proposed savings

8.68. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|--|---|--------------|----------|----------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| P1 | Restructure of planning service and Cutting funding for legal locum to deal with s106 agreements that is no longer required | 229 | 0 | 0 | Y | N |
| Sub total – for February 2015 M&C | | 0 | 0 | 0 | | |
| Total | | 229 | 0 | 0 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

Q. Early Intervention and Safeguarding

8.69. Overview

| Proposals – Q | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|---|--------------|------------|----------------------------------|
| Agreed/delegated to officers | 400 | 0 | 0 | 400 |
| Proposed now | 5,587 -3,208 2,379 | 1,223 | 111 | 3,208 and 5,467 |
| Total | 2,779 | 1,223 | 111 | 4,113 |
| Select Committee | Children and Young People | | | |

8.70. This strand of work is in two parts:

i) Early intervention and safeguarding

8.71. These proposals involve a re-alignment of the Early intervention and Social Care Referral and Assessment functions to create a new approach to our front door for access to services. Early Intervention Services have been moved into Children Social Care (CSC) to ready both services for more integration leading to fewer assessments which should allow us to reduce staffing levels. This strand also proposes alternative delivery models and level of provision across our early intervention providers in Children’s Centres, Targeted Family Support (TFS) and the Family Intervention Project (FIP) to build in greater flexibility to work at lower costs. It proposes a reduction in the unit costs of working with a family and a reduction by a third of the number of families we support. Greater use of the Troubled Families grant with these families will deliver further savings to the

General Fund. The strand also proposes further savings to the Children’s Social Care placement and other budgets. In this strand savings proposals of £5.5m are set out, of which £4.18m is proposed for 2015/16; £1.2m for 2016/17 and £111k for 2017/18.

8.72. In 2015/16, £3.2m of the savings proposed in this strand is required in order to re-set the Children’s Social Care placements budget so will not count towards Lewisham future programme savings proposals – see explanation below.

ii) Youth Services

8.73. This strand proposes savings of £1.46m for the Youth Service. It recognises the need to have a clear view of the ‘end state’ for the service so that plans can proceed with that in mind. Originally two possible options for the service were proposed. However in November 2012 the Mayor decided to proceed only with Option 1, rejecting Option 2.

8.74. Option 1 is to proceed with considering a mutualisation of the service following the delivery of the proposed savings, with the Council funding the mutual for three years, after which funding is withdrawn. The service will report back to Mayor & Cabinet on the possibility and risks (governance, finance, serviceetc..) associated with proceeding with a mutual prior to committing to this or any other structural option. The proposal sets out the risk that, at the end of the three years, without some level of continuing Council funding, services above the statutory minimum might not be able to be sustained.

8.75. The strand also sets out proposals relating to a reconfiguration of our youth re-engagement services, including the Mayor’s NEET programme and services offered at Baseline.

Summary of proposed savings

8.76. The table below sets out in summary the individual proposals being brought forward for decision now.

| Ref | Description | Amount £'000 | | | SI | PC |
|-----|--|-------------------------------|--------------|------------|----|----|
| | | 15/16 | 16/17 | 17/18 | | |
| Q1 | Returning to M&C – App 19 These proposals involve a re alignment of the Early Intervention and Social Care Referral and Assessment functions to create a new approach to our front door and triage for access to services. | 4,181 <u>-3,208</u> 973 | 1,223 | 111 | Y | Y |
| Q2 | Returning to M&C – App 20 Review of Youth Services. | 1,460 | 0 | 0 | Y | Y |
| | Sub total – for February 2015 M&C | 2,379 | 1,223 | 111 | | |
| | Total | 2,379 | 1,223 | 111 | | |

Key:

SI - Staff Implications

PC - Public Consultation Required

- 8.77. The explanation for the in-year budget saving relates to the budgets for Looked After Children placements, supporting adopted children and placements for Care Leavers which need to be re-set. While the numbers in these categories are not growing, the budgets do not reflect the actual numbers of children and young people who need to be supported. The Directorate for Children and Young People has, in previous years, covered the gaps through various management actions but the savings made in previous years mean that there is no longer the flexibility for those actions to cover the gaps. That has led to the current in-year overspend in the Children’s Social Care placements budget. In order to re-set the budget, further savings proposals of £3.2m have had to be found. It is proposed that these savings come from the early intervention and safeguarding review strand as set out in Section 18 above.
- 8.78. The required consultation reports for both the Q1 and Q2 proposals are attached at Appendix 10 and 11 respectively.

R. Customer Service Transformation

8.79. Overview

| Proposals - R | 15/16 | 16/17 | 17/18 | Total |
|------------------------------|-----------------|----------|----------|----------|
| Agreed/delegated to officers | 0 | 0 | 0 | 0 |
| Proposed now | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| Select Committee | Public Accounts | | | |

- 8.80. The Customer Transformation Review is an ‘enabling’ strand of the Lewisham future programme. The ambition of the review is to transform the way end-to-end customer contact is delivered across the authority. The review is driven by the following three strands:
- The Access Channel Strategy
 - Single Assessment and Case Management
 - Front Office Review
- 8.81. The first phase of the review is examining housing benefit and housing needs processes to identify opportunities to streamline and automate processes and join assessment functions together. The review is currently testing a number of hypotheses which will inform savings proposals for the next financial year.
- 8.82. There are no specific saving proposals at this time.

9. FINANCIAL IMPLICATIONS

- 9.1. This report is concerned with the saving proposals it presents to enable the Council to set a balanced budget in 2015/16 and address the future financial challenges it faces. There are direct financial implications from the level of savings agreed in terms of the ability to agree a balanced budget for 2015/16.
- 9.2. Any savings not agreed or for which only a part year effect can be achieved following completion of due process and the decision to implement will require other resources to be used to balance the budget. This risk is considered in the separate budget report for February 2015.

10. HUMAN RESOURCES IMPLICATIONS

In Year Budget Savings 2015/2016 & 2016/2017 & 2017/2018

- 10.1. There are 25 budget proposals for the financial years 2015/2016 and 2016/17 and 2017/2018 that are likely to have HR implications. All of these have HR implications for 2015/2016. cUntil detailed restructuring proposals have been finalised, it is not possible to specify exactly how many redundancies there might be It is estimated that in the areas identified there are 1,133 staff employed, and there could potentially be up to 289 staff in a redundancy situation based on the level of financial savings identified.
- 10.2. However, this is based on an average salary estimate and the number of potential redundancies is likely to be much nearer 200 based on early assessment of restructuring current proposals.

Breakdown of staff in affected areas by Gender

| Gender | Number | % |
|---------------|---------------|----------|
| Male | 528 | 46.60% |
| Female | 605 | 53.39% |
| Total | 1,133 | 100.00% |

- 10.3. There are more women employed in the areas identified in the budget proposals, this is slightly lower than the percentage of those employed in all Council areas (i.e. 61.5%). The budget proposals do not appear to disproportionately impact on women at this stage. This will continue to be carefully monitored as the final proposals are drawn up.

Breakdown of staff in affected area by Ethnicity

| Ethnicity | Number | % |
|------------------|---------------|----------|
| BME | 376 | 33.18% |
| White | 661 | 58.34% |
| Not Disclosed | 96 | 8.47% |
| Total | 1,133 | 100.00% |

- 10.4. The breakdown of staff in the affected arrears shows a slightly lower percentage of BME staff in areas impacted by the budget proposals, than employed in the Council i.e. 37.19%. The budget proposals do not appear to disproportionately adversely impact on BME staff at this stage. This will continue to be carefully monitored as the final proposals are drawn up.

Breakdown of staff in affected area with disabilities

| Disability | Number | % |
|-------------------|---------------|----------|
| Y | 31 | 2.75% |
| N | 1,102 | 97.26% |
| Total | 1,133 | 100.00% |

- 10.5. The impact of the proposals for disabled staff appears proportionate at this stage but will continue to be monitored as more detailed proposals are drawn up.
- 10.6. Where agency workers are on placement in affected areas these arrangements will be terminated if the work they are doing would provide suitable alternative employment for displaced staff. These figures will continue to be refined as greater detail emerges from consultation documents.
- 10.7. Consultation with affected staff and the Trade Unions will take place on proposals with staffing implications in accordance with the Council's Management of Change Policy.
- 10.8. Significant numbers of staff are likely to be affected by these proposals and the Council will continue to offer support and advice to those staff placed in a redundancy situation. This will be delivered by working with partners agencies and will include financial advice, CV writing, interview skills, setting up your own business and career change advice. The Council completed a Voluntary Severance round in January 2015. This has resulted in over 100 staff leaving the Council, thereby mitigating the need for compulsory redundancies in some cases where service reorganisations are underway or likely.
- 10.9. Where proposals result in a change in the way that services are delivered, managers will be looking at how staff can be supported as part of the post implementation process. Advanced notification of redundancies has been sent to The Insolvency Agency who also have a statutory requirement to assist employees facing redundancy.

11. LEGAL IMPLICATIONS

Savings proposals - General Legal Implications

Statutory duties

- 11.1. 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

- 11.2. 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

- 11.3. Depending on the number of any redundancies, the Council would have to comply with the requirements for collective consultation under Section 188 Trade Union and Labour Relations (Consolidation) Act 1992. This consultation is in addition to consultation with individuals affected by redundancy and/or reorganisation under the Council's own employment procedures.

Equalities

- 11.4. The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). 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.
- 11.5. 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.
- 11.6. The duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 11.7. The Equality and Human Rights Commission has recently 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: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 11.8. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
 2. Meeting the equality duty in policy and decision-making
 3. Engagement and the equality duty
 4. Equality objectives and the equality duty

5. Equality information and the equality duty

- 11.9. 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:
<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>
- 11.10. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix 7 and attention is drawn to its contents.
- 11.11. The equalities implications pertaining to the specific service reductions are particular to the specific reduction.

The Human Rights Act

- 11.12. 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.
- 11.13. 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 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 |

- 11.14. 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

- 11.15. 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

11.16. 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

11.17. 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

11.18. Members’ attention is drawn to the specific legal implications arising in relation to particular proposals set out in this report and summarised in Appendix 1C.

12. EQUALITIES

12.1. Officers have evaluated the policy and equalities impact of all the delegated and returning to Mayor & Cabinet proposals presented in this report.

12.2. There are 38 proposals of which the greater number of savings proposals, 20 (54%) are judged as likely to have a low / neutral equalities impact. By contrast, 12 savings proposals (33%) are judged as likely to have a medium equalities impact. Six savings proposals (16%) are judged as likely to have a high equalities impact. Further detail on the policy and equalities analysis are provided at Appendix 1D.

13. CONCLUSION

13.1. The Council expects to need to make savings of around £85m between 2015/16 and 2017/18. This figure is subject to change as financing estimates are refined and government resourcing proposals confirmed. Of this total the gap for 2015/16 is £39m to enable the Council to set a balanced budget, as it is required to do in law.

13.2. In addition, going into the 2015/16 budget cycle, the Council is carrying a £3m budget gap which was agreed to be funded from reserves when setting the 2014/15 budget.

13.3. The saving proposals in this report reflect the work of the Lewisham future programme board. This work continues. The report presents £40.6m of potential savings:

- £1.5m of previously agreed savings endorsed in November 2014 for 2015/16;
- £11.8m of savings proposals delegated to officers in November 2014, of which £8.6m are for 2015/16;
- £26.4m of savings proposals returning to Mayor & Cabinet with updates on the consultation and other work completed, of which £18.5m are for 2015/16 (including the £2.5m efficiency saving that is dealt with in the budget report); and
- £0.4m of new proposals (L3 and L4) from the Culture and Community work strand for 2015/16.

13.4. For 2015/16, assuming all proposals here were agreed, this leaves a gap of £10m. How the gap for 2015/16 will be met is covered in the separate budget report for Mayor & Cabinet in February 2015.

14. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

| Short Title of Report | Date | Contact |
|---|---------------------|--------------|
| Medium Term Financial Strategy | 16 July 2014 | David Austin |
| Lewisham Future Programme 2015/16 Revenue Budget Savings Report | 12 November 2014 | David Austin |

For further information on this report, please contact:

David Austin, Head of Corporate Resources on 020 8314 9114 or at david.austin@lewisham.gov.uk

APPENDICES

Appendix 1 is one document.

It sets out the individual templates for specific savings proposals and other documents as listed below .

| | |
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| Appendix 1A | Navigation sheet for savings proposals |
| Appendix 1B | Lewisham Corporate Priorities |
| Appendix 1C | Summary of Specific Legal Implications |
| Appendix 1D | Policy Analysis of 2015/18 Budget Savings |
| Appendix 1E | Making Fair Financial Decisions |

Appendices 2 to 20 are in one document

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| Appendix 2 | A1: Adult Care cost effective care packages |
| Appendix 3 | A2: Learning Disability care packages |
| Appendix 4 | A3: Reconfiguring sensory services provision |
| Appendix 5 | A4: Remodelling building based day services |
| Appendix 6 | A6&8: Public Health parts I and II |
| Appendix 7 | A9: Review of services to support people to live at home |
| Appendix 8 | B1: Reduction and remodelling of supporting people support |
| Appendix 9 | E1: Reorganisation of Regeneration and Asset Management |
| Appendix 10 | G1: Charging a fee for administering the Blue Badge scheme |
| Appendix 11 | H1: Restructuring of enforcement and regulatory services |
| Appendix 12 | K2: YOS reorganisation, intervention changes, & contract reduction |
| Appendix 13 | L1: Review of main voluntary & community grants programme |
| Appendix 14 | L3: Community Services development |
| Appendix 15 | L4: Broadway theatre |
| Appendix 16 | N1: Reduction in maintenance of some parts, highways & mngt. |
| Appendix 17 | N2: Reduction in street cleansing frequency & mngt. Costs |
| Appendix 18 | O1: End of discretionary freedom pass scheme |
| Appendix 19 | Q1: Improve triage for Childrens' social care services and re-design Children Centre early intervention offer. |
| Appendix 20 | Q2: Reduction in Youth Service provision – option 1 |