



Mayor and Cabinet

Response to Public Accounts Select Committee on Budget Cuts

Date: 9 December 2020

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Executive Management Team

Outline and recommendations

Mayor and Cabinet have been asked to consider the comments of the Public Accounts Select Committee of the 3 December 2020, which incorporates the views of the respective select committees. This paper sets out the views of the Public Accounts Select Committee and officers' responses advising as to what has been undertaken, or will be undertaken, to take account of each Committee's comments.

Officers have also provided responses to the comments by the Public Accounts Select Committee on financial stabilisation made to Mayor and Cabinet on 7 October 2020.

It is recommended that the Mayor:

- Notes the response that follows in relation to the Public Accounts Select Committee referral to Mayor and Cabinet on 7 October 2020.
- Notes the response that follows in relation to the Public Accounts Select Committee referral to Mayor and Cabinet on 3 December 2020.

Timeline of engagement and decision-making

26 February 2020 – Budget report to Council

10 June 2020 – Council's response to COVID-19 – financial update report to Mayor and Cabinet (M&C)

9 July 2020 – First 2020/21 financial monitoring report to M&C

7 October 2020 – Financial stabilisation and medium term budget update report to M&C

11 November – 3 December 2020 – Select Committees reviewed and comments on draft proposals for cuts identified to date.

3 December – Public Accounts Select Committee (PASC) collated the comments on the proposals received from Select Committees to refer to Mayor and Cabinet.

1. Summary

- 1.1. On 3 December, Public Accounts Select Committee received a report outlining proposed cuts to address persistent service overspending pressure of £10m and the budget gap identified in the medium term finance strategy of at least £40m over the next three years. The majority, £10m overspend and £24m of cuts, are needed for the 2021/22 Budget. The proposals presented in the report total £26.9m, of which £15.0m are towards the gap in 2021/22. This leaves a potential gap, depending on the local government funding for next year, of £18.9m for 2021/22. Further proposals will need to be brought forward in January to address this remaining budget gap for the 2021/22 Budget in February.
- 1.2. Public Accounts Select Committee also received and collated comments from Select Committees to refer on to Mayor and Cabinet.

2. Recommendations

- 2.1. Mayor and Cabinet have been asked to consider the comments of the Public Accounts Select Committee of the 3 December 2020, which incorporates the views of the respective select committees. This paper sets out the views of the Public Accounts Select Committee and officers' responses advising as to what has been undertaken, or will be undertaken, to take account of each Committee's comments.
- 2.2. Officers have also provided responses to the comments by the Public Accounts Select Committee on financial stabilisation made to Mayor and Cabinet on 7 October 2020
- 2.3. It is recommended that the Mayor:
 - Notes the response that follows in relation to the Public Accounts Select Committee referral to Mayor and Cabinet on 7 October 2020.
 - Notes the response that follows in relation to the Public Accounts Select Committee referral to Mayor and Cabinet on 3 December 2020

Policy Context

- 2.4. The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:

Corporate Priorities

- Open Lewisham - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
- Tackling the housing crisis - Everyone has a decent home that is secure and affordable.
- Giving children and young people the best start in life - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
- Building and inclusive local economy - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- Delivering and defending health, social care and support - Ensuring everyone receives the health, mental health, social care and support services they need.
- Making Lewisham greener - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local

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environment.

- Building safer communities - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

Values

- 2.5. Values are critical to the Council's role as an employer, regulator, securer of services, and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In taking forward the Council's Budget Strategy, we are guided by the Council's four core values:
- We put service to the public first.
 - We respect all people and all communities.
 - We invest in employees.
 - We are open, honest, and fair in all we do.
- 2.6. Very severe financial constraints have been imposed on Council services with cuts to be made year on year on year, and this on-going pressure is addressed here in this report, incorporating further budget cuts for 2020/21.

3. Background

- 3.1. The Council's finances have been severely affected by the ongoing pandemic. The cost of coronavirus for Lewisham is estimated to be £67m this year and rising. Despite government promises early in the pandemic, up to £20m remains unfunded in this financial year with further budget pressures for future years. Officers have taken management action to make in-year savings of £5.4m as well as introducing additional spending controls. We must now begin the long, difficult process of identifying cuts of at least £40m for the next three years (to April 2024) with £24m to be cut in 2021/22 alone plus tackling the continuing overspend estimated at £10m.
- 3.2. We now face the challenge of needing to simultaneously respond to the pandemic, plan for the long-term recovery of the place and set a balanced budget, setting the financial basis for the internal recovery of the Council in the coming years. While it seems clear that the Council will have to rely on its reserves for some of the impact of COVID-19, reserves by their nature once used are gone. They cannot therefore also be relied on to delay or avoid the difficult budget task of bringing spending into line with available resources.

4. Response to Public Accounts Select Committee comments to Mayor and Cabinet on 7 October 2020

- 4.1. On Thursday 24 September 2020, the Public Accounts Select Committee considered a report from officers on financial stabilisation – budget update and medium term planning ([link to the agenda and reports for the Committee's meeting on 24 September](#)). The Committee reflected on the contents of the report – and received a presentation from officers.
- 4.2. Following questions to officers, the Committee agreed to refer its views to Mayor and Cabinet.
- *The Committee is deeply concerned about the challenging financial situation facing the Council – both in the immediate term due to spending pressures and in the longer term as a result of the ongoing pandemic.*
- 4.3. The Council continues to face challenging financial pressures through both the funding

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of local government services and the impact of the Covid 19 pandemic. The November Comprehensive Spending Review has provided some additional resource for 2021/22 for both of these pressures. The details for Lewisham are expected to be confirmed in the provisional Local Government Finance Settlement (LGFS) due later in December. Financial reports to Members will update on these challenges as the position evolves and more detail is known.

- *The Committee welcomes the management action being taken to control in-year overspending and it recommends prompt implementation of the measures that have been identified.*
- 4.4. Officers continue to monitor the budget closely and in-year spending control actions to challenge all recruitment and non-essential spend have been put in place. The impact of these is starting to be reflected in the reduced overspend reported in the monitoring report to the Public Accounts Select Committee (PASC) at their December meeting.
- *The Committee notes the difficulty of making cuts in a changing and uncertain environment. It recommends swift and effective alignment of the Council's plans for recovery from the impact of the pandemic with the development of proposals for budget cuts.*
- 4.5. The Council continues to develop recovery plans while also managing the response to the continuing Covid 19 pandemic. In the most recent period this has involved all the changes associated with the second wave and restrictions from the tiered approach introduced nationally. The round 1 cuts report, received by PASC at their December meeting, included more detail on how the thematic approach to the cuts was designed to support the Council's budget framework support plans for recovery.
- *The Committee recommends that Mayor and Cabinet Members be focused and resolute in controlling overspending – particularly in relation to the pressures on the budgets for children's social care. The Committee also believes that attention has to be given to managing demand in social care for both children's and adult services.*
- 4.6. The importance of controlling spend, in-line with budgets, is noted and taken very seriously. To do this in-year, as noted above, officers have implemented additional spending controls to provide this focus and grip. Looking forward, recognising that social care and public health now represent over 70% of the Council's service expenditure, the importance of managing any budget pressures in these services is critical. For this reason demand management is one of the key themes used to approach the identification of potential cuts to the budget.

5. Response to Public Accounts Select Committee comments to Mayor and Cabinet on 9 December 2020

- 5.1. On Thursday 3 December 2020, the Public Accounts Select Committee considered a report from officers on budget cuts proposals ([link to the agenda for the Public Accounts Select Committee meeting on 3 December 2020](#)). The Committee heard from the Cabinet Member for Finance and resources and received a summary of the budget cuts report from the Executive Director for Corporate Resources. It also received written comments from the Healthier Communities, Sustainable Development, Housing, Children and Young People and Safer Stronger Communities select committees - following the respective committees consideration of the same report. Chairs of the Healthier Communities, Safer Stronger and Children and Young People select committees also addressed the Committee.
- 5.2. At its meeting on Thursday 3 December 2020, the Public Accounts Select Committee received the report on proposed budget cuts and asked questions of officers. It also received the views of the other select committees.

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- 5.3. The Committee recognises the challenging financial situation facing the Council and is aware of the difficult task facing officers in identifying and delivering cuts.
- 5.4. The Committee acknowledges the concerns of select committees regarding the impact on service users and Council staff - as well as the potential overall impact on the delivery of Council services. In particular, it highlights the careful consideration that must be given to the equality impact assessments of the cuts proposals.
- 5.5. The Committee resolved to refer its views to Mayor and Cabinet as follows:
- *The Committee stresses the importance of thorough engagement with service users as well as communication with Lewisham's residents and communities.*
- 5.6. The Council has a statutory obligation to consult with citizens, services users as well as those who may have an interest in decisions affecting the provision of services. The Council has a strong focus on engagement and collaboration with service users across a range of services and managed and supported by experienced engagement leads in the Assistant Chief Executive's division supporting colleagues around the Council. A strong communications campaign is in place to emphasise the scale of the budget challenge facing the Council. Key messages are being communicated across a range of Council communication channels: email news, social media, features in Lewisham Life, media relations and internal communications. Our communications plan aligns with campaigns from the Local Government Association and London Councils.
- *The Committee believes that a review of adult social care services should be carried out – with a specific focus on demand management and benchmarking with other local authorities.*
- 5.7. In response to the Committee's second comment, the Chief Executive will commission a review of adult social care services to be carried out in 2021. The review will focus on transforming and modernising how we deliver services, building on a number of existing proposals, in order to sustainably deliver a necessary reduction in costs and an improvement in outcomes for service user.
- *With due consideration given to the comments and clarifications from scrutiny - the Committee recommends that the cuts proposals should proceed to Mayor and Cabinet for the next stage of decision making.*
- 5.8. The following paragraphs set out the comments and clarifications from Select Committees. Officers have provided responses to each of the Select Committees below. The Mayor and Cabinet are recommended to consider the comments of Select Committees and officer's responses.

Healthier Communities Select Committee views

- 5.9. At its meeting on Wednesday 11 November 2020, the Healthier Communities Select Committee received a report on proposed budget cuts. Following discussion the committee resolved to refer its views to Mayor and Cabinet in the following terms:
- *Given that a number of the proposed budget cuts considered by this committee involve outsourcing services to external providers, the committee seeks assurances that the council has the capacity and ability to manage and monitor these outsourced contracts effectively and ensure services are being provided to the agreed standards.*
- 5.10. In response to the Committee's first comment, the Executive Director for Community Services has noted the Committee's comments. Lewisham has had a Joint Commissioning Team with Health for over 10 years. The Team manages a wide range of health, social care, supported housing, substance misuse and public health contracts and has a strong track record in contract management and quality assurance.

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- 5.11. The team work with key stakeholders including service users and carers to ensure that all contracts have clear Key Performance Indicators which are appropriately monitored. The team works with all providers in a collaborative way to ensure that commissioned services deliver positive outcomes for our Lewisham's residents.
- 5.12. At a corporate level, the Council has a robust commissioning and contract management framework and central team which works closely with teams across the organisation providing expert advice and support on any procurement activity for all employees of the Council. The team provides a focal point for procedures on procurement and best practice commercial approaches to help services achieve value for money for the Council. The Contracts team in Legal Services also provides advice, document drafting and guidance on the legal implications of the procurement process.
- 5.13. The positive response of the independent sector to the COVID-19 pandemic has been underpinned by a positive approach to contract management. The team will ensure that there is sufficient capacity and capability to commission, mobilise and quality assure any additional contracts required as a result of any future decision to take forward these specific cuts proposals.
- *The committee would also welcome more information about the market for the proposed outsourced services so that members can better understand the quality of services available and feel more confident in supporting these changes.*
- 5.14. In response to the Committee's second comment, the Executive Director for Community Services has noted the Committee's comments. Whilst the social care market has experienced significant pressure over the last year there is still a strong, mature and diverse range of social care providers in Lewisham. A number of London boroughs source reablement and community alarm services from the independent sector. If a future decision is made to take forward these specific cuts proposals officers will engage with potential providers and undertake a process of market testing, ensuring that all contracts are appropriately specified and that the market are supported to respond to any procurement proposals. The Commissioning team has a strong track record in undertaking large scale procurements which deliver services that are person centred, high quality and value for money.
- *The committee also seeks assurances that good engagement and coproduction with service users and stakeholders will be themes that run through all the proposed changes, so that we can have as clear as possible understanding of the effects of the changes on residents. It is important that there is evidence that we are engaging with residents, using multiple channels, and listening to their concerns and suggestions.*
- 5.15. In response to the Committee's third comment, the Executive Management Team has noted the Committee's comments and in line with our Corporate Strategy, coproduction with Councillors, staff, communities and partners is essential in delivering the commitments of the Council. The Council has a statutory obligation to consult with citizens, services users as well as those who may have an interest in decisions affecting the provision of Council services. The Council has a strong focus on engagement and collaboration with service users, evidenced in many services and managed and supported by experienced engagement leads in the Assistant Chief Executive's division supporting colleagues around the Council.
- 5.16. Officers will be applying a programme management approach to deliver the strategic budget proposals as set out in the MTFs, if specific cuts proposals are agreed. Officers will be supported to ensure that the proposals identified taken through the new Programme Management Office (PMO) assurance and governance processes, giving rigour to the structure and delivery of the individual projects. This will also facilitate a coordinated approach to strategic engagement with our communities where

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appropriate.

- 5.17. Officers will seek to use a range of communications and engagement channels to consult with service users and residents where appropriate. Consultation and engagement will be undertaken to inform service changes, and the views of service users – who themselves bring expertise and knowledge about how services should be best delivered – will be taken into account and presented to relevant decision makers when finalising any future decisions.
- 5.18. Officers will consult with residents through established local engagement mechanisms and best efforts will be made to reach those who may not typically engage with Council business, but are key stakeholders. Following the recommendations of the Local Democracy Review, work is ongoing to develop and improve how the Council attempts to actively engage with seldom-heard groups and individuals to inform decision-making that will impact on them. This work includes working closely with voluntary and community organisations who support seldom-heard groups who may not be known to the Council, recognising that these organisations are 'experts by experience' and that working with them to strengthen our connection with seldom-heard communities and enable us to deliver better outcomes for all residents. This is particularly important given the inequalities highlighted by the COVID-19 pandemic.

Sustainable Development Select Committee views

- 5.19. On Thursday 12 November 2020, the Sustainable Development Select Committee considered a report from officers on budget cuts proposals. The Committee noted the scale of the challenge facing the Council and it recognises the difficulties facing officers in proposing these cuts. Committee members wish to emphasise the severe and continued reduction in funding from central government over more than ten years of austerity – which has led to a reduction in spending on services of £500 per Lewisham resident. Members believe that further work should be carried out to communicate the reasons for the cuts to residents.
 - *Members are concerned about the impact on the lives of staff who might be made redundant as a result of cuts and reorganisations. The Committee believes that, where possible, options should be considered for job sharing and flexible working between staff - rather than the deletion of full time posts.*
- 5.20. In response to the Committee's first comment, the Executive Management Team has noted the Committee's comments. There are no blanket redundancy programmes coming forward, only those as part of service redesigns, which allows officers to carefully consider how the service needs can be met, using all of the flexibility measures - such as job shares and flexible working - within our people management framework where appropriate.
- 5.21. A key principle of the Council's Managing Change (service restructure) policy is that every endeavour will be made to avoid redundancies by considering whether it is possible to rely on natural wastage, holding vacancies and reducing the number of agency workers to make reductions. Where posts are deleted the Council will aim to retain employees' skills within the organisation, wherever possible, through the redeployment process. Organisational change will be managed and implemented in line with all legal requirements including the statutory obligation to consult with staff and the trade unions and relevant employment legislation.
 - *The Committee notes the scale of the challenge facing the Council and it recognises the difficulties facing officers in proposing these cuts. Committee members wish to emphasise the severe and continued reduction in funding from central government over more than ten years of austerity – which has led to a reduction in spending on services of £500 per Lewisham resident. Members believe that further work should be carried out to communicate the*

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reasons for the cuts to residents.

- 5.22. In response to the Committee's second comment, Assistant Chief Executive has noted the Committee's comments. A strong communications campaign is in place to emphasise the scale of the budget challenge facing the Council. Key messages are being communicated across a range of Council communication channels: email news, social media, features in Lewisham Life, media relations and internal communications. Our communications plan aligns with campaigns from the Local Government Association and London Councils.
- 5.23. During the week beginning 7 December, the Council will share an animation with residents, members and staff that sets the budget challenge in context of the last ten years and the more recent COVID-19 shock. Our [Voices of Lewisham](#) project brings together a collection of stories and insights from people across the borough, many of whom rely on the Council services and, as a result of the pandemic, are facing challenging circumstances that will be exacerbated by the proposed cuts the Council has to consider. We've produced a series of graphics and an animation highlighting the financial impact of COVID-19, which has been widely shared via the most recent Lewisham Life as well as digital channels and internal communications as a useful illustration of the increasing responsibilities facing local government through the pandemic and the vital role of continuing critical services against a backdrop of huge budget cuts. Local Councillors are key trusted leaders within Lewisham's diverse communities and are regularly asked to echo this message to residents via their own networks.
- *In relation to proposals F15 (environmental operations review) and F16 (new waste strategy) - the Committee supports the move to increase place based environmental services and the joined up management of areas. The Committee also believes that further work should be carried out on a proactive and informative 'keep Lewisham tidy' campaign, which emphasises everyone's responsibility to keep Lewisham's streets clean.*
- 5.24. In response to the Committee's third comment, the Executive Director of Housing, Regeneration and Public Realm has noted the Committee's comments. The Council will continue to promote a proactive and informative 'keep Lewisham tidy' campaign, reinforcing existing messages across a wide range of communications channels.
- *In relation to proposal F18 (controlled parking zone extension) the Committee believes that any proposed changes should be carried out with the utmost sensitivity and care – in full consultation with Lewisham's communities. Members also emphasise the importance of strategically and carefully integrating the timing of any changes with plans to improve Lewisham's walking and cycling routes.*
- 5.25. In response to the Committee's fourth comment, the Executive Director of Housing, Regeneration and Public Realm has noted the Committee's comments and the sensitive nature of controlled parking zones. If this cuts proposal is agreed, a full consultation with Lewisham's affected communities will be carried out and this will be in alignment with other works to improve sustainable forms of transport. Further to the response of the Assistant Chief Executive above, thorough engagement and consultation will be carried out with Lewisham's communities.

Housing Select Committee views

- 5.26. At its meeting on Wednesday 18 November 2020, the Housing Select Committee received a report on proposed budget cuts. Following discussion the committee resolved to refer its views to Public Accounts Select Committee in the following terms:
- 5.27. *Given that the additional round of budget cuts due to come to scrutiny in January 2021*

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is expected to be more severe than this round, please can the following information be included in the budget cuts reports to help committee members better understand and come to decisions about the proposals being brought forward:

- *The impact of a proposed cut on the users of a service*
- *The impact of a proposed cut on the staff of a service*
- *The impact of the cut on the service overall*
- *Which other options were explored and why is this the most viable?*
- *The cumulative impact of the cut on LBL as a whole*

5.28. In response to the Committee's comment, the Executive Director of Corporate Resources has noted the Committee's views. Each of the pro formas provided to Select Committees sets out the impact on service users. This has been informed by data the Council holds on service users and is set out in each pro forma at section 4. All pro formas provide detail at this stage of staffing implications in section 9. Consultations with staff will be carried out where appropriate and ongoing engagement with the trade unions takes place prior to the papers being made public. The pro formas provided to Select Committees also set out the overall impact on service, including potential cost shunts, reduction in service etc. This is generally contained in section 3.

5.29. The Council has endured more than 10 years of austerity and has protected front line services wherever possible. All options put forward have sought to minimise the impact on the most vulnerable within our borough. As with all cuts proposals (as indeed with all service decisions) a range of options for each proposal are generally considered and those which balance the delivery of the corporate priorities within a reduced financial envelope most effectively have come forward.

5.30. [Appendix 9 of the budget cuts report to Mayor and Cabinet](#) has an assessment of the impact that all of the cuts proposed has on the Council's corporate priorities, the impact by ward and an assessment of the overall equalities implications of these. This analysis describes the cumulative impact of the cuts on London Borough of Lewisham as a whole.

Children and Young People Select Committee views

5.31. At its meeting on Thursday 26 November 2020, the Children and Young People Select Committee received a report on proposed budget cuts. Following discussion the committee resolved to refer its views to Public Accounts Select Committee in the following terms:

- *Given that the additional round of budget cuts due to come to scrutiny in January 2021 is expected to be more severe than this round, please can the following information be included in the budget cuts reports to help committee members better understand and come to decisions about the proposals being brought forward:*
 - *The impact of a proposed cut on the users of a service*
 - *The impact of a proposed cut on the staff of a service*
 - *The impact of the cut on the service overall*
 - *Which other options were explored and why is this the most viable?*
 - *The cumulative impact of the cut on LBL as a whole*

5.32. In response to the Committee's comment, the Executive Director of Corporate Resources has noted the Committee's comments. Each of the pro formas provided to

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Select Committees sets out the impact on service users. This has been informed by data the Council holds on service users and is set out in each pro forma at section 4. All pro formas provide detail at this stage of staffing implications in section 9. Consultations with staff will be carried out where appropriate and ongoing engagement with the trade unions takes place prior to the papers being made public. The pro formas provided to Select Committees also set out the overall impact on service, including potential cost shunts, reduction in service etc. This is generally contained in section 3.

- 5.33. The Council has endured more than 10 years of austerity and has protected front line services wherever possible. All options put forward have sought to minimise the impact on the most vulnerable within our borough. As with all cuts proposals (as indeed with all service decisions) a range of options for each proposal are generally considered and those which balance the delivery of the corporate priorities within a reduced financial envelope most effectively have come forward.
- 5.34. [Appendix 9 of the budget cuts report to Mayor and Cabinet](#) has an assessment of the impact that all of the cuts proposed has on the Council's corporate priorities, the impact by ward and an assessment of the overall equalities implications of these. This analysis describes the cumulative impact of the cuts on London Borough of Lewisham as a whole.

Safer, Stronger Communities Select Committee views

- 5.35. At its meeting on Tuesday 1 December 2020, the Safer, Stronger Communities Select Committee received a report on proposed budget cuts. Following discussion the committee resolved to refer its views to Public Accounts Select Committee in the following terms:
- *That Service Equalities Impact and Human Resources Impact assessments be carried out which consider the proposed cuts on a cumulative basis.*
- 5.36. In response to the Committee's first comment, the Executive Director of Corporate Resources has noted the Committee's comments. [Appendix 9 of the report to Mayor and Cabinet](#) has an assessment of the Service Equalities impact that all of the cuts proposed has cumulatively.
- *That the likely impact of the proposed cuts on individuals with multiple and complex needs be considered in more detail.*
- 5.37. In response to the Committee's second comment, the Executive Directors of Community Services and Children and Young People have noted the Committee's comments. Where proposals impact individuals with multiple and complex needs this is considered in the first instance through section 3 and 4 of the cuts proformas and where this requires further engagement with service users or consultation then this will be undertaken prior to the cut being implemented, if a decision is made to take the cut.
- 5.38. In relation to the Children and Young People proposals, the majority of the proposals relate to a reduction in the current overspend in the budget, through a combination of managing demand better together with ensuring improved value for money when paying for provision. Councillors will be aware that Mayor & Cabinet are due to consider a report on developing a new Early Help and Prevention strategy which will support our work to reduce the number of children requiring a social work intervention.
- 5.39. None of the proposed Children and Young People or Adult Social Care cuts dilute the statutory obligations for the provision of services to meet the needs of vulnerable children and adults. These needs will be identified and addressed in work with individuals and families.

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- *That the proposal be examined to ensure that they do not contain cuts that would have a detrimental effect on the achievement of other savings.*
- 5.40. In response to the Committee's third comment, the Assistant Chief Executive has noted the Committee's comments. The thematic approach taken and the allocation of staff across the themes outside of their substantive directorates has ensured that the cuts coming forward have been considered not only for their impact on service users but also for the potential implications on other Council services and proposals. This approach has meant that the cuts have been considered collectively and the cumulative impact assessed to ensure that these do not cut across and undermine the deliverability of other proposals. The programme management approach of the delivery of these proposals will further ensure this.
- *Given that the additional round of budget cuts due to come to scrutiny in January 2021 is expected to be more severe than this round, please can the following information be included in the budget cuts reports to help committee members better understand and come to decisions about the proposals being brought forward:*
 - *The impact of a proposed cut on the users of a service*
 - *The impact of a proposed cut on the staff of a service*
 - *The impact of the cut on the service overall*
 - *Which other options were explored and why is this the most viable?*
 - *The cumulative impact of the cut on LBL as a whole*
- 5.41. In response to the Committee's comment, the Executive Director of Corporate Resources has noted the Committee's comments. Each of the pro formas provided to Select Committees sets out the impact on service users. This has been informed by data Council holds on service users and is set out in each pro forma at section 4. All pro formas provide detail at this stage of staffing implications in section 9. Consultations with staff will be carried out where appropriate and ongoing engagement with the trade unions takes place prior to the papers being made public. The pro formas provided to Select Committees also set out the overall impact on service, including potential cost shunts, reduction in service etc. This is generally contained in section 3.
- 5.42. The Council has endured more than 10 years of austerity and has protected front line services wherever possible. All options put forward have sought to minimise the impact on the most vulnerable within our borough. As with all cuts proposals (as indeed with all service decisions) a range of options for each proposal are generally considered and those which balance the delivery of the corporate priorities within a reduced financial envelope most effectively have come forward.
- 5.43. [Appendix 9 of the report to Mayor and Cabinet](#) has an assessment of the impact that all of the cuts proposed has on the Council's corporate priorities, the impact by ward and an assessment of the overall equalities implications of these. This analysis describes the cumulative impact of the cuts on London Borough of Lewisham as a whole.

6. Financial implications

- 6.1. This report responds to the comment to Mayor and Cabinet on the Budget Cuts report for 2021/22. The report is concerned with the cuts proposals to enable the Council to address the future financial challenges it faces. There are no direct financial implications arising from the report other than those stated in the report and appendices itself.

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7. Legal implications

Statutory duties

- 7.1. The Council has a variety of statutory duties which it must fulfil by law. The Council cannot lawfully decide not to carry out those duties. Even where there is a statutory duty there is often a discretion about the level of service provision. Where there is an impact on statutory duty that is identified in the report. In other instances, the Council provides services in pursuit of a statutory power, rather than a duty, and though not bound to carry out those activities, decisions about them must be taken in accordance with the decision making requirements of administrative law.

Reasonableness and proper process

- 7.2. Decisions must be made reasonably taking into account all relevant considerations and disregarding all irrelevant matters. These are particular to the service reductions proposed and are set out in the body of the report. It is also imperative that decisions are taken following proper process. Depending on the particular service concerned, this may be set down in statute, though not all legal requirements are set down in legislation. For example, depending on the service, there may be a need to consult with service users and/or others and where this is the case, any proposals in this report must remain proposals unless and until that consultation is carried out and the responses brought back in a further report for consideration with an open mind before any decision is made. Whether or not consultation is required, any decision to discontinue a service would require appropriate notice. If the Council has published a procedure for handling service reductions, there would be a legitimate expectation that such procedure will be followed.

Staffing reductions

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

Equalities Legislation

- 7.4. The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 7.5. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the

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paragraph above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances. The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>
- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

7.6. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- The essential guide to the public sector equality duty.
- Meeting the equality duty in policy and decision-making.
- Engagement and the equality duty: A guide for public authorities.
- Objectives and the equality duty. A guide for public authorities.

7.7. Equality Information and the Equality Duty: A Guide for Public Authorities. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

- <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1> The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”.
- <https://www.equalityhumanrights.com/en/advice-and-guidance/making-fair-financial-decisions>. It appears at Appendix 4 and attention is drawn to its contents. The equalities implications pertaining to the specific service reductions are particular to the specific reduction.

The Human Rights Act

7.8. Since the introduction of the Human Rights Act 1998 (HRA) the rights set out in the European Convention on Human Rights (ECHR) have been incorporated into UK law and can be enforced in the UK courts without recourse to the European courts. Those articles which are particularly relevant in to public services are as follows:

- Article 2 - the right to life
- Article 3 - the right not to be subject to inhuman or degrading treatment
- Article 5 - the right to security of the person

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- Article 6 - the right to a fair trial
- Article 8 - the right to a private and family life, home and correspondence
- Article 9 - the right to freedom of thought, conscience and religion
- Article 10 - the right to freedom of expression
- Article 11 - the right to peaceful assembly Article 14 - the right not to be discriminated against on any ground The first protocol to the ECHR added
- Article 1 - the right to peaceful enjoyment of property
- Article 2 - the right to education

7.9. Some of these rights are unconditional, such as the right not to be tortured or subject to degrading treatment. Others may be limited in finite and well defined circumstances (such as the right to liberty). Others are qualified and must be balanced against the need of the wider community – such as the right to a private and family life. Where there are human rights implications associated with the proposals in this report regard must be had to them before making any decision.

Best value

7.10. The Council remains under a duty under Section 3 Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It must have regard to this duty in making decisions in respect of this report.

Specific legal implications

7.11. Members' attention is drawn to the specific legal implications arising in relation to particular proposals set out in the relevant proforma in Appendices 2 to 7 of this report and Appendix

8. Equalities implications

8.1. A detailed policy and equality implications have been appended to the report to Mayor and Cabinet as Appendix 9.

9. Climate change and environmental implications

9.1. Section 40 Natural Environment and Rural Communities Act 2006 states that “every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions to the purpose of conserving biodiversity” The specific climate change and environmental implications identified as arising from the current cuts proposals will require further consideration, however, those flagged as likely to impact positively on our ability to conserve biodiversity are: A-03, A-08, F-15, F-16 and F-18.

10. Crime and disorder implications

10.1. Section 17 of the Crime and Disorder Act 1998 requires the Council to have regard to the likely effect on crime and disorder when it exercises its functions, and the need to do all that it reasonably can to prevent crime and disorder in its area. Whilst there are no specific crime and disorder implications as yet identified as arising from the current cuts proposals, a number of these will require further consideration as to whether these will impact either positively or negatively on our ability to reasonably prevent crime and disorder. These are cuts A-02 (later years), D-04 and F-17.

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11. Health and wellbeing implications

12. The specific health and wellbeing implications identified as arising from the current cuts proposals will require further consideration, however, those flagged as likely to impact either positively or negatively on the health and wellbeing of residents or service users are: B-09, C-02, C-07, F-01, F02, and F-06.

13. Background papers

13.1. Previous reports setting the financial context

- 26 February 2020 – 2020/21 Budget report to Council
- 10 June 2020 – Council’s response to COVID-19 – financial update report to M&C
- 9 July 2020 – First 2020/21 financial monitoring report to M&C
- 7 October 2020 – Financial stabilisation and budget update report to M&C

14. Glossary

Term	Definition
CPZ	Controlled Parking Zone
CSR	Comprehensive Spending Review
DSG	Dedicated Schools Grant
ECHR	European Convention of Human Rights
EMT	Executive Management Team
FFR	Fair Funding Review
GF	General Fund
GLA	Greater London Authority
HR	Human Resources
HRA	Housing Revenue Account
LGA	Local Government Association
LGFS	Local Government Finance Settlement
M&C	Mayor & Cabinet
MHCLG	Ministry for Housing, Local Government and Communities
MTFS	Medium Term Financial Strategy
PASC	Public Accounts Select Committee

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PMO	Programme Management Office
SLT	Senior Leadership Team (EMT plus Directors)
VFM	Value for Money

15. Report author and contact

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