

Mayor and Cabinet			
Report Title	Lewisham Future Programme - Revenue Budget Savings Proposals		
Key Decision	Yes	Item No.	
Ward	All Wards		
Contributors	Executive Director for Resources & Regeneration		
Class	Part 1	Date:	9 December 2015

1. EXECUTIVE SUMMARY – PROPOSALS

- 1.1. Following the September Mayor & Cabinet (M&C) report on revenue budget saving proposals for 2016/17 and 2017/18, this report updates on the actions required arising from some of those decisions. In particular; where public consultation has now concluded; scrutiny have considered the additional information requested; and where M&C asked that the proposals return to them.
- 1.2. This report updates the Mayor and members on the additional work completed on the following proposals:
 - L6 – Libraries and Information service
 - Q3a,b,c&e – Sensory teachers, education psychologists, and carers funding
 - Q5 – Youth Service
 - A11 – Managing and improving transition plans
 - A14 – Achieving best value in care packages
 - I9b – Trade Union secondments
 - J2b – Attendance and Welfare service
 - N5 – Passenger transport services
- 1.3. A separate report on the Youth Service is tabled for this M&C meeting. That report includes the impact of the Q5 proposals referred to above.

2. PURPOSE OF THE REPORT

- 2.1. To set out revenue budget savings proposals that need to be agreed to enable a balanced budget for 2016/17 to be put forward to Council in February 2016.

3. RECOMMENDATIONS

- 3.1. The Mayor is asked to:
 - 3.1.1. Note the actions taken since the 30 September on the proposals presented here in section 7 and set out in Appendices i to viii.
 - 3.1.2. For saving L6 – Libraries and Information Services

- 3.1.2.1. Agree the recommendations as set out in the separate full report and appendices at Appendix i to this report; namely:
- To note the results of the consultation as set out in sections 6 and 7 of the report and in appendix 1.
 - To agree the proposed saving of £1million from the Library and Information Service budget.
 - To agree to the retention of three hub libraries at Deptford Lounge, Lewisham and Downham Health and Leisure Centre as set out at para 5.1.
 - To agree to extend the Lewisham Community Library model as described in para 5.1 to Forest Hill, Torridon and Manor House libraries and for a formal tender process to be undertaken to identify partner organisations to work with the council to deliver this. The council will work with local stakeholders as part of this process.
 - To agree to the development of detailed plans for the reconfiguration of the library and public reception area at the ground floor of Laurence House in Catford as set out at para 5.1 and 6.10.
- 3.1.3. For saving Q3 a, b, c & e – Sensory teachers, education psychologists, and carers funding
- 3.1.3.1. note any feedback from the scrutiny process since September, and
- 3.1.3.2. agree the proposal and authorise the Executive Director for Children's & Young People to implement, subject to completion of any consultation (public, stakeholder or staff) necessary in relation to the proposal.
- 3.1.4. For saving Q5 – Youth Service
- 3.1.4.1. note that the Mayor agreed to take £1.4m in February 2015 and any feedback from the scrutiny process since September, and
- 3.1.4.2. subject to agreement to the recommendations in the separate report on the Youth Service mutual appearing on the same agenda; agree the proposal to taper funding by £0.3m and authorise the Executive Director for Children's & Young People to implement, subject to completion of any consultation (public, stakeholder or staff) necessary in relation to the proposal.
- 3.1.5. For saving A11 – Managing and improving transition plans
- 3.1.5.1. note any feedback from the scrutiny process since September, and
- 3.1.5.2. agree the proposal and authorise the Executive Director for Community Services to implement, subject to completion of any consultation (public, stakeholder or staff) necessary in relation to the proposal.
- 3.1.6. For saving A14 – Achieving best value in care packages
- 3.1.6.1. note any feedback from the scrutiny process since September, and
- 3.1.6.2. agree the proposal and authorise the Executive Director for Community Services to implement, subject to completion of any consultation (public, stakeholder or staff) necessary in relation to the proposal.
- 3.1.7. For saving I9b – Trade Union secondments
- 3.1.7.1. note the results of engagement work undertaken by officers since September, and

- 3.1.7.2. agree the proposal and authorise the Executive Director for Resources & Regeneration to implement, subject to completion of any consultation (public, stakeholder or staff) necessary in relation to the proposal.

- 3.1.8. For saving J2b – Attendance and Welfare
 - 3.1.8.1. note any feedback from the scrutiny process since September, and
 - 3.1.8.2. agree the proposal and authorise the Executive Director for Children's & Young People to implement, subject to completion of any consultation (public, stakeholder or staff) necessary in relation to the proposal.

- 3.1.9. For saving N5 – Passenger transport services
 - 3.1.9.1. note any feedback from the scrutiny process since September, and
 - 3.1.9.2. ask the Executive Director for Customer Services to develop, consult (public, stakeholder or staff) where necessary, and bring back a full report to Mayor & Cabinet in relation to the proposal.

- 3.1.10. Note that, consistent with the M&C decisions on the 30 September, work continues on the proposals listed at 6.4 and will return to M&C in due course.

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	Context
6	Lewisham Future Programme
7	Savings proposals by thematic review
8	Financial implications
9	Legal implications
10	Conclusion
11	Background documents
	Appendices

5. CONTEXT

- 5.1. Pending the Comprehensive Spending Review (CSR) in November and the provisional Local Government Financial Settlement (LGFS) in December, there is considerable uncertainty around the funding that Local Authorities will receive over the duration of this Government to 2019/20.

- 5.2. In July 2015 Lewisham's Medium Term Financial Strategy (MTFS) to 2019/20 was presented to Mayor & Cabinet. These uncertainties were recognised in the range of the possible outcomes considered – best, base and worst case scenarios. After allowing for the £11m of savings previously agreed for 2016/17 and 2017/18, the MTFS savings estimates to 2019/20 ranges from £57m to £105m.

- 5.3. These savings are proposed in the context of the Council's strategy and priorities. The Council's vision "together, we will make Lewisham the best place in London to live, work and learn" was adopted by the Lewisham Strategic Partnership as part of the Sustainable Community Strategy, along with six over-arching priorities:
- 5.4. The Council's ten 'enduring' priorities were agreed by full Council and are the principal mechanism through which the Council's performance is reported and through which the impact of saving and spending decisions are assessed. The Council's priorities also describe the Council's contribution to the delivery of Lewisham's Sustainable Community Strategy priorities.
- 5.5. In addition to the above, Lewisham's has also adopted nine savings priorities. Prior to the General Election in 2010, the Labour Government instituted a programme of austerity planned over a five year period. In 2010 the Coalition Government increased the level of and pace of "fiscal consolidation" (i.e. tax increases and spending cuts) that applied to the nation's public finances. In 2013 these were increased again such that the original plans of the (then) Labour Government to reduce public spending have been increased dramatically.
- 5.6. To ensure that this scale of service cuts did not impact adversely on front-line services the Mayor and Cabinet agreed a set of principles to underpin the Council's decision making.
- 5.7. All of the sets of priorities above are listed at Appendix ix.

6. LEWISHAM FUTURE PROGRAMME

- 6.1. The Lewisham Future Programme continues to assess the potential for savings across the 18 work streams agreed by Mayor & Cabinet to ensure that all aspects of the business are reviewed, without regard to structural silos. Officers then bring proposals forward for members to scrutinise and M&C to agree.
- 6.2. This report is not putting forward any new proposals. It is bringing back those proposals, considered at M&C on the 30 September, that required further action prior to being agreed. They are:

Ref	Description	16/17 £'000	17/18 £'000	Total £'000	Key decision	Public/Stakeholder consultation	Staff consultation	Sept. M&C decision
L6	Libraries and information service changes (three hubs and extension of communities library model and staff restructure)	400	600	1,000	Y	Y	Y	Agree to consult and full report to return to M&C
Q3a, b, c,	Sensory teachers, education psychologists,	325		325	N	N	Y	Return to CYP select then

Ref	Description	16/17 £'000	17/18 £'000	Total £'000	Key decision	Public/Stakeholder consultation	Staff consultation	Sept. M&C decision
& e	and carers funding							back to M&C
Q5	Youth service – taper funding	150	150	300	Y	Y	Y	Return to CYP select and then back to M&C with youth mutual options report
A11	Managing and improving transition plans	200	300	500	Y	N	N	Return to CYP select then back to M&C
A14	Achieving best value in care packages	600	500	1,100	N	N	N	Return to Healthier select then back to M&C
I9b	Trade Union secondments	40		40	N	N	Y	Agree to consult and report to return to M&C
J2b	Attendance and Welfare: restructure and further traded services	150		150	Y	N	N	Return to CYP select then back to M&C
N5	Review of Lewisham's passenger transport service	500	500	1,000	Y	Y	Y	Return to CYP select then back to M&C

6.3. A summary of the work completed and an update on each of these proposals is provided in section 7 below. The detail for each is provided in Appendices i to viii.

6.4. In addition to the above and following on from the decisions taken by M&C on the 30 September, this leaves the following proposals to also return to M&C in due course once the necessary further work has been completed. They are:

- A13 – Alternative delivery models for the provision of care and support services
- A15 – New delivery models for extra care and provision of contracts
- G2e – Parking service level arrangements (17/18 saving)
- H2 – Reduction in enforcement and regulation work (17/18 saving)
- I3 – changes to how complaints are managed, scheduled for Public Accounts in March and M&C in April
- I9e – Realignment of Human Resource recharge for schools, scheduled for Schools Forum in December, CYP Select in January and M&C in February
- I10b – moving Committee papers to digital access only
- J2a – up lift to schools service level agreements, scheduled for Schools Forum in December, CYP Select in January and M&C in February
- L5 – Grant funding for the Voluntary Sector (17/18 saving)

- L7 – Leisure Services provision, including public health support for obesity (17/18 saving)
 - N3 – review of Waste services following consultation, scheduled update to M&C in December with full report returning in January.
- 6.5. All the other proposals presented to M&C on the 30 September were delegated to officers, subject to the completion of due process and consultation where required. Implementation of these proposals is proceeding and the financial impact will be monitored via the regular financial forecast reports to members.
- 6.6. In respect of additional savings to close the Council's budget gap, further proposals for scrutiny and M&C will be brought forward in the New Year.

7. SAVING PROPOSALS BY THEMATIC REVIEW

- 7.1. For each of the proposals noted at 6.2 above a summary of the position is provided here with the detail in appendices.

L. Culture and Community Services

- 7.2. **L6** – changes to the Libraries and Information service proposed savings of £1.0m - £400k in 2016/17 and £600k in 2017/18. The action from the 30 September M&C meeting was to agree for the public consultation to proceed with the results returning to M&C to decide on whether the proposals should proceed. Subsequently, following Business Panel, it was also agreed that there should be pre-scrutiny of the outcome of the public consultation
- 7.3. The Safer Stronger select committee are reviewing the L6 proposal and results of the public consultation (see full report at Appendix i) at their November meeting.

Q. Early Intervention and Safeguarding

- 7.4. **Q3** – included a range of individual proposals for Targeted Services. The action from the 30 September M&C meeting was for the savings proforma, with the additional information for proposals Q3 a, b, c and e requested at pre-scrutiny, to be provided to the CYP select committee prior to returning to M&C along with any referral from scrutiny. These individual proposals were in the following areas:
- Q3 a & b – Sensory Teachers: £250k in 2016/17
 - Q3c – Educational Psychologists: £35k in 2016/17, and
 - Q3e – Reduced carers funding: £40k in 2016/17.
- 7.5. The CYP select committee reviewed the revised Q3 proforma (see Appendix ii) at their November meeting. No further referral was made.
- 7.6. **Q5** – presented a savings proposal to accelerate the tapering of funding support for the Youth Service by £0.3m - £150k in 2016/17 and £150k in 2017/18. The action from the 30 September M&C meeting was for the savings proforma, with the additional information requested at pre-scrutiny, to be provided to CYP select committee at the same time as they review the Youth Service mutual report. Prior to both returning to M&C for decision.

7.7. The CYP select committee received the revised Q5 savings proposal (see Appendix iii) as part of their review of the Youth Service mutual report at their November meeting. The business case for which incorporates this saving.

A. Smarter & deeper integration of social care & health

- 7.8. **A11** – Managing and improving transition plans proposed savings of £0.5m - £200k in 2016/17 and £300k in 2017/18. The action from the 30 September M&C meeting was for the savings proforma, with the additional information requested on planned capacity in the Borough at pre-scrutiny, to be provided to the CYP select committee prior to returning to M&C along with any referral from scrutiny.
- 7.9. The CYP select committee reviewed the revised A11 proforma (see Appendix iv) at their November meeting. No further referral was made.
- 7.10. **A14** – Achieving best value in care packages proposed savings of £1.1m - £600k in 2016/17 and £500k in 2017/18. The action from the 30 September M&C meeting was for the savings proforma, with the additional information on case studies requested at pre-scrutiny, to be provided to the Healthier select committee prior to returning to M&C along with any referral from scrutiny.
- 7.11. The Healthier select committee reviewed the revised A14 proforma (see Appendix v) at their November meeting. No further referral was made.

I. Management and corporate overheads

- 7.12. **I9b** – Trade Union secondments proposed a saving of £40k in 2016/17. The action from the 30 September M&C was to bring back more detail on how this was to be implemented before being agreed.
- 7.13. This proposal concerns a review of the corporate secondment arrangements applicable to non-teaching trade unions, to reflect the reduction in trade union membership and the Council's workforce profile, resulting in a saving of £40K in 2016/17. A separate review of the arrangements applicable to the teaching unions will be undertaken by the CYP directorate in due course.
- 7.14. This proposal does not affect the time off arrangements provided to trade union shop stewards and health and safety representatives generally to undertake their duties in the Council. The original proposal is provided at Appendix vi.
- 7.15. The local trade unions have been consulted on the proposal to reduce the corporate secondment arrangements and the following views have been expressed:
- UNISON have acknowledged the need to reduce the number of corporate secondments in line with trade union membership in the council.
 - GMB have focussed their views on specific operational matters and have not provided any comments on the general budget reduction proposal.

- UNITE have noted the proposal to reduce the corporate secondment budget but believe that future savings requirements will create an increased demand and need for trade union involvement. However, there is no evidence to support the union's views on this matter and trade union involvement on reorganisations/casework continues to reflect their reducing membership.
- 7.16. In conclusion, M&C are asked to agree that detailed consultation on the savings proposal should commence with the trade unions, with the final decision being delegated to the Executive Director for Regeneration and Resources.

J. School Effectiveness

- 7.17. **J2b** – Restructure and extend trading of Attendance and Welfare service for schools proposed savings of £150k in 2016/17. The action from the 30 September M&C meeting was for the savings proforma, with the additional information requested at pre-scrutiny, to be provided to the CYP select committee prior to returning to M&C along with any referral from scrutiny.
- 7.18. The CYP select committee reviewed the revised J2b proforma (see Appendix vii) at their November meeting. No further referral was made.

N. Environmental Services

- 7.19. **Saving N5** – Review of Lewisham's Passenger Transport Service proposed savings of £1.0m - £500k in 2016/17 and £500k in 2017/18. The action from the 30 September M&C meeting was for the savings proforma, with the additional information on scope of this review requested at pre-scrutiny, to be provided to the CYP select committee prior to returning to M&C along with any referral from scrutiny.
- 7.20. The CYP select committee reviewed the revised N5 proforma (see Appendix viii) at their November meeting. No further referral was made.

8. FINANCIAL IMPLICATIONS

- 8.1. This report is concerned with the saving 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.

9. LEGAL IMPLICATIONS

Savings proposals - General Legal Implications

Statutory duties

- 9.1. 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

- 9.2. 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

- 9.3. 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

- 9.4. 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.
- 9.5. 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.
- 9.6. 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.

- 9.7. 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/>
- 9.8. 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
- 9.9. 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/>
- 9.10. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix x and attention is drawn to its contents.
- 9.11. The equalities implications pertaining to the specific service reductions are particular to the specific reduction.
- 9.12. Members are reminded that the overall equalities in respect of these savings and the other scrutinised and presented to Mayor & Cabinet in September 2015 were considered through the individual proposals and overall. Appendix xii presents that information for ease of reference.

The Human Rights Act

- 9.13. 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.
- 9.14. 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

- 9.15. 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

- 9.16. 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

- 9.17. 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

- 9.18. 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

- 9.19. Members' attention is drawn to the specific legal implications arising in relation to particular proposals set out in this report in Appendix xi.

10. CONCLUSION

- 10.1. The Council expects to need to make further savings between now and 2019/20. However the amount and timing is uncertain at the present time pending the Comprehensive Spending Review and Local Government Finance Settlement due

in November and December respectively. For this reason the work of the Lewisham Future Programme continues.

- 10.2. The draft saving proposals in this report reflect the decisions of M&C on the 30 September 2015 to progress savings proposals to meet the savings gap.

11. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

Short Title of Report	Date	Contact
Medium Term Financial Strategy	July 2015	David Austin
Revenue Budget Savings	September 2015	David Austin

Appendices

- i. L6 – Libraries and Information service
- ii. Q3a,b,c&e – Sensory teachers, education psychologists, and carers funding
- iii. Q5 – Youth Service
- iv. A11 – Managing and improving transition plans
- v. A14 – Achieving best value in care packages
- vi. I9b – Trade Union secondments
- vii. J2b – Attendance and Welfare service
- viii. N5 – Passenger transport services
- ix. Community, Council and Savings priorities
- x. Equality and Human Rights – Making Fair Financial Decisions
- xi. Specific legal implications

For further information on this report, please contact:
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