

Mayor and Cabinet		
Title	Select Committee comments on the 2020/21 revenue budget cuts	
Contributors	Sustainable Development Select Committee, Safer Stronger Communities Select Committee, Housing Select Committee, Children and Young People Select Committee, Public Accounts Select Committee.	
Class	Part 1 (open)	30 October 2019

1. Summary

1.1. This report informs Mayor and Cabinet of the comments and views of the select committees on the 2020/21 revenue budget cut proposals.

2. Select committee scrutiny of the 2020/21 revenue budget cuts proposals

2.1. At scrutiny meetings in September 2019, each committee considered the proposals that were within its terms of reference and referred its views to the meeting of the Public Accounts Select Committee on 24 September 2019.

2.2. The Public Accounts Select Committee considered all of the referrals from select committees in the context of its overall responsibility for scrutinising the Council's approach to setting its budget and managing its finances. Where the Public Accounts Select Committee had specific comments on the referrals from select committees these are included as additional comments below.

3. Recommendation

3.1. Prior to making a decision on the revenue budget cuts for 2020/21, Mayor and Cabinet is asked to consider the views of the select committees as set out in this report. Where the proposal asks for additional information, it is recommended that Mayor and Cabinet asks the relevant executive director to provide a response.

4. Select committee views

Sustainable Development Select Committee views

4.1. At its meeting on 11 September 2019, the Sustainable Development Select Committee considered the budget cuts report. In particular, it reviewed a proposal to cut the budget for the environment division (CUS07, reduction in street sweeping) – which would involve the reduction in the frequency of residential street sweeping from the current once a week to once a fortnight. It has been suggested that this be achieved through a major restructuring of the service that would lead to the loss of around 30-40 fulltime staff (from a current headcount of 132 staff).

4.2. Following consideration of the report and answers to the Committee's questions from officers, Sustainable Development Select Committee resolved to refer its views to Mayor and Cabinet, via Public Accounts Select Committee, as set out below.

- 4.3. The Committee is concerned about the negative impact of this cut. As previously stated, it is apprehensive about the progressive deterioration of the cleanliness of Lewisham's streets - as well as the perception by residents of the Council's ability to carry out its basic functions.
- 4.4. The Committee wants to know whether a balance can be found between making cuts to the service and maintaining a reasonable quality of provision. It would welcome more detailed information about the potential for a complete reorganisation of the service - as well as the impact of making different levels of cuts on a sliding scale.
- 4.5. The Committee also wants to better understand the types (and cost) of mitigating actions that might be put in place to deal with the impact of this cut. This includes – but is not limited to – the potential for using machinery and other innovations for responsive cleansing.
- 4.6. The Committee believes that further proactive, coordinated and robust support should be provided by the Council's communications team to make Lewisham residents aware of the reasons for making cuts. Moreover, Members believe that there should be a wider campaign by the Council to encourage civic pride in Lewisham (with the concurrent ambition of encouraging people to take pride in the cleanliness of their streets). It believes that this should incorporate support for schools to encourage and engage children and young people. This campaign could also include work to encourage take away and fast food operations to keep the areas near their shops tidy.
- 4.7. In summary, the Committee recommends that Mayor and Cabinet should give further detailed consideration to the issues raised in this referral in advance of implementing this cut.

Additional comments from the Public Accounts Select Committee:

- 4.8. The Public Accounts Select Committee endorses the comments of the Sustainable Development Select Committee and in particular it acknowledges concerns about the limitations of the findings from the cleansing pilot. The Committee also reiterates previous concerns about the impact of this proposal on low-paid workers. It recommends that Mayor and Cabinet does not agree the proposal until further work had been done to address the concerns of both Committees.

Safer Stronger Communities Select Committee Views

- 4.9. On 12 September 2019, the Safer Stronger Communities Select Committee considered a report entitled "Budget Cuts". The Committee resolved to recommend the following to Public Accounts Select Committee:

"That the Neighbourhood Community Infrastructure Levy (NCIL) and the Community Infrastructure Levy (CIL) should be aligned to the Council's Capital Programme."

The Safer Stronger Communities Select Committee also referred its views on budget cut proposal RES20 (nursery lettings) to the Children and Young People Select Committee:

“That the true impact of the proposed cut and more details of the special characteristics of the nurseries involved needed to be known and understood prior to making a decision on the proposal so that the potential equalities impact on users can be outlined.”

Children and Young People Select Committee views:

4.10. On 17 September 2019, the Children and Young People Select Committee considered a report entitled “Budget Cuts”. The Committee resolved to recommend the following to the Public Accounts Select Committee in regards to budget cut proposal RES20 (nursery lettings):

1) Children and Young People Select Committee re-iterate the comment below from Safer Stronger Communities Select Committee:

“That the true impact of the proposed cut and more details of the special characteristics of the nurseries involved needed to be known and understood prior to making a decision on the proposal so that the potential equalities impact on users can be outlined.”

2) More information on the nurseries’ charging structures should be known prior to a decision being made.

3) More information on the history of the subsidy to the nurseries should be understood prior to a decision being made.

Housing Select Committee views

4.11. At its meeting on 18 September 2019, the Housing Select Committee considered the budget cuts report. This included reviewing budget cut proposal CUS15, Cuts generated through no recourse to public funds service.

4.12. Following consideration of the report, Housing Select Committee resolved to refer its views to Public Accounts Select Committee, as set out below.

4.13. *“Some members of the Housing Select Committee have serious concerns about the impact of the proposed budget cut without first having the opportunity to scrutinise the findings of the independent review of the Council’s No Recourse to Public Funds service.”*

Additional comments from the Public Accounts Select Committee:

4.14. Further to the concerns expressed by some Members of the Housing Select Committee, the Public Accounts Select Committee recommends that Mayor and Cabinet should insist on publication of the report on the no recourse to public funds service before it makes a decision about this cut.

Public Accounts Select Committee views

- 4.15. At its meeting on 24 September 2019 the Public Accounts Select Committee also considered the following proposals within its remit: CUS11a – process automation in revenues and benefits; CUS14a – parking service budget review; RES21 – savings generated through not allocating inflation uplift to contract costs; RES22 – savings generated through improved ICT provision
- 4.16. The Committee agreed that these cuts should proceed to Mayor and Cabinet without additional comment.

5. Financial implications

- 5.1. If the committees' referrals result in the budget being changed, this may affect the amount of cuts achieved, potentially resulting in a savings shortfall that would mean that alternative proposals would have to be identified and built into the budget planning process. However, as these decisions are ultimately for the Mayor (in recommending his budget), and then the Council, there are no direct or immediate financial implications arising from the implementation of the recommendation this report.

6. Legal implications

- 6.1. The Constitution provides for Select Committees to make recommendations to the Executive or appropriate committee and/or Council arising from the outcome of the scrutiny process.

Background papers

2020/21 revenue budget cuts report – considered by all select committees in September 2019:

Healthier Communities Select Committee: <https://tinyurl.com/HCSC030919>

Sustainable Development Select Committee: <https://tinyurl.com/sdsc110919>

Safer Stronger Communities Select Committee: <https://tinyurl.com/SSCSC120919>

Children and Young People Select Committee: <https://tinyurl.com/CYP170919>

Housing Select Committee: <https://tinyurl.com/HSC180919>

Public Accounts Select Committee: <https://tinyurl.com/PASC240919>

If you have any questions about this report, please contact Timothy Andrew (Scrutiny Manager - timothy.andrew@lewisham.gov.uk).