

Public Document Pack

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Table A1: Proposed Capital Programme for 2018/19 to 2020/21

	17/18	18/19	19/20	20/21	3 Year Total
	£m	£m	£m	£m	£m
General Fund					
Smarter Working Programme (Invest to Save agreed 17/18)	0.3	2.0	0.6	0.0	2.6
Schools – Pupil Places and other Capital Works	20.1	18.8	1.0	0.8	20.6
Highways, Footways and Bridges	7.7	3.1	3.5	3.5	10.1
Regeneration Schemes	12.6	8.0	5.2	0.0	13.2
Lewisham Homes Property Acquisition	10.0	10.0	6.0	0.0	16.0
Town Centres and High Street Improvements	1.5	2.8	2.3	0.8	5.9
Asset Management Programme	3.8	3.9	2.5	2.5	8.9
Fleet Replacement Programme	0.5	2.6	0.0	0.0	2.6
Beckenham Place Park	0.4	5.5	1.7	0.6	7.8
Other Schemes	7.6	6.5	1.7	1.9	10.1
	64.5	63.2	24.5	10.1	97.8
Housing Revenue Account	36.2	72.7	56.3	44.7	173.7
Total Programme	100.7	135.9	80.8	54.8	271.5

Table A2: Proposed Capital Programme Resources for 2018/19 to 2020/21

	17/18	18/19	19/20	20/21	3 Year Total
	£m	£m	£m	£m	£m
General Fund					
Prudential Borrowing	12.8	17.7	9.0	0.0	26.7
Grants and Contributions	25.0	28.7	7.0	2.6	38.3
Capital Receipts	10.7	2.5	1.1	0.0	3.6
Reserves / Revenue	16.0	14.3	7.4	7.5	29.2
	64.5	63.2	24.5	10.1	97.8
Housing Revenue Account					
Prudential Borrowing	0.0	0.0	0.0	0.0	0.0
Grants	0.0	0.0	0.0	0.0	0.0
Specific Capital Receipts	0.0	0.0	0.0	0.0	0.0
Reserves / Revenue	36.2	72.7	56.3	44.7	173.7
	36.2	72.7	56.3	44.7	173.7
Total Resources	100.7	135.9	80.8	54.8	271.5

Table A3: Summary of proposed future schemes by service area

	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000
Environment / Public Realm	4,364	1,405	1,105	6,874
Highways & Transportation	6,935	5,525	4,200	16,660
Housing	37,325	10,839	8,034	56,198
School Places*	0	4,589	0	4,589
Strategic Regeneration	25,340	11,350	8,906	45,596
Corporate	4,885	124	0	5,009
TOTAL	78,849	33,832	22,245	134,926

Table A4: Summary of proposed future schemes by finance categorisation

	2018/19	2019/20	2020/21	Total
	€'000	€'000	€'000	€'000
Spend	17,123	12,643	6,305	36,071
Spend to save	18,600	2,500		21,100
Borrow-to-repay	41,231	17,875	15,731	74,837
Secured non-General Fund	1,895	814	209	2,918
TOTAL	78,849	33,832	22,245	134,926

Table B1: HRA Income and Expenditure Estimates

HRA Income & Expenditure Estimates - 5 year Forecast	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Income					
Rental income	-69.0	-69.4	-70.9	-72.6	-74.5
Tenants service charge income	-6.0	-6.2	-6.3	-6.4	-6.5
Leasehold service charge income	-4.5	-4.6	-4.7	-4.8	-4.9
Hostel charges and grant income	-1.3	-1.3	-1.4	-1.4	-1.4
Major Works recoveries	-5.9	-4.7	-4.7	-4.0	-5.7
Other income	-1.6	-1.6	-1.6	-1.6	-1.6
Interest earned on balances	-1.1	-0.7	-0.5	-0.4	-0.3
Total Income	-89.4	-88.5	-90.1	-91.2	-94.9
Expenditure					
Management costs	35.6	35.8	36.2	36.7	37.2
Repairs & maintenance	15.6	15.9	16.0	16.2	16.4
PFI Costs	6.2	6.7	7.1	7.7	8.2
Interest & other finance costs	3.0	3.0	3.0	3.0	3.2
Depreciation	21.6	21.9	22.2	22.5	22.9
Revenue Contribution to Capital	2.1	35.4	22.5	16.6	10.7
Total Expenditure	84.1	118.7	107.0	102.7	98.6
Surplus/(deficit)	5.3	-30.2	-16.9	-11.5	-3.7
Opening HRA reserves	59.1	64.4	34.2	17.3	5.8
Contribution to/(Drawdown) from reserves	5.3	-30.2	-16.9	-11.5	-3.7
Closing HRA Reserves	64.4	34.2	17.3	5.8	2.1

HRA Income & Expenditure Estimates - 5 year Forecast	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m
Forecast Capital Programme & Funding	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Capital programme (including decent Homes)	44.7	35.2	35.3	30.7	43.1
New Build construction & on-going costs	28.0	21.1	9.4	8.4	0.5
Total Capital Expenditure	72.7	56.3	44.7	39.1	43.6
Capital Programme Funded By:					
MRR Opening Balance	-48.0	1.0	0.0	0.0	0.0
Revenue Contribution to Capital	-2.1	-35.4	-22.5	-16.6	-10.7
Depreciation	-21.6	-21.9	-22.2	-22.5	-22.9
Capital Receipts	0.0	0.0	0.0	0.0	0.0
Borrowing	0.0	0.0	0.0	0.0	-10.0
Total Capital Funding	-71.7	-56.3	-44.7	-39.1	-43.6
Capital shortfall	1.0	0.0	0.0	0.0	0.0
HRA - Actual Debt Level (Forecast)	59.4	59.4	59.4	59.4	69.3
HRA Self-financing Settlement Debt Level	127.3	127.3	127.3	127.3	127.3

Table C1: Impact of New National Formula

Note		Schools Block	High Needs	Central	Total
		£'000	£'000	£'000	£'000
A	2017/18 Current	215,373	50,704		266,077
B	Baseline	211,029	49,673	5,375	266,077
C	2018/19 Indicative	212,066	50,647	5,410	268,123
<i>D = B-C</i>	Change	1,037	974	35	2,046

Notes

A = the current DSG (excluding the early years block)

B = the DfE created a new funding block – the central block, they also moved funding from the high needs block to the schools block

C = Is the indicative amounts for next year's funding

D = the increase in funding

Table C2: Pupil Numbers

	Oct-16	Oct-17	Change
Primary	25,286	25,354	+68
Secondary	11,532	11,320	-212

Table C1: Forecast outturn for 2017/18 as at end of November 2017

Directorate	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/ (under) spend Nov. 2017	Percentage of over/under spend to Net budget
	£m	£m	£m	£m	%
Children & Young People	66.7	(18.0)	48.7	7.7	16
Community Services	167.0	(80.0)	87.0	1.4	2
Customer Services	102.7	(60.1)	42.6	4.3	10
Resources & Regeneration	76.9	(51.8)	25.1	(0.5)	-2
Directorate Totals	413.3	(209.9)	203.4	12.9	
Corporate Items	29.3	0.0	29.3	0.0	-

Directorate	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/ (under) spend Nov. 2017	Percentage of over/under spend to Net budget
Net Revenue Budget	442.6	(209.9)	232.7	12.9	6

Table C6 – New Homes Bonus Allocation Profile

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Yr 1 - 6 yrs paid in full	0.706	0.706	0.706	0.706	-	
Yr 2 – limited to 5 yrs	0.958	0.958	0.958	0.958	0	
Yr 3 – limited to 5 yrs	2.150	2.150	2.150	2.150	2.150	
Yr 4 – limited to 4 yrs		2.629	2.629	2.629	2.629	
Yr 5 – limited to 4 yrs			1.399	1.399	1.399	1.399
Yr 6 – limited to 4 yrs				1.889	1.889	1.889
Yr 7 – limited to 4 yrs					2.072	2.072
Yr 8 – limited to 4 yrs						1.551
Total Allocation	3.814	6.443	7.842	9.731	10.139	6.911
Less: London LEP Top slice	0	0	-2.218	0	0	0
Lewisham Total	3.814	6.443	5.624	9.731	10.139	6.911

Table C2: Summary of 2018/19 budget pressures to be funded

Description	£'000	£'000
2018/19		
Opening budget for 2018/19	6,500	
Unallocated Risks and Pressures from 2017/18	2,130	
Risk & Pressures budget available in 2018/19		8,630
Previously committed		
Highways & Footways (year 5 of 10)	-350	
Licensing arrangements (year 3 of 5)	-200	
	-550	
Unachieved elements of previous years savings		
Transport costs in CYP	-500	
Enforcement income	-200	
Domestic waste service	-200	
Garden waste service income	-150	
Parks and open spaces income	-75	
Wireless and advertising income	-130	
	-1,255	
Demand pressures		
Educational Psychologists and services to Children with complex needs	-540	
Youth first property maintenance	-300	
Travel assistance (see transport costs above)	-250	
Children multi agency safeguarding hub	-600	
Family social work – social work resources	-400	
Looked after Children placement costs	-1,500	
Youth offending service	-250	
Air quality monitoring	-40	
Registrars income	-100	
Waste disposal costs	-250	
Coroner's court costs	-50	
Mortuary costs with RB Greenwich	-15	
Crematorium costs / loss of income	-50	
Arborists costs	-100	
Legal Services	-200	
Highways permits and licensing income	-250	
Chief Executive office	-90	
Street Lighting	-40	
Communications – website	-85	
	-5,110	
Risks & Pressures recommended to be funded		-6,915
Risks & Pressures budget recommend to be held against possible overspends in 2018/19		1,715

Table C3 – Band D Council Tax Levels for 2018/19

Change in Council Tax	Amounts payable by residents - Band D				Lewisham Additional Income / Annual income forgone
	Lewisham element	GLA element	Total	Change in total	
	£	£	£	%	£m
5.99% increase	1,227.02	294.23	1,521.25	+5.81%	2.000
4.99% increase	1,215.44	294.23	1,509.67	+5.00%	1.000
3.99% increase	1,203.87	294.23	1,498.10	+4.20%	0.000
3.50% increase	1,198.20	294.23	1,492.43	+3.81%	-0.490
3.00% increase	1,192.41	294.23	1,486.64	+3.40%	-0.991
2.50% increase	1,186.62	294.23	1,480.85	+3.00%	-1.491
2.00% increase	1,180.83	294.23	1,475.06	+2.60%	-1.992
1.50% increase	1,175.05	294.23	1,469.28	+2.20%	-2.492
1.00% increase	1,169.26	294.23	1,463.49	+1.79%	-2.992
0.50% increase	1,163.47	294.23	1,457.70	+1.39%	-3.493
Council Tax Freeze	1,157.68	294.23	1,451.91	+0.99%	-3.993

Table C4 - Overall Budget Position for 2018/19

Detail	Expenditure/ (Income) £m	Expenditure/ (Income) £m
Settlement Funding Assessment (SFA) for 2017/18	(128.470)	
Council Tax 2018/19 at 3.99% increase	(104.083)	
Surplus on Collection Fund	(8,728)	
Assumed Budget Requirement for 28/19		(241.281)
Total Resources available for 2018/19		
Base Budget for 2017/18	232.746	
Plus: Reversal of reserves drawn in 17/18 (once off)	5.027	
Plus: Additional Pay inflation	2.157	
Plus: Non-pay Inflation	2.277	
Plus: Education Support Grant changes for 18/19	0.700	
Plus: Single Persons Discount work	0.300	
Plus: Budget pressures to be funded from 18/19 fund	4.785	
Plus: Risks and other potential budget pressures	1.715	
Plus: Increase in general bad debt provision	5.000	
Less: Previously agreed savings for 2018/19	(0.580)	
Less: September approved savings for 2018/19	(4.276)	
Less: Use of New Homes Bonus reserve	(5.000)	
Less: Once-off use of reserves	(3.570)	
Total		241.281

Table D1: External Debt Projections

	2016/17 Actual £m	2017/18 Expected £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Forecast £m
External Debt at 1 April	191.3	190.9	217.4	217.2	217.0
Change in External Debt	(0.4)	26.5	(0.2)	(0.2)	(4.0)
Other Long-Term Liabilities	243.8	236.2	228.3	220.7	211.9
Gross Debt at 31 March	434.7	453.6	445.5	437.7	424.9
Capital Financing Requirement at 31 March*	486.4	487.1	496.4	490.2	481.0
Borrowing – over / (under)	(51.7)	(33.5)	(50.9)	(52.5)	(56.1)

*The Capital Financing Requirement includes the prudential borrowing figures shown in Table A2 of Section 5 - Capital Programme.

Table D2: Operational Boundary

	2017/18 Expected £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Forecast £m
Maximum External Debt at 31 March	217.4	217.2	217.0	213.0
Other Long-Term Liabilities	236.2	228.3	220.7	211.9
Operational Boundary for Year	453.6	445.5	437.7	424.9

Table D3: Authorised Limits for External Debt

	2017/18 Expected £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Forecast £m
Operational Boundary for Year	453.6	445.5	437.7	424.9
Provision for Non Receipt of Expected Income	56.0	56.0	56.0	56.0
Authorised Limit for Year	509.6	501.5	493.7	480.9

Table D4: HRA Debt Limit

	2017/18 Expected £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Forecast £m
HRA Debt "Cap" (Statutory)	127.3	127.3	127.3	127.3
HRA Debt (CFR) at 31 March	(63.7)	(63.7)	(63.7)	(63.7)
HRA Borrowing "Headroom"	63.6	63.6	63.6	63.6

Table D5: Treasury Indicators and Limits

Limits on Interest rate exposures	2018/19	2019/20	2020/21
	Upper	Upper	Upper
Limits on fixed interest rates: • Debt only	100%	100%	100%
• Investments only: When total portfolio >£400m When total portfolio <£400m	85% 80%	85% 80%	85% 80%
Limits on variable interest rates • Debt only • Investments only	15% 75%	15% 75%	15% 75%
Limits on Maturity structure of fixed interest rate borrowing 2018/19			
	Lower	Upper	
Under 12 months	0%	10%	
12 months to 2 years	0%	10%	
2 years to 5 years	0%	10%	
5 years to 10 years	0%	25%	
10 years to 20 years	0%	20%	
20 years to 30 years	0%	25%	
30 years to 40 years	0%	50%	
40 years to 50 years	0%	60%	
Limits on Maturity structure of variable interest rate borrowing 2018/19			
	Lower	Upper	
30 years to 40 years	0%	60%	
40 years to 50 years	0%	40%	

The maturity structure guidance for Lender Option Borrower Option (LOBO) loans defines the maturity date as being the next call date.

Table D6: Treasury Indicators and Limits

Maximum Principal Sums Invested > 365 days			
£m	2018/19	2019/20	2020/21
Principal sums invested > 365 days	50.0	50.0	50.0

APPENDIX W1

2017/18 TO 2021/22 CAPITAL PROGRAMME - MAJOR PROJECTS

Major Projects over £2m	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m
GENERAL FUND					
Schools - Pupil Places Programme	12.5	17.7	1.0	0.8	32.0
Schools – Minor Works Capital Programme	3.7				3.7
Schools - Other Capital Works	3.9	1.1			5.0
Highways & Bridges - TfL	2.4				2.4
Highways & Bridges - LBL	5.3	3.1	3.5	3.5	15.4
Catford town centre	3.5	4.8	3.3	0.8	12.4
Asset Management Programme	3.8	3.9	2.5	2.5	12.7
Excalibur Regeneration	2.7				2.7
Heathside & Lethbridge Regeneration	5.5	1.1			6.6
Lewisham Homes – Property Acquisition	10.0	10.0	6.0		26.0
Disabled Facilities Grant	1.3	0.7	0.7	0.7	3.4
Private Sector Grants and Loans	0.6	1.0	0.6	0.6	2.8
Fleet Replacement Programme	0.5	2.6			3.1
Beckenham Place Park	0.4	5.5	1.7	0.6	8.2
Smart Working Programme	0.3	2.0	0.6		2.9
ICT Tech Refresh Programme	1.0	0.7	0.2	0.5	2.4
Edward St. Development	0.7	4.9	4.2	0.0	9.8
Other Schemes	6.4	4.1	0.2	0.1	10.8
	64.5	63.2	24.5	10.1	162.3
HOUSING REVENUE ACCOUNT					
Aids and Adaptations	0.4	0.4	0.4	0.4	1.6
Hostels Programme	0.4	0.4	0.4	0.4	1.6
Housing Matters Programme	9.0	28.0	21.1	9.4	67.5
Decent Homes Programme	26.4	43.9	34.4	34.5	139.2
	36.2	72.7	56.3	44.7	209.9
TOTAL PROGRAMME	100.7	135.9	80.8	54.8	372.2

APPENDIX W2

PROPOSED CAPITAL PROGRAMME - ORIGINAL TO LATEST BUDGET

	Total £000	Total £000
GENERAL FUND		
Original Budget (2017/18 Budget Report)		99,452
New Schemes during the year		
Park Tennis Court Refurbishment	410	
Adult Learning Lewisham Dev. Invitational centres	185	
2017 Early Years Capital Funding	274	
Edward Street Development	9,352	
Glass Mill Soft Play	266	
2017/18 Fleet Vehicle Replacement	3,100	
Wearside Car Park works and Building demolition	100	
Smart working programme	2,896	
Catford Broadway Theatre	520	17,103
Approved variations on existing schemes		
16/17 Underspends on various schemes	5,926	
17/18 Disabled Facilities Grant – additional funding	553	
17/18 TfL Highways Programme	2,807	
Education Catering Investment – additional funding	250	
Pupil Places Programme	559	
Lewisham Homes Property Acquisition – additional funding	20,000	
Heathside & Lethbridge	1,354	
Catford town centre regeneration – additional funding	3,422	
Beckenham Place Park	8,362	
Older Peoples Housing Project – Campshill Road	567	
Deptford Southern Housing	745	
Canonbie Road	115	
Devolved Formula Capital	741	
Resurfacing and Footways - additional funding	194	
BSF - Sydenham – additional funding	150	45,745
Latest Budget		162,300

HOUSING REVENUE ACCOUNT

Original Budget (2017/18 Budget Report)	237,157
Rephasing of:	
Decent Homes Programme Budgets (15,357)	
Housing Matters Programme Budgets (11,872)	(27,229)
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Latest Budget	<u>209,928</u>
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Latest Capital Programme 4 Year Budget (17/18 to 20/21)	<u>372,228</u>

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