

APPENDIX 6

Theme E: Commercial approach - Cuts Proformas

DRAFT

1. Cuts proposal

| | |
|-----------------------------|--------------------------|
| Proposal title: | Improved debt collection |
| Reference: | E-01 |
| Directorate: | Corporate Services |
| Director of Service: | Ralph Wilkinson |
| Service/Team area: | Public Services |
| Cabinet portfolio: | Resources |
| Scrutiny Ctte(s): | PASC |

2. Decision Route

| Cuts proposed: | Key Decision* Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|---|--|--|---|
| Improved debt collection (reduced bad debt) | N | N | N |
| More targeted collection approaches and policies | N | N | N |
| More strategic approach to service offering | N | N | N |
| Channel shift telephone demand to create resource to target the "top 50 debts" for each area of NNDR, HB OPs, ASC and CTAX and use "learning" to review ongoing recovery processes | N | N | N |
| Use credit checking agencies e.g. Experian to credit rate debtors. To highlight those where their debt is easier to collect and efforts targeted (or harder to collect and used to decide on write off) | N | N | N |

2. Decision Route

| | | | |
|---|---|---|---|
| Review initial contact with service users to prevent negative debt behaviour at the start e.g. ensure they are aware of liability, create direct debits, review interim funding (for ASC cases) | N | N | N |
| Review delivery of enforcement services across the Council to establish existing opportunities to work generically and synergies and to improve income collection across the Council | N | N | N |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

All services raising debt within the Council, including CTax, recharges to partners (e.g. health etc.) and all sundry debt.

Cuts proposal*

The initial work will be with the central debtors team within Public Services but will need extensive engagement with all services raising debt.

The first strand of this project is to review the overall levels of aged debt with individual services and to develop an action plan to reduce this over a period of 6 months. This reduction in aged debt will result in a once off improvement in the bad debt provision of the Council.

The second strand is to work with all service areas to develop policies and protocols to proactively engage with debtors and ensure that the approach to debt collection is tailored to the nature of the debt raised and increases debt collection in a sustainable way. This will ensure that a permanent reduction in the Council's bad debt provision can be achieved.

The final strand will be to use the information coming from the debtors team to ensure that the Council minimises poor debt (i.e. selling discretionary services to repeat non payers) and focuses resource on those services which have high levels of unpaid debt. It will also ensure that a threshold is determined and set so as to ensure that the cost of chasing the debt is always equivalent or lower to the cost of the debt itself.

Mitigating Actions for 21/22

Start a programme of works with the Debtors Team, focusing on the areas with the highest debt / most aged debt.

3. Description of service area and proposal

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

New ways of working for all those involved in either setting up services or collecting debt. Partners/service users not used to these approaches may need prior notice and clear communication in advance.

Outline risks associated with proposal and mitigating actions to be taken:

The levels of bad debt cannot be lowered any further (unlikely) or it is too difficult to ascertain the true costs of debt collection and resource is wasted chasing uneconomic debt. All debt activity must be costed across the Council to ensure strategic and informed decision making in terms of approach.

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|---|-------------------------|------------------|---------------------|---------------|
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| Improved debt collection (reduced bad debt) | 250 | | | 250 |
| More targeted collection approaches and policies | | 250 | | 250 |
| More strategic approach to service offering | | ? | | |
| | | | | |
| Total | 250 | 250 | | 500 |
| % of Net Budget | % | % | % | % |
| Does proposal impact on: | General Fund | DSG | HRA | Health |
| Yes / No | Yes | No | No | No |
| If DSG, HRA, Health impact describe: | N/A | N/A | N/A | N/A |

6. Impact on Corporate priorities: list in order of DECREASING impact

| 1 Good governance and operational effectiveness | Corporate priorities |
|---|--|
| 2. | 1. Open Lewisham |
| 3. | 2. Tackling the Housing Crisis |
| 4. | 3. Giving Children and young people the best start in life |
| 5. | 4. Building an inclusive local economy |
| | 5. Delivering and defending: health, social care & support |

| 6. Impact on Corporate priorities: list in order of DECREASING impact | |
|---|--|
| 6. | 6. Making Lewisham greener |
| 7. | 7. Building safer communities |
| 8. | 8. Good governance and operational effectiveness |

| 7. Ward impact | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | All |
| | If impacting one or more wards specifically – which? |
| | N/A |

| 8. Service equalities impact | | | |
|---|-----|--------------------------------|-----|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | N/A | Pregnancy / Maternity: | N/A |
| Gender: | N/A | Marriage & Civil Partnerships: | N/A |
| Age: | N/A | Sexual orientation: | N/A |
| Disability: | N/A | Gender reassignment: | N/A |
| Religion / Belief: | N/A | Overall: | N/A |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| There is not anticipated to be any specific impact service equalities for users as this is simply the chasing of debt which the individual, group or organisation agreed to be charged prior to accessing the paid for service in the main. | | | |
| Is a full service equalities impact assessment required: Yes / No | | | No |

| 9. Human Resources impact | | | | | |
|---|-------------------|-------------|---------------------|------------------------|-------------|
| Will this cuts proposal have an impact on employees: Yes / No | | | | | No |
| Workforce profile: | | | | | |
| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |
| | | | | | |
| Ethnicity | BME | White | Other | Not Known | |
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |

9. Human Resources impact

| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
|--------------------|-----------------------|---------------|----------|---------------|--|
| | | | | | |

10. Legal implications

State any specific legal implications relating to this proposal:

None. The specific legislation relied upon for the charging of the service / raising of the debt will be considered prior to the Council levy such charges.

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |
| | |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|----------------------|------------------------------|
| Proposal title: | Income from Building Control |
| Reference: | E-02 |
| Directorate: | HRPR |
| Director of Service: | Paul Moore |
| Service/Team area: | Building Control |
| Cabinet portfolio: | Cllr Bell |
| Scrutiny Ctte(s): | SDSC |

2. Decision Route

| Cuts proposed: | Key Decision* Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/ mayorandcouncil/ aboutthecouncil/ how-council-is-run/ our-constitution | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|---|--|--|---|
| Extend commercial presence in local and regional market | no | no | no |
| | | | |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

Building control are responsible for the review and approval of Building Work ranging from small scale changes to large scale redevelopment proposals. The Building Control regime is delivered via the Council as well as through approved inspectors in the private sector meaning that the Council is in competition with the private sector to deliver the service

Cuts proposal*

The proposal is for increased income through an improved market share

The Council received applications for 650 building works in 2019/20. This is compared to over 2,000 planning applications.

The proposal is to increase the promotion of Building Control following planning permission being granted to improve the market share of Building Control and thereby increase income.

Mitigating Actions for 21/22

Increasing market share may mean that additional resources are necessary to meet increased demand. It will be important to work to streamline existing processes and ways of working to improve efficiency alongside seeking additional work.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

The main risk is the ability to meet increased service demand.

Outline risks associated with proposal and mitigating actions to be taken:

Economic downturn may affect availability of work.

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|---|---|------------------|---------------------|-------------|
| | 554 (E43004) | 676 (E43004) | | |
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| Increased Building Control market share | 15 | 15 | 20 | 50 |
| | | | | |
| | | | | |
| | | | | |
| Total | 15 | 15 | 20 | 50 |
| % of Net Budget | % | % | % | % |
| Does proposal impact on: Yes / No | General Fund | DSG | HRA | Health |
| | Yes, an increase in income of £50k | | | |
| If DSG, HRA, Health impact describe: | | | | |

6. Impact on Corporate priorities: list in order of DECREASING impact

| 1. Tackling the housing crisis | Corporate priorities |
|--|--|
| 2. Building an inclusive local economy | 1. Open Lewisham |
| 3. | 2. Tackling the Housing Crisis |
| 4. | 3. Giving Children and young people the best start in life |
| 5. | 4. Building an inclusive local economy |
| 6. | 5. Delivering and defending: health, social care & support |
| 7. | 6. Making Lewisham greener |
| 8. | 7. Building safer communities |
| | 8. Good governance and operational effectiveness |

7. Ward impact

| | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | |
| | If impacting one or more wards specifically – which? |
| | |

8. Service equalities impact

| | | | |
|--|--|--------------------------------|----|
| Expected impact on service equalities for users – low | | | |
| Ethnicity: | | Pregnancy / Maternity: | |
| Gender: | | Marriage & Civil Partnerships: | |
| Age: | | Sexual orientation: | |
| Disability: | | Gender reassignment: | |
| Religion / Belief: | | Overall: | |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| | | | |
| Is a full service equalities impact assessment required: Yes / No | | | no |

9. Human Resources impact

| Will this cuts proposal have an impact on employees: Yes / No | | | | | no |
|---|-----------------------|---------------|---------------------|------------------------|-------------|
| Workforce profile: | | | | | |
| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |
| | | | | | |
| Ethnicity | BME | White | Other | Not Known | |
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |
| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
| | | | | | |

10. Legal implications

| |
|--|
| State any specific legal implications relating to this proposal: |
| |

10. Legal implications

n/a

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |
| | |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|----------------------|------------------------------------|
| Proposal title: | Review of Council fees and charges |
| Reference: | E-03 |
| Directorate: | Cross Council |
| Director of Service: | |
| Service/Team area: | |
| Cabinet portfolio: | Cllr de Ryk |
| Scrutiny Ctte(s): | All |

2. Decision Route

| Cuts proposed: | Key Decision* Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|--|---|---|--|
| Increase all fees and charges to achieve at least full cost recovery unless an explicit concession/subsidy is agreed | Yes | No (unless specific fees/charges require this) | No |
| | | | |
| | | | |
| | | | |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

All Council services which currently levy a charge for a service provided. Those charging for statutory services will be required to undertake the full cost modelling but may not be able to increase the fees charged. They will be expected to review the cost base if this exceeds the charge levied. Those charging for discretionary services will also undertake full cost modelling and increase fees as required to achieve full cost recovery or else receive approval to offer these services at a subsidy.

Cuts proposal*

Cost modelling of some services (pathfinders) as proof-of-concept indicates that current fees and charges levels do not consistently achieve full cost recovery. Costs not currently recovered by all fees and charges primarily includes: indirect costs (such as property and utility costs) and corporate overheads.

Decisions on fees and charges are therefore based on historical data rather than costs of delivering the service. Council fees and charges delivers approx. £15m of fees and charges income each year, including discretionary and statutory fees and charges. Assuming the discretionary element to be ~£5m / annum (excl. parking), and considering the pressures placed by the Covid-19 recession, it is assumed that a net increase of circa 2% is realistic and sustainable and generates an equivalent increase of £100k per annum.

3. Description of service area and proposal

Note: this is for those discretionary fee earning services and excludes, commercial waste, parking income and schools traded income.

Mitigating Actions for 21/22

Full cost models will be generated for each fee earning service to ensure that the fees charged recover full costs and for improved transparency within the Council and for residents.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

There is a risk that in ensuring that discretionary fees and charges recover the full costs of delivery that this results in above inflation increases for residents/users of the services and negatively impacts on the demand for these services.

Outline risks associated with proposal and mitigating actions to be taken:

There is a risk that in undertaking full cost modelling it is found that all services already recover the costs of delivery in full and that the £100k cannot be generated, or that the fees and charges increase but that the volume of sales decreases so as not to generate the £100k increase.

There is a further risk that this work cannot be undertaken fully in time for fees and charges to be implemented in full in 2021/22.

A template full cost model has been created and piloted with pathfinder services which indicates that there is scope to increase fees to the level of full cost recovery and that this should generate additional income of £100k.

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|---|------------------|------------------|---------------------|-------------|
| | various | 5,000 | 5,000 | |
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| Additional income generated from all fees and charges | 100 | 0 | 0 | 100 |
| | | | | |
| Total | 100 | 0 | 0 | 100 |
| % of Net Budget | 2% | % | % | % |
| Does proposal impact on: | General Fund | DSG | HRA | Health |
| Yes / No | Yes | No | No | No |
| If DSG, HRA, Health impact describe: | | N/A | N/A | N/A |

6. Impact on Corporate priorities: list in order of DECREASING impact

1. Good governance and operational effectiveness

Corporate priorities
1. Open Lewisham

| 6. Impact on Corporate priorities: list in order of DECREASING impact | |
|---|---|
| 2. | 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness |
| 3. | |
| 4. | |
| 5. | |
| 6. | |
| 7. | |
| 8. | |

| 7. Ward impact | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | If impacting one or more wards specifically – which? |
| | All wards where residents buy charged for services |

| 8. Service equalities impact | | | |
|--|-----|--------------------------------|-----|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | N/A | Pregnancy / Maternity: | N/A |
| Gender: | N/A | Marriage & Civil Partnerships: | N/A |
| Age: | N/A | Sexual orientation: | N/A |
| Disability: | N/A | Gender reassignment: | N/A |
| Religion / Belief: | N/A | Overall: | N/A |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| <p>In setting fees and charges it's possible that this may impact on the demand for these services, but it is not expected that this will negatively affect those with protected characteristics. This will be considered by services when considering whether services should offer subsidies or concessions.</p> | | | |
| Is a full service equalities impact assessment required: Yes / No | | | No |

| 9. Human Resources impact | | | | | |
|---|-------------------|-------------|---------------------|------------------------|-------------|
| Will this cuts proposal have an impact on employees: Yes / No | | | | | No |
| Workforce profile: | | | | | |
| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |

9. Human Resources impact

| | | | | | |
|--------------------|-----------------------|---------------|----------|---------------|--|
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |
| | | | | | |
| Ethnicity | BME | White | Other | Not Known | |
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |
| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
| | | | | | |

10. Legal implications

State any specific legal implications relating to this proposal:

The Council relies on various acts of legislation and powers to levy fees and charges for services. These are always explicitly considered and commented on in setting these. Only fees and charges for which the Council can recover full costs of service delivery fall within the scope of this item.

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|----------------------|--|
| Proposal title: | Fees and Charges/ Client contributions |
| Reference: | E-04 |
| Directorate: | Communities |
| Director of Service: | Tom Brown |
| Service/Team area: | Adult social care/ Joint commissioning |
| Cabinet portfolio: | Deputy Mayor Cllr Chris Best |
| Scrutiny Ctte(s): | M&C, HCSC, PAC |

2. Decision Route

| Cuts proposed: | Key Decision* | Public Consultation Yes and Statutory vs informal | Staff Consultation Yes and Statutory vs informal |
|----------------|--|--|---|
| | Yes See para 16.2 of the Constitution https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution | | |
| | YES | NO | NO |
| | | | |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

The Care Act 2015 lays out the statutory duties for Adults Social Care, underpinning the act is the Fairer Charging Policy that identifies what services are chargeable, and defines the level of charges that service users should be expected to pay for after a Care Act Assessment is completed. It takes into consideration, state pension, private pensions and any other income. For people who move into residential or nursing care, it also takes into consideration ownership of property.

The Care Act changes the way Adult Social Care supports people who are able financially to fund all of the care they need to live independently. Lewisham has approximately 200 people who fully fund their own care, but due to the frailty or age are unable to arrange the care themselves. The Care Act allows councils to make an annual charge to these people to broker and oversee the quality of these services as part of the contract monitoring arrangement that are in place.

Most services that adult social care provides are chargeable, but to date Lewisham has never charged service users for the use of transport. Transport is often needed for people to attend Day Services, Colleges, Respite Care, etc. The people who use transport services are generally unable to use public transport. Lewisham has approx. 150 people who regularly receive transport as part of their care and support arrangements.

Cuts proposal*

This proposal seeks approval to introduce charging for:

3. Description of service area and proposal

Brokering and support for setting up care packages for services users who have been financially assessed as Self Funder in line with the Care Act and Fairer charging framework. There are approximately 200 people who fall into the category. The proposal is to charge £300 annually for this services, which will produce a yearly income of £60,000.

To introduce charging for the use of transport services to services users who have been financially assessed as being able to pay (approximately 140 people), it is expected this would increase income by £22,000 Per annum.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

The delivery of this proposal must comply with legislative requirements for ASC. The impact of these initiatives will increase charging to services users, but all service users will receive a financial assessment in accordance with the Fairer Charging policy to assess their ability to pay.

Outline risks associated with proposal and mitigating actions to be taken:

Subject to approval in February (as part of budget report?).

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|--|-------------------------|------------------|---------------------|---------------|
| | 121.5m | 55.4m | 66.1m | |
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| Charging for Self Funder Brokerage Support | 60k | | | |
| Introduce charging for Transport | 22k | | | |
| | | | | |
| | | | | |
| Total | 82k | | | |
| % of Net Budget | % | % | % | % |
| Does proposal impact on: Yes / No | General Fund | DSG | HRA | Health |
| If DSG, HRA, Health impact describe: | | | | |

6. Impact on Corporate priorities: list in order of DECREASING impact

1.5

Corporate priorities

| 6. Impact on Corporate priorities: list in order of DECREASING impact | |
|---|---|
| 2.1 | 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness |
| 3.4 | |
| 4.7 | |
| 5.8 | |
| 6.6 | |
| 7.3 | |
| 8.2 | |

| 7. Ward impact | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | If impacting one or more wards specifically – which? |
| | All wards |

| 8. Service equalities impact | | | |
|--|---|--------------------------------|----|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | H | Pregnancy / Maternity: | |
| Gender: | H | Marriage & Civil Partnerships: | |
| Age: | H | Sexual orientation: | |
| Disability: | | Gender reassignment: | |
| Religion / Belief: | | Overall: | H |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| Completion for Financial Assessments for all Services Users in line with the Care Act. | | | |
| Is a full service equalities impact assessment required: Yes / No | | | No |

| 9. Human Resources impact | | | | | |
|---|-------------------|-------------|---------------------|------------------------|-------------|
| Will this cuts proposal have an impact on employees: Yes / No | | | | | No |
| Workforce profile: | | | | | |
| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |

9. Human Resources impact

| Ethnicity | BME | White | Other | Not Known | |
|--------------------|-----------------------|---------------|----------|---------------|--|
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |
| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
| | | | | | |

10. Legal implications

State any specific legal implications relating to this proposal:

| |
|--|
| |
|--|

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |
| | |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|----------------------|--------------------------------------|
| Proposal title: | Traded Services with Schools |
| Reference: | E-05 |
| Directorate: | Corporate |
| Director of Service: | Selwyn Thompson / Angela Scattergood |
| Service/Team area: | Corporate Resources / Education |
| Cabinet portfolio: | Finance and Resources |
| Scrutiny Ctte(s): | Public Account Select Committee |

2. Decision Route

| Cuts proposed: | Key Decision* Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/ mayorandcouncil/ aboutthecouncil/ how-council-is-run/ our-constitution | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|---------------------------------|--|--|---|
| Traded Services with Schools | No | No | No |
| | | | |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

Review of the overall package of traded services with schools

Cuts proposal*

The overall package of services traded with schools is worth circa £2m. This proposal seeks to look at options across the complete suite of services to ascertain the possibility of securing additional sustainable income of £50k from 2021/22 onwards.

The finance function, HR and payroll services offers services to schools. The payroll team offers a secure payroll service which is provided by experienced staff that have extensive knowledge in all pay related matters and a growing knowledge of the new Oracle Cloud payroll platform. Currently, some 90% of the borough's schools use the payroll function and benefit from a number of services set out in the SLA.

The finance function does not currently operate a wider SLA, but instead provide a bursarial type service to those schools which 'buy in' to it.

The Council does not currently have a set SLA with schools, but instead has created a bursarial service arrangement where schools pay in the region of circa £150k per annum. This has had the benefit of fully funding two members of staff (principal accountants) for a two-year fixed term period whilst an assessment is made as to how successful the service is. If successful, there are further options of scaling up to build even more capacity into this arrangement and some marginal increase in unit costing and providing other chargeable services to schools.

The Council can only win business from schools based on trust it builds with them. A strengthening of the relationship with the schools finance team and the schools themselves has become more noticeable over the course of the last 18 months. This

3. Description of service area and proposal

same strengthening and 'reputation re-build' needs to be created for payroll services, who have been adversely impact by delayed to implementing the Oracle Cloud payroll.

Overall, this would have the desired effect of providing these functions with some greater resilience and bolster income. If executed correctly, it will allow for marginal increases in unit costs. e.g. cost per payslip, cost per school visit / budget review etc.,

Mitigating Actions for 21/22

N/A

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

Outline risks associated with proposal and mitigating actions to be taken:

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|---|------------------|------------------|---------------------|-------------|
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| | 50 | 50 | 0 | 100 |
| | | | | |
| | | | | |
| Total | 50 | 50 | 0 | 100 |
| % of Net Budget | % | % | % | % |
| Does proposal impact on: | General Fund | DSG | HRA | Health |
| Yes / No | Y | N | N | N |
| If DSG, HRA, Health impact describe: | | | | |

6. Impact on Corporate priorities: list in order of DECREASING impact

| | |
|--|---|
| 1. Giving children and young people the best start in life | Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy |
| 2. Good governance and operational effectiveness | |
| 3. | |
| 4. | |

| 6. Impact on Corporate priorities: list in order of DECREASING impact | |
|---|---|
| 5. | 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness |
| 6. | |
| 7. | |
| 8. | |

| 7. Ward impact | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | |
| | If impacting one or more wards specifically – which? |
| | |

| 8. Service equalities impact | | | |
|--|--|--------------------------------|--|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | | Pregnancy / Maternity: | |
| Gender: | | Marriage & Civil Partnerships: | |
| Age: | | Sexual orientation: | |
| Disability: | | Gender reassignment: | |
| Religion / Belief: | | Overall: | |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| | | | |
| Is a full service equalities impact assessment required: Yes / No | | | |

| 9. Human Resources impact | | | | | |
|---|-------------------|-------------|---------------------|------------------------|-------------|
| Will this cuts proposal have an impact on employees: Yes / No | | | | | |
| Workforce profile: | | | | | |
| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |
| | | | | | |
| Ethnicity | BME | White | Other | Not Known | |
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |

9. Human Resources impact

| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
|--------------------|-----------------------|---------------|----------|---------------|--|
| | | | | | |

10. Legal implications

State any specific legal implications relating to this proposal:

| |
|--|
| |
|--|

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |
| | |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|-----------------------------|---|
| Proposal title: | Changes to Children's Social Care services |
| Reference: | B-02, C-03, E-06, F-03, F-04, F-05 |
| Directorate: | CYP |
| Director of Service: | Lucie Heyes |
| Service/Team area: | Children's Social Care |
| Cabinet portfolio: | Chris Barnham |
| Scrutiny Ctte(s): | Luke Sorba |

2. Decision Route

| Cuts proposed: | Key Decision* Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|---|--|--|---|
| 1. Improve partner contributions to the placement costs for children in care | No | No | No |
| 2. Increase in permanent staffing leading to a reduction in agency staffing costs | No | No | No |
| 3. Claiming of increased UASC grant + reduction in accommodation costs for care leavers | Yes | No | No |
| 4. Increase in the number of in-house foster carers and a reduction in use of independent foster carers | No | No | No |
| 5. Reduction in SGO payments | No | No | No |
| 6. VFM placements | No | No | No |

3. Description of service area and proposal**Description of the service area (functions and activities) being reviewed:**

A range of services and functions sitting within Children's Social Care and in particular the budget for providing placements for children and young people in care or who are care leavers. This budget is currently over-spending.

Cuts proposal*

3. Description of service area and proposal

It is firstly important to note that the budget for child placements is significantly overspending at present. All the savings listed below are in train already and are contributing to a reduction in the overspend in this financial year. The proposals will reduce the overspend, but given the scale of current spend here they are not anticipated to lead to additional cuts in the budget over the next 3 years. Managing the budget with little or no overspend however removes some future financial risks to the Council.

1. Partner contributions to children in care placements

It is estimated that this should generate a minimum of £1.2M savings over the next two years. Work is still underway to achieve this including an in-year reduction in expenditure and the level of savings may increase. Actions include ensuring that the education costs for care placements are fully attributed to the High Needs Block of the DSG. Ensuring that young people who are eligible for Housing benefit claim this and the cost of the accommodation is reduced in recognition of the contribution the benefit makes to this cost. Finally discussions are currently taking place with the CCG to develop a process for agreeing Health contributions to care placement costs where an element of the support provided is health care.

2. Staffing savings

As part of the CSC improvement programme a target of 90% permanent staffing has been set (20/21). In recent months there have been successful recruitment rounds and this target is felt to be achievable. An increase in permanent staff and therefore a reduction in agency social care staff is anticipated to lead to a saving of £430k.

3. Care leaver accommodation costs & UASC grants

A total saving of £300k for 2021/22 is anticipated based on ensuring that the UASC grant for care leaver costs is fully claimed for. In addition work has already started with Housing to develop accommodation pathways for both young people under the age of 18 who become homeless (Children's Services have a statutory requirement to accommodate young people in this situation) and also care leavers. It is difficult to quantify this saving at present but a figure assuming a 5% reduction in costs is currently assumed. Work is underway at present to develop improved housing pathways that should also be cheaper than the current arrangements. Once this work is completed the savings figure should increase, in particular for Year 2 after any investments in new accommodation and support have been made.

4. Increase in in-house foster care

The Council is dependent on a high number of foster carers who are employed by independent foster agencies. Such placements are significantly more expensive than in-house placements. There have been attempts previously to increase the number of in-house carers, but with equal numbers of foster carers being lost, we have not achieved a net gain. A more fundamental review of our current service offer will be taking place and work with our communications team, to upscale our advertising campaigns to recruit new carers is required. In year one this will require some investment that will off-set any savings achieved. An estimate of £250k savings in both Year 2 and Year 3 are currently assumed.

5. Reduction in SGO payments

Financial support for carers who look after a child through a Special Guardianship Order is currently being reviewed with an estimate of a saving of £60k.

3. Description of service area and proposal

6. Improvement in the value for money of commissioned placement costs

In the current financial year a range of actions are already under way to reduce the average unit cost for all children in care external placements (Independent Fostering and Residential placements). The placement service and processes are subject to a review, to create efficiencies. Over and above the reduction in costs this year a further reduction of £250k is assumed for next year. This figure should increase further once the full impact of current changes have been felt.

Mitigating Actions for 21/22

Actions currently underway have generated a significant reduction in expenditure. The actions listed above should continue with this direction of travel.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

The actions listed above should not have a negative impact on the quality of care and in many cases should lead to an improvement in the service offer. These proposals do not involve denial or downgrading of services to protect children and young people: quite apart from the Council's strong commitment to the safety and wellbeing of our most vulnerable children, the services concerned are governed by strict statutory requirements.

Outline risks associated with proposal and mitigating actions to be taken:

Some of the actions taken previously to manage demand, for example for high-cost placements, have not delivered the savings anticipated. The current proposals are being closely monitored by both the Executive Director for Children and Young People and the Executive Director for Finances and Resources, together with the two Cabinet Members. All of these savings have been achieved in other Local Authorities.

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|---|------------------|------------------|---------------------|-------------|
| | 56,103 | -3,834 | 52,269 | |
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| Partner Contributions | 600 | 600 | | 1200 |
| Staffing savings | 215 | 215 | | 430 |
| Care leaver accommodation costs | 200 | 100 | | 300 |
| Increase in in house foster carers | | 250 | 250 | 500 |
| Special Guardianship | 60 | | | 60 |

| 5. Financial information | | | | |
|--------------------------------------|--------------|---|-----|---|
| Value for money placements | 250 | 250 | | 500 |
| Total | 1325 | 1415 | 250 | 2990 |
| % of Net Budget | 2.9% | 2.9% | % | % |
| Does proposal impact on: Yes / No | General Fund | DSG | HRA | Health |
| | Yes | Yes | No | yes |
| If DSG, HRA, Health impact describe: | | Re-alignment of some costs to the DSG HNB | | Some recharge to the CCG for health related costs |

| 6. Impact on Corporate priorities: list in order of DECREASING impact | |
|---|--|
| 1. | Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness |
| 2. | |
| 3. Giving Children and Young People the best start in life | |
| 4. | |
| 5. | |
| 6. | |
| 7. | |
| 8. Good governance and operational effectiveness | |

| 7. Ward impact | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | Borough wide |
| | If impacting one or more wards specifically – which? |

| 8. Service equalities impact | | | |
|--|-----|--------------------------------|-----|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | low | Pregnancy / Maternity: | low |
| Gender: | low | Marriage & Civil Partnerships: | N/A |
| Age: | N/A | Sexual orientation: | N/A |
| Disability: | low | Gender reassignment: | N/A |
| Religion / Belief: | N/A | Overall: | low |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| | | | |

8. Service equalities impact

Is a full service equalities impact assessment required: Yes / No

No

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No

No

Workforce profile:

| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
|--------------------|-----------------------|---------------|---------------------|------------------------|-------------|
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |
| | | | | | |
| Ethnicity | BME | White | Other | Not Known | |
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |
| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
| | | | | | |

10. Legal implications

State any specific legal implications relating to this proposal:

None

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc.), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |

11. Summary timetable

| | |
|---------------|--|
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |
| | |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

DRAFT

1. Cuts proposal

| | |
|----------------------|---|
| Proposal title: | Housing – Bring rents for Private Sector Lease (PSL) and Private Managed Accommodation (PMA) in line with London Housing Allowance. |
| Reference: | E-07 |
| Directorate: | Housing, Regeneration and Public Realm |
| Director of Service: | Fenella Beckman |
| Service/Team area: | Housing Needs and Procurement |
| Cabinet portfolio: | Housing and Planning |
| Scrutiny Ctte(s): | Housing Select Committee |

2. Decision Route

| Cuts proposed: | Key Decision* Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|----------------------|---|--|---|
| Align rents with LHA | Yes | No | No |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

Housing services provide leased and agent managed homes that are used as temporary accommodation. The service charges tenants rent for these properties which for the most part is paid for by housing benefit.

Cuts proposal*

This proposal is to bring rents for our PMA and PSL homes in line with London Housing Allowance (LHA). These rents have not changed since 2011 and so this proposal is expected to bring an additional £675k in revenues based on our current customer profile.

The savings will be carefully realised in phases as we will need to look at each individual tenancy, ensuring that the correct notice period in relation to annual increases.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

We currently have a total of 942 households in PMA and PSL accommodation and this proposal will have an impact on these households.

Outline risks associated with proposal and mitigating actions to be taken:

Our current assessment shows that the increase in rent for 93% of households in this accommodation will be covered by housing benefit. For those households who will not be fully covered by housing benefit we will look to use discretionary housing payments or other hardship funds to bridge the gap as appropriate.

| 5. Financial information | | | | |
|---|------------------|------------------|---------------------|-------------|
| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
| | 33,422 | 28,777 | 4,645 | |
| HRA | ? | ? | | |
| DSG | NA | NA | | |
| Health | NA | NA | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| Commercial Approach – Rent alignment | 300 | 375 | | 675 |
| | | | | |
| Total | 300 | 375 | | 675 |
| % of Net Budget | 6.5% | 8% | | 14.5% |
| Does proposal impact on: Yes / No | General Fund | DSG | HRA | Health |
| | Yes | | | |
| If DSG, HRA, Health impact describe: | | | | |

| 6. Impact on Corporate priorities: list in order of DECREASING impact | |
|---|--|
| 1. Good governance and operational effectiveness | Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness |
| 2. Tackling the Housing Crisis | |
| 3. | |
| 4. | |
| 5. | |
| 6. | |
| 7. | |
| 8. | |

| 7. Ward impact | |
|---------------------------------|---|
| Geographical impact by ward: | No specific impact / Specific impact in one or more Borough wide |
| | If impacting one or more wards specifically – which? |
| | |

8. Service equalities impact

Expected impact on service equalities for users – High / Medium / Low or N/A

| | | | |
|--------------------|-----|--------------------------------|-----|
| Ethnicity: | Low | Pregnancy / Maternity: | N/A |
| Gender: | Low | Marriage & Civil Partnerships: | N/A |
| Age: | Low | Sexual orientation: | N/A |
| Disability: | N/A | Gender reassignment: | N/A |
| Religion / Belief: | N/A | Overall: | Low |

For any High impact service equality areas please explain why and what mitigations are proposed:

The majority of the households in PMA/PSL Temporary Accommodation (TA) are BAME women with children. Our assessment shows the impact on 93% of these households will be offset by an increase in housing benefit. For those households where housing benefits does not bridge the gap officers will seek to use other hardship funds such as Discretionary Housing Payments to support those families.

Is a full service equalities impact assessment required: Yes / No YES

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No No

Workforce profile:

| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
|--------------------|-----------------------|---------------|---------------------|------------------------|-------------|
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |
| | | | | | |
| Ethnicity | BME | White | Other | Not Known | |
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |
| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
| | | | | | |

10. Legal implications

State any specific legal implications relating to this proposal:

We are currently undertaking a full equalities impact assessment which will be available when it is complete and It will be brought back to members for considerable.

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |
| | |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|----------------------|--|
| Proposal title: | Contract Efficiencies – inflation management |
| Reference: | E-08 |
| Directorate: | All Council |
| Director of Service: | |
| Service/Team area: | |
| Cabinet portfolio: | Cllr de Ryk |
| Scrutiny Ctte(s): | |

2. Decision Route

| Cuts proposed: | Key Decision* Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|---|---|---|--|
| Generate efficiencies from contracts from the removal of indexation/inflation | No | No | No |
| | | | |
| | | | |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

All Council currently contracted services and specifically new contracts which are let.

Cuts proposal*

The Council spends over £300m per annum on contracted services delivered by third parties. Some of this is in either long term contracts which cannot be varied, or spot contracts, but the average length of a Council contract is 2 – 5 years so there is circa £25m - £50m of new works and services brought to market each year. Furthermore, the Council budgets to increase non staffing budgets by CPI each year, which is circa £1.5m.

If all new contracts brought forward are let on the basis of not including indexation, and the procurement framework and policies are adapted to support this, then it's anticipated that £500k can be saved.

Mitigating Actions for 21/22

The cut will be taken through the removal of £500k from the non-salary inflation with a review of those services most able to deliver against this and tracked through the procurement cycle.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

Those new contracts coming forward will need to be carefully monitored to ensure that the required services specification will still be delivered as specified. There will be no impact on staff.

Outline risks associated with proposal and mitigating actions to be taken:

The risk is that the cut will be taken via the central removal of inflation to service budgets so unless the procurement framework and processes capture this at the individual contract levels then there may be overspends against budgets.

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|--|---------------------|------------------|---------------------|---------------|
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| Removal of £500k of non-salary budget inflation, to be achieved through new contracts removing inflation. | 500 | 0 | 0 | 500 |
| | | | | |
| | | | | |
| Total | | | | |
| % of Net Budget | % | % | % | % |
| Does proposal impact on: | General Fund | DSG | HRA | Health |
| Yes / No | Yes | No | No | No |
| If DSG, HRA, Health impact describe: | | N/A | N/A | N/A |

6. Impact on Corporate priorities: list in order of DECREASING impact

| 1. Good governance and operational effectiveness | Corporate priorities |
|--|--|
| 2. | 1. Open Lewisham |
| 3. | 2. Tackling the Housing Crisis |
| 4. | 3. Giving Children and young people the best start in life |
| 5. | 4. Building an inclusive local economy |
| 6. | 5. Delivering and defending: health, social care & support |
| 7. | 6. Making Lewisham greener |
| | 7. Building safer communities |

6. Impact on Corporate priorities: list in order of DECREASING impact

| | |
|-----------|---|
| 8. | 8. Good governance and operational effectiveness |
|-----------|---|

7. Ward impact

| | |
|-------------------------------------|---|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | |
| | If impacting one or more wards specifically – which? |
| | All wards impacted by the contracts to be let |

8. Service equalities impact

| | | | |
|--|-----|---|-----|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | N/A | Pregnancy / Maternity: | N/A |
| Gender: | N/A | Marriage & Civil Partnerships: | N/A |
| Age: | N/A | Sexual orientation: | N/A |
| Disability: | N/A | Gender reassignment: | N/A |
| Religion / Belief: | N/A | Overall: | N/A |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| All service specifications are designed to consider equality and those with protected characteristics. The removal of inflation from a contract will not impact on that. | | | |
| Is a full service equalities impact assessment required: Yes / No | | | No |

9. Human Resources impact

| Will this cuts proposal have an impact on employees: Yes / No | | | | | No |
|--|-----------------------|---------------|---------------------|------------------------|-------------|
| Workforce profile: | | | | | |
| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | |
| | | | | Agency / Interim cover | Not covered |
| Scale 1 – 2 | | | | | |
| Scale 3 – 5 | | | | | |
| Sc 6 – SO2 | | | | | |
| PO1 – PO5 | | | | | |
| PO6 – PO8 | | | | | |
| SMG 1 – 3 | | | | | |
| JNC | | | | | |
| Total | | | | | |
| Gender | Female | Male | | | |
| | | | | | |
| Ethnicity | BME | White | Other | Not Known | |
| | | | | | |
| Disability | Yes | No | | | |
| | | | | | |
| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | |
| | | | | | |

10. Legal implications

State any specific legal implications relating to this proposal:

There are no specific legal implications arising from this cut. All contracts let separately consider any legal implications from a procurement and service specification.

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|----------------------|---|
| Proposal title: | Realising the Benefits of the Oracle Cloud Solution |
| Reference: | E-09 |
| Directorate: | Corporate |
| Director of Service: | Selwyn Thompson |
| Service/Team area: | Corporate Resources / Education (Schools HR) |
| Cabinet portfolio: | Finance and Resources |
| Scrutiny Ctte(s): | Public Account Select Committee |

2. Decision Route

| Cuts proposed: | Key Decision* | Public Consultation Yes / No and Statutory vs informal | Staff Consultation Yes / No and Statutory vs informal |
|-----------------------------------|---|---|--|
| | Yes / No See para 16.2 of the Constitution https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/our-constitution | | |
| Oracle Cloud Benefits Realisation | No | No | Not required at this stage |
| | | | |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

Realising further benefits from the Oracle Cloud Solution and exploiting its functionality as a fully integrated enterprise resource planning solution.

Cuts proposal*

The final phases of the Oracle Cloud solution were implemented and went live in April 2020. Therefore, all of the key modules which include finance, e-procurement, human capital management and payroll are now live. There are areas where the solution has not been implemented "out of the box" as intended and so there is some addressing of these issues through a separate, but connected piece of work.

The organisation of the HR (corporate and school) and Payroll (including the payroll administrative support function) are fragmented with expertise concentrated within small groups and in some instances an individual. A reconfiguration of this function in addition to full exploitation of the solutions function is expected to realise some cashable benefits over the course of the next year and beyond. These improvements in the service are also expected to put the council in a better position and offer an improved and more seamless service.

With regards to other benefits, these will arise by making better use of the integrated functionality of the solution. These will result in reducing staff processing time as well as leading to a reduction in non-staffing costs. For instance, removal of all off-system and paper-based processes and adopting common processes across the council; the creation and extensive use of dashboard information to better inform management decision making; reduction in manual processes and data entry into payroll ensuring that users only enter information once wherever possible and thereby providing a productivity gain.

3. Description of service area and proposal

The next 12 to 18 months will provide an opportunity to explore options for the onward selling of some services to schools in the main.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

There are more risks of NOT doing this in that the Council would not be realising the fully benefits of the solution it invested so heavily in.

Outline risks associated with proposal and mitigating actions to be taken:

Lack of engagement from key stakeholders

5. Financial information

| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
|---|------------------|------------------|---------------------|-------------|
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| | 100 | 100 | 0 | 200 |
| | | | | |
| Total | 100 | 100 | 0 | 200 |
| % of Net Budget | % | % | % | % |
| Does proposal impact on: | General Fund | DSG | HRA | Health |
| Yes / No | Y | N | N | N |
| If DSG, HRA, Health impact describe: | | | | |

6. Impact on Corporate priorities: list in order of DECREASING impact

| | |
|----|--|
| 1. | Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness |
| 2. | |
| 3. | |
| 4. | |
| 5. | |
| 6. | |
| 7. | |
| 8. | |

7. Ward impact

| | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | |
| | If impacting one or more wards specifically – which? |
| | |

8. Service equalities impact

| | | | |
|--|--|--------------------------------|--|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | | Pregnancy / Maternity: | |
| Gender: | | Marriage & Civil Partnerships: | |
| Age: | | Sexual orientation: | |
| Disability: | | Gender reassignment: | |
| Religion / Belief: | | Overall: | |
| For any High impact service equality areas please explain why and what mitigations are proposed: | | | |
| | | | |
| Is a full service equalities impact assessment required: Yes / No | | | |

9. Human Resources impact

| Will this cuts proposal have an impact on employees: Yes / No | | | | | | |
|---|-----------------------|---------------|---------------------|------------------------|-------------|--|
| Workforce profile: | | | | | | |
| Posts | Headcount in post | FTE in post | Establishment posts | Vacant | | |
| | | | | Agency / Interim cover | Not covered | |
| Scale 1 – 2 | | | | | | |
| Scale 3 – 5 | | | | | | |
| Sc 6 – SO2 | | | | | | |
| PO1 – PO5 | | | | | | |
| PO6 – PO8 | | | | | | |
| SMG 1 – 3 | | | | | | |
| JNC | | | | | | |
| Total | | | | | | |
| Gender | Female | Male | | | | |
| | | | | | | |
| Ethnicity | BME | White | Other | Not Known | | |
| | | | | | | |
| Disability | Yes | No | | | | |
| | | | | | | |
| Sexual orientation | Straight / Heterosex. | Gay / Lesbian | Bisexual | Not disclosed | | |
| | | | | | | |

10. Legal implications

| |
|--|
| State any specific legal implications relating to this proposal: |
| |

10. Legal implications

| |
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| |
|--|

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------------------|---|
| September 2020 | Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations) |
| October 2020 | Proposals submitted to Scrutiny committees leading to M&C |
| November to December 2020 | Scrutiny meetings held with consultations ongoing |
| November to December 2020 | Consultations undertaken and full decision reports (where required) prepared |
| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Cuts implemented |
| | |

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

1. Cuts proposal

| | |
|----------------------|----------------------|
| Proposal title: | Bereavement Services |
| Reference: | E-10 |
| Directorate: | Community Services |
| Director of Service: | James Lee |
| Service/Team area: | Bereavement Services |
| Cabinet portfolio: | |
| Scrutiny Ctte(s): | |

2. Decision Route

| Cuts proposed: | Key Decision* | Public Consultation | Staff Consultation |
|------------------------------|---------------|---------------------|--------------------|
| Increase in fees and charges | No | No | No |

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

Bereavement services – Crematorium and Cemeteries.

Cuts proposal*

This proposal is to increase fees and charges to increase income to ensure that the service is delivered on budget rather than provide a direct cut to the service budget.

Bereavement Services review and update their fees and charges on April 1st. The new charges are sent to all Funeral Directors who use the service at the beginning of March.

A decision was taken to reduce cremation charges by 7.5% from 1 April 2019 in an attempt to increase the number of cremation services and more effectively utilise fixed assets (crematoria and staffing). It was felt that Lewisham was becoming 'uncompetitive', after 10 years of persistent price increases. The objective was to offset the price reductions by increase the number of cremations from other authorities as people opted for a cheaper service. This was also in response to the funeral poverty agenda and some negative publicity around increased cremation charging.

However, in reality the number of cremations remained largely static and the income for the service dropped significantly.

As such it is proposed that this decision is revisited with prices increased to levels akin to the pre 2019 prices. It is proposed that, as usual, all fees and charges are reviewed to ensure a sensible and proportionate level of increase across the board but it is likely that the most significant change will relate to cremation costs.

As it stands Lewisham's cremation charges are generally lower than those at surrounding facilities:

| Crematorium | Half Hour Early Slot | 45 min/ hour | Details |
|-------------|----------------------|--------------|---------|
|-------------|----------------------|--------------|---------|

3. Description of service area and proposal

| | | | |
|---------------------|------------------|------------------|---|
| Hither Green | £540 | £650 | 1 crematorium, 1 chapel |
| Lambeth | £341 | £695 | 2 crematoria, 2 chapels – also serving Wandsworth |
| Greenwich | £681 | £722 | 1 crematorium, 2 chapels; serving 3 boroughs |
| Southwark | £633 | £772 | 1 crematorium, 1 chapel |
| Kemnal (Private) | <u>From</u> £600 | <u>From</u> £945 | No crematorium. Coffins cremated elsewhere |
| Beckenham (Private) | £910 | £1070 | 1 crematorium, 1 chapel |

Further work will be undertaken across expenditure lines to deliver a balanced budget by 2022/23.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

The impact of the proposal will mean the cost of funerals will increase for all residents who pay for the service. There is no proposal to change the cremation and interment policy for children aged 16 and under, where no charge is made. We would also continue to offer burials in public graves for people of reduced means, where there is far a lower interment fee and no charge for the grave space.

Cremation/burial costs are a relatively small proportion of the overall cost of a funeral but this element will increase beyond the rate of inflation.

Outline risks associated with proposal and mitigating actions to be taken:

The risk of increasing fees is reputational, particularly given the current COVID pandemic. Large increases in funeral costs recently (primarily driven by the costs of funeral directors) has led to the issue of 'funeral poverty' gaining increased attention.

Officers are undertaking detailed work to ensure that price rises are designed to ensure 'full cost recovery' and there can be no suggestion of profiteering.

The impact of the price increase is further mitigated as:

- The authority will continue to claim back the fees for burials and cremations for those under 18 via the Children's Funeral Fund so the parents/family of the deceased pay nothing.
- The authority will continue to offer a 'direct cremation', that is without a chapel service, which will remain significantly cheaper than the full provision
- Those who die without means or family can receive a Public Burial.

| 5. Financial information | | | | |
|--|---------------|---------------|------------------|-------------|
| Controllable budget: General Fund (GF) | Spend £'000 | Income £'000 | Net Budget £'000 | |
| | 1,974 | -2,380 | - 406 | |
| HRA | | | | |
| DSG | | | | |
| Health | | | | |
| Cuts proposed*: | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
| | | | | |
| Increase in fees and charges | 250 | 0 | 0 | 250 |
| Total | 250 | 0 | 0 | 250 |
| % of Net Budget | % | % | % | % |
| Does proposal impact on: | General Fund | DSG | HRA | Health |
| Yes / No | Yes | No | No | No |

| 6. Impact on Corporate priorities: list in order of DECREASING impact | |
|---|--|
| 1. | Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness |
| 2. | |
| 3. | |
| 4. | |
| 5. | |
| 6. | |
| 7. | |
| 8. | |

| 7. Ward impact | |
|------------------------------|--|
| Geographical impact by ward: | No specific impact / Specific impact in one or more |
| | Borough wide |
| | If impacting one or more wards specifically – which? |
| | |

| 8. Service equalities impact | | | |
|--|---|--------------------------------|---|
| Expected impact on service equalities for users – High / Medium / Low or N/A | | | |
| Ethnicity: | M | Pregnancy / Maternity: | M |
| Gender: | M | Marriage & Civil Partnerships: | M |
| Age: | M | Sexual orientation: | M |
| Disability: | M | Gender reassignment: | M |
| Religion / Belief: | M | Overall: | M |

8. Service equalities impact

For any High impact service equality areas please explain why and what mitigations are proposed:

| |
|--|
| |
|--|

Is a full service equalities impact assessment required: Yes / No

No

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No

No

10. Legal implications

State any specific legal implications relating to this proposal:

| |
|--|
| |
|--|

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

| Month | Activity |
|---------------|---|
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| December 2020 | Proposals to M&C, including Equality & HR assessments |
| January 2021 | Decision reports return to Scrutiny at the latest |
| February 2021 | Final decisions at M&C with the Budget |
| March 2021 | Fee increases implemented |