

## Appendix 3: Deficit Reduction Proposals - New

### Revenue & Capital Budget 2016/17

## Resource allocation proposal: Budget 2016/17

### Neighbourhoods & Growth

Title	2015/16 Budget £'000	2016/17 £'000	% of Budget	Savings proposal	Risk	Mitigation	Consultation and EIA considerations
Commercial Waste	-162	150	n/a	This proposal builds on an existing saving of £500k, however early indications are that the current review may identify areas for greater income. Additional income may also be generated through charges and sales of bulky waste as well as potential efficiencies by looking at debt management/pre-pay/online only. Potential to increase income and efficiency.	No linked to statutory requirements	Negotiations are already ongoing with Veolia and modelling taking place through Resource London to scope potential for greater income growth.	NA
Parking (including reprocurement)	-8,860	500	n/a	We are currently forecasting an increase in income and can build additional income to the income target on top of the already agreed saving of £500k. The CPZ review will further increase our income generating potential.	Risk re CPZ implementation. Range of statutory requirements around CPZ and use of parking income to consider	Advice taken. Parking CPZ underway.	Consultation and EIA required.
Highways reactive maintenance	678	20	2.9%	Undertake a review of the delivery model, charges and costs. Currently operate with mixed economy of providers. Propose to review and undertake an options appraisal to identify different (more efficient) delivery models that will allow us to take revenue cost out of the system. This will need to include in house and external market driven	Savings based on analysis which will take place in 2016/17. Savings to be confirmed in October 2016 for realisation in 2017/18	NA	NA

				models. Part year savings have been identified for 20-16/17.			
Cems and Crems, and Registrars	81	250	n/a	Greater income from fees and charges, bringing us in line with other boroughs. In 16/17 this income will relate to Cems and Crems as we do not expect additional Registrars income to be realised until later years due to service accommodation.	Modelling not yet complete.	Further input from finance ongoing.	Fees and charges report.
YOS Efficiency savings	2,847	500	17.6%	Following a redesign in 2015, there will be some further limited changes to structure. This together with the full year savings impact of the new service design will enable saving to be released without impacting on delivery.	1) YOS is a statutory service and statutory obligations will be met 2) YOS is a demand lead service. An increase in offending of young people would have an impact on the service and capacity would be reviewed. Current data shows that first time entrants into the Youth Justice System is decreasing, which is positive. However, there is a risk that wider welfare reforms may have a further impact on child poverty, and potentially on youth offending. This will be kept under review. Further cuts to existing YJB grants that fund the service anticipated – the MOJ has announced the need to save £12m across England. Gove review of youth justice due to report in Summer 2016. The outcome is unknown however concern about further reductions in funding to support young people in the CJS.	1) statutory requirement will continue to be met 2) 2016/17 savings achieved through efficiencies made in 2015/16	Not at this stage.
<b>Neighbourhoods &amp; Growth Total</b>		<b>1,420</b>					

## Corporate Resources

<b>Title</b>	<b>2015/16 Budget</b>	<b>2016/17 £'000</b>	<b>% of Budget</b>	<b>Savings proposal</b>	<b>Risk</b>	<b>Mitigation</b>	<b>Consultation and EIA considerations</b>
Capita Contract	4,349	75	1.7%	Due to digital transformation/channel shift, and a reduction in calls for parking, garden waste & accessible transport	Minimal risk as already in effect	Not required as business as usual	Not required
ICT licensing for Multivue	9,275	30	0.3%	Changes to the ICT architecture result in the Multivue software becoming redundant and the software licensing will not be renewed. Multivue is a tool that supports Master Data Management (MDM) which is a way of relating different pieces of data to one another. No impact of performance is expected.	Minimal Risk	Existing and planned ICT developments will incorporate the required functionality as to meet business requirements	Not required
Reduction in PwC internal Audit contract costs	763	40	5.2%	Reduce bought in provision for internal audit service and increasing-house capacity through audit apprenticeships	1) Failure to develop apprentice to deliver a broad range of audit work and provide sufficient audit coverage to form Annual Opinion. 2) Reduced capacity for purchase of specialist audit work.	1) Selection of appropriate candidate; provision of induction, training, coaching and mentoring and performance management. 2) managing spend through contract for external provision.	Not required
Subscriptions and Publications	1,603	25	1.6%	Review all existing subscriptions and purchase of publications to rationalise and reduce, move to on-line access where publications or information is essential for service delivery	Understand who requires these subscriptions and ensure that there are no wider implications	Engaging relevant stakeholders	Not required

Print	1,558	25	1.6%	Rationalise all printed materials, bringing together magazines and newsletters	Need to ensure that information is shared with and made available to the appropriate stakeholders	We are drawing up a new ways of working for the team that will address how this is implemented	
Surveys	85	20	23.5%	Review of all planned and proposed surveys will be undertaken to identify non-business critical surveys as well as the frequency of surveys	Risk to service design and delivery is stakeholder feedback and views are not captured in a timely manner	The review will help to identify information requirements and how best to resource this.	Not required
London Boroughs Grants Scheme	5,811	150	2.6%	The Council contributes to the London Boroughs Grant Scheme administered by London Councils. A review of the schemes and funding has identified the potential to reduce the budget held in Corporate Items without impacting service delivery.	None	Information which actively support service planning and delivery will continue to be captured through a range of information gathering activities and surveys will be used only where they are cost effective and value for money	Not required

Commercial property income	-437	500	n/a	<p>Managing the commercial property portfolio on a commercial (market) based approach.</p> <p>1. Improved rental collection, including interest on late payments, instigation of new leases at market rents, rent review implementation, lease renewals and general good estate management procedures.</p> <p>2. Rolling out a programme of dealing with third sector occupiers who are not paying rent and are in arrears and bringing them in line with a strategy (which has previously been agreed but is in the process of being re-ratified) to charge market rents or, in the case of subsidies, that the commissioning department makes up the shortfall to end the long history of the council subsidising numerous organisations at 'lease' level by way of rental subsidies. 3 exploit other revenue generating opportunities, for example, advertising, wifi and telecoms masts.</p>	<p>There is a risk that the corporate property team are unable to fulfil their good estate management principles given the issues have been ongoing. Collecting full market rents has challenged every borough across London. The statutory risks are that the council, conversely, may be in breach of their S123 obligations by not being fully transparent in the charges, or lack of, to certain occupiers.</p>	<p>Requires agreed Commercial Property Management strategy, supported by clear decision making and appropriate measures.</p>	
<b>Corporate Resources Total</b>		<b>865</b>					

### Children, Adults and Health

Title	15/16 Budget Total	2016/17 £'000	% of Budget	Savings proposal	Risk	Mitigation	Consultation and EIA considerations
Enablement	11,000	400	3.6%	Full roll out of reablement offer to all new referrals for community support to all new hospital and community referrals	1) Preventative services, Care Act, BCF. 2) New model being too expensive, further market failure	Bringing service back in house, achieving more effective use of	None required

						services through integration	
Adult Social Care Staffing	14,000	1,150	8.2%	Implement opportunities to integrate health and social care in various areas. If savings arising from integration do not meet expectations a restructure of care management will be required to reduce staffing costs in order to meet the planned savings expectation.	Capacity and willingness of partner organisations to work at speed	Work is underway with partners to develop plans and milestones, supported by commissioners. ASC will need corporate agreement to retain funding released when a senior manager leaves in March to bring in interim capacity to support the programme (estimated time 1 year - 18 months)	1) External consultation will be required for the ASC services that will integrate with partner organisations. Time-scales to be worked up. 2) The service changes should not impact on equalities and a full equalities impact assessment will be worked up
IPSA	4,600	700	15.2%	In existing agreement - under review to confirm revised trajectory for 2016/17	1) Statutory obligations being undertaken 2) Profile and savings delivered by trajectory of activity are being reprofiled. If trajectory too ambitious there is risk to savings.	1) Social work staff part of model to support statutory functions 2) Activity and trajectory agreed by all parties to alliance commissioners and providers and kept under active review	EIA undertaken 2015/16

Support People	12,400	363	2.9%	Various schemes contract values reduced after negotiation with providers. Designed to have minimal impact. Bedspaces funded at 3 schemes will be withdrawn, 2 of which are low risk. 1 medium risk scheme. This provision will be provided elsewhere within the vulnerable adults housing pathway arrangements.	Minimal risk to statutory services. Savings already negotiated with providers. All can be delivered full year for 16/17	Savings already negotiated subject to cabinet approval	None required
Careline	600	40	6.7%	To review current in-house service to achieve efficiency savings	1) Preventative services, Care Act. 2) Unable to source alternative providers	Commissioning alternative urgent response	Likely to be significant change in service provision and therefore will require some form of consultation. As this is an in-house service there will be requirement for staff consultation
Equipment Capitalisation	1,200	200	16.7%	Capitalisation of larger items of community equipment.	Dependent on the agreement of corporate capital resources to fund the capitalisation.	Request for capital resources to be completed.	None required as the change does not result in any change in the service offered.
Equipment - use of a capital grant to fund expenditure	1,200	200	16.7%	Use of a capital grant to fund smaller items of community equipment.	Dependent on capital grant being available in 16/17 and technical advice confirming that the grant can be used.	Technical advice has been requested to confirm the use of the grant.	None required as the change does not result in any change in the service offered.

Excelcare	8,400	150	1.8%	Have a 4 bed block contract with Lambeth CCG for nursing beds at Windmill	Demand for nursing beds increases and cost of spot purchased beds is higher than the block price	Part of a range of measures to support more effective use of resource across health and care. Individual high cost will be mitigated by lower cost in other pathways.	None required
Excelcare	8,400	250	2.9%	Reconfigure beds to have more EMI provision as this is where demand is highest	Cost of spot purchased beds being significantly higher than the block	Part of a range of measures to support more effective use of resource across health and care. Individual high cost will be mitigated by lower cost in other pathways.	None required
OP Residential	3,400	300	8.8%	Continuation in reduction in OP residential care admissions.	1) Statutory obligations being undertaken 2) Home care packages may cost more than residential placement	1) Social work staff part of model to support statutory functions 2) Part of a range of measures to support more effective use of resource across health and care. Individual high cost will be mitigated by	Non required

						lower cost in other pathways.	
Staff Post	1,200	40	3.3%	Delete one of the vacant PO2 Commissioning Development posts	No change to service	No change to service	Non required
Disabilities - Community Support Packages	2,900	300	10.3%	Alternative care models and preventative approach to low cost packages	No risk to statutory obligations as the Council will continue to meet people's needs with outcomes being the same or improved.	Delivery will be ensured by identifying care management resources to work with clients to develop their packages of care.	None required
Disabilities - Ordinary Residence	21,500	100	0.5%	Resolving identified long standing ordinary residence cases and cases where it is believed Lambeth no longer retains responsibility.	Clients will become the responsibility of another authority and the Council will meet its statutory obligations up to that point.	Delivery will be ensured by identifying staff resource to negotiate cases with other authorities.	None required
<b>Adults &amp; Health Total</b>		<b>4,193</b>					

<b>Title</b>	<b>Budget 2015/16 £'000k</b>	<b>Savings 2016/17 £'000k</b>	<b>% of Budget</b>	<b>Savings proposal</b>	<b>Risk</b>	<b>Mitigation</b>	<b>Consultation and EIA considerations</b>
Health support for Looked after Children (LAC) and Health Visiting Support for social care	1,712	187	11%	Improved integrated commissioning between the council and Clinical Commissioning Group which includes and remodelling of the Health Visiting Service to ensure appropriate skill mix is in place	No risk to support for looked after children and minimal risk for health visiting, although the overall reduction in the Public Health grant may adversely affect the Health Visiting Services	Through contractual arrangements and a review of mandated elements of Health Visiting Services to ensure requirements are being met	No
Improved social work creating efficiencies in the system	2,078	160	8%	Recommission services in line with the redesign of Social Care, ending underutilised contracts as part of the process.	Dependent on the implementation of redesigned social care staff structure. potential impact on social worker if contract was to end too early and if there is risk that it could increase numbers entering care	Alignment with the restructure of social care. Contractual specification and arrangements	No
<b>Social Care Sub Total</b>		<b>347</b>					

Youth and Play (additional savings to what was agreed in the December 2014 Cabinet Report)	4,564	689	15%	Proposal to accelerate and make further savings across the youth and play estate. These savings are made by detailed site by site proposals to bring forward savings on the budgets previously identified over the next three years. The proposals take account of the spread of services in the geographical area, level of need and other services run at sites for children and families. Consultation is required with the identified early adopter phase 2 providers about the proposals.	There is no risk to statutory obligations. There are risks in delivering the saving in terms of the transition of existing services, including the impact on staff. The financial risk to this element of the saving is £398,969 over 3 years 16/17 , 17/18, 18/19	Residual budgets for 2016/17 has been maintained in case of ongoing costs beyond March 2016. Grant reductions are relatively small and providers can be encouraged to adjust delivery models to minimise the impact on front line delivery.	Consultation is required with the phase 2 providers about the reduced budget and reduced delivery obligation linked to the sites. Some of the providers have been consulted with and are aware of the situation. Consultation will be required with staff, providers and the YLC.
<b>Play Sub Total</b>		<b>689</b>					
Education, Learning & Skills	1,165	305	26%	Rationalisation of posts and increase in trading with all schools and education providers	Council has statutory responsibility to support, challenge and intervene where schools / governing bodies cause concern	Efficient use of the framework of providers/ database and increasing trading	No
<b>Education Total</b>		<b>305</b>					
<b>Children's Total</b>		<b>1,341</b>					