

Cuts proposal template 2021/22

Appendix 6 – E – Commercial approach

Cuts proposal template 2021/22

1. Cuts proposal	
Proposal title:	Improved debt collection
Reference:	E-01a
Directorate:	Corporate Services
Director of Service:	Ralph Wilkinson
Service/Team area:	Public Services
Cabinet portfolio:	Finance and Resources – Cllr De Ryk
Scrutiny Ctte(s):	Public Accounts 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
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

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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*
<p>This is an extension and a deepening of the initial proposal put up in the first round to improve debt collection across the Council. The initiative is as set out below, and the second round looks to generate a further £500k of income in 2021/22.</p> <p>The initial work will be with the central debtors' team within Public Services but will need extensive engagement with all services raising debt.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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3. Description of service area and proposal

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.

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
Additional: Improved debt collection (reduced bad debt)	500			500
Total	500			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

2.

3.

4.

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

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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
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7.	
8.	

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			

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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

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1. Cuts proposal	
Proposal title:	Contract Efficiencies – inflation management
Reference:	E-08a
Directorate:	All Council
Director of Service:	
Service/Team area:	
Cabinet portfolio:	Finance and Resources - Cllr de Ryk
Scrutiny Ctte(s):	Public Accounts 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		
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*
<p>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.</p> <p>In round 1 of the cuts process it was proposed that 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 its anticipated that £500k can be saved. In round 2 of the cuts it is proposed that a further £250k can be achieved through this same mechanism.</p> <p>Mitigating Actions for 21/22</p> <p>The cut will be taken through the removal of £750k (£500k in round 1 and £250k in round 2) from the non-salary inflation with a review of those services most able to deliver against this and tracked through the procurement cycle.</p>

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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 £250k of non-salary budget inflation, to be achieved through new contracts removing inflation. (This is on top of the £500k in round 1)	250	0	0	250
Total	250			250
% 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 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
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6. Impact on Corporate priorities: list in order of DECREASING impact	
7.	8. Good governance and operational effectiveness
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 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	

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9. Human Resources impact					

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

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1. Cuts proposal	
Proposal title:	Environmental Enforcement – Use of Civil Enforcement Officers
Reference:	E-11
Directorate:	Housing, Regeneration and Public Realm
Director of Service:	Zahur Khan – Director, Public Realm
Service/Team area:	Parking
Cabinet portfolio:	Cllr Sophie McGeevor - Cabinet Member for Environment and Transport
Scrutiny Ctte(s):	Sustainable Development 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		
	Y	N	N

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The London Borough of Lewisham takes Environmental crime very seriously and the Council wants to ensure our neighbourhoods are clean and pleasant places as evidenced by our corporate priorities of Making Lewisham Greener and Building Safer Communities</p> <p>Listening to our residents, it is important for local areas to be clean, free from litter and a pleasant environment to live in. Despite efforts to keep the area clean and litter-free, it is an almost impossible, and costly, to change while some individuals continue to dump waste illegally and be generally irresponsible with their litter. The Council needs to take a harder line with individuals and step up enforcement.</p> <p>The proposal is to supplement the Environmental Enforcement team with Civil Enforcement Officers, appropriately trained to focus on on-street littering.</p>
Cuts proposal*
<p>The prime focus of this proposal will be to crack down on people that undertake activities such as:</p> <ul style="list-style-type: none"> • Dumping waste illegally • Littering • Allowing Dog Fouling • Street Urination <p>The proposal will be to provide uniformed Community Enforcement Officers to issue a £150 or up to £400 for fly-tipping fixed penalty notice (FPN) for the following:</p>

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3. Description of service area and proposal

- Dropping litter - including items such as cigarette butts, chewing gum, fast food and other forms of litter, such as packaging.
- Dog fouling - failing to pick up after your dog or not disposing of the dog waste in the correct way.
- Urinating - if you are caught urinating in a public place.
- Fly-tip your waste - fly-tipping is illegal dumping on a site that is not licensed to accept waste. The waste may include general household rubbish, larger household items, e.g. mattresses and fridges, garden refuse or commercial waste.

It is an offence that can lead to a fine of up to £20,000 or imprisonment.

The £150 FPN reduces to £100 if paid within 14 days.

Enforcement officers, wearing uniforms and body cameras, will carry out street patrols with the aim of preventing fly-tipping or littering. The aim of the enforcement patrols is to target those who choose to ignore the littering laws, which the vast majority of our residents abide by. These patrols will take place in every ward in the Borough.

It is possible to commence enforcement in 2021/22 and could generate £225k per annum, but there will be a cost to the service with is fully costed but it is reasonable to assume, as per experience in other authorities this would be £100k per annum after costs.

An example of another Inner London authority showed that they issued nearly 3,000 penalty notices per year. More than half were for littering and 500 were for illegal waste dumping. There were 142 for unlicensed street trading, but only nine for urination and five for spitting.

Payments associated with FPNs are used to cover the cost of having officers out on street to educate citizens around the damage their antisocial behavior has on the environment, and where appropriate, to enforce environmental crime offences.

Mitigating Actions for 21/22

None

4. Impact and risks of proposal

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

- Unpopular with those residents and visitors falling foul of the new approach
- Increase in local cleanliness in targeted areas

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

In tackling the risks, going forward, over the next 6-12 months, we are undertaking a review of how we manage our streets from street cleansing, the collection of refuse and recycling and how we manage ASB. Our intention is to provide effective, agile front line services addressing the issues faced by our communities on a day to day basis, such as those you have raised.

First we will be looking at how we deliver our services and include an enhanced level of mechanisation and greater use of intelligence and need in resolving issues.

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4. Impact and risks of proposal

Secondly, we will be reviewing all Enforcement activities across the Council and our partners, such as Lewisham Homes and the Metropolitan Police. This will look to provide a consistent model based on an intelligence and deployment approach. This approach would look to provide more flexible services, prioritisation and mapping and divert resources to where the greatest need is agreed. It would also look at greater education and changing the behaviours of those who undertake anti-social activities on our streets.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	4,042	10,397	6,355	
HRA				
DSG				
Health				
Cuts proposed*:	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Enforcement	100			100
Total	100			100
% of Net Budget	%	%	%	%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No				
If DSG, HRA, Health impact describe:				

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

1. Making Lewisham greener	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. Building safer communities	
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7. Ward impact

Geographical impact by ward:	No specific impact / Specific impact in one or more

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7. Ward impact	
	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:	N	Pregnancy / Maternity:	N
Gender:	N	Marriage & Civil Partnerships:	N
Age:	N	Sexual orientation:	N
Disability:	N	Gender reassignment:	N
Religion / Belief:	N	Overall:	N
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			N

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:
Ensuring that the correct scheme of delegation is enacted to allow the CEO to undertake these additional roles.

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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:	
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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
December 2020 to March 2021	Review of contracts and procurement to allow operation from 1 st April 2021
January 2021	Decision reports return to Scrutiny at the latest
February 2021	Final decisions at M&C with the Budget
March 2021	Cuts implemented
April 2021	Expanded service introduced