

**CUTS PROPOSAL PROFORMA 2022/23**

**APPENDIX 3 – THEME D ASSET OPTIMISATION PROPOSALS**

## CUTS PROPOSAL PROFORMA 2022/23

1. Proposal Overview	
Proposal title:	Commercial Estate Review
Reference:	D-10
Lead officer:	Patrick Dubeck
Ward/s affected	All wards
Cabinet portfolio	Cllr Paul Bell, Housing and Planning
Scrutiny committee/s	Sustainable Development Select Committee

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
N	N	N

3. Contextual Information				
<b>Which service area/s are in the scope of the cuts proposal?</b>				
<p>The commercial portfolio comprises approximately 250 secondary and tertiary assets and generates an income of circa £2.4M pa. It includes retail shops, offices, light industrial units, nurseries and various community assets.</p> <p>The portfolio is generally in poor condition with a number of assets requiring investment in order for them to sustain the current rate of income or to bring assets back into lettable condition.</p>				
<b>What is the controllable budget of the service area/s?</b>				
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)	
General Fund	231	(3,020)	(2,789)	
HRA				
DSG				
Health				
<b>TOTAL</b>	231	(3,020)	(2,789)	
<b>What is the staffing profile of the service area/s?</b>				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5				
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
<b>What changes are proposed to the service area/s?</b>
<p>There are a range of vacant assets that are in a poor state of repair and require capital investment in order to bring them back into a lettable condition so that in turn they can become income producing. Two examples of properties that require investment are the parade of shops on Turnham Road and 203 Deptford High Street.</p> <p>It is estimated that a once off capital investment of circa £200k will help stabilise and boost the income generation potential of the commercial estate by £50k in 2023/24 and £100k in 2024/25. This represents a growth of £150k on the commercial estate income by 2025. A full return on investment will be made within 4 years of the initial capital outlay.</p>

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<b>Are there any specific staffing implications?</b>		No		
<b>What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)</b>				
<b>Proposal strand</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>TOTAL</b>
	£-200 one-off capital	£50	£100	£150
<b>TOTAL</b>	£-200	£50	£100	£150
<b>% Net Budget</b>				
<b>Does proposal impact on:</b>	<b>General Fund</b>	<b>HRA</b>	<b>DSG</b>	<b>Health</b>
	Y	N	N	N
<b>If yes, please describe impact:</b>				
<b>What are the potential delivery risks and mitigation?</b>				
<p>A key risk of failure to deliver the proposal is that the assets which are in dire need of repair will not only reduce the income potential of the portfolio but will become liabilities to the Council where the authority will be liable for rates and all outgoings as well as keeping the buildings wind and water tight.</p> <p>There is also a risk that market forces may mean that the sort of rental growth estimated may not be achieved. This will be monitored and where possible adjustments will be made on other parts of the estate to ensure the target is met.</p> <p>Tender processes will be followed to ensure that the proposed works provide value for money. Fully costed surveys and valuations will be undertaken to ensure as far as possible that the works will produce the desired increase in rental income.</p>				
<b>Are there any specific legal implications?</b>				
None				
<b>Is public consultation required (formal/statutory)?</b>		No		

**5. Impact & Outcomes**

**What is the likely impact of the proposed changes?**

**Service Users**

An improved quality of commercial lettings offer from the Council will provide opportunities to small businesses and provide improved footfall and vitality in areas of vacancy.

**Staff**

None

**Other Council Services**

None

**Partners**

None

**Are there any specific equalities implications for service users?**

<b>Protected characteristics and other equalities considerations</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Age</b>				Neutral
<b>Disability</b>				Neutral
<b>Ethnicity</b>				Neutral
<b>Gender</b>				Neutral

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<b>Gender reassignment</b>				Neutral
<b>Marriage and civil partnerships</b>				Neutral
<b>Pregnancy and maternity</b>				Neutral
<b>Religion and belief</b>				Neutral
<b>Sexual orientation</b>				Neutral
<b>Socio-economic inequality</b>				Neutral
<b>Is a full EAA required?</b>			No	
<b>How do the proposed changes align with the Council's Corporate Strategy?</b>				
<b>Corporate Priorities</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Open Lewisham</b>				Neutral
<b>Tackling the Housing crisis</b>				Neutral
<b>Giving children and young people the best start in life</b>				Neutral
<b>Building an inclusive local economy</b>		Positive		
<b>Delivering and defending: health, social care &amp; support</b>				Neutral
<b>Making Lewisham greener</b>				Neutral
<b>Building safer communities</b>				Neutral
<b>Good governance and operational effectiveness</b>		Positive		

## CUTS PROPOSAL PROFORMA 2022/23

1. Proposal Overview	
Proposal title:	Business Rates revaluation of Council owned premises
Reference:	D-11
Lead officer:	Patrick Dubeck
Ward/s affected	All Wards
Cabinet portfolio	Cllr Paul Bell, Housing and Planning
Scrutiny committee/s	Public Accounts Select Committee

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
N	N	N

3. Contextual Information				
<b>Which service area/s are in the scope of the cuts proposal?</b>				
The Council's Property team is responsible for paying rates for all non-HRA assets excluding schools but including the operational corporate estate.				
<b>What is the controllable budget of the service area/s?</b>				
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)	
General Fund	1,677,721	1,553,735	123,987	
HRA				
DSG				
Health				
TOTAL				
<b>What is the staffing profile of the service area/s?</b>				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5				
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
<b>What changes are proposed to the service area/s?</b>
The Council's assets and operational portfolio has undergone changes and reconfiguration over the years but an assessment of the business rates has not been carried out to reflect the current nature of the stock.
This proposal relates to a revaluation or reassessment of all the assets for which the Council currently holds the business rates liability.
The current savings programme has £200k earmarked from the rates revaluation programme from 2020-2024. This proposal seeks to extend the ongoing revaluation programme based on gains achieved to date.
Early analysis of the assets suggests a full review could generate an additional £150k savings over the next two years.

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<b>Are there any specific staffing implications?</b>		No		
<b>What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)</b>				
<b>Proposal strand</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>TOTAL</b>
	£100	£50	£0	£150
<b>TOTAL</b>	£100	£50	£0	£150
<b>% Net Budget</b>				
<b>Does proposal impact on:</b>	<b>General Fund</b>	<b>HRA</b>	<b>DSG</b>	<b>Health</b>
	Y	N	N	N
<b>If yes, please describe impact:</b>				
<b>What are the potential delivery risks and mitigation?</b>				
<p>This proposal looks at seeking rate revaluations based on the current national rating system therefore any national changes in rating policy (such as a higher than expected annual rate increase) is likely to affect the actual level of savings achieved.</p> <p>Achieving the full savings as proposed and in a timely fashion is also reliant on the capacity of the Valuation office to process the appeals our agents submit.</p>				
<b>Are there any specific legal implications?</b>				
None				
<b>Is public consultation required (formal/statutory)?</b>		No		

**5. Impact & Outcomes**

**What is the likely impact of the proposed changes?**

**Service Users**

None

**Staff**

None

**Other Council Services**

The successful reduction in rateable value of the Council's estate will have an impact on the Borough wide NNDR receipt.

**Partners**

None

**Are there any specific equalities implications for service users?**

<b>Protected characteristics and other equalities considerations</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Age</b>				Neutral
<b>Disability</b>				Neutral
<b>Ethnicity</b>				Neutral
<b>Gender</b>				Neutral
<b>Gender reassignment</b>				Neutral
<b>Marriage and civil partnerships</b>				Neutral
<b>Pregnancy and maternity</b>				Neutral

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<b>Religion and belief</b>				Neutral
<b>Sexual orientation</b>				Neutral
<b>Socio-economic inequality</b>				Neutral
<b>Is a full EAA required?</b>			No	
<b>How do the proposed changes align with the Council's Corporate Strategy?</b>				
<b>Corporate Priorities</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Open Lewisham</b>				Neutral
<b>Tackling the Housing crisis</b>				Neutral
<b>Giving children and young people the best start in life</b>				Neutral
<b>Building an inclusive local economy</b>				Neutral
<b>Delivering and defending: health, social care &amp; support</b>				Neutral
<b>Making Lewisham greener</b>				Neutral
<b>Building safer communities</b>				Neutral
<b>Good governance and operational effectiveness</b>			Positive	

## CUTS PROPOSAL PROFORMA 2022/23

1. Proposal Overview	
Proposal title:	Asset Use Review and Regularisation
Reference:	D-12
Lead officer:	Patrick Dubeck
Ward/s affected	All wards
Cabinet portfolio	Cllr Paul Bell, Housing and Planning
Scrutiny committee/s	Sustainable Development Select Committee

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
N	N	N

3. Contextual Information				
<b>Which service area/s are in the scope of the cuts proposal?</b>				
The commercial portfolio comprises approximately 250 secondary and tertiary assets and generates an income of circa £2.4M pa. It includes retail shops, offices, light industrial units, nurseries and various community assets.				
<b>What is the controllable budget of the service area/s?</b>				
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)	
General Fund	231	(3,020)	(2,789)	
HRA				
DSG				
Health				
<b>TOTAL</b>	231	(3,020)	(2,789)	
<b>What is the staffing profile of the service area/s?</b>				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5				
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
<b>What changes are proposed to the service area/s?</b>
<p>A number of Council assets are utilised by third parties where the current consideration is less than market rate. For example, whilst most nurseries occupy council assets on commercial leases, a few pay a modest or nominal rent. If these are reviewed and regularised this could generate an additional income of circa £50k income to the commercial portfolio.</p> <p>A strategic asset review of the entire property portfolio is currently being undertaken. There are certain operational assets that are likely to be no longer required for their existing purposes, and could therefore be re-let on a commercial basis.</p> <p>Securing these units as commercial lets will mean that the Council will no longer be responsible for maintaining those assets generating further savings on the FM budget. The level of savings on the FM budget is likely to be similar to the increased income proposed here but will be captured separately under any savings proposed by the FM team.</p>



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Delivering these proposals will require an increased staffing resource base due the complex and sometimes protracted nature of the negotiations. This is anticipated to be equivalent to an additional full time post to support this and other commercial portfolio income generating initiatives.

Taken together, a review and regularisation of current arrangements could generate an additional net increase of £100k on the commercial income by 2024/25.

<b>Are there any specific staffing implications?</b>		No		
<b>What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)</b>				
<b>Proposal strand</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>TOTAL</b>
	£25	£50	£85	£160
	£-25	-35	0	-£60
<b>TOTAL</b>	<b>£0</b>	<b>£15</b>	<b>£85</b>	<b>£100</b>
<b>% Net Budget</b>				
<b>Does proposal impact on:</b>	<b>General Fund</b>	<b>HRA</b>	<b>DSG</b>	<b>Health</b>
	Y	N	N	N
<b>If yes, please describe impact:</b>	The proposal requires an increase in the capacity of the team with an additional post			
<b>What are the potential delivery risks and mitigation?</b>				
<b>Proposal not delivered because of potential misalignment with corporate or Member objectives.</b> Efforts will be made on early engagement with affected sites and proposals considered on for example phasing rent increase over time to ease the immediate impact on the users of the building.				
<b>Estimated increased income not delivered in full.</b> Early work carried out by the team to understand and quantify the potential across the estate suggests that the estimated net increase in income is realistic but is only fully deliverable if there is alignment with corporate and Member objectives.				
<b>Are there any specific legal implications?</b>				
Any efforts to renegotiate lease terms will need to give due regard the provisions in any pre-existing lease agreements, particularly in respect of lease term, break clauses and rent review timings. Where there are existing leases, the Council may only make changes where this is permitted by the lease. If there is no provision in an existing lease for rent review, the Council is unable to make changes to the rent during the lease term.				
<b>Is public consultation required (formal/statutory)?</b>		No		

### 5. Impact & Outcomes

**What is the likely impact of the proposed changes?**

#### Service Users

This proposal has potential impacts on the leaseholders for Council owned estate, particularly where we deem there to be commercial interests operating from council owned premises at below market rates. Due consideration will need to be given to the impacts on those with protected characteristics in particular circumstance.

#### Staff

None

#### Other Council Services

None

#### Partners

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None				
<b>Are there any specific equalities implications for service users?</b>				<b>Yes</b>
<b>Protected characteristics and other equalities considerations</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Age</b>				X
<b>Disability</b>				X
<b>Ethnicity</b>				X
<b>Gender</b>				X
<b>Gender reassignment</b>				X
<b>Marriage and civil partnerships</b>				X
<b>Pregnancy and maternity</b>				X
<b>Religion and belief</b>				X
<b>Sexual orientation</b>				X
<b>Socio-economic inequality</b>				X
<b>Is a full EAA required?</b>			<b>No</b>	
<b>How do the proposed changes align with the Council's Corporate Strategy?</b>				
<b>Corporate Priorities</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Open Lewisham</b>				Neutral
<b>Tackling the Housing crisis</b>				Neutral
<b>Giving children and young people the best start in life</b>				Neutral
<b>Building an inclusive local economy</b>		Positive		
<b>Delivering and defending: health, social care &amp; support</b>				Neutral
<b>Making Lewisham greener</b>				Neutral
<b>Building safer communities</b>				Neutral
<b>Good governance and operational effectiveness</b>		Positive		

## CUTS PROPOSAL PROFORMA 2022/23

1. Proposal Overview	
Proposal title:	Review of commercial opportunities for nurseries within children's centres
Reference:	D-13
Lead officer:	Sara Rahman
Ward/s affected	All
Cabinet portfolio	Cllr Chris Barnham, Children's Services and School Performance
Scrutiny committee/s	Children and Young People Select Committee

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
N	N	N

3. Contextual Information				
<b>Which service area/s are in the scope of the cuts proposal?</b>				
<p>The key functions of the Children and Family Centre contract is to act as a focus for ensuring early help, which whilst primarily focused at an early years stage also take a 'whole-family' approach building appropriate teams around families to ensure all children and young people's needs are met through multi-agency responses.</p> <p>The Children and Family Centre contract is currently delivered by three separate providers commissioned from the Children Centre contract. Each provider covers different areas of the borough. The Early Years Alliance cover Area 1 of the borough where this site is located. It is close to other sites in the area, and has not been used as a Children's Centre since 2016, following a Public Consultation to de-designate this site. There has been some limited service delivery, but it has mainly been as a training site and professionals meeting space and has not been used by children and families. The part of the site dedicated in lease and site plans to Children and Family Centre activity has remained empty. It is however connected to a nursery which would like to expand into this space."</p>				
<b>What is the controllable budget of the service area/s?</b>				
<b>Budget Type</b>	<b>Spend (£000)</b>	<b>Income (£000)</b>	<b>Net Budget (£000)</b>	
General Fund	£20	0	£150	
HRA				
DSG				
Health				
<b>TOTAL</b>	<b>£20</b>	<b>0</b>	<b>£150</b>	
<b>What is the staffing profile of the service area/s?</b>				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5	N/A			
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
<b>What changes are proposed to the service area/s?</b>

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Review of commercial opportunities for nurseries within children's centres starting with one specific children's centre.

The proposal is an asset transfer 50% of a local Centre which was previously designated as a Children Centre under the CYP Directorate to a Commercial Lease to enable the expansion of a nursery currently occupying the other 50% of the building

Operational changes identified. There will be no specific operational change as there is no service delivery currently from this site or proposed. However, because this part of the site is part of the CYP Portfolio with Premises Management responsibility for Business Rates, building maintenance, cleaning and utilities, this empty site still has an operational cost against the Children Centre budget. The proposal to transfer this part of the building to the private nursery on site will remove these annual costs being incurred. In addition to this it will increase the Commercial Lease and therefore the Commercial rent applied to the nursery generating more income for the Council and ensuring this site is more sustainable moving forward.

As stated there is currently no Children and Family Centre service delivered from this site, the Nursery who wish to expand into this space will do so with the aim of develop three aspects of their work:

1. to increase support and guidance to local parents and carers by providing workshops on subjects such as toilet training, sleep routines, healthy eating, importance of play, natural resources, developmental milestones, EYFS, oral health and hygiene routines, etc.
2. to create a community hub that would offer space and facilities to local community groups that provide child care, educational and recreational provision such as exercise classes, mental wellbeing, meditation, yoga, massage, etc.
3. to meet their long-term needs for additional nursery-age provision by expanding their current baby room into the area, and by some pilot schemes that would facilitate before/after school and school holiday activities.

The proposed vision does support Lewisham's CYP priorities under their four key areas listed below:

the best start in life and protection from harm;

- good physical and emotional health; by encouraging sound mental well-being and physical health
- making progress, achieving and being prepared for adulthood;
- feeling listened to and respected

<b>Are there any specific staffing implications?</b>		N (with HR input)		
<b>What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)</b>				
<b>Proposal strand</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>TOTAL</b>
Proposal 1	£11	£9		£20
<b>TOTAL</b>		£0	£0	£20
<b>% Net Budget</b>				
<b>Does proposal impact on:</b>	<b>General Fund</b>	<b>HRA</b>	<b>DSG</b>	<b>Health</b>
	Y	N	N	N

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<b>If yes, please describe impact:</b>	<p>This will reduce an operation cost of £20,000 against the Children Centre budget. The operating costs of an empty site specifically relate to the following:</p> <ul style="list-style-type: none"> <li>• Business Rates = £6,000</li> <li>• Insurance = £118</li> <li>• Security = £4,000</li> <li>• Cleaning = £9,600</li> <li>• Weekly compliance checks = £4,000</li> <li>• Pre-planned Maintenance = £2,000 (estimate)</li> </ul> <p>Many of these costs will be passed on to the organisation with the Commercial lease as they are still required, there will be no negative impact to Children Centre delivery and only a positive impact for the Children Centre budget.</p> <p>There is also the potential to increase the Commercial rent generated from this site.</p>
<b>What are the potential delivery risks and mitigation?</b>	
<p>Two risks:</p> <ol style="list-style-type: none"> <li>1. The biggest risk to this is the DfE Capital Grant utilised to building this site initially which was completed within the 25 year claw back range, however, this is to be mitigated by the nursery vision and service delivery plan detailed above for the additional space created.</li> <li>2. The 2015 public consultation may not be sufficient to satisfy change of use of this building and therefore there might need to be a public consultation and Mayor and Cabinet decision before this plan can be initiated.</li> </ol>	
<b>Are there any specific legal implications?</b>	
<p>There is a statutory duty to consult on any proposal to cease using a building as a children's centre. Any proposal is therefore expressly subject to that consultation and a decision on closure being taken by Mayor &amp; Cabinet.</p> <p>The specific site contained within this proposal has already been de-designated following public consultation in 2016. Therefore any further sites coming forward would require specific public consultation.</p>	
<b>Is public consultation required (formal/statutory)?</b>	Unknown

### 5. Impact & Outcomes

#### What is the likely impact of the proposed changes?

##### Service Users

Proposal 1 – there would be no negative impact on service users as there is currently no service being delivered, the impact will be positive as there is an initial saving against the Children Centre contract and the potential for greater income generation at the site from an expanded Commercial Lease.

Proposal 1 - there may be positive benefits as the nursery is looking to expand their offer making more spaces available to local residents, there is also an intention to provide more community based information, like information, advice and guidance, so local residents will have more benefit from this site than they currently receive

##### Staff

Proposal 1 – no impact on staff

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<b>Other Council Services</b>				
Proposal 1 – there will be a positive impact on Early Years and Sufficiency as this expansion will create more nursery places in the ward and access to community services.				
<b>Partners</b>				
Proposal 1 – partners will not see a change in the service by the Children Centres but local community organisations will see a potentially increased opportunity to utilise space. Two other organisations currently utilise this space and they would have to be factored into the agreed expansion and new lease for this site by the Nursery.				
<b>Are there any specific equalities implications?</b>				
<b>Protected characteristics and other equalities considerations</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Age</b>			X	
<b>Disability</b>			X	
<b>Ethnicity</b>			X	
<b>Gender</b>			X	
<b>Gender reassignment</b>			X	
<b>Marriage and civil partnerships</b>			X	
<b>Pregnancy and maternity</b>			X	
<b>Religion and belief</b>			X	
<b>Sexual orientation</b>			X	
<b>Socio-economic inequality</b>			X	
<b>Is a full EAA required?</b>			N (with Corporate Policy input)	
<b>How do the proposed changes align with the Council's Corporate Strategy?</b>				
<b>Corporate Priorities</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Open Lewisham</b>	X			
<b>Tackling the Housing crisis</b>			X	
<b>Giving children and young people the best start in life</b>		X		
<b>Building an inclusive local economy</b>	X			
<b>Delivering and defending: health, social care &amp; support</b>			X	
<b>Making Lewisham greener</b>			X	

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<b>Building safer communities</b>	x			
<b>Good governance and operational effectiveness</b>	x			

### 1. Proposal Overview

Proposal title:

Facilities Management 2022/23 proposed savings

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<b>Reference:</b>	D-14
<b>Lead officer:</b>	Currently Director not in post (Lead officer, Kathy Freeman/Brian Colyer
<b>Ward/s affected</b>	All Wards
<b>Cabinet portfolio</b>	Cllr Amanda De Ryk, Finance and Resources
<b>Scrutiny committee/s</b>	Public Accounts Select Committee

### 2. Decision Route

Key Decision	Public Consultation	Staff Consultation
No	No	Yes

### 3. Contextual Information

Which service area/s are in the scope of the cuts proposal?

#### Facilities Management Front of House/Soft Services:

1. Cleaning services across the corporate managed properties. Review services and adjust to identify requirements. Majority of this service is delivered by a newly in-housed workforce
2. Front of House services (Reception duties, Post Room, Document Management, Technical services and Chauffeur services). These services are provided by an in-house workforce.
3. Security Services. Currently this service is being provided by an out-sourced contract but consideration of insourcing is under review

#### Energy and Utilities Management:

1. Management of LBL energy and utilities contracts and supplies. This includes corporate property, estates rented properties, Lewisham home and schools. This service is provided with an in-house team.  
Note: Currently potentially procuring a contract for invoice validation. This service is proposed to be funded by a proposition of a vacant post

What is the controllable budget of the service area/s?

Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)
General Fund	3,776	133	3,643
HRA	NA	NA	NA
DSG	NA	NA	NA
Health	NA	NA	NA
<b>TOTAL</b>	<b>3,776</b>	<b>133</b>	<b>3,643</b>

What is the staffing profile of the service area/s?

Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Spot scale (LLW)	59	TBC	TBC	TBC
Scale 1 – Scale 5	18	18	TBC	TBC
Scale 6 – SO2	1	1	TBC	TBC
PO1 – PO5	1	1	0	1
PO6 – PO8				
SMG1 – SMG3				
JNC				

### 4. Cuts Proposal

What changes are proposed to the service area/s?

- 1 This saving will be achieved by greater efficiency and reduction in headcount across the Facilities Management sections along with some level of reduction to building related



## CUTS PROPOSAL PROFORMA 2022/23

<p>services on closed buildings. The saving will be delivered from 23/24 due to the time it takes to decommission the Council's wider corporate estate.</p> <p>2. Proposal to self-deliver a greater proportion of building maintenance and small works with a direct labour force. Proposal to reduce the level of central contract (bundling) and manage smaller contracts directly with an in-house resource. These changes will also remove a level of dependency on a very small number of external service providers (main contractors)</p> <p>3. Review of all buildings and FM services to ensure appropriate cost are recharged to the external partners who lease our buildings for full cost recovery.</p>
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<b>Are there any specific staffing implications?</b>		Y (with HR input)		
<b>What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)</b>				
<b>Proposal strand</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>TOTAL</b>
		£100k	£10k	£110k
<b>TOTAL</b>				
<b>% Net Budget</b>		£100k	£10k	£110k
<b>Does proposal impact on:</b>	<b>General Fund</b>	<b>HRA</b>	<b>DSG</b>	<b>Health</b>
	Y	N	N	N
<b>If yes, please describe impact:</b>	2022/23 saving are planned to provide already programmed saving. 2023/25 savings are planned to provide already programmed savings along with additional savings.			
<b>What are the potential delivery risks and mitigation?</b>				
<p>1. Redundancy costs which has been factored in addition to the proposed savings.</p> <p>2. Planned Buildings closure not taking place or only part closure which has limited savings to FM. FM to work closely with the estates and capital team.</p> <p>3. Cost of contract inflation and shortage of skilled contractors is likely to present a price increase.</p> <p>4. Changes to the number of Council maintained properties.</p> <p>5. Energy and Utilities inflation has been assumed to be funded.</p> <p>6. Reduction in Capital funding support for out-of-life plant and equipment. Any reduction would have a direct impact on FMs revenue budgets. It is planned that FMs capital expenditure will form part of the budget forecasting in the future.</p> <p>7. Current FMs Planned Maintenance is of a low standard. Improvement to the level of maintenance is likely to increase costs. Additional savings will be reviewed to support increased costs.</p>				
<b>Are there any specific legal implications?</b>				
Yes, TUPE and employment law				
<b>Is public consultation required (formal/statutory)?</b>		No (with Legal input)		

<b>5. Impact &amp; Outcomes</b>	
<b>What is the likely impact of the proposed changes?</b>	
<b>Service Users</b>	
Limited impact	
<b>Staff</b>	
Facilities Management are planning a department restructure which will place the appropriate staff in realigned roles. This change is likely to provide a greater job	

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satisfaction due to clear roles and responsibilities along with appropriate levels of ownership. Greater efficiency in the service is planned which will lead to redundant posts.				
<b>Other Council Services</b>				
Limited impact				
<b>Partners</b>				
Limited impact				
<b>Are there any specific equalities implications?</b>				
<b>Note:</b> This information is currently not available but will be submitted as part of the potential restructure				
<b>Protected characteristics and other equalities considerations</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Age</b>				
<b>Disability</b>				
<b>Ethnicity</b>				
<b>Gender</b>				
<b>Gender reassignment</b>				
<b>Marriage and civil partnerships</b>	the information for this table to be provided by hr and included in planned restructure documentation			
<b>Pregnancy and maternity</b>				
<b>Religion and belief</b>				
<b>Sexual orientation</b>				
<b>Socio-economic inequality</b>				
<b>Is a full EAA required?</b>			Y/N (with Corporate Policy input)	
<b>How do the proposed changes align with the Council's Corporate Strategy?</b>				
<b>Corporate Priorities</b>	<b>High (Positive / Negative)</b>	<b>Medium (Positive / Negative)</b>	<b>Low (Positive / Negative)</b>	<b>Neutral</b>
<b>Open Lewisham</b>				Yes
<b>Tackling the Housing crisis</b>				NA
<b>Giving children and young people the best start in life</b>				NA
<b>Building an inclusive local economy</b>				NA
<b>Delivering and defending: health, social care &amp; support</b>				NA
<b>Making Lewisham greener</b>				NA

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<b>Building safer communities</b>				NA
<b>Good governance and operational effectiveness</b>	Yes			