

<b>Mayor and Cabinet</b>			
<b>Report Title</b>	Lewisham Future Programme 2017/18 Revenue Budget Savings Report		
<b>Key Decision</b>	No	<b>Item No.</b>	
<b>Ward</b>	All Wards		
<b>Contributors</b>	Executive Director for Resources & Regeneration		
<b>Class</b>	Part 1	<b>Date:</b>	28 September 2016

## 1. PURPOSE

- 1.1. To set out the officer revenue budget savings proposals that have been considered by Scrutiny, and need to be approved to enable the preparation of a balanced budget for 2017/18.

## 2. EXECUTIVE SUMMARY

- 2.1. The Council's net General Fund budget for 2016/17 is £236m. This is based on using reserves for the third consecutive year to balance the budget and follows two years of Directorates overspending, in part due to the delivery of savings becoming harder.
- 2.2. To put the Council's finances on a sustainable footing, the Medium Term Financial Strategy identifies the need for £45m of ongoing savings in the three years to 2019/20, at £15m per year. However, this remains an estimate pending confirmation of any policy, funding, or wider implications from the change of Prime Minister and European Referendum decision in June.
- 2.3. This £45m is in addition to £16.2m savings already identified and agreed for 2017/18 (Please see section 11). In total this would bring the total savings made in the ten year period 2010 to 2020 to £200m.
- 2.4. Through the Lewisham Future Programme approach officers have worked hard to identify possible new savings proposals towards meeting the £45m target over the three years to 2019/20. In so doing, targets by work strand have been set on a differential basis to protect front-line services where possible.
- 2.5. The detail presented in this report identifies potential savings proposals from officers of £21m (£7m in detail and £14m in outline). By work strand these are:

Savings proposals	17/18	18/19	19/20	Total	Target	Gap
	£'000	£'000	£'000	£'000	£'000	£'000

Savings proposals	17/18	18/19	19/20	Total	Target	Gap
	£'000	£'000	£'000	£'000	£'000	£'000
A - Smarter & deeper integration of social care & health	2,000	1,650	2,450	<b>6,100</b>	11,000	<b>-4,900</b>
B - Supporting People	500	0	0	<b>500</b>	500	0
E - Asset rationalisation	300	1,050	525	<b>1,875</b>	8,000	<b>-6,125</b>
I - Management & corporate overhead	250	910	1,760	<b>2,920</b>	7,000	<b>-4,080</b>
J - School effectiveness	0	0	0	<b>0</b>	1,000	<b>-1,000</b>
K - Drugs & alcohol	0	0	0	<b>0</b>	500	<b>-500</b>
L- Culture & community services	380	390	0	<b>770</b>	2,000	<b>-1,230</b>
M - Strategic housing	546	350	0	<b>896</b>	1,500	<b>-604</b>
N Environment services	0	250	1,850	<b>2,100</b>	4,000	<b>-1,900</b>
O - Public Services	0	0	1,870	<b>1,870</b>	2,500	<b>-630</b>
P - Planning & economic development	0	240	40	<b>280</b>	1,000	<b>-720</b>
Q - Early intervention & safeguarding	2,793	150	100	<b>3,043</b>	6,000	<b>-2,957</b>
<b>Proposals</b>	<b>6,769</b>	<b>4,990</b>	<b>8,595</b>	<b>20,354</b>	45,000	<b>-24,646</b>
Target	15,480	14,910	14,610	45,000		
Gap	<b>-8,711</b>	<b>-9,920</b>	<b>-6,015</b>	<b>-24,646</b>		

- 2.6. Proformas are provided for those savings relating to 2017/18 except where stated otherwise. In some instances where the actions for 2017/18 roll into the subsequent years these savings are included in these proforma. These require decision in 2016/17 to help build the budget for 2017/18.
- 2.7. Proposals for the later savings will be brought forward in due course for member scrutiny and decision. This will allow work to continue on delivering services at the same time as work progresses to implement the savings agreed, and identify how further changes can best be delivered to reduce the Council's costs.
- 2.8. In addition, given the scale of the gap still to be covered, further savings still need to be identified for all years. As such the report notes there is over £15m of current expenditure in areas where there is discretion but no proposals at present. This spend will be kept under review.

### 3. RECOMMENDATIONS

The Mayor is asked to:

- 3.1. Note the direction of travel and areas of anticipated savings for the period 2017/18 to 2019/20 as set out in this report.
- 3.2. Consider the comments of the Public Accounts Select Committee on the 22 September 2016, which incorporates the views of the respective select committees.
- 3.3. Consider the detailed proposals in Appendices i to vi and agree one of the following actions for each saving proposal as presented in Appendices i to vi. These are for the savings totalling £6.4m and referenced:
  - A18 a & b; A19; A20; A21 a & b
  - E6; E7
  - I11 a & b
  - L8; L9; L10
  - M4; M5; M6; M7 a & b
  - Q6 a to f; Q7 a & b; Q8; Q9; Q10; Q11 a & b
  - 3.3.1 Authorise officers to carry out consultation where public / stakeholder consultation is necessary in relation to the proposal and that officers then bring a full report to Mayor & Cabinet at the earliest opportunity.
  - 3.3.2 Authorise officers to carry out consultation where staff consultation is necessary in relation to the proposal and delegate the decision to the relevant Executive Director for the service concerned.
  - 3.3.3 Where no consultation is required, either:
    - 3.2.3.1 agree the saving proposal, or
    - 3.2.3.2 delegate the decision to the relevant Executive Director for the service concerned.
  - 3.3.4 Request officers to complete further work to clarify the proposal and that officers then re submit the saving proposal at the earliest opportunity.
- 3.4. Note the work in hand for savings B3 (see 9.13) and M3 (see 9.44) totalling £0.6m and endorse the work of officers to deliver these savings.
- 3.5. Note the decisions at Mayor and Cabinet meetings on the 12 November 2014 and 30 September 2015 and agree the previously agreed savings of £17.4m for 2017/18 – see section 11.

- 3.6. Note the update on progress in relation to Public Health savings provided in section 12.
- 3.7. Approve the draft efficiency plan at Appendix x to enable the Council to accept the four year settlement offer in respect of Revenue Support Grant for the years 2016/17 to 2019/20.

#### **4. STRUCTURE OF THE REPORT**

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

Section	Title
1	Purpose of the report
2	Executive summary
3	Recommendations
4	Structure of the report
5	Financial Context
6	Lewisham Future Programme Approach
7	Principles
8	Lewisham 2020
9	Savings
10	Other Areas
11	Previously Agreed Savings
12	Public Health Savings Update
13	Timetable
14	Financial implications
15	Legal implications
16	Conclusion
17	Background documents
	Appendices

#### **5. FINANCIAL CONTEXT**

- 5.1. The Council has a General Fund budget for the current financial year, 2016/17, of £236m. This budget is under pressure from the need to deliver services within this level of financial resource and identify further savings.

- 5.2. In the six years between 2010/11 and 2015/16 the Council made savings of £120m. For the two years 2016/17 and 2017/18 a further £35m of savings have been agreed by Mayor & Cabinet. Looking forward the Council anticipates having to identify a further £45m of savings to 2019/20, or £15m in each year 2017/18, 2018/19, and 2019/20. This will bring the total of savings from the General Fund to £200m over ten years.
- 5.3. In 2015/16 the Council ended the financial year with a Directorate overspending position in the region of £6m with the largest pressures being in the areas of Looked After Children, Temporary Accommodation, and No Recourse to Public Funds. These pressures arise from a combination of the:
- Impact of government policy changes;
  - Demand pressures as the population of Lewisham grows; and
  - Difficulties in delivering agreed savings with the full financial impact.
- 5.4. In setting the 2016/17 budget over £3m of corporate risk monies were added to the Directorate base to help align budgets to the persistent areas of spending pressure and reserves were required for the third consecutive year to set a balanced budget.
- 5.5. In July 2016, following the EU referendum, the Council's Medium Term Financial Strategy (MTFS) was presented to members. This referenced a number of risks resulting from the outcome, the likelihood and impacts of which remain uncertain. The main risks are in the areas of:
- government policy and funding changes;
  - changes for London via the devolution agenda;
  - employment and business impacting local tax take; and
  - wider social implications resulting from the above.

## **6. LEWISHAM FUTURE PROGRAMME APPROACH**

- 6.1. The Lewisham Future programme is the Council's approach to making the transformational changes necessary to reposition itself strongly for the future while living within the financial resources at its disposal. It is guided by the Council's enduring values and Corporate Savings Principles agreed in 2010 (see Appendix viii), the elected administration's manifesto commitments, and its emerging political priorities for the savings.
- 6.2. The Council continues to approach the task of identifying savings around the thematic and service areas agreed in the Programme. Looking at the three years to 2019/20, considering the finances available, growth and other pressures on Council Services the Medium Term Financial Strategy identifies further savings of £45m are required, representing a reduction of approximately 20% over the three years.
- 6.3. As in previous years, the Lewisham Future Programme continues to try and protect front line services where possible. For this reason the allocation of

savings targets has been weighted to best protect key services such as social care, take more from the corporate and administrative functions, and pursue opportunities where there may be scope for income generation. The savings targets for the £45m by work strand are:

Work strand and savings target as % of net General Fund budget		£m	%
<b>A</b>	Smarter & deeper integration of social care & health	-11.0	-13%
<b>B</b>	Supporting people	-0.5	-6%
<b>E</b>	Asset rationalisation	-8.0	-81%
<b>H</b>	Enforcement & regulation	-0.0	-0%
<b>I</b>	Management & corporate overheads	-7.0	-28%
<b>J</b>	School effectiveness	-1.0	-78%
<b>K</b>	Crime reduction	-0.5	-25%
<b>L</b>	Culture & community services	-2.0	-17%
<b>M</b>	Housing strategy & non-HRA services	-1.5	-23%
<b>N</b>	Environmental services	-4.0	-20%
<b>O</b>	Public services	-2.5	-16%
<b>P</b>	Planning & economic development	-1.0	-77%
<b>Q</b>	Safeguarding & early intervention services	-6.0	-10%
	<b>Total</b>	<b>-45.0</b>	<b>-19%</b>

- 6.4. A change for this savings cycle has been to not set targets in the cross-cutting areas, such as business and customer transformation (digital), shared services, income generation, etc.. This is to avoid duplicate work and the risk of double counting. This does not mean work in these areas stops, indeed these areas are the focus of the Lewisham 2020 approach set by members (see below).
- 6.5. Savings identified by these enabling approaches will be tracked but with the main financial monitoring continuing via the service budgets. This is to ensure that the Council has a direct view and understanding of where savings are being taken from budgets and that the responsible budget holders are clear on the budgets they have and are responsible for managing within. As a result there are no savings proposed for the C, D, F or G work strands in this report.
- 6.6. In addition to the oversight work of the Lewisham Future Programme Board, the Chief Executive and Executive Director for Resources and Regeneration have been holding a number of challenge sessions with those areas with the largest targets. They are:

Work strand		£m	%
<b>A</b>	Smarter & deeper integration of social care & health	-11.0	-13%
<b>E</b>	Asset rationalisation	-8.0	-81%
<b>I</b>	Management & corporate overheads	-7.0	-28%
<b>N</b>	Environmental services	-4.0	-20%
<b>Q</b>	Safeguarding & early intervention services	-6.0	-10%

6.7. The focus of the savings has to be on the net General Fund budget as this is the subject of the statutory requirement for the Council to set a balanced budget. However, in respect of the Lewisham 2020 transformation enablers it is also important to look at the full (gross) scale of activity to effectively change operational models and culture through different ways of working. This further highlights where the scale of the Council’s activity is and where there are more opportunities to re-shape, rather than stop services, while delivering the savings required.

**7. PRINCIPLES**

7.1. As noted above, the proposals are presented by Lewisham Future Programme thematic work strand. They have been developed with regard to the nine savings principles defined by the Council to take a one Council view (avoid cost shunting), build for sustainable options where possible, and be equitable by putting the customer first (see Appendix viii).

7.2. Savings are presented in the context of the budget and scope of the service areas in each work strand. The savings are presented as (although not in this order) 1) those proposals officers are progressing, 2) those proposals which need further member input and decisions to progress, and 3) those areas under review but further work is required before savings can be proposed with certainty.

7.3. To facilitate tracking of the individual proposals, as was done last year, the referencing used by Lewisham Future Programme work strand is the same and the numbering continues on from the 2015/16 and 2016/17 proposals.

**8. LEWISHAM 2020**

8.1. The savings proposals will also be assessed through the lens of the enabling approaches, set out in the Lewisham 2020 strategy, to help with monitoring how the savings and service changes are delivered. They are:

- Creating the conditions where communities will be able to support themselves;
- Actively exploring all opportunities to share services;
- Digitising our services and our interactions with residents (to help simplify and manage demand); and
- Developing entrepreneurial approaches to income generation, particularly in relation to assets.

8.2. The table below summarises examples of savings made to date and proposed (as set out in this report) by Lewisham 2020 transformation theme. Those areas of activity to date are still relevant as work continues to extend these practices, as well as identify new efficiencies.

Transformation theme	Examples – to date	Examples - proposed
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Transformation theme	Examples – to date	Examples - proposed
<b>Communities supporting themselves</b>	<ul style="list-style-type: none"> <li>Expansion of successful community libraries</li> <li>Volunteer engagement to maintain parks</li> </ul>	<ul style="list-style-type: none"> <li>Support Local Assemblies to self-manage</li> <li>Engage tenants to support handy person service</li> </ul>
<b>Sharing Services</b>	<ul style="list-style-type: none"> <li>Shared operation support with other London Boroughs – IT &amp; Comms</li> <li>Employment and Skills training cross Borough</li> </ul>	<ul style="list-style-type: none"> <li>Environment fleet and depot services in South East London</li> <li>Co-location of offices with partners – e.g. CCG</li> </ul>
<b>Digitising services</b>	<ul style="list-style-type: none"> <li>New Citrix infrastructure and paperless office plans</li> <li>Channel shift to bring more services on-line</li> </ul>	<ul style="list-style-type: none"> <li>Changing workforce practices to more flexible working – e.g. social work</li> <li>Embed channel shift and increase automation</li> </ul>
<b>Managing demand</b>	<ul style="list-style-type: none"> <li>More home support to lower health &amp; care costs</li> <li>Recruitment of more local foster parents</li> <li>Work to support self-travel to limit transport demands</li> </ul>	<ul style="list-style-type: none"> <li>Extend personal budgets to lessen need for support</li> <li>Focus through contracts on prevention support</li> <li>Extend extra care and shared lives schemes</li> </ul>
<b>Income generation</b>	<ul style="list-style-type: none"> <li>Develop own enforcement agency re debt collection</li> <li>Offer extended services – e.g. trade waste, green recycling, pre-planning</li> </ul>	<ul style="list-style-type: none"> <li>Invest in developing housing supply – e.g. PRS, short-term &amp; hostels</li> <li>Improve timely and efficient debt collection</li> </ul>

8.3. In addition to the approaches noted above, the level of savings required continues to require work on cost control in all areas (e.g. use of agency staff, contract management, etc.) and an acceptance of more service and financial risk through leaner corporate governance, risk and control arrangements.

## 9. SAVINGS

9.1. The savings presented in overview in this section all relate to the new savings required of £45m by 2019/20, expected at £15m per year. They are presented by work strand.

### A Smarter & deeper integration of social care & health

#### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
103.3	-32.8	<b>70.5</b>	<b>-11.0</b>



## Scope

- 9.2. The largest part of this area's spend relates to the delivery of Adult Social Care services, which offer a range of care and support services to help frail, disabled and other vulnerable adults to remain independent, active and safe. Support is provided in their own homes, in a community setting or in a care home. Also important to the success of this area is the work with partners on shaping local health services and support for the health of the local population.
- 9.3. This work strand now excludes changes to Public Health funding (including early years health visiting) as the ongoing annual reductions of this grant to 2019/20 are being managed separately to keep spending in line with available grant (see section 12 below).

## Savings

- 9.4. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:
- 9.4.1. **A18** - Widening the scope for charging - £0.5m in 2017/18
- Clarify charging arrangements, ensuring they are robust and equitable
  - Invoice for services right first time (right amount from the right person)
  - Improve collection of income (e.g. use of direct debits and chasing promptly)
- 9.4.2. **A19** - Workforce productivity from better use of technology - £0.5m by 2018/19
- Review approaches to managing demand at the front door, more mobile working, and more integrated working with health partners.
- 9.5. The following areas are being considered that may require member approval to consult on policy or service changes as a result of restructuring.
- 9.5.1. **A20** - Reduction in day care offer - £0.9m by 2019/20
- Review social isolation risks and signpost people to more generic services that would be self-funded
- 9.5.2. **A21** - Review levels of Mental Health expenditure - £1.2m by 19/20
- Review placement and possible services restructure as part of review of current South London and Maudsley contracts.
- 9.6. In addition, work continues in the following areas to identify the potential opportunities to bring forward further savings, by 2019/20 if possible but all longer dated at present. They are:
- 9.6.1. Further integration work with Health - £2.0m by 2019/20
- Continue to the work to advance the pace and scope of integration of health and social care activities to reduce costs across the piece

- 9.6.2. Reduce Transport spend - £0.5m in 2019/20
- As part of the ongoing work to reduce the over spend in this area and deliver £1m of savings, opportunities to further remove routes and meet need in other ways will continue to be explored.
- 9.6.3. Extend use of extra care to avoid higher cost placements - £0.5m by 2019/20
- Enhance Shared Lives to reduce costs associated with respite and long term care for people with learning difficulties.
  - Increase extra care and supported living units for complex service users that would otherwise move to high cost placements.

### Risks

- 9.7. The risks and challenges to achieving these savings will be to ensure the equitable provision of services going forward, the ability to work with and negotiate with health partners to direct joint funding to social care, and embed the cultural changes necessary to release the productivity gains from investment in new ways of working.

### Summary

- 9.8. The potential savings for work strand A – are (those shaded are the ones with proforma in the appendices):

A - Smarter & deeper integration of social care & health	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
<b>A18 a)</b> – Widening the scope for charging by removing subsidy and increasing charges	<b>200</b>			200	N	Y	N
<b>A18 b)</b> – Widening the scope for charging by improving income collection performance	<b>300</b>			300	N	N	N
<b>A19</b> - Workforce productivity from better use of technology	<b>200</b>	<b>300</b>		500	Y	N	Y
<b>A20</b> - Reduction in day care offer	<b>300</b>	300	300	900	N	N	N
<b>A21 a)</b> - Review levels of Mental Health expenditure, manage demand for accommodation services	<b>300</b>	300	400	1,000	N	N	N
<b>A21 b)</b> - Review levels of	<b>200</b>			200	N	N	N

A - Smarter & deeper integration of social care & health	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
Mental Health expenditure, review implementation of s117 requirements							
Further Integration – proposal currently being developed	500	500	1,000	2,000			
Reduce Transport spend			500	500			
Increase extra care, shared lives & supported living placements		250	250	500			
<b>Total</b>	<b>2,000</b>	<b>1,650</b>	<b>2,450</b>	<b>6,100</b>			
Target	3,700	3,700	3,600	11,000			
<b>Gap</b>	<b>-1,700</b>	<b>-2,050</b>	<b>-1,150</b>	<b>-4,900</b>			

9.9. Please see appendix i for the saving proformas A18 to A21.

## B – Supporting People

### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
18.9	-9.1	<b>9.8</b>	<b>-0.5</b>

### Scope

9.10. The service is focused on supporting those vulnerable people who are working to overcome addiction, the impact of violence or mental health issues to help them get back into main stream support.

### Savings

9.11. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:

9.11.1. **B3** Service procurement - £0.5m in 2017/18 (see further explanation below)

### Risks

9.12. The risks and challenges to achieving these savings will be the effective commissioning and procurement of services.

### Summary

9.13. The potential savings for work strand B – are (those shaded are the ones with proforma in the appendices):

B – Supporting People	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
*B3 Re-procure floating support services	500			500	N	N	N
<b>Total</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>500</b>			
Target	500	0	0	500			
<b>Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			

\*No proforma is attached as this saving is in progress so this is an update of work in progress and not a new saving. However, for completeness in terms of setting the budget for 2017/18 it does need to be noted.

In Feb 2015 Mayor and Cabinet agreed to:

- The re-commissioning the floating support services to deliver savings across a number of contracts. Due to partnership working with Lewisham Homes and the other Registered Social Landlord providers in the borough the overall saving has been greater than anticipated.
- The re-commissioning of the Young Person Assessment Centre achieved additional savings due to a change in the model and the market conditions for this type of service. The quality of provision has been maintained.
- reduced support for supported accommodation provision for mental health. It was agreed that funding for services that the Local Authority had previously jointly commissioned in respect of Mental Health was to be funded wholly by the mental health provider through their offsetting of procurement efficiencies and would not impact on service delivery overall.

In addition:

- Further reductions have been delivered through low level efficiencies across a range of contracts due to market conditions and an impending restructure of the commissioning team.

## **E Asset rationalisation**

## Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
15.8	-8.2	<b>7.6</b>	<b>-8.0</b>

## Scope

9.14. This service works to renew the physical fabric of the borough sustainably and to enhance the overall well-being of Lewisham as a place. This is managed through programme management capital delivery, school place expansion programme, town centre regeneration, asset strategy, contract management, maintenance of the corporate estate (including investment assets), and transport (including highways improvement and lighting).

## Savings

9.15. The following areas are being reviewed by management with a view to bringing forward revenue streams or tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:

9.15.1. **E6** - Property investment acquisition - £0.15m by 2019/20

- Invest in addressing housing supply pressures – for example in the private rented and short-term alternatives for temporary accommodation.

9.15.2. Co-location as part of partnership working - £0.5m by 2019/20

- Accommodation of Health and other partners (if possible in Laurence House) provides contribution to overheads.

9.16. The following areas are being considered that may require member approval to consult on policy or service changes as a result of restructuring.

9.16.1. **E7** - Development of Private Rental Schemes – £1.0m by 2019/20

- For example; Besson Street, Achilles Street, Catford

9.16.2. Re-provision hostel accommodation - £0.2m by 2019/20

- Commission purpose built provision to then release existing residential street sites and secure gain on the capital receipts.

9.17. In addition, work continues in the following areas to identify the potential opportunities to bring forward further savings, by 2019/20 if possible but all longer dated at present. They are:

9.17.1. Development of regeneration schemes - £3.0m post 2019/20

- As part of current plans the next phases for Ladywell, Wearside, Achilles Street and Catford

- Work on potential at sites such as Hamilton Street, Sayes Court, Clare Court, Perry Vale car park, Home Park and Bell Green, and Vanguard Street car park.
- Final parts of investment and hostels proposals noted above.

### Risks

- 9.18. The risks and challenges to achieving these savings will be the ability to appraise, design, procure, partner and deliver these proposals in an appropriate timeframe at an affordable cost (in terms of the required capital commitments to realise proportionate revenue income or savings).

### Summary

- 9.19. The potential savings for work strand E – are (those shaded are the ones with proforma in the appendices):

<b>E – Asset Rationalisation</b>	<b>17/18 £'000</b>	<b>18/19 £'000</b>	<b>19/20 £'000</b>	<b>Total £'000</b>	<b>Key decision</b>	<b>Public consultation</b>	<b>Staff consultation</b>
<b>E6</b> - Property investment acquisition	<b>150</b>			150	N	N	N
<b>E7</b> - Development of Private Rental Schemes	<b>150</b>	700	175	1,025	N	N	N
Co-location as part of partnership working		250	250	500			
Re-provision hostel accommodation		100	100	200			
<b>Total</b>	<b>300</b>	<b>1,050</b>	<b>525</b>	<b>1,875</b>			
Target	2,700	2,700	2,600	8,000			
<b>Gap</b>	<b>-2,400</b>	<b>-1,650</b>	<b>-2,075</b>	<b>-6,125</b>			

- 9.20. Please see appendix ii for the saving proformas E6 and E7.

### **H Enforcement & regulation**

- 9.21. No savings target has been set for this area following the major reorganisation and change of approach to an intelligence led and targeted response service in 2015/16. Some aspects of this service, in particular food standards, are subject to external inspection and the approach now in place has to be proven before further risks from a more selective response approach are considered.

### **I Management & corporate overheads**

## Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
42.8	-17.8	<b>25.0</b>	<b>-7.0</b>

## Scope

- 9.22. The services included within this work strand include the corporate and democratic core, the cost of members and senior management, and the corporate administrative services that help coordinate and support the externally focused work in Directorates. These services include: Human Resources; Legal and Electoral Services; Corporate Resources; Finance; Policy, Performance and Governance; and Strategy.

## Savings

- 9.23. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:
- 9.23.1. **I11** - Review insurance risk assessments - £0.3m by 2018/19
- Review risk assessments to reduce costs, in part by taking on more self-insured risk (current net general fund budget £1.5m per year).
- 9.23.2. Reduction in staffing and operational budgets in the governance, secretariat, policy & performance teams - £0.32m by 2019/20
- Reduce the level of governance support
  - Reduce secretariat support for officers
  - Reduce policy and performance support
- 9.23.3. Reduction in finance function - £0.5m by 2019/20
- Reorganisation of the function and reduction in service levels to Directorates to focus on key statutory roles (e.g. the financial statements) and other returns.
- 9.23.4. Review level of external legal spend - £0.2m in 2018/19
- Review all external legal spend to assess where costs on specialists could be reduced by extending and backing in-house team judgements.
- 9.23.5. Review leadership and management requirements - £0.15m in 2018/19
- Review senior officer arrangements in light of changes to Council services.
- 9.24. The following areas are being considered that may require member approval to consult on policy or service changes as a result of restructuring.

- 9.24.1. Reduction Trade Union and Learning and Development costs - £0.2m by 2019/20
- Stop non-employee adult social care learning to the voluntary and private sectors
  - Reduce level of Trade Union secondments in parallel with further reductions in employee numbers.
- 9.24.2. Reduction in work of Strategy team – £0.25m in 2019/20
- Carry out a review of functions and staffing across the strategy and communications areas to be implemented in 2019/20.
- 9.24.3. Commercialise ICT shared service arrangements – £1.0m in 2019/20
- Use the benefit of recent infrastructure investments and working with the London Borough of Brent to offer current ICT support arrangements to other local authorities on a commercial basis.

### Risks

- 9.25. The risks and challenges to achieving these savings will be to ensure Council business is covered satisfactorily, undue risk and cost shunts do not arise, and statutory obligations continue to be met in full. These risks are now particularly acute in the area of management and corporate overheads as the Council has front loaded savings since 2010/11 to these corporate support functions to protect front line services.

### Summary

- 9.26. The savings being proposed for work strand I – are (those shaded are the ones with proforma in the appendices):

I – Management & corporate overheads	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
<b>I11 a) - Review insurance risks &amp; reserves</b>	<b>225</b>	50		275	N	N	N
<b>I11 b) - Review insurance risks and reorganise</b>	<b>25</b>			25	N	N	N
Reduce the level of governance support		50	50	100			
Reduce secretariat support		60	60	120			
Reduce policy & performance support		100		100			
Reduction in finance function		200	300	500			
Review level of external legal spend		200		200			



I – Management & corporate overheads	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
Review leadership & management arrangements		150		150			
Reduction in Trade Union costs and external social care learning & dev.		100	100	200			
Reduction in work of Strategy team			250	250			
Commercialise ICT shared service arrangements			1,000	1,000			
<b>Total</b>	<b>250</b>	<b>910</b>	<b>1,760</b>	<b>2,920</b>			
Target	2,400	2,300	2,300	7,000			
<b>Gap</b>	<b>-2,150</b>	<b>-1,390</b>	<b>-540</b>	<b>-4,080</b>			

9.27. Please see appendix iii for the saving proforma for I11.

### **J School effectiveness**

9.28. A savings target of £1m has been set for this area of activity. While it is not anticipated that the Council's statutory duties for schools, and particularly safeguarding within them, would be removed there was a national expectation that all schools should become Academies. This would have fundamentally changed the relationship and level of engagement the Council could expect to have with schools, and the related costs or recharges appropriate for this work. However, the government's policy to require academisation has subsequently changed again. Future funding levels are also expected to change from 2017/18, through both Education Support Grant and Formula Funding, but the details are still to be confirmed. At the same time the Council has commissioned an Education Commission to review its approach to this area.

9.29. Given the strategic uncertainties in this area no firm proposals are presented at this time. Work will continue in this area and proposals will be brought forward when the structural and funding position for future years is clearer.

### **K Drugs and alcohol**

9.30. A savings target of £0.5m has been set for this area. However, given the overlap with decisions on public health spending and reliance on London Mayoral funding, no proposals are being put forward at this stage pending agreement on the approach to keep public health spending within the level of the grant and more detail on Greater London Authority spending plans.

- 9.31. Once the wider funding position is clearer the feasibility of achieving this target will be reviewed.

## **L Culture & community services**

### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
19.0	-7.6	<b>11.4</b>	<b>-2.0</b>

### Scope

- 9.32. The service area is responsible for libraries, arts and entertainment, adult education, community/neighbourhood development (including grants programme) and leisure, sports and recreation activities.

### Savings

- 9.33. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:

9.33.1. **L8** - Facilities management - £0.2m by 2018/19

- Review arrangements for the management of some Division's operational buildings and seek third party provider(s) to take on the role.

- 9.34. The following areas are being considered that may require member approval to consult on policy or service changes as a result of restructuring.

9.34.1. **L9** – Restructure the Assemblies fund - £0.27m in 2017/18

- End the annual £15k per ward but retain officer support to assist with coordinating voluntary support and activities and look to replace with alternative funding where possible.

9.34.2. Withdraw subsidies - £0.3m by 2018/19

- **L10** - End residual £40k funding to Adult Learning Lewisham so fully funded by the Skills Funding Agency
- Review remaining Leisure subsidies (following contract review savings agreed for 2016/17) to exit from them.
- Revisit objectives and £60k support for People's Day and Blackheath fireworks.

### Risks

- 9.35. The risks and challenges to achieving these savings will be the loss of presence and goodwill in the community for creating value through underpinning and supporting the sense of place in Lewisham.

## Summary

- 9.36. The savings being proposed for work strand L – are (those shaded are the ones with proforma in the appendices):

L – Culture and Community Services	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
<b>L8</b> - Facilities management	<b>70</b>	<b>130</b>		200	N	N	Y
<b>L9</b> - Assemblies Fund	<b>270</b>			270	Y	Y	N
<b>L10</b> - Adult Learning Lewisham subsidy	<b>40</b>			40	N	N	N
Leisure services subsidy		200		200			
Events subsidy		60		60			
<b>Total</b>	<b>380</b>	<b>390</b>	<b>0</b>	<b>770</b>			
Target	700	700	600	2,000			
<b>Gap</b>	<b>-320</b>	<b>-310</b>	<b>-600</b>	<b>-1,230</b>			

- 9.37. Please see appendix iv for savings proformas L8 to L10 and an Equality Impact assessment report for L9.

## **M Housing strategy & non-HRA services**

### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
25.7	-20.2	<b>5.5</b>	<b>-1.5</b>

### Scope

- 9.38. This division includes the following service areas: housing strategy and programmes; housing needs (including housing options and homesearch); and private sector housing agency.

### Savings

- 9.39. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:

- 9.39.1. Service restructures to improve joint working - £0.4m by 2019/20

- **M3** - Housing needs to integrate HOC and SHIP working and co-locate teams
- Integrate No Recourse to Public Funds and Homeless Prevention service working
- Restructure grants and occupational therapy services

9.39.2. Reduce No Recourse to Public Funds administration costs - £0.2m by 2018/19

- **M7** - Review approaches to managing demand at the front door and assessment and monitoring of casework.

9.40. The following areas are being considered that may require member approval to consult on policy or service changes as a result of restructuring.

9.40.1. Income generating projects - £0.24m in 2017/18

- **M4** - Place Ladywell
- **M5** - Hamilton Lodge hostel accommodation

9.40.2. Handy Persons Service - £0.15m in 2017/18

- **M6** - Engage with the community and tenants to reorganise provision of the current Handy Persons service for tenants.

9.41. In addition, work continues in the following areas to identify the potential and opportunities to bring forward further savings before 2019/20. They are:

9.41.1. Other income generating schemes

- For example, and depending on the capital costs required, further pop up schemes at Mayfield or on a Council car park

### Risks

9.42. The risks and challenges to achieving these savings are to address current pressures on No Recourse to Public Funds, Temporary Accommodation and an income shortfall on private sector leasing services while also delivering savings. The restructuring savings are dependent on suitable office accommodation being found and capital costs for income generating schemes being affordable.

### Summary

9.43. The savings being proposed for work strand M – are (those shaded are the ones with proforma in the appendices):

M – Strategic Housing	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation

<b>M – Strategic Housing</b>	<b>17/18 £'000</b>	<b>18/19 £'000</b>	<b>19/20 £'000</b>	<b>Total £'000</b>	<b>Key decision</b>	<b>Public consultation</b>	<b>Staff consultation</b>
<b>*M3</b> - Housing needs restructure	<b>61</b>			61			
<b>M4</b> – PLACE / Ladywell	<b>85</b>			85	N	N	N
<b>M5</b> - Hamilton Lodge hostel income	<b>150</b>			150	N	N	N
<b>M6</b> - Reorganise provision of the Handy Persons service	<b>150</b>			150	Y	Y	Y
<b>M7 a)</b> - Reduce No Recourse to Public Funds (NRPF) re-provisioning housing	<b>64</b>			64	N	N	N
<b>M7 b)</b> – NRPF prompt claiming of Housing Benefit project	<b>36</b>			36	N	N	N
Co-locate HOC and SHIP services		200		200			
Restructure NRPF and Homeless prevention services		100		100			
Restructure grants and OT services		50		50			
<b>Total</b>	<b>546</b>	<b>350</b>	<b>0</b>	<b>896</b>			
Target	500	500	500	1,500			
<b>Gap</b>	<b>46</b>	<b>-150</b>	<b>-500</b>	<b>-604</b>			

\*No proforma is attached as this saving **M3** is in progress so this is an update of work in progress and not a new saving. However, for completeness in terms of setting the budget for 2017/18 it does need to be noted.

- 9.44. Mayor and Cabinet has agreed to transfer operational services focused on the management and maintenance of Temporary Accommodation (TA) to Lewisham Homes to maximise their operational expertise and enable the Council's housing team to play a more strategic role. This has been done and a proposal to reorganise the Housing Needs team to align with these objectives is now being progressed by management. This is being done in line with the 'managing change' policy and will result in a £61k saving to the General Fund and £7k saving to the Housing Revenue Account.
- 9.45. Please see appendix v for saving proformas M4 to M7 and the consultation questions in relation to M6, the Handyperson Service

## N Environmental services

### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
36.2	-17.3	<b>18.9</b>	<b>-4.0</b>

### Scope

- 9.46. This division includes the following service areas: waste management (refuse and recycling); cleansing (street sweeping); Green Scene (parks and open spaces); fleet and passenger services; bereavement services, and markets.

### Savings

- 9.47. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:

- 9.47.1. Cost of maintaining Parks - £0.5m by 2019/20

- Combination of continued tight cost management and identifying new income generating opportunities.

- 9.48. In addition, work continues in the following areas to identify the potential and opportunities to bring forward further savings before 2019/20. They are:

- 9.48.1. Development of shared service - £1.6m in 2019/20

- Continue to explore South East London regional opportunities to realise economies of scale through sharing of depot and fleet management arrangements.

### Risks

- 9.49. The risks and challenges to achieving these savings are risk appetite to using public spaces more commercially and alignment of commercial interests with neighbouring boroughs to facilitate the agreement of shared services arrangements in a short timeframe.

### Summary

- 9.50. The savings being proposed for work strand N - are:

N – Environmental services	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
Parks income opportunities and cost savings		250	250	500			
South East London shared service arrangements for depot and fleet			1,600	1,600			
<b>Total</b>	<b>0</b>	<b>250</b>	<b>1,850</b>	<b>2,100</b>			
Target	1,300	1,300	1,400	4,000			
<b>Gap</b>	<b>-1,300</b>	<b>-1,050</b>	<b>450</b>	<b>-1,900</b>			

## O Public services

### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
17.2	-3.7	<b>13.5</b>	<b>-2.5</b>

### Scope

9.51. This division provides the 'front door' to a wide range of services across the Council. This includes the Customer Contact Centre; Registration; Revenues; Benefits; Business Support; Emergency Planning; and Parking Management services.

### Savings

9.52. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:

9.52.1. Automation of online forms - £0.53m in 2019/20

- Digital work to automate the 15+ forms into the main Academy system
- Review options to further automate the business rates processes
- Move benefit claim process to online only
- Explore automation of the adult social care financial assessment process

9.52.2. Channel shift to online work - £0.32m by 2019/20

- Reduce telephone contacts (92,000 in 15/16) by moving 70% of transaction processing calls online.

- Shift significant proportion of remaining 30% of those who pay 'voluntarily' to direct debit or other automated payment methods.

9.52.3. Improve sundry debt collection processes - £1.0m from 2019/20

- Review and modernise approaches to debt collection to drive up income collection.

9.52.4. Contact centre system replacement - £0.02m from 2019/20

- Procure replacement contact centre system to provide greater resilience and improved functionality to support digital work.

### Risks

9.53. The risks and challenges to achieving these savings are the ability to educate and change user expectations and the routes to engaging with the Council.

### Summary

9.54. The savings being proposed for work strand O – are (those shaded are the ones with proforma in the appendices):

O – Public Services	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
Automation of online forms			530	530			
Channel shift and demand management			320	320			
Improve sundry debt collection			1,000	1,000			
Contact system replacement			20	20			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,870</b>	<b>1,870</b>			
Target	840	830	830	2,500			
<b>Gap</b>	<b>-840</b>	<b>-830</b>	<b>1,040</b>	<b>-630</b>			

## **P Planning & economic development**

### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
3.1	-1.7	<b>1.4</b>	<b>-1.0</b>



### Scope

- 9.55. This division provides employment and business support for local businesses or those seeking to invest in Lewisham; maintenance of the local economic assessment; strategic leadership on business employment and the EU. Development and the use of land in the long term public interest are achieved through a positive and proactive approach to shaping, considering, determining, and delivering development proposals.

### Savings

- 9.56. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:

- 9.56.1. Organise to deliver income generating work - £0.2m from 2018/19
- Greater stability in the planning team by reducing reliance on agency staff.
- 9.56.2. Re-organisation of development management - £0.04m in 2018/19
- Restructure team to deliver planning functions

- 9.57. The following areas are being considered that may require member approval to consult on policy or service changes as a result of restructuring.

- 9.57.1. Review fee levels - £0.04m in 2019/20
- Review fees for Design Review Panel work to cover costs of post to support.

### Risks

- 9.58. The risks and challenges to achieving these savings are tied to the performance of the London economy and the related demand for planning services that result. This could provide further opportunities for additional income, as much as the downside risk.

### Summary

- 9.59. The savings being proposed for work strand P – are (those shaded are the ones with proforma in the appendices):

P – Planning and economic development	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
Re-organise to reduce		200		200			

P – Planning and economic development	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
reliance on agency staff							
Restructure development management team		40		40			
Review fees for Design Panel Review work			40	40			
<b>Total</b>	<b>0</b>	<b>240</b>	<b>40</b>	<b>280</b>			
Target	340	330	330	1,000			
<b>Gap</b>	<b>-340</b>	<b>-90</b>	<b>-290</b>	<b>-720</b>			

## Q Safeguarding & early intervention services

### Budget

2016/17 Budget book			Savings target to 2019/20 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
67.1	-19.5	<b>47.6</b>	<b>-6.0</b>

### Scope

- 9.60. This work strand covers all Children's Social Care functions, including early intervention services such as Children's Centres and Targeted Family Support. The service works with children who need to be looked after and safeguarded from harm.
- 9.61. The work strand also includes the services to individual children with complex needs; those with special educational needs; the youth service; and the youth offending service and health care commissioning for children and young people.

### Savings

- 9.62. The following areas are being reviewed by management with a view to tightening up procedures in line with existing policies to increase productivity and realise further efficiencies. They are:
- 9.62.1. **Q6** Developing alternative pathways for care for adoption, looked after children and those leaving care - £1.0m mainly in 2017/18
- Improved planning and support for independence skills provision for leaving care including increase of Personal Adviser capacity
  - Additional shared housing procurement for care leavers with NRPF

- Revised pathways and procurement to access public housing at 18 years old, including revised use of training flats
- 9.62.2. **Q7** Contact efficiencies or reduced spend - £0.25m
- In the area of Child and Adolescent Mental Health Services (CAMHS)
- 9.62.3. **Q8** Continue strategy to develop in-house fostering team and specialist carers - £0.16m in 2017/18
- Finalise fostering strategy currently in development and implement actions.
- 9.62.4. Reduction in looked after children by refocusing current arrangements - £0.7m in 2017/18
- **Q9** Enhance support for young people on the edge of care to avoid need to provide accommodation
  - **Q10** Enhance family finding capacity for step down placements, rather than using external residential providers.
- 9.63. The following areas are being considered that may require member approval to consult on policy or service changes as a result of restructuring.
- 9.63.1. Assessment intervention and spot purchase efficiency review - £0.7m
- This work to be aligned with digital transformation and workforce strategy review.
  - **Q11** Review of function and purpose of Meliot Road Centre whereby it will cease to operate as a Family Centre and will be re-focussed as a Contact Centre.
- 9.64. In addition, work continues in the following areas to identify the potential and opportunities to bring forward further savings before 2019/20. They are:
- 9.64.1. Developing own provision and seeking alternative funding
- For example in the areas of short breaks, providing own children's home(s), charging policies, and accessing the social care innovation fund.

### Risks

- 9.65. The risks and challenges to achieving these savings are the ability to develop local authority provision at the levels needed to offer alternative pathways and support to avoid more expensive external provision. Also that with the introduction of change there is the risk of some breakdown of existing arrangements with negative consequences if not effectively managed.

### Summary

- 9.66. The savings being proposed for work strand Q – are (those shaded are the ones with proforma in the appendices):

Q – Early intervention & safeguarding	17/18 £'000	18/19 £'000	19/20 £'000	Total £'000	Key decision	Public consultation	Staff consultation
Q6 a) - Developing alternative pathways for care – shared housing	170			170	N	N	N
Q6 b) - Developing alternative pathways for care – housing support	420			420	N	N	N
Q6 c) - Developing alternative pathways for care – access to public housing	50			50	N	N	N
Q6 d) - Developing alternative pathways for care – claiming of housing benefit	270			270	N	N	N
Q6 e) - Developing alternative pathways for care – contract monitoring	190			190	N	N	N
Q6 f) - Developing alternative pathways for care – improved planning		100		100	N	N	N
Q7 a) - Redesign Of Lewisham CAMHS – improve access pathways	44	50	100	194	Y	N	N
Q7 b) - Redesign Of Lewisham CAMHS – further integration work	50			50	Y	N	N
Q8 - Develop in-house fostering and specialist carers	220			220	N	N	N
Q9 - Enhance support for children on edge of care	495			495	N	N	N
Q10 - Enhance family finding capacity for step down	150			150	Y	Y	N
Q11 a) - Redesign of Meliot Centre - review of services at the centre	500			500	Y	N	Y
Q11 b) - Redesign of Meliot Centre - develop contact centre	234			234	N	N	N
<b>Total</b>	<b>2,793</b>	<b>150</b>	<b>100</b>	<b>3,043</b>			
Target	2,000	2,000	2,000	6,000			
<b>Gap</b>	<b>793</b>	<b>-1,850</b>	<b>-1,900</b>	<b>-2,957</b>			

9.67. Please see appendix vi for savings proformas Q6 to Q11 and a Review of Lewisham CAMHS report and Equalities Impact Assessment for Q7.

## 10. OTHER AREAS

### Discretionary spend

10.1. In preparing the above there is over £15m of discretionary spend which has not been put forward for further consideration at this stage

10.2. This is in part as significant changes are currently being implemented to these areas so it is not the right time to consider future options until these have been fully implemented. At the same time these budgets are also for services key to Members priorities. However, with some minimum statutory obligations, these are discretionary services. So if the savings proposals presented here and to follow do not meet the level of savings necessary to set a balanced budget, then these areas may also need to be revisited before 2019/20.

### Four Year Efficiency Plan

10.3. In the annual financial settlement for 2016/17 the Secretary of State for Communities and Local Government wrote to all authorities to offer them a four year financial settlement. This settlement is still subject to an annual consultation and confirmation by parliament.

10.4. For Lewisham this relates to the offered level of Revenue Support Grant (RSG) each year to 2019/20. To take up this offer the Council must write to the Secretary of State by the 14 October 2016 and include a link to a published efficiency plan. The paper attached at Appendix x draws on the Council's financial strategy, savings proposals and approach to transformation through the Lewisham Future Programme and Lewisham 2020 priorities.

10.5. Once approved by the Mayor it will become Lewisham's efficiency plan to 2019/20 to enable it to take the four year settlement of RSG worth £170.3m.

## 11. PREVIOUSLY AGREED SAVINGS

11.1. In November 2014 and September 2015, the Mayor agreed savings for 2017/18. These, totalling £16.3m, are tabled below and re-presented to the Mayor for noting and re-endorsement:

### **Previously Agreed 2017/18 Revenue Budget Savings Proposals**

Ref.	Description	17/18 £'000	Status
<b>A</b>	<b>Smarter &amp; deeper integration of social care &amp; health</b>		
A11	Managing and improving transition plans	300	On track (monitoring via financial forecasts)

Ref.	Description	17/18 £'000	Status
A12	Reducing costs of staff management, assessment and care planning	200	On track (monitoring via financial forecasts)
A13	Alternative Delivery Models for the provision of care and support services, including mental health	700	Report to Scrutiny and M&C now scheduled for November 2016
A14	Achieving best value in care packages	500	On track (monitoring via financial forecasts)
A15	New delivery models for extra care – Provision of Contracts	900	Report to Scrutiny and M&C now scheduled for November 2016
A16	Health Protection	23	On track – see Public Health savings
A16	Redesign through collaboration	580	On track – see Public Health savings
A17	Sexual Health Transformation	500	On track – see Public Health savings
<b>D</b>	<b>Efficiency Review</b>		
D1	Annual reduction from inflation	2,500	On track (monitoring via financial forecasts)
<b>E</b>	<b>Asset Optimisation</b>		
E2	Efficiencies in facilities management contracts	670	On track (monitoring via financial forecasts)
E3	Additional income from corporate properties	200	On track (monitoring via financial forecasts)
E4	Additional income from commercial properties	100	On track (monitoring via financial forecasts)
E5	Energy efficiency measures	15	On track (monitoring via financial forecasts)
<b>F</b>	<b>Business Support and Customer Transformation</b>		
F1	Centralisation of business support services part 2	1,000	Work continues to develop next phase as part 1 changes in place
F2b	Pushing customers to self-serve online wherever possible.	52	On track (monitoring via financial forecasts)
F3	Customer Service Centre reorganisation.	43	On track (monitoring via financial forecasts)
<b>G</b>	<b>Income Generation</b>		
G2e	Parking: Review service level arrangements.	250	Ongoing and aligned with work around CPZs
<b>I</b>	<b>Management and Corporate Overheads</b>		
I2a	Policy, performance, service redesign and intelligence	180	On track (monitoring via financial forecasts)
I2c	Governance	75	On track (monitoring via financial forecasts)
I5	Commissioning and Procurement: undertake base lining of current activity and focus time only on value add activities.	500	On track (monitoring via financial forecasts)
I7	Finance non-salary budget and	150	On track

Ref.	Description	17/18 £'000	Status
	vacancies review		(monitoring via financial forecasts)
I9a	HR support	200	On track (monitoring via financial forecasts)
I9d	Social Care Training	100	On track (monitoring via financial forecasts)
I10a	Revising infrastructure support arrangements and Contract, systems and supplies review	1,000	On track (monitoring via financial forecasts)
<b>J</b>	<b>School Effectiveness</b>		
J2b	Attendance and Welfare: We currently deliver our core statutory offer plus some traded services within this area. A further restructure and increase in traded services could result in further savings.	75	On track (monitoring via financial forecasts)
J2c	Schools Infrastructure: Schools Strategic IT support to be traded or stop	58	On track (monitoring via financial forecasts)
<b>K</b>	<b>Drug and Alcohol</b>		
K4	Reducing the length of time that methadone (Heroin substitute) is prescribed, re-procurement of the main drug and alcohol service, and greater use of community rehabilitation	340	On track (monitoring via financial forecasts)
<b>L</b>	<b>Culture and Community Services</b>		
L5	Reduce the level of grant funding to the voluntary sector by £1,000,000 from 1 April 2017/18. This will require the reduction/removal of funding from a range of organisations currently receiving funding.	1,000	On track (monitoring via financial forecasts)
L6	Library and Information Service: 1. Creation of three Hub Libraries – Deptford Lounge, Lewisham and Downham Health & Leisure Centre – which will carry an enhanced role for face to face contact between the Local Authority and the public to support the digital by default agenda. 2. the extension of the Lewisham Community Library Model to Forest Hill, Torridon, and Manor House, in partnership with other	600	Savings being progressed, report presented to Mayor and Cabinet on the 13 July 2016. Arrangements for Manor House still to be finalised.

Ref.	Description	17/18 £'000	Status
	council services and community organisations. And the integration of the library provision into the repurposed ground floor space within the Catford complex (Laurence House). 3. the regrading of front line staff to include new functions through the re-training and enhancement of front line roles.		
L7	Change in contractual arrangements relating the leisure services	1,000	Report to Scrutiny and M&C now scheduled for September 2016
<b>M</b>	<b>Housing strategy and non-HRA funded services</b>		
M1	<b>Feb 2015 saving</b> – Non-housing stock transfer from Housing Revenue Account to General Fund	100	On track (monitoring via financial forecasts)
<b>N</b>	<b>Environmental Services</b>		
N3	Review of Lewisham's Waste Services (Doorstep collection & disposal) Transfer of estates Bulky Waste disposal costs to Lewisham Homes	500	On track (monitoring via financial forecasts)
N5	Review of Lewisham's Passenger Transport Service.	500	Work continues to develop firm approach
N6	To develop our Trade Waste customer base, improve efficiency, increase income. Increased share of income from Parks Events.	250	On track (monitoring via financial forecasts)
<b>P</b>	<b>Planning and Economic Development</b>		
P2c	Further increase in charges and changes to funding coupled with savings achievable from a corporate approach to and restructure of employment services.	305	Work continues to develop firm approach
P2d	Review of Statement of Community Involvement (SCI) on the way in which the service consults on planning applications. Efficiency savings based on paper, printing and postage costs.	20	Report to Scrutiny and M&C now scheduled for October 2016
<b>Q</b>	<b>Safeguarding and Early Intervention</b>		
Q1.5g	<b>Feb 2015 saving</b> – case management efficiencies between FIP & TFS	111	On track (monitoring via financial forecasts)
Q4a	Social care supplies and services	240	On track



Ref.	Description	17/18 £'000	Status
	reduced spend.		(monitoring via financial forecasts)
Q4b	Social care financial management through continued cost control on all areas of spend.	50	On track (monitoring via financial forecasts)
Q4c	Placements: continuing strategy to use local authority foster placements where possible.	200	Work continues to develop firm approach. New savings proposals further progress this approach.
Q5	Youth Service: accelerate tapering of support to Youth Service to statutory minimum (will follow decision on creation of a mutual).	150	On track (monitoring via financial forecasts)

## 12. PUBLIC HEALTH

- 12.1. In September 2015, following scrutiny and the work of a task and finish group, Mayor & Cabinet approved £2m of savings on public health budgets, including sexual health, by 17/18 (ref - A16 and A17).
- 12.2. In the Spending Review and Autumn Statement 2015 the Government announced further cuts to funding for public health services. For Lewisham this has resulted in a grant reduction of £2.7m by 2017/18. The Council therefore needs to save a total of £4.7m by 1 April 2017.
- 12.3. This approach and an outline of the savings was presented to members in July 2016. A report to Healthier Communities Scrutiny Committee on 13 September 2016 describes the activity to achieve the necessary level of savings. In summary they are:

Public Health draft officer savings proposals by NHS England cat.				
Service Area	2016/17 £'000	2017/18 £'000	Total £'000	Gap £'000
Children 5-19 programme			<b>0</b>	
Health protection	35	23	<b>58</b>	
Sexual health	150	500	<b>650</b>	
Substance misuse	50	500	<b>550</b>	
NHS health check programme	76	75	<b>151</b>	
Obesity	47	149	<b>196</b>	
Physical activity	200		<b>200</b>	
Other public health services	128	452	<b>578</b>	
Prescribing	130		<b>130</b>	
National child measurement prog.		1,515	<b>1,515</b>	(272)
Public Health advice			<b>0</b>	
Public Health team	210			
Smoking and tobacco	70	125	<b>195</b>	
<b>Total</b>	<b>1,096</b>	<b>3,610</b>	<b>4,434</b>	<b>(272)</b>

## 13. TIMETABLE

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

Review of Savings proposals	Children & Young People	Healthier	Housing	Public Accounts	Safer Stronger	Sustainable
Select Ctte.	14 Sep	13 Sep	7 Sep	22 Sep	15 Sep	14 Sep
M&C	28 Sep					

- 13.2. The M&C decisions are then subject to the usual Business Panel scrutiny call in process and reconsideration at the following M&C if necessary. This report will be presented to the Overview and Scrutiny Business Panel on the 4<sup>th</sup> October 2016.

- 13.3. If required, two more savings rounds can be taken through the decision process, still with the possibility of achieving a full-year effect of savings in 2017/18. The key dates for these rounds are as follows:

Review of Savings proposals	Children & Young People	Healthier	Housing	Public Accounts	Safer Stronger	Sustainable
Select Ctte.	10 Nov	24 Nov	16 Nov	30 Nov	28 Nov	29 Nov
M&C	7 Dec					
Select Ctte.	11 Jan	12 Jan	10 Jan	25 Jan + Budget	17 Jan	24 Jan
M&C	8 Feb + Budget					

- 13.4. The Overview and Scrutiny Business Panel for these rounds will be 13 December and 14 February respectively.

- 13.5. In addition to the above, further proposals will need to be presented for decision during 2017/18, with the possibility of achieving a partial year effect for that year and full year effect for future years.

#### 14. FINANCIAL IMPLICATIONS

- 14.1. 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.

#### 15. LEGAL IMPLICATIONS

**NB – additional specific legal implications for individual savings are included in the savings proforma at appendices i to vi.**

### **Statutory duties**

- 15.1. 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**

- 15.2. 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**

- 15.3. If service reductions would result in redundancy, then the Council's usual redundancy and redeployment procedure would apply. If proposals would result in more than 20 but fewer than 100 redundancies in any 90 day period, there would be a requirement to consult for a period of 30 days with trade unions under Section 188 Trade Union and Labour Relations (consolidation) Act 1992. The consultation period increases to 45 days if the numbers are 100 or more. This consultation is in addition to the consultation required with the individual employees. If a proposal entails a service re-organisation, decisions in this respect will be taken by officers in accordance with the Council's re-organisation procedures.

### **Equalities Legislation**

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

- 15.5. 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.
- 15.6. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.
- 15.7. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 15.8. The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:  
<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>
- 15.9. <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>
- 15.10. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- The essential guide to the public sector equality duty.
  - Meeting the equality duty in policy and decision-making.
  - Engagement and the equality duty: A guide for public authorities.
  - Objectives and the equality duty. A guide for public authorities.
  - Equality Information and the Equality Duty: A Guide for Public Authorities.

- 15.11. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:  
<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>
- 15.12. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”.<https://www.equalityhumanrights.com/en/advice-and-guidance/making-fair-financial-decisions>. It appears at Appendix ix and attention is drawn to its contents.
- 15.13. The equalities implications pertaining to the specific service reductions are particular to the specific reduction.
- 15.14. 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 xi presents that information for ease of reference.

### **The Human Rights Act**

- 15.15. 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.
- 15.16. 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

15.17. 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**

15.18. 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**

15.19. 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**

15.20. 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**

15.21. Members’ attention is drawn to the specific legal implications arising in relation to particular proposals set out in this report in Appendices i to vi.

## **16. CONCLUSION**

16.1. The Council expects to need to make further savings between now and 2019/20. The amount and timing has been detailed above, however the definitive position is dependent on 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.

## 17. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

Short Title of Report	Date	Contact
Medium Term Financial Strategy <a href="http://councilmeetings.lewisham.gov.uk/documents/s44586/Medium%20Term%20Financial%20Strategy.pdf">http://councilmeetings.lewisham.gov.uk/documents/s44586/Medium%20Term%20Financial%20Strategy.pdf</a>	July 2016	David Austin
Revenue Budget Savings <a href="http://councilmeetings.lewisham.gov.uk/documents/s38760/Revenue%20Budget%20Savings.pdf">http://councilmeetings.lewisham.gov.uk/documents/s38760/Revenue%20Budget%20Savings.pdf</a>	September 2015	David Austin
Budget 2016/17 <a href="http://councilmeetings.lewisham.gov.uk/documents/s41570/2016%2017%20Budget.pdf">http://councilmeetings.lewisham.gov.uk/documents/s41570/2016%2017%20Budget.pdf</a>	February 2016	David Austin

### Appendices

- i. A - Smarter & deeper integration of social care & health proposals
- ii. E - Asset rationalisation proposals
- iii. I - Management & corporate overhead proposal
- iv. L- Culture & community services proposals
- v. M - Strategic housing proposals
- vi. Q - Early intervention & safeguarding proposals
- vii. Savings Summary table
- viii. Corporate Savings Principles
- ix. Making Fair Financial Decisions guidance
- x. Efficiency Plan for Four Year Settlement
- xi. Summary of Equalities Implications

For further information on this report, please contact:

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