

# LEWISHAM FUTURE PROGRAMME 2018/19 REVENUE BUDGET SAVINGS REPORT

## APPENDICES xiii to xvii

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## **APPENDIX XIII**

### **CORPORATE SAVINGS PRINCIPLES**

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. 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. These principles ensure that we:

- 1) Take account of the impact on service outcomes and social results for customers and citizens
- 2) Be prudent and sustainable for the longer term, we will not just opt for short term fixes
- 3) Reflect a coherent “one organisation” approach that avoids silo-based solutions
- 4) Encourage self-reliance, mutualism and cooperative endeavour
- 5) Mitigate potential harm in accordance with an appropriate assessment of needs
- 6) Be mindful of the impact on the geography of fairness across Lewisham (and our boundaries)
- 7) Involve service users, staff and other stakeholders in the redesign of services for the future
- 8) Consider the current or potential actions of other public agencies and the voluntary sector locally, including sharing and reshaping services (Total Place)
- 9) Consider the impact on the Lewisham approach where we listen to all voices, take account of all views and then we move forward to implement.

## APPENDIX XIV



### **Making fair financial decisions Guidance for decision-makers**

3<sup>rd</sup> edition, January 2015

## **Introduction**

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

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

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

## **What the law requires**

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

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

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

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

## Aim of this guide

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

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

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

## The benefits of assessing the impact on equality

By law, your assessments of impact on equality must:

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

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

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

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

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

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

- **Make your decisions based on evidence:** a decision which is informed by relevant local and national information about equality is a better quality decision. Assessments of impact on equality provide a clear and systematic way to collect, assess and put forward relevant evidence.

- **Make the decision-making process more transparent:** a process which involves those likely to be affected by the policy, and which is based on evidence, is much more open and transparent. This should also help you secure better public understanding of the difficult decisions you will be making in the coming months.

- **Comply with the law:** a written record can be used to demonstrate that due regard has been had. Failure to meet the equality duty may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

## **When should your assessments be carried out?**

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

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

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

## **What should I be looking for in my assessments?**

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

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

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

### **• Is the purpose of the financial proposal clearly set out?**

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

**• Are there plans to alleviate any negative impacts?**

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

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

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

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

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

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

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

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

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

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

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

## APPENDIX XV

### POLICY AND EQUALITY ANALYSIS

#### 1. Policy framework

This policy analysis describes how the savings proposals for 2018-2019, will impact on the delivery of the Council's ten corporate priorities which are listed below. Any proposed budgetary savings have to be considered in the light of these priorities and the potential effect on services provided, and outcomes for both service users and the community at large. The effects are assessed as either positive, negative or neutral in terms of real impacts on the Council's functions and services.

- A. **Community leadership and empowerment:** developing opportunities for the active participation and engagement of people in the life of the community.
- B. **Young people's achievement and involvement:** raising educational attainment and improving facilities for young people through partnership working.
- C. **Clean, green and liveable:** improving environmental management, the cleanliness and care of roads and pavements, and promoting a sustainable environment.
- D. **Safety, security and visible presence:** partnership working with the police and others to further reduce crime levels (and using Council powers to combat anti-social behaviour).
- E. **Strengthening the local economy:** gaining resources to regenerate key localities, strengthen employment skills and promote public transport.
- F. **Decent Homes for all:** investment in social and affordable housing to achieve the decent homes standard, tackle homelessness and supply key worker housing.
- G. **Protection of children:** better safeguarding and joined up services for children at risk.
- H. **Caring for adults and older people:** working with health services to support older people and adults in need of care.
- I. **Active, healthy citizens:** leisure, sporting, learning and creative activities for everyone.
- J. **Inspiring efficiency, effectiveness and equity:** ensuring efficiency and equity in the delivery of excellent services to meet the needs of the community.

#### 2. Presentation of analysis

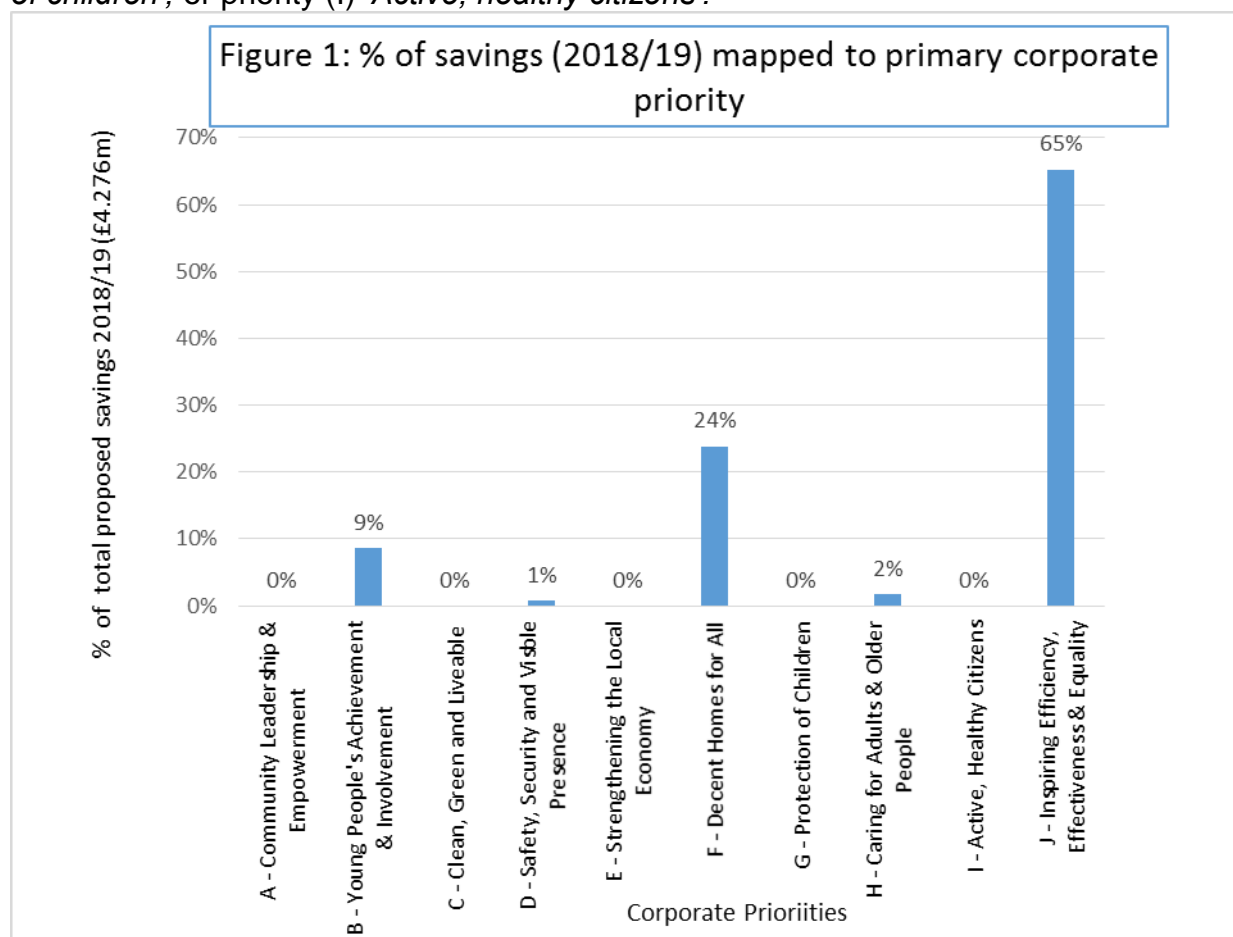
The following analysis has been prepared, using various key headings. These offer a wide-ranging perspective of the impact of the budget savings.

#### 3. Savings proposals for 2018/19 mapped to primary corporate priority

Figure 1 and Table 1 below illustrate that, of the £4.276m worth of savings identified for 2018/19, £2.79m or 65% are linked to council priority (J)

*'Inspiring efficiency, effectiveness and equity'*. The next highest savings are for (F) *'Decent Homes for All'* at 24% (£1.02m).

Smaller savings, comprising less than 2.4% of overall total, are linked to priority (H) *'Caring for adults & older people'* (£0.7m) and to priority (D) *'Safety, security & visible presence'*. No savings are linked to priority (A) *'Community leadership & empowerment'*, priority (C) *'Clean, green and liveable'*, priority (E) *'Strengthening the local economy'*, priority (G) *'Protection of children'*, or priority (I) *'Active, healthy citizens'*.



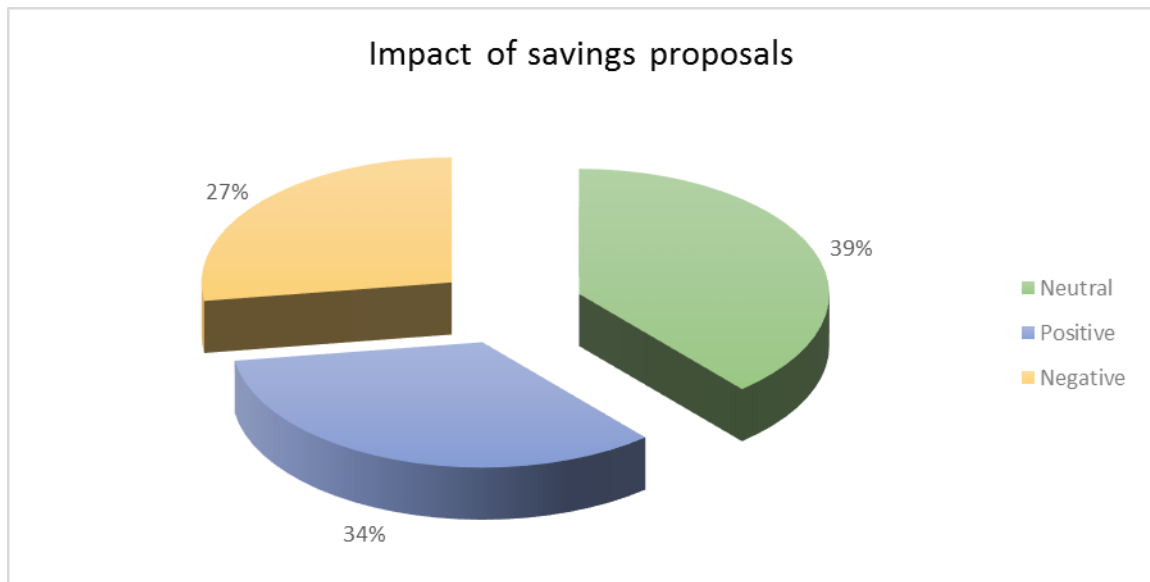
**Table 1: Savings by primary corporate priority**

Corporate priority	Savings total (£'000s)
A. Community leadership & empowerment	0
C. Clean, green and liveable	0
E. Strengthening the local economy	0
G. Protection of children	0
I. Active healthy, citizens	30
D. Safety, security & visible presence	30
H. Caring for adults & older people	70
B. Young people's achievement & involvement	366
F. Decent homes for all	1020
J. Inspiring efficiency, effectiveness & equity	2790
<b>Grand Total</b>	<b>4276</b>

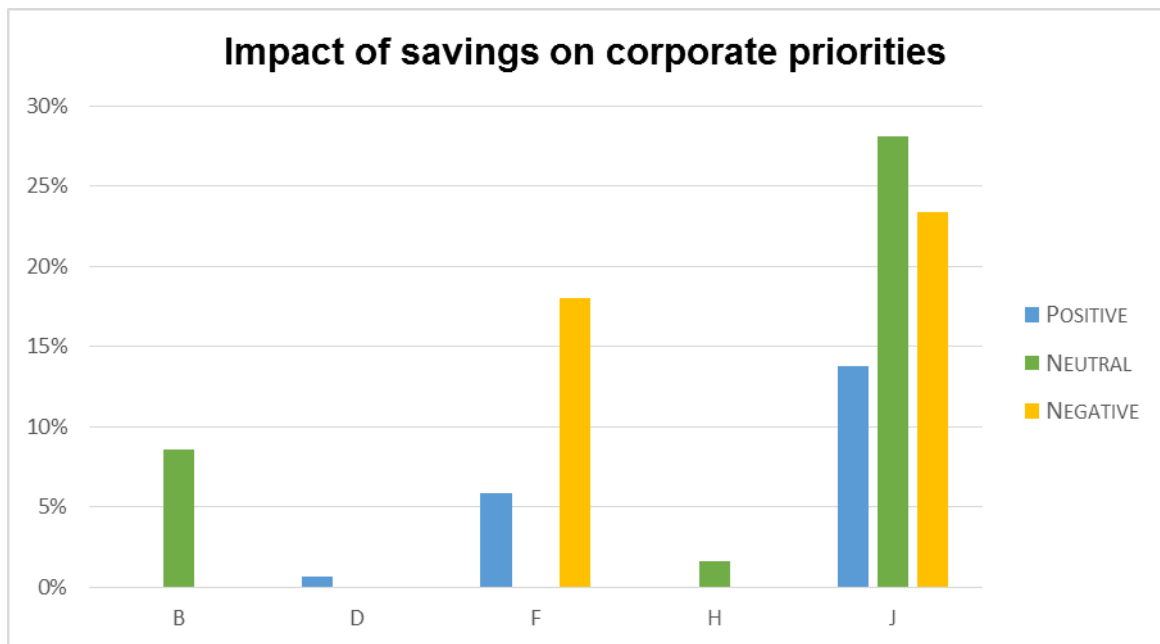
## 5. Impact on council priorities

Of those savings proposed, a combined total of £3106m (73%) are considered to have an impact that is either 'neutral' 39% or 'positive' 34%. The remaining 27% of savings are described as likely to have a 'negative' impact on the delivery of Council's priorities.

**Figure 2: Likely impact of savings proposals**



**Figure 3: Impact of savings proposals on corporate priorities**



The chart above (Figure 3) demonstrates the positive, neutral or negative effects of savings proposals on corporate priorities. There is both a high

neutral and a high negative impact on priority (J) *inspiring efficiency, effectiveness and equity*. There is a significant negative impact on priority (F) *decent homes for all*.

## **5. Staffing Implications**

None of the savings proposals submitted have clearly identified the deletion of posts. However, one savings proposal identifies the deletion of posts as a possibility.

## **6. Geographical analysis**

Analysis that of the £4.276m savings total, £0.5m (12%) will impact specifically upon New Cross ward. The proposal is assessed as having a positive impact upon corporate priority (F) '*Decent Homes for All*' and involves disposing of the Besson Street site to a Joint Venture partner from the private sector. The partner would build, own and operate circa 230 Private Rental Sector units, comprising of at least 35% discounted London Living Rent units, and would provide a GP surgery at nil cost.

## **7. Equalities**

The Public Sector Equality Duty (set out in the Equality Act 2010) requires the Council to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

The protected groups covered by the Equality Duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination, within employment and training. It does not include a socio-economic duty.

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

Assessing impact on equality is not an end to itself and it should be tailored to, and be proportionate to, the decision being made. Whether it is proportionate for the Council to conduct an Equalities Analysis Assessment of the impact on equality of a financial decision or not depends on its relevance to the authority's particular function and its likely impact on people from protected groups, including staff.

Where proposals are anticipated to have an impact on staffing levels, it will be subject to consultation as stipulated within the Council's Employment/Change Management policies, and services will be required to undertake an Equalities Analysis Assessment (EAA) as part of their restructuring process.



## APPENDIX xvi

### 2018/19 SAVINGS - SUMMARY TABLE OF NEW PROPOSALS WITH PROFORMA AT NOVEMBER 2017

Ref.	Description	18/19 £'000	Key Decision	Public Consultation	Staff Consultation
<b>B</b>	<b>Supporting People</b>				
B4	Service economy rental income	70	N	N	N
<b>D</b>	<b>Efficiency Review</b>				
D2	Reduction in allocated Inflation	1,000	Y	N	N
<b>E</b>	<b>Asset Rationalisation</b>				
E8	Income from PRS joint venture - Besson St.	500	Y	N	N
<b>I</b>	<b>Management and Corporate Overheads</b>				
I12	Administration budget cut	20	N	N	N
I13	More efficient & effective finance processes	200	N	N	Y
I14	Loss of the Police Officer secondment	70	N	N	N
I15	Review of accounting policies in respect of the balance sheet	1,000	Y	N	N
<b>J</b>	<b>School Effectiveness</b>				
J3	Statutory functions for school effectiveness	360	N	N	N
<b>K</b>	<b>Crime reduction</b>				
K5	Crime problem solving	30	N	N	N
<b>M</b>	<b>Housing strategy and non-HRA funded services</b>				
M8	Reduced costs of providing nightly paid accommodation	250	N	N	N
<b>O</b>	<b>Public Services</b>				
O5	Council tax single person discount review	500	N	N	N
<b>P</b>	<b>Planning and economic development</b>				
P	Service income	270	N	N	N
	<b>Sub Total</b>	<b>4,270</b>			
	Previously Agreed (A19, L8 and Q 6 & 7)	580			
	<b>TOTAL</b>	<b>4,850</b>			





## APPENDIX XVII

### SPECIFIC LEGAL IMPLICATIONS

Reference	Description	Amount of Saving	Legal Implications
i) B4	Supporting People Service Economy rental income	£70k	This saving relates to rental due in future for occupation of premises by a provider. There are no specific legal imps.
ii) D2	Efficiency Review Corporate efficiency	£1,000k	There are no specific legal imps.
iii) E8	Asset rationalisation proposal Income from private rented scheme (PRS) Joint Venture	£500k	This proposal remains subject to a report to M&C authorising the establishment of the JV and the disposal of the site. Full legal implications will therefore be contained within that report.
iv) I12	Management & corporate overheads Administrative budgets	£20k	There are no specific legal imps.
v) I13	Management and corporate overheads	£200k	There are no specific legal implications which arise from this savings proposal however, should there be any staff

	Finance function efficiencies through the implementation of Oracle Cloud		changes this must be managed in compliance with the Council's managing change policy.
vi) I14	Management and corporate overheads  Loss of seconded police officer to counter fraud team	£70k	As per the Appendix. There is no statutory requirement for the Authority to second / employ a police officer.  The secondment has already come to an end
vii) I15	Management and corporate overheads  Balance sheet review of accounting policies	£1,000k	This accounting treatment is compliant with IRFS and CIPFA rules
viii) J3	School Effectiveness  Statutory functions of school effectiveness	£366k	The local authority is statutorily required to ensure that its education and training functions are exercised with a view to promoting high standards, fulfilment of potential and fair access to opportunity for education and training. These proposals have to be consistent with the local authority's ability to meet its statutory responsibilities.
ix) K5	Crime Reduction  Problem solving crime reduction	£30k	The Council is under a number of statutory obligations to reduce crime and antisocial behaviour. The Crime and Disorder Act 1998 requires the Council to formulate and implement a strategy for the reduction of crime and disorder;

			the Anti-Social Behaviour. These statutory duties amongst others feed into the Council's Safer Lewisham Strategy. If the proposals are implemented the Council must still fulfil its statutory duties.
x) M8	Housing non-HRA  Reduced costs of providing nightly paid accommodation	£250k	As per the Appendix
xi) O5	Public services  Council Tax single person discount review	500k	Section 11(1) of the Local Government and Finance Act 1992 provides that council tax payable in respect of a chargeable dwelling shall be subject to discount of 25% (or such other percentage as the Secretary of State may order) where there is only one resident or where there are two or more residents and each of them except one falls to be disregarded for the purposes of discount. "Single Person Discount".  The review of single persons discounts using a more detailed data match to identify incorrect claims is lawfully permissible and should result in increased collections.
xii) P3	Planning & economic development  Planning savings	£270k	The position on planning fees is currently governed by The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012. These set out the fees payable for applications, deemed applications, requests or site visits. The 2017 Regulations provide for an increase of

			approximately 20% for all existing fees payable under the 2012 Regulations. There is a Government requirement that the additional money will be re-invested within the planning department. This is reflected by the saving proposal. The 2017 Regulations are still draft and this proposal is therefore predicated on them coming into force.
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**Members attention is also drawn to the general legal implications in the body of the main report entitled “Lewisham Future Programme 2018/19 Revenue Budget Savings Report”.**

