

Public Document Pack

Lewisham Council Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 26 February 2014.



Barry Quirk, Chief Executive
February 18 2014

Councillor Olufunke Abidoye	
Councillor Jackie Addison	
Councillor Obajimi Adefiranye	
Councillor Anne Affiku	
Councillor Christine Allison	
Councillor Abdeslam Amrani	
Councillor Pauline Beck	
Councillor Paul Bell	
Councillor Chris Best	
Councillor Kevin Bonavia	
Councillor John Bowen	
Councillor David Britton	
Councillor Duwayne Brooks	
Mayor Sir Steve Bullock	
Councillor Suzannah Clarke	
Councillor Jenni Clutten	
Councillor Liam Curran	
Councillor Janet Daby	

Councillor Vincent Davis
Councillor Amanda De Ryk
Councillor Damien Egan
Councillor Alexander Feakes
Councillor Peggy Fitzsimmons
Councillor Julia Fletcher
Councillor Patsy Foreman
Councillor Vicky Foxcroft
Councillor Helen Gibson
Councillor Sven Griesenbeck
Councillor Alan Hall
Councillor Carl Handley
Councillor Michael Harris
Councillor Ami Ibitson
Councillor Mark Ingleby
Councillor Stella Jeffrey
Councillor Darren Johnson
Councillor Helen Klier
Councillor Madeliene Long
Councillor Chris Maines
Councillor Jim Mallory
Councillor Paul Maslin
Councillor Joan Millbank
Councillor Pauline Morrison
Councillor John Muldoon
Councillor Marion Nisbet
Councillor Crada Onuegbu
Councillor Stephen Padmore

Councillor Jacq Paschoud

Councillor John Paschoud

Councillor Philip Peake

Councillor Alan Smith

Councillor Eva Stamirowski

Councillor Alan Till

Councillor Dan Whittle

Councillor Susan Wise

Council Agenda

Wednesday, 26 February 2014

7.30 pm,

Civic Suite

Lewisham Town Hall

London SE6 4RU

For more information contact: Kevin Flaherty 0208 3149327 (Tel: 0208 314 9327)

Part 1

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Members of the public are welcome to attend committee meetings. However, occasionally, committees may have to consider some business in private. Copies of agendas, minutes and reports are available on request in Braille, in large print, on audio tape, on computer disk or in other languages.

15. Motion 4 Proposed by Councillor Brooks Seconded by Councillor Foreman

406 - 407

Agenda Item 1

COUNCIL		
Report Title	Declarations of Interests	
Key Decision		Item No. 1
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: February 26 2014

Declaration of interests

Members are asked to declare any personal interest they have in any item on the agenda.

1 Personal interests

There are three types of personal interest referred to in the Council's Member Code of Conduct :-

- (1) Disclosable pecuniary interests
- (2) Other registerable interests
- (3) Non-registerable interests

2 Disclosable pecuniary interests are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person* for profit or gain
- (b) Sponsorship –payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member's knowledge, the Council is landlord and the tenant is a firm in which the relevant person* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:-

- (a) that body to the member's knowledge has a place of business or land in the borough; and
- (b) either
 - (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

*A relevant person is the member, their spouse or civil partner, or a person with whom they live as spouse or civil partner.

(3) Other registerable interests

The Lewisham Member Code of Conduct requires members also to register the following interests:-

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party
- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25

(4) Non registerable interests

Occasions may arise when a matter under consideration would or would be likely to affect the wellbeing of a member, their family, friend or close associate more than it would affect the wellbeing of those in the local area generally, but which is not required to be registered in the Register of Members' Interests (for example a matter concerning the closure of a school at which a Member's child attends).

(5) Declaration and Impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine**

of up to £5000

- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in consideration of the matter and vote on it unless paragraph (c) below applies.
- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their, family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.
- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

(6) Sensitive information

There are special provisions relating to sensitive interests. These are interests the disclosure of which would be likely to expose the member to risk of violence or intimidation where the Monitoring Officer has agreed that such interest need not be registered. Members with such an interest are referred to the Code and advised to seek advice from the Monitoring Officer in advance.

(7) Exempt categories

There are exemptions to these provisions allowing members to participate in decisions notwithstanding interests that would otherwise prevent them doing so. These include:-

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

Agenda Item 2

COUNCIL		
Report Title	Minutes	
Key Decision		Item No.2
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: February 26 2014

Recommendation

It is recommended that the minutes of the meeting of the Council which was open to the press and public, held on January 22 2014 be confirmed and signed (copy previously circulated).

Agenda Item 3

COUNCIL		
Report Title	Petitions	
Key Decision	no	Item No.
Ward	n/a	
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 26 2014

1. The Council is invited to receive petitions (if any) from members of the Council or the public. There is no requirement for Councillors to give prior notice of any petitions that might be presented.
2. The Council welcomes petitions from the public and recognises that petitions are one way in which people can let us know their concerns. All petitions sent or presented to the Council will receive an acknowledgement from the Council within 14 days of receipt. This acknowledgement will set out what we plan to do with the petition.
3. Paper petitions can be sent to :-

Governance Support, Town Hall, Catford, SE6 4RU

Or be created, signed and submitted on line by following this link

<http://lewisham-consult.limehouse.co.uk/portal/petitions>
4. Petitions can also be presented to a meeting of the Council. Anyone who would like to present a petition at a Council meeting, or would like a Councillor to present it on their behalf, should contact the Governance Support Unit on 0208 3149327 at least 5 working days before the meeting.
5. Public petitions that meet the conditions described in the Council's published petitions scheme and which have been notified in advance, will be accepted and may be presented from the public gallery at the meeting.

Agenda Item 4

COUNCIL		
Report Title	Announcements or Communications	
Key Decision		Item No.
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: February 26 2014

Recommendation

The Council is invited to receive any announcements or communications from the Mayor or the Chief Executive.

LCPCG

Lewisham's Community Police Consultative Group will cease to exist in its present form after 31 March 2014. This organisation was set up in 1985 and had its first meeting in early 1986. It has been the essential link for groups, organisation and the general public to voice their concerns and issues to the local Metropolitan Police.

Its first chair was Asquith Gibbes MBE, who served with distinction for eighteen years and was the pioneer of several initiatives to improve community relations with the Police. He was succeeded by David Michael who was the first black Police constable to patrol Lewisham's streets back in 1973 and in recent years the Consultative group has been led by Councillor Jackie Addison.

The Mayor of London's office for Police and Crime has designated that the LCPCG will be replaced by the Lewisham Safer Neighbourhood Board from 1st April 2014.

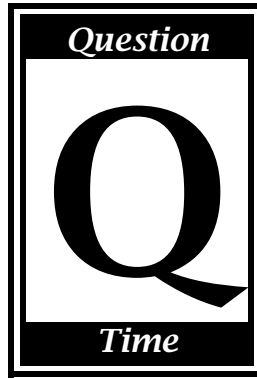
Agenda Item 5

COUNCIL		
Report Title	Public Questions	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 26 2014

The Council has received 14 questions from members of the public in the order shown in the table below. Written responses will be provided to the questioners prior to the Council meeting and they will be entitled to attend and ask a supplementary question should they wish to.

Question **Questioner**

1.	Ray Woolford
2.	Patricia Richardson
3.	Luke Sorba
4.	John Coughlin
5.	Peter Richardson
6.	Mike Keogh
7.	Paul Phoenix
8.	Patricia Richardson
9.	Peter Richardson
10.	Mike Keogh
11.	Paul Phoenix
12.	Patricia Richardson
13.	Mike Keogh
14.	Peter Richardson



PUBLIC QUESTION NO. 1

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Ray Woolford

Member to reply: Deputy Mayor

Question

Which Council Officer is responsible for selling community land at Millwall Football Ground, without bothering to consult with the Millwall Owners Management?

Do you agree that the first line of duty for a Council selling of community asset is to secure the best price. Who made the decision to sell this land without seeking to secure the best deal for Lewisham Tax payers?

It is looking increasingly likely that due to the poor way in which Lewisham has handled this matter, the Council if it does not change this decision will be fighting a Legal Challenge and an enquiry from the Local Government Ombudsman at huge cost to local tax payers. Therefore, who gave the legal advice in this matter, confirming what was proposed in secret was Legal?

In light of the huge International interest in Millwall and Lewisham's mishandling of this case, will the Council as a matter of urgency seek a meeting with Millwall to give them the same chance to bid as the other deal on the table?

Will the Council, in light of the Convoys Wharf decision being taken away from it, and the huge widespread anger about the way it is constantly putting the interest of developers before the community it is elected to serve, can the Council make a pledge to be more open and consult more widely on planning issues in the future?

Reply

No one Council officer is responsible for sale of the freehold. The Council has sought independent financial, legal and planning advice on this matter. The decision to sell the freehold was taken by Mayor and Cabinet at a public meeting on the 11th September 2013.

Section 123 of the Local Government Act 1972 enshrines the statutory duty on local authorities to achieve best consideration in the context of land disposals. In 2013 the Council took independent legal, financial and planning advice to ensure that the Council received the best consideration for the freehold sale of land on the Surrey Canal Triangle site.

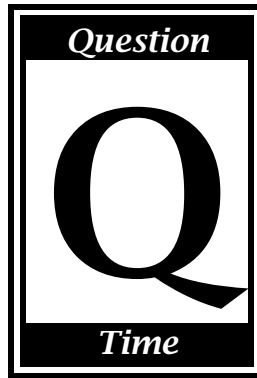
Independent legal advice was sought from both lawyers and Counsel specialising in Local Authority powers and duties. The Council has followed due process and satisfied it's statutory duties for the disposal of land.

Millwall FC were notified of the Council's intention to sell the freehold in advance. The decision to proceed with the sale was taken at a public Mayor and Cabinet meeting. No representations were received from Millwall FC at the public meeting.

Over the years, Millwall FC has raised several different proposals for our consideration. Unfortunately, the Club has not submitted an acceptable proposal. Furthermore, the new architects' plans they have sent us were not accompanied by a sound delivery plan for the proposal, including evidence of agreement with other key stakeholders, a business plan and a funding strategy giving sufficient comfort that the Club was in a position to implement the proposals as we have requested on many occasions. No offer was received from Millwall FC at the time of making the land disposal decision, and up to that date the Club had been free to make such an offer.

The Council will continue to ensure that plans for the regeneration of the Surrey Canal site take into account the long-term future of the football club and the public interest in the comprehensive regeneration of the area. We will continue to work with the Club as the plans develop.

The extent of consultation undertaken by the Council on planning applications is commensurate with the scale of development being proposed. On larger developments the Council undertakes very significant levels of consultation. For example, on the current Convoys Wharf planning application, more than 9,600 letters were sent to residents and business in the surrounding area.



PUBLIC QUESTION NO. 2

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Patricia Richardson

Member to reply: Councillor Best

Question

CEL students recently received notification of a survey being conducted by the Skills Funding Agency. Did all students receive posted notification? If so, how much did this cost and who paid the bill, the SFA or CEL or some other funding? Notification was also sent by e-mail.

Reply

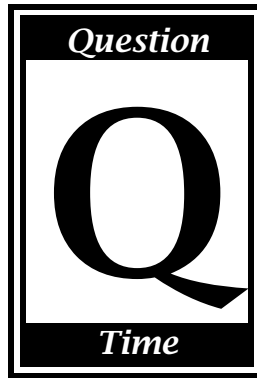
The Skills Funding Agency annually ask providers to participate in the survey. There are a minimum number of returns required in order for CEL to have the survey registered against the details held on the Further Education (F.E) choices database. It is an important survey for CEL to participate in as the results are available on line on the FE choices website which is accessible to anyone seeking to undertake a course. This allows prospective learners to compare a variety of information from providers and to select the one that most suits their needs.

The survey requires learners to access a website and provide their learner number which is detailed in the personal letter to them as well as CEL's centre number. Posters are displayed at centres encouraging learners to participate.

CEL participated last year but the survey only applied to Adult Skills Budget Learners. This year a second survey is being trialled for Community Learning Learners.

Learners were sent a letter asking them to complete the survey and notification was also sent by e-mail to learners who had consented to their e-mail address being used by CEL. Links to both surveys were added to iCEL, CEL's learning portal, to assist learners to participate.

The costs of £820.00 were met by CEL from its Skills Funding Agency funding allocation.



PUBLIC QUESTION NO. 3

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Mr Sorba

Member to reply: Councillor Klier

Question

Following the termination of full funding for the Generation Play Clubs, enforced by government cuts, what steps has the Council taken towards maintaining or replacing those services?

Reply

As part of the consultation on the proposed closure of Generation Playclubs at the end of 2012, the Council sought expressions of interest from parties who may wish to deliver services to the community from the Generation Playclub sites. In response to the consultation, several expressions of interest were identified.

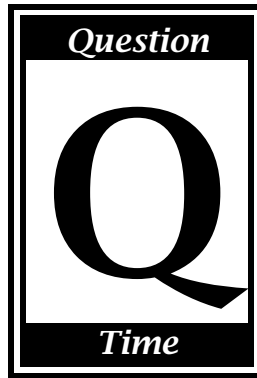
Officers held meetings with interested parties to support the development of proposals for alternative provision within the Generation Playclub sites.

Alternative provision is now available at six of the seven sites. Each site offers a different range of provision, aimed at local young families – some examples

include stay and play sessions, storytelling, forest schools, parenting support, toy libraries and cooking sessions.

- Clyde Children's Centre have been delivering services at **Deptford Park Generation Playclub site** since October 2013
- Dowlerry Children's Centre have been delivering services from Forster **Park Generation Playclub site** since October 2013.
- **Friendly Gardens Generation Playclub site:** Two existing members of Generation Playclub staff will be setting up an organisation to develop a community facility. This provision will begin in early March 2014
- **Telegraph Hill Generation Playclub site:** Provision will be run by local volunteers from St Catherine's Parochial Church Council and representation from The Telegraph Hill Centre Group. They have been in the site since December 2013.
- **Bellingham Green Generation Playclub site:** Provision at this site will be run by a community-based partnership of Eco Computers and Pre-School Learning Alliance from the beginning of March 2014.
- **Grove Park Generation Playclub site:** Provision will be managed by Grove Park Community Group (GPCG) from the beginning of March 2014. The GPCG is a registered charity formed in 1972 and currently manages the Ringway Centre in Grove Park.

London and Quadrant own the remaining site, the Lewington Centre which housed **Silwood Generation Playclub**, and are therefore leading on discussions around alternative provision there.



PUBLIC QUESTION NO. 4

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Mr Coughlin

Member to reply: Deputy Mayor

Question

Are you aware that a recent report by Centre for London indicates that up to 5.2% of people working in Lewisham aren't even paid the National Minimum Wage (NMW)?

Could Lewisham Council please:

- 1) approach HMRC's National Minimum Wage teams to request a local investigation in to NMW compliance? and
- 2) launch a campaign to encourage reporting of employers who pay below the National Minimum Wage, highlighting the impact this has on health, education, housing and, ultimately, welfare costs?

Reply

Lewisham's approach has been to support the payment of the London Living Wage since 2009. The approach with regard to the LLW has three strands,

which mirrors the Living Wage Foundation's accreditation scheme, to which Lewisham was an early signee.

The first strand was to ensure that all employees, whether permanent or temporary are paid the LLW; permanent staff have always been paid above this amount and temporary staff since Autumn 2011.

The second strand related to staff indirectly employed by the borough on contracts and a Mayor & Cabinet report recommendation on the 10th June 2009 was agreed, it stated " That the Mayor determines to implement the London Living Wage such that in letting all future contracts (excluding those where tenders have already been invited as at the date of this decision) due consideration, to the limit legally allowed, will be given to whether or not a contractor proposes to pay its staff the London Living Wage".

Since that time an assessment has been carried out at the start of the tendering process to identify where potentially staff employed on Council services would be paid below the LLW, if this is identified as likely, tenderers are asked to submit two pricing schedules (with/without LLW). All contracts except one have been awarded including paying staff providing services to Lewisham via a contract the LLW. The one contract where it was not legally possible to procure the service to include the LLW was Residential & Nursing Care Homes. The Educational catering contract is the last major contract where this requirement will be included in the contract requirements, and this is being tendered in March 2014.

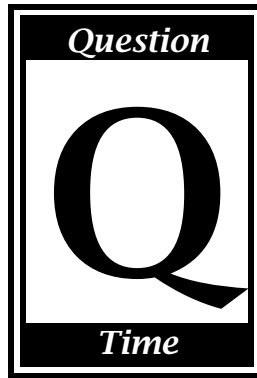
The last element relates to third party sub-contractors and local businesses, and the borough is starting on this final element. It is planned to include this requirement for sub-contractors as part of the 'Social Value' Act within our major contracts upon renewal. In terms of other businesses within the borough, we will use our influence to push for their adoption of paying the LLW.

Regarding independent businesses, the borough tends to have smaller businesses and ones that would be considered by the Low Pay Commission to be in low-paying occupations such as hospitality, retail and security. These types of businesses are less likely to sign up to London Living Wage and this is reflected in the larger businesses that have already made the LLW Mayor of London pledge.

As part of the Council's communications with business sectors the benefits of LLW will be promoted through our e-newsletter and appropriate events.

As part of the council's business support service, guidance is provided on legal requirements for businesses to pay the LMW.

Non-compliance with NMW legislation is an extremely serious matter. We will undertake to contact HMRC to ascertain the best way of identifying those who break the law in Lewisham and take appropriate action.



PUBLIC QUESTION NO. 5

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Peter Richardson

Member to reply: Councillor Best

Question

It appears that some book titles requested for library reading groups are unable to be accumulated in a sensible space of time and therefore have to be deferred until sufficient numbers can be drawn from Lewisham's own stocks. I understood that Lewisham Library Service was part of the London Libraries Consortium which offers Londoners up to 9 Million books.

Is there a facility within this organisation which could provide sufficient volumes to satisfy the requirements of a reading group within an acceptable space of time?

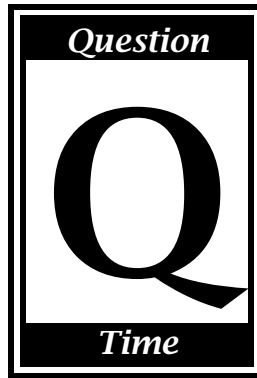
Reply

Any registered library member can request any book title from within the LLC.

However, there is an expectation that individual authorities aim to be self-sufficient in terms of fiction titles which are in print. Lewisham and other LLC authorities endeavour to provide paperback formats, which reading groups select to read and discuss.

Indeed, LLC collectively agreed that member authorities should not loan 'reading group sets' to each other (as institutional loans). For this reason, as it is the case in neighbouring authorities, Lewisham sets aside a small element of the Book Fund to create temporary reading group sets of 8 copies, which are acquired to service our reading groups. After some reading group use, those copies are then dispersed into general stock whereby they become more widely used and immediately available to more readers.

It should be added that the general ethos of reading groups is that of reading more widely with others, rather than providing priority access to hardback or prize shortlist titles. For this reason, new titles are never available to reading groups soon after publication but every effort is made to provide our reading group sets on or soon after request.



PUBLIC QUESTION NO. 6

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Mr Keogh

Member to reply: Deputy Mayor

Question

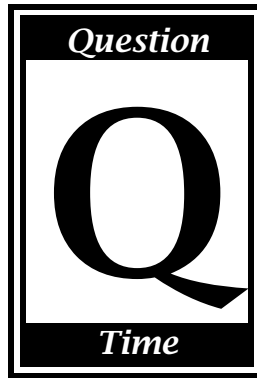
During January the well used foot tunnel between Cornmill Gardens and Molesworth St was impassable or closed intermittently as a result of flooding. Do these problems have any connection with the new development in Loampit Vale overloading the local infrastructure of sewage and drainage system? Have there been any problems of the resulting overflowing foul waters spilling into the nearby River Ravensbourne and potentially causing fish kills? If there is a connection, then what planning restrictions or requirements are the Council able to impose upon the developers to improve the infrastructure given that there are many more developments in progress locally?

Reply

The problem, first identified in the Autumn, was due to a collapsed foul sewer situated under the foot tunnel. This led to Thames Water having to arrange for contractors MetroRod H2O and UKDN Waterflow to pump sewage 24/7 from the affected sewer into tankers which were stationed in Cornmill Gardens until arrangements could be made to replace the damaged pipework. We understand that the sewer connects the existing housing development

upstream of the bridge and therefore unlikely to have anything to do with the new development at Loampit Vale. We are not aware of any leakage onto the pathways or into the river.

Foot note: Incidents of this nature i.e. spillages into the river – Thames Water would have to report any spillages to the Environment Agency.



PUBLIC QUESTION NO. 7

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Mr Phoenix

Member to reply: Councillor Best

Question

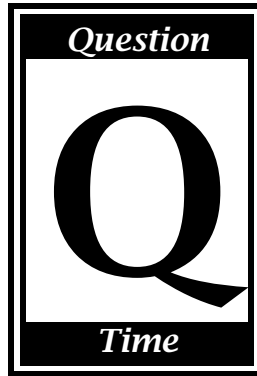
A set of Apple Mac computers were purchased in 2009 for the use of the general public. These computers have been stored at the Leemore Centre. I have been informed that to date these computers have not been made available for public use. Can the Council explain why?

Reply

The Apple Mac computers were transferred to the Library Service to enhance their existing resource of publicly accessible computers.

Three of the Apple Mac computers and 1 Base unit (missing a monitor) have been moved to Lewisham Library last month. The computers are being prepared with updated software and booking system functions. It is envisaged that they will be available to the public in the next month or so.

We regret the delay in making these resources available to the public and will be making the improvements needed as soon as possible. Meanwhile, Apple Mac computers are available at Deptford Lounge and Downham Health and Leisure Centre.



PUBLIC QUESTION NO. 8

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Patricia Richardson

Member to reply: Councillor Best

Question

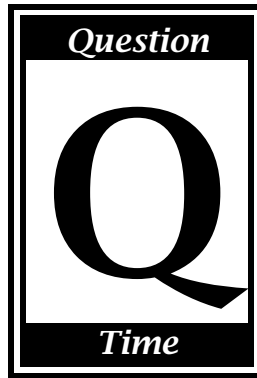
Does the Skills Funding Agency place any requirement on the Council as to maximum or minimum provision of Adult Education?

Is there any stipulation about the number of sites in a borough which are thought necessary to successfully meet any SFA conditions?

Reply

The Skills Funding Agency provides detailed funding guidance regarding the provision that they will fund for learners. This details the amount of study available and which qualifications will receive funding. There are no SFA conditions regarding the number of sites or the scale of the provision in a borough.

CEL provides learning from three well resourced premises across the borough. CEL also uses a range of community venues which successfully widens participation in learning as over 75% of learners now come from areas of the borough where deprivation is high.



PUBLIC QUESTION NO. 9

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Peter Richardson

Member to reply: Councillor Maslin

Question

In my experience dealing with issues created by outsourced companies such as Skanska, NSL, Glendales and Lewisham Homes, I have been referred to them directly by Lewisham Council departments, which at one time had responsibility when held in the public sector; or have found my Ward Councillors having to do the same.

As these bodies are unelected, outside the scope of the democratic process, where is my right to democratic accountability?

Reply

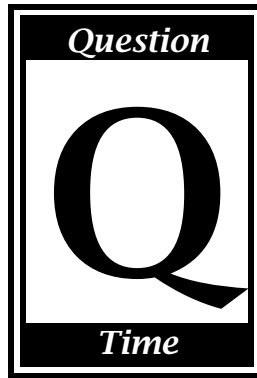
It is true that a number of Council services including those referred to in the question are now managed by external providers. However, the functions have not been transferred to those companies and the provision of the services is subject to a strict performance regime including a requirement to have a robust customer care system in place for the recipients of the service, which includes a help desk for dealing with enquiries and a complaints system which ensures that complaints are recorded and investigated. The

performance of the contractors is monitored by officers and is subject to scrutiny by the Council's Overview & Scrutiny Committee.

The Contract with Skanska relating to street lighting is a joint PFI street lighting contract with Croydon and there is a Joint Committee with a supervisory role which has equal representatives from members of both Councils who meet regularly to examine the performance of the contractor.

Lewisham Homes Limited is a wholly owned company of the Council which was created to manage part of the Council's housing stock. The Council has a monitoring role in relation to the performance of Lewisham Homes. It reviews its Delivery Plan annually. There is an agreed protocol governing enquiries by elected members and three Councillors, together with independent members and tenant and leaseholder representatives sit on the Management Board. The company has to comply with the Tenant's Compact.

None of these contracts are outside the Council's Corporate Complaints Procedure although complaints are handled at the initial stage by the relevant service provider. The monitoring role by the Council ensures that there is democratic accountability.



PUBLIC QUESTION NO. 10

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Mr Keogh

Member to reply: Mayor

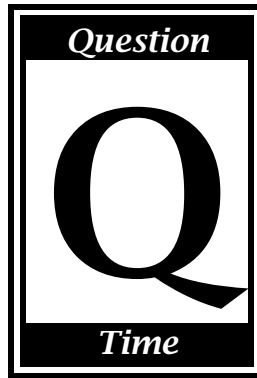
Question

In the light of the wettest winter on record and recent severe weather events, can the Mayor thank the Environment Agency and in particular their Chair the Rt Hon Lord Smith of Finsbury, in their efforts to over the years to prevent flooding in Lewisham's riparian town centres? Do you agree that Lewisham has been at the forefront of River Restoration, especially in Brookmill Park, Chinbrook Park, Ladywell Fields and Cornmill Gardens, thanks to the pioneering work of its small Lewisham based charity QWAG (Quaggy Waterways Action Group) which has influenced the EA's methodology of flood risk alleviation by allowing parkland floodplains to flood instead of built on areas, whilst creating valuable sites for biodiversity and amenity for people?

Reply

The Council would like to thank all the various partners, including Quaggy Waterways Action Group, who have successfully worked together over many years on river restoration schemes to ensure that Lewisham did not suffer a major flooding incident that may have occurred following the recent severe weather events.

The work to re-naturalise our rivers systems in Lewisham has provided space for water and delivered benefits for both people and wildlife. Improvement work at Brookmill Park, Chinbrook Meadows, Ladywell Fields, and Cornmill Gardens and the annual 3 Rivers Clean Up public event have been used by the Environment Agency and others as examples of best practice and have been celebrated both nationally and within the European Union.



PUBLIC QUESTION NO. 11

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Mr Phoenix

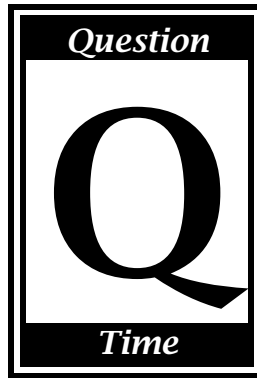
Member to reply: Councillor Klier

Question

Some schools refuse to let children take their maths exercise books home. Does the council have some ruling on this?

Reply

No. All schools are autonomous and they are responsible for deciding on issues such as this for themselves.



PUBLIC QUESTION NO. 12

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Patricia Richardson

Member to reply: Cllr Maslin

Question

Which services, provided on behalf of the council, with tax-payers money, are now outsourced to business corporations, social enterprise groups, charities or other organisations?

What are the names of these providers?

When did the contracts begin and what is their duration?

What percentage of the full Council budget is used to fund these contracts?

Reply

While a number of Council services are provided by third party providers, there are many important services still retained in-house for example:-

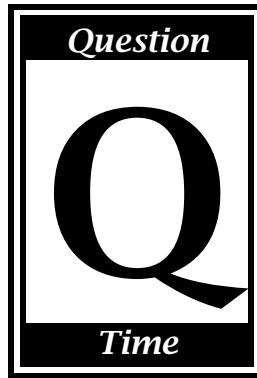
Domestic Refuse
Environmental Services
Fleet Maintenance
Legal

Street Cleansing
Transport (Coaches)

The Council has 252 contracts and framework agreements, and the contractual terms and conditions vary widely and contracts can be for one to thirty years duration; and the providers are a mixed market from multi-nationals to small social enterprises. The contracts register of the major contracts is available via the link provided below. There are also details provided on the Council's website under the 'transparency' guidelines which shows payments to third parties, this link is also provided. The revenue contractual spend in the last full financial year (2012/13) was £220,226,545 with 4271 suppliers. Of these suppliers 54% are local, and 15% are third sector organisations. As can be seen by the above data the scope requested by this question is extensive, please contact the Procurement Strategy Manager (Andy Murray) on 020 8314 8133 or andy.murray@lewisham.gov.uk should you require additional information.

http://www.londoncontractsregister.co.uk/public_crs/

<http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/finances/council-spending-over-250/Pages/default.aspx>



PUBLIC QUESTION NO. 13

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Mr Keogh

Member to reply: Deputy Mayor

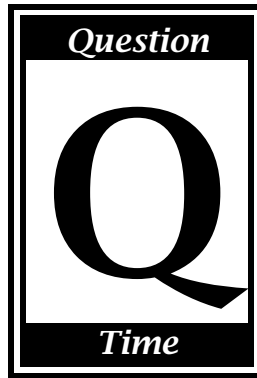
Question

What is the latest timetable for Lewisham Gateway with regard to the road restructuring and subsequent development?

Reply

The first phase of Lewisham Gateway will be built on the site of the existing bus stand (adjacent to the railway and DLR stations). Work is expected to get underway in March, once the bus stand has been moved to its new location on Thurston Road. (The relocation of the bus stand is currently expected to happen over the weekend of 1-2 March.) Prior to this, some enabling works will take place around the site's perimeter.

Site-wide infrastructure works – which will re-route the roads and rivers, and effectively create the development site for the rest of the scheme – should commence in the first half of June.



PUBLIC QUESTION NO. 14

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question asked by: Peter Richardson

Member to reply: Cllr Wise

Question

Has Lewisham Council any plans to prevent or limit illicit parking in such places as Housing Association controlled streets and estates?
Vehicle owners in Lee Green Ward who now refuse to purchase the current expensive car parking permits and visitors who prefer not to purchase parking tickets and are known to park in the grounds of Manor House Library and will park in other off-zone areas such as Wolfram Close and the garage spaces adjacent, often to the detriment of residents and garage renters.
Do you acknowledge this practice must be widespread across the borough as permit charges and ticket charging is the same borough-wide?
Is the problem being addressed? Is there some reason why Housing Association controlled areas are unable to be included in the zoned areas?

Reply

When parking problems exist on private land, housing association land or housing estate roads, the introduction of parking controls are implemented and managed by the relevant housing provider or management company.

Controlled Parking Zones can only be implemented on land designated as public highway and not on land designated as private or estate roads.

The Council is aware that some housing providers have taken action to introduce controls that limit non-resident parking where there is a problem.

The Council is not aware that this is a widespread problem across the borough.

Agenda Item 6

COUNCIL		
Report Title	Member Questions	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 26 2014

1. Questions from Members of the Council

Section C, paragraph 14 of the Constitution, provides for questions relevant to the general work or procedure of the Council to be asked by Members of the Council. Copies of the questions received and the replies to them will be circulated at the meeting.

QUESTION No. 1

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Jacq Paschoud
of the Mayor**

Question

Would the Mayor be willing to hold People's Day in Beckenham Place Park on one occasion as it is the largest open space in Lewisham and in 2015 we will be celebrating 20 years of it being wholly located within the Borough?

Would you agree that raising the profile of this beautiful but maybe less known part of Bellingham and Downham would hopefully encourage residents to use it more extensively.

Reply

People's Day has been held at its current venue for several years which has allowed the Events Team, working with the local community, to develop and test a safe and secure production plan. Moving People's Day would require the development of a new event and production plan, enhanced marketing campaign and resident engagement activity. For those reasons a change of venue for People's Day would have cost implications that could not be covered by the existing budget allocated to the event.

Beckenham Place Park is indeed a fantastic asset that could be used more extensively. The Council is bidding for Heritage Lottery funding to undertake restoration work in the park with the aim of making the space better used, and enabling it to host events in future. If successful these works would take place in 2016/17. It may be possible to revisit the question of holding People's Day there then.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Hall
of the Mayor**

Question

Will the Mayor give his assessment of the coalition government's financial settlement for local authorities including Lewisham? "

Reply

The coalition government has chosen to place the greatest burden of their austerity programme on those who are least able to afford it. They have made cuts across the public services and in the case of local government made it the scapegoat for their policies. By forcing cuts onto council's like ours, they are attempting to divert blame from Westminster to town halls across the country. They are cutting too much, too quickly and not even doing so fairly.

Places like Lewisham are being hit harder than some of the leafier places in the country where they don't have the same levels of deprivation that we do here in Lewisham. Even Eric Pickles' disingenuous 'spending power' figures demonstrate that Lewisham will see our spending power reduced by £30m over the next two years while our neighbours in Bromley will see their funding increase by £0.7m over the same period. Given the different challenges facing our two boroughs, this cannot be right and fair.

The chair of the Local Government Association, a Conservative councillor, Sir Merrick Cockell said in response to the settlement:-

"The next two years will be the toughest yet for people who use and rely on the vital everyday local services that councils provide. By the end of this Parliament, local government will have to have made £20 billion worth of savings. Councils have so far largely restricted the impact of the cuts on their residents. They have worked hard to save those services that people most value and have protected spending on social care for children and the elderly,

but even these areas are now facing reductions. That impact will only increase over the next two years.

"The current public sector model, with its highly centralised control of budgets and spending priorities, is inefficient and will struggle to function in the context of long-term reductions to public spending. It needs to be replaced with a better and fairer way of funding local authorities which delivers adequate money, distributes it fairly and provides the long-term certainty councils need to plan for future demands.

Here in Lewisham, we continue to try wherever possible to reduce our budget by changing the way we do things, driving harder bargains in the services we contract out, and working in partnership with others to save money without affecting frontline services. And I am determined that we go on protecting the things people value most. But inevitably there will be some tough decisions ahead of us.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Johnson
of the Deputy Mayor**

Question

Will the Council join with the London Boroughs of Southwark, Lambeth and Enfield as well as Oxford City, Derby City, Sefton Metropolitan Borough, South Hams District, Weymouth & Portland Borough and Wyre Forest District Councils and also Shadow Communities Minister Chris Williamson MP, Caroline Lucas MP, Andrew George MP and Adrian Sanders MP in support of the following proposal to be submitted under the Sustainable Communities Act:

That the government give Local Authorities the power to introduce a local levy of up to 8.5% of the rate on supermarkets or large retail outlets in their area with a rateable annual value not less than £500,000; and require that the revenue from this levy be retained by the Local Authority in order to be used to improve local communities in their area by promoting local economic activity, local services and facilities, social and community wellbeing and environmental protection.

Reply

The prospect of securing additional funding for local benefit is certainly an interesting one. I have instructed officers to contact colleagues in the relevant authorities to enable the Council to explore the idea of a London-wide supermarket levy.

QUESTION No. 4

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Ibitson
of the Deputy Mayor**

Question

Elfrida School and the Bellingham Safer Neighbourhood Team have raised concerns about parking outside the school, on the corner of the junction of Elfrida Crescent and Overdown Road claiming that this blocks sight lines and is causing safety concerns about children crossing the road to and from school. They feel that an accident is highly likely. The Safer Neighbourhood Team have suggested that installing bollards on the corners of Elfrida Crescent and Overdown Road by the school would solve this problem effectively. Please can this be investigated?

Reply

The issue of school parking and dangerous driving behaviour by parents has been raised with the road safety team through the school travel plan programme.

As a result of this, a decision has been made to finance the request for traffic bollards at the corners of Overdown Road and Elfrida Crescent through the TFL school travel plan funding in April 2014.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Gibson
of the Cabinet Member for Children and Young People**

Question

Given the appalling recent cases of child sexual exploitation involving vulnerable and looked after children in Rochdale, Oxford and other Local Authorities, what steps is Lewisham taking to ensure the safety of looked after children in our borough and those from this borough, and will they work closely with local police and schools on this and produce a publically available plan to show their strategy in this area?

Reply

Lewisham has taken steps to respond to cases of child sexual exploitation, which includes looked after children in this borough, as well as those placed out of borough by Lewisham. Key professionals, such as teachers, care providers, youth workers and the police have been made aware of the indicators of child sexual exploitation and they have received training on effective intervention.

When a child is thought to be sexually exploited, a multi agency strategy meeting is convened and a plan is put into place to identify, prosecute or deter exploiters through police action. The intervention plan tries to minimise harm for victims and to promote the development of self-esteem and understanding of healthy relationships. These plans are reviewed regularly to see if they are working for a particular child.

Lewisham piloted the 'Pan London Child Sexual Exploitation Protocol' that has now been rolled out across London.

A key component of the protocol is the introduction of monthly Multi Agency Sexual Exploitation meetings to identify locations and networks of perpetrators so that multiagency strategies can be developed to tackle sexual exploitation.

QUESTION No. 6

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Ingleby
of Councillor Wise**

Question

What are the replacement costs in the Borough per tree for existing trees on or near pavements that have to be removed because of storm damage or other natural causes of decay? What is the average cost or typical unit costs per tree or per street or area for pollarding work?

Reply

Each street tree costs £340.00 to replace. This includes the cost of the tree and sundry items, such as a tree guard, watering pipe and the construction of the planting pit.

The average cost of pollarding a street tree is £375.00.

QUESTION No. 7

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Curran
of the Deputy Mayor**

Question

What is the up to date situation regarding the Greyhound pub in Sydenham?

Reply

Unfortunately the deed of variation has yet to be agreed between all the parties. The Planning Agreement cannot be varied without the participation of all the relevant parties. All parties with a legal interest in the land will be required to sign the Deed of Variation in order to bind the land so that the outstanding obligations in the original planning agreement continue.

Officers are continuing to discuss with the developer the delay in order to bring this matter to conclusion. In any event, the developer has been put on notice that if the agreement is not reached shortly the matter would be referred back to the first available Planning Committee C.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Brooks
of the Cabinet Member for Children and Young People**

Question

Recent figures show that only 39.5% of children in Lewisham that are eligible for free school meals achieved 5 A*-C (including English and maths) in 2012/13. What action does the Council intend to take to specifically improve educational outcomes for these children in the borough's secondary schools?

Reply

The figures released on 13 February 2014 on the Department for Education Performance Tables website show that in Lewisham, in 2013, 44.5% of disadvantaged pupils (eligible for the Pupil Premium) achieved 5 A*-C GCSEs including English and Maths. This compares with 40.9% nationally.

Even though we compare favourably with the national figures, the gap between disadvantaged pupils and other pupils is still too high and all schools are clear that this is a key issue for all of them. All schools have a number of strategies in place to support their own cohort of disadvantaged pupils, which include after school booster classes, weekend revision sessions, residential revision centres, small group tutoring, 1:1 monitoring and on-line packages. Schools are also focusing on pupils eligible for Pupil Premium from Y7, so that outcomes will improve over time.

The School Improvement Team focuses on the gap between outcomes for disadvantaged pupils and other pupils in termly monitoring visits and reviews schools' plans to improve outcomes for disadvantaged pupils. The team also supports schools to match effective strategies to the pupils, with tailored support programmes to address each school's needs, which range from support for teaching and learning across all subjects to subject-specific consultancy support for individual teachers to sharing good practice across a number of schools.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Hall
of the Deputy Mayor**

Question

Could I be provided with a statement of any progress to achieve improvements to the frequency of the Bellingham to London train services?

Reply

The Council have made representations on a frequent basis through our Public Transport Liaison meetings to which all the transport operators who have services in the Borough are invited, including Network Rail, Southeastern Rail, Southern Rail, London Overground and TfL.

We have always supported increasing the frequency of the service on the Catford Loop line both by increasing the frequency on existing routes and by having at least some of the Victoria bound services stop at the stations within this Borough.

We have also frequently complained about the disproportionate proportion of the disruption that occurs South of the Thames when the service comes under stress, which are attributed to the unsatisfactory joint franchise arrangement.

As part of the franchise re-letting process, the Council have responded to make these same points and await the outcome of the re-letting process.

There have also been responses by particular station user groups along the line which have all made similar comments which we have forwarded to the Department for Transport expressing the Councils strong support for those points.

QUESTION No. 10

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Ibitson
of the Deputy Mayor**

Question

The road surface in Aldermoor Road, SE6, has been in a poor state and very unsightly for many years. Please could consideration be given to resurfacing it?

Reply

The Resurfacing Programme for 2013/14 has been fully allocated and did not include Aldermoor Road. The Programme for 2014/15 is due to commence on the 1st April 2014. Aldermoor Road has a high priority and should therefore be resurfaced by Summer 2014.

QUESTION No. 11

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Gibson
of the Deputy Mayor**

Question

Will Lewisham commit to support fully segregated cycle lanes, as seen in the Netherlands, for cyclists and lobby TfL for their introduction on TfL roads in our Borough?

Reply

With the release of the Mayor of London's 'Vision for Cycling in London' (2013) Came a substantial financial commitment (£980 million) to improve provision for cyclists in London.

Lewisham has fully engaged with all levels of this regional policy and is currently working with TfL and Sustrans to deliver 2 Cycle Superhighways and a network of Quietway cycle routes running through the borough. Our objective is to work fully with these external agencies for the benefit of our borough residents.

Segregated cycle lanes are one of a number of solutions that are looked at when designing cycle lanes. Lewisham does support the introduction of segregation where feasible.

An example of this commitment is the decision to ask TfL Cycle Super Highway 4 design team to carry out a feasibility study of a fully segregated cycle lane option along the Evelyn Street length of the route, as requested by Lewisham Cyclists. This is currently being carried out.

We are also acutely aware of the lack of space and capacity that currently exists on Borough and TLRN roads and in certain situations a compromise must be found to be able to deliver provision for all users.

Lewisham will always aim to deliver the best quality provision possible working within the constraints of each individual project and will always seek to consult with the boroughs cyclists on projects that affect them.

Lewisham's Local Implementation Plan (LIP) mirrors this commitment to provide for the borough cyclists with a range of initiatives aimed at improving conditions for cycling. *(More details of these initiatives can be found at the end of this document)*

Appendix

Notable current and near future Lewisham cycling initiatives' include:

Cycle Super Highways 4 & 5 (CS4/CS5) - Part of the wider TfL Cycle Super Highway programme, both routes are in early stages of design and are proposed to run down the A200 and A2 respectively.

CS4 is to run the length of Evelyn St (A200) and on into Greenwich, there are several designs on the table at present from mandatory cycle track running East and West. Lewisham Cyclists favour a segregated track on the North of Evelyn Street. Early indications suggest construction to start on the route in early 2015.

CS5 is a route that runs along the A2 and originally it was proposed to continue down the A20 to Lewisham Town Centre, however, a section of the route was seen to be unworkable (The Amersham Gyratory and sections of Loampit Vale) and route was shortened to New Cross Gate.

TfL are now re-exploring the possibility of providing a link down to Lewisham Town Centre Missing the Gyratory and heading down Brookmill Road. Lewisham are in early stage talks with TfL over the link to Lewisham. There is no indication currently when construction of this link will happen although it will be the final stage of the complete CS5 construction which is scheduled to be completed early 2016.

The Quietway programme- Drawing on funding from the Mayor of London's financial commitment of £980m to improve all aspects of cycling in London, the Quietway Programme aims to provide quiet back street cycle routes that less confident or new cyclists will be able to use comfortably.

Lewisham has a section of one of the first Quietways to be delivered in London, the route is proposed to run along the new cycle and pedestrian path currently in development along the back of Millwall's football stadium, Surrey Canal Rd, Folkestone Gardens Park, Childers St, Edwards St, Deptford High Street, Crossfield St, Creekside, Half Penny Hatch Bridge)

The Quietway programme is therefore an opportunity to deliver substantial elements of the North Lewisham Links Strategy and measures for this specific route will be in line with the design principles set out in the strategy. Measures to create the route will include engineering to junctions, paths and

highway, restrictions to motorised traffic may also be employed to change the traffic characteristics of a particular road or street. Current indications are that a basic route layout could be laid down as early as early 2015.

QUESTION No.12

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Jacq Paschoud
of the Cabinet Member for Resources**

Question

What is being done by the Council to inform vulnerable groups such as people with learning disabilities or mental health service users of their rights to engage in the democratic process by being on the electoral register and voting? What efforts are being made to ensure these residents and those who assist them understand the support they can receive to enable them to vote?

Reply

People with learning disabilities and mental health service users are entitled to be entered on the electoral register and to vote.

The Electoral Registration Officer is under a duty to conduct an annual canvass and sends at least two forms to each residential property. If no response is received, a manual visit ensues. The ERO database flags up some properties where it is known that there will be a number of people with a disability (residential care homes) and writes to the manager of these establishments in the course of the canvass. The ERO will and does accept registration forms from these managers on behalf of the residents.

The ERO also provides copies of the Electoral Commission Easy Guide to Voting and at election time liaises with voluntary sector organisations supporting people with learning difficulties and /or mental health issues urging them to encourage participation. For the European and local elections in May 2014, the ERO will again distribute easily understood material for their use.

Our presiding officers and poll clerks are specifically trained and encouraged to assist people with any disability, within the regulatory constraints placed on

them. We provide assistance to voters including tactile voting devices, large sized ballot papers, and makaton guides to voting. There is a comprehensive training programme which covers the need to support voters with any disability.

The introduction of individual registration (IER) in 2014 will do away with household registration and thus the ERO's ability to accept a household registration form signed by one person on behalf of a number of others. Unless "passported" under transitional provisions, potential electors will have to register by providing their national insurance number and date of birth. They will have to sign their application personally. Their details will have to match the database held by the Department of Work and Pensions. There is to be an exception process but this has not yet been finalised by the Cabinet Office.

It is very likely that this new process will be more complicated for all electors and may cause particular difficulty for those with learning difficulties and mental health service users. We are in the process of developing a communications strategy to coincide with national initiatives being led by the Electoral Commission to promote registration under IER. This will seek to balance the need to encourage registration overall and to encourage those groups who may be particularly difficult to reach. It will be launched after the European and local elections.

QUESTION No. 13

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Ingleby
of the Cabinet Member for Customer Services**

Question

When a Licensing application is made in the Borough, over what radius and to what quantity are leaflets or notices distributed or posted to notify local residents of the application?

Reply

We do not circulate leaflets or notifications of licensing applications. The Licensing Act 2003 sets down how applications must be advertised which includes blue notices describing the application displayed on the outside of the premises for 28 days, a public notice outlining the details of the application must also be placed in a local newspaper. All ward Councillors are advised by e-mail and the application appears on the Council website.

The legislation now allows for anyone to make a representation regardless of vicinity or location which would make it inappropriate and costly to set any radius or attempt to contact local people beyond the requirements of the Act.

QUESTION No. 14

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Curran
of the Mayor**

Question

Will the Mayor give an update on the situation regarding both Convoys Wharf and his meeting with the Mayor of London on the subject?

Reply

The Mayor of London 'called in' the planning decision back in November 2013 following a request from the developer, Hutchison Whampoa, meaning he is now the decision maker and not the Council.

Following a reasonable period, to allow the Mayor of London time to assess what steps he would next take, I wrote to him in January to request a meeting to discuss the planning application for Convoys Wharf.

The Mayor's reply stated that, having had regard to the GLA Planning Code of Conduct, his officers have advised him that he must exercise caution in order not to inadvertently risk prejudicing his decision making role on the application. He therefore suggested that the most appropriate arrangement was for me to meet with Sir Edward Lister, his Chief of Staff and Deputy Mayor for Planning.

I met Sir Edward Lister earlier this month and stressed the importance of the range of concerns expressed in the Council's formal response to the Mayor made by Strategic Planning Committee in January. These include the importance of community infrastructure to the local area and I have urged the Deputy Mayor to make sure the developer includes GP facilities, a primary school and funding for additional secondary school capacity, jobs and training for local people and open space.

I also explained our concern that the current planning application does not reflect the historical significance of the site. The site is the location of the former Deptford Royal Dockyard, which was founded by Henry VIII. It was the place where Sir Frances Drake was knighted by Elizabeth I, and was the location of Charles II great ship building programme. The site housed John Evelyn at Sayes Court and his magnificent gardens, which, centuries later, inspired the establishment of the National Trust.

I pressed the case for proposals which would include an expanded Sayes Court Garden and the Build the Lennox project. The developer's current approach to Sayes Court fails to provide a meaningful green link between the site of the Gardens with the remains of Sayes Court House. The Council believes that the opportunity to link these two historically significant spaces cannot be missed.

We understand that the application is likely to be determined at the end of March.

QUESTION No. 15

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Brooks
of the Cabinet Member for Community Services**

Question

What are the most recent statistics for levels of child obesity across Lewisham, compared with other London boroughs and national averages?

Reply

Information on obesity in children is obtained from the National Child Measurement Programme, a statutory public health function of local authorities. The programme involves the measurement of the height and weight of all children in Reception and in Year 6 in schools. The most recent results are for 2012/13; these were published on 11th December 2013. In 2012/2013, the prevalence of obesity in children in reception year and in children in year 6 in Lewisham schools was 10.7% and 23.3% respectively.

For each of these year groups, prevalence of obesity was significantly higher in Lewisham than in England as a whole; the corresponding national figures were 9.3% in children in reception and 18.9% in year 6. Lewisham figures were not, however, significantly different from the corresponding figures for London as a whole. Amongst Lewisham's statistical neighbours, prevalence of obesity is significantly higher in Reception children in Southwark (14.2%), Greenwich (14.1%) and City and Hackney (13.2%) schools than in Lewisham schools, and significantly higher in children in Year 6 in Southwark schools (26.7%). None of Lewisham's statistical neighbours has a significantly lower prevalence of obesity in either of these year groups.

QUESTION No. 16

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Hall
of the Deputy Mayor**

Question

Can the Cabinet Member provide details of the members of the planning department's design panel and their terms of reference?

Reply

The Panel's present terms of reference were adopted as part of a new approach to major planning applications, considered by Mayor and Cabinet at its meeting on 10 April 2013 in a report on Planning Service Improvements for Development Management.

The terms of reference set out the purpose of the Panel which is to provide expert and independent design advice on significant new developments across the borough, to assist and encourage developers to achieve high standards of design in their proposals. The Panel's agenda is expected to cover all major development proposals, but also cover associated projects like masterplans and public realm proposals.

Following a competitive application process, membership of the Panel is made up of a pool of more than thirty specialists. Most are architects but other built environment specialists are also included. The Panel meets approximately every four weeks and draws five or six members from the pool for each design review. The Panel is chaired by Keith Williams, Director of Keith Williams Architects and the Deputy Chair is Urban Designer, Ben Van Bruggen. The costs of the Panel are broadly covered through pre-application fees that are now increasingly being charged to developers.

Full details of the Panel's terms of reference as well as member biographies can be found at:
<http://www.lewisham.gov.uk/myservices/planning/conservation/Pages/Design-Review-Panel.aspx>

QUESTION No. 17

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Gibson
of the Cabinet Member for Children and Young People**

Question

What plans does Lewisham have to increase capacity in Lewisham's primary schools?

Reply

We have met our statutory duty to ensure that there is a school place for all children whose parents or carers request a place in a Lewisham school. This has been achieved since 2008 through a programme of permanent expansions at 11 schools, and partial enlargements at 38 schools. Further provision will open in 2014 and 2015. Plans have been and will continue to be developed within the context of available capital funding. Unfortunately, the Coalition Government has given Lewisham an inadequate allocation to achieve the necessary expansion. To 2017, we estimate that we have a £27m shortfall.

We remain committed to the provision of high quality places in appropriate locations across the borough.

QUESTION No. 18

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Curran
of the Cabinet Member for Customer Services**

Question

What is the current situation regarding insulation and energy saving measures implemented in Lewisham for households, businesses and the Council itself?

Reply

From 2010/11 to 2012/13 Lewisham Council delivered a wide range of insulation and energy saving programmes benefiting more than 8,000 Lewisham households and bringing in over £2.5m external investment.

In 2013 the Government brought in the Green Deal and the Energy Company Obligation (ECO) which are now the primary sources of funding for energy saving measures in domestic properties.

In 2013 the Council entered into a four year agreement through our Energy Efficiency Installations Framework designed to allow the borough to continue to benefit from energy efficiency funding. The first phase of works under the Framework is now underway, insulating 1,100 Lewisham Homes' properties categorised as 'hard to treat' cavity wall homes. This is expected to bring in £1m funding that will cover the cost of the works.

The Framework has enabled these works to proceed despite changes to ECO funding brought in by energy suppliers at the end of 2013. The Council is working with its partners to develop further phases of insulation and other energy efficiency works in Lewisham during 2014 including an offer for residents of all housing tenures.

There is currently no grant funding for insulation or other energy efficiency measures for non-domestic properties, although the Green Deal and other 'pay as you save' loans are available to businesses. The Council will look at

ways the Energy Efficiency Installations Framework can be developed to help benefit Lewisham businesses.

Lewisham Council has established an Energy Forum charged with delivering carbon and energy savings across the corporate estate and schools. This is an integral part of the Council's Asset Management Strategy going forward and directly linked to the Corporate Accommodation Strategy that will determine the approach to retention, disposal, investment and management of the corporate and commercial estate. The focus of this work will include monitoring and targeting of high consuming sites, investment in energy saving retrofit works and improving use of buildings to reduce energy consumption and carbon emissions. Insulation works and other energy efficiency measures will be installed as part of this work.

QUESTION No. 19
Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question by Councillor Brooks
of the Cabinet Member for Children and Young People

Question

Please list the primary schools that have disabled children on their roll. Please provide current year attending and numbers.

Reply

Data contained within the school census returns, which are completed every term has been used to collate this response. The table below is for mainstream schools.

Primary School	REC	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Total
Adamsrill Primary School		1						1
Athelney School *	1	3	3	3	2	4	2	18
All Saints CE Primary School		1	1		1	1	1	5
Ashmead Primary School				1	1		1	3
Baring Primary			2			1		3
Beecroft Garden primary School								0
Brindishe Lee Primary School		1						1
Brindishe Green Primary School,		1	2	2	4		2	11
Childeric Primary School	2	1		3	1		1	8
Christ Church CofE Primary School				1		1	1	3
Coopers Lane Junior and Infants School *		1	5	3	2	1	2	14
Dalmain Primary School		1						1
Deptford Park Primary School	1			1	2	3	1	8
Downderry Junior and Infants School						1	1	2
Edmund Waller Junior and					1			1

Infants School								
Elfrida Junior and Infants School		1		1	1	2		5
Eliot Bank Primary School		1						1
Fairlawn Primary School	1			1	1		1	4
Forster Park Junior and Infants School			1	2	1	1	1	6
Good Shepherd RC Primary School								0
Gordonbrock Primary School	1		2			2	3	8
Grinling Gibbons Junior and Infants School			2		2	2	1	7
Haseltine Junior and Infants School		1		2	1	1		5
Holbeach Junior and Infants School					1	4	3	8
Holy Cross RC Junior and Infant School				1	1			2
Holy Trinity CE Primary School			1		1			2
Horniman Junior and Infants School								0
John Ball Primary School	1	2	1			2	1	7
John Stainer Junior and Infants School		2						2
Kelvin Grove Junior and Infants School *	3	3	1	1	3	2		13
Kender Primary School							1	1
Kilmorie Junior and Infants School			1				2	3
Launcelot Primary School				1	1	3		5
Lee Manor School				2	1		1	4
Lucas Vale Junior and Infants School								0
Marvels Lane Primary School	1	1	1		1	3	2	9
Myatt Garden School		1	1	2	1	1	2	8
Our Lady and St Philip Neri RC Primary School			1	1			1	3
Perrymount Primary School *	2	2	1	2	2	2	1	12
Prendergast Vale College					1	1		2
Rangefield Junior and Infants School			1	1		1		3
Rathfern Junior and Infants School	1		1	1	2			5
Rushey Green Primary School *	3	3	3	5	4	2	2	22
Sandhurst Junior School					1		2	3
Sandhurst Infants and Nursery School	1		1					2
Sir Francis Drake Primary School			1	1	1	1	1	5

St Augustines Catholic Primary School		2			1			3
St Bartholomews CE Junior and Infant School			1	2		1		4
St James Hatcham CE Primary School				2	2			4
St John Baptist CE Primary School					2	2	2	6
St Josephs RC Primary School								0
St. Margarets Lee CE Junior and Infants School					2	1		3
St Marys Lewisham CE Primary School		2		1	2		1	6
St Mary Magdalens Catholic Primary School								0
St Matthews Academy		1	1	2	1	1	2	8
St Michaels CE Junior and Infant School			2					2
St Saviours RC Primary School								0
St Stephens CE Primary School	1					1		2
St. William of York	1						1	2
St Winifreds Infant School		1	1					2
St Winifreds Junior School					2	3		5
Stillness Junior School					1	1	5	7
Stillness Infants School								0
Tidemill Academy *	1		1	3	2	2	2	11
Torridon Junior School *				1	4	1	1	7
Torridon Infants School *	3	1						4
Trinity Primary								0
Turnham Primary School					2		1	3

* = Resource bases contained within Primary Schools. The primary resource bases are as follows.

Primary Schools

- Athelney
- Coopers Lane
- Kelvin Grove
- Perrymount
- Rushey Green
- Tidemill Academy
- Torridon Juniors
- Torridon Infants

Primary Need

- Autism
- Hearing Impairment Unit
- Autism
- Physical
- Hearing Impairment Unit
- Speech, Language and Communication Needs
- Autism
- Autism

The two Haberdashers' Aske's primary phases have not yet completed their census return but they are expected.

QUESTION No. 20

Priority 4

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Gibson
of the Cabinet Member for Deputy Mayor**

Question

What funding is available or space in the contract with Skanska to request additional street lighting on roads in the Borough where it is poor?

Reply

The Contract with Skanska specifies that all existing street lighting in the borough will be designed to the appropriate standard, and there are various checking processes in place to insure that this requirement is achieved. Therefore once the investment programme is complete there should not be any locations where the lighting is poor.

Where there are locations that do not currently have street lighting there is a provision within the Contract to provide additional lighting columns.

QUESTION No.21

Priority 4

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Brooks
of the Cabinet Member for Children and Young People**

Question

How many incidents of children in care going missing for more than 24 hours have been recorded in each of the past four years? How many children are currently missing from care, and for how long have they been missing in each case?

Reply

Incidents of Looked After Children missing from care for more than 24 hours:

Year	2010	2011	2012	2013	Total
Incidents	116	83	85	83	367
Number of Looked After Children	30	18	27	13	88

The above table shows the numbers of children going missing in the last 12 months has reduced. In 2013 for example the 83 missing periods relate to 13 young people having multiple episodes.

Some of these young people have a long established pattern of absconding including prior to their admission to care.

Currently there is one Looked After Child who has been missing for 43 days. This child has been regularly reviewed under our Missing Procedure. We are working closely with the police to locate the young person and form a plan for their return. During this absence the young person has been in contact with both their extended family and their Social Worker.

QUESTION No. 22

Priority 5

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Gibson
of the Deputy Mayor**

Question

What strategy is in place to protect and promote the heritage of the historic Deptford area in light of proposed developments in that area?

Reply

Deptford is within the Regeneration and Growth area as defined by the Council's Core Strategy and is an area identified as one of the prime locations for new development. The Core Strategy recognises that in Deptford the historic environment has a vital part to play in creating a sense of place in new development. It notes that heritage assets are a valuable resource contributing to regeneration objectives by attracting business investment, preserving a sense of place and history, and reinforcing civic pride. It also states that new development will need to ensure that conservation areas and other heritage assets will continue to be preserved and enhanced.

The protection of the borough's heritage generally is also promoted through other planning policies including Core Strategy Policy 16 which covers conservation areas, heritage assets and the historic environment.

The Council also has a number of specific measures in place to protect and promote Deptford's Heritage and officers work closely with English Heritage to ensure that the character of Deptford and its heritage assets are suitably protected.

Five conservation areas cover different parts of Deptford (Deptford High Street, St Paul's, Deptford Creekside, Deptford Town Hall and Brookmill Road). The first two are presently being reviewed and updated and the associated conservation area review will go out for public consultation shortly.

There are numerous nationally and locally listed buildings in Deptford, ranging from the Grade 1 listed St Paul's Church in Deptford to others along the riverside which reflect Deptford's maritime heritage.

Deptford High Street and New Cross Road have also both been the subject of conservation-lead grant schemes to repair and restore historic buildings. Action is also being taken to bring those listed buildings "at risk" as a result of their neglect back into a sound state of repair.

The Council also ensures that the importance of heritage issues is highlighted in its negotiations on proposed developments. This has been demonstrated by its current support for the Sayes Court Garden and Lenox projects and approach to achieving an appropriate relationship of new buildings with historic buildings and spaces in relation to the Olympia Building, former Master Shipwrights House and site of John Evelyn's House at Convoys Wharf.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Brooks
of the Cabinet Member for Customer Services**

Question

What is the current status of the Housing Matters consultation? Does the Council still aim to change the type of organisation of Lewisham Homes, despite tenants opposing this in the first round of consultation?

Reply

On 4 December 2013 Mayor and Cabinet noted the progress of the Housing Matters programme and the next steps for the consultation.

This report noted that residents had mixed views about the possibility of evolving Lewisham Homes, with no strong views in favour or against the proposal. The latest element of the consultation found that 33 per cent thought it was a good idea to evolve Lewisham Homes into a new organisation, 31 per cent were unsure, and 35 per cent did not think it was a good idea, a result could be summarised by stating that residents are open minded to the idea of change, but not particularly enthused one way or the other.

There are many other factors for consideration in addition to residents' views, including the availability of a debt write-off and the potential to attract new funding for Decent Homes work and new-build homes, and the current uncertainty around these financial factors mean that at this time it is not appropriate to develop firm options for consultation with residents. Instead a full assessment of these financial issues is underway.

To support that assessment, Lewisham Homes will continue the consultation by undertaking a more locally based conversation with residents. This will focus on three things: the ways in which residents can participate in the delivery of services and influence the decisions that affect them; the services

that residents receive and how they can be improved; and the ways in which investment should be targeted locally to improve homes and places.

The conversation will generate two important sources of information which in turn can inform future choices. First it will generate a much more local perspective on the need for housing investment, and the ways that homes, estates and places generally should be improved. This will enable local “action plans” to be developed to set out to the Council the sorts of improvements that residents wish to see in each place. Second, in combination, the investment requirements set out in these plans will help to guide the Council in its decision making about the most appropriate form for any future evolution of Lewisham Homes to take.

This conversation will take place over the spring and summer of 2014 and the results of this and the financial assessment will be reported to Mayor and Cabinet in due course.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

Question by Councillor Brooks
of the Cabinet Member for Resources

Question

Taking into account the fact that the Coalition has just introduced a cap on payday loans, and that numbers of Lewisham staff visiting payday loan websites are very high, will the Council reconsider my suggestion in September that payday loan websites should be blocked from Council computers?

Reply

An analysis of how many staff access payday loan sites was undertaken for a Council question in November 2013. The period of analysis was 1/9/2013 to the 31/9/2013. See the table below for the results. It can be seen that 34 members of staff access payday loan sites during the period. This is not excessive and in many cases relates to officers accessing sites as part of their research work and in order to support vulnerable clients. We will continue to monitor usage, but at this time we are not proposing to place restrictions on access.

ACCESS BY STAFF TO SELECTED WEBSITES

WebSense Appliance reporting – 1 September 2013 to 30 September 2013		
URL	Total Number Users	Total Number Hits
www.wonga.com	16	456
www.quickquid.co.uk	5	258
www.wizzcash.com	1	26
www.paydaysuk.com	0	0
www.moneyshop.tv	3	5
www.epayday.co.uk	1	1
www.albemarlebond.co.uk	0	0
www.oakam.com	2	5
www.lewishampluscu.co.uk	6	95
<i>Total</i>	<i>34</i>	<i>846</i>

QUESTION No. 25

Priority 7

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Brooks
of the Deputy Mayor**

Question

Could I please be provided with details of who are currently tenants in council-owned retail units? Does the Council rent out its units to pay day lenders, those who own betting shops, and pawnbrokers?

Reply

The individual details of all current tenants in Council retail units are considered private information between the Council and its tenants and not publically available.

The Council does not generally rent out its properties to pay day lenders, betting shops or pawnbrokers. However, our records show that at present there is one betting shop, in Evelyn Street.

QUESTION No. 26

Priority 8

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

26 FEBRUARY 2014

**Question by Councillor Brooks
of the Cabinet Member for Customer Services**

Question

Many of Lewisham Homes' properties have carbon monoxide detectors. How many have gone past their 2013 service date without being serviced? How many have been reported faulty during 2013? What is the average waiting time for replacement?

Reply

No carbon monoxide detectors have gone past their service date. The equipment is an electrical fixture fitted with an indicator light and test button and, as such, residents are asked to carry out the test on the detector.

Our records show that there were zero repairs raised against CO detectors in 2013, however, if reported we would respond immediately.

Agenda Item 7

COUNCIL		
Report Title	Amendment to Constitution	
Key Decision	No	Item No.
Ward	All	
Contributors	Head of Law	
Class	Part 1	Date:26 February 2014

1 Summary

This report makes recommendations to change standing orders to require a recorded vote in relation to budget decisions at Council meetings.

2 Purpose

The purpose of this report is to ensure compliance with new regulations which come into effect on 25th February 2014. (SI 2014/165)

3 Recommendation

That the Council agree to the proposed amendment of the Constitution now appearing at Appendix 1.

4 Background

4.1 The Council has in place a constitution which complies with the requirements of the Local Government Act 2000 as amended, regulations, directions and statutory guidance made under it. It embodies the statutory provisions relating to the conduct of Council business and, so far as it is permissible in law, the choices made by the Council in this respect. It includes the Council's standing orders, effectively, its rules of procedure.

4.2 On 31st January 2014 new regulations were made. They are the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014. These amend the statutory provisions relating to the contents of standing orders. They require that the Council amend its standing orders as soon as practicable after the day on which the Regulations come into force to provide that the votes at key budget decision meetings are recorded. The Regulations require that the names of those voting for or against the decision and those who abstained must be recorded in the minutes.

4.3 The meetings at which the votes must be recorded are those at which a calculation is made (whether original or substitute) in respect of the following:-

- Calculation of the Council Tax requirement (Section 31A*)
- Calculation of the basic amount of Council Tax (Section 31B)
- Additional calculations for special amounts relating only to part of the area (Section 34 and 35)
- Calculation of Tax for different valuation bands (Section 36)
- Substitute calculations (Section 36A)
- The calculation of substitute amounts of Council Tax to apply in the event of a referendum not approving a Council Tax increase in excess of limits set by the Secretary of State (Section 52ZF)

NB all of the references to sections in the list above relate to sections of the Local Government Finance Act 1992.

4.4 Similar requirements are imposed on precepting authorities.

5 Financial implications

None arising

6 Legal implications

These are set out in the body of the report. Decisions relating to amendment of the Constitution are for full Council to make. Constitution Working Party has within its terms of reference the responsibility to advise Council on proposed changes to the Constitution. However, the required change is not one about which the Council has any discretion and the legal requirement is to amend Standing Orders as soon as reasonably practicable after 25th February 2014. In those circumstances and because of the timing of the Council meeting, the matter has not been referred to CWP. This does not affect the Council's ability to make the necessary decision.

7 Equalities

There are no equalities implications

8 Crime and Disorder

There are no implications

9 Conclusion

It is therefore recommended that the Constitution be amended to reflect the requirements of SI 2014/165

The Council's procedure rules appear at Part C of the Constitution.

Paragraph 22.7 currently reads

“Recorded vote – Where any member requests it after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the matter. “

It is proposed that this be replaced with the following

“22.7 Recorded vote

When the Council makes a budget decision (whether original or substitute) the names of those who voted for and against the decision and those who abstained from voting shall be recorded in the minutes.

For the purposes of this rule, a budget decision is as defined in regulations requiring the recorded vote (SI 2014/165) and includes the following:-

- Calculation of the Council Tax requirement (Section 31A*)
- Calculation of the basic amount of Council Tax (Section 31B)
- Additional calculations for special amounts relating only to part of the area (Section 34 and 35)
- Calculation of Tax for different valuation bands (Section 36)
- Substitute calculations (Section 36A)
- The calculation of substitute amounts of Council Tax to apply in the event of a referendum not approving A council Tax increase in excess of limits set by the Secretary of State (Section 52ZF)

*All of the references to sections in the list above relate to sections of the Local Government Finance Act 1992.

For the purposes of this rule, a budget decision includes a vote on any decision related to the making of the calculation. When the council sets the Council Tax base and agrees the National Non Domestic Rate for the area, a recorded vote will take place.

In relation to any decision where there is no legal requirement for a recorded vote, where any member requests it after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the decision, or abstained from voting”

Agenda Item 8

COUNCIL			
REPORT TITLE	2014/15 Budget		
KEY DECISION	Yes	Item No.	8
WARD	All		
CONTRIBUTORS	Executive Director for Resources & Regeneration		
CLASS	Part 1	Date	26 February 2014

1. EXECUTIVE SUMMARY

1.1 This report sets out the range of budget assumptions which Council is required to agree to enable it to set a balanced budget for 2014/15. These include the following:

- The proposed Capital Programme (General Fund and Housing Revenue Account) of £385.9m for the period 2014/15 to 2017/18, of which £126.4m is for 2014/15;
- The proposed rent increase of 5.05% (average £4.61 per week) in respect of dwelling rents, 4.66% (average £3.03 per week) in respect of hostels, and a range of other proposed changes to service charges. The proposed annual expenditure for the Housing Revenue Account is £104.0m for 2014/15;
- The provisional Dedicated Schools Grant allocation of £267.6m and a separate Pupil Premium allocation of £17.3m for 2014/15, noting that the majority of the increase from the prior year is due to the inclusion of the funding for Academies in 2014/15 and the continued growth in pupil numbers;
- In respect of the General Fund, the assumed net revenue expenditure budget of £268.1m. This has been prepared on the basis of the following assumptions:
 - £24.5m of revenue budget savings are approved for 2014/15;
 - £7.5m is provided for budget pressures in 2014/15 of which it is being recommended that £3.6m of specific identified budget pressures be funded now and £3.9m be set aside for identified, but as yet un-quantified risks.
 - An assumed 0% increase in Council Tax for Lewisham's services for 2014/15 and in so doing, receive the Government's freeze grant of £1.0m.
 - A combination of once-off reserves and provisions be used to fund the current savings shortfall of £6.3m for 2014/15 to balance the budget, pending proposals from the Lewisham Future Programme in 2014/15, to make this up.

1.2 The report also looks to the medium term financial outlook and notes the prospects for the budgets in 2015/16, savings required, and work of the Lewisham Future Programme to meet identified potential budget shortfalls in future years.

1.3 In addition, the report updates the Council's Treasury Management strategy for both borrowing and investments. No fundamental changes are proposed to the approach or levels of risk the Council takes in its treasury functions.

2. PURPOSE

- 2.1 The purpose of this report is to set out the overall financial position of the Council in relation to 2013/14 and to set the Budget for 2014/15. This report allows for the Council Tax to be agreed and housing rents to be set for 2014/15. It sets the Capital Programme for the next four years and the Council's Treasury Strategy.
- 2.2 The report also provides summary information on the revenue budget savings proposals that were agreed at Mayor & Cabinet on 18 December 2013 and 12 February 2014. The successful delivery of these savings are required in order to help balance the budget for 2014/15 and to address the budget requirement for 2015/16.

3. RECOMMENDATIONS

- 3.1 That the Council approves the recommendations shown below in respect of the 2014/15 Budget. This is subject to any amendments which the Mayor may make when considering the 2014/15 Budget update report to be presented to Mayor & Cabinet on 19 February 2014.

- 3.2 Council are asked:

Capital Programme

- 3.3 to note the 2013/14 Quarter 3 Capital Programme monitoring position as set out in section 5 of this report;
- 3.4 to approve the 2014/15 to 2017/18 Capital Programme of £385.9m, whilst noting that there are no new proposed major capital projects for this period, as set out in section 5 of this report and attached at Appendices W1 and W2;

Housing Revenue Account

- 3.5 to note the consultation report on service charges to tenants and leaseholders in the Brockley area, presented to area panel members on 19 December 2013, as attached at Appendix X3;
- 3.6 to note the consultation report on service charges to tenants and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 17 December 2013, as attached at Appendix X4;
- 3.7 to set an increase of dwelling rents 5.05% (an average increase of £4.61 per week), in accordance with the Rent Restructuring formula;
- 3.8 to set an increase in the hostels accommodation charge by 4.66% (or £3.03 per week), in accordance with the Rent Restructuring formula;
- 3.9 to approve the following average weekly increases for dwellings for:
- 3.9.1 service charges to non-Lewisham Homes managed dwellings (Brockley);

- caretaking 3.70% (£0.04)
- grounds 3.70% (£0.04)
- communal lighting 3.70% (£0.04)
- bulk waste collection 3.70% (£0.04)
- window cleaning 0.00% (£0.00)
- tenants' levy No increase

3.9.2 service charges to Lewisham Homes managed dwellings:

- caretaking 3.37% (£0.19)
- grounds 2.50% (£0.02)
- window cleaning 0.00% (£0.00)
- communal lighting -3.40% (-£0.03) decrease
- block pest control -8.89% (-£0.15) decrease
- waste collection 4.21% (£0.02)
- heating & hot water 0.50% (£0.05)
- tenants' levy No increase

3.10 to approve the following average weekly percentage decreases for hostels and shared temporary units for;

- service charges (hostels) – caretaking etc.; -6.91% (-£6.03)
- energy cost decreases for heat, light & power; -50% (-£5.24)
- water charges decrease; -91% (-£1.88)

3.11 to approve an increase in garage rents by inflation of 3.2% (£0.25 per week) for Brockley residents and 3.2% (£0.31 per week) for Lewisham Homes residents;

3.12 to note that the budgeted expenditure for the Housing Revenue Account (HRA) for 2014/15 is £104.0m;

3.13 to note the HRA budget strategy savings proposals in order to achieve a balanced budget in 2014/15, as attached at Appendix X1;

Dedicated Schools Grant and Pupil Premium

3.14 to approve, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £267.6m be the Schools' Budget for 2014/15 and to note that this level of funding will not be supplemented by a general fund contribution;

General Fund Revenue Budget

3.15 to note the projected overall variance against the agreed 2013/14 revenue budget to December 2013, as set out in section 8 of this report;

3.16 to note and endorse the revenue budget savings of £24.5m for 2014/15 and £1.7m for 2015/16, as set out in section 8 of the report and summarised in Appendix Y1. This is subject to any further variations to the Budget proposal which the Mayor may make at Mayor & Cabinet on 19 February 2014;

3.17 to fund revenue budget pressures of £3.6m in 2014/15, allowing the Executive Director for Resources & Regeneration to hold these resources corporately until such time that

these pressures emerge during the year and it has been determined that the pressures cannot be contained within the Directorates' cash limits;

- 3.18 to agree that the Executive Director for Resources & Regeneration maintains a fund of £3.9m against which risks and other potential budget pressures which emerge during the year would be considered for funding;
- 3.19 to set a General Fund Budget Requirement of £268.1m for 2014/15;
- 3.20 to agree a 0% increase in Lewisham's Council Tax element and to accept the 1% Council Tax freeze grant of £1.0m. This will result in a Band D equivalent Council Tax level of £1,060.35 for Lewisham's services and £1,359.35 overall. This represents an overall decrease in Council Tax for 2014/15 of 0.29% and comes as a result of final notification of the Greater London Authority (GLA) precept for 2014/15 being reduced by £4.00 (1.3%) from its existing 2013/14 level;
- 3.21 to note the Council Tax Ready Reckoner which for illustrative purposes, sets out the Band D equivalent Council Tax at various levels of increase. This is explained in section 8 of the report and set out in more detail in Appendix Y3;
- 3.22 to agree that the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2014/15 Revenue Budget is agreed;
- 3.23 to note the Chief Financial Officer's Section 25 Statement, as attached at Appendix Y4;
- 3.24 to agree the Council Tax Calculation and Statutory Calculation for 2014/15 as set out at Appendix Y5;
- 3.25 to note the prospects for the revenue budget for 2015/16 and future years;
- 3.26 to agree that officers continue to develop firm proposals as part of the Lewisham Future Programme to help meet the forecast budget shortfalls in future years;

Other Grants

- 3.27 to approve the allocation of £0.65m per annum of New Homes Bonus over the next ten years 2014/15 to 2023/24, to provide delivery support for housing and school pressures. This is set out in more detail in section 9 of this report;

Treasury Management Strategy

- 3.28 to approve the prudential indicators and treasury limits, as set out in section 10 of this report;
- 3.29 to approve the 2014/15 treasury strategy, including the investment strategy and the credit worthiness policy, as set out at Appendix Z3;
- 3.30 to approve the credit and counterparty risk management criteria, as set out at Appendix Z3, the proposed countries for investment at Appendix Z4, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration;

- 3.31 to delegate to the Executive Director for Resources & Regeneration, authority during 2014/15, to make amendments to borrowing and investment strategies provided there is no change to the Council's authorised limit for borrowing;
- 3.32 to agree to increase the maximum deposit limits with the part nationalised banks from £50m to £65m for each of Lloyds Banking Group and Royal Bank of Scotland (RBS) Group;
- 3.33 to approve lending to other local authorities up to a maximum of £5m and for a period of up to one year;
- 3.34 to note the development of the Municipal Bond Agency, and once fully established, to note its potential as a suitable Agency from which to borrow as an alternative to the Public Works Loan Board (PWLB);
- 3.35 to approve the Minimum Revenue Provision (MRP) policy as set out in section 10 of this report;
- 3.36 to note the Treasury Management mid-year review attached at Appendix Z6;

Specific Recommendation for Appendix Y2 – Attendance and Welfare Service

- 3.37 to note and endorse the recommendation in relation to savings of £0.3m from the Attendance and Welfare Service (AWS), to be implemented in September 2014. This forms part of the overall savings package set out in recommendation 3.16 of this report.

4. STRUCTURE OF THE REPORT, POLICY CONTEXT AND BACKGROUND

4.1 The 2014/15 Budget Report is structured as follows:

- Section 1 Executive Summary
- Section 2 Purpose
- Section 3 Recommendations
- Section 4 Structure of the Report, Policy Context and Background
- Section 5 Capital Programme
- Section 6 Housing Revenue Account
- Section 7 Dedicated Schools Grant and Pupil Premium
- Section 8 General Fund Revenue Budget and Council Tax
- Section 9 Other Grants and Future Years' Budget Strategy
- Section 10 Treasury Management Strategy
- Section 11 Consultation on the Budget
- Section 12 Financial Implications
- Section 13 Legal Implications
- Section 14 Human Resources Implications
- Section 15 Crime and Disorder Implications

- Section 16 Equalities Implications
- Section 17 Environmental Implications
- Section 18 Conclusion
- Section 19 Background Documents and Further Information
- Section 20 Appendices

POLICY CONTEXT

- 4.2 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and priorities. The six Sustainable Community Strategy priorities, agreed with the Local Strategic Partnership (LSP) and the Council's ten Corporate Priorities are set as follows:

Sustainable Community Strategy

- **Ambitious and achieving:** where people are inspired and supported to their potential.
- **Safer:** where people feel safe and live free from crime, antisocial behaviour and abuse.
- **Empowered and responsible:** where people are actively involved in their local area and contribute to supportive communities.
- **Clean, green and liveable:** where people live in high quality housing and can care for and enjoy their environment.
- **Healthy, active and enjoyable:** where people can actively participate in maintaining and improving their health and well-being.
- **Dynamic and prosperous:** where people are part of vibrant communities and town centres, well connected to London and beyond.

Corporate Priorities

- **Community Leadership and Empowerment:** developing opportunities for the active participation and engagement of people in the life of the community.
- **Young people's achievement and involvement:** raising educational attainment and improving facilities for young people through partnership working.
- **Clean, green and liveable:** improving environmental management, the cleanliness and care for roads and pavements, and promoting a sustainable environment.
- **Safety, security and a visible presence:** partnership working with the police and others to further reduce crime levels and using Council powers to combat anti-social behaviour.
- **Strengthening the local economy:** gaining resources to regenerate key localities, strengthen employment skills and promote public transport.
- **Decent Homes for all:** investment in social and affordable housing to achieve the decent homes standard, tackle homelessness and supply key worker housing.

- **Protection of children:** better safeguarding and joined up services for children at risk.
- **Caring for adults and older people:** working with health services to support older people and adults in need of care.
- **Active, healthy citizens:** leisure, sporting, learning and creative activities for everyone.
- **Inspiring efficiency, effectiveness and equity:** ensuring efficiency and equity in the delivery of excellent services to meet the needs of the community.

4.3 In taking forward the Council's Budget Strategy, in engaging our residents, service users and employees, and in deciding on the future shape, scale and quality of services, we are driven 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.

BACKGROUND

4.4 Following the global financial crisis and the requirement to rebalance the public finances, the financial outlook for the Council and the public sector as a whole remains extremely challenging.

4.5 The Office for Budget Responsibility (OBR) provides independent analysis of the UK's public finances. The most recent forecasts, released in December 2013 are for the period to 2018/19. They show that the UK economy has grown more in 2013 than originally predicted in March 2013. This has resulted in a revised forecast for Gross Domestic Product (GDP) growth in 2013, up from 0.6% to 1.4%. Forecast growth for 2014 as a whole is up from 1.8% to 2.4%. The OBR has revised borrowing down by a cumulative £73bn between 2013/14 and 2017/18, with a prediction that the budget will be back in balance by 2018/19.

4.6 On 6 January 2014, the Chancellor of the Exchequer delivered a key note speech on the economy in which he stated that the current forecasts implied further cuts in government expenditure of around £25bn would be needed after the next election, much of it to be delivered from the welfare budget. The £25bn figure is in line with the already announced intention to rebalance the public sector finances by 2018 and suggests that the cuts will continue at the same rate into the next Parliament.

4.7 The Council has already reduced its revenue budget by £82m since May 2010 and agreed total savings of £17.1m for the two years 2014/15 and 2015/16. On 18 December 2013, Mayor & Cabinet agreed further savings of £8.2m to be made in 2014/15 and £0.6m in 2015/16. A further saving of £0.3m (£0.1m for 2014/15 and £0.2m for 2015/16) for the Attendance & Welfare Service, was agreed at Mayor & Cabinet on 12 February 2014.

4.8 The Strategic Financial Review was reported to Mayor & Cabinet in July 2013 with an update reported in November 2013. This set out that an estimated £85m of savings

(now £95m following the local government finance settlement in December 2013) are required from 2014/15 to 2017/18, over and above savings already agreed. The Lewisham Future Programme Board was established to progress cross-cutting and thematic reviews to deliver these savings.

- 4.9 The provisional local government finance settlement was announced on 18 December 2013, with the final settlement being announced on 5 February 2014. Leaving all other previous assumptions unchanged, the provisional estimate is now that further new savings of £44.7m will be required over 2014/15 and 2015/16. Of these, a remaining £6.3m worth of savings or other measures are still needed to balance the budget in 2014/15 pending additional proposals from the Lewisham Future Programme. Further savings of £38.4m are needed in 2015/16.
- 4.10 This report sets out the position of the financial settlements as they impact on the Council's overall resources:
- Capital Programme for 2014/18;
 - Housing Revenue Account and level of rents for 2014/15;
 - Dedicated Schools Grant for 2014/15;
 - General Fund Revenue Budget for 2014/15;
 - Other Grants;
 - Council Tax level for 2014/15; and
 - Treasury Management Strategy for 2014/15

5 CAPITAL PROGRAMME

- 5.1 In considering the Council's overall financial position, the Capital Programme is considered first. This is to ensure that any revenue implications of capital decisions are taken into account. The Capital Programme budget for 2014/15 to 2017/18 is proposed at £385.9m, of which £126.4m is for 2014/15.
- 5.2 This section of the report is structured as follows:
- Update on 2013/14 Capital Programme
 - Proposed Capital Programme 2014/15 to 2017/18

Update on 2013/14 Capital Programme

- 5.3 Progress in delivering the 2013/14 Capital Programme has been reported to Mayor & Cabinet and the Public Accounts Select Committee regularly throughout the year. The latest forecast projection is that £129.1m (86%) of the original budget allocated for the year of £151.0m will be delivered this year. At this stage, the slippage of £21.9m has been re-phased to 2014/15.

Proposed Capital Programme 2014/15 to 2017/18

- 5.4 The Council's proposed Capital Programme for 2014/15 to 2017/18 is currently £385.9m, as set out in Table A1:

Table A1: Proposed Capital Programme for 2014/15 to 2017/18

	13/14	14/15	15/16	16/17	17/18	4 Year Total
	£m	£m	£m	£m	£m	£m
General Fund						
Building Schools for the Future	23.4	16.9	5.2	1.6	0.4	24.1
Schools – Primary Places and other Capital Works	25.0	32.8	10.1	10.6	1.2	54.7
Highways, Footways and Bridges	9.5	3.5	3.5	3.5	3.5	14.0
Major Regeneration Schemes	3.9	4.7	4.5	2.1	2.7	14.0
Town Centres and High Street Improvements	4.4	2.9	2.0	3.6	0.0	8.5
Asset Management Programme	2.4	2.5	2.5	2.5	2.5	10.0
Other Schemes	15.1	4.8	3.3	2.2	2.3	12.6
	83.7	68.1	31.1	26.1	12.6	137.9
Housing Revenue Account	45.4	58.3	49.4	58.1	82.2	248.0
Total Programme	129.1	126.4	80.5	84.2	94.8	385.9

5.5 The resources available to finance the proposed Capital Programme are as set out in Table A2 below:

Table A2: Proposed Capital Programme Resources for 2014/15 to 2017/18

	13/14	14/15	15/16	16/17	17/18	4 Year Total
	£m	£m	£m	£m	£m	£m
General Fund						
Prudential Borrowing	5.5	2.8	2.0	3.6	0	8.4
Grants and Contributions	47.0	46.4	14.8	11.4	0.8	73.4
Specific Capital Receipts	4.6	4.7	4.5	2.0	2.7	13.9
General Capital Receipts / Reserves / Revenue	26.6	14.2	9.8	9.1	9.1	42.2

	83.7	68.1	31.1	26.1	12.6	137.9
Housing Revenue Account						
Prudential Borrowing	0	0	0	0	27.4	27.4
Grants	24.0	36.0	0	0	0	36.0
Reserves / Revenue	21.4	22.3	49.4	58.1	54.8	184.6
	45.4	58.3	49.4	58.1	82.2	248.0
Total Resources	129.1	126.4	80.5	84.2	94.8	385.9

- 5.6 Members will note that the General Fund resources available to finance capital projects decrease over the term of the Programme. This reflects the Council's prudent approach to long-term planning, with grants for later years not taken into account until they have been confirmed, and capital receipts only being taken into account when they have been received or are reasonably certain of being received. The Council prudently avoids entering into long-term expenditure commitments until there is more certainty as to how they can be financed.
- 5.7 The Programme has been updated for known changes in grant funding, in particular Schools Basic Need allocations of £8.9m for 2015/16 and £9.4m for 2016/17 and Schools Maintenance Grant of £3.1m for 2014/15. The future Highways and Footways programme of £3.5m per year, agreed by Mayor & Cabinet last summer, has also been included. A full list of changes to the Programme is shown in Appendix W2.
- 5.8 No changes are proposed at this stage to the existing general fund revenue contributions to capital (CERA) of £2.0m per year from General Fund and £1.2m per year contribution from schools. The revenue funding line also includes amounts transferred to reserves in previous years for schemes which at that time, had not been delivered.
- 5.9 The Capital Programme will be further updated to include future grants, including transport, once these are known and will also include the year-end outturn expenditure and resourcing. This is expected to be reported to Members before the summer recess and will not impact on delivery of the Programme for 2014/15.
- 5.10 A significant amount of the future planned prudential borrowing is within the Housing Revenue Account, which is the available headroom within the self-financing settlements.

Summary

- 5.11 The proposed 2014/15 to 2017/18 Capital Programme totals £385.9m (General Fund £137.9m and HRA £248.0m) and includes all the Council's capital projects. It sets out the key priorities for the Council over the four year period and will be reviewed regularly. The Capital Programme is set out in more detail in Appendices W1 and W2.

6. HOUSING REVENUE ACCOUNT

- 6.1 This section of the report considers the Housing Revenue Account (HRA). The budgeted expenditure for the HRA in 2014/15 is £104.0m
- 6.2 It is structured as follows:

- Update on the HRA financial position for 2013/14

- Update on the HRA Business Plan
- Future Years' Forecast

Update on the HRA financial position for 2013/14

- 6.3 The latest forecast on the HRA for 2013/14, is that net expenditure can be contained within budget by the year end. There are currently pressures from major works income and hostel charges, but these are being mitigated by the use of once off contingencies, reserves and revenue working balances. Expenditure against repairs & maintenance budgets is expected to be contained within the sums allocated.

Update on the HRA Business Plan

- 6.4 The self-financing system was implemented on 1 April 2012. A 30 year financial model has been developed based on current management arrangements, updated for efficiency savings and cost pressures. In addition, policy objectives such as sheltered housing and new build plans are incorporated into the modelling.
- 6.5 This has shown that there is a shortfall in resources over the first ten years of the plan. The Council is considering how it will respond to the challenges and opportunities of the self-financing system. The combination of the new system and the significant housing pressures may, in due course, cause the Council to adopt new management arrangements in order to optimise delivery of policy objectives.
- 6.6 The Housing Matters programme is currently undertaking a full assessment of both long and short-term requirements against resources available. This includes assumptions on future liabilities, programmes, savings and other requirements. These assumptions will be used to inform the resource need and identify potential gaps in funding and opportunities for additional income and grants.

Future Years' Forecast

- 6.7 The key purpose of the proposed HRA budget is to ensure that there are sufficient resources to support lifecycle works, repairs and maintenance and the Decent Homes programme. The reduction in management costs is also expected to continue.
- 6.8 The HRA is budgeted to spend £104.0m in 2014/15. Officers have examined budgets to identify savings opportunities to deliver services for improved value for money. These savings are included in the proposed budget for 2014/15. Savings of £0.7m for 2014/15 were identified and put before Tenants' Panels in December 2013. An explanation of the savings and options to achieve them are set out in more detail in Appendix X1. The feedback from the consultation is set out in Appendix X2. Should all of these proposals be agreed for 2014/15, then the savings could be reinvested to meet key priorities, such as contributing towards bridging the financing gap on achieving the Decent Homes standard.
- 6.9 Under these proposals, the Lewisham Homes management fee would reduce from its current level of £18.9m in 2013/14 to £18.7m in 2014/15. This represents an overall decrease of 0.2% in the fee per property compared to 2013/14.

- 6.10 Separate reports which set out in detail the proposals relating to service charges for Brockley and Lewisham Homes residents are attached at Appendix X3 and Appendix X4, respectively.

Rental Income & Allowances

- 6.11 The average weekly rent is currently £91.36 and it is proposed that average rents will increase by 5.05% (£4.61 per week) to £95.97. This forecast is based on rent restructuring guidance for actual rent of Retail Price Index (RPI) +0.5% + £2.00 (maximum) convergence element. RPI inflation as at September 2013, was 3.2%. This is based on the current assumed rent convergence date of 2015/16. (i.e. one year from 2014/15, as per the self-financing settlement).
- 6.12 The proposed rent rise is estimated to generate £3.5m of additional rental income. A rent rise lower than the formula calculation is likely to result in lost resources in the HRA which would then need to be made up by efficiencies or further savings in order to maintain a balanced account. For example, a rent rise of RPI less 1% would generate £2.8m in additional rental income, a reduction of £0.7m or £0.92 per dwelling per week.
- 6.13 A rent rise higher than the formula calculation will result in additional recharges to the HRA via the Housing Benefit (HB) subsidy limitation charges. For example, an increase of £1 (1%) above the calculated average weekly rent will generate some additional income, all of which will be lost through additional limitation recharges and therefore result in no benefit to the HRA.
- 6.14 In June 2013, the Government published its Spending Review (SR). Within the SR, the Government announced that funding for Decent Homes would continue into 2015/16, and would be aimed at local authorities with more than 10% non-decent stock. Whilst exact details are yet to be published on how to access this funding, Lewisham is expected to benefit from this announcement.
- 6.15 Also announced within the SR, the Government put forward proposals to change the way rent increases are made for the financial year 2015/16 onwards. The Government's proposal is to raise rents by Consumer Price Index (CPI) + 1% for up to ten years, rather than RPI + 0.5%. It also proposes to remove the convergence element of a £2 maximum where rents are not at formula levels.
- 6.16 The Government has issued a consultation paper on these proposals. The impact of this change is currently being assessed, but is likely to reduce rental income projections and could put pressure on the HRA Business Plan.
- 6.17 Details of the proposed rent rise for 2014/15 were presented to the Housing Select Committee on 4 December 2013. Any comments arising from this Committee were referred to Mayor & Cabinet on 18 December 2013.

Other Associated Charges

- 6.18 There are a range of other associated charges. These include: garage rents, tenants levy, hostels, linkline, private sector leasing, heating and hot water. These charges and any proposed changes to them for 2014/15 have been set out in detail in Appendix X5.

Summary

6.19 The gross budgeted expenditure for the HRA in 2014/15 is £104.0m. The proposed increase of 5.05% in dwelling rents is £4.61 per week for an average property. This would take the average weekly rent, currently at £91.36 for 2013/14, to a level of £95.97 for 2014/15.

7. DEDICATED SCHOOLS GRANT AND PUPIL PREMIUM

7.1 This section of the report considers the Dedicated Schools' Grant (DSG) and level of Pupil Premium for 2014/15. The respective budgets for 2014/15 are £267.6m and £17.3m.

7.2 It is structured as follows:

- Update on 2013/14 Dedicated Schools' Grant
- Dedicated Schools' Grant for 2014/15
- Pupil Premium

Update on 2013/14 Dedicated Schools' Grant

7.3 The level of the Dedicated Schools' Grant (DSG) for 2013/14 is £250.7m. This will be revised later to take account of the pupil count which for early years children is undertaken in January 2014.

7.4 The only current budget pressure in the DSG arises from children placed in independent schools within the High Needs block of the grant. As this can be met from a previous year carry forward, the grant is expected to be balanced at the year end.

Dedicated Schools' Grant for 2014/15

7.5 The DSG for 2014/15 has provisionally been set by the Department for Education (DfE) at £267.6m, although this will change to reflect updated pupil numbers. The figure includes an estimate of the funding available for High Needs pupils and this will not be finalised until March 2014 when all the data has been collected from local authorities.

7.6 In comparison with last year, there is a £16.9m increase (6.8%) in the DSG. This increase is due to the following:

- some £12.0m relates to the inclusion in the settlement for Lewisham's secondary Academy schools for the first time. The funding will be recouped by the Education Funding Agency later in the year.
- Although the amount per pupil has been frozen in cash terms there is an increase of £3.6m driven by the estimated increase in pupil numbers.
- The remaining £1.3m of the increase relates to the extension of nursery provision for two-year olds.

7.7 There is a very slight decrease in the DSG on a like-for-like basis, excluding inflation of less than 0.1%. This reflects withdrawal of the top-up for three to four year olds. Half was withdrawn in 2013/14. In 2014/15, there will be no further top-up. The top-up ensured that local authorities were funded for at least 90% of their three year olds regardless of the number of children taking up the entitlement. There was a further

reduction in funding for the carbon reduction requirement which no longer applies to schools. However, once inflation of 2.5% for the year is taken into account, there is a real terms reduction in funding of more than 2%.

- 7.8 Individual Schools' Budgets (ISBs) vary year on year mainly due to changes to pupil numbers. The Schools' Minimum Funding Guarantee (MFG) has been set at a negative figure of minus 1.5%, which relates to the funding level per pupil. A further announcement is awaited on the funding for the new free school meals offer for all Reception and Key Stage 1 pupils.
- 7.9 If no action was taken, the Independent Schools Fees budget pressure as noted in paragraph 7.4, would result in the DSG having a deficit of £0.5m in 2014/15 and £2.0m in 2015/16. The Schools Forum has agreed an approach to manage this shortfall in 2014/15 by reducing the top-up to schools budget for High Needs Pupils and have set up a task group to look at managing the cost in 2015/16.

Pupil Premium

- 7.10 In addition to the DSG, schools will continue to receive the pupil premium. The pupil premium in 2013/14 was allocated to schools on the basis of the average number of children who were entitled to a free school meal in the past six years. At the start of each year, the DfE provide a forecast of the numbers of pupils on roll. This is subsequently revised to an actual number later in the year. Originally, the funding rates for 2013/14 were set at £900 for all children. The rate for primary children in 2013/14 was increased to £953 during the year.
- 7.11 In 2014/15, the rate of funding will be £1,300 per primary child, £935 per secondary child and £1,900 per child in Looked After Care. The current overall estimated levels of funding for the pupil premium in Lewisham are summarised in Table B1.

Table B1 – Pupil Premium

Sector	2013/14		2014/15	
	No. of Children	Funding	No. of Children	Funding
Primary	8,730	£8.3m	8,640	£11.2m
Secondary	5,790	£5.2m	5,690	£5.3m
Looked after Children	310	£0.3m	390	£0.8m
Total		£13.8m		£17.3m

8 GENERAL FUND REVENUE BUDGET AND COUNCIL TAX

- 8.1 This section considers the General Fund revenue budget and Council Tax. The General Fund budget for 2014/15, assuming a Council Tax increase of 0%, is £268.1m. Details of the savings anticipated for 2014/15 are provided at Appendix Y1.

8.2 It is structured as follows:

- Update on 2013/14 Revenue Budget
- The Budget Model
- Council Tax for 2014/15
- Overall Budget Position for 2014/15

Update on 2013/14 Revenue Budget

- 8.3 The Council's revenue budget for 2013/14 was agreed at Council on 27 February 2013. The budget requirement was set at £284.6m. It excluded funding for housing and schools which are accounted for through the HRA and DSG, as set out above in section six and seven of this report.
- 8.4 During the financial year, monthly monitoring is undertaken by officers and these monitoring reports have been presented quarterly to Mayor & Cabinet and scrutinised by the Public Accounts Select Committee. Significant attention continues to be directed towards volatile budget areas. Volatile areas are those where small changes in activity levels can drive large cost implications. For example, Looked After Children, No Recourse to Public Funds, and Adult Social Care. These areas of activity are also informed by risk assessments which are continually reviewed.
- 8.5 Budget holders have been challenged to maintain tight control on spending throughout the year through the continuation of Directorate, Corporate and Recruitment spending panels. The initial projected overspend of £0.3m reported at the end of May 2013 has been continually managed throughout the year. As at 31 December 2013, a Council wide underspend of £0.8m was forecast. This variance represents just a quarter of one percent against the agreed net revenue budget for the year. The forecast variances by Directorate are set out in Table C1 below.
- 8.6 A total of 95% of the in-year savings of £20.9m which were agreed in setting the 2013/14 budget are anticipated to be delivered on schedule. At this late stage of the financial year, this figure is unlikely to change significantly between now and the year-end.

Directorate

- 8.7 Table C1 sets out the latest forecast budget variances on the General Fund by Directorate.

Table C1: Forecast outturn for 2013/14 as at end of December 2013

DIRECTORATE	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over / (under) spend	Variance
	£m	£m	£m	£m	%

CYP	79.6	(20.4)	59.2	1.7	2.9%
Community Services	178.8	(60.6)	118.2	(3.6)	-3.0%
Customer Services	78.5	(47.4)	31.1	2.0	6.4%
Resources & Regeneration	58.3	(13.0)	45.3	(0.9)	-2.0%
Directorate total	395.2	(141.4)	253.8	(0.8)	-0.3%
Corporate items			30.8		
Budget requirement			284.6		

Corporate Financial Provisions

- 8.8 Corporate Financial Provisions are budgets that are held centrally for corporate purposes, which do not form part of the controllable expenditure of the service directorates. They include Capital Expenditure charged to the Revenue Account (CERA), Treasury Management budgets such as Interest on Revenue Balances (IRB) and Debt Charges, Corporate Working Balances and various provisions for items such as early retirement and voluntary severance. The spend on Corporate Financial Provisions is expected to be contained within budget by the year-end.

The Budget Model

- 8.9 This section of the report sets out the construction of the 2014/15 base budget. This section is structured as follows:
- Budget assumptions, including: Savings, Council Tax, and Inflation
 - Budget pressures to be funded
 - Risks and other potential budget pressures to be managed

Budget assumptions, including: Savings, Council Tax and Inflation

- 8.10 The Council has made substantial reductions to its expenditure over the last four years. On all credible economic forecasts, it will continue to need to make further reductions for at least the next three to five years. This section of the report summarises a series of proposals that would enable the Council to set a balanced budget for 2014/15 as part of a sustainable financial strategy to 2017/18.

Savings

- 8.11 In 2013/14, the Council agreed savings of £16.2m (amended) for 2014/15 and £0.9m in 2015/16. On 18 December 2013, the Mayor agreed further savings of £8.2m for 2014/15 and £0.6m in 2015/16. This provides an overall savings package in 2014/15 of £24.4m and £1.5m in 2015/16 and leaves the Council a budget shortfall, to be funded by use of once off provisions and reserves, of some £6.4m for 2014/15.
- 8.12 At the same meeting in December, the Mayor withdrew the saving proposal for the Attendance and Welfare Service (CYP12) from consideration to allow pre-decision scrutiny by the Children and Young People Select Committee on 29 January 2014. Having allowed the scrutiny process to take place, this proposal of £0.3m (£0.1m for 2014/15 and £0.2m for 2015/16) was agreed by the Mayor at the Mayor & Cabinet meeting on 12 February 2014. This has increased the overall savings package for

2014/15 to £24.5m and to £1.7m for 2015/16. This brings the budget gap down to £6.3m for 2014/15. The supporting paper for this proposal is attached at Appendix Y2.

- 8.13 On 18 December 2013, in approving the budget saving proposal of £0.2m for the out of hours emergency telephone service (CUS07) and following representations from the Housing Select Committee and Unison, the Mayor sought re-assurance from officers that the saving is possible when considering the capacity of current providers. This re-assurance has been provided and the Mayor re-affirmed his approval of this saving proposal at the meeting of Mayor & Cabinet on 12 February 2014. The supporting paper for this budget saving proposal is attached at Appendix Y7.
- 8.14 Following the announcements of the provisional and final local government finance settlements in December 2013 and February 2014, respectively, the Executive Director for Resources & Regeneration has been considering options to bridge the budget shortfall in order to balance the budget for 2014/15. The options include using of a mixture of on-going and once-off resources. This is explained in more detail towards the end of this section.
- 8.15 Estimates for 2016/17 to 2017/18 are less certain, particularly as the local government finance settlement only contains details up to 2015/16. On 6 January 2014, in his keynote speech about the economy, the Chancellor of the Exchequer said the current forecasts implied further cuts of around £25bn over two years by 2017/18. Therefore, it would be reasonable to assume that the Council will continue to need to make significant savings over the medium-term. It is estimated that further savings against the General Fund resources of between £40m to £50m will be required over the course of 2016/17 to 2017/18. The prospects for future years' budgets are set out in more detail in section 9 of this report.

Council Tax

- 8.16 The assumption used in the model for preparing the budget for 2014/15, subject to confirmation by Council, is for a 0% Council Tax increase and receipt of the 1% Council Tax freeze grant from Government. On 5 February 2014, the Local Government Minister confirmed that the Council Tax threshold would be set at 2%. If Council choose to set a different Council Tax increase they will need to be mindful, that any increase in Council Tax of 2% or more would require support in a local referendum. Further information on the options for Council when setting the Council Tax is set out towards the end of this section.

Inflation

- 8.17 The Government's inflation target for the United Kingdom is defined in terms of the Consumer Price Index (CPI) measure of inflation which excludes mortgage interest payments. Since April 2011, the CPI has also been used for the indexation of benefits, tax credits and public service pensions.
- 8.18 On 14 January 2014, the Office for National Statistics (ONS) reported that the rate of CPI inflation in the UK stands at 2.0% in December, down from 2.1% in November. It is the first time since November 2009 that inflation has been at or below the 2% target set by the Government.
- 8.19 For financial planning purposes, the Council has previously assumed an average pay inflation of 1% per annum, which equates to approximately £1.1m. The Council

currently applies a non-pay inflation rate of 2.5% per annum. In addition, officers have examined specific areas where a 2.5% allocation is not appropriate, and adjusted those specific budgets accordingly when preparing the 2014/15 budget.

Budget Pressures to be funded

- 8.20 As in previous years, £7.5m of funds are set aside in the budget model to meet specific identified budget pressures and identified potential budget risks. For 2014/15, budget pressures have been reviewed by the Executive Director for Resources & Regeneration and it is recommended that a number of these specific identified pressures are funded now. In terms of accounting for these, consistent with prior years, it is proposed that the Executive Director for Resources & Regeneration hold these funds corporately until such time that these pressures emerge within Directorate budgets and it has been determined that they cannot be contained within Directorates' cash limits during the year.
- 8.21 Table C2 provides a summary of the Corporate budget pressures that are being recommended to be funded.

Table C2: Summary of budget pressures to be funded

Description	£m
Actuarial Valuation	1.00
Asset Management	0.15
Concessionary Fares	0.79
Highways	0.35
Looked After Children	0.50
Parking	0.80
Pressures Recommended to be funded	3.59

Actuarial Valuation – £1.00m

- 8.22 An actuarial valuation of the Pension Fund was carried out as at 31 March 2013. This calculated the funding level at 71.4% and set employer's contribution rates until 31 March 2017. This represents a deterioration of 5.3% from the position at the 2010 valuation which assessed the funding level at 75.4%. The deterioration is attributable to changes in the Fund's membership along with other financial and demographic changes.
- 8.23 The actuary has applied a stabilisation mechanism which restricts movements in employers contributions within a 1% increase and 2% decrease range to recognise both affordability issues and the potential improvement in investment returns in the inter-valuation period from 2014 to 2017. Additional stabilisation funding of £1.0m will be provided for 2014/15.

Asset Management – £0.15m

- 8.24 The New Generation Youth facility, My Place, opened in June 2013. The capital costs of the building works were covered by My Place grant funding. However, this funding does not cover ongoing revenue costs for operating the facility. These are estimated at £0.15m annually, for which no funding currently exists within the revenue budget.

Concessionary Fares – £0.79m

- 8.25 In December 2012, the London Councils' Transport and Environment Committee agreed that there should be a transition period for the introduction of usage apportionment for the National Rail and London overground elements of the Freedom Pass settlement from 2014/15 onwards. Due to the lack of available data, previous settlements used the level of formula grant as the apportionment method. Owing to the significant distributional effects of moving to usage apportionment, an approach was adopted to phase it in over three years. The approach uses a method of; 40% by usage and 60% by Formula Funding in year one (2014/15), 70% by usage and 30% by Formula Funding in year two (2015/16) and 100% by usage in year three (2016/17). For 2014/15, this results in a budget pressure for Lewisham of £0.79m.

Highways - £0.35m

- 8.26 The ten year investment programme for the resurfacing of highways and footways in the Borough has come to an end and future funding arrangements need to be established. It is proposed that an ongoing highways resurfacing budget of £3.0m be established over a ten year period. In the first year, this will be funded by a combination of pressures funding, reserves and the release of existing prudential borrowing budgets as debt is repaid.
- 8.27 Corporate funding of £0.3m for 2014/15 will be provided with an additional £0.3m being added to the budget for 2015/16 until 2020/21 and a balance of £0.1m in 2021/22. Therefore, the total allocation over the period is £2.2m, although this will eventually be offset by £0.8m of released budget arising from repaid prudential borrowing over the period 2024/25 to 2033/34.
- 8.28 It is also proposed to create an ongoing budget of £0.5m for the replacement of footways over a ten year period 2014/15 until 2023/24. For 2014/15, a budget allocation of £0.05m will be needed with an additional £0.05m being added to the budget for each of the years 2015/16 to 2023/24.
- 8.29 As part of the Capital Programme, set out in section five of this report, capital investment for highways of £4.5m has been agreed for 2013/14, plus £3m per year has been assumed for 2014/15 onwards. This is in line with the overall prudential borrowing amounts agreed for the previous ten years.

Looked After Children – £0.50m

- 8.30 The Looked after Children service provides social work support to all the children who are looked after by the London Borough of Lewisham. It performs all the statutory functions, including care planning and ensuring that their health and education needs are met. At the start of 2010, the number of Looked After Children peaked and then they started to decline. This continued until the summer of 2011 from when numbers were fairly stable. However, the numbers started to rise again in April 2013. While the budget pressure is being managed down in 2013/14 through effective and economic placement decisions, overall there remains a forecast overspend.
- 8.31 The current demographics indicate that the pupil population is growing by 2.5% which, all other things being equal, roughly projects to an increase in the Looked After Children of one a month. Given the estimated pupil population increase, this represents a budget pressure of £0.50m per year.

Parking – £0.80m

- 8.32 The shortfall in Parking income remains a significant budget pressure. The largest element of the income shortfall arises from a significant reduction in pay and display income. The decline in parking income experienced over the last two years continues. Indications are that income will drop by 10%, approximately £0.3m, in 2013/14.

Risks and other potential budget pressures to be managed

- 8.33 Following the review of budget pressures within Directorates, there are a number of other risks and issues which, although difficult to quantify with absolute certainty, could prove significant should they materialise.
- 8.34 Officers continue to undertake work to fully assess and monitor these risks. These risks and other potential budget pressures are discussed in more detail below:
- Bed & Breakfast
 - Leaving Care Service
 - No Recourse to Public Funds
 - Redundancy
 - Secure Remand
 - Transition – Child to Adult Care

Bed and Breakfast

- 8.35 The number of clients in bed and breakfast accommodation has risen from an average of 79 in 2012/13 to an average of 152 for 2013/14 at October 2013. The number of live rent accounts relating to Bed and Breakfast at the end of October 2013 was 191. If this level of growth in demand is maintained into 2014/15, a cost pressure of the order of £1.0m would arise. A number of initiatives are currently being developed to manage demand, including a dedicated team of homeless prevention officers, measures to identify the early indications of potential homelessness and the establishment of a fund to support work with landlords who are considering terminating a tenancy that would then become a homeless application requiring temporary accommodation. Officers are also looking to procure additional temporary accommodation to reduce the reliance on Bed and Breakfast.

Leaving Care Service

- 8.36 There are an increasing number of young people leaving care who require support and, together with the national changes in housing benefit, this has created pressure on this budget since last year. Delays in finding appropriate accommodation for some of the young people result in them remaining in expensive provision. The current average caseload is 55 against the budget assumption of 23. The unit cost of these placements is currently £1111 per day. The Children's Director of Social Care believes management action can recover the current overspend of £0.8m, but the situation remains a risk for 2014/15.

No Recourse to Public Funds

- 8.37 These are families who have made an application to remain in the country and are waiting to be dealt with by the Home Office. These clients are not seeking asylum but are people to whom the local authority owes a duty of care. There has been an increase in the number of families presenting themselves to Lewisham, of 104% since April 2013. This rate of increase may continue over the next year, which could lead to a budget pressure of £4m.
- 8.38 Action is being taken to manage this risk. A team has been set up to look at the families concerned to ensure that they are entitled to payment. It remains to be seen what the impact of this work will be. In the meantime, the cost pressure remains at £2m and is unlikely to be eliminated in 2014/15.
- 8.39 The impact of these measures are expected to stop the increase in demand in the current year with a longer term aim of reducing demand in 2014/15 financial year.

Redundancy

- 8.40 The Council will seek to minimise the impact of savings on services and jobs. However, a significant proportion of the Council's budget goes on staff salaries and wages, so it will not be possible to make savings of £45m over the next two years without an impact on jobs. The cost of redundancy depends on age, seniority and length of service of the individuals affected, and it is not possible to calculate the overall financial impact at this stage.

Secure Remand

- 8.41 This is a volatile area of spend which is not directly controllable because the costs are driven by the number of local young people ordered into secure remand by the courts and how long they are held pending the court process. Due to changes to the financing of secure remand and youth detention introduced from April 2013, local authorities now bear all of the financial risk associated with this provision. In 2013/14, this has created a cost pressure of £0.2m which may be repeated in 2014/15.

Transition – Child to Adult Care

- 8.42 When clients with a disability who have received social care services from the Children and Young People Directorate reach the age of 18 (or 25 if they have gone to residential college), responsibility transfers to adult social care budgets in the Community Services Directorate. In the event that the service users are not eligible under Fair Access to Care Services (FACS) criteria funding would cease. However, most users are eligible and the Council is required to meet the cost of ongoing support. The costs for each client can be high and the estimated cost pressure for 2014/15 is up to £1.0m. Through the work around the Integration of Health and Social Care, officers are looking at better ways of smoothing these transitions for the users of the service and limiting cost increases.

Summary of Budget Pressures

- 8.43 There are some pressures to be funded (paragraphs 8.20 to 8.32), which can be quantified within a reasonable range. There are also a number of other risks and

potential budget pressures (paragraphs 8.33 to 8.42) to consider which are less easy to quantify with any certainty.

- 8.44 In conclusion, it is a matter of good budgeting to make a general allowance for risk and uncertainty, particularly at such a time of rapid change in the local government sector. For these reasons, it is proposed that the overall allowance for budget pressures previously of £7.5m is retained for each of 2014/15 and 2015/16. After allowing for allocations of £3.6m, as summarised in Table C2 above, an unallocated balance of £3.9m would remain. It is proposed that the Executive Director for Resources & Regeneration hold this fund corporately. This fund would be used to allocate resources to fund emergent budget pressures during the year, which at this moment in time, cannot be quantified with any certainty.

Dry Recyclable Waste

- 8.45 In December 2011, the Council entered into a contract with Bywaters Ltd for the disposal of dry recyclable waste. At the time, the contract was entered into, the market was buoyant and the contract was expected to save the Council some £1.6m. The market has changed significantly and Bywaters Ltd approached the Council to renegotiate the contract. An agreement was reached which still offers the Council good value for money, but has resulted in the Council's expected income being reduced by £1m. This funding gap will be addressed as part of setting the final cash limits for 2014/15.

Council Tax for 2014/15

- 8.46 In setting the Council's annual budget, Members need to make decisions in respect of the Council Tax.

Collection Fund

- 8.47 Collection Fund surpluses or deficits reflect whether the Council over or under achieves its Council Tax collection targets. Therefore, this requires a calculation to be made of how much the Council has already received for the Council Tax in the current and past years and how much of the outstanding debt it expects to collect.
- 8.48 A calculation was carried out on 15 January 2014, which is the date prescribed by the relevant statutory instrument. This calculation showed that there is an estimated surplus on the Collection Fund in respect of Council Tax, for the years 2007/08 to 2013/14 of £3.0m.
- 8.49 This surplus is shared with the precepting authority, the Greater London Authority (GLA), in proportion to relative shares of budgeted Council Tax income in the current financial year. This means that £2.3m of the £3.0m surplus has to be included in the calculation of Lewisham's Council Tax. The remaining balance of £0.7m will be allocated to the GLA. It is recommended that up to £0.15m of the Council's element of the surplus be used to support the continuation of the Council Tax collection improvement pilot scheme which commenced in 2013/14.
- 8.50 Members should note, that there is currently a projected surplus on the Council Tax Reduction Scheme (CTRS) for 2013/14 of some £1.3m. In line with accounting principles, it is proposed to transfer this surplus into the calculation of CTRS payments

for 2014/15. This ensures that the principle of the Council passing on the cut in full and neither losing nor gaining from the scheme, is adhered to.

Council Tax Levels

- 8.51 The current position is that Council Tax may not be increased by 2% or more (inclusive of levies) without a referendum. This threshold was confirmed by the Government on 5 February 2014.
- 8.52 A referendum cannot reasonably be held before the Council Tax is set for 2014/15. The Government has indicated that if an authority sets its basic amount of Council Tax (i.e. its Band D Council Tax) in 2014/15 at a level which is no more than its basic amount of Council Tax in 2013/14, it will receive a grant equivalent to a one per cent increase on the 2013/14 figure in 2014/15.
- 8.53 For the purposes of this report and understanding the long-term financial position, Members should be mindful that the impact of every 1% in Council Tax rise would be to reduce the savings requirement for that year and each subsequent year by approximately £0.8m.
- 8.54 In considering savings proposals and the level of Council Tax, Members make political judgements, balancing these with their specific legal responsibilities to set a balanced budget for 2014/15 and their general responsibilities to steward the Council's finances over the medium-term.
- 8.55 In 2013/14, the Band D Council Tax in Lewisham is £1,363.35. Of this, £303 relates to the activities of the GLA which the Council pays over to them on collection. The GLA consulted on a precept of £299 for 2014/15, a reduction of 1.3%. This reduction was confirmed at the meeting of the London Assembly on 14 February 2014. Table C3 below shows, for illustrative purposes, the Council Tax payable by a resident in a Band D property in 2014/15 at a range of possible Council Tax increases, and the financial implications of this for the Council. A full Council Tax Ready Reckoner is attached at Appendix Y3.

Table C3 – Band D Council Tax Levels for 2014/15

Change in Council Tax	Amounts payable by residents				Extra income *
	Lewisham element	GLA element	Total	Change in total	
	£	£	£	%	
Council Tax Freeze	1,060.35	299.00	1,359.35	-0.29%	0.956
0.50% increase	1,065.65	299.00	1,364.65	0.10%	0.392
1.00% increase	1,070.95	299.00	1,369.95	0.48%	0.784
1.50% increase	1,076.26	299.00	1,375.26	0.87%	1.176
1.75% increase	1,078.91	299.00	1,377.91	1.07%	1.372

* - for a freeze the extra income is received as a one-off freeze grant; all other figures are shown as additional council tax income per year from 2014/15 onwards. The Government has indicated that the funding for 2014/15 (including 2015/16) freeze grant should be built into the spending review baseline. This is still subject to formal confirmation.

- 8.56 Were Council to agree a Council Tax freeze, the Council will gain the one-off freeze grant of £1.0m (£0.956m to be precise) for 2014/15. This figure of £1.0m is the indicative figure of the Council Tax freeze grant for 2014/15 provided in the local government settlement 2014/15. It has been estimated by assuming the historic growth rate in the local authority tax base continues and that there is 100% take up of the grant.
- 8.57 The amount shown above for Council Tax Freeze grant is slightly higher than if the Council increased Council Tax by 1%. This is because the Council Tax base figure used to calculate the freeze grant is the taxbase before applying the CTRS.

Overall Budget Position for 2014/15

- 8.58 For 2014/15, the overall budget position for the Council is an assumed General Fund Budget Requirement of £268.1m, as set out in Table C4 below.

Table C4 - Overall Budget Position for 2014/15

Detail	Expenditure/ (Income) £m	Expenditure/ (Income) £m
Settlement Funding Assessment (SFA) for 2014/15	(186.5)	
Council Tax 2014/15 at 0% increase *	(78.4)	
SFA: Adjustment 2014/15 **	(0.9)	
Surplus on Collection Fund	(2.3)	
Assumed Budget Requirement for 2014/15		(268.1)
Base Budget for 2013/14	284.6	
Less: Previously agreed savings for 2014/15	(24.5)	
Less: Once off use of provisions and reserves	(4.0)	
Plus: Pay inflation	1.1	
Plus: Non-pay Inflation	3.4	
Plus: Budget pressures to be funded	3.6	
Plus: Risks and other potential budget pressures	3.9	
Total		268.1

* In freezing Council Tax for 2014/15, the Council will be entitled to receive a Council Tax Freeze Grant from the Government valued at £1.0m.

**Estimated value of Section 31 grants to compensate local authorities for the cost of capping the business rates multiplier in 14/15 announced in the Autumn Statement 2013.

Use of Provisions and Reserves

- 8.59 Should all the above proposals be agreed, then this would leave a remaining gap of some £4.0m to be funded by the once off use of provisions and reserves in 2014/15. This has been set out in the Table C5.

Table C5 – Bridging the gap

Measures	2014/15 £m
Savings Gap on announcement of the final local government finance settlement in February 2014	6.3

Less: Surplus on Collection Fund	(2.3)
Remaining Budget Gap to be bridged by use of provisions and reserves	4.0

- 8.60 Consideration is now given to employing the use of corporate measures to balance the budget. Corporate Provisions include an existing fund for risks and other potential budget pressures ('the Fund') which was created as part of the last year's Budget. It also contains Working Balances.
- 8.61 The Fund was created to recognise the potential budget pressures which could arise during the year. Over the course of the last year, the Council has maintained stringent measures to contain and reduce spending and this has led to a potential underspend of £0.8m without the need to call upon the Fund. The Fund could potentially be used to balance the potential gap. There remain a number of risks and other potential budget pressures identified in paragraphs 8.33 to 8.42. Although it is being recommended that £3.9m of the budget for 2014/15 is set aside for any of these risks and potential budget pressures, they are as yet un-quantified and could exceed the sum to be set aside.
- 8.62 The Working Balances have been held to alleviate any emergent pressures which may occur during the year. Held against this, would be the shortfall of any in-year savings for the 2013/14 budget round. Therefore, the Working Balances could potentially be further reduced. The Executive Director for Resources & Regeneration advises that it would be imprudent to reduce these balances in their entirety and would recommend that no less than £1.5m be considered for this purpose.
- 8.63 If the need should arise to balance the budget for any year using reserves, the Executive Director for Resources & Regeneration advises that on going measures should be identified to rectify this position as quickly as possible and in any event, by the following year. The use of once off resources is therefore just delaying the need to make an equivalent level of saving in the following year.

9 OTHER GRANTS AND FUTURE YEARS' BUDGET STRATEGY

- 9.1 This section of the report considers three other funding streams which the Council currently receives. These are the Public Health Grant, the Better Care Fund and the New Homes Bonus. This section of the report is structured as follows:
- Background and update on the Public Health Grant 2013/14
 - Public Health Grant for 2014/15
 - Integrated Transformation Fund 2014/15 (will be Better Care Fund from 2015/16)
 - Background and update on the New Homes Bonus
 - Future Years' Budget Strategy 2015/16 onwards

Background and update on the Public Health Grant 2013/14

- 9.2 In April 2013, the Government implemented major changes in the way Public Health services are funded and managed. Local authorities took on the role of improving and protecting the health of their residents, helping them to stay well and avoid illness.

- 9.3 Local authorities are responsible for ensuring there are robust plans in place to promote health and wellbeing across their region and for commissioning a range of Public Health services, based on the health needs of their population. This is managed by Lewisham with its public sector partners in the Borough via the statutory Health and Wellbeing Board.
- 9.4 In January 2013, the Department of Health announced a two year settlement for Public Health funding for 2013/14 and 2014/15.
- 9.5 For 2013/14, Lewisham's Public Health grant was £19.5m. This included £4.9m relating to Drug & Alcohol services that the Council has been managing directly for the last five years. Therefore, £14.6m of this funding was new to the Council.
- 9.6 At the present time, commitments against the 2013/14 budget are £18.9m. A process is underway to consider and prioritise options for the use of the remaining sum, currently not committed.
- 9.7 These changes will require approval by the Mayor. At this stage, it is assumed that none of this will be committed on new activity, but that it will be used to support eligible base budget activity. This will result in an underspend of £0.6m. However, the options remain either to commit the grant on new projects in this year or to carry the unspent balance forward to 2014/15. To the extent that either of these options are pursued, then the total underspend would reduce.

Public Health Grant for 2014/15

- 9.8 The Council's allocation of Public Health grant for 2014/15 is £20.1m, an increase of 2.8% on the 2013/14 allocation.

Integration Transformation Fund for 2014/15

- 9.9 The Integration Transformation Fund was announced as part of the Spending Review 2013. Its purpose is to pool budgets for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people. It will become the Better Care Fund from 2015/16.
- 9.10 In May 2013, the Department of Health issued directions concerning the 2013/14 transfer of funds to support integration from the NHS to local authorities. These funds must be used to support adult social care. The amount transferred from the NHS to the Council in 2013/14 was £4.9m. The £4.9m had primarily been allocated against expenditure on the integrated neighbourhood model and on enablement. Both these areas have been recognised by partners in Lewisham as having a positive effect on the whole system.
- 9.11 In 2014/15, additional monies are proposed for transfer to local authorities and Lewisham's total allocation is expected to be in the region of £5.9m, an increase of £1.0m on the 2013/14 allocation.

Background and update on the New Homes Bonus

- 9.12 The New Homes Bonus (NHB) sits alongside the Council's planning system and is designed to create a fiscal incentive to encourage housing growth. The Department for

Communities and Local Government is paying the NHB as an un-ringfenced grant to enable local authorities to decide how to spend the funding. The scheme design sets some guidance about the priorities that spend should be focused on, in that it is being provided to 'help deliver the vision and objectives of the community and the spatial strategy for the area and in line with local community wishes'.

- 9.13 The NHB is paid each year for 6 years. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.
- 9.14 The provisional allocation for 2014/15 in Lewisham, including on-going payments, is £6.4m with the allocation for Year 4 (2014/15) delivery being £2.6m. The cumulative nature of the NHB is set out in summary in Table C6 below.

Table C6 – New Homes Bonus Allocation Profile

	2011/12	2012/13	2013/14	2014/15
Yr 1	0.706	0.706	0.706	0.706
Yr 2		0.958	0.958	0.958
Yr 3			2.150	2.150
Yr 4				2.629
Total	0.706	1.664	3.814	6.443

- 9.15 Officers have established a cross-departmental NHB working party. The group was initially formed in order to review the empty homes data and reduce long term empty properties in the Borough. Since the group formed, the number of empty properties within the borough has decreased.
- 9.16 The Council produces an Annual Monitoring Report (AMR) each year which assesses the level of development which has taken place and reviews the performance on plan making and related steps being undertaken to progress the regeneration of the borough.
- 9.17 The latest AMR sets out that 1,805 net new homes were built during 2012/13, the highest amount of housing completed in the last nine years. There were 2,074 newly built dwellings and a loss of 269 existing dwellings, largely as a result of estate renewal. Since 2005/06, a total of 2,648 net affordable units have been built in Lewisham. During 2012/13, 564 of the net housing completions were provided as affordable housing units.
- 9.18 The majority of planned growth for the borough is yet to come. The AMR provides an update on the progress of strategic sites within the regeneration and growth areas, including Deptford and New Cross, Lewisham Town Centre and Catford Town Centre. Overall, strategic sites are progressing well and are generally being constructed within anticipated timescales, with no significant barriers or major blockages to delay the development of these sites in the future. The AMR also provides a housing trajectory and identifies the anticipated amount of residential development over the next 15 years (2014/15 to 2028/29).
- 9.19 In view of the planned growth in housing and associated infrastructure in the borough in futures years, consideration is being given to commit £0.65m of the NHB allocation per annum to provide delivery support for this. This would represent a significant year-on-year commitment for the Council. Given the planned growth in the Lewisham over the next 15 years, the funding would be used to improve the borough's town centres,

increase the number of jobs in the borough, provide improved transport links to the rest of London and build upon the necessary infrastructure such as schools, health facilities and open spaces.

Future Years' Budget Strategy 2015/16 onwards

Revenue Budget

- 9.20 The Strategic Financial Review was reported to Mayor & Cabinet in July 2013 with an update reported in November 2013. This set out that an estimated £85m of savings is required from 2014/15 to 2017/18 over and above savings already agreed. Since then we have received the provisional and final local settlements in December 2013 and February 2014, respectively, which has raised the estimate of overall savings required to 2017/18 to £95m.
- 9.21 The Lewisham Future Programme Board was established to carry out cross-cutting and thematic reviews to deliver these savings. The Board is chaired by the Chief Executive and consists of all Executive Directors, plus the Head of Corporate Resources and the Head of Service Design and Technology.

Better Care Fund

- 9.22 In the Spending Round for 2015/16, the Government announced funding of £3.8bn for health and social care through the Better Care Fund. This overall amount takes into account monies already announced for 2013/14 and 2014/15. The specific amount to be transferred to Lewisham for 2015/16 has not yet been announced. A detailed plan for the use of Lewisham's 2014/15 allocation and proposals for the 2015/16 allocation has to be submitted to NHS England by 15 February 2014. Detailed discussions are currently taking place between Health partners and the Council on priority areas of spend which was presented to the Health and Wellbeing Board for approval in January 2014.

New Homes Bonus

- 9.23 The reported top-slice of the New Homes Bonus (NHB) is no longer happening for local authorities, apart from those in London. There are indications that it will be set at about £70m from London Boroughs to London's LEP, chaired by the Mayor of London. Total NHB payments to London Boroughs in 2013/14 was £147.0m (this included ongoing payments from the first two years). Of this, Lewisham received £3.8m (2.6%).
- 9.24 The top slice is for the 2015/16 NHB allocation and does not affect 2014/15. At this stage, the consultation is not clear on whether this approach will also apply to subsequent years after 2015/16. The Autumn Statement indicates that there will be a formal response to the NHB consultation shortly. Officers will review this and report back on the implications for the Council at the appropriate time.

10. TREASURY MANAGEMENT STRATEGY

- 10.1 The section of the sets out the Council's Treasury Management Strategy for 2014/15 and is structured as follows:

- Capital Plans
- Prudential Indicators
- Minimum Revenue Provision (MRP) Policy
- Borrowing Strategy including Treasury Indicators
- Debt rescheduling
- Annual Investment Strategy
- Credit Worthiness Policy
- Prospects for Investment Returns

10.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department for Local Government guidance on Minimum Revenue Provision (MRP) and Investments and the CIPFA Treasury Management Code. The Council uses Capita Asset Services as its external treasury management advisors. The Council recognises that responsibility for Treasury Management decisions remain with the Council at all times and will ensure that undue reliance is not placed upon external service providers.

Current borrowing portfolio position

Capital Plans

- 10.3 The Treasury Management Strategy for 2014/15 incorporates the capital plans which provide details of the planned investment activity of the Council, as set out in section 5 of this report.
- 10.4 The Council's cash position is organised in accordance with the relevant professional codes to ensure that sufficient funds are available to meet its obligations. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.
- 10.5 The Council's treasury portfolio position at 31 March 2013, with forward projections is summarised below. Table D1 shows the actual external debt, against the Capital Financing Requirement (CFR) which is its underlying capital borrowing need. This table illustrates over/(under) borrowing.

Table D1 – External Debt Projections

External Debt £m	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Debt at 1 April	202.6	198.4	195.4	190.3	191.2
Expected change in Debt	(4.2)	(3.0)	(5.1)	0.9	(0.3)
Other Long-Term Liabilities (OLTL)	243.5	244.3	243.4	241.4	235.5
Actual gross debt at 31 March	441.9	439.7	433.7	432.6	426.4
Capital Financing Requirement*	484.9	479.3	474.4	468.1	477.2
Borrowing – over / (under)	(43.0)	(39.6)	(40.7)	(35.5)	(50.8)

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

Prudential Indicators

- 10.6 The prudential indicators comprise parameters such as the operational boundary and authorised limits which ensure that the Council operates its activities within well defined limits. The Council needs to ensure that its gross debt does not exceed the total of the CFR in the preceding year, plus the estimates of any additional CFR for the current and following two financial years. This allows some flexibility for limited early borrowing for future years and ensures that borrowing is not undertaken for revenue purposes.
- 10.7 The Executive Director for Resources & Regeneration reports that the Council has complied with this prudential indicator in the current year to date and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report. The operational boundary and the authorised limits for external debt are described in further detail in the following paragraphs.

The Operational Boundary

- 10.8 This is the limit beyond which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual gross debt anticipated. The Council's operational boundary is set out in Table D2.

Table D2: Operational Boundary

Operational boundary	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Debt	198.4	195.4	191.2	191.2
Other Long Term Liabilities	244.3	243.4	241.4	235.5
Total	442.7	438.8	432.6	426.7

The Authorised Limit for external debt

- 10.9 This key prudential indicator represents a control on the maximum level of borrowing. It is the statutory limit determined under Section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council.
- 10.10 This is the limit beyond which external debt is prohibited. The limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term (i.e. up to one month), but is not sustainable in the longer term. The Council is asked to approve the following authorised limit as set out in Table D3.

Table D3 – Authorised Limits

Authorised limit	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Operational Boundary	442.7	438.8	431.7	426.7
Provision for Non Receipt of Expected Income	46.0	46.0	46.0	46.0
Total	488.7	484.8	477.7	472.7

- 10.11 Separately, the Council is also limited to a maximum Housing Revenue Account (HRA) CFR through the self-financing regime. Table D4 sets out this limit:

Table D4 – HRA Debt Limit

HRA Debt Limit	2013/14 Actual £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
HRA debt cap	127.3	127.3	127.3	127.3
HRA Debt	(83.6)	(83.6)	(83.6)	(83.6)
HRA headroom	43.7	43.7	43.7	43.7

Minimum Revenue Provision (MRP) Policy

- 10.12 A proportion of the Council's capital expenditure is not immediately financed from its own resources. This results in a debt liability which must be charged to the Council Tax over a period of time. This repayment, the Minimum Revenue Provision (MRP) must be determined by the Council as being a prudent provision having regard to the CIPFA Prudential Code for Capital Finance.
- 10.13 The MRP is the amount the Council charges to the revenue account and does not correspond to the actual amount of debt repaid, which is determined by treasury related issues. The Council continues to apply a consistent MRP policy which comprises prudential borrowing being repaid over the useful life of the asset concerned and other existing borrowing being repaid at the rate of 4% of the CFR.

Borrowing Strategy

- 10.14 The Council is currently maintaining an under-borrowed position in that the CFR has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow have been used as an alternative temporary measure. In the current economic climate, this strategy is considered prudent while investment returns are low, counterparty risk is higher than historic averages, and borrowing rates are still relatively high.
- 10.15 Against this background and the risks set out in the economic forecast in Appendix Z2, the Executive Director for Resources & Regeneration will continue to monitor interest rates in the financial markets and adopt a pragmatic and cautious approach to changing circumstances. For instance, if it was felt that there was a significant risk of a sharp fall in medium to long-term interest rates (e.g. due to a marked increase of risks around a relapse into recession or risks of deflation in the economy), then long term borrowings will be postponed and potential rescheduling from fixed rate funding into short-term

borrowing considered. Any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.

- 10.16 Alternatively, if it was felt that there was a significant risk of a sharp rise in medium to long-term interest rates than currently forecast (perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases or in world economic activity driving inflation up), then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn, whilst interest rates are still lower than forecast. Once again, any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.
- 10.17 Members should note that the Council's policy is not to borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Treasury Indicators

- 10.18 There are three debt related treasury activity limits which restrain the activity of the treasury function within certain limits. The purpose of these is to manage risk and reduce the impact of any adverse movement in interest rates. These limits need to be balanced against the requirement for the treasury function to retain some flexibility to enable it to respond quickly to opportunities to reduce costs and improve performance.
- 10.19 The debt related indicators are:
- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
 - Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
 - Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.
- 10.20 Council is asked to approve the following treasury indicators and limits:

Table D5: Treasury Indicators and Limits

Interest rate exposures	2014/15	2015/16	2016/17
	Upper	Upper	Upper
Limits on fixed interest rates:			
• Debt only	100%	100%	100%
• Investments only	75%	75%	75%
Limits on variable interest rates			
• Debt only	15%	15%	15%
• Investments only	75%	75%	75%
Maturity structure of fixed interest rate borrowing 2014/15			
		Lower	Upper
Under 12 months		0%	3%

12 months to 2 years	0%	21%
2 years to 5 years	0%	15%
5 years to 10 years	0%	4%
10 years to 20 years	0%	13%
20 years to 30 years	0%	7%
30 years to 40 years	0%	6%
40 years to 50 years	0%	31%
Maturity structure of variable interest rate borrowing 2014/15		
	Lower	Upper
Under 12 months	0%	100%

Please note that the maturity structure guidance changed in 2011 for Lender Option Borrower Option (LOBO) loans; the maturity date is now deemed to be the next call date.

Debt rescheduling

- 10.21 In the current economic environment and for the foreseeable future, shorter term borrowing rates are expected to be lower than longer term fixed interest rates. As a result, there may be potential opportunities to generate savings by switching debt from long term to shorter term. However, any such savings need to be considered in the light of the current treasury position and the cost of debt repayment.
- 10.22 Consideration will be given to the potential for making savings by running down investment balances to repay debt prematurely while short-term rates on investments are likely to be lower than the rates paid on current debt. Any proposed rescheduling of debt will be reported to Mayor & Cabinet and subsequently to Council at the earliest meeting following its action.

Annual Investment Strategy

- 10.23 The Council's investment priorities will be security first, liquidity second, and then return. Investment instruments identified for use in the financial year are listed in Appendix Z3, under the 'specified' and 'non-specified' investments categories. The proposed counterparty limits for 2014/15 are presented to Council for approval in this same appendix.
- 10.24 In accordance with guidance from the Department for Communities and Local Government and CIPFA, and in order to minimise the risk to investments, officers have clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. This has been set out at Appendix Z3. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published information by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency.
- 10.25 Furthermore, officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. Officers continue to engage with the Council's treasury management advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the

credit ratings. This is fully integrated into the credit methodology provided by the advisors in producing its colour codings which show the varying degrees of suggested institution creditworthiness. This has been set out in more detail at Appendix Z3.

- 10.26 Other information sources used include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 10.27 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoid a concentration of risk.

Creditworthiness policy

- 10.28 The Council's Treasury Management Team applies the creditworthiness service provided by its treasury management advisors. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies, Fitch, Moody's and Standard and Poor's. The Council's creditworthiness policy has been set out at Appendix Z3.

Country limits

- 10.29 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix Z4. This list will be added to, or deducted from, by officers should country ratings change in accordance with this policy.

Investment Policy

- 10.30 Investments will be made with reference to the core balances and cashflow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). In order to maintain sufficient liquidity, the Council will seek to utilise its instant access call accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest. The remainder of its investments will be placed in fixed term deposits of up to 12 months to generate maximum return. The Council will not invest in any fixed term deposit facility exceeding 365 days. This policy is set with regard to the Council's liquidity requirements and to reduce the risk of a forced sub-optimal early sale of an investment.
- 10.31 It is proposed that from April 2014, the Council's maximum deposit limits with the part nationalised banks is increased from £50m to £65m for each of Lloyds Banking Group and Royal Bank of Scotland (RBS) Group.
- 10.32 It is also proposed that from April 2014, the Council approves lending to other local authorities up to a maximum of £5m and for a period of up to one year.

Municipal Bond Agency

- 10.33 Members should also note the work of the Local Government Association (LGA) in its plans to create a local government collective Municipal Bond Agency, which it expects

will cut the cost of borrowing to deliver new infrastructure like homes, roads and business hubs. Modelling work done by the LGA shows that a Municipal Bonds Agency would allow councils to raise funds at a significantly lower rate than those offered by the PWLB. Lewisham has been working with other local authorities and the LGA which is anticipates that the Agency will become operational in 2014/15.

Prospects for Investment Returns

- 10.34 The Bank of England base rate is currently forecast to remain unchanged at 0.5% before starting to rise from quarter two of 2016. The rate forecasts for financial year-ends are:
- 2013/14 0.50%
 - 2014/15 0.50%
 - 2015/16 0.50%
 - 2016/17 1.25%
- 10.35 There are upside risks to these forecasts. For example, if increases in the Bank of England base rate occur, economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth stagnate or fall back, there could be downside risk, particularly if the Bank of England forecasts for the rate of fall in unemployment were to prove too optimistic.
- 10.36 The suggested budgeted investment earnings rates for returns on investments placed for periods of up to 100 days during each financial year for the next four years are as follows:
- 2014/15 0.50%
 - 2015/16 0.50%
 - 2016/17 1.00%
 - 2017/18 2.00%
- 10.37 A more extensive table of interest rate forecasts for 2014/17, including Public Works Loan Board (PWLB) borrowing rate forecasts is set out in Appendix Z1.

Summary

- 10.38 At the end of the financial year, the officers will report to the Council on investment activity for the year as part of its Annual Treasury Report.

11 CONSULTATION ON THE BUDGET

- 11.1 In setting the various budgets, it is important to have extensive engagement with citizens to consider the overarching challenge facing public services in Lewisham over the next few years. To this end, the Council has undertaken a range of engagement and specific consultation exercises. The specific consultation exercises were:

Rent Setting and Housing Panel

- 11.2 As in previous years, tenants' consultation was in line with Residents' Compact arrangements. This provided tenant representatives of Lewisham Homes with an opportunity in December 2013 at the joint Housing Panel meeting to consider the positions and to feedback any views to Mayor & Cabinet. Tenant representative of

Brockley convened their Brockley Residents' Board in January 2014 to hear the proposals and feedback.

- 11.3 Details of comments from the residents' meetings have been set out in Appendix X2.

Business Ratepayers

- 11.4 Representatives of business ratepayers were consulted on Council's budget between 28 January and 7 February 2014. No responses to the consultation were received.

12. FINANCIAL IMPLICATIONS

- 12.1 This entire report deals with the Council's Budget. Therefore, the financial implications are explained throughout.

13. LEGAL IMPLICATIONS

- 13.1 Many legal implications are referred to in the body of the report. Particular attention is drawn to the following:

Capital Programme

- 13.2 Generally, only expenditure relating to tangible assets (e.g. roads, buildings or other structures, plant, machinery, apparatus and vehicles) can be regarded as capital expenditure. (Section 16 Local Government Act 2003 and regulations made under it).
- 13.3 The Local Government Act 2003 introduced a prudential system of financial control, replacing a system of credit approvals with a system whereby local authorities are free to borrow or invest so long as their capital spending plans are affordable, prudent and sustainable. Authorities are required to determine and keep under review how much they can afford to borrow having regard to CIPFA's Prudential Code of Capital Finance in Local Authorities. The Code requires that in making borrowing and investment decisions, the Council is to take account of affordability, prudence and sustainability, value for money, stewardship of assets, service objectives and practicality.
- 13.4 Section 11 Local Government Act 2003 allows for regulations to be made requiring an amount equal to the whole or any part of a capital receipt to be paid to the Secretary of State. Since April 2013 there has been no requirement to set aside capital receipts on housing land (SI2013/476). For right to buy receipts, the Council can retain 25% of the net receipt (after taking off transaction costs) and is then entitled to enter an agreement with the Secretary of State to fund replacement homes with the balance. Conditions on the use of the balance of the receipts are that spending has to happen within three years and that 70% of the funding needs to come from Council revenue or borrowing. If the funding is not used within three years, it has to be paid to the Department for Communities for Local Government, with interest.

Housing Revenue Account

- 13.5 Section 24 of the Housing Act 1985 provides that a local authority may make such reasonable charges as they determine for the tenancy or occupation of their houses.

The Council must review rents from time to time and make such charges as circumstances require.

- 13.6 Under the Local Government and Housing Act 1989, the Council is obliged to maintain a separate HRA (Section 74) and by Section 76 must prevent a debit balance on that account. Rents must therefore be set to avoid such a debit.
- 13.7 By Schedule 4 of the same Act where benefits or amenities arising out of a housing authority functions are provided for persons housed by the authority but are shared by the community, the Authority must make such contribution to the HRA from their other revenues to properly reflect the community's share of the benefits/amenities.
- 13.8 The process for varying the terms of a secure tenancy is set out in Sections 102 and 103 of the Housing Act 1985. It requires the Council to serve notice of variation at least 4 weeks before the effective date; the provision of sufficient information to explain the variation; and an opportunity for the tenant to serve a Notice to Quit ending their tenancy.
- 13.9 Where the outcome of the rent setting process involves significant changes to housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.
- 13.10 Part 7 of the Localism Act 2011 abolished HRA subsidy and moved to a system of self financing in which Councils are allowed to keep the rents received locally to support their housing stock. Section 174 of the same Act provides for agreements between the Secretary of State and Councils to allow Councils not to have to pay a proportion of their capital receipts to the Secretary of State if he/she approves the purpose to which it would be put.

Balanced Budget

- 13.11 Members have a duty to ensure that the Council acts lawfully. It must set and maintain a balanced budget each year. The Council must take steps to deal with any projected overspends and identify savings or other measures to bring the budget under control. If the Capital Programme is overspending, this may be brought back into line through savings, slippage or contributions from revenue. The proposals in this report are designed to produce a balanced budget in 2014/15.
- 13.12 In this context, Members are reminded of their fiduciary duty to the Council Tax payer, effectively to act as trustee of the Council's resources and to ensure proper custodianship of Council funds.

An annual budget

- 13.13 By law, the setting of the Council's budget is an annual process. However, to enable meaningful planning, a number of savings proposals for this year, 2014/15, were anticipated in the course of the 2013/14 budget process. They were the subject of full report at that time and they are now listed in Appendix Y1. Members are asked now to approve and endorse those reductions for this year.
- 13.14 The body of the report refers to the various consultation (for example with tenants and business) which the Council has carried out/is carrying out in accordance with statutory

requirements relating to this budget process. The Mayor must consider the outcome of that consultation with an open mind before reaching a decision about his final proposals to Council. It is noted that the outcome of consultation with business rate payers will only be available on 19 February 2012 and any decisions about the Mayor's proposals on the budget are subject to consideration of that consultation response.

Referendum

- 13.15 Sections 72 of the Localism Act 2011 and Schedules 5 to 7 amended the provisions governing the calculation of Council Tax. They provide that if a Council seeks to impose a Council Tax increase in excess of limits fixed by the Secretary of State, then a Council Tax referendum must be held, the results of which are binding. The Council may not implement an increase which exceeds the Secretary of State's limits without holding the referendum. The Secretary of State has yet to fix the threshold for a referendum for 2014/15, though this is expected in mid February 2014. Were the Council to seek to exceed the threshold, substitute calculations which do not exceed the threshold would also have to be drawn up. These would apply in the event that the result of the referendum is not to approve the "excessive" rise in Council Tax.
- 13.16 In relation to each year the Council, as billing authority, must make the calculations set out in Section 31A and 31B of the Local Government Finance Act 1992. These statutory calculations are attached at Appendix Y5.

Robustness of estimates and adequacy of reserves

- 13.17 Section 25 of the Local Government Act 2003 requires, when the authority is making its calculations under s32 of the Local Government Finance Act 1992, the Chief Finance Officer to report to it on:-
- (a) the robustness of the estimates made for the purposes of the Calculations; and
 - (b) the adequacy of the proposed financial reserves.
- 13.18 The Chief Financial Officer's Section 25 statement is attached at Appendix Y4.

Treasury Strategy

- 13.19 Authorities are also required to produce and keep under review for the forthcoming year a range of indicators based on actual figures. These are set out in the report. The CIPFA Treasury Management Code of Practice says that movement may be made between the various indicators during the year by an Authority's Chief Finance Officer as long as the indicators for the total Authorised Limit and the total Operational Boundary for external debt remain unchanged. Any such changes are to be reported to the next meeting of the Council.
- 13.20 Under Section 5 of the 2003 Act, the prudential indicator for the total Authorised Limit for external debt is deemed to be increased by an amount of any unforeseen payment which becomes due to the Authority within the period to which the limit relates which would include for example additional external funding becoming available but not taken into account by the Authority when determining the Authorised Limit. Where Section 5 of the Act is relied upon to borrow above the Authorised Limit, the Code requires that this fact is reported to the next meeting of the Council.
- 13.21 Authority is delegated to the Executive Director for Resources & Regeneration to make amendments to the limits on the Council's counterparty list and to undertake Treasury

Management in accordance with the CIPFA Treasury Management Code of Practice and the Council's Treasury Policy Statement.

Constitutional provisions

- 13.22 Legislation provides that it is the responsibility of the full Council to set the Council's budget. Once the budget has been set, save for those decisions which he is precluded from, it is for the Mayor to make decisions in accordance with the statutory policy framework and that are not wholly inconsistent with the budget. It is for the Mayor to have overall responsibility for preparing the draft budget for submission to the Council to consider. If the Council does not accept the Mayor's proposals it may object to them and ask him to reconsider. The Mayor must then reconsider and submit proposals (amended or unamended) back to the Council which may only overturn them by a two-thirds majority.
- 13.23 For these purposes the term "budget" means the "budget requirement (as provided for in the Local Government Finance Act 1992) all the components of the budgetary allocations to different services and projects, proposed taxation levels, contingency funds (reserves and balances) and any plan or strategy for the control of the local authority's borrowing or capital expenditure." (Chapter 2 statutory guidance).
- 13.24 Authorities are advised by the statutory guidance to adopt an inclusive approach to preparing the draft budget, to ensure that councillors in general have the opportunity to be involved in the process. However it is clear that it is for the Mayor to take the lead in that process and proposals to be considered should come from him. The preparation of the proposals in this report has involved the Council's select committees and the Public Accounts Select Committee in particular, thereby complying with the statutory guidance.

Statutory duties and powers

- 13.25 The Council has a number of statutory duties which it must fulfil by law. It cannot lawfully decide not to carry out those duties. However, even where there is a statutory duty, the Council often has discretion about the level of service provision. Where a service is provided by virtue of a Council power rather than a duty, the Council is not bound to carry out those activities, though decisions about them must be taken in accordance with the decision making requirements of administrative law. In so far as this report deals with reductions in service provision in relation to a specific service, this has been dealt with in the section of the report/appendix specifically dealing with that service reduction.

Reasonableness and proper process

- 13.26 Decisions must be made reasonably taking into account all relevant considerations and ignoring irrelevancies. On 12 February 2014, the Mayor was asked to make a decision in relation to a particular service reduction in respect of the Attendance and Welfare Service. Members will see that in relation to that proposal, there is a report at Appendix Y2 which sets out the implications of the proposal and matters relevant to it. At that meeting, the Mayor decided that the budget for that service must be reduced, and therefore, the Council's reorganisation procedure applies. Staff consultation in accordance with that procedure will be conducted and in accordance with normal Council practice, the final decision would be made by the relevant Executive Director under delegated authority. The Executive Director confirms that to date, proper process has been followed.

Staff consultation

13.27 Where proposals, if accepted, would result in 100 redundancies or more within a 90 day period, an employer is required by Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 as amended, to consult with the representatives of those who may be affected by the proposals. The consultation period is at least 45 days. Where the number is 20 or more, but 99 or less the consultation period is 30 days. This requirement is in addition to the consultation with individuals affected by redundancy and/or reorganisation under the Council's own procedure.

Equalities

13.28 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

13.29 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.

13.30 The duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

13.31 The Equality and Human Rights Commission has recently 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: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

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

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty

- 13.33 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: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>
- 13.34 The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix Y6 and attention is drawn to its contents.
- 13.35 The equalities implications pertaining to the specific service reductions are dealt with in the Appendix relating to that reduction. These were presented to Mayor & Cabinet on 18 December 2013.

Crime and Disorder

- 13.36 Section 17 of the Crime and Disorder Act 1998 requires the Council when it exercises its functions to have regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Best Value

- 13.37 Under section 3 of the Local Government Act 1999, the Council is under a best value duty 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 relation to this report.

Environmental Implications

- 13.38 Section 40 of the 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’. No such implications have been identified in relation to the reductions proposals.

Integration with health

- 13.39 Members are reminded that provisions under the Health and Social Care Act 2012 require local authorities in the exercise of their functions to have regard to the need to integrate their services with health.

Recorded Vote

- 13.40 Since the budget report was drafted, the Government has made new regulations – ‘The Local Authorities (Standing Orders) (England) Regulations 2014. These require that at budget meetings, the names of those voting for and against, and abstaining on the budget proposal to be recorded in the minutes. The regulations come into effect on 25 February 2014 and so this requirement applies at the Council meeting on 26 February 2014.

- 13.41 It is also a legal requirement that the Council amend its standing orders as soon as practicable to reflect this new requirement. A report to do, this appears elsewhere on this agenda.

14 HUMAN RESOURCES IMPLICATIONS

- 14.1 There are no specific human resources implications arising from this report. Any such implications were considered as part of the revenue budget savings proposals presented to Mayor & Cabinet on 18 December 2013. A summary of the savings proposals are attached at Appendix Y1 to this report.

15. CRIME AND DISORDER IMPLICATIONS

- 15.1 There are no specific crime and disorder implications arising from this report. Any such implications were considered as part of the revenue budget savings proposals presented to Mayor & Cabinet on 18 December 2013. A summary of the savings proposals are attached at Appendix Y1 to this report.

16. EQUALITIES IMPLICATIONS

- 16.1 The Public Sector Equality Duty (set out in the Equality Act 2010) requires the Council to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 16.2 The protected groups covered by the Equality Duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination, within employment and training. It does not include a socio-economic duty.
- 16.3 The law requires that public authorities demonstrate that they have had 'due regard' to the aims of the Equality Duty in their decision-making. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which the Council can demonstrate that they have had 'due regard'.
- 16.4 Assessing impact on equality is not an end to itself and it should be tailored to, and be proportionate to, the decision being made. Whether it is proportionate for the Council to conduct an Equalities Analysis Assessment of the impact on equality of a financial decision or not depends on its relevance to the Authority's particular function and its likely impact on people from protected groups, including staff.
- 16.5 Where savings proposals are anticipated to have an impact on staffing levels, it will be subject to consultation as stipulated within the Council's Employment/Change Management policies, and services will be required to undertake an Equalities Analysis Assessment (EAA) as part of their restructuring process.
- 16.6 It is also important to note that the Council is subject to the Human Rights Act, and should therefore, also consider the potential impact their decisions could have on human rights.

17. ENVIRONMENTAL IMPLICATIONS

- 17.1 There are no specific environmental implications arising from this report. Any such implications were considered as part of the revenue budget savings proposals presented to Mayor & Cabinet on 18 December 2013. A summary of the savings proposals are attached at Appendix Y1 to this report.

18. CONCLUSION

- 18.1 This report sets out the information necessary for the Council to set the 2014/15 budget. Updates will be made to this report at Mayor & Cabinet on 19 February 2014. Final decisions will be taken at the meeting of full Council on 26 February 2014.

19. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

Short Title of	Date	Location	Contact
Strategic Financial Review	10 July 2013 (M&C)	3 rd Floor Laurence House	Selwyn Thompson
Strategic Financial Review Update	13 November 2013 (M&C)	3 rd Floor Laurence House	Selwyn Thompson
Savings Proposals for 2014/15 and 2015/16	18 December 2013 (M&C)	3 rd Floor Laurence House	Selwyn Thompson
Setting the Council Tax Base & Discounts for Second Homes and Empty Properties	15 January 2014 (M&C)	3 rd Floor Laurence House	Selwyn Thompson

For further information on this report, please contact:

Janet Senior
Executive Director for Resources & Regeneration on 020 8314 8013

David Austin
Head of Corporate Resources (Interim) on 020 8314 9114

Selwyn Thompson
Group Finance Manager, Budget Strategy on 020 8314 6932

20. APPENDICES

Capital Programme

- W1 Capital Programme 2013/14 to 2017/18 – Major Projects
- W2 Proposed Capital Programme – Original to latest Budget

Housing Revenue Account

- X1 Proposed Housing Revenue Account Savings 2014/15
- X2 Tenants' rent consultation 2014/15
- X3 Leasehold and Tenant charges consultation 2014/15
- X4 Leasehold and Tenants charges and Lewisham Homes Budget Strategy 2014/15
- X5 Other associated housing charges for 2014/15

General Fund

- Y1 Summary of budget savings for 2014/16
- Y2 Supporting Paper CYP12 – Attendance & Welfare Service saving proposal
- Y3 Ready Reckoner for Council Tax 2014/15
- Y4 Chief Financial Officer's Section 25 Statement
- Y5 Council Tax Calculation and Statutory Calculations

- Y6 Making Fair Financial Decisions
- Y7 Supporting Paper COM07 – Out of Hours Emergency Telephone Service saving proposal
- Y8 Notice of decisions – Mayor & Cabinet 12 February 2014

Treasury Management

- Z1 Interest Rate Forecasts 2014 – 2017
- Z2 Economic Background
- Z3 Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)
- Z4 Approved countries for investments
- Z5 Requirement of the CIPFA Management Code of Practice
- Z6 Mid Year Review Report 2013/14

2013 / 2014 TO 2017 / 2018 CAPITAL PROGRAMME - MAJOR PROJECTS

Major Projects over £2m	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
GENERAL FUND						
BSF - Prendergast Hilly Fields (D&B)	8.6					8.6
BSF - Sydenham (D&B)	10.1	9.9	4.7	1.2		25.9
BSF - Brent Knoll (D&B)	1.8	5.6				7.4
BSF - Hatchem Temple Grove	1.8	0.9				2.7
BSF - ICT in Schools	1.1	0.5	0.5	0.4	0.4	2.9
Schools - Primary Places Programme	20.6	25.1	8.9	9.4		64.0
Schools - Other Capital Works	4.4	7.7	1.2	1.2	1.2	15.7
Highways & Bridges - TfL	4.0					4.0
Highways & Bridges - LBL	5.5	3.5	3.5	3.5	3.5	19.5
Catford TC (inc Broadway & Milford Towers) Regeneration	2.4	2.8	2.0	3.6		10.8
Deptford Town Cen & High St Imps	2.0	0.1				2.1
Asset Management Programme - Non Schools	2.4	2.5	2.5	2.5	2.5	12.4
ICT - Tech Refresh	0.6	0.5	0.5	0.5	0.5	2.6
Kender and Excalibur Regeneration	2.1	1.9	0.8	0.6	1.1	6.5
Heathside & Lethbridge Regeneration	1.8	2.8	3.7	1.5	1.6	11.4
Property Acquisition – Hamilton Lodge/Canonbie Rd	3.9					3.9
Disabled Facilities Grant	0.6	1.0	0.7	0.7	0.7	3.7
Private Sector Grants and Loans	0.6	0.8	0.6	0.6	0.6	3.2
Vehicle Replacement	2.1					2.1
Aids, Adaptations, Disabilities	0.4	0.4	0.4	0.4	0.5	2.1
Other Schemes	6.9	2.1	1.1	0.0	0.0	10.1
	83.7	68.1	31.1	26.1	12.6	221.6
HOUSING REVENUE ACCOUNT						
Customer Services	2.6	0.8	0.7	0.7	0.7	5.5
Lewisham Homes	42.8	57.5	48.7	57.4	81.5	287.9
	45.4	58.3	49.4	58.1	82.2	293.4
TOTAL PROGRAMME	129.1	126.4	80.5	84.2	94.8	515.0

APPENDIX W2

PROPOSED CAPITAL PROGRAMME - ORIGINAL TO LATEST BUDGET

	Total £000	Total £000
GENERAL FUND		
Original Budget (June 2013)		177,585
New Schemes during the year		
Schools Basic Need - 15/16 and 16/17 Grant allocation	18,280	
LBL Highways, Footways, Bridges - 14/15 to 17/18 programme	14,000	
Schools Maintenance Grant - 14/15 Grant allocation	3,090	
Lewisham Central Opportunity site - Phase 1	598	
Ladywell Specialist Dementia Centre - Grant funded	250	
Evelyn St (Parker Hse)	192	
Trundley's Rd (Surrey Canal Triangle - Plot F)	150	
CCTV - LH Integrated Control Room (GF element)	121	
Nurseries - Cash Flow Loans	100	
Cemetery Improvement Works	100	
Beckenham Place Park - Homesteads (Insurance funded)	90	
Property Acquisition – Hamilton Lodge/Canonbie Road	3,940	
		40,911
Approved variations on existing schemes		
Heathside & Lethbridge - Revised figures for Phases 3 to 6, reimbursed by HA partner	1,970	
TfL Highways - Extra Grant allocations notified	605	
Deptford Station - Final costs	235	
Brockley Rise Centre - Hut Refurbishment	150	
Disabled Children (short breaks) - Extra grant allocation	125	
Other Minor Variations	49	
		3,134
Latest Budget		221,630
HOUSING REVENUE ACCOUNT		
Original Budget (June 2013)		229,883
HRA Business Plan Capital Requirement - Hostels	1,885	
Re-phasing Budgets and addition of 17/18 Budgets	61,642	
		63,527
Latest Budget		293,410
Overall Budget		515,040

APPENDIX X1: Proposed Housing Revenue Account Savings 2014/15

HRA Efficiencies/Savings & Growth proposals 2014/15

Item	Area	Proposals 2014/15 £'000
	Savings/Efficiencies	
1.	Lewisham Homes Fee	-324
2.	Nil Inflation Increase for Repairs & Maintenance	-420
	Savings/Efficiencies total	-744
	Growth	n/a
	Total Budget Proposals	-744

Savings/Efficiencies

Item 1 Lewisham Homes management fee

The initial fee proposal for 2014/15 after allowing an inflationary increase of 1% on salaries and 2.5% on running costs, less a reduction of £176k for stock loss through right to buy sales' and regeneration schemes was £19.000m.

However, Lewisham Homes have proposed a fee for 2014/15 of £18.676m which is a saving of £0.324m

The net effect, if the saving is taken, will be a management fee of £18.676m in 2014/15, against the fee for 2013/14 of £18.891m. This reflects an overall decrease of 0.23% in the fee per property compared to 2013/14.

Savings of £0.324m can be achieved through efficiencies with minimal impact on service provision.

Item 2 No Inflationary increase to Repairs & Maintenance budgets

It has been proposed by Lewisham Homes that the forecast inflationary increase to the Repairs & Maintenance budget of 2.5% is removed, producing a saving or cost reduction of £0.420m.

This proposal will have an impact on Lewisham Homes trading account and M&E budgets. However, the Repairs Trading Account, operated by Lewisham Homes, made surpluses in both 2011/12 and 2012/13 respectively. It is felt that this proposal can be accommodated without any impact on service provision, or reduction in repairs undertaken, due to improvements in efficiency.

APPENDIX X2: Tenants' rent consultation 2014/15

The Tenants' rent consultation meeting took place on 17th December 2013 with Lewisham Homes managed tenants. Brockley Tenants were due to be consulted as part of their panel meeting held on 19th December 2013, However, as this was poorly attended, consultation took place as part of the leaseholder forum held on 9th January 2014 and letters sent to members of the Brockley Panel. Excalibur tenants consultation took place via letters to residents and a report sent to the committee in December 2013.

Views of representatives on rent rise & savings proposals			
	Lewisham Homes	Brockley PFI	Excalibur TMO
No of representatives (excl Cllrs)		n/a	n/a
Rent Rise	See over	See over	See over
Savings Proposals:-			
1. Lewisham Homes Fee	See over	n/a	n/a
2. R&M Inflation	See over	n/a	n/a
Service Charges inc:	See over	See over	n/a
Heating & Hot Water Charges	No comments	n/a	
Garage Rents	No comments	No comments	n/a
Tenants Fund	Agreed	Agreed	No comments

Summary of other comments made by representatives	
Lewisham Homes Panel	<p>Rent rise:</p> <p>A significant number of representatives expressed concern at the level of the rent rise when compared to pay increases and changes in benefits. Particular reference was made to public sector workers who had experienced in recent years a 3 year pay freeze followed by a 1% pay award.</p> <p>The Panel asked for a the consultation response to include details of rent rises compared to pay for the past five years. This is set out in a table below this section.</p> <p>Resident representatives suggested that the increase should be halved. It was explained that this would lead to a significant loss of income and would limit the Council's ability to meet Decent Homes and other housing priorities.</p> <p>Tenants Service Charges & Heating & Hot water Charge:</p> <p>Residents queried the increase in caretaking charge. It was explained that the main driver in this was the harmonisation regarding caretakers pay, which meant an increase was required.</p> <p>Residents welcomed the service charge reduction in the pest control service.</p> <p>Savings Proposals:</p> <p>No comments were made</p>

Comparison of rent increases and public sector pay increases 2010-2015

	2010/11	2011/12	2012/13	2013/14	2014/15 (proposed)
	%	%	%	%	%
Public Sector Pay	0	0	0	1	1
Rent	1.34	4.99	7.05	4.05	5.05

Brockley PFI Area	<p>After consultation with residents, a meeting to discuss the rent and service charge increase was scheduled for Thursday 19th December 2013.</p> <p>However, only 1 tenant and no leaseholders attended, and the meeting was subsequently cancelled.</p> <p>It was decided that consultation with residents in the Brockley area would consist of direct letters to resident panel members and consultation at the Leaseholder forum which was to be held on 9th January 2014.</p> <p>A total of 3 responses were received via these methods and are attached below in full.</p> <p>Rent Rise:</p> <p>Only 1 tenant responded to the consultation letter.</p> <p>In general comments related to the procedure for consultation rather than directly related to the actual increase proposed.</p> <p>In terms of consultation, residents were asked to decide which date was suitable for a meeting and one was subsequently agreed and arranged for 19th December 2013 and papers dispatched accordingly.</p> <p>Due to the low attendance at the meeting, it was felt that it would be appropriate to write to resident representatives on the Brockley board to gauge their opinion and feed-back.</p> <p>Every effort was made by both Pinnacle and the council to consult adequately regarding the increases in charges.</p> <p>Tenants and Leaseholders Service Charges:</p> <p>Only 1 tenant and 2 leaseholders responded to the consultation letter.</p> <p>The tenant comments related to the non provision of a particular service (Window Cleaning) rather than the increase proposed.</p> <p>RB3 will be asked to formally respond to the comments regarding the window cleaning service.</p>
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Leaseholder Comments queried the validity and appropriateness of the use of RPI as the inflationary increase and also the morality of imposing increases that outweighed wage inflation increases.

Comments from the leaseholder forum held on 9th January 2014.

There was an Objection to the increase given the increasing costs in households bills and flat wages - leaseholders incomes are not rising in tandem with this increase, so how can it be expected that leaseholders can afford it.

There was a query as to why the service charges were increased by RPI (3.2%) + 0.5% - particular comment was made by a leaseholder who asked why CPI wasn't being used as they thought the government was changing to this rate of inflation rather than RPI.

In response to the above comments, officers can advise that the RB3 contract is increased with reference to RPIX (which excludes mortgage costs), not RPI or CPI.

This will not change over the life of the contract.

The government is currently consulting on whether to change the current formula for **rent** increases by replacing RPI + 0.5% with CPI + 1%. This is not due to be implemented until financial year 2015/16 at the earliest.

It is not yet clear if this will also apply to service charges. There is also the obligation on the authority to ensure that full costs in providing services are fully recovered, and that there is no cross subsidy from rental income.

It should also be noted that the overall increase proposed to Leasehold Service Charges is an average of 2.2%. Whilst some elements have increase by RPI + 0.5%, other elements have not been increased

Brockley Tenants Comment regarding rent increase

'I do not think that it is right that I have to pay for a service that I am not currently receiving. I find that the Pinnacle/Council is not allowing residents sufficient amount of time when it comes

to consulting them! By the time the council have made their final decision, the residents have been left in the dark. Pinnacle & the council are not letting residents know how important “meetings” are in order to work in partnership. This results in council’s making decisions without fully consulting residents’.

Brockley tenant comment regarding tenant service charge increase

‘I am against this service charge increase as Pinnacle and the council have been taking monies in 2013 & 2012 for service charges & not providing the service promised. We are paying for window cleaners as an example and in the last 2 years no one have come to clean the windows. Please advise in writing where this money has been spent as I will be making a claim to be compensated for all of my losses.

I don’t want to pay for any service charge’.

Brockley Leaseholder Comments regarding increases to leasehold service charges

1. In my opinion increasing service charges using RPI + 0.5% addition is grossly wrong. While Regenter is in maintenance business of property, it should not use RPI index which includes real estate as an indication of price inflation increases as it is inappropriate. In years of austerity, when Government is cutting spending and real term wages is dropping, it is unfair & unjustified to pass on such increases to leaseholders & residents. I would only agree to 1% increase max.
2. Where the Leasehold Valuation Tribunal (LVT) has ruled that work done by Regenter is appalling and substandard” that they have overcharged and done unnecessary work, and Lewisham have “lost control” of their contractors and censured Lewisham for lack of response to enquiries, Regenter/Pinnacle should be removed from the contract, not be putting up charges. Changing to a fixed cost is unfair as it doesn’t reflect the actual costs of services to myself and Lewisham don’t seem to know what the price rise is.

<p>Excalibur TMO</p>	<p>Rent Rise:</p> <p>As well as a report being sent to the management committee of the TMO for comments etc, all individual tenants on the estate were written to regarding the proposed increases in rents and asked to provide any comments and feedback by 13th January 2013.</p> <p>A total of 4 responses were received and are attached below in full.</p> <p>The general consensus of the responses was to question the validity and justification of any rent rise to be imposed on tenants in view of the poor condition of their property, and the fact that no major investment has ever been undertaken to the estate stock.</p> <p>Although not directly related to the rent rises, officers will forward comments and queries on the regeneration scheme onto the regeneration team for investigation and response.</p> <p>In response to the comments regarding the reduction of management allowances officers can advise that the actual allowance paid per unit managed was increasing, whilst acknowledging that overall payment to the organisation was reducing as stock is lost to the TMO and passed to the regeneration project.</p> <p>Tenants and Leaseholders Service Charges:</p> <p>n/a</p>
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Rent Increase – proposal for 2014/15 Excalibur Comments

Acting Chair of TMO - Emailed 16/12/2013

‘Our prefabs according to the Council fall below the decent homes standards a situation caused by the Land Lord Lewisham in the first place, one of the reasons why rent is charge as to up hold the obligation of the Land Lord to repair and improve their properties with some of the rent collected. On behalf of the tenants here of Excalibur Estate the **TMO Committee** are contesting any further rent increases until this matter is discussed, and discuss to why this estate in particular have to pay an increase in rent to live here while this estate remains, as the Council are determined to demolish the estate. And please do not attempt to quote some government policy, policy isn't law. In fact our prefabs have been determined as not to be classed as a building by Lewisham Council, in which case the Council have been charging rent and Council tax unlawfully.’

Resident of Wentland Road - Letter received 18/12/13

'I have received your letter that you are to increase our rent by £4.61 per week. I do not think it's right because of the trouble we are having. Deene have boarded us in like cattle. The bottom of my path and Mordred Road my way out to bus took me 5 minutes.

Now I have to up around and through 3 pathways to Goldsmith Centre which takes me 20-25 minutes as I have bad arthritis in my back and legs.

We have had all this upheaval for 12 years now and they say 2 years for a new build and I have to wait for a bungalow as I cannot climb stairs so I doing think we should have £4.61 extra to pay.'

Resident of Pelinore Road - Letter received 18/12/13

'Further to your letter dated 12th December 2012 I am writing to let you know that I do not agree with the proposed rent increase as –

1. The Council has had no consultation with the Committee about this rent increase as stated.
2. Your letter also states that Councils should offer similar rents for similar properties. The Prefabs on the Excalibur Estate are not in the same condition as flats and houses within the same location. We have no had new bathrooms, kitchens, windows, insulation, or external painting. In fact we were informed that our dwellings were not fit for habitation. Asses to that we now have roads closed, unsightly hoardings and will soon be living in the middle of a building site.

As I am living in Phase 4 I think the rents should be reduced, not increased. If the rent is increased then I will expect that my home (even if it is only for the next few years) to be brought up to the same standard as the flats and houses in the area.

Allowances for the estate are being reduced so why not our rent?'

Resident of Meliot Road - Letter received 13/01/14

'I have been away for a fortnight and just returned home, to find out that there is going to be a rent increase of £4.61 a week. I think this is a total outrage, given that the property we live in, is not even up to living standards. Black mould, Wood rot, thinned windows that make our prefabs even colder all year round, is just some of the issues we have. We have two young children and are not entitled to housing benefits, paying out for double the gas as normal houses, due to the old windows, we struggling to pay our current rent. We simply think that we should not encounter a rent increase, until we our prefab is in a liveable state.'

APPENDIX X3: Leasehold and Tenants Charges Consultation 2014/15

Committee	Brockley Residents Board	Item No	
Report Title	Leasehold and Tenant Charges Consultation		
Contributor	Regenter Brockley Operations Manager		
Class	Decision	Date	19th December 2013

1 Summary

- 1.1 The report sets out proposals to increase service charges to ensure full cost recovery in line with Lewisham Council's budget strategy.
- 1.2 The report requests Brockley Residents Board members to consider the proposals to increase service charges based on an uplift of 3.7% for 2013/14 on specific elements. This is based on full cost recovery in line with previous years' proposals.

2 Policy Context

- 2.1 The policy context for leasehold and tenant service charges is a mixture of statutory and Council Policy.
- 2.2 The Council's Housing Revenue Account is a ringfenced revenue account. The account is required to contain only those charges directly related to the management of the Council's Housing stock. This requires that leaseholder charges reflect the true cost of maintaining their properties where the provision of their lease allows. This prevents the situation occurring where tenants are subsidising the cost of leaseholders who have purchased their properties.

3. Recommendations

- 3.1 The Brockley Residents Board is requested to consider and comment on the proposals contained in this report and the feedback from the residents will be presented to Mayor and Cabinet as part of the wider rent setting report.

4. Purpose

- 4.1 The purpose of the report is to:
 - outline the proposals for increases in service charges in line with the contract arrangements for leaseholders and tenants to recover costs incurred for providing these services

5. Housing Revenue Account Charges

- 5.1 There are a number of charges made to residents which are not covered through rents. These charges are principally:
 - Leasehold Service Charges
 - Tenant Service Charges

- 5.2 A service charge levy is applied to Tenants for caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning. Tenants also pay a Tenants Fund Levy which is passed onto the Tenants Fund as a grant.
- 5.3 The key principles that should be considered when setting service charges are that:
- The charge should be fair and be no more or less than the cost of providing the service
 - The charge can be easily explained
 - The charge represents value for money
 - The charging basis allocates costs fairly amongst those receiving the service
 - The charge to all residents living in a block will be the same
- 5.4 The principle of full cost recovery ensures that residents pay for services consumed and minimises any pressures in the Housing Revenue Account in providing these services. This is in line with the current budget strategy.
- 5.5 In the current economic environment it must however be recognised that for some residents this may represent a significant financial strain. Those in receipt of housing benefit will receive housing benefit on increased service charges. Approximately 60% of council tenants are in receipt of housing benefit.

6. Analysis of full cost recovery

- 6.1 The following section provides analysis on the impact on individuals of increasing charges to the level required to ensure full cost recovery. The tables indicate the overall level of increases.

Leasehold service charges

- 6.2 The basis of the leasehold management charge has been reviewed and externally audited this summer to reflect the actual cost of the service. In line with best practice in the sector this is now a fixed cost rather than a variable cost. The management charge is £42.50 for street properties and £105.50 for blocks.
- 6.3 The uplift in leaseholder charges should reflect full cost recovery for the type of service undertaken. It is proposed that any uplift is applied at 3.7% (RPI +1/2%).
- 6.4 The following table sets out the average weekly increase for the current services provided by Regenter Brockley:

Service	Leasehold No.	Current Weekly Charge	New Weekly	Weekly Increase	% Increase
Caretaking	357	£3.51	£3.55	£0.04	3.7%
Grounds Maintenance	354	£1.96	£2.00	£0.04	3.7%
Lighting	384	£0.70	£0.74	£0.04	3.7%
Bulk Waste	357	£1.17	£1.21	£0.04	3.7%
Window Cleaning	216	£0.09	£0.09	£-	0.0%
Resident Involvement	510	£0.24	£0.24	£-	0.0%
Customer Services	510	£0.35	£0.35	£-	0.0%

Ground Rent	510	£0.19	£0.19	£-	0.0%
General Repairs	232	£0.50	£0.54	£0.04	3.7%
Technical Repairs	395	£0.28	£0.32	£0.04	3.7%
Entry Phone	137	£0.05	£0.05	£-	0.0%
Lift	234	£0.30	£0.30	£-	0.0%
Management Fee	510	£1.65	£1.65	£ -	0.0%
Total		£11.00	£11.22	£0.22	2.02%

Tenant service charges

- 6.5 Tenant service charges were separated out from rent (unpooled) in 2003/04, and have been increased by inflation since then. RB3 took over the provision of the caretaking and grounds maintenance services in 2007/08. Both tenants and leaseholders pay caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning service charges.
- 6.6 In addition, tenants pay a contribution of £0.13pw to the Lewisham Tenants Fund. At present there are no plans to increase the Tenants Fund charges.
- 6.7 In order to ensure full cost recovery, tenant's service charges for caretaking, grounds maintenance and other services should be increased in line with the percentage increase applied to leaseholder service charges. Overall, charges are suggested to be increased by an average of £0.18pw which would move the current average weekly charge from £4.95 to £5.13.
- 6.8 The effect of increases in tenant service charges to a level that covers the full cost of providing the service is set out in the table below.

Service	Current Weekly Charge	New Weekly Charge	Weekly Increase	% increase
Current	£	£	£	%
Caretaking	2.68	2.78	0.10	3.7%
Grounds	1.25	1.30	0.05	3.7%
Lighting	0.68	0.71	0.03	3.7%
Bulk Waste	0.19	0.20	0.01	3.7%
Window Cleaning	0.02	0.02	0.00	0.0%
Tenants fund	0.13	0.13	0.00	0.0%
Total	4.95	5.13	0.18	2.04%

- 6.9 The RB3 Board are asked for their views on these charges from 2014/15. Results of the consultation will be presented to Mayor and Cabinet for approval.

7. Financial implications

The main financial implications are set out in the body of the report.

8. Legal implications

- 8.1. Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Authority must review rents from time to time and make such changes as circumstances require. Within this discretion there is no one lawful option and any reasonable option may be looked at. The consequences of each option must be explained fully so that Members understand the implications of their decisions.
- 8.2 Section 76 of the Local Government and Housing Act 1989 provides that local housing authorities are under a duty to prevent a debit balance in the HRA. Rents must therefore be set to avoid such a debit.
- 8.3 Section 103 of the Housing Act 1985 sets out the terms under which secure tenancies may be varied. This requires –
 - the Council to serve a Notice of Variation at least 4 weeks before the effective date;
 - the provision of sufficient information to explain the variation;
 - an opportunity for the tenant to serve a Notice to Quit terminating their tenancy.
- 8.4 The timetable for the consideration of the 2014/15 rent levels provides an adequate period to ensure that legislative requirements are met.
- 8.5 Part III of Schedule 4 of the Local Government and Housing Act 1989 provides that where benefits or amenities arising out of the exercise of a Housing Authority's functions, are provided for persons housed by the authority, but are shared by the community as a whole, the authority shall make such contribution to their HRA from their other revenue accounts to properly reflect the community's share of the benefits or amenities.
- 8.6 Where as an outcome of the rent setting process, there are to be significant changes in housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.

9. Crime and disorder implications

There are no specific crime and disorder implications in respect of this report paragraph.

10. Equalities implications

The general principle of ensuring that residents pay the same charge for the same service is promoting the principle that services are provided to residents in a fair and equal manner.

11. Environmental implications

There are no specific environmental implications in respect of this report.

12. Conclusion

- 12.1 Revising the level of charges ensures that the charges are fair and residents are paying for the services they use.

12.2 The additional resources generated will relieve some of the current pressures within Housing Revenue Account and will contribute to the funding of the PFI contract which is contained within the authorities Housing Revenue Account.

If you require any further information on this report please contact

Maxeene McFarlane on 0207 635 1208 or Maxeene.mcfarlane@pinnacle-psg.com

APPENDIX X4: Leasehold and Tenants Charges and Lewisham Homes Budget Strategy 2014/15

Meeting	Combined Area Panel		Item No.	
Report Title	Lewisham Homes Budget Strategy and Leasehold/Tenant Service Charge 2014/15			
Report Of	Director of Resources – Adam Barrett			
Class	Decision	Date	17 th December 2013	

1. Purpose of the Report

- 1.1 This report sets out proposals to change existing service charges for residents in 2014/15 and updates the Area Panel on the Lewisham Homes budget position for 2014/15.

2. Recommendations

That the Area Panel:

- 2.1 Comments on the proposed service charges for 2014/15.
- 2.2 Notes the average changes, from 2013/13, in the tenanted and leasehold service charges:
- Tenants - increase of £0.17 (2.32%)
 - Leaseholders - unchanged at £13.89 per week.
- 2.3 Note the RPI for September 2013 is 3.2%.
- 2.4 Note that Lewisham's service charges remain below the average charge for London Boroughs.

3. Background of the Report

- 3.1 The Council's Housing Revenue Account is a ring fenced account. The account can only contain those charges directly related to the management of the Council's housing stock. As a result, leaseholders must be charged the true cost of maintaining their properties, where the provision of their lease allows. This prevents tenants subsidising the cost to leaseholders.
- 3.2 The Lewisham Homes budget process has identified net efficiency savings , of £0.500m for 2014/15. These have been passed on to residents and has resulted in the proposals for charges for 2014/15.
- 3.3 Charges for leaseholders have been maintained at 2013/14 levels at an average of £13.39 per week. The proposed 2014/15 average service charge for tenants is £7.72. This is an average increase of 2.32%, on the current charges of £7.55 and below the rate of inflation, though 75% of tenants are to receive an increase in charges of 3.59%.
- 3.4 The tenant charges increase is more than the leasehold increase as they are not charged for services such as Anti Social Behaviour, the charge for which has reduced by 26% or £0.11 in 2014/15.

- 3.5 The proposed 2014/15 average service charge for tenants, at £7.72, is below the London average charge of £8.76 for 2012/13. This demonstrates that Lewisham Homes charges are Value for Money when compare to other London Boroughs.

4. Tenant and Leasehold service charges 2014/15

- 4.1 Table 1 below sets out the proposed changes between the current 2013/14 average charge and the 2014/15 proposed charge.

Table 1

Existing Service	Tenant (T) / Leaseholders (LH)	Estimate (per week charge)		Change		
		2013/14	2014/15			
		£	£		£	%
Caretaking	T & LH	5.73	5.93	increase	0.19	3.37%
Ground Maintenance	T & LH	0.94	0.97	increase	0.02	2.50%
Communal Lighting	T & LH	0.89	0.86	decrease	-0.03	-3.40%
Anti Social Behaviour	LH	0.42	0.31	decrease	-0.11	-26.72%
Customer Services	LH	0.05	0.05	increase	0.00	1.00%
Resident Involvement	LH	0.39	0.42	increase	0.03	7.69%
Repairs and Maintenance - Building	LH	1.56	1.56	no change	0.00	0.00%
Repairs and Maintenance Technical	LH	1.06	1.06	no change	0.00	0.00%
Lifts	LH	2.65	2.65	no change	0.00	0.00%
Entry Phone	LH	0.36	0.36	no change	0.00	0.00%
Block Pest Control	T & LH	1.70	1.55	decrease	-0.15	-8.89%
Ground Rent	LH	0.19	0.19	no change	0.00	0.00%
Sweeping	LH	0.86	0.87	increase	0.01	1.00%
Management	LH	2.47	2.47	no change	0.00	0.00%
Window Cleaning	T & LH	0.06	0.06	no change	0.00	0.00%
Bulky House Hold Waste Collection Service	T & LH	0.46	0.48	increase	0.02	4.21%
Communal Heating and Hot Water	T & LH	9.83	9.88	increase	0.05	0.50%
Insurance	LH	0.87	0.87	no change	0.00	0.00%
Total (s)		30.50	30.32		-0.03	-0.11%

T & LH - Services Charges to both Tenant and Leaseholders , LH - Services Charges to Leaseholders only

5. Analysis of impact due to changes in Service Charges for Tenants

- 5.1 There is an overall increase of 2.32% for the service charge for tenants, from £7.55 to £7.72 per week. This rise is a result of an increase in caretaking charges of 3.37% and charges for the Bulky Household Waste Collection Service of 4.2%. The caretaking charge increase is due to pay inflation of 1% and the settlement of 2% in respect of the harmonisation of terms and

conditions for caretakers. The Bulky Household Waste Collection Service charge increase is due to the increase in charges paid to the Council by Lewisham Homes for this service.

- 5.2 A number of other charges have either reduced. For example communal lighting has reduced by -3.4%. This is due to regular meter readings from the current energy supplier, which has reduced the number of bills based on estimated readings. The average charge for Block Pest Control has decreased by 8.89%. This is due to efficiencies negotiated with the Council and economies of scales, as more properties are now receiving the service.
- 5.3 Table 2, below sets out the impact of the changes for current services for Tenants. The average increase is 2.32%, with 75.68% receiving an increase of 3.59%, i.e. just above inflation at 3.2% (September RPI).

Table 2

Bands of Decrease / Increase	Number of Tenants	% of Total	Average decrease / increase
Dec. of more than £3.00	60	0.45%	-16.59%
Dec £2.01 to £3.00	71	0.53%	-21.79%
Dec - £1.01 to £2.00	659	4.92%	-9.31%
Dec - 0 to 1.00	1,385	10.34%	-4.51%
Inc - 0 to 1.00	10,140	75.68%	3.59%
Inc - £1.01 to £2.00	881	6.58%	14.46%
Inc - £2.01 to £3.00	148	1.10%	20.45%
Inc – of more than 3.00	54	0.40%	9.79%
Grand Total	13,398	100.00%	2.32%

Dec – Decrease , Inc - Increase

6. Analysis of Impact due to changes in Service Charges for Leaseholders

- 6.1 Charges have been maintained for leaseholders at 2013/14 levels, i.e. £13.89 per week. This has been achieved by reducing the ASB charge that reflects the changes to the service provided to leaseholders. Table 3 below sets out the impact of the changes for leaseholders with 71.6% receiving an increase of 1.48%, which is below inflation.

Table 3

Bands of Decrease / Increase	Number in Band	% of Total	Average decrease / increase
Dec of more than 3.00	26	0.55%	-21.96%
Dec - £2.01 to £3.00	66	1.40%	-9.52%
Dec - £1.01 to £2.00	261	5.55%	-6.66%
Dec - 0 to 1.00	821	17.45%	-2.42%
Inc - 0 to 1.00	3,369	71.60%	1.48%
Inc - £1.01 to £2.00	147	3.12%	9.18%
Inc - £2.01 to £3.00	6	0.13%	12.42%
Inc – of more than 3.00	9	0.19%	59.16%
Grand Total	4,705	100.00%	0.03%

Dec – Decrease , Inc - Increase

7. Tenant Service Charge Benchmarking

- 7.1 The benchmarking data for 2013/14 is not currently available. As a result, the data for 2012/13 has been used to benchmark the service charge.

As Table 3 below shows the proposed average service charge for tenants for 2014/15 still remains below the average service charge for all London Boroughs in 2012/13 .

Average charges per week for London Boroughs for tenanted Service Charges 2012/13.

Table 4

Borough	£
Hillingdon	2.30
Sutton	5.12
Newham	6.38
Barnet	7.42
Tower Hamlets	7.56
Redbridge	7.57
Lewisham proposed charge 14/15	7.72
Brent	8.53
Hounslow	8.65
Islington	9.23
Camden	10.06
Ealing	10.94
Hackney	12.08
Haringey	18.04
Average (excluding Lewisham)	8.76

Source - CIPFA Rent and Service Charge data April 2013.

8. Lewisham Homes Budget Proposals for 2014/15

8.1 Company Budget and the Fee

- 8.2 The fee and budget that Lewisham Homes is proposing for 2014/15 is £18.676m. This represents a saving of £0.215 m on the 2013/14 fee. As shown in Table 5 below :-

Table 5

	Proposed Fee/budget £'000
2013/14 fee	18,891
Inflation	285
Service improvements and pressures	543
Savings	(1,043)
Fee	18,676

- 8.3 The proposed fee includes savings of £1.043m and increases due to service improvements and other financial pressures of £0.543m, i.e. an net saving of £0.500m.
- 8.4 The savings and growth with explanations are set out below

Savings Table

Description	£'000
Support Services Staff Savings	-246
Property Services savings	-309
Review of supplies and service	-88
Review of ICT supplies and services	-222
Charges to capital	-178
	-1,043

Support Services Staff Savings - £-0.246m

- 8.5 We have reviewed our support services structures. We are reviewing areas of work where we think there is limited value to our residents and focussing on those activities that add value. As a result we are reducing the number of strategies and policies and reviews we carry out. We are also ensuring that our processes are more efficient and using automated systems more which require less staff input. As a result we are reducing the number of support services staff and delivering efficiency savings

Property Services Savings - £-0.309m

- 8.6 We have restructured the major works team to strengthen the delivery and project Management functions, and provide a more customer focused service.

Review of Supplies and Services - £-0.88m

- 8.7 We review our supplies and services budgets on an annual basis. We deliver savings in this area through managing processes more efficiently, for example new printing systems that are more effective and reduce printing costs. We also ensure we test the market and get efficiency savings through better procurement.

Review of ICT Supplies and Services - £-0.222m

- 8.8 We are planning to re-procure key elements of the ICT service such as our telephone and mobile phone services. We have carried out a market review and are planning to make significant savings in this area taking advantage of more competitive prices that are currently available.

Recharges to Capital - £0.178m

- 8.9 We have reviewed the workload of the Mechanical and Electrical team and identified that a greater proportion of their costs should be charged to major capital projects.

Service Improvements and Pressures £0.543m

Description of Improvements / Growth	£'000
A net estimated cost for the cost of the increased RTB applications.	58
Increase in charges for Lewisham Homes property	50
Increase in Legal and Storage costs tenancy	47
Additional Resources for welfare reform	190

VFM review of major works expenditure	100
Additional estate inspections	42
Improvements to information management	56
	543

A net increase in costs for the cost of the increased RTB applications - £0.058m

- 8.10 There has been increase in Right to Buy applications from 189 applications in 2012/13 to an anticipated 430 applications in 2013/14. Each application means that Lewisham Homes incurs legal, valuation and survey costs. Not all of these costs can be recovered from charges made against the income from RTB sales. It is estimated that £58,000 will not be recoverable from sales income.

Increase in Charges for Lewisham Homes Property - £0.05m

- 8.12 Lewisham Homes is looking to relocate its core operations to one site office to work more efficiently and deliver improved services. This may result in additional costs estimated at £0.050m

Increase in Legal and Storage Costs - £0.047m

- 8.13 Demand on the service due to storage costs for evictions and legal costs has caused this budget pressure.

Additional Resources for Welfare Reform £0.190m

- 8.14 We are strengthening our teams to provide additional capacity to provide additional support and advice to residents on welfare reform and to manage higher levels of rent arrears which are anticipated as a result of the welfare reforms.

VFM review of Major Works Programme - £0.100m

- 8.15 We have introduced an audit regime to ensure that we are getting value for money from our Decent Homes programme. The costs of this work have been more than offset by savings identified as a result of the audits.

Additional Estate Inspections - £0.042m

- 8.16 We are carrying out additional inspections on our estates to ensure that any hazards that may present a danger to our residents and the public are identified at an early stage and rectified. This improves the health and safety of our estates and will result in reduced insurance costs in the longer term.

Improvements to Information Management - £0.056m

- 8.17 Lewisham Homes is reviewing its information management and data protection systems to meet enhanced government security standards and to ensure that we meet best practice standards for information management

9.0 Major works programme - £47.1m

- 9.1 The Decent Homes programme totals £47.1m for 2014/15. This represents an increase of £4.335m, or almost 10% on the 2013/14 budget of £42.765m. The target is to improve 2,133 homes up to the Decent Homes Standard during 2014/15.

Repairs & Maintenance budgets - £16.85m

- 8.19 The Repairs and Maintenance budget has been set, taking consideration of current and future demand for this service, whilst maintaining the repairs standard. The budget of £16.85m reflects more efficient use of resources, with a contribution of £0.960m to DLO expenditure within the Major Works Decent Homes programme. The budget has also been held at 2013/14 prices.

If you require further information on this report please contact Adam Barrett on 020 8613 7697 or email adam.barrett@lewishamhomes.org.uk

APPENDIX X5: Other Associated Housing Charges for 2014/15

Garage Rents

1. Allowance has been made for a 3.2% inflationary increase to garage rents in the Brockley area, based on the RPI rate at September 2013. This equates to an increase of £0.25 per week and raises the average charge from £7.99 to £8.24 per week.
2. Garage rents for the Lewisham Homes managed area are also proposed to rise in line with RPI inflation as at September 2013. This equates to an increase of £0.31 per week and would raise the average charge from £9.50 per week to £9.81 per week.

Tenants Levy

3. As part of the budget and rent setting proposals for 2005/6, a sum of £0.13 per week was 'unpooled' from rent as a tenants service charge in respect of the Lewisham Tenants Fund. There was no increase in charges for the period 2009/10 to 2013/14 following consultation with Housing Panels.
4. Lewisham Tenants Fund (LTF) put forward proposals to leave the levy at £0.13 for 2014/15. These were submitted to Housing Panels and agreed. Therefore, the levy for 2014/15 remains at £0.13 per property per week.

Hostel charges

5. Hostel accommodation charges are set based on rent restructuring rules and will rise by around 4.66% (£3.03 per week) under the rent restructuring formula.
6. Hostel services charges are set to achieve full cost recovery, following the implementation of self-financing. For 2014/15, the charge for Caretaking/management and Grounds Maintenance are proposed to be reduced by 6.91% or £5.04 per week to reflect savings and efficiencies achieved as part of the Group restructure in the latter part of 2013/14. This will move the average charge from £74.03 per unit per week to £68.00 per unit per week.
7. In addition, the charge levied for Heat, Light & Power (Energy) and Water Charges will also reduce due to further analysis on consumption patterns and communal area assumptions, which is now included within the service charge value noted in item 6 above. The charge for Heat, Light & Power will therefore reduce by £5.24pw from £10.48 to £5.24. Water charges will reduce from £2.05 to £0.17 a reduction of £1.88pw. The charge for Council Tax will be based on the total recharged received from Council Tax section. All charges will be based on the total number of hostel units after being reconfigured resulting in a small increase in the total number of units.
8. Hostel residents were consulted on these proposals via individual letters. Officers also invited hostel residents to meet them to discuss the changes and how these may affect them. However, no comments or representations were received.
9. There are no proposals to increase support charges, as it has been assumed that Supporting People grant will not receive an inflationary increase for 2014/15. The charge for Sheltered Housing tenants will be held at £10.66 per week. The charge for

Very Sheltered Housing tenants will be held at £94.53 per week. There are approximately 312 sheltered housing tenants and 37 Very Sheltered Housing tenants.

Linkline Charges

10. It is proposed to increase Linkline charges for 2014/15 by 5%. Charges will increase to £5.16 per week for line rental and £0.91 per week for maintenance from the current charge of £4.91 and £0.87 per week, respectively.

Private Sector Leasing (PSL)

11. Rent income for properties used in the Private Sector Leasing (PSL) scheme is a General Fund resource. Following consultation, the Department for Work and Pensions (DWP) announced that the threshold for 2013/14 for housing benefits subsidy allowances will be based on the January 2011 Local Housing Allowance, less 10%, plus a management fee of £40 per property, subject to a maximum capped amount of £500 per week. It is recommended that rents for private sector leased properties are kept within the 2011/12 weekly threshold, as set out in Table B3 below.

Table B3 - Local Housing Allowances for 2012/13 (used for PSL purposes)

Bed Size	Total LHA Inner Lewisham	Total LHA Outer Lewisham
1 Bed	£211.34	£180.19
2 Bed	£268.47	£211.34
3 Bed	£310.00	£246.66
4 Bed	£413.84	£310.00
5 Bed	£500.00	£393.08

Heating & How Water Charges

12. As part of last year's rent setting process the Mayor agreed to continue with the current formula methodology for calculating increases in Heating & Hot Water charges to tenants and leaseholders. This formula was originally approved by Mayor & Cabinet in December 2004.
13. The current charging methodology allows a limited inflationary price increase plus a maximum of £2 per week per property increase on the previous years charge. Consumption levels are also updated and included in the formula calculation.
14. A new corporate contract for the supply of gas is due to be re-let on 1st April 2014. In addition, a new Electricity contract was awarded for 3 years from 1st January 2014.
15. Prices for April 2014 gas contract can not be firmly estimated at this time. Any increase in the contract price are not likely be reflected in the proposed charge until the following year.
16. Therefore the proposal for 2014/15 is for an increase of 0.50% or -£0.05 per week for energy usage for communal heating. This has been worked out after taking account of updated stock levels due to stock transfers and updated consumption data. This will move the current average charge from £9.83pw to £9.88pw.

17. The proposal for communal lighting is a decrease of 3.40% or £0.03 per week. This will move the current average charge from £0.89pw to £0.86pw. Officers will review the costs and actual energy usage in 2013/14 as part of the monitoring regime for 2014/15 financial year and recommendations brought forward as part of the 2015/16 budget setting process.

APPENDIX Y1

2014/16 SAVINGS SUMMARY - DIRECTORATE

DIRECTORATE	2014/2015 Agreed Savings £'000s	2015/2016 Agreed Savings £'000s	Total Agreed Savings £'000s
CHILDREN & YOUNG PEOPLE	5,537.0	275.0	5,812.0
COMMUNITY SERVICES	9,817.0	50.0	9,867.0
CUSTOMER SERVICES	2,550.0	575.0	3,125.0
RESOURCES & REGENERATION	3,989.9	579.5	4,569.4
TOTAL - REVENUE BUDGET SAVINGS AGREED	21,893.9	1,479.5	23,373.4
ADDITIONAL EFFICIENCY SAVINGS – AGREED	2,500.0	0.0	2,500.0
ATTENDANCE & WELFARE SAVING – AGREED M&C 12 th February 2014	100.0	200.0	300.0
TOTAL - REVENUE BUDGET SAVINGS	24,493.9	1,679.5	26,173.4

2014/16 AGREED SAVINGS - SUMMARY

Ref.	Service	Description of saving	2014/15 £000's	2015/16 £000's
Children & Young People Directorate				
CYP01	SCHEFF: GOVERNORS SUPPORT	To achieve a balanced position on Governors Training and clerking services that recovers all direct costs and overheads at 15%.	35.0	
CYP02	SCHOOL IMPROVEMENT	In 2012/13 the Education Psychology team is being successful in achieving traded income from work in LA schools and Academies. The income is projected to be £70k ahead of the current budget and it is proposed that the budget for 2013/14 is increased by £70k to reflect this on an ongoing basis. The charges being made recover all direct costs and a 15% addition for overheads.	35.0	
CYP03	SCHOOL IMPROVEMENT	The Early Years Improvement Team. The proposal is to increase the income target by increasing the traded element of the team's work	21.0	
CYP06	SCHOOL IMPROVEMENT	To review support to schools at subject level so that it is more cost effective	60.0	
CYP08	SCHOOL IMPROVEMENT	A re-organisation of the business support across the Division. A number of recent re-organisations have moved teams into the Division each with business support roles. It is proposed to re-organise these roles into a single team that reflects the overall reduction in school improvement officer roles for schools.	85.0	
CYP09	SCHOOL IMPROVEMENT	The Wide Horizons contract for outdoor education ends on 31 March 2014. This marks the end of the 7 year period by which the Trust aimed to be a self financing organisation based on schools paying for the use of its facilities. The Trust is prepared for the ending of this funding and has plans for continuation when this funding ceases.	146.0	
CYP11	ER/VR, SUPPLY & TOFTUA	The Schools HR service continues to trade successfully with schools with Governors increasing the range of service they are purchasing. It is proposed to increase the charges to schools to ensure the costs recovered include overheads at 15% and to increase the income target to reflect 2012/13 levels of purchase by schools.	50.0	

CYP13	ESTATE MANAGEMENT	The Council's existing strategy is to increase paid school meal charges above the rate of inflation to reduce the overall subsidy to school meals. In May 2011 prices increased by 20p per meal. In May 2012 the increase was reduced to 10p as a result of securing contract cost reductions from the supplier. The relevant contribution of price increase and cost reduction is being reviewed in light of the impact of the May 2012 price increase on meal numbers in order to achieve a full year saving of £150k.	50.0	
CYP17	INTEGRATED YOUTH SUPPORT SERVICE	The Youth Service provides directly a range of services supporting young people in the borough covering: Youth Centres, Detached Youth Work, key worker support from Baseline, five adventure playgrounds and a programme of positive activities during holiday periods. These services are open to all young people to attend and use. It is proposed to provide a more targeted service with four elements as its focus: 1:1 intensive support for young people with identified vulnerabilities; issue based group work for specific vulnerable groups; street based youth work; and access to positive activities through fun and vibrant places to go and things to do. These activities to be targeted at young people at greatest risk of poor life outcomes. Savings to be made through a reduction in costs of centre based work and management costs.	558.0	
CYP18	EARLY YEARS & PLAY	The Directorate maintains resources to oversee the operation of the free entitlement for three and four year olds and the pilot scheme for two year olds. A review of the budget has identified provision for the two year old scheme which can be funded from the EIG provision for the two year old pilot scheme.	50.0	
CYP19	EARLY YEARS & PLAY	1. Restructuring of the Early Intervention Service Following the reorganisation of the Children's Centre, Child Care and Play service in October 2011 and the commissioning out of Children Centre services to schools and partners from the voluntary sector from July 2012, it is felt that the remaining structure should be modified to suit the new requirements on the service and the revised framework. To this end, the structure will be streamlined in order to deliver the appropriate level of management, business and targeted support. This will take into account Ofsted requirements of Children's Centres, the expected service outcomes and the efficient use of resources. 2. Disposal of vehicles The Early Intervention service has a number of vehicles which are no longer needed following the 2011 reorganisation. These include a Toy Library Van, a Play Bus, an Information Bus and two Baby Gym Vans. The vehicles were used as part of service delivery in the former Early Years, Children's Centres, Child Care and Play service but the tendering out of Children's Centre services to third party providers makes it no longer necessary for them to be retained centrally.	50.0	
CYP21	EARLY YEARS & PLAY	To cease paying for the provision from the Generation Play Club sites and offer the premises to the community to run play based services where wanted.	54.0	
CYP22	BUSINESS SUPPORT, PLACEMENTS & PROCUREMENT	The Council is participating in a DFE project to use Multi Treatment Fostering Care which aims to provide more sophisticated fostering arrangements for young people in care who would traditionally have been placed in residential care. The project aims to support these young people with a combination of specialist support with their foster carer.	250.0	

CYP25	CHILDREN'S PLACEMENTS & PROCUREMENT	There is a requirement in many instances for birth parents to have contact with their children in local authority care. It is proposed to make savings based upon increased use of Council premises rather than use external and charged for premises.	100.0	
CYP26	CHILDREN IN NEED	Following the implementation of the re-organisation of SEN and Children with Disability teams in July 2012 a review of processes and systems is being undertaken. The indications are that reform of these processes, to create more streamlined arrangements, will generate savings of £500k over the next two years.	300.0	
CYP28	BUSINESS SUPPORT, PLACEMENTS & PROCUREMENT	Within Children's Social Care there are a number of unqualified staff that support the role of front line Social Workers e.g. Business Support Officers and Social Work Assistants. The proposal is to realign staffing resources within the division to achieve savings whilst ensuring social worker capacity remains a priority.	150.0	
CYP30	BUSINESS SUPPORT, PLACEMENTS & PROCUREMENT	As part of the refurbishment of Laurence House it is proposed to no longer have a separate reception for Children Social Care families and for them to be initially managed through Access Point.	50.0	
CYP31	SPECIAL NEEDS	The experience of being a SEN pilot for the Government's SEN reforms to create a single plan for children with SEN and a personal budget will create opportunities to re configure provision and give parents more control. One of the areas to be affected is support for transport. Work in Croydon and Coventry indicates that by adapting the approach of social workers, Head Teachers and parents more appropriate use of personal transport budgets and independent travel can reduce costs. These combined with a renewed vigour in the procurement of transport assistance is expected to provide a saving of £500k in 2014/15 after saving sufficient expenditure to cover an over spending in 2012/13. Any consequent reduction in the need for Door to Door services would lead to a reduced staffing requirement.	500.0	
CYP33	FAMILY SUPPORT & INTERVENTION	At present Family Justice Review Court cases place significant reliance on expert reports that are costly and slow to produce. National proposals are that less reliance is placed on such reports and this should lead to quicker decision making and reduced costs for the social care budget. These savings are estimated at £200k.	100.0	
CYP35	RECHARGES: COMMISSIONING, STRATEGY	The Business Support Unit that pays for the Commissioning of Children's Health care services undertaken by LBL has agreed to increase its contribution toward costs by £50k in 2013/14. This is based upon an assessment of the time spent by the Strategy And Commissioning Division in undertaking this procurement. The strategy and commissioning team is current revising its business support systems for commissioning activity. This is expected to be concluded in 2013 enabling a saving of £27k to take place in 2014/15 financial year.	27.0	

CYP37	RECHARGES: COMMISSIONING, STRATEGY	The LIFE project is due to end in July 2013. The work and the learning from this pilot will be incorporated into business as usual from that point in time and will not require this additional source of funds once the pilot is ended.	100.0	
CYP38	RECHARGES: COMMISSIONING, STRATEGY	The total provision for Child and Adolescent Mental Health Services (CAMHS) across general funds, Early Intervention Grant and Dedicated Schools Grant is £1241k. In 2013/14 it is proposed to delete support and one off activity within the provision that does not impact upon front line provision. In 2014/15 a temporary provision for Tier 2 CAMHS in schools will be removed as new service level agreements for the service are introduced.	100.0	
CYP40	SCHOOL IMPROVEMENT	The Round 1 (see CYP02) saving increased the budgeted income level for the Education Psychology team to match the income levels already being achieved. As this saving is being achieved it is now thought possible to extend this target and achieve further income of £70k.	35.0	
CYP41	SCHOOL IMPROVEMENT	School Achievement special education transitions support - This role will be deleted and the supplies and services budget reduced. Transitions at pupil level will be managed by the Children with Complex Needs Service, within their existing budget. Transitions at school level will be led by the Educational Psychology team, who sit within School Improvement.	29.0	
CYP43	SCHOOL IMPROVEMENT	The 14 - 19 team support secondary schools. There is one vacant post that is now offered as a saving and the remainder of the saving can be achieved through reducing the supplies and services budget for printing and communications.	70.0	
CYP44	ESTATE MANAGEMENT	The Estates Management team provides support to schools on statutory maintenance and premises matters. The budget provides for the use of specialised consultancy support such as asbestos testing and building condition surveys. A review of the past expenditure against the budget and the progress on maintenance works has identified that this budget can now be reduced by £30k. Through the use of web based technology the eligibility criteria of families for free school meals can be processed more efficiently allowing a staffing reduction of 0.5fte.	45.0	
CYP46	ADMISSIONS & PUPILS OUT OF SCHOOL	Attendance and Welfare Service - A full re-organisation of the service is proposed considering the case loads of staff and the areas of work that have the greatest impact on absence. This will not reduce the scope of our statutory activity. The figure proposed is an indicative figure.	200.0	
CYP48	EARLY YEARS & PLAY	This saving provides for a reduction in business support for providers of £20k through a further re-organisation.	20.0	
CYP49	BUSSINESS SUPPORT, PLACEMENTS & PROCUREMENT	A review of the business support team across the service will be undertaken to examine the opportunities for reshaping the current activities and identifying opportunities for sharing resources with other support teams in the Council such as Finance and Adults. There are Round 1 savings at CYP 28, 29 and 30 that will also impact upon Business Support costs and organisation	150.0	

CYP50	FAMILY SUPPORT & INTERVENTION	New Court guidance has an expectation that cases should be completed within 26 weeks, at present the average is over a year. Through our Care Proceedings Pilot (with 3 other LAs) we anticipate that we can reduce the timetable significantly. Reducing our timetable will save on legal costs in Court. These savings were estimated at £200k in round 1 savings but work with the other partners within the project would indicate the savings will be higher at £350k in total, an increase of £150k. This relates to CYP 33. There will also be an expectation that expert reports which can be costly and timely to produce are reduced to a minimum, so where possible there is more reliance on the expertise of the professionals involved with the child such as the social worker. This should lead to quicker decision-making and reduced costs for the social care budget.	100.0	
CYP53	SAFEGUARDING & PLANNING SERVICE	Currently there is a specific role for a schools child protection officer. It is now felt that child protection liaison with schools by social care is sufficiently well embedded that a specific role is no longer required it is therefore proposed to delete a 0.5fte staffing resource and produce a saving of £30k	30.0	
CYP55	FOSTERING & ADOPTION	Currently in-house fostering placements are £370 per week lower than using outside agency fostering placements. While current efforts to increase the number of in-house carers has not been successful it is proposed to expend significant management attention on achieving an increase to the number of in-house placements by 25 per annum to effect a saving of £481k.	481.0	
CYP56	CHILDREN'S MANAGEMENT & OTHER	Currently social workers receive a car parking permit for Laurence House as part of their recruitment and retention package. Not all social workers use their cars so not all of them receive this allowance. A consultation will take place with staff on the continuation of the allowance.	20.0	
CYP57	LOOKED AFTER CHILDREN	The work on LAC rights includes a contract with Barnardo's that is due to end in 2013. The success of the Children in Care council would suggest we could bring the activity in house and not re-let the contract.	50.0	
CYP58	CONNEXIONS ETC	NEET Reduction. It is proposed to reduce the education contribution to the social enterprise fund which supports start up business for young people (£40k) and to delete 2 vacant posts on the Mayor's NEET programme.	40.0	
CYP59	STRATEGY & PERFORMANCE REVIEW	Further efficiencies are proposal through the re-commissioning of the Family Intervention Project an the re commissioning of short breaks provision for 2014. The efficiencies are to be split; £75k against the Family Intervention Project, and £50k against Short Breaks	125.0	
CYP21	EARLY YEARS & PLAY	To cease paying for the provision from the Generation Play Club sites and offer the premises to the community to run play based services where wanted.	500.0	
CYP01 (new)	PERFORMANCE	CYP Performance Service provides statutory data collections, data analysis, performance reporting to the Children and Young People's Strategic Partnership Board (CYPSPB), Lewisham Safeguarding Children Board (LSCB), DMT, Directorate Services, with particular emphasis on Children's Social Care and School Improvement. The implementation of the replacement corporate software for monitoring and reporting performance should result in fewer administrative processes to produce the monthly and annual performance data reports. This is expected to result in a saving of one post with an estimated value of £50k.	50.0	

CYP03 (new)	EARLY YEARS	The Early Years Improvement Team provides advice, support and training for practitioners working with children in the Early Years Foundation Stage in the maintained and non-maintained sector. It is proposed to make a saving on £58k through a review of work. Local authorities are required to make arrangements to secure that early childhood services in their area are provided in an integrated way that facilitates access to services and maximises the benefits to children, parents and prospective parents. Early years providers providing early years for which they are registered under the Childcare Act 2006 (or would be required to register but for being exempted) are required to ensure compliance with the "Early Years Foundation Stage". The proposed review of work in this area will have to ensure that sufficient advice, support and training will be available to ensure early years providers comply with their requirements to deliver the "Early Years Foundation Stage".	58.0	
CYP04 (new)	LOOKED AFTER CHILDREN EDUCATION TEAM	The Looked After Children Education Team oversees the education of Looked After Children, including providing tuition to support their learning, support in transition from primary to secondary school, and peer mentoring. The team also ensure that destinations data is collected to monitor pathways and ensure the right support is provided to individuals. Most of the funding is provided through the Dedicated Schools Grant (£200k) although there is a contribution of £62k to the service from the General Fund. In future all costs will be contained within the Dedicated Schools Grant.	62.0	
CYP05 (new)	BUSINESS SUPPORT, PLACEMENTS & PROCUREMENT	Business Support within Children's Social Care providers administrative support for all the services in the division. These are Referral & Assessment; Family Social Work; Looked After Children; Adoption; Leaving Care; Fostering; Placements & Procurement; Quality Assurance; and Children with Complex Needs. As well as the Business Support teams based in the front line services, there are currently 2 specialist teams providing centralised functions in compliance with separation of duties under Financial Regulations. This contributes to safeguarding functions by freeing up and supporting Social Workers to concentrate on direct work with vulnerable children and families. A review of business support across the Children's Social Care Division is being undertaken to examine the opportunities for reshaping current activities and identifying opportunities for sharing resources with other support teams in the Council such as Finance and Adult Social Care. These are in addition to the savings in the previous two years of £575k.	100.0	50.0
CYP06 (new)	LOOKED AFTER CHILDREN, LEAVING CARE & ADOPTION SERVICE	The leaving care team currently works with children looked after from the age of sixteen. We propose to make savings and improve the performance of the service by changing the way the service functions. Currently there are three Looked after Children's Teams that work with looked after children from roughly the age of 5 to 16 at which point they transfer to one of three Leaving Care Teams who provide support as the young person leaves care and onwards until they are 21 (or 25 if they are in full time education). Feedback from the Children in Care Council is that they would prefer not to have the change of worker at the age of 16. We are therefore proposing to have Looked after Children Teams that will take young people through to 25 where required. We can achieve this with 5 teams and delete one team manager post. The staff from that team will be spread out amongst the remaining teams.	0.0	100.0

CYP07 (new)	CONTACT	We are required by legislation to provide contact between some parents and their children who have been removed from their care. Some of these contacts need to be supervised and most of which are ordered by the courts. The Supervised Contact is provided in a safe place due to risks that the parent may still pose to the child. There is a requirement in many instances for birth parents to have contact with their children in Local Authority care. Contact will often be in secure environments, as some parents have difficult and challenging behaviour. We currently use specialist agencies to carry out this contact, who charge for premises. It is proposed to use Council premises in the future which will mean we will save on the cost of premises hire and/or alternatively negotiate significant reduction in room hire and other costs. This is in addition to the previous savings of £200k in 2013/14 and already offered for 2014/15. The proposed saving relates to a reduction in costs of premises where the service is located. Any new competitive procurement would seek bids which could reduce this cost.	0.0	50.0
CYP08 (new)	ADOPTION SERVICE	The Adoption Support Team provide services and advice to families to assist them through the process of adoption and as required by legislation provide contact between some parents and their children who have been removed from their care. We are currently implementing the Government reforms on adoption. The reforms included an equalisation of the assessment fee to £27k. Historically the adoption service has not targeted Lewisham families for adoption as many Lewisham LAC cannot be placed in the borough in close proximity to their birth families. The equalisation and reform grant monies mean we now have capacity to recruit surplus adopters, including Lewisham based adopters, that other Local Authorities and Adoption agencies can use. We anticipate that this will generate income for Lewisham. £50k represents two additional assessments.	50.0	
CYP09 (new)	FAMILY SOCIAL WORK	Meliot Road is a family centre that provides support to vulnerable families and Court reports as part of care proceedings. It is planned to sell surplus capacity to other London boroughs. Where the Council sells surplus capacity to other London Boroughs, officers must ensure that there are appropriate contractual arrangement in place to cover such arrangements.	15.0	
CYP10 (new)	EARLY INTERVENTION	This budget covers delivery of the Family Information Service which provides a directory that covers early years and childcare, employment and training, health, housing, safety and other issues. The database has been brought in house and the cost has therefore reduced.	45.0	
CYP11 (new)	EARLY INTERVENTION	Targeted Family Support contract - the commissioned Targeted Family Support contract provides support to vulnerable families. Through better commissioning arrangements savings can be made as we have managed the current Targeted Family Support contract to deliver to a lower value than initially set aside for the contract. This saving does not reduce the number of families who will receive support from the service, but does reduce the unit costs.	100.0	
CYP14 (new)	SERVICES TO SCHOOLS	Service Level agreements are offered by the council to schools and cover a variety of support services. Schools pay for these services from their delegated formula budgets. The services continue to trade successfully with schools and are increasing the value of services they are selling. It is proposed to increase the range of charges to schools and to ensure that all services to schools by the council are achieving the 15% overheads recovery.	75.0	75.0

CYP15 (new)	COST REDUCTIONS	The Directorate has been operating a Departmental Expenditure Panel (DEP) for two years in order to challenge the need for all proposed expenditure. The departmental expenditure panel consists of the Executive Director of Children of Young People and the Directorate's Head of Resources. It approves all expenditure that is incurred within the Directorate before it is committed unless it is an emergency or is for a social care / special educational needs placement. This has already resulted in in-year savings through stopping expenditure or budget holders deciding it is no longer appropriate to undertake expenditure in these austere times. It is proposed now to take out of the budget the savings that have been delivered in the past through this process.	216.0	
Total 2014/15 Agreed Savings – Children & Young People			5,537.0	275.0

Ref.	Service	Description of saving	2014/15 £000's	2015/16 £000's
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COMMUNITY SERVICES

COM01	CULTURAL SERVICES AND COMMUNITY & NEIGHBOURHOOD DEVELOPMENT	Reorganisation of Cultural Services and Community & Neighbourhood Development Divisions reducing the total number of posts.	250.0	
COM03	SPORTS DEVELOPMENT & LEISURE CENTRES	Reductions to the sports development budget including support to the voluntary sector and a further reduction to the budget for the leisure contract with Fusion.	50.0	50.0
COM12	SUPPORTING PEOPLE	Reduction in Supporting People budget through decommissioning, framework call-off and contract reduction	900.0	
COM15	REDESIGN AND CARE ASSESSMENT	Reconfiguration of staffing structure including amalgamation of teams and a reduction in duplication and cost of assessments.	1,015.0	
COM17	PROVISION AND PACKAGES	Reducing expenditure on packages and placements by a range of measures including : greater use of prevention and reablement; use of the care fund calculator; increasing the proportion of care delivered by personal assistants. Also retendering and reviewing the use of a number of contracts.	930.0	
COM18	DAY CARE	Review of day care provision (in-house and purchased) and associated transport costs.	900.0	
COM19	TRANSPORT	Reducing expenditure on taxis through better route planning and procurement and reviewing the provision of transport to service users who are not eligible for community care services	25.0	
COM21	CHARGING FOR NON-RESIDENTIAL SERVICES	Removing inconsistency in the charging policy, increasing charges for clients with higher levels of income and capital and improving timeliness of assessments and reassessments.	107.0	
COM30	REDESIGN AND CARE ASSESSMENT	Further integration with health partners to eliminate duplication of functions and streamlining the social care assessment process.	1,000.0	

COM31	ADULTS WITH LEARNING DISABILITIES	Developing supported housing options for independent living thus reducing the dependency on residential care, ensuring value for money in placement costs, and enabling more access for adults with learning disabilities to universal services.	125.0	
COM32	SAFEGUARDING, QUALITY & RISK	By supporting people to live longer in their own homes there will be a reduction in the need for residential care. However, when people need nursing care this will be funded from health monies received by the Council.	225.0	
COM34	BROADWAY THEATRE	Reduction in number of theatre staff	60.0	
COM34n	BROADWAY THEATRE	Reduction in number of theatre staff	65.0	
COM36	COMMUNITY CENTRES	Reduction in running costs for community services following asset rationalisation proposal put forward by Resources and Regeneration REG01. This budget relates to community premises that are directly managed by the council and not those managed on the council's behalf by community associations.	55.0	
COM37	SUPPORTING PEOPLE	Continuation of COM 12 by achieving further savings from the re-commissioning and decommissioning of Supporting People services	350.0	
COM38	COMMUNITY SAFETY	Cessation of the Home Security Service.	35.0	
COM39	COMMUNITY SAFETY	Cessation of funding for PCs following the expiry of current contract.	125.0	
COM01 (new)	ADULT SOCIAL CARE	This proposal builds on a number of previous savings proposals (Rounds 1 and 2) that bring together adult health and care services. The integrated adult health and care programme has been established to deliver better outcomes for residents and, through the joining up of health and care services and the removal of duplication across the whole health and care system deliver a range of efficiencies. The integrated care programme will focus on developing teams of professionals and support services that work closely with GP practices to reduce duplication of assessment, care planning and management of care. It is anticipated that this way of working will enable a saving of £2.5m to be made in 2014/15.	2,500.0	
COM02 (new)	CULTURE & COMMUNITY DEVELOPMENT	Both Leisure contracts include provision for free swims for under 16s and over 60s. In future, given the recognised benefits of swimming in terms of health and wellbeing, Public Health funding will be used to deliver this provision going forward as part of their physical activity programme. The commitment to free swims for under 16s and over 60s will therefore remain and work in partnership with Public Health will take place to promote the scheme and increase take up.	200.0	

COM03 (new)	CULTURE & COMMUNITY DEVELOPMENT - VCS grants	It is proposed to reduce the £6.4m grants budget by £0.5m. This reduction would be made against unallocated elements of the grants budget which have arisen due to a reduction in the required contribution to London Borough Grants Scheme, agreed tapering to some organisations over the period of the current three year funding programme and a small reduction to the Investment Fund which provides one off funding to VCS organisations to support innovation, service change and interventions for organisations in crisis. This saving proposal will not impact on the small grants, faith fund or existing commitments in the main grants programme.	500.0	
COM04 (new)	SUPPORTING PEOPLE	The Supporting People service received an additional amount within its budget to cover inflation costs. However the Supporting People Framework Agreement and call-off contracts under it do not provide for indexation or any inflationary increase and this additional funding can therefore be offered as a saving.	100.0	
COM05 (new)	DRUGS & ALCOHOL	Savings will be delivered through improved efficiencies, following a review of the drug and alcohol treatment budget and reallocation of resources in line with priorities. The Drug and Alcohol Action Team is working closely with Public Health in this work. The Tier 4 (detox and rehab) panel has been overhauled and the Tier 4 provider framework recommissioned. This ensures improved utilisation of rehabilitation provision and mitigates against the possible reduction in overall rehab places. In order to support people leaving rehab, an Aftercare service (TTP) has been commissioned and this ensures wraparound support is provided to residents following a period in a rehab setting. This results in sustained recovery. Local community based detox provision has also been established (also known as ambulatory detox) which is less costly than a residential rehab placement.	300.0	
Total 2014/15 Agreed Savings – Community Services			9,817.0	50.0

Ref.	Service	Description of saving	2014/15 £000's	2015/16 £000's
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CUSTOMER SERVICES

CUS02	BEREAVEMENT SERVICES	To increase fees and charges above inflation	55.0	
CUS04	GREEN SCENE	To restructure the pest control servide	35.0	
CUS05	GREEN SCENE	To review of the planting schemes and grass cutting regimes in parks and open spaces across the borough including the creation of more meadow areas in selected parks.	30.0	
CUS06	GREEN SCENE	To reflect the annual 3% efficiency saving built into the Council's Green Space Management contract	77.0	
CUS07	GREEN SCENE	To reduce the Council's Green Space Management contract by 10% as a part of the year 5 review (2015/16)	0.0	250.0
CUS10	REFUSE COLLECTION SERVICE	Review the number of crews that service the borough from 18 to 17 via replacement of existing waste vehicles with new, more efficient vehicles	67.0	
CUS11	REFUSE COLLECTION SERVICE	To cease using Convoys Wharf for the storage of refuse bins and therefore no longer have a requirement to pay National Non-Domestic Rates	30.0	
CUS18	STRATEGIC WASTE MANAGEMENT	To cease discretionary projects carried out by the Environment and Community Development team. This will result in a reorganisation of the team.	160.0	
CUS21	CUSTOMER SERVICES	Review of roles and responsibilities within ServicePoint , the service responsible for the delivery of the Access.Point Service (Corporate One Stop Shop), the Call.Point Service (Corporate Call Centre), and the Registration Service (births, deaths, marriages, civil partnerships, and citizenship	25.0	
CUS23	CUSTOMER SERVICES	The closure of AccessPoint (Corporate One Stop Shop) on Thursday evenings 5pm to 7pm and CallPoint (Corporate Call Centre) on Saturdays 9am-1pm. A management restructure would be required which would mean some minor changes to service delivery.	100.0	

CUS27	REVENUES SERVICES	The implementation of ASH debtors system will automate many of the sundry debt collection and recovery processes. This would mean the Debtors Team could be merged with the Enforcement Team which would result in a review of the management structure.	45.0	
CUS28	REVENUES SERVICES	Review of Council Tax email management resulting to the cessation of personalised email responses.	40.0	
CUS31	HOUSING PARTNERSHIP & DEVELOPMENT	A review of the Housing Strategy and Development area leading to a proposed combining the clienting and policy teams together and the development and regeneration teams, reducing the number of teams from three to two.	100.0	
CUS32	HOUSING NEEDS	A review of the Housing Needs team to meet Government and legislative changes to housing and welfare reform.	128.0	
CUS34	HOUSING NEEDS	To make better use of hostel accommodation and reducing the use of bed and breakfast accommodation.	100.0	
CUS35	SSR : STRATEGY & PERFORMANCE (CUS)	Delaying of the posts within the Strategy and Performance division.	183.0	
CUS41	STRATEGIC HOUSING & BUSINESS REGULATORY	Review of the Regulatory Services across the Strategic Housing and Environment divisions within Customer Services to better align functions, remove duplication and delay management.	200.0	
CUS45	STRATEGY & PERFORMANCE (CUSTOMER)	Reduction of an additional post across the Strategy & Performance division in Customer Services. Impact: This is linked to saving proposal CUS35 which will result in the delayering of post within the Strategy & Performance division. The likely impact on the reduction of an additional post will be:-Less maintenance of the corporate casework system and approach. A reduction in supplies and services budget. More time away from Change Management work	46.0	
CUS37	STREET MANAGEMENT	250k will be delivered by reviewing the remaining available street sweeping resources and deploying them as effectively as possible across the borough in order to mitigate the impact of the saving	250.0	
CUS01 (new)	HOUSING STRATEGY & PROGRAMMES	This proposal is to restructure the entire Housing Strategy and Programme team to provide a more streamlined approach by merging three teams into two new units, which will reduce management overheads, duplication and streamline processes. Of the £173k, £100k is already accounted for in the 2014/15 budget with a further £73k being a new saving achieved by a wider scale restructure of the team.	73.0	

CUS02 (new)	BECKENHAM PLACE PARK, BEREAVEMENT SERVICES, REFUSE & FLEET SERVICES	Staff related cost reviews in Beckenham Place Park, Bereavement Services Refuse & Fleet Services: £53k.	53.0	
CUS03 (new)	REFUSE	1.Reduction of recycling collection round and vehicle (x1). There are currently 9 rounds. Route optimisation will allow for one round to be reduced. 2.Income from bin hire charges introduced this year is exceeding original estimate (housing estate bulk collections). There is no indication that this will reduce in future years so anticipated income included in base budget.	270.0	
CUS04 (new)	PRIVATE SECTOR HOUSING UNIT	To transfer the hostels from the HRA to the General Fund. The budget for Hostel accommodation is currently held in the HRA. In recent years hostels have been used to increase the Council's stock of temporary accommodation, along side Bed & Breakfast accommodation (B&B) and Private Sector Leases (PSL), which are charged to the General Fund. The transfer of Hostels to the General Fund would allow a consistent approach for all types of temporary accommodation. An effect of this change would be to set the rents for those in hostel accommodation on the same basis as those in PSL properties. This would have the effect of increasing income to the Council of £200k.	0.0	200.0
CUS05 (new)	HOUSING STRATEGY & PROGRAMMES	This saving will be achieved by absorbing an element of the expected £516k management costs within the Council as a result of the fact that now a large number of the properties have been let the resource requirement to manage the scheme has reduced. The effect of these efficiencies is a reduction in the expenditure budget for the Milford Towers project of £158k in this year.	158.0	
CUS06 (new)	SERVICE POINT	The Registration Service provides a Nationality Checking Service (NCS) which generates an income (budgeted income of £116K). The savings proposal increases the income budget by £200K to £316K. There is a significant demand for the NCS service and this is expected to continue for the next 2 years. The increase will be achieved by increasing the number of appointments available and processing more checks. The increased income assumes 60% of customers will go on to attend a Citizen Ceremony	200.0	
CUS07 (new)	SERVICE POINT	The Call.Point service current delivers an out of hours emergency telephone service. This savings proposal recommends the outsourcing of the service. Previous recommendations were to outsource the service to the London wide shared service centre operated by Vangent. However, concerns were raised over performance and risk. This proposal recommends the service is put out to tender rather than using the London wide shared service centre. Soft market testing suggests that once set up £200K savings are possible. Other providers (e.g. Agilisys and Capita) both deliver for other local authorities who report they are satisfied with the services received.	100.0	100.0

CUS08 (new)	SERVICE POINT	Reorganise Service Point staff to delayer and rationalise management duties. Delete remaining 6 x Sc6 supervisor posts, but create 1 scheduling and planning officer and 2 x Sc4.	25.0	25.0
Total 2014/15 Agreed Savings – Customer Service			2,550.0	575.0

Ref.	Service	Description of saving	2014/15 £000's	2015/16 £000's
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RESOURCES & REGENERATION

RNR01	ASSET STRATEGY AND DEVELOPMENT	Asset rationalisation	500.0	
RNR02	ASSET STRATEGY AND DEVELOPMENT	Review of contracts relating to Cleaning, Security and Regulatory Risks.	290.0	
RNR04	PROGRAMME MANAGEMENT AND PROPERTY	Staffing reorganisation Programme Management	20.0	
RNR05	PERFORMANCE AND PROGRAMME MANAGEMENT	Staffing reorganisation Programme & Project Delivery	37.0	
RNR06	TRANSPORT	Staffing reorganisation of the Engineering Team, the Transport Policy Team and the Network Management Team	57.5	
RNR08	TRANSPORT	1. Reduce the Road Safety function to level of TfL funding £44k; 2. Reduce highway winter maintenance £20k; 3. Reduce the periodic cleaning of road gullies from 2 to 3 years £30k; 4. Reduce the replacement of festive lights as they become defective and or damaged £21k; 5. Procure the maintenance of unlit traffic bollards ('keep left' signs on traffic islands) via Skanska at a cheaper rate than than that charged by current contractor £50k	11.0	
RNR09	TRANSPORT	Reduce costs and/or increased income from the retender of the current JCDecaux contract which ends on 31st December 2014	0.0	47.0
RNR14	PEOPLE MANAGEMENT SERVICES	Staffing reorganisation in Personnel & Development (HR)	110.0	
RNR16	PEOPLE MANAGEMENT SERVICES	Adult Social Care Learning & Development reductions	100.0	

RNR17	PEOPLE MANAGEMENT SERVICES	Reduce the Occupational Health Service £37.4k; Cessation of the EAP Service £41k	58.4	
RNR18	LAW DIVISION	Staffing reorganisation Legal Services	23.0	
RNR20	TECHNOLOGY & TRANSFORMATION	Staffing reorganisation to make a 25% reduction in the overall staffing budget of the Technology & Transformation Division	345.0	
RNR21	TECHNOLOGY & OPERATIONS	Reduce usage of printing and copying using multi-functional devices (MFDs) (£1m) and closure of 'INPRINT', the Council's internal print service (£80k)	540.0	500.0
RNR23	BUSINESS SUPPORT	Staffing reorganisation Finance Division	300.0	
RNR24	BUSINESS SUPPORT	1. The Payroll Service (£65k) - cost recovery charges to schools; 2. External Audit Fees (£50k) - arising from new national arrangements; 3. The Wearside Postal Service (£30k) - review of postage and internal post service between Town Hall and Wearside; 4. Contingency budget (£200k) - reduction in budget for directorate-wide once off pressures arising during the year	50.0	
RNR31	Regeneration & Asset Management (Division Wide)	Reduce the Regeneration & Asset Management budget by £550k to be split between staffing and asset rationalisation.	550.0	
RNR36	PEOPLE MANAGEMENT SERVICES	Reduction in staffing budget. This will have an impact on employee relations and whether there are specifically designated roles to lead on employee relations. The social care training function redesigns learning interventions to support social care workers. The number of programmes designed to support changes in care provision would reduce although they would be kept above a statutory minimum.	70.0	
RNR38	INSURANCE & RISK GROUP M	A review of the service structure and reduction in the general administration costs for the Insurance & Risk service.	35.0	
RNR41	TECHNOLOGY & TRANSFORMATION	This proposal represents a saving on the salaries budget for 2014-2015. This is in addition to a proposed saving in Round 1 of £345,000 on the salary budget for the same period. At present there are a number of labour-intensive projects that are scheduled for completion around the start of 2014-2015 and, if those projects complete on time, there should be some easing of pressure on the Division. However, there are risks that projects may overrun. In any event, even if projects are complete, the reduction in staff numbers will affect the ability to rapidly deliver support for line-of-business systems and any new or emerging projects.	150.0	

RNR42	HEAD OF BUSINESS SUPPORT	Further savings will be identified from the teams that deal with the financial processes associated with adult social care (payments, financial assessment, invoicing and administration of client finances). Efficiencies will be identified through information exchange with other agencies and through better use of IT systems. Additionally, more income will be generated from clients for whom the council is acting as deputy.	100.0	
RNR43	HEAD OF BUSINESS SUPPORT	The total 2012/13 staffing budget is £4m. This is split into - £0.7m for statutory accounting services and central co-ordination of corporate process, such as budgeting; - £1.6m for management accounting and business advice to services; - £1.7m for transactional financial services including payroll and pensions. In February 2011 the Council agreed savings of c£1m within the Finance service. Following that decision, a reorganisation was implemented and the new structure is now operating effectively. Further savings of £300k were put forward for 2014/15 - through Round 1 of this year's budget savings process - following work to further rationalise administrative and other processes and to complete the re-implementation of the Oracle Financials system during 2013/14. This proposal seeks to increase that savings proposal by a further £200k.	200.0	
RNR47	POLICY & PARTNERSHIPS	£26k saving is proposed from the consultation and engagement budget. A saving of £5k from the social inclusion supplies and services budget which covers expenditure on social inclusion and diversity activity. Through negotiating changes to the licensing arrangements for our performance management system a saving of £35k against the contract cost is proposed. In its place a local solution will be developed using existing and available software solutions.	35.0	32.5
RNR01 (new)	AUDIT & RISK	Internal Audit – review assurance priorities and delivery mechanisms to save £75k. Counter Fraud – reduce resourcing of Housing Benefit Investigation by £25k (part year) ahead of move to the Single Fraud Investigation Service under Department for Work and Pensions direction. This post is currently vacant. Health & Safety – delete the vacant post for administration support H&S trainee post to save £30k and connect this team to the Business Support Services review to get administration support centrally.	130.0	

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RNR02 (new)	PLANNING	The Planning Service introduced a fee of £1,000+VAT for the provision of pre-application advice on Major planning applications with a £40,000 income target per annum. This fee was introduced on 1 April 2011. At the time, the Service stated that it would assess the potential to extend pre-application fees to other planning application categories including householder applications. It is now proposed that the following pre-application fees will be payable from 1 April 2014: Charges: The fee for a pre-application meeting for a development site will be £1,500+VAT and £750+VAT for any follow up meeting. In addition, charges will be payable for presentations to the Council's Design Review Panel and to cover matters such as the preparation of a draft legal agreement and reviewing a viability assessment. For householders and other small scale proposals from local businesses, the charge will be £60+VAT for a written enquiry and £150+VAT if it involves a meeting. A combination of the increase in fees for pre application advice on Major planning applications and the new fee for householder and other small scale scheme pre-application advice should enable an additional £50k to be achieved in fees.	50.0	
RNR03 (new)	POLICY & GOVERNANCE	A saving across the salaries budgets is proposed at £128k for 2014/15 through the deletion of 2.4 vacant posts.	128.0	
RNR04 (new)	STRATEGY	Community Budget £100K reduction: reduction in cross partner project work and seek resources for specific projects when needed rather than baseline funding.	100.0	
Total 2014/15 Agreed Savings – Resources & Regeneration			3,989.9	579.5

TOTAL 2014/15 AGREED SAVINGS	21,893.9	1,479.5
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ADDITIONAL EFFICIENCY SAVINGS – AGREED	2,500.0	0.0
ATTENDANCE & WELFARE SAVING – AGREED M&C 12th February 2014 (Appendix Y2)	100.0	200.0
TOTAL - REVENUE BUDGET SAVINGS	24,493.9	1,679.5

MAYOR AND CABINET	
Report Title:	Savings Proposals for the Attendance and Welfare Service
Key decision:	Yes
Ward:	All
Contributors:	Executive Director for Children and Young People Executive Director for Resources and Regeneration Head of Law
Date:	12 February 2013

1. Purpose of the report

The purpose is to seek the Mayor's agreement to further savings of £300,000 from the Attendance and Welfare Service, to be implemented in September 2014. The report takes into account the discussion at CYP Select Committee on 29 January 2014 and addresses the referrals made.

2. Policy context

- 2.1 The proposal is consistent with the priorities in the Children and Young People's Plan 2012-15, including improving secondary school attendance, closing the achievement gap between under-achieving groups and their peers, and reducing anti-social behaviour and youth crime.

3. Recommendations

It is recommended that the Mayor agrees:

- 3.1 further savings of £300k from the Attendance and Welfare Service (AWS), to be implemented in September 2014.

4. Background

- 4.1 In recognition of the Council's need to make further savings of £95m over the period 2014-2018, a review of the AWS is being carried out. The Mayor had already agreed in February 2013 to savings of £200k from the service to be achieved in the 2014/15 financial year. The requirement on the Council to make further savings following the local government settlement means that an additional £300k is now being sought from this area.
- 4.2 Schools' budgets have been protected and areas of activity for which schools have the prime responsibility are now frequently operated on a traded basis. Some services are fully charged and others partly charged. In these, some core costs are covered and the rest is

chargeable. Hitherto, the Attendance and Welfare Service has been free to schools (except for certain activities which Academies are charged for), but given the financial constraints on the Council, it is now a priority to examine a new model of working. Other local authorities have charged for aspects of these services for some time. Lewisham has historically been a high spender on this area of work. Currently, it is the highest spender per pupil compared with our statistical neighbours, at £33 per pupil, and the proposed saving would bring us into line with the average spend, which is £17 per pupil.

- 4.3 Borough performance figures show secondary attendance benchmarking low overall against other London and inner London authorities. Primary performance figures have been consistently high. Both phases have shown reduced overall and persistent absence year on year. Persistent absence is defined as missing 15% or more sessions. The latest figures published by the DfE, for autumn 2012 and spring 2013, showed Lewisham was 4th best among London authorities in terms of overall absence in primary schools, and 8th best in terms of primary persistent absence. Lewisham was ranked 24th in terms of secondary overall absence and 25th in terms of secondary persistent absence. Comparisons were with 33 London boroughs. Nationally, we are in the top quartile for both secondary and primary overall absence.
- 4.4 In terms of the impact of interventions by the service, the evidence is that earlier interventions work better than later interventions. Initial home visits are more effective at improving attendance than subsequent ones, and first court warnings are more successful than final ones (this applies to Fixed Penalty Notices as well).
- 4.5 By the time the case reaches prosecution, the success rate in improving a pupil's attendance goes down markedly. For completed court cases, only 42% of primary cases lead to attendance in excess of 90%, and only 18% lead to attendance of over 95%. For secondary cases only 15% lead to attendance of more than 90%. The view is that if the case does go to court, interventions have already failed. This does not mean that the LA or schools should disregard or refrain from prosecuting, as the process itself sends an important message.

5. Scope of the service

5.1 The Attendance and Welfare Service currently delivers services in three broad areas: prosecution, casework, and support and challenge to schools. More details are set out below. Given the current poor performance in terms of secondary attendance, there should in the reshaped service be more emphasis in that phase on interventions which have proved effective, as well as development of the more successful practice in primary schools.

5.1.1 Prosecution services consist of:

- preparing cases for prosecution, including scrutinising the evidence
- appearing in court to exercise the local authority's powers
- issuing Fixed Penalty Notices and
- providing training to school staff on preparing and presenting evidence in court.

5.1.2 Casework services involve working with specific groups as follows:

- Persistent absentees (i.e. pupils whose attendance is 85% or less) or those at risk of becoming so
- Pre-referral work, i.e. work with parents before the school makes a formal referral to the AWS. This focuses on those pupils who are close to the threshold of referral (88% attendance or less) or at risk in some way. The work also focuses on the siblings of pupils who are persistent absentees, in order to prevent those difficulties becoming entrenched in the family
- Tracking the attendance of and working with children from vulnerable groups such as Looked After Children, children with a Child Protection Plan, with Complex Needs, those known to the Multi-Agency Risk Assessment Conference (MARAC), those who are previously PA or whose parents were previously prosecuted
- Children Missing Education, and those who are not on roll or excluded
- Pupils subject to Child Employment regulations.

5.1.3 Support and challenge to schools falls into the following categories:

- Register checks to monitor performance, compliance with legislation, levels of attendance, trends, patterns, identifying vulnerabilities, and the pace of improvement
- Attendance audits and reviews either a) as requested by schools, to look broadly across school systems and practices, or b) initiated by the Local Authority for Red and Amber schools to facilitate monitoring, challenge and support for improvement.
- Advice and guidance
- Training, on areas such as home visiting, legislation and systems
- Co-ordinating networking to share practice and information and for training.

6. Core and chargeable elements

- 6.1 In order to achieve the proposed savings, it will be necessary to adopt a model in which there is a 'core' service consisting of elements provided free to schools, and other traded elements which schools can choose to buy in.
- 6.2 The core elements are those functions which the authority has a statutory responsibility to deliver, or which involve pupils in particular need. The delivery of statutory functions will not depend on sufficient numbers of schools buying in, though the hope is that many schools will choose to do so. The activities are set out in the table below. The 'core' activities listed below represent a reduction in volume from the current workload of the service, particularly in relation to casework, which will be more targeted.

Activity	Suggested category
<i>Prosecution</i>	
Preparing cases for court	Core
Court appearances	Core
Issuing Fixed Penalty Notices	Chargeable
Training on court procedures	Core
<i>Casework</i>	
Pre-referral work on pupils at risk	Chargeable
Persistent absentees	Chargeable except for vulnerable groups such as Looked After Children,

	children know to MARAC, children with a Child Protection Plan, children with Complex Needs, those who were previously PA and those whose parents were previously prosecuted.
Tracking attendance of vulnerable groups (LAC, MARAC, CPP, Complex Needs, previously PA, previously prosecuted)	Core
Children Missing Education, not on roll and excluded	Core
Pupils subject to Child Employment regulations	Core, though need to explore what elements may be chargeable to parents
Support and challenge to schools	
Register checks to monitor performance	Core but schools able to purchase more frequent checks
Advice and guidance	Chargeable
Training (e.g. legislation, systems, home visiting)	Chargeable
Co-ordinating the secondary network	Chargeable
Attendance audits	Chargeable
a) requested by schools	
b) for Red and Amber schools	Core

- 6.3 The current number of Persistent Absentee (PA) pupils is 991, split fairly evenly between primary and secondary schools. Pupils in the priority groups referred to above constitute 30% of this total. The activities of the core restructured service will be focused on tracking and monitoring these groups, supporting and challenging schools in their response to these needs, and carrying out targeted casework.
- 6.4 Schools are RAG-rated in terms of their overall attendance coupled with an assessment of their capacity to improve. For example, a school may be rated Green rather than Green Plus because although its attendance is currently over 95%, it may require more support or input to achieve this. A small number of schools are classified Red or Amber and therefore need particular support and challenge from the central team.
- 6.5 The local authority's statutory responsibilities are set out in section 9 of the report. These make clear, in line with the DfE August 2013 guidance, that the authority is responsible for activities relating to prosecution. There are also statutory responsibilities for child employment, entertainment licenses and removing pupils' names from school rolls. The proposals in this report are intended to enable the AWS still to carry out its role in relation to the authority's statutory duties. The authority also has an overall strategic responsibility for attendance, which links to its safeguarding duties. Charging for non-statutory elements of the service will not impact on the authority's ability to meet its statutory obligations.

- 6.6 In terms of prosecution, evidence presented in court must be directly related to the casework done with the family and not hearsay. The witness presenting the evidence must be the same person who carried out the work with the family which led to the prosecution. Until now, this has often been the authority's Attendance and Welfare Officer, though secondary schools have dedicated teams for this work and in some cases their staff have been able to appear in court to pursue the prosecution. The changes proposed in this report are likely to require staff in more schools to become involved in this activity. Prosecutions can be complex and labour-intensive and are important, but they only occur in 10-15% of the current casework managed by the service. Most cases do not proceed to court and we have also seen that in some instances issuing Fixed Penalty Notices can be more effective than normal prosecution.
- 6.7 Initial consultation with head teachers suggests that they agree with the core/chargeable split. Schools value the fact that the service is separate from the school and represents authority. Referring a case to the AWS can make it easier for the school to preserve its relationship with the family and, if the school has exhausted other strategies, the AWS becoming involved can produce quick results.
- 6.8 A draft charging scheme has been shared with schools, containing a number of options, some of which relate to one-off activities and some which are more comprehensive. One suggestion is that schools could opt to buy a day or a half-day a week of an AWO's time. In general, schools have said that they would be willing to consider buying in aspects of the service rather than the full service, but that their own budgets restrict what they may be able to purchase and small schools would find this more difficult. One possibility is that collaboratives of schools may pool resources to buy elements of the service. Schools in other authorities have been buying in services or providing them in-house for some time. It is schools' responsibility to secure high attendance. They are accountable for this and are judged on their performance by Ofsted.
- 6.9 There is evidence of schools already having some capacity to carry out certain functions in relation to attendance, in some cases extending to home visiting and gathering evidence for court, though the AWS specialisms in this area were also acknowledged. Secondary schools have already developed capacity in this respect, so the considerations for them may be somewhat different from those for primary schools. There should not be an adverse impact on schools with higher levels of pupils who qualify for Pupil Premium, as the resources attached to these pupils will assist in providing support for them. Training will be necessary for some staff in primary schools and it is likely that this will become a key part of the work done by the central team.
- 6.10 For comparison, a survey was done of 18 other London authorities, including our 10 statistical neighbours. The 18 were: Barnet, Bexley, Brent, Camden, Croydon, Greenwich, Hackney, Hammersmith and Fulham, Haringey, Harrow, Havering, Lambeth, Merton, Newham, Redbridge, Southwark, Tower Hamlets and Waltham Forest. Most had already carried out downsizing exercises, and buy-back systems for schools were also common. The smallest staffing complement was in Barnet (3.4 full time equivalent) and the largest was in Southwark (25). The average across all 18 was 11.5, and it was the same for our statistical neighbours. Our new service will have 12.5 posts.
- 6.11 The CYP Select Committee, in reviewing paragraph 6.10 above on 29 January 2014, requested further information be placed in front of the Mayor in relation to staff complements and pupil numbers. Authorities among our statistical neighbours have chosen to organise

their services in different ways. Croydon has the largest pupil population at 52,909 and has 12.2 staff (0.23 per thousand), and Hammersmith and Fulham has the smallest pupil population at 18,377 and has five staff (0.27 per thousand). For comparison, Lewisham's pupil population is 37,775, which is the fourth largest of the eleven, and the current staffing complement is 20.6, equivalent to 0.55 per thousand, significantly higher than other ratios. The proposals in this paper would reduce this to 12.5 posts, or 0.33 per thousand, which is still higher than other authorities.

- 6.12 In terms of statistical neighbour outcomes, Greenwich and Lewisham are equal first for overall primary attendance (according to the most recent DfE figures), and currently have similar complements of staff. Hackney were third and had 11.5 staff (29,152 pupils, 0.30 staff per thousand). For secondary schools, Hackney were first in terms of both overall and persistent absence. Hammersmith and Fulham were second in terms of overall absence and third in terms of persistent absence. Lewisham were 9th in terms of overall secondary absence and 10th for persistent absence. This shows that, managed well, traded services with smaller core teams are effective.
- 6.13 In line with our proposals, most teams elsewhere had a core of a team leader, Child Employment Officer, CME Officer, Court Officer, admin and a number of AWOs. In a number of cases, as with ours, the service formed part of a wider Early Intervention service using a multi-agency approach and there were also examples of staff being located in area teams.
- 6.14 In terms of how their services operated, among the examples that authorities reported as their most effective were: focusing on early intervention, use of fixed penalty notices, prioritising pupils with attendance of between 85 and 92%, and holding 'surgeries' or 'attendance clinics' in schools. These strategies are well-established in Lewisham.

7. Consultation

- 7.1 Consultation began with staff, unions and schools on 13 January 2014 and finished on 10 February. The implementation date will be 1 September 2014. Schools will be asked to confirm as soon as possible whether they intend to buy into the service, and if the responses are positive in this respect, it may allow the service to retain some staff who might otherwise have been made redundant. The implementation timetable will take account of this.

8 Financial implications

- 8.1 The current cost of the service is £1,087,440. The Mayor has already agreed £200k savings for 2014-15 and £300k further savings are being proposed to him by officers in this report.
- 8.2 If the savings are agreed, it is expected that the service will reduce from the current 22 staff (20.6 fte) to 12.5. Depending on the number of schools who choose to buy into elements of the service, it may be possible to retain one or more posts in addition to these 12.5. A further three staff are currently funded from the Troubled Families grant, and are not involved in this review.
- 8.3 Although it will be possible for schools to buy services in from the team, central staff will remain Council employees, so TUPE will not apply.

9. Legal Implications

- 9.1 Section 7 of the Education Act 1996 sets out the parent's/carer's legal duty to ensure that their child receives a suitable education by regular attendance at school or otherwise.
- 9.2 Section 443 statutorily requires local authorities to make arrangements to enable them to establish (as far as it is possible to do so) the identity of children in their area who are not receiving a suitable education. Section 444 imposes a statutory responsibility on local authorities to ensure that parents fulfil their legal duty that their child/ren of compulsory school age receive suitable, efficient full-time education either by regularly attending school or otherwise.
- 9.3 In accordance with section 446 of the Education Act 1996 legal proceedings in relation to offences under either section 443 or 444 can only be instituted by a local authority. As indicated in the report all court proceedings that the local authority are responsible for are being retained by the local authority.
- 9.4 Section 444A of the Education Act 1996 (inserted by the Anti –Social Behaviour Act 2003) enables head teachers and other “authorised officers” to issue Penalty Notices to the parents/carers of absent or truanting pupils from “relevant” schools. This includes maintained schools, PRUs, Academies and alternative provision Academies. Persons so authorised include a head teacher of a relevant school, a member of staff of a relevant school who is authorised by the head teacher to give penalty notices, local authority officers duly authorised by the local authority to give penalty notices and constables. It is proposed in this report that this is a service which the local authority will provide to schools on a chargeable basis.
- 9.5 Child employment responsibilities, which includes issuing of work permits, performance and chaperone licences are governed by the Children and Young Persons Act 1933 and the relevant provisions in the Management of Health and Safety at Work Regulations 1999 and the Children (Performance) Regulations 1968. These responsibilities are being retained by the local authority.
- 9.6 The proposals set out in this report to charge schools for those services which fall outside of the local authority's sole legal responsibility are permissible. It would not be possible for the local authority to seek to charge schools for activities where such responsibility rests solely with the local authority, e.g. school attendance orders and school attendance prosecutions. Where however such a charge relates to functions additional or ancillary to those local authority functions, then the local authority may seek to charge schools for such services, e.g. school attendance audits.
- 9.7 In terms of employment law there are clear business reasons for the restructuring in connection with the Attendance and Welfare Service which provide grounds to make changes to job roles and redundancies as detailed in Paragraph 8.2. The process will be managed in accordance with the Council's Management of Change Guidance to ensure compliance with relevant legislation
- 9.8 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 9.9 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.
- 9.10 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 9.11 The Equality and Human Rights Commission has recently 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: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 9.12 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
 2. Meeting the equality duty in policy and decision-making
 3. Engagement and the equality duty
 4. Equality objectives and the equality duty
 5. Equality information and the equality duty
- 9.13 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: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

10. Equalities implications

- 10.1 Children and young people in vulnerable groups are more likely to experience difficulties with school attendance and to suffer further disadvantage as a result.
- 10.2 Vulnerable groups include Looked After Children, Young Carers and those with Complex Needs, and the structuring of the ‘core’ part of the new service takes into account the need to track and support the attendance of these pupils. It is not anticipated that there will be a negative impact on schools which have significant numbers of vulnerable children, as the

proposed core part of the service recognises the support that these schools and children need.

10.3 The Equalities Analysis Assessment is attached.

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Equalities Analysis Assessment (EAA)

1. Summary

This document considers how the recommendations made in this report may affect different groups of young people (specifically those with ‘protected characteristics’) differently, and assesses whether these effects are positive or negative. It also outlines the activity that the Council will take to ensure that equal opportunities are promoted and that no group is discriminated against. Protected characteristics are: Race, Gender, Disability, Age, Sexual Orientation, Religion/Belief, Pregnancy and Maternity, Marriage and Civil Partnership, and Gender Reassignment.

The overall assessment of this EAA is that whilst the recommendations will affect different groups of young people differently, overall none of the protected characteristics will be disproportionately or negatively affected by the proposals.

2. What is an Equalities Analysis Assessment (EAA)

An EAA is the process of analysing a proposed or existing policy, strategy or service to identify what effect, or likely effect, will follow from its implementation for different groups in the community. Assessments should consider the effect of a service on Race, Gender, Disability, Age, Sexual Orientation, Religion/Belief, Pregnancy and Maternity, Marriage and Civil Partnership, and Gender Reassignment. In addition, EAAs consider whether proposals might contravene human rights. By conducting an EAA, organisations can consider what good practice could be shared or what measures might need to be taken to address any adverse impact.

Lewisham’s diversity is one of its key strengths and the Council is committed to supporting an inclusive and cohesive local community. EAAs support this intention, by identifying how the Council’s services can actively promote equal opportunities and avoid direct and indirect discrimination.

Scope and structure of the EAA

This document considers the equalities impact of the proposed changes to the Attendance and Welfare Service. It assesses the effect the recommendations will have on the specific groups involved as well as the wider community.

The EAA provides the answers to the following questions:

1. Will the proposed changes affect some groups in society differently?
2. Will the proposed changes disproportionately affect some groups more than others?
3. What actions can be taken to reduce any negative impact on particular groups?

3. Equalities context

National context

The Equality Act 2010 provides a legislative framework to protect the rights of individuals and advance equality of opportunity for all. It aims to deliver a simple and accessible framework of discrimination law which protects individuals from unfair treatment and promotes a fair and more equal society.

On 5 April 2011 the new public sector Equality Duty came into force. The Equality Duty replaces the three previous duties on race, disability and gender, bringing them together into a single duty, and extends it to cover age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment. The aim of the Duty is for public bodies to consider the needs of all individuals in their day to day work, in developing policy, in delivering services, and in relation to their own employees.

This EAA has been undertaken in line with the Council’s legal duties in relation to equality and, as such, has assessed the potential impact of the proposals in this report across the nine protected characteristics.

The Human Rights Act came into effect in the UK in October 2000. This means that people in the UK can take cases about their human rights as defined in the European convention on Human Rights to a UK court. At least 11 Articles of the European Convention on Human Rights have implications for the provision of public services and functions. This EAA assesses whether the proposed recommendations are in line with duties established by this Act.

Local context

Lewisham's commitment to promoting equalities is expressed in partnership and at the highest level. 'Shaping Our Future – Lewisham's Sustainable Community Strategy' establishes the overarching principle for all activity in the borough of 'Reducing inequality – narrowing the gap in outcomes for citizens.'

This commitment is reiterated in the Council's corporate priority to ensure that all of its services are delivered in an efficient, effective and equitable manner to meet the needs of the community. The Comprehensive Equalities Scheme is Lewisham Council's equality policy. It sets out the Council's commitment to equality and diversity and incorporates the Council's specific equality schemes covering the nine protected characteristics.

3. Restructuring the Attendance and Welfare Service

The Mayor agreed in February 2013 to savings from the service of £200k, to assist in the requirement that the Council should meet its savings targets. Following the local government settlement, further savings are now required of £95m by 2017/18. The service also operates in a context where schools' budgets have been protected and other services regionally have already restructured. The budget of the Lewisham AWS has increased in the last three years to become the most expensive per pupil among its statistical neighbours. Performance in primary attendance has improved consistently over the years and in Spring 2013 was the best among statistical neighbours. Secondary attendance, while having also improved consistently, does not compare so well, being 9th out of 11 statistical neighbours for overall absence, and 10th for persistent absence.

The vision of Lewisham's Children and Young People's Strategic Partnership is as follows: 'Together with families, we will improve the lives and life chances of children and young people in Lewisham'. This vision underpins our aims for the service.

Aims of the service and the restructure

The key aims of the service is to support schools in improving attendance, and to safeguard children in doing so. In restructuring, the service aims to fulfil its statutory duties, key among which are those for prosecution and child employment, and the underlying safeguarding responsibilities. While restructuring, it also aims to protect vulnerable groups, such as those with Child Protection Plans, with Complex Needs, Looked After Children, those known to MARAC, those previously persistently absent, and those previously the subject of prosecution.

4. Summary of local needs

Lewisham is the second largest inner London borough. There are approximately 274,900 residents, and there is a younger age profile than the national average with 24.5% of residents aged 0-19 compared to 23.8% nationally. There was a 34% increase in births in Lewisham between 2000/1 and 2009/10. Deprivation is increasing in Lewisham. The 2010 Index of Multiple Deprivation ranked Lewisham 31st out of 354 local authorities in England compared to a rank of 39 in 2007. Of the specific indicator of income deprivation affecting children, 35 (of 166) of Lewisham's super output areas are in the 10% most deprived in the country. It is estimated that 20,355 0-18 year olds live in poverty.

The children and young people's population is ethnically diverse. Whilst 40% of our residents are from black and minority ethnic backgrounds, this rises to 77% amongst our school population, with 170 different languages spoken by our pupils. There is a wide range of religions represented amongst Lewisham's children and young people's population. According to the 2012 Schools Census, 371 14-19 year olds and 862 8-19 year olds in Lewisham have a statement of special educational needs (SEN).

Good attendance at school is key to good attainment and reducing achievement gaps, and is also a protective factor for children and young people, and the work that the Attendance and Welfare Service does is instrumental in achieving these outcomes. Although Lewisham performs relatively well in relation to our statistical neighbours at primary level, the challenges at secondary level remain significant. In addition, the restructure will mean there are greater expectations on schools to deliver support to parents in terms of attendance. They have resources to do this, though they will also be able to buy back into the central service if they wish. The role of the central service will focus more on supporting and challenging schools in fulfilling those responsibilities.

5. Equalities Analysis Assessment for restructuring the service

The importance of ensuring that children attend school well is recognised across the Children and Young People's partnership. Responsibilities are shared in this area between parents, schools, the community, and the authority and its partners. Despite the constraints on resources, there must be sufficient capacity to ensure young people's safety and wellbeing.

The overall assessment of this EAA is that these proposals provides sufficient protection to meet the needs of groups with protected characteristics. The recommendations will not have a disproportionate impact on any group with a protected characteristic. This assessment also concludes that these recommendations do not contravene the Council's duties under the Human Right Act.

SEN/ disability

Analysis of the current caseload held by the service shows that 17 of the 230 primary and special school cases relate to pupils with statements of special educational needs. This is equivalent to 7.4%, and is higher than the proportion of the pupil population which has statements. Good attendance is a particular challenge for special schools, given factors such as recurring illness. The restructuring recognises the need to target pupils with complex needs for support. The view is that the proposal does not disproportionately disadvantage this group and the planned approach will prioritise them in terms of tracking and monitoring.

Age

The current service is weighted towards supporting primary and special schools, and this bias is likely to continue, but with less emphasis in future. Secondary schools already take responsibility for their own attendance, with support from the authority in certain defined and targeted areas, such as the issue of penalty notices, or year 6 to 7 transition. In future, Attendance and Welfare Officer (AWO) posts are likely to be more generic, and there may be greater flexibility in terms of staff switching between working with families with children in different phases. Given the distribution of resources, it is not felt that any age group is disadvantaged by the proposal.

Faith

Church schools generally have very good attendance. The service RAG-rates schools in terms of their attendance, and of the 21 'Green +' primary schools (with attendance of over 96%), 12 are faith schools. At secondary level, there are six schools with attendance over 95%, of which three are faith schools. Not all children attending church schools are members of the faith, though most are. There is no reason to suppose that the restructure will impinge on the successful work that these schools currently do. The proposals focus on pupils rather than schools, and it is not felt that they disadvantage any group in faith terms.

Gender

The current caseload of the service has 98 cases involving girls and 132 boys (42.6% compared with 57.4%). While not conclusive, this matches other data showing that boys are excluded more often than girls and as a consequence have more issues with attainment and engagement. Data is currently limited in terms of the prevalence of boys and girls in the priority groups listed above, but as the service intends to target these groups, the view is that the proposals do not disproportionately affect one gender over another.

Ethnicity

The largest group currently worked with by the service is White pupils (41.7%), followed by Black pupils (27.8%), and Mixed race (21.3%). Also on the caseload are smaller groups of Asian pupils (2.6%), Travellers (2.2%) and Others (1.3%). There are also 3% of cases where pupils' ethnicity is unknown. The service works predominantly with Lewisham schools rather than Lewisham residents (i.e. as the pupil is the responsibility of the school, the service does not do extensive work with Lewisham residents attending out-borough schools). As 77% of Lewisham's school population come from BME groups, there is over-representation of White pupils in the referrals made to the service. This has historically been the case and, apart from ethnicity, may be related to issues such as worklessness and generational expectations. The service will need to monitor the continuing impact on young people from different ethnic backgrounds and take steps to ensure services are delivered to under-represented groups.

Sexual orientation

The service does not collect data on this area and currently it is not possible to match it against the caseload of clients. If LGBTQ pupils are more likely to appear in the priority groups listed above, they will

be targeted for tracking and monitoring by the service. It will be important for the service to understand whether factors such as bullying of pupils in this category is having an impact on attendance.

6. Decision

Following the analysis of the data the following decision has been opted for:

To continue with the proposal but with actions to minimise any negative impact on groups with protected characteristics and ensure compliance with the Equality Duty. These are listed below.

7. Actions that will be taken to ensure compliance with the Equality Duty

1. Review the impact of the restructure on protected categories from the implementation of the new service in September 2014, and regularly thereafter.
2. Improve the collection of data on groups worked with by the service, to establish their prevalence in vulnerable categories and to establish better profiling.
3. Ensure that data is available longitudinally, to improve understanding of the impact of the work carried out by schools and the authority.

APPENDIX Y3

Ready Reckoner for Council Tax 2014/15						
	Budget Requirement	Council Tax (Band D)	Increase / Decrease	GLA Precept (Band D)	Total Council Tax (Band D)	Increase / Decrease
	£'M	£	%	£	£	%
2013/14	284.632	1,060.35	0.00%	303.00	1,363.35	0.00%
	266.884	1,044.44	-1.50%	299.00	1,343.44	-1.46%
	267.276	1,049.75	-1.00%	299.00	1,348.75	-1.07%
	267.668	1,055.05	-0.50%	299.00	1,354.05	-0.68%
Recommended	268.062	1,060.35	0.00	299.00	1,359.35	-0.29%
	268.452	1,065.65	0.50%	299.00	1,364.65	0.10%
	268.844	1,070.95	1.00%	299.00	1,369.95	0.48%
	269.236	1,076.26	1.50%	299.00	1,375.26	0.87%
	269.432	1,078.91	1.75%	299.00	1,377.91	1.07%

APPENDIX Y4

CHIEF FINANCIAL OFFICER'S STATEMENT REQUIRED UNDER SECTION 25 OF THE LOCAL GOVERNMENT ACT

This statement makes reference to the 2014/15 Budget Report to Mayor & Cabinet circulated to all Members.

Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to an authority when it is making the statutory calculations required to determine its Council Tax. The Authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. This Statement also reflects the requirements of CIPFA's current Local Authority Accounting Panel (LAAP) Bulletin 77 on 'Local Authority Reserves and Balances'.

Generally

The Council has already reduced its revenue budget by £82m since May 2010. The Strategic Financial Review was reported to Mayor & Cabinet in July 2013 with an update reported in November 2013. This set out that an estimated £85m of savings is required from 2014/15 to 2017/18 over and above savings already agreed. Following the confirmation of the Local Government Finance Settlement on 5 February 2014, the savings required for this period has increased to £95m. This is towards the upper end of officers' initial estimates.

The Council continues to take a prudent approach towards financial planning. During these times, the Council will need to weigh up the need to hold reserves and balances whilst going through this period of increased risk to the delivery of the budget versus the need to use reserves and balances when considering the need to set a balanced budget.

In setting this budget, the Council will maintain a level of corporate balances and reserves, which should be adequate to deal with any risk associated with the delivery of this budget. That said, there are still considerable risks associated with delivering the scale of savings required. The Chief Financial Officer recommends that the un-earmarked reserves are held at the current level of £12.0m. Should the need arise to call upon these reserves during the year, consideration should be given to replenish these as soon as possible.

In addition, the Council holds General Earmarked Reserves which total £60.2m. These funds are earmarked for various future planned spending and to undertake one-off projects or work that does not happen every year. Examples include, the transitional fund, redundancy provisions, elections, replacement of obsolete equipment and contractual claims that may become due (e.g. dilapidations that may become payable on properties we lease from the private sector to provide housing).

Pressures on the Council's Revenue Budget in 2014/15 include:

The 2014/15 budget pressures have been outlined in the main budget report. These include a range of pressures, some of which cannot be quantified at this stage and include: demographic pressures for children and adult services; redundancy and further potential changes to funding as a result of government legislation and reform. The Executive Director for Resources & Regeneration will either transfer some of these funds to the directorate budgets where quantifiable and not thought to be directly controllable at the start of the year or hold them corporately until such time when the pressure emerges during the year.

Budget assumptions

Inflation

In the Autumn Statement announced by the Chancellor, it was confirmed that public sector pay awards would notionally increase by 1%. For financial planning purposes, the Council has previously assumed an average pay inflation of 1% per annum, which equates to approximately £1.1m. The Council applies a notional non-pay inflation level of 2.5% per annum. This is subject to efficiency measures in 2014/15.

Moving forward, officers will need to closely monitor inflationary pressure on contracts, which in many cases, continues to outstrip the current level of Consumer Prices Index (CPI) inflation. In particular, this is for those areas which are viewed as being particularly sensitive to contract price changes, such as Adult Social Care and the range of PFI contracts which the Council is currently engaged with.

Budget Risks

Capital Programme

The risks related to the Capital Programme are managed programme-wide and scheme by scheme. Officers review anticipated capital receipts quarterly, the last review was carried out in January 2014. Projections are updated and reported on regularly to Mayor & Cabinet.

Service volume pressure

The Council continues to maintain a medium term financial strategy and corporate budget model by which it attempts to identify and anticipate financial pressures.

With regards to the overall financial standing of the authority, issues concerning the level of borrowing and debt outstanding, are considered in section ten of the 2014/15 Budget Report.

Business Rates Retention

This is the second local government finance settlement under the new 'business rate retention' funding system. There is now an increased emphasis on local authorities to grow their business activities locally. Councils will retain 30% of locally collected

business rates, but will have no discretion to vary the rateable value or 'multiplier', (i.e. the pound charged per rateable value).

In this new funding system, 40% of the settlement funding will come from business rates retained locally by the sector. Each local authority is given an indicative target of business rates yield against which growth will be judged. Councils will be able to retain a share of any growth in business rate income and therefore have a direct financial incentive to promote growth in their local economies. Conversely, any decline in business rates will also be borne by the authority and will negatively impact upon income levels.

Savings

It should also be acknowledged that there remains some risk that a given budget saving may not be delivered. This is managed currently through the budget monitoring process and updates will be given in budget monitoring reports. The extent to which any anticipated savings are not delivered adds to future pressures.

The Council has embarked upon the Lewisham Future Programme which will look at shaping the Council over the medium term. This Programme focuses on the areas of greatest spend, recognising that in the fourth consecutive year of spending reductions even greater innovation, focus on the customer, and cross-cutting thinking will be required to deliver savings, whilst attempting to minimise the impacts on residents and customers of Lewisham.

The Programme comprises a mixture of thematic and cross-cutting reviews. Some examples of these include: smarter assessment arrangements and deeper integration of social & health care, including public health; sharing services with other Councils and bodies; a strategic review of income generation and the drive to make further reductions in management and corporate overheads.

Control

Going forward into 2014/15, it will be even more important that the Council continues to maintain its strong systems for monitoring expenditure and controlling expenditure through Directorate cash limits.

Given the significant level of savings/cuts to be delivered in 2014/15 and beyond, and the unprecedented level of savings required for 2015/16, it will become increasingly important to monitor the progress being made in implementing these savings carefully during the year.

During 2013/14, the Executive Director for Resources & Regeneration re-affirmed instructions to budget managers to ensure tight spending on budgets and focus on ensuring the Council's budget position remains within budget at the year-end.

For 2014/15, the budget holders within Directorates are again being requested to endorse their cash limits before the start of the financial year and provide confirmation of an ability to deliver their services within the agreed allocated resources. Consideration

will also need to be given to the continued use of Departmental Expenditure Panels and potentially Corporate Expenditure Panels.

Conclusion

The Council has a robust and sophisticated approach for producing and maintaining its annual budget. Its financial plans and strategies have contributed to the achievement of the Council's corporate objectives.

Tight control will need to be exercised over the budget for 2014/15 given the levels of risk, as set out earlier in this statement.

Janet Senior – Executive Director for Resources & Regeneration
Chief Financial Officer – Section 151

February 2014

APPENDIX Y5

COUNCIL TAX AND STATUTORY CALCULATIONS

Council Tax Calculation

As part of the Localism Act 2011, any Council Tax increases that exceed 2% in 2014/15 will trigger an automatic referendum of all registered electors in the borough. The statutory calculation for whether the Council is required to hold a referendum is based upon the 'relevant basic' amount of Council Tax, which under accounting regulations, includes levies. Any final recommendations on Council Tax levels will need to meet statutory requirements.

To date, Lewisham has received estimations of its levies for 2014/15. Formal notifications are expected to be received week commencing 17 February 2014.

Council Tax and Levies

'Relevant Basic' Amount of Council Tax	2013/14	2014/15
Council Tax Base	72,199	73,941
Council Tax Requirement with Levy (£)	76,555,149	78,403,552
Basic Amount of Council Tax (£)	1,060.35	1,060.35
Increase in basic amount of Council Tax (%)		0%

Levy bodies for Lewisham	2013/14 £	2014/15 £	Change £
LPFA (estimated)	1,244,988	1,243,426	(1,562)
Lee Valley Regional Park (estimated)	236,933	232,194	(4,739)
Environment Agency (estimated)	169,511	170,425	914
Total Levies	1,651,432	1,646,045	(5,387)

*The term "relevant basic amount of council tax" is defined in section 52ZX of the 1992 Act (inserted as above and amended by section 41(1) and (9) to (13) of the **Local Audit and Accountability Act 2014**).*

Statutory Calculations

- 1) It be noted that at its meeting on 22 January 2014, the Council calculated the number of 73,941.2 as its Council Tax base for 2014/15 in accordance with the Local Authorities (Calculation of Taxbase) Regulations;
- 2) The following amounts be now calculated by the Council for the year 2014/15 in accordance with the Local Government Finance Act 1992:
- a. **£1,061,052,900** being the aggregate of the amounts which the Council estimated aggregate of the amounts which the Council estimates for gross expenditure, calculated in accordance with Section 31A (2) of the Act;
- b. **£792,990,900** being the aggregate of the amounts which the Council estimates for income, calculated in accordance with Section 31A(2) of the Act;
- c. **£268,062,000** being the amount by which the aggregate of 3(a) above exceeds the aggregate of 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its General Fund budget requirement for the year;
- d. **£187,349,823** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates and Revenue Support Grant, increased by the amount which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988. This includes a settlement funding assessment adjustment of **£900,000**;
- e. **£80,712,177** being the residual amount required to be collected from Council Tax payers. This includes the surplus on the Council's Collection Fund of **£2,308,625**.
- f. **£1,060.35** being the residual sum at (e) above (less the surplus on the Collection Fund), divided by the Council Tax base of **73,941.2** which is Lewisham's precept on the Collection Fund for 2014/15 at the level of Band D;

Band	Council Tax (LBL)
	£
A	706.90
B	824.72
C	942.53
D	1,060.35
E	1,295.98
F	1,531.62
G	1,767.25
H	2,120.70

Being the amounts given by multiplying the amount at (f) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

3) It be noted that for the year 2014/15, the Greater London Authority is currently consulting on the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 (as amended), for each of the categories of dwellings shown below:-

Band	GLA Precept
	£
A	199.33
B	232.56
C	265.78
D	299.00
E	365.44
F	431.89
G	498.33
H	598.00

4) Having calculated the estimated aggregate amount in each case of the amounts at 2) (f) and 3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, assumed the following amounts as the amounts of Council Tax for the year 2014/15 for each of the categories of dwellings shown below:-

Band	Total Council Tax (LBL & GLA)
	£
A	906.23
B	1,057.28
C	1,208.31
D	1,359.35
E	1,661.42
F	1,963.51
G	2,265.58
H	2,718.70

APPENDIX Y6

Making fair financial decisions



This guidance has been updated to reflect the new equality duty which came into force on 5 April 2011. It provides advice about the general equality duty.

0B Introduction

With major reductions in public spending, public authorities in Britain are being required to make difficult financial decisions. This guide sets out what is expected of you as a decision-maker or leader of a public authority responsible for delivering key services at a national, regional and/or local level, in order to make such decisions as fair as possible.

The new public sector equality duty (the equality duty) does not prevent you from making difficult decisions such as reorganisations and relocations, redundancies, and service reductions, nor does it stop you from making decisions which may affect one group more than another group. The equality duty enables you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of your community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different protected groups (or protected characteristics under the Equality Act 2010).

Assessing the impact on equality of proposed changes to policies, procedures and practices is not just something that the law requires, it is a positive opportunity for you as a public authority leader to ensure you make better decisions based on robust evidence.

1B What the law requires

Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

The protected groups covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.

The law requires that public authorities demonstrate that they have had 'due regard' to the aims of the equality duty in their decision-making. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had 'due regard'.

It is also important to note that public authorities subject to the equality duty are also likely to be subject to the Human Rights Act. We would therefore recommend that public authorities consider the potential impact their decisions could have on human rights.

2BAim of this guide

This guide aims to assist decision-makers in ensuring that:

- The process they follow to assess the impact on equality of financial proposals is robust, and
- The impact that financial proposals could have on protected groups is thoroughly considered before any decisions are arrived at.

We have also produced detailed guidance for those responsible for assessing the impact on equality of their policies, which is available on our website: http://www.equalityhumanrights.com/uploaded_files/EqualityAct/PSED/equality_analysis_guidance.pdf

3BThe benefits of assessing the impact on equality

By law, your assessments of impact on equality must:

- Contain enough information to enable a public authority to demonstrate it has had 'due regard' to the aims of the equality duty in its decision-making
- Consider ways of mitigating or avoiding any adverse impacts.

Such assessments do not have to take the form of a document called an equality impact assessment. If you choose not to develop a document of this type, then some alternative approach which systematically assesses any adverse impacts of a change in policy, procedure or practice will be required.

Assessing impact on equality is not an end in itself and it should be tailored to, and be proportionate to, the decision that is being made.

Whether it is proportionate for an authority to conduct an assessment of the impact on equality of a financial decision or not depends on its relevance to the authority's particular function and its likely impact on people from the protected groups.

We recommend that you document your assessment of the impact on equality when developing financial proposals. This will help you to:

- **Ensure you have a written record of the equality considerations you have taken into account.**
- **Ensure that your decision includes a consideration of the actions that would help to avoid or mitigate any impacts on particular protected**

groups. Individual decisions should also be informed by the wider context of decisions in your own and other relevant public authorities, so that particular groups are not unduly affected by the cumulative effects of different decisions.

- **Make your decisions based on evidence:** a decision which is informed by relevant local and national information about equality is a better quality decision. Assessments of impact on equality provide a clear and systematic way to collect, assess and put forward relevant evidence.

- **Make the decision-making process more transparent:** a process which involves those likely to be affected by the policy, and which is based on evidence, is much more open and transparent. This should also help you secure better public understanding of the difficult decisions you will be making in the coming months.

- **Comply with the law:** a written record can be used to demonstrate that due regard has been had. Failure to meet the equality duty may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

4B When should your assessments be carried out?

Assessments of the impact on equality must be carried out at a **formative stage** so that the assessment is an integral part of the development of a proposed policy, not a later justification of a policy that has already been adopted. Financial proposals which are relevant to equality, such as those likely to impact on equality in your workforce and/or for your community, should always be subject to a thorough assessment. This includes proposals to outsource or procure any of the functions of your organisation. The assessment should form part of the proposal, and you should consider it carefully **before** making your decision.

If you are presented with a proposal that has not been assessed for its impact on equality, you should question whether this enables you to consider fully the proposed changes and its likely impact. Decisions not to assess the impact on equality should be fully documented, along with the reasons and the evidence used to come to this conclusion. This is important as authorities may need to rely on this documentation if the decision is challenged.

It is also important to remember that the potential impact is not just about numbers. Evidence of a serious impact on a small number of individuals is just as important as something that will impact on many people.

5B What should I be looking for in my assessments?

Assessments of impact on equality need to be based on relevant information and enable the decision-maker to understand the equality implications of a decision and any alternative options or proposals.

As with everything, proportionality is a key principle. Assessing the impact on equality of a major financial proposal is likely to need significantly more effort and resources dedicated to ensuring effective engagement, than a simple assessment of a proposal to save money by changing staff travel arrangements.

There is no prescribed format for assessing the impact on equality, but the following questions and answers provide guidance to assist you in determining whether you consider that an assessment is robust enough to rely on:

- **Is the purpose of the financial proposal clearly set out?**

A robust assessment will set out the reasons for the change; how this change can impact on protected groups, as well as whom it is intended to benefit; and the intended outcome. You should also think about how individual financial proposals might relate to one another. This is because a series of changes to different policies or services could have a severe impact on particular protected groups.

Joint working with your public authority partners will also help you to consider thoroughly the impact of your joint decisions on the people you collectively serve.

Example: A local authority takes separate decisions to limit the eligibility criteria for community care services; increase charges for respite services; scale back its accessible housing programme; and cut concessionary travel. Each separate decision may have a significant effect on the lives of disabled residents, and the cumulative impact of these decisions may be considerable. This combined impact would not be apparent if the decisions were considered in isolation.

• **Has the assessment considered available evidence?**

Public authorities should consider the information and research already available locally and nationally. The assessment of impact on equality should be underpinned by up-to-date and reliable information about the different protected groups that the proposal is likely to have an impact on. A lack of information is not a sufficient reason to conclude that there is no impact.

• **Have those likely to be affected by the proposal been engaged?**

Engagement is crucial to assessing the impact on equality. There is no explicit requirement to engage people under the equality duty, but it will help you to improve the equality information that you use to understand the possible impact on your policy on different protected groups. No-one can give you a better insight into how proposed changes will have an impact on, for example, disabled people, than disabled people themselves.

• **Have potential positive and negative impacts been identified?**

It is not enough to state simply that a policy will impact on everyone equally; there should be a more in-depth consideration of available evidence to see if particular protected groups are more likely to be affected than others. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take particular steps for certain groups to address an existing disadvantage or to meet differing needs.

• **What course of action does the assessment suggest that I take? Is it justifiable?**

The assessment should clearly identify the option(s) chosen, and their potential impacts, and document the reasons for this decision. There are four possible outcomes of an assessment of the impact on equality, and more than one may apply to a single proposal:

Outcome 1: No major change required when the assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

Outcome 2: Adjustments to remove barriers identified by the assessment or to better advance equality. Are you satisfied that the proposed adjustments will remove the barriers identified?

Outcome 3: Continue despite having identified some potential for adverse impacts or missed opportunities to advance equality. In this case, the justification should be included in the assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact, as discussed below.

Outcome 4: Stop and rethink when an assessment shows actual or potential unlawful discrimination.

• Are there plans to alleviate any negative impacts?

Where the assessment indicates a potential negative impact, consideration should be given to means of reducing or mitigating this impact. This will in practice be supported by the development of an action plan to reduce impacts. This should identify the responsibility for delivering each action and the associated timescales for implementation. Considering what action you could take to avoid any negative impact is crucial, to reduce the likelihood that the difficult decisions you will have to take in the near future do not create or perpetuate inequality.

Example: A University decides to close down its childcare facility to save money, particularly given that it is currently being under-used. It identifies that doing so will have a negative impact on women and individuals from different racial groups, both staff and students.

In order to mitigate such impacts, the University designs an action plan to ensure relevant information on childcare facilities in the area is disseminated to staff and students in a timely manner. This will help to improve partnership working with the local authority and to ensure that sufficient and affordable childcare remains accessible to its students and staff.

• Are there plans to monitor the actual impact of the proposal?

Although assessments of impact on equality will help to anticipate a proposal's likely effect on different communities and groups, in reality the full impact of a decision will only be known once it is introduced. It is therefore important to set out arrangements for reviewing the actual impact of the proposals once they have been implemented.

6B What happens if you don't properly assess the impact on equality of relevant decisions?

If you have not carried out an assessment of impact on equality of the proposal, or have not done so thoroughly, you risk leaving yourself open to legal challenges, which are both costly and time-consuming. Recent legal cases have shown what can happen when authorities do not consider their equality duties when making decisions.

Example: A court recently overturned a decision by Haringey Council to consent to a large-scale building redevelopment in Wards Corner in

Tottenham, on the basis that the council had not considered the impact of the proposal on different racial groups before granting planning permission.

However, the result can often be far more fundamental than a legal challenge. If people feel that an authority is acting high-handedly or without properly involving its service users or employees, or listening to their concerns, they are likely to become disillusioned with you.

Above all, authorities which fail to carry out robust assessments of the impact on equality risk making poor and unfair decisions that could discriminate against particular protected groups and perpetuate or worsen inequality.

As part of its regulatory role to ensure compliance with the equality duty, the Commission will monitor financial decisions with a view to ensuring that these have been taken in compliance with the equality duty and have taken into account the need to mitigate negative impacts where possible.

APPENDIX Y7

Supporting Paper for CUS 07

The current out of hours telephone service

The out of hours telephone service answers 020 8314 6000 overnight, at weekends and on bank holidays. Last year the service dealt with 30,000 calls and 97% of these calls were answered in 15 seconds. There are 8 FTE staff of which 4 are seconded from the day time service.

The service deals with calls for the following services:

- Social Services
- Noise pollution
- Highways
- Trees
- Emergency Planning
- Emergency Services liaison
- Animal welfare
- Key holders for Council buildings
- Dangerous structures
- Emergency Schools contact
- Lewisham Homes emergency liaison
- Glendale

The service acts as a liaison point for the above, taking details and passing them on to on call officers or day time services the next day. The service also deals with general enquires from the public calling the number.

Out of hours telephone service - the need for change

The service is expensive as it has been unable to find any economies of scale with other overnight services operated by the Council. The service is also vulnerable to a major incident as only 2 people are on duty at any one time. If there was a peak in calls the service would not be able to cope.

Out of hours telephone service - previous proposals

Previous savings proposals suggested the Council took advantage of the framework contract set up by London Councils with Vangent which runs a London Wide out of hours call centre. The proposal was rejected on the basis of quality and feedback from other boroughs social services emergency duty teams.

Out of hours telephone service - current proposals

To specify the out of hours telephone service and carry out a procurement process which looks at cost and quality on the open market. Soft market testing has suggested this could yield significant savings for the same or an improved level of service.

Out of hours telephone service - are savings possible?

It is difficult to establish an accurate cost of an outsourced service and therefore savings potential prior to the procurement process. However, discussions with two leading contractors (not Vangent) providing this sort of service suggest that significant savings could be made whilst still providing an equivalent or improved service. The procurement process would test this in a formal and legally binding way. If the procurement process found that savings could not be made a decision would be made to stop the procurement process.

Out of hours telephone service - what about the quality of service?

As more than 2 staff would be on duty (although covering more than one contract) the service would be more robust and capable of handling peaks in call traffic. Both of the leading contractors spoken to suggested that quality would not be an issue if the service was specified properly with well documented processes and information (e.g. rotas) and that these were kept up to date.

At this stage it is not clear if the existing 4 staff on out of hours service contracts would TUPE to the new service as it is unlikely the service would be operating from within the borough. However, the two leading contractors spoken to both have sites in London. No TUPE transfer could mean a loss of local knowledge which has previously been a concern.

Although having a clear specification of service and well documented procedures are basic requirements that will be provided it does not measure how an Out of Hours service would cope in the real world where anything can happen. To try and find how the service copes in the real world two other councils which have contracted out their out of hours service to two of the leading contractors were asked for comments. To date only one has responded saying that the service was achieving the objectives set for the service in terms of cost and quality. Further information will be made available as soon as it is received.

Out of hours service – conclusion

The soft market testing shows that the Council could make a saving and still deliver an equivalent or improved level of service by going through a procurement process and appointing a contractor to deliver the service. However, this is not without risk. There are risks in the initial set up of the

service, the ability of the Council to keep the information up to date and a potential lack of local knowledge.

A do nothing option is also not without risk as the service would struggle to cope with a peak in calls that could occur during a major incident.

Recommendation

That the Council should go through a procurement exercise and rigorously test the quality issues with colleagues across the Council. If concerns remain following this the service would not be outsourced.



NOTICE OF DECISIONS MADE AT MAYOR & CABINET

The Mayor made the following decisions on 12 February 2014.

Decisions 1 to 6 will become effective on February 19 2014 unless they are called in by the Overview & Scrutiny Business Panel on February 18 2014

1. 2014/15 Budget

Having considered an officer report, and presentations by the Cabinet Member for Resources, the Chair of the Overview & Scrutiny Committee and a shop steward working in the Attendance & Welfare Service, the Mayor, from the options available, agreed that

(i) the consideration of the Public Accounts Select Committee of 6 February 2014, incorporating the views of the respective select committees on the previously agreed revenue budget savings proposals for 2014/16, be noted;
(ii) having considered the views of consultees on the budget, subject to proper process and consultation, if required, the following modifications be made to the published proposals;
Capital Programme
(iii) the 2013/14 Quarter 3 Capital Programme monitoring position as set out in section 5 be noted;
(iv) Council be recommended to approve the 2014/15 to 2017/18 Capital Programme of £385.9m, while noting that there are no new proposed major capital projects for this period, as set out in section 5 of this report and attached at Appendices W1 and W2;
Housing Revenue Account
(v) Council be asked to note the consultation report on service

<p>charges to tenants and leaseholders in the Brockley area, presented to area panel members on 19 December 2013, as attached at Appendix X3;</p>
<p>(vi) Council be asked to note the consultation report on service charges to tenants and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 17 December 2013, as attached at Appendix X4;</p>
<p>(vii) Council be recommended to set an increase of dwelling rents 5.05% (an average increase of £4.61 per week), in accordance with the Rent Restructuring formula;</p>
<p>(viii) Council be recommended to set an increase in the hostels accommodation charge by 4.66% (or £3.03 per week), in accordance with the Rent Restructuring formula;</p>
<p>(ix) Council be recommended to approve the following average weekly increases for dwellings for:</p> <p>(A) service charges to non-Lewisham Homes managed dwellings (Brockley);</p> <ul style="list-style-type: none"> • caretaking 3.70% (£0.04) • grounds 3.70% (£0.04) • communal lighting 3.70% (£0.04) • bulk waste collection 3.70% (£0.04) • window cleaning 0.00% (£0.00) • tenants' levy No increase <p>(B) service charges to Lewisham Homes managed dwellings:</p> <ul style="list-style-type: none"> • caretaking 3.37% (£0.19) • grounds 2.50% (£0.02) • window cleaning 0.00% (£0.00) • communal lighting -3.40% (-£0.03) decrease • block pest control -8.89% (-£0.15) decrease • waste collection 4.21% (£0.02) • heating & hot water 0.50% (£0.05) • tenants' levy No increase
<p>(x) Council be recommended to approve the following average weekly percentage decreases for hostels and shared temporary units for;</p> <ul style="list-style-type: none"> • service charges (hostels) – caretaking etc.; -6.91% (-£6.03) • energy cost decreases for heat, light & power; -50% (-£5.24) • water charges decrease; -91% (-£1.88)
<p>(xi) Council be recommended to approve an increase in garage rents by inflation of 3.2% (£0.25 per week) for Brockley residents and 3.2% (£0.31 per week) for Lewisham Homes residents;</p>
<p>(xii) the budgeted expenditure for the Housing Revenue Account (HRA) for</p>

2014/15 be £104.0m;
(xiii) the HRA budget strategy savings proposals be approved in order to achieve a balanced budget in 2014/15, as attached at Appendix X1;
Dedicated Schools Grant and Pupil Premium
(xiv) Council be recommended , subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £267.6m be the Schools' Budget for 2014/15 and note that this level of funding will not be supplemented by a general fund contribution;
General Fund Revenue Budget
(xv) the projected overall variance against the agreed 2013/14 revenue budget as set out in section 8 be noted;
(xvi) the previous revenue budget savings of £24.4m for 2014/15 and £1.5m for 2015/16, as set out in section 8 of the report and summarised in Appendix Y1 be approved;
(xvii) after consideration of additional information, the budget saving proposal of £0.3m for the Attendance and Welfare Service (CYP12, Savings Report to Mayor & Cabinet on 18 December 2013) be accepted).
(xviii) after consideration of additional information, the budget saving proposal of £0.2m be reaffirmed for the out of hours emergency telephone service as long as no part of the saving is achieved by paying rates below the London Living Wage (CUS07, Savings Report to Mayor & Cabinet on 18 December 2013),
(xix) there be an overall savings package of £26.2m for 2014/15 to 2016/17, of which £24.5m relates to 2014/15 and £1.7m relates to 2015/16;
(xx) Council be recommended to agree to fund revenue budget pressures of £3.6m in 2014/15, allowing the Executive Director for Resources & Regeneration to hold these resources corporately until such time that these pressures emerge during the year and it has been determined that the pressures cannot be contained within the directorates' cash limits;
(xxi) the Executive Director for Resources & Regeneration maintain a fund of £3.9m against which risks and other potential budget pressures which emerge during the year would be considered for funding;
(xxii) subject to decisions on the above proposals, agrees to recommend to Council the following option:
That a General Fund Budget Requirement of £268.062m for 2014/15 be approved, if a 0% increase in Lewisham's Council Tax element is

<p>agreed and the 1% Council Tax freeze grant of £1.0m is accepted. This will result in a Band D equivalent Council Tax level of £1,060.35 for Lewisham's services and £1,359.35 overall. This represents an overall decrease in Council Tax for 2014/15 of 0.29% and is subject to the GLA precept for 2014/15 being reduced by 1.3% from its existing 2013/14 level, in line with the GLA's draft proposal; existing 2013/14 level, in line with the GLA's draft proposal;</p>
<p>(xxiii) the Council Tax Ready Reckoner which for illustrative purposes, sets out the Band D equivalent Council Tax at various levels of increase be noted as explained in section 8 of the report and set out Appendix Y3;</p>
<p>(xxiv) the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2014/15 Revenue Budget is agreed;</p>
<p>(xxv) Council be recommended to receive the draft Chief Financial Officer's Section 25 Statement at Appendix Y4;</p>
<p>(xxvi) the draft statutory calculations for 2014/15 be approved as set out at Appendix Y5;</p>
<p>(xxvii) the prospects for the revenue budget for 2015/16 and future years be noted;</p>
<p>(xxviii) officers continue to develop firm proposals as part of the Lewisham Future Programme to help meet the forecast budget shortfalls in future years; Other Grants (within the General Fund);</p>
<p>(xxix) Council be recommended to approve the allocation of £0.65m per annum of New Homes Bonus over the next ten years 2014/15 to 2023/24, to provide delivery support for housing and school pressures as set out in section 9</p>
<p>Treasury Management Strategy</p>
<p>(xxx) Council be recommended to approve the prudential indicators and treasury limits, as set out in section 10;</p>
<p>(xxxi) Council be recommended to approve the 2014/15 treasury strategy, including the investment strategy and the credit worthiness policy, set out at Appendix Z3;</p>
<p>(xxxii) Council be recommended to agree the credit and counterparty risk management criteria, as set out at Appendix Z3, the proposed countries for investment at Appendix Z4, and that it formally delegates</p>

responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration;
(xxxiii) Council be recommended to agree to delegate to the Executive Director for Resources & Regeneration, authority during 2014/15, to make amendments to borrowing and investment strategies provided there is no change to the Council's authorised limit for borrowing;
(xxxiv) Council be recommended to agree to increase the maximum deposit limits with the part nationalised banks from £50m to £65m for each of Lloyds Banking Group and Royal Bank of Scotland (RBS) Group;
(xxxv) Council be recommended to approve lending to other local authorities up to a maximum of £5m and for a period of up to one year;
(xxxvi) the development of the Municipal Bond Agency be noted, and once fully established, to note its potential as a suitable Agency from which to borrow as an alternative to the Public Works Loan Board (PWLB);
(xxxvii) Council be recommended to agree the Minimum Revenue Provision (MRP) policy as set out in section 10;
(xxxviii) the Treasury Management mid-year review attached at Appendix Z6; be noted;
(xxxix) the recommendation in relation to further savings of £0.3m from the Attendance and Welfare Service (AWS), to be implemented in September 2014 be approved.

**Barry Quirk
Chief Executive
Lewisham Town Hall
Catford SE6 4RU**

13 February 2014

APPENDIX Z1: Interest Rate Forecasts 2014 - 2017

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Capita's central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20
Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

APPENDIX Z2: Economic Background

THE GLOBAL ECONOMY

The Eurozone (EZ). The sovereign debt crisis has eased during 2013 which has been a year of comparative calm after the hiatus of the Cyprus bailout in the spring. The EZ finally escaped from seven quarters of recession in quarter 2 of 2013 but growth is likely to remain weak and so will dampen UK growth. Greece remains particularly vulnerable and continues to struggle to meet EZ targets for fiscal correction. Many commentators still view a Greek exit from the Euro as inevitable and there are concerns that austerity measures in Cyprus could also end up in forcing an exit. The question remains as to how much damage an exit by one country would do and whether contagion would spread to other countries. However, the longer a Greek exit is delayed, the less are likely to be the repercussions beyond Greece on other countries and on EU banks. It looks increasingly likely that Slovenia will be the next country to need a bailout.

USA. The economy has managed to return to reasonable growth in Q2 2013 of 2.5% y/y and 2.8% in Q3, in spite of the fiscal cliff induced sharp cuts in federal expenditure that kicked in on 1 March, and increases in taxation.

China. Concerns that Chinese growth could be heading downwards have been allayed by recent stronger statistics. There are still concerns around an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also increasing concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan. The initial euphoria generated by “Abenomics”, the huge QE operation instituted by the Japanese government to buy Japanese debt, has tempered as the follow through of measures to reform the financial system and the introduction of other economic reforms, appears to have stalled. However, at long last, Japan has seen a return to reasonable growth and positive inflation during 2013 which augurs well for the hopes that Japan can escape from the bog of stagnation and deflation and so help to support world growth.

THE UK ECONOMY

Economic growth. Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth strongly rebounded in 2013 - quarter 1 (+0.3%), 2 (+0.7%) and 3 (+0.8%), to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The Bank of England has, therefore, upgraded growth forecasts in the August and November quarterly Inflation Reports for 2013 from 1.2% to 1.6% and for 2014 from 1.7% to 2.8%, (2015 unchanged at 2.3%). The November Report stated that: -

In the United Kingdom, recovery has finally taken hold. The economy is growing robustly as lifting uncertainty and thawing credit conditions start to unlock pent-up demand. But significant headwinds — both at home and abroad — remain, and there is a long way to go before the aftermath of the financial crisis has cleared and economic conditions normalise. That underpins the MPC’s intention to maintain the exceptionally

stimulative stance of monetary policy until there has been a substantial reduction in the degree of economic slack. The pace at which that slack is eroded, and the durability of the recovery, will depend on the extent to which productivity picks up alongside demand. Productivity growth has risen in recent quarters, although unemployment has fallen by slightly more than expected on the back of strong output growth.

So very encouraging - yes, but, still a long way to go! However, growth is expected to be strong for the immediate future. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth.

Forward guidance. The Bank of England issued forward guidance in August which said that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) has fallen to 7% or below. This would require the creation of about 750,000 jobs and was forecast to take three years in August, but revised to possibly quarter 4 2014 in November. The UK unemployment rate currently stands at 2.5 million i.e. 7.6 % on the LFS / ILO measure.

Credit conditions. While Bank Rate has remained unchanged at 0.5% and quantitative easing has remained unchanged at £375bn in 2013, the Funding for Lending Scheme (FLS), aimed at encouraging banks to expand lending to small and medium size enterprises, has been extended. The FLS certainly seems to be having a positive effect in terms of encouraging house purchases (though levels are still far below the pre-crisis level), FLS is also due to be bolstered by the second phase of Help to Buy aimed at supporting the purchase of second hand properties, which is now due to start in earnest in January 2014.

Inflation. Inflation has fallen from a peak of 3.1% in June 2013 to 2.2% in October. It is expected to fall back to reach the 2% target level within the MPC's two year time horizon.

AAA rating. The UK has lost its AAA rating from Fitch and Moody's but that caused little market reaction.

Capita Asset Services forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

The overall balance of risks to economic recovery in the UK is currently evenly weighted. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis, or a break-up of the EZ, but rather that there will be a managed, albeit painful and tortuous, resolution of the debt crisis where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed.

APPENDIX Z3: Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)

Annual Investment Strategy

The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified or non-specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.

Specified Investments: These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills, or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating (AAA) by a credit rating agency.
5. A body that is considered of a high credit quality (such as a bank or building society)

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is as described below.

Non-Specified Investments: These are any investments which do not meet the specified investment criteria. The Council does not currently invest in non-specified investments.

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

These factors are weighted and combined with an overlay of Credit Default Swap CDS spreads. The end product is a series of ratings (colour coded) to indicate the relative creditworthiness of counterparties. These ratings are used by the Council to determine the suggested duration for investments.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	Max % of total investments / £ limit per institution	Max. maturity period
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	UK sovereign rating	£20m	1 year
UK Government Treasury bills	UK sovereign rating	£20m	6 months
Money market funds	AAA	£30m	Liquid
Local authorities	N/A	£10m	1 year
Term deposits with banks and building societies	Yellow* Purple Blue** Orange Red Green*** No Colour	£30m £25m £75m £20m £15m £10m 0	Up to 1 year Up to 1 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use
Call accounts and notice accounts	Yellow Purple Blue Orange Red Green No Colour	In line with the above	Liquid

**for UK Government debt, or its equivalent, constant net asset value money market funds and collateralised deposits where the collateral is UK Government debt*

***Part-nationalised banks*

**** The green limit was formerly for 3 months but the Financial Conduct Authority set (July 2013) a requirement for qualifying deposits for bank liquidity buffers of a minimum of 95 days so the green band has been slightly extended to accommodate this regulatory change.*

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Resources and Regeneration, and if required new counterparties which meet the criteria will be added to the list. Any fixed term investment held at the time of the downgrade will be left to mature as such investments cannot be broken mid term.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

APPENDIX Z4: Approved countries for investments

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Hong Kong
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium
- Saudi Arabia

APPENDIX Z5: Requirement of the CIPFA Management Code of Practice

Treasury management scheme of delegation

(i) Full Council

- budget consideration and approval;
- approval of annual strategy.
- approval of/amendments to the organisation's treasury management policy statement

(ii) Public Accounts Committee

- receiving and reviewing reports on treasury management policies, practices and activities;

The treasury management role of the section 151 officer

The S151 (responsible) officer

- Recommending treasury management policy for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- approval of the division of responsibilities;
- approving the organisation's treasury management practices;

APPENDIX Z6: Treasury Management Mid-year Review Report 2013/14

1. PURPOSE OF THE REPORT

This mid-year review has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first six months of 2013/14;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators) and MRP Policy;
- A review of the Council's investment portfolio for 2013/14;
- A review of the Council's borrowing strategy for 2013/14;
- A review of any debt rescheduling undertaken during 2013/14;
- A review of compliance with Treasury and Prudential Limits for 2013/14

2. BACKGROUND

- 2.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.
- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.3 The primary requirements of The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice are as follows:
1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Outturn Report covering activities during the previous year.

4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Public Accounts Committee.

3. ECONOMIC UPDATE

Economic performance to date

- 3.1 2013/14 economic indicators suggested that the economy is recovering, albeit from a low level. After avoiding recession in the first quarter of 2013, with a 0.3% quarterly expansion the economy grew 0.7% in Q2. There have been signs of renewed vigour in household spending in the summer, with a further pick-up in retail sales, mortgages, house prices and new car registrations.
- 3.2 The strengthening in economic growth appears to have supported the labour market, with employment rising at a modest pace and strong enough to reduce the level of unemployment further. Pay growth also rebounded strongly in April, though this was mostly driven by high earners delaying bonuses until after April's cut in the top rate of income tax. Excluding bonuses, earnings rose by just 1.0% y/y, well below the rate of inflation at 2.7% in August, causing continuing pressure on household's disposable income.
- 3.3 The Bank of England extended its Funding for Lending Scheme (FLS) into 2015 and sharpened the incentives for banks to extend more business funding, particularly to small and medium size enterprises. To date, the mortgage market still appears to have been the biggest beneficiary from the scheme, with mortgage interest rates falling further to new lows. Together with the Government's Help to Buy scheme, which provides equity loans to credit-constrained borrowers, this is helping to boost demand in the housing market. Mortgage approvals by high street banks have risen as have house prices, although they are still well down from the boom years pre 2008.
- 3.4 Turning to the fiscal situation, the public borrowing figures continued to be distorted by a number of one-off factors. On an underlying basis, borrowing in Q2 started to come down, but only slowly, as Government expenditure cuts took effect and economic growth started to show through in a small increase in tax receipts. The 2013 Spending Review, covering only 2015/16, made no changes to the headline Government spending plan, and monetary policy was unchanged in advance of the new Bank of England Governor, Mark Carney, arriving. Bank Rate remained at 0.5% and quantitative easing also stayed at £375bn. In August, the MPC provided forward guidance that Bank Rate is unlikely to change until unemployment first falls to 7%, which was not expected until mid 2016. However, 7% is only a point at which the MPC will review Bank Rate, not necessarily take action to change it. The three month to July average rate was 7.7%.

- 3.5 CPI inflation (MPC target of 2.0%), fell marginally from a peak of 2.9% in June to 2.7% in August. The Bank of England expects inflation to fall back to 2.0% in 2015.

Outlook for the next six months

- 3.6 Economic forecasting remains difficult with so many external influences weighing on the UK. Volatility in bond yields is likely during 2013/14 as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.
- 3.7 Downside risks to UK gilt yields and PWLB rates include:
- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations
 - The Italian political situation is frail and unstable: the coalition government fell on 29 September.
 - Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.
 - Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
 - Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds
- 3.8 Upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
 - Increased investor confidence that sustainable robust world economic growth is firmly expected, together with a reduction or end of QE operations in the US, causing a further flow of funds out of bonds into equities.
 - Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth, causing the ratio of total Government debt to GDP to rise to levels that provoke major concern.
- 3.9 The overall balance of risks to economic recovery in the UK is now weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last, and it remains exposed to vulnerabilities in a number of key areas.

Capita Asset Services' Interest Rate Forecast

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
5yr PWLB rate	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%
10yr PWLB rate	3.70%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
25yr PWLB rate	4.40%	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%
50yr PWLB rate	4.50%	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.30%

(The Capita Assets Services forecasts above are for PWLB certainty rates.)
Expectations for the first change in Bank Rate in the UK are now dependent on how to forecast when unemployment is likely to fall to 7%. Financial markets have taken a very contrary view to the MPC and have aggressively raised short term interest rates and gilt yields due to their view that the strength of economic recovery is now so rapid that unemployment will fall much faster than the Bank of England forecasts. They therefore expect the first increase in Bank Rate to be in quarter 4 of 2014. There is much latitude to disagree with this view as the economic downturn since 2008 was remarkable for the way in which unemployment did not rise to anywhere near the extent likely, unlike in previous recessions. This meant that labour was retained, productivity fell and now, as the MPC expects, there is major potential for unemployment to fall only slowly as existing labour levels are worked more intensively and productivity rises back up again. The size of the work force is also expected to increase relatively rapidly and there are many currently self employed or part time employed workers who are seeking full time employment. Capita Asset Services take the view that the unemployment rate is not likely to come down as quickly as the financial markets are currently expecting and that the MPC view is more realistic. The prospects for any increase in Bank Rate before 2016 are therefore seen as being limited. However, some forecasters are forecasting that even the Bank of England forecast is too optimistic as to when the 7% level will be reached and so do not expect the first increase in Bank Rate until spring 2017.

4. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UPDATE

4.1 The Treasury Management Strategy Statement (TMSS) for 2013/14 was approved by Council on 27 February 2013. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5. THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

51 Prudential Indicator for Capital Expenditure

This table shows the original estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

2013/14 Capital Expenditure By Service	Original Estimate £m	Latest Expenditure (to end of Sept 13) £m	Forecast Outturn £m
Education	69.1	24.1	50.2
Highways and Regeneration	19.6	4.6	19.3
Housing General Fund	11.7	1.3	7.3
Other General Fund	5.5	0.6	5.5
Housing Revenue Account	44.9	13.7	45.0
Total Expenditure	150.8	44.3	127.3

5.2 Changes to the Financing of the Capital Programme

The table below shows the expected financing arrangements of the capital programme. The borrowing required increases the underlying indebtedness of the Council as measured by the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

2013/14 Capital Expenditure	Original Estimate £m	Latest Expenditure (to end of Sept 13) £m	Forecast Outturn £m
Total Expenditure	150.8	N/A	127.3
Financed by:			
Capital Grants	88.9	N/A	72.5
General Resources (Capital Receipts, Reserves and Revenue Contributions)	54.0	N/A	51.1
Total Financing Used	142.9	N/A	123.6
Borrowing Required	7.9	N/A	3.7

5.3 Minimum Revenue Provision (MRP) Policy

A proportion of the Council's capital expenditure is not immediately financed from its own resources. This results in a debt liability which must be charged to the Council Tax over a period of time. This repayment (the Minimum Revenue Provision - MRP) must be determined by the Council as being a prudent provision having regard to the CIPFA Prudential Code for Capital Finance.

The MRP is the amount the Council charges to the revenue account and does not correspond to the actual amount of debt repaid, which is determined by treasury related issues. The Council continues to apply a consistent MRP policy which comprises prudential borrowing being repaid

over the useful life of the asset concerned and other existing borrowing being repaid at the rate of 4% of the CFR.

5.4 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

We are on target to achieve the original forecast non housing CFR. However, due to the planned HRA borrowing for 2013/14 not being needed, the housing CFR will be unchanged from the opening position for 2013/14.

Prudential Indicator – External Debt / the Operational Boundary

2013/14 Prudential Indicators (as at the end of the year)	Original Estimate £k	Forecast Outturn £k
CFR – non housing	398,529	398,221
CFR – housing	94,112	83,549
Total Capital Financing Requirement	492,641	481,770
External Debt / Operational Boundary		
Borrowing	198,379	195,410
Other long term liabilities*	252,197	244,328
Total External Debt as at 31 March 14	447,641	439,738
New and Maturing Debt	14,876	0
Operational Boundary as at 31 March 14	462,517	439,738

* On balance sheet PFI schemes and finance leases etc.

5.5 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2013/14 and the next two financial years. This allows some flexibility for limited early

borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

The Director for Resources and Regeneration reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator. The table above shows the forecast position for 2013/14 where the CFR is over £40m higher than the external debt.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

2013/14 Prudential Indicators (as at the end of the year)	Original Indicator £m	Forecast Indicator £m
Operational Boundary for External Debt	462,517	439,738
Provision for unexpected short term borrowing	46,000	68,779
Authorised Limit for External Debt	508,517	508,517

6. INVESTMENT PORTFOLIO 2013/14

6.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 4, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. Indeed, the introduction of the Funding for Lending scheme has reduced market investment rates even further. The potential for a prolonging of the Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.

The Council held £304m of investments as at 30 September 2013 (£261m at 31 March 2013) and the investment portfolio yield for the first six months of the year was 0.56%.

6.2 The Executive Director for Resources and Regeneration confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2013/14.

Investment Counterparty List

6.3 The current investment counterparty criteria selection approved in the TMSS is currently meeting the requirements of the treasury management function.

7. BORROWING

7.1 The Council's latest forecast capital financing requirement (CFR) for 2013/14 is £481.77m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing).

7.2 The balance of external and internal borrowing is generally driven by market conditions. The Council has borrowings of £439.7m and has utilised £42m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

7.3 It is anticipated that further borrowing will not be undertaken during this financial year.

8. DEBT RESCHEDULING

8.1 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2013/14.

9. THE CO-OP BANK

9.1 In August this year, the Co-op Group, reported heavy losses as a result of a huge write-down of assets at its troubled banking arm. The group lost £559m in the first half of the year, having written off £496m of bad loans at Co-op Bank. The bad loans relate mostly to Britannia Building Society, which merged with Co-op Bank in 2009. The bank also faces a £1.5bn capital hole in its balance sheet, which regulators say it must fill. Including the write-downs, Co-op Bank alone reported a total loss of £709m.

9.2 Fitch Rating agency downgraded the bank in April and June, this year while Moody's downgrade the bank in June. The bank is not on the Council's counterparty lending list and has not been for sometime. However, the bank remains as the Council's bankers, having renewed a three year contract with the bank last year.

9.3 The Co-Op Bank is at present not tendering for banking business, even when it is the incumbent, until it agrees its future strategy.

9.4 Officers are taking measures to reduce the Council's exposure to the risk of large monetary losses if the bank were to collapse, although this risk cannot be completely removed. No investments are placed with the bank and daytime credit balances are transferred out every weekday morning.

9.5 Officers will continue to monitor developments and take measures as and when necessary.

10. FINANCIAL IMPLICATIONS

There are no additional financial implications other than those mentioned in the body of the report.

11. LEGAL IMPLICATIONS

There are no additional legal implications other than those mentioned in the main budget report.

12. ENVIRONMENTAL IMPLICATIONS

There are no specific environmental implications relating to this report.

13. HUMAN RESOURCES IMPLICATIONS

There are no specific human resources implications relating to this report.

14. CRIME AND DISORDER IMPLICATIONS

There are no specific crime and disorder implications relating to this report.

15. EQUALITIES IMPLICATIONS

There are no specific equalities implications relating to this report.

For further information about this report, please contact
Selwyn Thompson, Group Manager Budget Strategy on 020 8314 6932,
Richard Lambeth, Group Manager Capital and Accounting on 020 8314 3797
or
Shola Ojo Principal Accountant on 020 8314 7778

Agenda Item 9

COUNCIL		
Report Title	Lewisham Town Centre Local Plan - Adoption	
Key Decision	Yes	Item No.
Ward	All	
Contributors	Executive Director for Resources and Regeneration	
Class	Part 1	Date:26 February 2014

1. Purpose

- 1.1 This report seeks the Council's formal resolution to adopt the Lewisham Town Centre Local Plan (LTCLP) (previously called Lewisham Town Centre Area Action Plan).

2. Summary

- 2.1 The Lewisham Town Centre Local Plan is one of the documents that, when adopted, will make up the Council's Local Development Framework (LDF). The LDF refers to the group of documents setting out the Council's planning strategy and policies.
- 2.2 The LTCLP provides a vision and a set of objectives for Lewisham Town Centre, and provides a set of policies to implement this vision and achieve these objectives.
- 2.3 The LTCLP was submitted to the Secretary of State for Communities and Local Government in September 2012, and an Independent Planning Inspector was appointed to examine the plan.
- 2.4 On 13 January 2014 the Council received the Inspector's report, which has found the LTCLP to be legally compliant and sound subject to 19 modifications agreed by the Council and the Inspector during the examination. These modifications are referred to as 'main modifications' (MMs), and are set out in Annex 3. The changes are all supported by the Council, they have therefore been incorporated in the recommended adoption version intended for formal adoption by full Council.
- 2.5 The Lewisham Town Centre Local Plan Recommended Adoption Version is set out as Annex 1 to this report. The Planning Inspector's report is set out as Annex 2 to this report.
- 2.6 The Mayor agreed during the Mayor and Cabinet meeting on the 12th of February 2014 that the Council be recommended to formally adopt the

Lewisham Town Centre Local Plan. The full report presented to Mayor and Cabinet dated 12th February 2014 is set out as Annex 5 to this report.

- 2.7 According to the legal planning regulations a resolution to adopt the Lewisham Town Centre Local Plan is necessary from the full Council.

3. Recommendation

- 3.1 This report seeks the Council's formal resolution to adopt the Lewisham Town Centre Local Plan.

4. Policy context

- 4.1 The Lewisham Town Centre Local Plan is part of the Local Development Framework and as such is part of the Council's policy framework as set out in the Council's constitution. It requires a resolution from the full Council to adopt.

- 4.2 The full policy context is set out in the report to Mayor and Cabinet dated 12th February 2014 which is set out as Annex 5 to this report.

5. Background

- 5.1 The Report to Mayor and Cabinet dated 12th February 2014 (Annex 5 to this report) sets out the background and a summary of the Lewisham Town Centre Local Plan and Inspector's Report.

- 5.2 Once adopted by the Council the Lewisham Town Centre Local Plan will become part of the development plan for the Borough. In accordance with planning law in considering and determining applications for planning permission the local planning authority must have regard to the provisions of the development plan so far as material to the application and to any other material considerations.

6. Legal implications

- 6.1 The procedures which the Council is required to follow when producing a Local Plan (Development Plan Documents derive from the Planning and Compulsory Purchase Act 2004 (as amended) and the Town and Country Planning (Local Development) (England) Regulations 2012.

- 6.2 The function of approving Local Plans is shared by the Mayor and Cabinet and Full Council, however the formal adoption of the Local Plan is a matter reserved to Full Council only as required by section 23 (5) of the Planning and Compulsory Purchase Act 2004.

- 6.3 If Full Council resolves to adopt the LTCLP, the document will form part of the Development Plan for development management purposes under the Planning Acts.

- 6.4 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.5 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.
- 6.6 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 6.7 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:
<http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 6.8 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
 2. Meeting the equality duty in policy and decision-making
 3. Engagement and the equality duty
 4. Equality objectives and the equality duty

5. Equality information and the equality duty

- 6.9 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:
<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/> .

7. Conclusion

- 7.1 The Council is asked to resolve to adopt the Lewisham Town Centre Local Plan attached as Annex 1 to this report.

Background documents

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
Planning & Compulsory Purchases Act 2004 (as amended)	2004	Laurence House	Planning Policy	Brian Regan	No
National Planning Policy Framework	2012	Laurence House	Planning Policy	Brian Regan	No
Local Plan Regulations	2012	Laurence House	Planning Policy	Brian Regan	No
Localism Act 2011	2011	Laurence House	Planning Policy	Brian Regan	No

If you have any queries on this report, please contact Brian Regan, Planning Policy, 3rd floor Laurence House, 1 Catford Road, Catford SE6 4RU – telephone 020 8314 8774.

Annex 1: Lewisham Town Centre Local Plan Recommended Adoption Version January 2014

Available on the Council Website at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=138&MId=2837>

Annex 2: Planning Inspector's report into the soundness of the Lewisham Town Centre Local Plan

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=2850>

Annex 3: Appendix 1 of the Inspector's Report: Schedule of main modifications to the submitted Lewisham Town Centre Local Plan

Available on the Council Website at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=2850>

Annex 4: Schedule of additional modifications to the submitted Lewisham Town Centre Local Plan

Available on the Council Website at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=2850>

**Annex 5: Report to Mayor and Cabinet on Lewisham Town Centre Local Plan
12th February 2014**

Available on the Council Website at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=2850>

Lewisham town centre local plan

Adoption version

February 2014



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Section 1 of the Lewisham Town Centre Local Plan (LTCLP) firstly introduces Lewisham town centre, its strengths, weaknesses and the opportunities for it to develop and improve in the next five to ten years.

Secondly, this section provides an explanation of what a Local Plan is and its context within the wider field of planning policy, and begins to explore how the LTCLP will assist in the successful future development of Lewisham town centre.

1.1 Lewisham town centre and the Local Plan

- 1.1 Lewisham town centre is at the heart of the Borough of Lewisham. The town is the most important shopping and leisure destination in the area as well as a major transport hub. The town is a home, workplace and visitor location for a diverse and varied community.
- 1.2 Lewisham town centre has existing excellent public transport and road connections to central London, Docklands and the suburbs. Additionally, there is a busy retail centre including a vibrant street market and a new state of the art leisure centre due to open in 2013.
- 1.3 Alongside these positive aspects of the town centre there are a number of redevelopment opportunities that provide the exciting prospect to change Lewisham town centre for the better. There is an opportunity to transform the way the centre works and radically improve the way of life for everyone associated with Lewisham town centre through the regeneration of residential, commercial and retail development sites, the radical improvement of the transport interchange and the careful management of this process to meet the overall town centre needs.
- 1.4 The Lewisham Town Centre Local Plan (LTCLP) is at the heart of regenerating the town centre. It provides a vision and a number of objectives for the town centre, supported by a suite of policies, guidance and a delivery plan. The LTCLP will demonstrate what is required to redevelop the area into a vibrant and successful centre, including improvements to shopping, living, working, and spending leisure time in the town centre. Further, the LTCLP will ensure individual developments support the town centre wide objectives, are well designed and environmentally smart.
- 1.5 The LTCLP has three sections to guide development:
 - The first establishes the plan area boundary and introduces the spatial strategy for the town centre (Section 4)
 - The second identifies a number of Policy Areas where development is expected to be focused and recognises key development sites. Local policies and guidance for each Policy Area and site is provided (Section 5)
 - The third sets out a suite of policies that are relevant to all development proposals across the entire town centre (Section 6)

Figure 1.1 Lewisham Town Centre Local Plan



Fig. 1.1
Lewisham Town Centre Area Action Plan

1.2 Key characteristics of Lewisham town centre

- 1.6** Lewisham town centre is situated in the London Borough of Lewisham and is especially well connected to central London by the excellent rail, bus and DLR services. It is also sited on key radial and orbital roads providing easy access to both central London and the Kent countryside and coast. It is designated by the Mayor of London as a major town centre and is the largest centre in the borough.

Economy

- 1.7** The town centre has developed as an important dynamic and strategic retail and service hub under its designation as a Major Centre within the London Plan. Lewisham town centre offers a wide variety of retail appeal including the historic street market, comparison goods retail in the Lewisham Shopping Centre and independent specialist retail along the Lee High Road.
- 1.8** In recent years, retail growth has not kept pace with other expanding town centres such as Bromley and out of town locations such as Bluewater. This has led to a situation where a number of local residents will choose to travel away from Lewisham town centre for their leisure and shopping needs. The town centre also has little evening economy offer, with only a small number of bars and restaurants and a lack of leisure facilities such as a cinema or theatre.
- 1.9** Employment in the town centre is largely split between distribution, hotels and restaurants (largely retail) providing 30% of total jobs, banking, finance and insurance providing 27% and public sector (administration, education and health) supplying 26% (Census 2001).
- 1.10** There is a relatively weak office sector in the town centre, exacerbated through a poor quality of office stock creating a low-rent, but unattractive environment. Improvements to the quality and quantum of offer are required to create a more vibrant commercial sector in the town.

Figure 1.2 Lewisham Town Centre in context

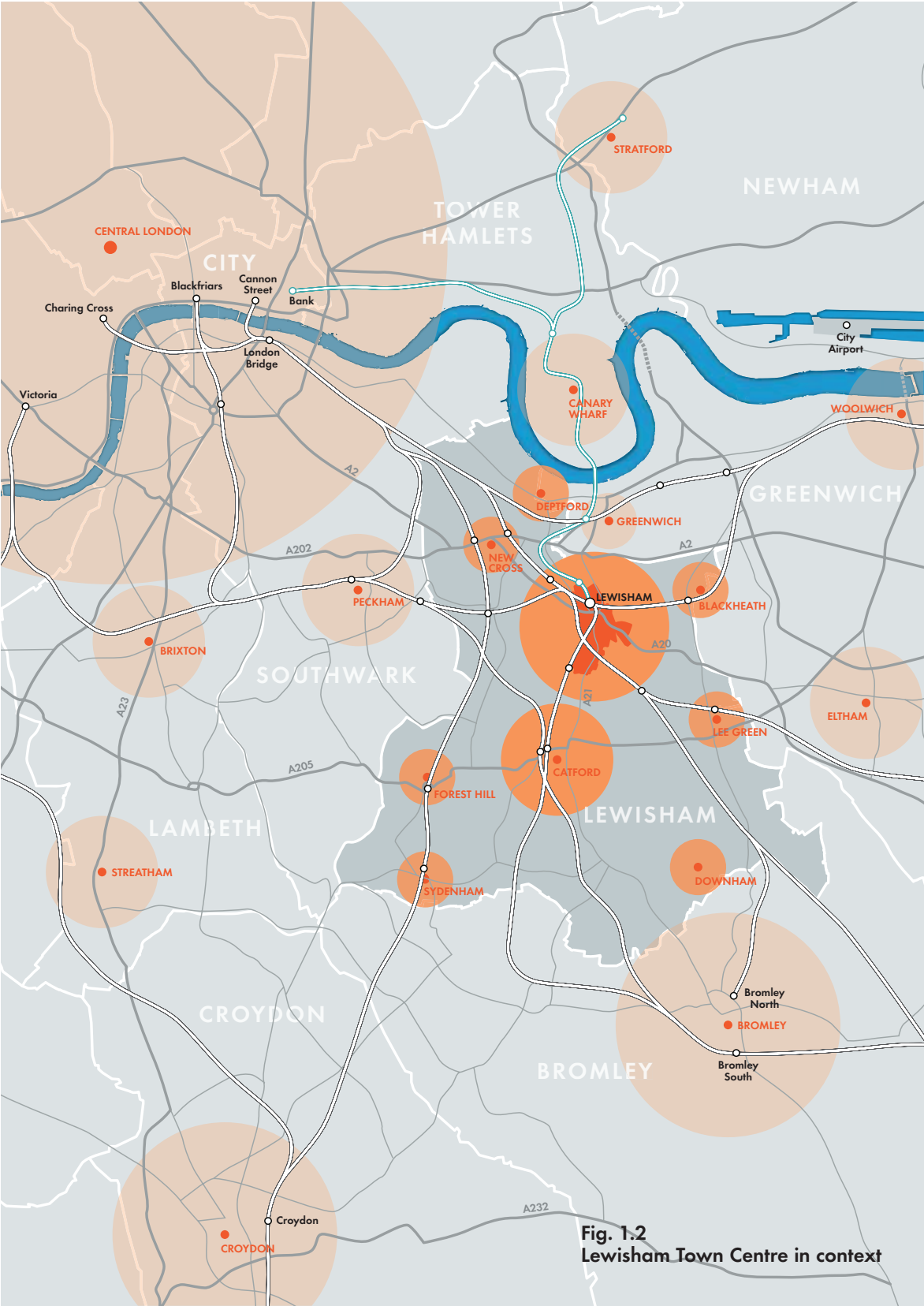


Fig. 1.2
Lewisham Town Centre in context

People

- 1.11** Until recently there was little housing within the plan area boundary. In the past few years a number of residential complexes have brought the surrounding housing closer to the town centre, while providing accessible high density housing close to facilities and public transport connections. This work is continuing through further development schemes.
- 1.12** As a borough, Lewisham suffers from wide levels of deprivation, which is particularly apparent in certain pockets. The far north and south of the borough, as well as Lewisham and Catford town centres are especially vulnerable.
- 1.13** The Indices of Multiple Deprivation 2011 show that the area covering Lewisham town centre is among the 20% most deprived areas within England. While educational and health factors demonstrate a mid-table ranking, the indices relating to crime, environment and children and old people remain in the bottom quintile.
- 1.14** The borough is the 15th most ethnically diverse local authority in England, where 130 different languages are spoken. This diversity is apparent in the town centre with the proportion of the overall population from a black and/or minority ethnic origin at 47%.

Transport

- 1.15** The excellent road links through the town centre bring with them a high volume of traffic. This leads to congestion in busy periods and subsequent noise and air pollution issues. The A20 (a key radial route) bisects the town centre separating the rail and DLR stations from the main retail and business heart of the centre to the south.
- 1.16** Lewisham town centre also acts as a transport hub and exchange for a wide network of bus routes. The buses run through the centre of the town bringing a high number of incidental shoppers, which assists local businesses. This creates a busy centre, which brings with it a vibrant atmosphere, although some perceived concern for personal road safety.
- 1.17** The high traffic levels and bus routes have a considerable effect on the safety of pedestrians and cyclists when they come into contact with the roads. Improvements to the network and ease of movement for pedestrians accessing and moving through the town centre are required.
- 1.18** Parking for the public and shoppers is provided through a number of car-parks on the edges of the town centre and the multi-storey car park above the Lewisham Shopping Centre. There is no evidence to suggest that more parking is required, however better use, signage and management of existing facilities and creative solutions to meet future need are required.

Environment

- 1.19** The borough has many award winning parks and green spaces, while within the town centre open space is provided through a mix of green and hard landscaping. Additionally, there is a Site of Importance for Nature Conservation (Le B2.15 Railside Land : F - Lewisham) and a number of green corridors that permeate the outskirts of the centre.
- 1.20** The River Ravensbourne and the River Quaggy flow north and west respectively through the town centre surrounds, converging adjacent to the Lewisham transport interchange and continuing north towards the River Thames. The paths of both rivers are affected at points by culverts and channelling, while other features accompany open space (including the

Waterlink Way), providing an attractive town centre riverside environment. In September 2010 the Council in conjunction with the Environment Agency completed a River Ravensbourne Corridor Improvement Plan. The Plan supports opportunities to enhance the quality of the river environment, improve public access, and provides specific and general design guidance for new development along the river corridor.

- 1.21** Large parts of the town centre are at some risk of flooding from fluvial sources (the River Ravensbourne and the River Quaggy) although importantly the town centre is protected by the Thames Barrier. Due to the urban setting, other sources of flooding, such as through surface water, should also be considered. The recent naturalisation of parts of the River Ravensbourne has assisted in flood management.
- 1.22** A number of key historical assets exist in Lewisham town centre, including listed and locally listed buildings. There are several notable churches as well as historic local civic buildings and monuments such as the Clock Tower. The former Ladywell Baths (Playtower) is a listed building at serious risk of collapse and requires action to improve it. There are also two local landmarks within the plan area boundary as well as the historic street market, which provides a vibrant and historic heart to the centre.

Figure 1.3 Lewisham Town Centre currently



Fig. 1.3
Lewisham Town Centre currently

1.3 Summary of issues and challenges for the town centre

1.23 Economy:

- Low levels of retail growth
- Employment and training opportunities
- Little evening economy offer

1.24 Social:

- Housing demand through population growth
- Decent and accessible homes
- Improved access to healthcare, education and community facilities
- Low levels of educational attainment
- Addressing deprivation, social exclusion and health inequalities
- General perception of high crime rates in Lewisham town centre
- Provision of open space and recreational facilities
- Noise
- Road safety
- The protection and enhancement of local heritage assets

1.25 Environment:

- Protection and enhancement of biodiversity and habitats
- Flood risk from rivers and other sources
- CO2 emissions and climate change adaptation
- Traffic congestion and car dependence
- High levels of air pollution
- Aging building stock
- Recycling and waste production
- Inclusive design – access for all
- Protection and enhancement of heritage assets
- Design quality of new development

1.4 How does the LTC Local Plan relate to other policy?

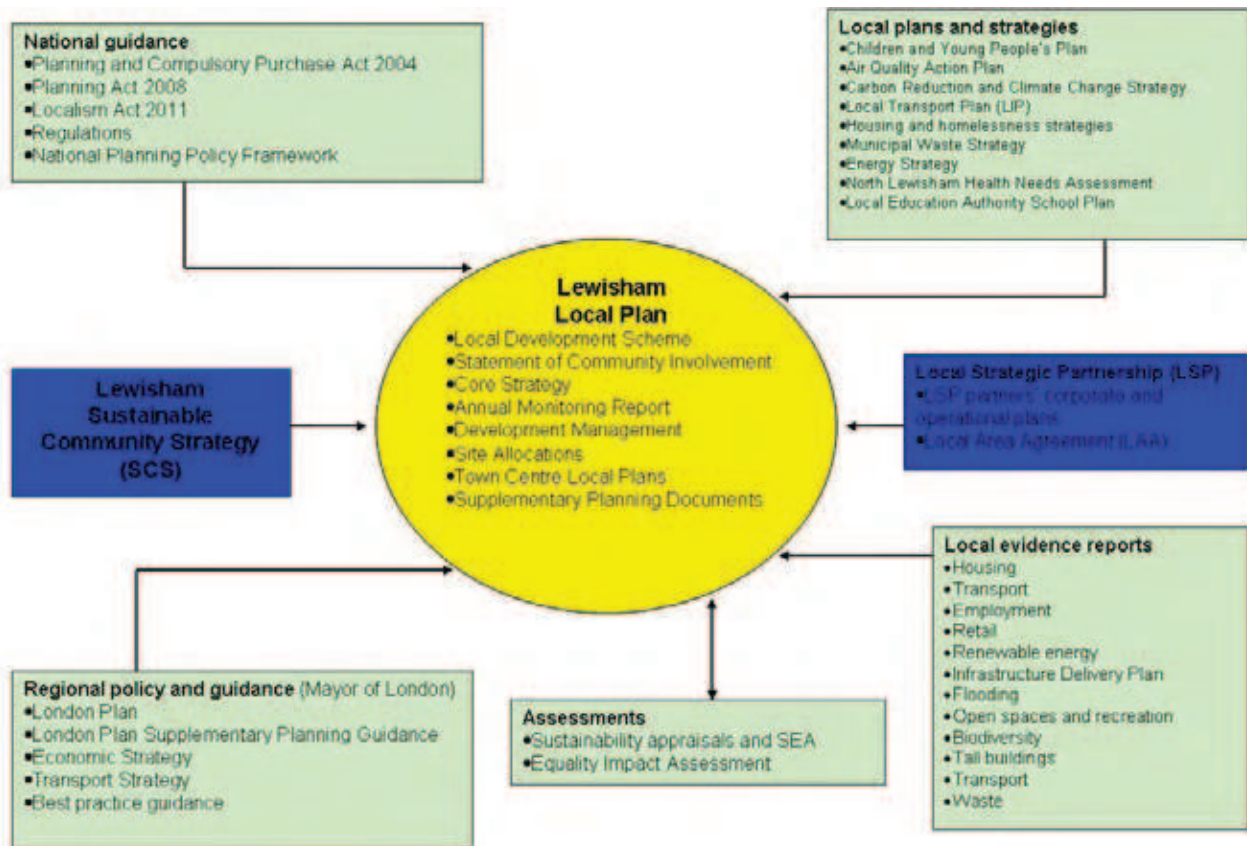
1.26 The LTCLP, together with other Local Development Framework (LDF) documents (including the Core Strategy, adopted June 2011) and the London Plan, form the ‘development plan’ for the London Borough of Lewisham. Section 38 (6) of the Planning and Compulsory Purchase Act 2004 makes clear that determination of planning applications must be made in accordance with the development plan unless material considerations indicate otherwise.

1.27 The LTCLP should be read in conjunction with the other documents that form the development plan. The complete policy context related to this LTCLP is shown in Figure 1.4.

Statement

The Lewisham Town Centre Local Plan is in general conformity with the London Plan 2011, implements the Lewisham Core Strategy and is consistent with the National Planning Policy Framework (NPPF).

Figure 1.4 policy context



1.28 Every policy in the LTCLP is supported by the LDF evidence base and has multiple links to other local plans, the London Plan and national policies and guidance. The following paragraphs provide a simple description of the relevant supporting documents, while Appendix 1 contains a detailed list of linkages between the documents and should be read alongside each of the policies in the LTCLP.

Evidence base

- 1.29** A great deal of information has been gathered to provide the basis for preparing the LTCLP. Some of this is from existing sources such as the national Census and the indices of multiple deprivation but much is original research commissioned by the Council. Most of this is accessible through the internet or can be viewed at the Council offices. The information, often referred to as the 'evidence base', has been used to help identify the issues facing Lewisham town centre and to develop and test different solutions, or options.

Local plans

- 1.30** The LTCLP forms part of Lewisham's Local Development Framework (LDF), which is a collection of planning documents that will guide future development of the borough and includes:
- Core Strategy
 - Site Allocations
 - Development Management
 - Lewisham town centre local plan
- 1.31** The Core Strategy was adopted in June 2011 and establishes the borough-wide spatial policy context. The Site Allocations and Development Management documents are being produced and are therefore not currently policy, but will replace the remainder of the Unitary Development Plan 2004 once adopted. Additional to these documents are a number of supplementary planning documents which give guidance on detailed elements of planning. Full details can be found on the Council's website.
- 1.32** Lewisham's adopted Core Strategy sets out a spatial strategy for the whole of the borough for the next 15 years and also sets the scene for the LTCLP. Core Strategy Spatial Policy 2 identifies Lewisham town centre as a Regeneration and Growth Area and the Lewisham Gateway Site as one of five Strategic Sites that are central to the achievement of the Strategy.
- 1.33** The Core Strategy aims to ensure that by 2026 the town centre achieves Metropolitan status on the London wide retail hierarchy, accommodating up to 40,000 sqm of additional retail space, improved leisure space and 2,500 additional homes. This provides the focus of the vision for the LTCLP, which aims to deliver and implement the strategy outlined in the Core Strategy. The LTCLP supersedes the saved UDP proposals as they apply to the Lewisham town centre (as identified in Appendix 5: UDP Proposals replaced by the LTCLP) and all other adopted guidance, including the Lewisham Gateway Planning Brief (2002).

The London Plan (2011)

- 1.34** The Mayor of London's Spatial Development Strategy (the London Plan), with which all local plans need to be in general conformity, sets out London-wide policies, supported by Supplementary Planning Guidance. In general the London Plan is supportive of the LTCLP throughout. Appendix 1 contains a list of the policies in this LTCLP and subsequent details of each London Plan policy that supports the position taken within the LTCLP.
- 1.35** Of particular importance to the LTCLP is the London Plan aim to provide the city with a polycentric structure which encourages a spread of successful town centres and designates Lewisham town centre as a major centre. Policy 2.15 states that they should be the focus for goods and services and for growth in the commercial sector and the intensification of

use, including the residential offer. Town centres are also championed as appropriate locations for leisure and cultural activities, the evening economy and community hubs which create a sense of place for local neighbourhoods.

- 1.36** Policy 3.4 promotes the optimisation of housing potential through intensification, town centre renewal and mixed use redevelopment of surplus commercial land. All three of these elements are achievable in Lewisham town centre and this fits appropriately with the London Plan designation of the town as an 'Opportunity Area' and the wider designation as part of the Thames Gateway growth area, which both promote its development potential. The Borough of Lewisham is required to provide 1,105 new homes per year of which the Lewisham-Catford-New Cross Opportunity Area is expected to deliver a significant proportion.

National policy

- 1.37** The national policy context for the LTCLP is provided by the NPPF, published in March 2012. The LTCLP is consistent with the NPPF.

1.5 Sustainability Appraisal and Equalities Analysis Assessment

- 1.38** The purpose of a Sustainability Appraisal (SA) is to make sure that all the things which are referred to as 'sustainability issues' such as using public transport instead of the private car, the impact of flooding or climate change, or the pressures placed on open space from an increasing population, are taken into account when preparing the LTCLP and measures included to mitigate any impacts.
- 1.39** The Lewisham Town Centre Local Plan has been subject to SA at each stage of its production and the principles of sustainable development run throughout the LTCLP.
- 1.40** Sustainability appraisal has been used to help identify issues, test options and identify the vision, objectives and policies contained in the LTCLP. This is documented in the Sustainability Appraisal report that has been published with the LTCLP. The LTCLP's likely effect on European designated wildlife sites is similarly appraised in the accompanying Habitat Regulations Assessment.
- 1.41** An Equalities Analysis Assessment (EqAA) was produced following the final options round (the Further Options Report, 2011) to support the LTCLP. An EqAA is the process of systematically analysing a proposed or existing policy or strategy to identify what effect, or likely effect will follow from the implementation of the policy for different groups in the community. In brief, the EqAA ensures that policies developed and implemented through the LTCLP will contribute to improving the lives of local communities.
- 1.42** The EqAA identified a number of positive impacts of the LTCLP policies on equalities groups and a small number of potential issues. Mitigation for the concerns has been included by adjusting the housing and car parking policies and all policies relating to flood risk.
- 1.43** The monitoring framework and ongoing Annual Monitoring Report process have been expanded to include the indicators required by both the SA and the EqAA.

This section introduces the vision statement of the LTCLP and provides further detail by expanding this into strategic objectives for the town centre. The policies put forward in later sections all contribute to the delivery of the nine objectives and one vision identified at this stage.

Part 2.3 reviews how the objectives have been established and demonstrates that each one can be shown to be tackling the issues affecting the town centre as identified in Section 1. Additionally, evidence is provided that the LTCLP objectives relate favourably to the strategic objectives of the Core Strategy.

2.1 The vision

- 2.1** Lewisham Strategic Partnership, of which Lewisham Council is a part, has adopted the following vision for the borough, as set out in the Sustainable Community Strategy (SCS) 2008-2020:

“Together we will make Lewisham the best place in London to live, work and learn.”

- 2.2** The Core Strategy provides more detail of the borough's spatial strategy and heavily influences the plan for Lewisham town centre. The LTCLP then takes forward the wider spatial influence and sets out the following detailed vision for the town centre.

“Lewisham town centre will have been transformed into a shopping and leisure destination of exceptional quality, offering a strong focus for community identity and cohesion. The centre will benefit from the Lewisham Gateway site delivering easier and better pedestrian routes between the bus and train stations and the high street, a new road layout and new commercial, retail and residential development. New high quality residential developments will help to increase the number and diversity of people using the centre and support its Metropolitan Town Centre status. The street market will continue to provide an extensive range of goods and its overall contribution to the quality of the urban environment will be improved. The Quaggy and Ravensbourne Rivers will be celebrated by the provision of a network of public green spaces and parks including Cornmill Gardens. A new landscaped public plaza where these two rivers meet will consolidate the identity of Lewisham as a river valley town and provide an enhanced sense of place and focus. Buildings, streets and spaces will be designed and managed to take account of climate change and incorporate on-site clean and renewable energy technologies, including a decentralised energy network.”

2.2 The objectives

Objective 1 – Retail and town centre status:

To support and improve the vitality and viability of Lewisham town centre and achieve Metropolitan Centre status by 2026 through the delivery of 40,000 sqm of additional retail floor space, improved leisure floorspace and evening economy space and enhancing distinctive features such as the street market.

Objective 2 – Housing:

To deliver up to 2,300 additional new homes by 2016 and a further 1,100 additional new homes by 2021 to create a sustainable and mixed community of private and affordable housing in line with the Core Strategy, with highest densities focused in locations with the highest level of public transport accessibility.

Objective 3 – Design quality:

To apply consistently high standards of design including sustainable design and construction to individual sites to ensure that developments are accessible and safe, make the best use of natural resources, protect heritage assets, enable people to easily make environmentally aware choices and are carefully phased and co-ordinated to create a cohesive place and a sustainable community.

Objective 4 – Employment and training:

To maximise job opportunities by ensuring the retention and re-provision of employment generating uses, the enhancement of training opportunities and the redevelopment of key sites throughout the town centre for a range of non-residential uses, including offices.

Objective 5 – Open space and recreation:

To encourage healthy lifestyles through the maintenance, protection and improvement of the supply of publicly accessible open space (including public realm and the town centre streetscape), and incorporation of additional recreational and open space as part of new developments.

Objective 6 – Transport:

To encourage patterns of development which support walking, cycling and the use of public transport, reduces the need for private car travel, maintains and where possible improves the high levels of public transport accessibility of the town centre and knits the centre in with the surrounding area.

Objective 7 – Environment:

To protect, enhance and restore the Rivers Quaggy and Ravensbourne and ensure that the town centre can mitigate and adapt to the risks arising from air pollution and climate change by focusing on protecting the area against extreme weather conditions, mitigating heat island effects and delivering energy efficient and low carbon development.

Objective 8 – Community:

To create a safe and accessible place that enables and promotes the adoption of healthy lifestyles and delivers appropriate levels of education, community and leisure facilities that keep pace with proposed growth.

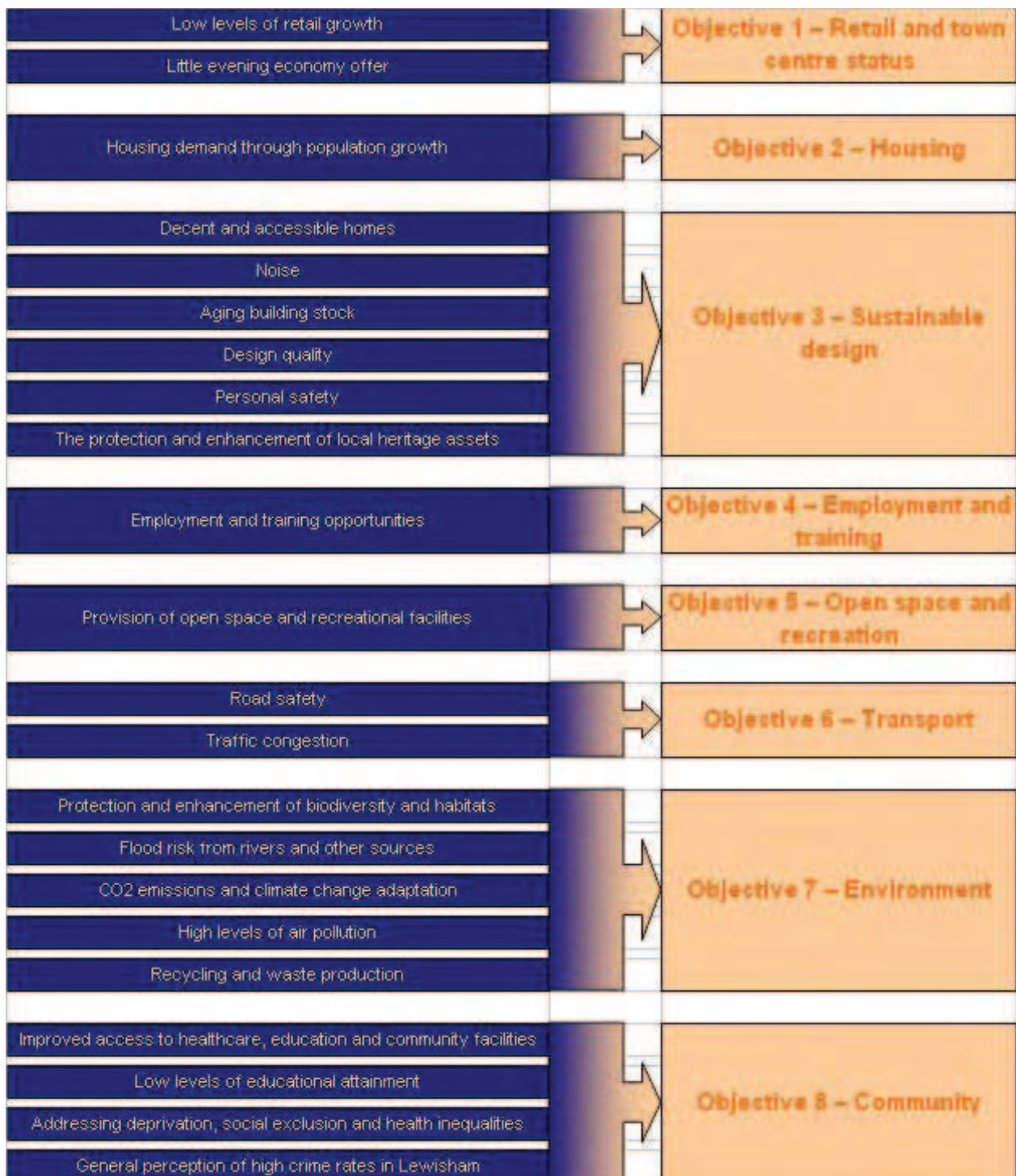
Objective 9 – Implementing and monitoring the LTCLP:

To ensure that partners in the public, private and third sectors continue to work together to ensure that the forecast growth in the town centre is carefully monitored, managed and delivered throughout the plan period.

2.3 From issues to objectives

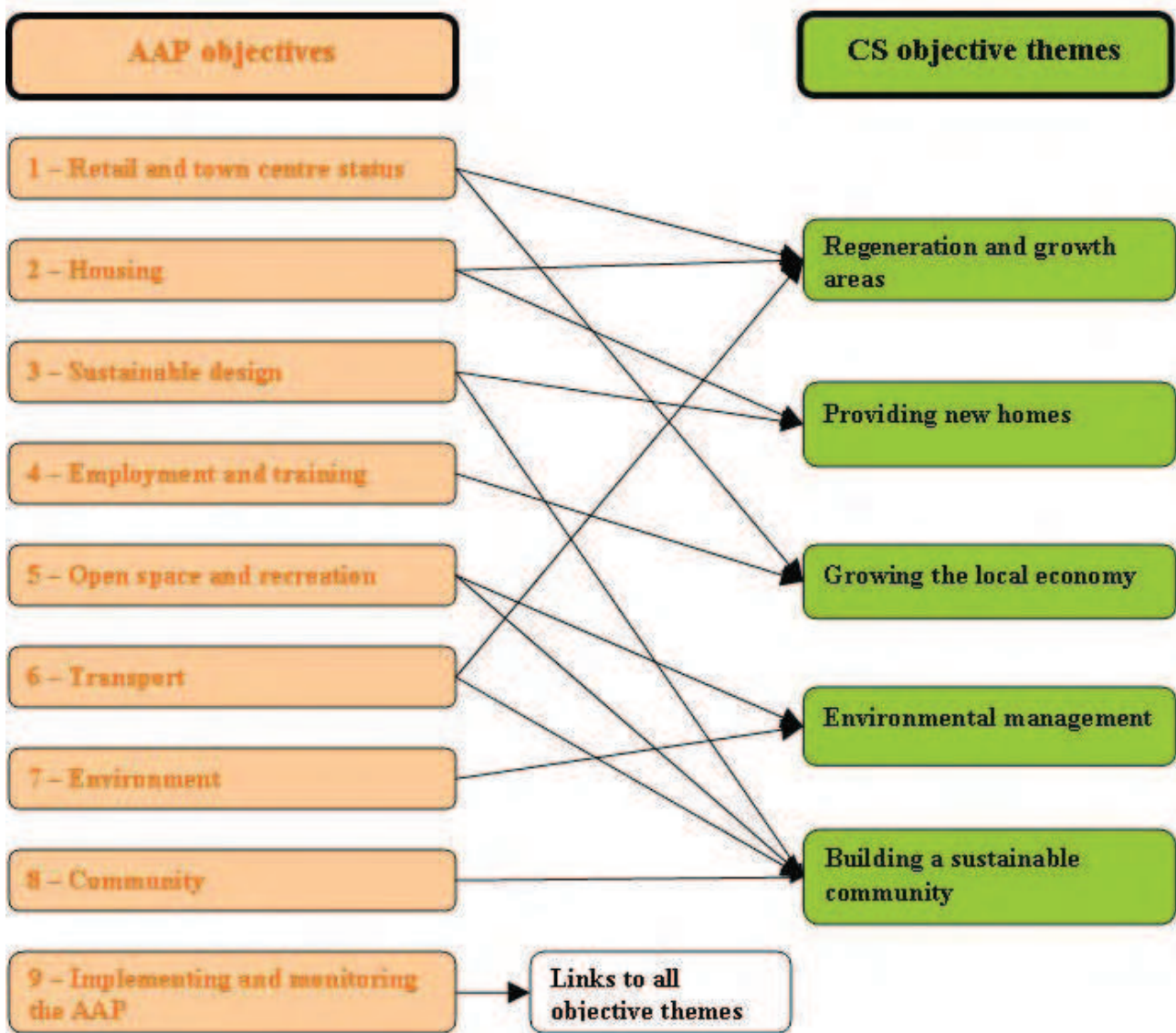
2.3 Figure 2.1 links the issues and challenges for the town centre brought forward in Section 1.3 with the objectives identified in Section 2.2 to fix the issues. Sections 4, 5 and 6 contain a selection of policies that will contribute to meeting each of the LTCLP objectives and hence tackle each of the identified issues through the channels demonstrated below.

Figure 2.1 Issues and challenges in Lewisham town centre influencing objectives



2.4 Further, in Figure 2.2 the LTCLP objectives are connected to the strategic objective themes that are used to guide the Core Strategy, demonstrating a consistency of approach throughout the LDF process. Additionally, it acts as a reminder that the wider Core Strategy policies will have a direct influence upon the development of the town centre.

Figure 2.2 LTCLP objectives and Core Strategy objective themes



- 3.1** The NPPF states that Local Plans should be based upon and reflect the presumption in favour of sustainable development, with clear policies that will guide how the presumption should be applied locally (paragraphs 14 and 15). To support this approach, all policies in the LTCLP should be read in the context of Policy LTC0 – Presumption in favour of sustainable development.

Policy LTC0

Presumption in favour of sustainable development

When considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework. It will work proactively with applicants to find solutions which mean that proposals secure development that improves the economic, social and environmental conditions in the borough.

Planning applications that accord with the policies in the Lewisham Local Plan (and, where relevant, with policies in neighbourhood plans) will be approved without delay, unless material considerations indicate otherwise.

Where there are no policies relevant to the application, or relevant policies are out of date at the time of making the decision, then the Council will grant permission unless material considerations indicate otherwise – taking into account whether:

- Any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole; or
- Specific policies in that Framework indicate that development should be restricted.

Context

- 3.2** The focus of the NPPF is on a presumption in favour of sustainable development and positive growth. The NPPF states that international and national bodies have set out broad principles of sustainable development including:
- Resolution 24/187 of the United Nations General Assembly, which defines sustainable development as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'. (Brundtland Report)
 - The UK Sustainable Development Strategy Securing the future, which sets out five guiding principles of sustainable development:
 1. Living within the planet's environmental limits
 2. Ensuring a strong, healthy and just society
 3. Achieving a sustainable economy
 4. Promoting good governance
 5. Using sound science responsibly.

3.3 The Government believes that sustainable development can play three critical roles in England:

Economic role	Contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places to support growth and innovation
Social role	Supporting strong, vibrant and healthy communities by providing the supply of housing required to meet the needs of present and future generations, and by creating a high quality built development with accessible local services
Environmental role	Contributing to protecting and enhancing our natural, built and historic environment

3.4 The presumption in favour of sustainable development should be seen as a golden thread running through both plan-making and decision making. The presumption is subject to two exceptions as outlined in part 3 to the policy.

3.5 The NPPF provides specific detail relating to 13 aspects of sustainable development which proposals and plan-making needs to comply with. These are:

- building a strong competitive economy
- ensuring the vitality of town centres
- supporting a prosperous rural economy
- promoting sustainable transport
- supporting high quality communications infrastructure
- delivering a wide choice of high quality homes
- requiring good design
- promoting healthy communities
- protecting Green Belt land
- meeting the challenge of climate change, flooding and coastal change
- conserving and enhancing the natural environment
- conserving and enhancing the historic environment and
- facilitating the sustainable use of minerals.

The first part of Section 4 details the direct scope of the report by detailing the plan area boundary.

The second part of the section describes the six important sub-areas or 'Policy Areas' and the ten key development sites within the town centre. There are also several plans that show their locations, sizes and boundaries.

Lastly, part 4.3 seeks to ensure that the development of individual sites or Policy Areas is progressed with appropriate consideration of the vision and objectives of the LTCLP, the wider development context and the potential development of other sites and Policy Areas.

4.1 The plan boundaries

Policy LTCP1

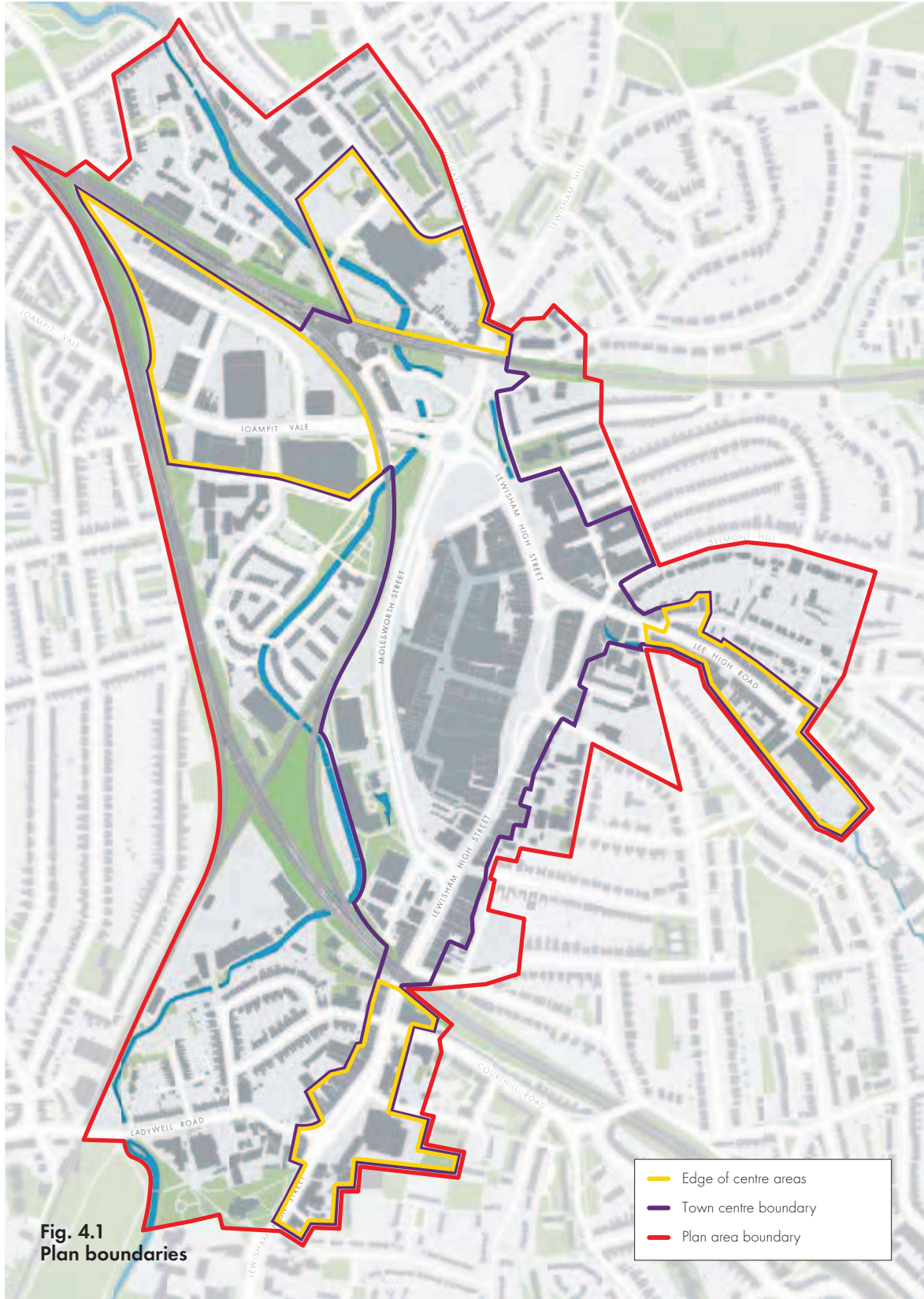
Plan boundaries

The plan area and town centre boundaries have been defined as shown in Figure 4.1, alongside those parts of the town centre that are considered edge of centre.

Delivery context

- 4.1** The town centre boundary includes the primary shopping area and those areas predominantly occupied by main town centre uses. Within the town centre boundary, several locations are designated as 'edge of centre' while locations beyond the town centre boundary are considered 'out of centre'. These designations have been made in accordance with the definitions in the glossary of the NPPF.
- 4.2** For the full list of policy and evidence base linkages with this policy see Appendix 1.

Figure 4.1 Plan boundaries



4.2 Introducing policy areas and sites

- 4.3** A review of Lewisham town centre, looking at factors such as architecture, townscape features and retail influence, demonstrated that there are distinct sub-areas within the town centre. These sub-areas have diverse characters and each present different opportunities to enhance the social, environmental and economic health of the town centre. These sub-areas have been labelled 'Policy Areas'.
- 4.4** The Policy Areas provide a means to realise the vision and objectives of the LTCLP and are as follows:
- Lewisham Gateway
 - Loampit Vale
 - Conington Road
 - Lee High Road
 - Ladywell
 - Central
- 4.5** Figure 4.2 shows the six Policy Areas in the context of the plan area boundary.
- 4.6** The majority of the Policy Areas have been defined to assist in the intensification of those central town centre locations which have excellent public transport linkages (in line with national and London Plan policy). Specifically, these areas include the identified development opportunities which will deliver new retail floorspace, homes and jobs as well as contributing to sustainable patterns of transport and creating a high quality environment for the benefit of all who use the centre and rely on the essential services provided within it. The exception to this is Ladywell Policy Area which is dominated by a number of historic buildings and a conservation area which the LTCLP policies seek to protect and enhance.
- 4.7** Each Policy Area has different and distinct requirements and opportunities to support a diverse town centre. Therefore Section 5 includes a separate sub-section for each Policy Area, which details the character of the area and contains an area specific policy to guide future development and rationale for the inclusion of the policy.
- 4.8** Further capacity for development exists across many sites in Lewisham town centre. To accommodate this potential growth, each Policy Area is assigned an indicative capacity for the remaining development. Within the Policy Areas, individual sites will still require an assessment of the site capacity in line with the London Plan development density matrix.
- 4.9** The six Policy Areas cover less than 50% of the total plan area boundary. Areas outside the Policy Areas are also important in supporting the town centre functions, however they are largely established, have generally lower public transport accessibility and less development is anticipated. In these areas, development will need to conform with the area-wide policies in Section 6.

Figure 4.2 Policy Areas



- 4.10** Within each of the Policy Areas, there are a number of major sites which have the potential for development and are considered key in achieving the vision and the objectives of the LTCLP. The majority of the sites are considered suitable for redevelopment to a mix of uses, including residential, retail, business, leisure and community uses. Appropriate uses for specific sites are detailed in the Policy Area policies in Section 5.
- 4.11** The sites identified as key to the development of Lewisham town centre are listed below and identified in Figure 4.3.

Gateway Policy Area:

- S1. Lewisham Gateway
- S2. Kings Hall Mews

Loampit Vale Policy Area:

- S3a/b. Thurston Road – east of Jerrard Street
- S4. Thurston Road – west of Jerrard Street
- S5. Thurston Road – Railway Strip

Conington Road Policy Area:

- S6. Tesco block, car park and petrol station

Lee High Road Policy Area:

- S7. Lee High Road West

Ladywell Policy Area:

- S8. Ladywell Leisure Centre

Central Policy Area:

- S9. Land north of Lewisham Shopping Centre
- S10. Land south of the Lewisham Shopping Centre

- 4.12** Additionally there are a number of sites in the town centre where planning permission has been granted and development is under construction or completed. These sites are also identified in Figure 4.3.
- 4.13** The six Policy Areas identified above and explored in Section 5 are allocated indicative development capacities for the potential delivery of housing. For Policy Area detail see Sections 5.1 to 5.6. The town centre wide total of the indicative capacities for housing is 2,420 which is 980 below the total development required by Objective 2 of 3,400. However 977 housing units are under construction or have already been delivered, meaning the total new homes for delivery in the town centre will be 2,420 plus 977 which equals 3,397.
- 4.14** The Core Strategy (June 2011) states that up to 2,600 houses are to be accommodated in Lewisham town centre over the plan period (2011 – 2026). The Core Strategy designated homes only to the sites which were available and developable at the time in order

to ensure the plan was deliverable. The increase in potential housing delivery in the LTCLP is mainly due to the identification of additional sites in the Conington Road, Central and Ladywell Policy Areas and the minor reassessment of the capacity of Loampit Vale and Lee High Road Policy Areas. No changes have been made to the capacities of individual development sites that were included in the calculation of the Core Strategy designation.

- 4.15** The same capacity approach is used for retail floorspace. LTCLP Objective 1 identifies a requirement for 44,000 sq m of new retail floorspace, while the indicative capacities of the six Policy Areas in Section 5 equate to 44,500 sq m. There has been 3,050 sq m of additional retail space already delivered, meaning the total new retail floorspace to be delivered is 47,550 sq m.
- 4.16** The Core Strategy (June 2011) states that up to 40,000 sq m of retail floorspace is to be accommodated in the town centre. It is the emergence of a site previously not included in the Core Strategy that has caused the increase in deliverable space. The site is Lewisham Shopping Centre which is capable of delivering 10,000 sq m of new space. All other town centre development sites considered in both the Core Strategy and all the LTCLP are expected to deliver the same or a very similar quantum of retail floorspace.

Figure 4.3 Development sites

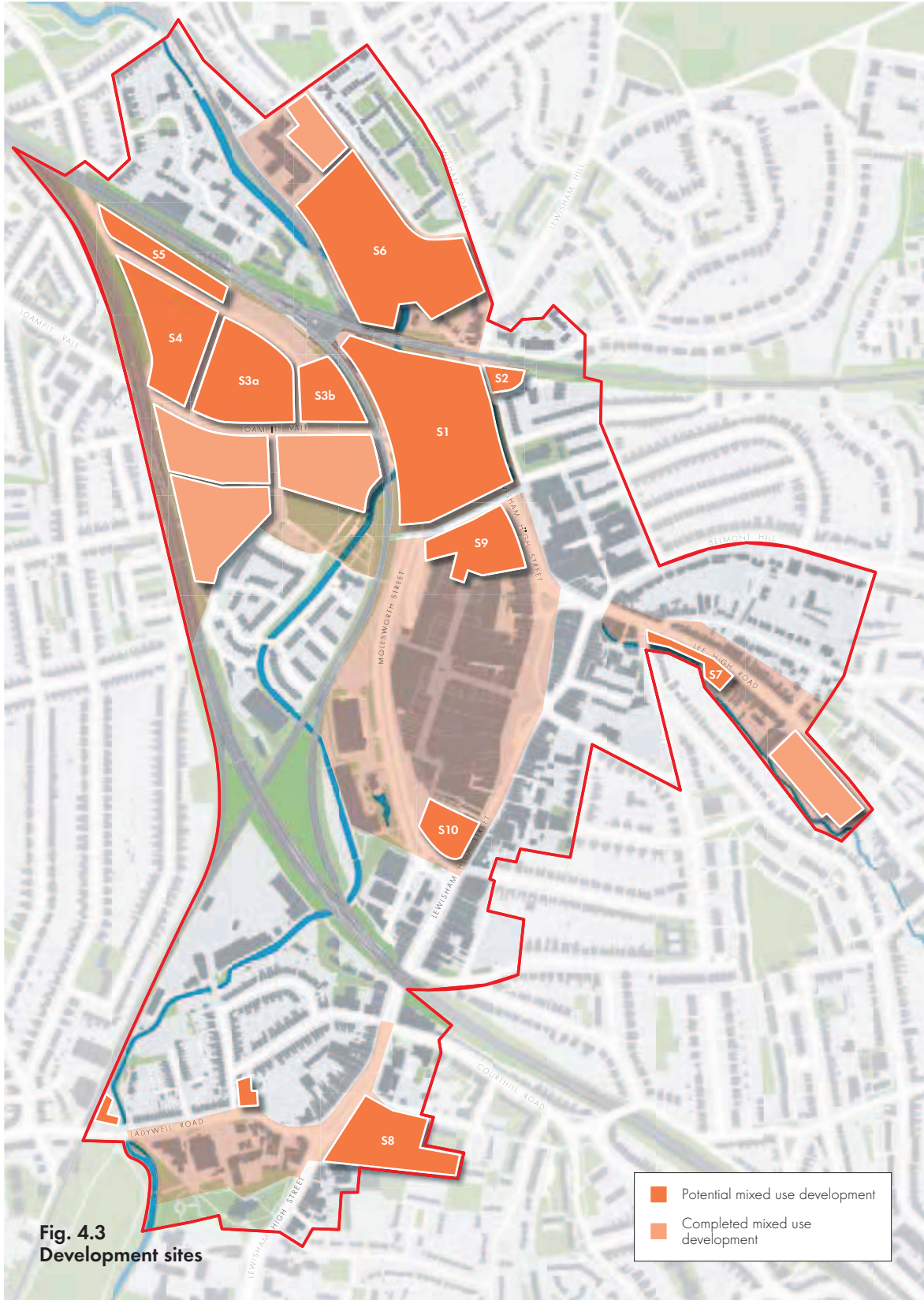


Fig. 4.3 Development sites

4.3 Creating a cohesive and complete town centre experience

Policy LTC2

Town centre boundary

1. All new development will need to contribute positively to the delivery of the vision (See Section 2.1) and the objectives (see Section 2.2) and must conform with and implement this spatial strategy. To achieve this applicants will be required to:

(a) demonstrate how the proposal will support the delivery of the town centre vision and the objectives of both the town centre and the individual Policy Areas,

(b) demonstrate how the proposal for a site has been informed by the current, emerging and future context of the site and surrounding area,

(c) ensure that the proposal is in no way detrimental to the successful current or future implementation of other nearby sites or their ability to meet the LTCLP vision or objectives.

2. In addition to masterplanning within a site, proposals must address how an individual site relates to the wider area, and where appropriate, applications must be supported by a masterplan across multiple sites to demonstrate the acceptability of an individual scheme.

Rationale

- 4.17** The development of the individual sites identified in Figure 4.3 is of great importance to the successful delivery of the objectives for each of the Policy Areas and also for the vision and objectives of the whole LTCLP. However, it is the successful delivery of all sites and the cumulative impact of every development that will fulfil the LTCLP vision and objectives.
- 4.18** As seen in Figure 4.3, the town centre location contains a large number of sites in close proximity to each other. The highly accessible nature of the town centre means that policy demands higher density development than the surrounding residential areas. Therefore development of one site may have a significant impact on proposed or potential development of adjacent sites. To ensure the delivery of a coordinated and cohesive town centre it is crucial that communication takes place between landowners, applicants and the Council. It may be appropriate for applicants to prepare a joint masterplan for specific sites, multiple sites or whole Policy Areas.
- 4.19** For the full list of policy and evidence base linkages with this policy see Appendix 1.
- 4.20** Figures 4.4 to 4.6 detail a number of key attributes across the town centre. While considering individual sites, applicants should give regard to the contextual information displayed. These plans do not provide an exhaustive list of all multiple site concerns, however they are designed to guide applicants towards the type of considerations that should be reflected in a proposal and detailed in a design and access statement.
- 4.21** Figure 4.4 identifies the development context, including details of planned and delivered development sites. It shows the intended extension to the retail core which is central to the vision of establishing Lewisham as a metropolitan town centre.

- 4.22** Figure 4.5 shows the environmental context. Green and hard public spaces, rivers and other environmental concerns are central to the vision for Lewisham town centre. The planned development provides a unique opportunity to improve the public realm and public experience of the town centre.
- 4.23** Figure 4.6 shows the key routes and linkages that are vital to ensuring the delivery of a legible, permeable and accessible town centre. The wide scale redevelopment of large town centre areas gives us an excellent opportunity to improve access to the town centre, especially for pedestrians and cyclists.

Figure 4.4 Development context

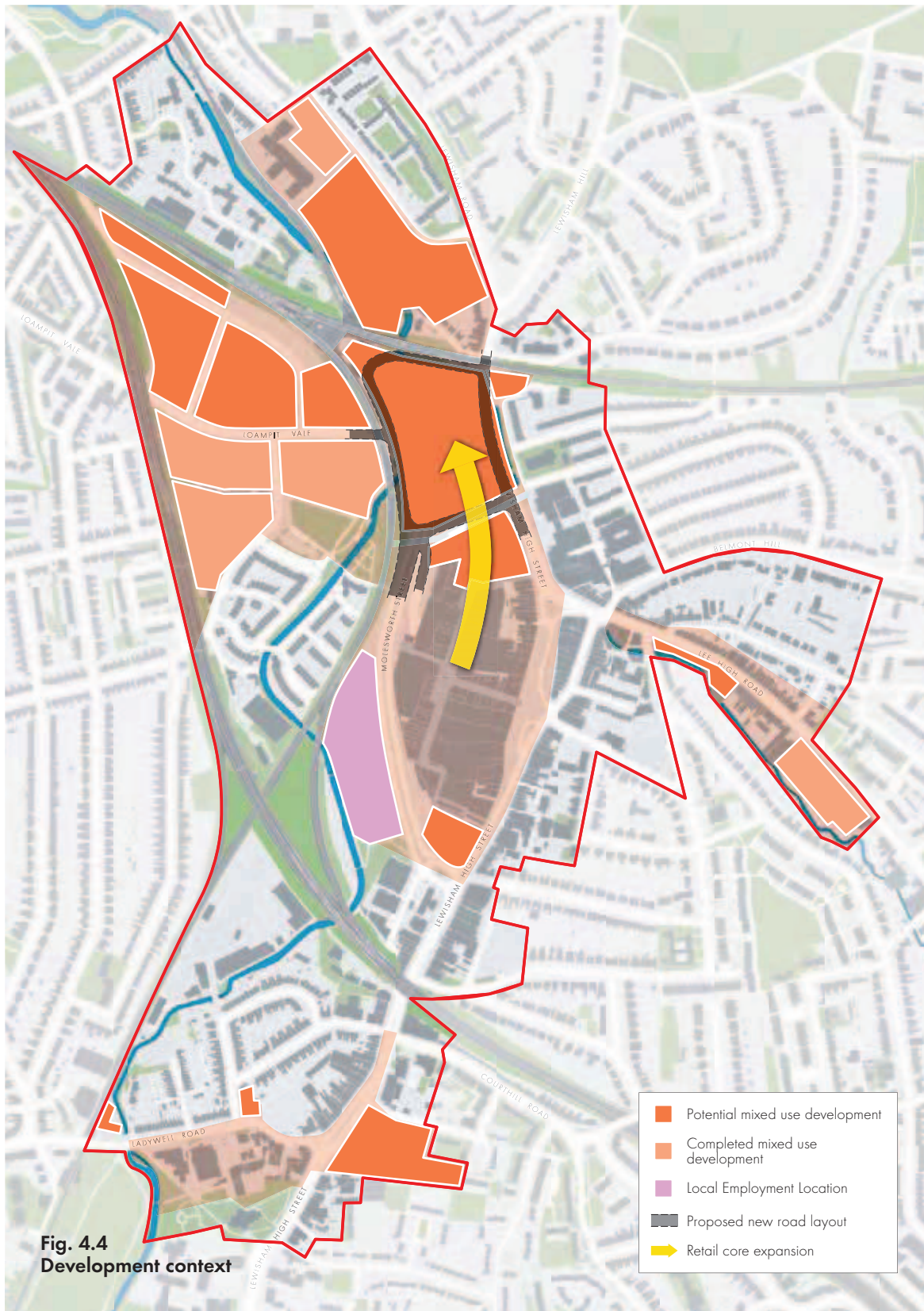


Figure 4.5 Environmental context

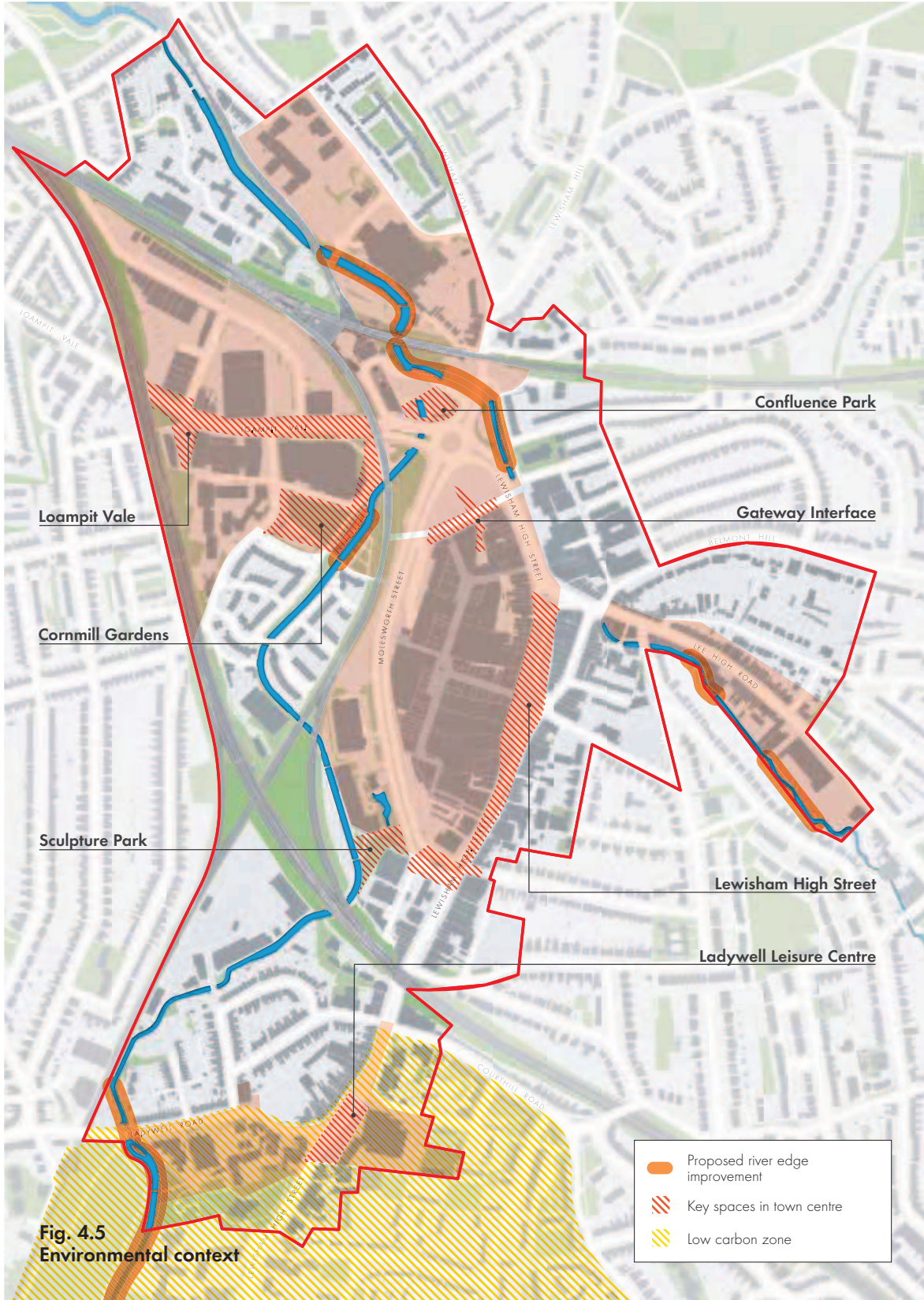
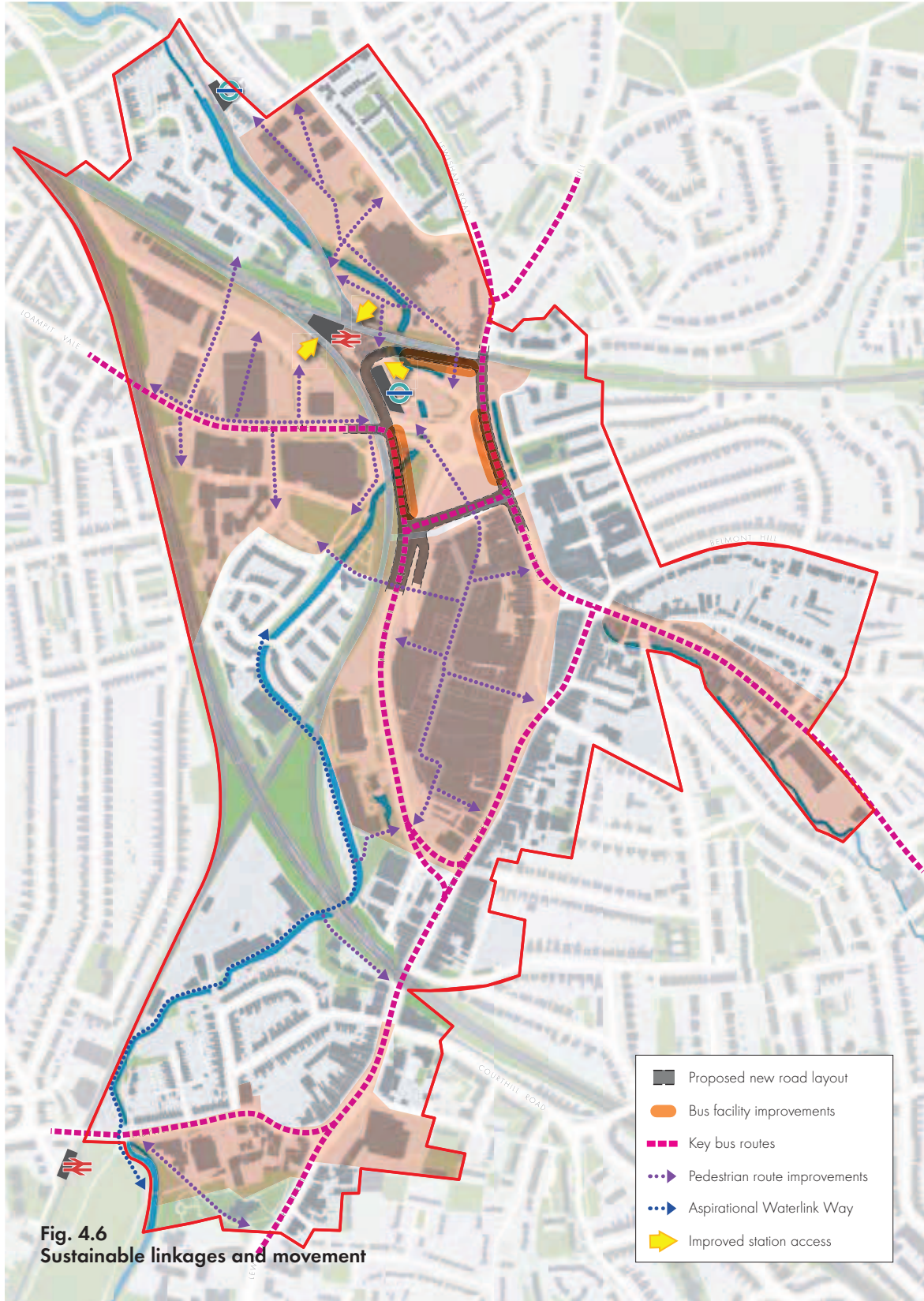


Figure 4.6 Sustainable linkages and movement



As described in Section 4, there are six Policy Areas and ten key development sites in Lewisham town centre. Section 5 states the key objectives, policy, delivery context and contributions for each of the Policy Areas and sub-policies where appropriate for individual sites to provide further site specific detail.

The Policy Areas and their corresponding LTCLP policies in this section contribute towards the delivery of all of the LTCLP objectives. In particular Section 5 focuses on delivery and is therefore vital in ensuring the successful realisation of Objective 9 – Implementing and monitoring the LTCLP. Other objectives are supported alongside Objective 9 as delivery is encouraged within policies that demand economically, socially and environmentally sustainable growth.

5.1 Lewisham Gateway Policy Area

Overview

- 5.1** The Lewisham Gateway Policy Area is dominated by the roundabout, roads and open and cleared spaces of the Lewisham Gateway site plus an adjoining site known as Kings Hall Mews (Site 2, Figure 5.1). This town centre location is generally contained by railway lines to the northwest, Rennell Street to the south and Lewisham High Street and the Quaggy River to the east.
- 5.2** Lewisham Gateway is identified as one of five strategic site allocations in the Council's Core Strategy (Spatial Policy 2 and Strategic Site Allocation 6) due to its scale and importance in delivering jobs, homes and other benefits. The site is the largest single development proposed for the Lewisham town centre and will deliver £250 million of public and private investment.
- 5.3** A specific LTCLP policy for this site is not necessary due to its inclusion in the Core Strategy, but the key area objectives provide a link to the Core Strategy. Policy is specifically provided for Kings Hall Mews as this site is not covered by the Core Strategy. This site adjoins Lewisham Gateway to the northeast, bounded by Lewisham Road and Kings Hall Mews, and is currently occupied by a car yard.
- 5.4** The Lewisham Gateway Policy Area will seek to deliver the following:
- 800 homes
 - 17,000 sq m retail (A1, A2, A3, A4, A5)
 - 8,000 sq m office/business (B1)
 - 5,000 sq m hotel
 - 5,000 sq m of leisure

Key area objectives

- Promote high quality mixed use development befitting a metropolitan town centre
- Provide a safe, pleasant and convenient pedestrian and cycle environment connecting the Lewisham transport interchange to the High Street and Lewisham Shopping Centre
- Improve the transport interchange between buses, trains and DLR
- Celebrate the confluence of the rivers Quaggy and Ravensbourne

Policy LTC3

S2 Kings Hall Mews, Lewisham Gateway

1. Kings Hall Mews is designated as a mixed use development site. Suitable uses will include retail (A1, A2, A3), business (B1), hotel (C1) and residential (C3).
2. Proposals must be of the highest design quality, providing a site-specific design response that relates carefully to the adjoining locally listed four storey Victorian terrace on Lewisham High Street, the St Stephen's conservation area and proposals for the Lewisham Gateway strategic site. In addition, applications will need to adhere to the following principles and address the site and environmental constraints of the location, including:
 - (a) proximity to the railway line,
 - (b) Lewisham High Street frontage,
 - (c) traffic access and egress from the site.
3. Proposals must be justified by a clearly articulated rationale for the proposed use/s, height, building alignment, scale and massing.
4. Active ground floor street frontages will need to be provided to Kings Hall Mews and Lewisham High Street.

Figure 5.1 Lewisham Gateway area

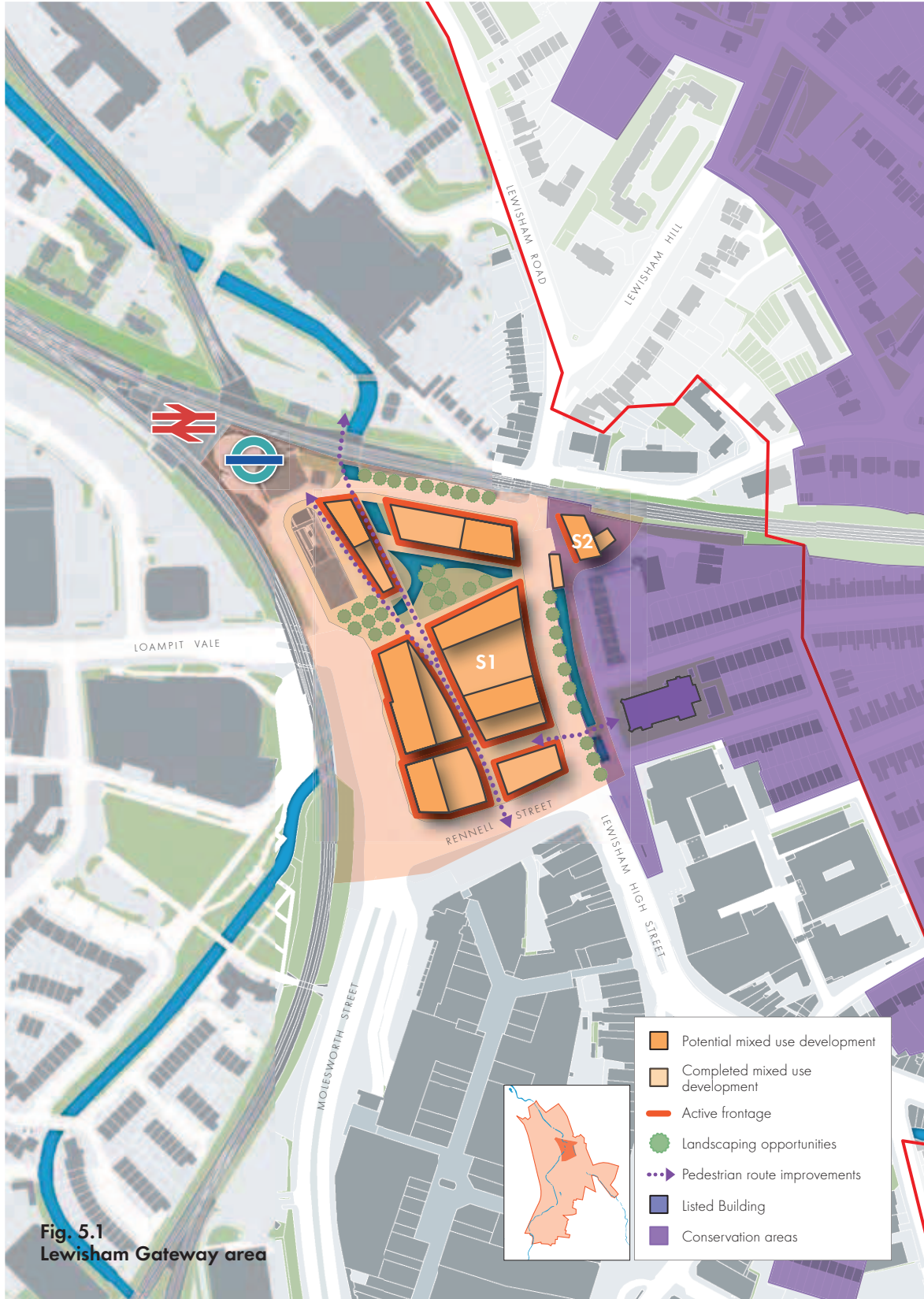


Fig. 5.1
Lewisham Gateway area

Delivery context

5.5 Development in this Policy Area should take account of the policies in this section, the spatial strategy and all of the area-wide policies detailed in Section 6 of this LTCLP. In particular, the following area-wide policies are of importance:

- Growing the local economy
- Mixed use
- Employment uses
- Evening economy uses
- Town centre vitality and viability
- Retail areas
- Public realm
- Tall buildings
- Sustainable transport
- Public and shopper parking spaces
- Carbon dioxide emission reduction
- Adapting to climate change

5.6 For the full list of policy and evidence base linkages with this policy see Appendix 1.

Contributions

5.7 In addition to affordable housing and the infrastructure priorities identified in LTC22 (social infrastructure), the priorities for site-specific developers contributions associated with new development proposals in this Policy Area are:

- Public realm improvements including Lewisham High Street and Kings Hall Mews pavement widening and tree planting
- Public transport improvements, including measures to assist bus operations, accessibility for passengers and awareness
- Provision of cycle parking near to shops and leisure facilities
- Communal heating
- Promotion of long-term decentralised energy options (either by direct provision or by safeguarding opportunities through the installation of appropriate pipework to facilitate future connections)

5.2 Loampit Vale Policy Area

Overview

- 5.8** The Loampit Vale Policy Area forms the principal approach to the town centre from the west and has evolved into an edge of centre Policy Area where bulky goods retailers have tended to cluster. As part of any redevelopment of the area, the Council will seek to maximise the provision of comparison retail floor space in this edge of centre location to support the objective of becoming a metropolitan town centre. The Policy Area has more recently developed into a location of new town centre communities and high quality community facilities including a new public park, new leisure centre and new school. The Policy Area benefits from excellent public transport accessibility given its proximity to Lewisham transport interchange and there is a major opportunity to provide new jobs, homes and essential community facilities. New retail provision should complement and not compete with the existing Primary Shopping Frontage. Key route and public realm improvements can enhance the potential for car-free development in a high quality environment.
- 5.9** South of Loampit Vale, 788 homes, ground floor commercial space and a new leisure centre are currently being delivered. Additionally, approval has been granted for the comprehensive redevelopment of the Thurston Road Industrial Estate (Site 4, Figure 5.2), comprising 6,771 sq m retail, 9 live/work units and 406 homes (Site 4).
- 5.10** Further capacity for development exists across several sites. Of those sites in the Loampit Vale Policy Area still to be delivered there is the following indicative capacity (Sites 3a, 3b, 4 and 5):
- 1,000 homes
 - 11,200 sq m net retail

Key area objectives

- Provide new homes, shops, jobs and community facilities
- Complement the Lewisham Gateway development
- Mark the arrival to the town centre from the west
- Create a high quality active boulevard along Loampit Vale
- Improve north – south connections
- Improve the pedestrian and cycling environment, particularly along Loampit Vale
- Enhance links with Lewisham transport interchange
- Facilitate a decentralised energy network

Policy LTC4

Loampit Vale Policy Area

1. The Loampit Vale Policy Area is designated for mixed use development. All proposals will be required to complement the primary shopping area as follows:

(a) uses located on the ground floor and possibly first floor will need to be retail (A1, A2, A3) limited to the types specified in (b) and (c) below, business (B1) and community (D1, D2),

(b) large-format non-food retail proposals will be considered appropriate subject to their having no demonstrable adverse impact on the Primary Shopping Area,

(c) a food store of up to 1,500 sq m (net sales area) will be acceptable on site S4, subject to any such proposal having no demonstrable adverse impact on the Primary Shopping Area and/or the local highway network,

(d) additional storeys will provide residential uses across a range of dwelling types and sizes in this highly accessible location.

2. All proposals will be required to deliver the following priorities:

(a) the ground floor must provide an active frontage and strong built edge proportionate to the town centre location, especially facing Loampit Vale,

(b) buildings must be of an appropriate scale, mindful of the immediate context and the importance of Loampit Vale as a major route without trying to compete with Lewisham Gateway,

(c) a high quality public realm is to be provided by ensuring a consistent and coordinated treatment of materials and street furniture and substantially improving key pedestrian and cycle routes along Loampit Vale, Thurston Road, Jerrard Street and north – south routes that link to the surrounding residential areas,

(d) generous tree lined pavements of at least 6 to 8 metres in width to create boulevards,

(e) buildings must incorporate communal heating and cooling systems and facilitate the Policy Area becoming a decentralised energy hub, in accordance with policy LTC24.

3. Consideration should be given to the proximity of the proposed ‘bus layover’ site (part of the Lewisham Gateway development) when planning for sensitive uses on adjacent sites.

4. The site is situated within Flood Zone 3a High Probability. Applicants will need to comply with Core Strategy Policy 10 and work closely with the Environment Agency to ensure proposals will deliver a positive reduction in flood risk. A Flood Risk Assessment for the site will need to be submitted that clearly and concisely summarises how the reduction in flood risk will be delivered.

Additional site specific requirements:

S3a and S3b Loampit Vale north east of Jerrard Street

5. The Council require a comprehensive masterplan endorsed by all landowners for these sites and their surrounds.

6. Taller elements of new development should address Loampit Vale.

7. Building lines may need to be set back to accommodate a dedicated bus lane for turning from Loampit Vale into Jerrard Street and the resultant required depth of pavement.

8. Accessibility to Lewisham transport interchange should be enhanced wherever possible.

S4 Loampit Vale north west of Jerrard Street

9. Development should take account of the southerly aspect available and the new amenity space to the south of Loampit Vale.

10. Proposals need to take into account the impact of surrounding developments on the daylight, sunlight and overshadowing of any new development on this site and use this to inform the design and use of building and spaces.

S5 Railway Strip

11. This site is considered most appropriate for a commercially led mix of uses (employment generating, most likely B1 use), although sensitive design could make some residential use acceptable.

12. For all uses, proposals must provide a high quality of accommodation and amenity by suitably addressing and mitigating against:

(a) the geographic constraints presented by the narrow plot depth,

(b) the location adjacent to the Victorian railway viaduct,

(c) the impact of surrounding developments on the daylight, sunlight and overshadowing of new development on this site.

13. This is a secondary route and not a primary entrance into the town centre and the scale and massing of buildings should reflect this.

Figure 5.2 Loampit Vale area

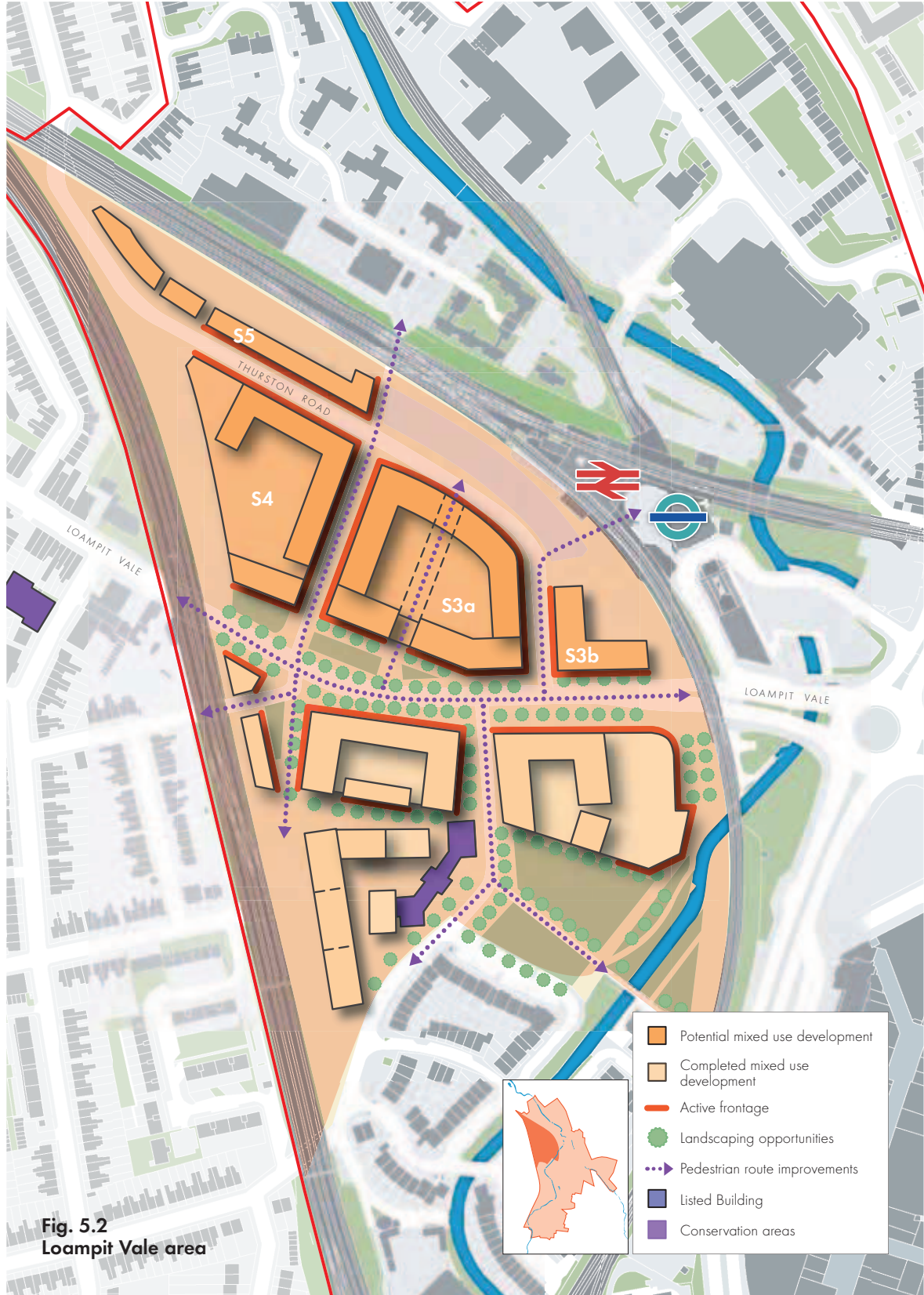


Fig. 5.2 Loampit Vale area

Delivery context

5.11 Development in this Policy Area should take account of the policies in this section, the spatial strategy and all of the area-wide policies detailed in Section 6 of this LTCLP. In particular, the following area-wide policies are of importance:

- Growing the local economy
- Mixed use
- Employment uses
- Student housing
- Town centre vitality and viability
- Retail areas
- Public realm
- Tall buildings
- Public and shopper parking spaces
- Sustainable transport
- Carbon dioxide emission reduction

5.12 For the full list of policy and evidence base linkages with this policy see Appendix 1.

Contributions

5.13 In addition to affordable housing and the infrastructure priorities identified in LTC22 (social infrastructure), the priorities for site-specific developers contributions associated with new development proposals in this Policy Area are:

- Public realm improvements including Loampit Vale and Jerrard Street pavement widening and tree planting
- Public transport improvements, including measures to assist bus operations, accessibility for passengers and awareness
- Provision of cycle parking near to shops and leisure facilities
- Public access to any non-residential car parking
- Communal heating
- Promotion of long-term decentralised energy options either by direct provision or by safeguarding opportunities.

5.3 Conington Road Policy Area

Overview

- 5.14** The Conington Road Policy Area is immediately to the north of Lewisham transport interchange and the planned Lewisham Gateway development. This edge of centre Policy Area is dominated by a somewhat outdated but popular Tesco store and an associated fragmented series of surface car parks. This is a highly sustainable location with very good levels of public transport accessibility. The River Ravensbourne runs through the Policy Area in a concrete channel, while the Silk Mills Path provides key pedestrian and cycle access to the town centre.
- 5.15** There are two sites that have recently been completed in this Policy Area: 72 – 78 Conington Road – an eight to ten storey building containing 270 homes and a limited amount of commercial floorspace; and the Venson site on Conington Road – 130 homes in buildings rising to a maximum of eight storeys.
- 5.16** The remaining development capacity in this Policy Area falls into the space where Tesco and its car parking are currently located (Site 6, Figure 5.3). Tesco has expressed an interest in reviewing its store operations and this may include expansion, changes to the layout of the car park and a mix of non-retail uses including residential.
- 5.17** The Conington Road Policy Area has the following indicative capacity:
- 250 homes
 - 3,000 sq m net retail

Key area objectives

- Improve links across the Policy Area to the Lewisham Gateway site, Lewisham transport interchange and the River Ravensbourne
- Enhance the ecological quality of the river environment and ensure the river corridor is also improved to form a valuable public amenity
- Provide retail services for the borough’s residents in the form of an extension to the existing foodstore, suitable for an edge of town centre location that supplements those contained in the Central Policy Area
- Provide a balanced, high density neighbourhood

Policy LTC5

Conington Road Policy Area

1. The Conington Road Policy Area is designated for mixed use development. All proposals will be required to contribute to the realisation of the following principles:

(a) improve and create more accessible, welcoming and safe pedestrian and cycling entrances, frontages and routes to the Lewisham transport interchange, Lewisham town centre, Lewisham Gateway site, Lewisham Road, Conington Road, Silkmills Path and the River Ravensbourne,

(b) improve the ecological quality of the river environment and ensure the river corridor is enhanced to form a riverside walk, incorporating the existing bridges and with an attractive and robust embankment. The embankment should be visually and physically accessible from Conington Road and improve access to the Lewisham transport interchange and Lewisham Gateway site. Suitable provision should be provided on site to allow for the inspection and maintenance of the Ravensbourne River and associated flood risk management structures,

(c) retain and enhance the scale and grain of the existing historic fabric at the southern end of this Policy Area, its mix of uses and townscape character,

(d) the site is situated within Flood Zone 3a High Probability. Applicants will need to comply with Core Strategy Policy 10 and work closely with the Environment Agency to ensure proposals will deliver a positive reduction in flood risk. A Flood Risk Assessment for the site will need to be submitted that clearly and concisely summarises how the reduction in flood risk will be delivered.

Additional site specific requirements: S6 Tesco block, car park and petrol station

2. Development involving underground parking, residential development, and retail expansion of the existing store (up to 3,000 sq m net additional floorspace) will be acceptable, subject to any such proposal having no demonstrable adverse impact on the Primary Shopping Area. Development on the site will need to respond to the following principles:

(a) due to the complex nature of this site applicants should provide a masterplan across the site,

(b) taller elements of the block should be avoided next to the existing historic fabric and the river. However, development may take advantage of the natural slope of the site to influence building heights,

(c) the quality of frontages to Lewisham Road and the southern end of Silk Mills Path should be improved,

(d) new buildings should provide high quality urban space with generous, functional and formal landscaped areas forming the central part of an improved Silk Mills Path and river corridor,

(e) underground or ground floor parking should be masked by development which provides activity to public routes around the site,

(f) any redevelopment involving the retention of the existing store should seek to enhance the building's appearance and environmental performance.

Figure 5.3 Conington Road area

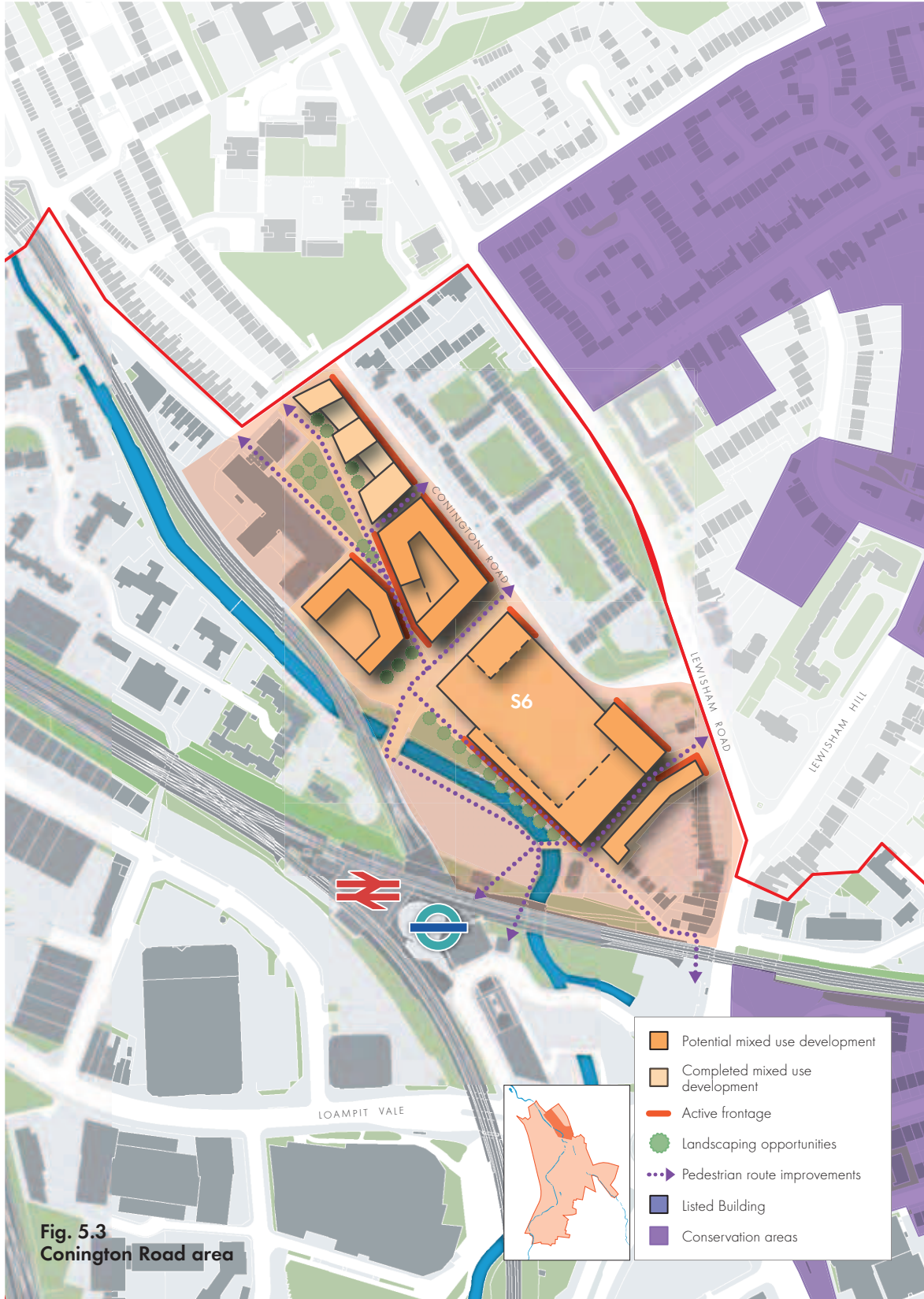


Fig. 5.3
Conington Road area

Delivery context

5.18 Development in this Policy Area should take account of the policies in this section, the spatial strategy and all of the area-wide policies detailed in Section 6 of this Local Plan. In particular, the following area-wide policies are of importance:

- Growing the local economy
- Mixed use
- Employment uses
- Public realm
- Tall buildings
- Public and shopper parking spaces
- Sustainable transport

5.19 For the full list of policy and evidence base linkages with this policy see Appendix 1.

5.20 Further considerations for this Policy Area that should be considered alongside the stated policy and Figure 5.3 are described below:

Masterplanning:

5.21 The Tesco site is complex and to ensure that development of one land parcel is not detrimental to the future development of other land parcels a masterplanned approach by applicants to the entire Policy Area is required.

Access:

5.22 Improved pedestrian and cycling access is required at the locations marked by the purple arrows in Figure 5.3. Of key importance is the Silk Mills Path which should form a landscaped avenue through new developments, joining the riverside walk and beyond to Lewisham Gateway. Dissecting this path should be access from Lewisham and Conington Roads to the river and Lewisham transport interchange.

Urban space:

5.23 Developments should deliver high quality public space forming the heart of the new neighbourhood. Landscaping opportunities are highlighted in Figure 5.3.

Architectural quality:

5.24 The south east corner of the Policy Area is an existing area of architectural and townscape merit containing buildings with local value. These assets should be protected and enhanced.

Contributions

5.25 In addition to affordable housing and the infrastructure priorities identified in LTC22 (social infrastructure), the priorities for site-specific developers' contributions associated with new development proposals in this Policy Area are:

- Public realm improvements
- Improvements to the ecological quality of the river
- Provision of the publicly accessible pedestrian and cycle routes
- Improved access to Lewisham transport interchange

- Public transport improvements, including measures to assist bus operations, accessibility for passengers and awareness
- Public access to non-residential car parking
- Promotion of long-term decentralised energy options (either by direct provision or by safeguarding opportunities)

5.4 Lee High Road Policy Area

Overview

- 5.26** The Lee High Road Policy Area encompasses Lee High Road to its junction with Eastdown Park, along with the Marischal Road shopping parade. Lee High Road provides the principal approach to Lewisham town centre from the east. The nature of this edge of centre Policy Area is distinct from that of the retail core of Lewisham town centre, as it is characterised by smaller retail units and independent specialist retailers. The Policy Area already constitutes a mixed and sustainable community, with some affordable housing located alongside more affluent residences.
- 5.27** Lee High Road is a traditional high street with continuous and varied ground floor retail (A1 and A3) uses, typically with several floors of residential use above. It has a strong, independent character and frontages are relatively short.
- 5.28** In 2011, a site at the eastern end of Lee High Road was completed as a new supermarket (1,750 sq m) with 57 homes above.
- 5.29** The western end of the Lee High Road Policy Area (Site 7, Figure 5.4) is still to be delivered and has the following indicative capacity:
- 40 homes
 - 2,000 sq m net retail

Key area objectives

- Protect and enhance the retail character and townscape qualities of the Policy Area
- Create a more pedestrian friendly environment
- Improve the ecological quality of the River Quaggy environment
- Protect residential amenity for existing and future residents.

Policy LTC6

Lee High Road Policy Area

1. The Lee High Road Policy Area is designated for mixed use development (A1, A2, A3, B1, C3). The Council will protect existing positive buildings (as designated in policy LTC23 heritage assets) and will elsewhere encourage development that contributes to the realisation of the following principles:

- (a) protect and enhance small scale, independent retail outlets and evening economy uses, limiting amalgamation of units,
- (b) protect and enhance the amenities of existing residents,
- (c) the scale of new development should respect the scale of surrounding development.

2. Further focus should be on improving the environmental quality of the Policy Area, particularly through:

- (a) ensuring the high quality design of new and replacement shopfronts,
- (b) enhancing the public realm in general and particularly reinforcing the positive relationship between the small stretches of cobbled street on the northern side of Lee High Road, including the western end of Marischal Road, to the busier Lee High Road,
- (c) protecting and enhancing the biodiversity along the River Quaggy and its immediate environment and, where possible, improve visual and physical access to the river corridor in consultation with the Environment Agency and other relevant stakeholders.

3. The site is situated within Flood Zone 3a High Probability. Applicants will need to comply with Core Strategy Policy 10 and work closely with the Environment Agency to ensure proposals will deliver a positive reduction in flood risk. A Flood Risk Assessment for the site will need to be submitted that clearly and concisely summarises how the reduction in flood risk will be delivered.

Figure 5.4 Lee High Road area

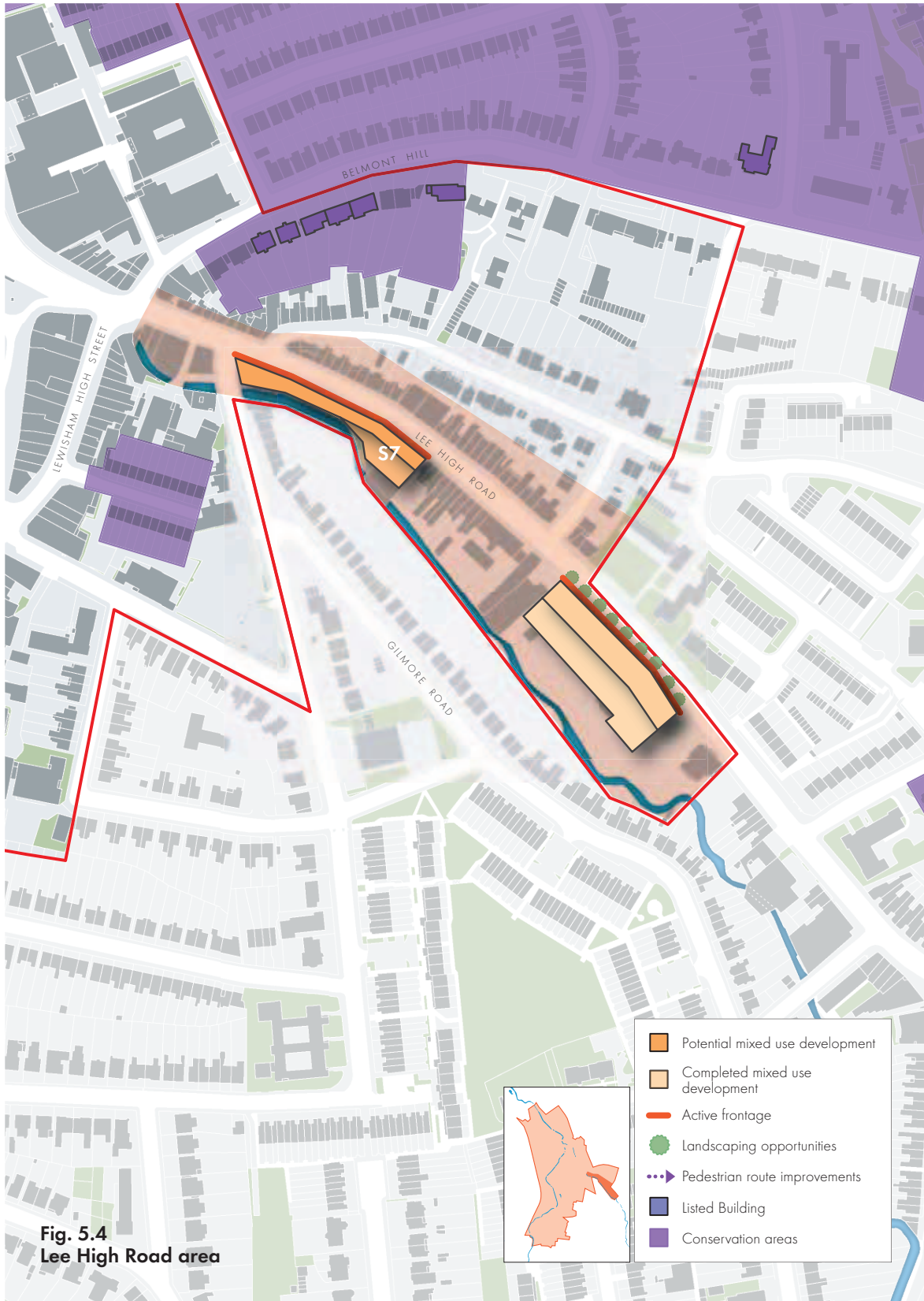


Fig. 5.4
Lee High Road area

Delivery context

5.30 Development in this Policy Area should take account of the policies in this section, the spatial strategy and all of the area-wide policies detailed in Section 6 of this Local Plan. In particular, the following area-wide policies are of importance:

- Growing the local economy
- Mixed use
- Employment uses
- Town centre vitality and viability
- Retail areas
- Public realm
- Sustainable transport
- Evening economy uses

5.31 For the full list of policy and evidence base linkages with this policy see Appendix 1.

Contributions

5.32 In addition to affordable housing and the infrastructure priorities identified in LTC22 (social infrastructure), the priorities for site-specific developers contributions associated with new development proposals in this Policy Area are:

- Improvements to the channel and environs of the River Quaggy
- Environmental improvements to Albion Road car park
- Physical and public realm improvements to Lee High Road
- Public transport improvements, including measures to assist bus operations, accessibility for passengers and awareness

5.5 Ladywell Policy Area

Overview

- 5.33** The Ladywell Policy Area is the southern most part of the town centre. An edge of centre section of this Policy Area stretches along Lewisham High Street from the end of the Hospital up to the railway bridge, while an out of centre section runs along Ladywell Road from the junction with Lewisham High Street up to the Ladywell Station Bridge.
- 5.34** The Policy Area is characterised by a historical concentration of civic and community facilities which form part of the St Mary's Conservation Area, taking its name from the ancient church which anchors this community hub. The south side of Ladywell Road hosts a collection of beautiful historic buildings, including the Playtower (former Baths) where the Council is supporting efforts to see the building refurbished by a local community trust, and the former police station which is a listed building. Also in this Policy Area are the former library and fire station buildings, Ladywell leisure centre (Site 8, Figure 5.5), the mortuary and coroner's court building and the former Vicarage of St. Mary's building (Ladywell House), which dates back to 1693 and is one of the borough's oldest buildings.
- 5.35** Although the whole town centre is part of the Core Strategy 'Regeneration and Growth Area', the Ladywell Policy Area has a different nature from the rest of the town centre. The Council has undertaken a Conservation Area management plan for sections of this Policy Area and as it is in parts unsuited to wide scale growth. However, there are some key and important opportunities in the Policy Area that require consideration, in particular the Ladywell Leisure Centre will be surplus to requirements and brought forward for redevelopment once the new leisure centre opens on Loampit Vale. Additionally, a number of smaller employment sites along the north side of Ladywell Road may be suitable for mixed use redevelopment.
- 5.36** Parts of the Ladywell Policy Area, including the leisure centre site, form part of Lewisham's Low Carbon Zone. Lewisham Council is working in partnership with the Mayor of London, the GLA and a range of public, private and community sector groups to deliver a reduction in CO2 emissions of 20% by 2012 and a 60% reduction by 2025.
- 5.37** The Ladywell Policy Area has the capacity to deliver:
- 150 homes
 - 1,400 sq m net retail floorspace

Key area objectives

- Promote the Ladywell Leisure Centre site for redevelopment for an appropriate mix of uses including retail and residential
- Conserve and enhance the heritage assets and community facilities that are prevalent in the Policy Area
- Encourage further work to promote the Policy Area as an environmental champion, including the introduction of a decentralised energy network.

Policy LTC7

Ladywell Policy Area

1. The Ladywell Policy Area is designated for mixed use development. All proposals in the Ladywell Policy Area should adhere to the following principles:

- (a) promote the conservation and enhancement of the multiple heritage assets in the Policy Area through sensitive development and environmental improvement,
- (b) support efforts to increase the hub of community facilities in Ladywell Road. In particular, to bring the Ladywell Playtower building back into active community use,
- (c) promote development that contributes to the Lewisham Low Carbon Zone target to reduce CO2 emissions of 20% by 2012 and a 60% reduction by 2025,
- (d) there may be smaller development opportunities fronting Ladywell Road. All developments should provide a mix of uses suitable to an edge of town centre location and ensure active frontages to streets.

Additional site specific requirements:

S8 Ladywell leisure centre site

2. The Council will seek to bring forward a comprehensive development of the Ladywell Leisure Centre site and adjoining land where appropriate for a mix of uses including housing (C3) and retail (A1, A2, A3), subject in the case of the retail element to its having no demonstrable adverse impact on the Primary Shopping Area.

3. The following key principles will apply:

- (a) proposals should seek to enhance the Lewisham High Street frontage through the incorporation of active uses at ground floor level and enhancements to the public realm in front of the site and enhancements to permeability through the site. Residential units should be situated at upper levels and to the rear of the site with associated amenity space provision,
- (b) new development should seek to improve vehicular servicing of adjoining land to the south,
- (c) opportunities to establish a site-specific communal energy system with potential to link into a larger Lewisham Hospital decentralised energy system in the longer term will be encouraged,
- (d) proposals could include the redevelopment of Lewisham Opportunity Pre-School, subject to the allowance being made for alternative provision of equivalent benefit to the community.

Figure 5.5 Ladywell area

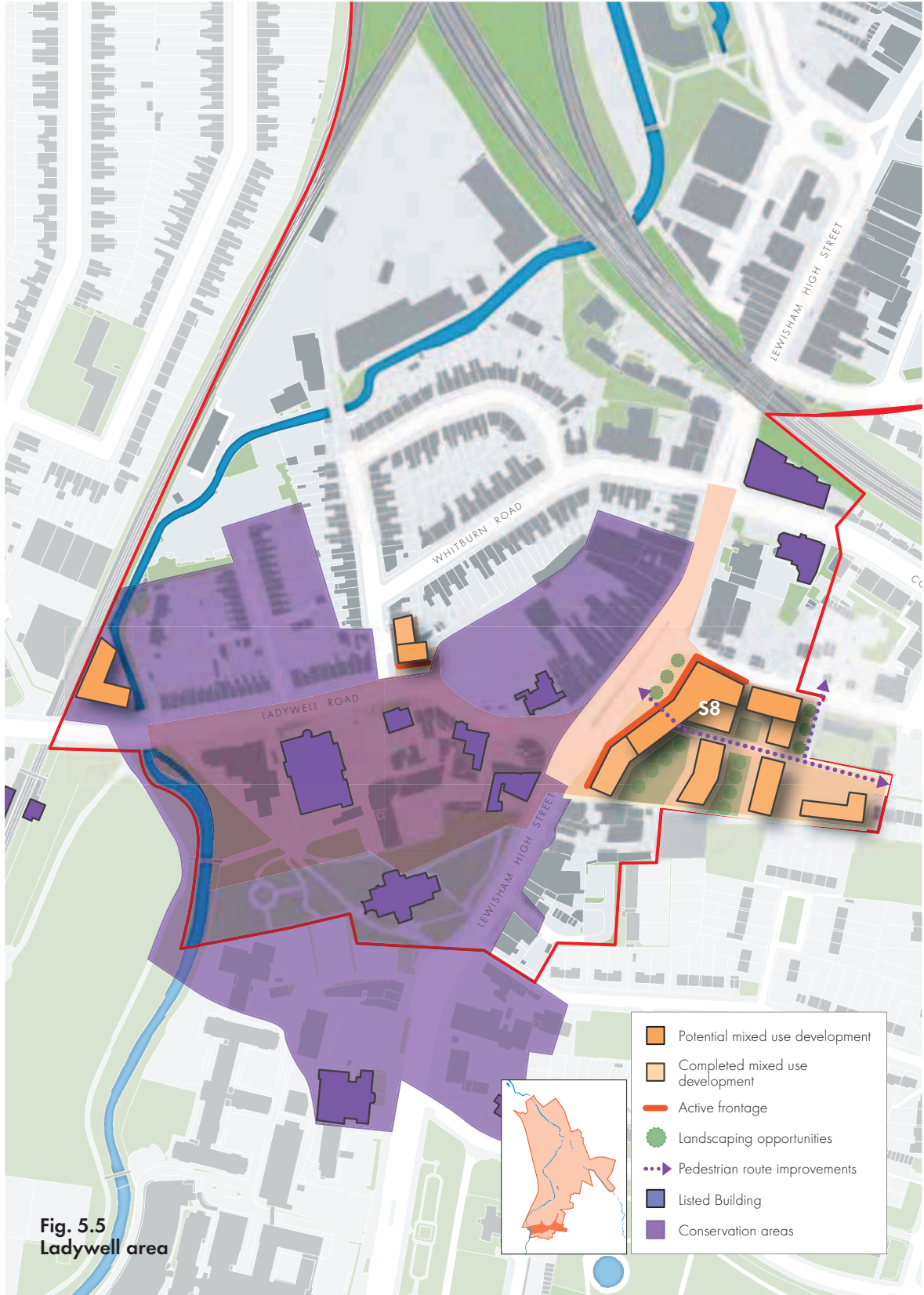


Fig. 5.5 Ladywell area

Delivery context

5.38 Development in this Policy Area should take account of the policies in this section, the spatial strategy and all of the area-wide policies detailed in Section 6 of this Local Plan. In particular, the following area-wide policies are of importance:

- Heritage assets
- Mixed use
- Town centre vitality and viability
- Public realm
- Tall buildings
- Public and shopper parking spaces
- Sustainable transport
- Carbon dioxide emission reduction
- Adapting to climate change
- Evening economy uses

5.39 For the full list of policy and evidence base linkages with this policy see Appendix 1.

5.40 Further considerations for this Policy Area that should be considered alongside the stated policy and Figure 5.5 include:

Public realm:

5.41 Lewisham High Street and Ladywell Road form the principal traffic and pedestrian routes through this Policy Area. The junction of these roads is not particularly pedestrian friendly and this should be addressed as part of any large scale redevelopment. The same can be said for the junction of Lewisham High Street and Courthill Road.

5.42 The open space and cemetery at St. Mary’s church and the space outside the leisure centre are valuable local public assets. These should be protected, or in the case of redevelopment of the leisure centre, re-provided.

Building scale and quality:

5.43 The Policy Area contains a Conservation Area and a number of identified heritage assets (buildings of architectural value) and new development will be required to respect this.

5.44 The scale of development in this Policy Area is smaller, at lower density than the rest of the town centre and particularly sensitive to tall buildings. Surrounding development should take close regard of this reduced scale. The grain of development alters through the Policy Area with three and four storey terraces to the west side of Lewisham High Street reducing to 2 storey terrace houses in Ladywell Road.

Contributions

5.45 In addition to affordable housing and the infrastructure priorities identified in LTC22 (social infrastructure), the priorities for site-specific developers contributions associated with new development proposals in this Policy Area are:

- Investing in the Waterlink Way initiative
- Ensuring the heritage assets contribute positively to community life

- Highway improvements particularly by the Ladywell Leisure Centre site
- Public transport improvements, including measures to assist bus operations, accessibility for passengers and awareness
- Support delivery of the Low Carbon Zone CO2 reduction targets
- Public access to non-residential car parking
- Support local education needs

5.6 Central Policy Area

Overview

- 5.46** The Central Policy Area forms the core shopping area of the town, including the Lewisham Shopping Centre and the street market. The Policy Area also comprises land directly adjoining the north and south of the Lewisham Shopping Centre, Molesworth Street and Lewisham High Street.
- 5.47** The Lewisham Shopping Centre dominates the primary shopping frontage and the owners are keen to develop and improve the offer available. Land north of the Lewisham Shopping Centre (including the Citibank Tower) (Site 9, Figure 5.6) is located at the junction between the Lewisham Gateway development and Lewisham High Street and is also visible from Lee High Road. It will play a crucial role in achieving regeneration objectives for the town centre and plays an important townscape role. To the south of the Lewisham Shopping Centre (Site 10, Figure 5.6) there is scope for the redevelopment of the site of the former model market and the Beatties building. This will help to secure the regeneration of the southern end of the High Street.
- 5.48** Lewisham High Street is the economic heart of the town centre and its most important social space. It is also home to Lewisham’s historic street market, and several churches, the clock tower and other heritage assets. The market plays an important role for local people, in that it provides sale of affordable products in an accessible location.
- 5.49** Molesworth Street provides the principal north – south route for local through traffic and is a key component in local bus routing. However, together with the west side of the Lewisham Shopping Centre and the railway lines to the west, it acts as a significant barrier to east – west movement and the result is a fairly hostile vehicular-traffic-dominated poor pedestrian environment with reduced building frontage at the back of the Lewisham Shopping Centre. The western side of the road is almost entirely a Local Employment Location (LEL) providing important local jobs.
- 5.50** Development opportunities in the Central Policy Area have the following indicative capacity:
- 200 homes
 - 10,000 sq m net retail / leisure space

Key area objectives

- Support and improve the vitality and viability of the Lewisham Shopping Centre
- Encourage a sustainable form of development, including an increase in centrally located housing
- Improve the quality and safety of the environment for all users
- Attract investment to Lewisham High Street
- Improve east-west permeability through the Policy Area
- Ensure continuation of the market’s important role in meeting local needs
- Provide an improved trading environment for market traders

Policy LTC8

Lewisham Central Policy Area

1. The Council has identified the following key principles within the Central Policy Area:

(a) as the Lewisham Shopping Centre is managed, refurbished and redeveloped over time, ensure every opportunity is taken to improve the number and nature of the east – west connections across the Lewisham Shopping Centre area,

(b) create a more coherent and pleasant environment which meets the needs of both pedestrians and vehicles,

(c) secure investment in the Waterlink Way alignment along the course of the River Ravensbourne,

(d) create an active frontage to Molesworth Street,

(e) working in partnership with market traders and other stakeholders, achieve environmental improvements to Lewisham High Street and street market area.

2. The site is situated within Flood Zone 3a High Probability. Applicants will need to comply with Core Strategy Policy 10 and work closely with the Environment Agency to ensure proposals will deliver a positive reduction in flood risk. A Flood Risk Assessment for the site will need to be submitted that clearly and concisely summarises how the reduction in flood risk will be delivered.

Additional site specific requirements:

S9 Land north of the Lewisham Shopping Centre

3. This site comprises land to the north east of the Lewisham Shopping Centre, the Citibank Tower and the land surrounding it. Redevelopment of the site could be in sections or phases, following the principles identified below:

(a) redevelopment will be encouraged in conjunction with more comprehensive improvements to the Lewisham Shopping Centre to provide retail (A1 – A3) and/or leisure use on the ground floor with commercial, leisure and/or residential use on the upper floors,

(b) active frontages should be provided at ground floor level to Lewisham High Street, the new connection road between Lewisham High Street and Molesworth Street and the new northern entrance mall to the Lewisham Shopping Centre,

(c) any proposal should seek to enhance the existing public realm and setting of the Lewisham Shopping Centre and its entrances,

(d) more intensive office use or residential conversion of the Citibank Tower would be favourably considered by the Council. Any proposal should include recladding of the building and improved environmental performance,

(e) redevelopment (including taller elements) should respond positively to the Lewisham Gateway development and provide a welcoming and accessible entrance to the centre from Lee High Road,

(f) new development should be mindful of future aspirations both on site and on nearby sites including required connections.

S10 Land south of the Lewisham Shopping Centre

4. The following key principles will apply to redevelopment of this site:

(a) comprehensive redevelopment of the Beatties Building and model market sites should provide retail (A1-A3) or leisure uses on the ground floor with commercial and or residential uses on the upper floors,

(b) the redevelopment should mark the beginning of the commercial and retail heart of Lewisham town centre, while respecting the height, mass and bulk of local surroundings. It should create a new southern anchor for Lewisham High Street to encourage customers to travel the full length of the High Street,

(c) buildings should make the best use of the corner site and provide enclosure and active frontages to both Molesworth Street and Lewisham High Street as positive public space.

Figure 5.6 Central area

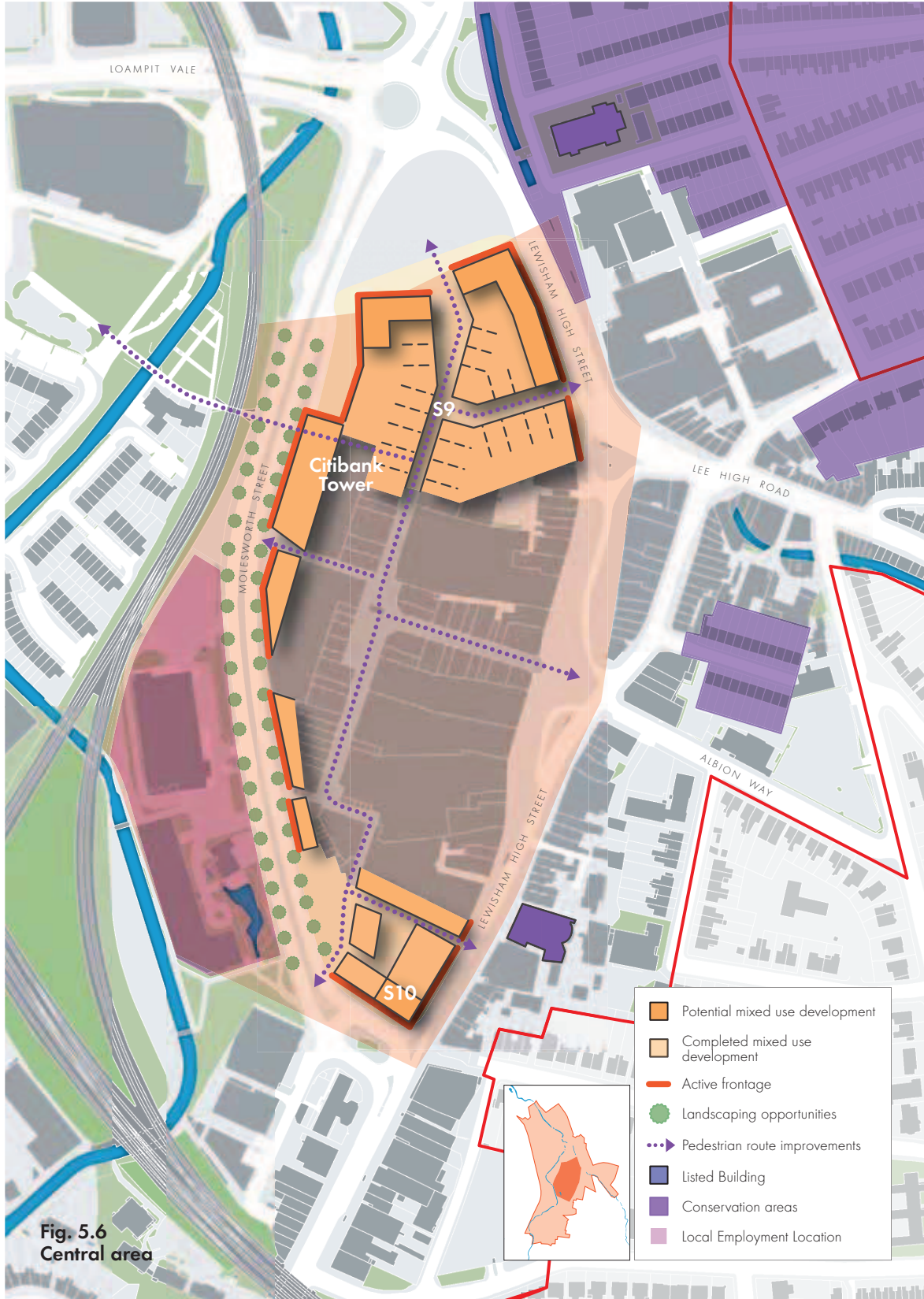


Fig. 5.6 Central area

Delivery context

5.51 Development in this Policy Area should take account of the policies in this section, the spatial strategy and all of the area-wide policies detailed in Section 6 of this Local Plan. In particular, the following area-wide policies are of importance:

- Mixed use
- Employment uses
- Conversion of existing buildings
- Town centre vitality and viability
- Retail areas
- Tall buildings
- Public realm
- Public and shopper parking spaces
- Sustainable transport

5.52 Efforts should also be made to continue the support of and where possible make enhancements to the existing Shopmobility scheme.

5.53 For the full list of policy and evidence base linkages with this policy see Appendix 1.

Contributions

5.54 In addition to affordable housing and the infrastructure priorities identified in LTC22 (social infrastructure), the priorities for site-specific developers contributions associated with new development proposals in this Policy Area are:

- Investment in the Waterlink Way initiative
- Long term improvements to the Lewisham street market
- Environmental improvements to the pedestrianised areas of Lewisham High Street, Molesworth Street and public realm in general including improved pedestrian crossings and landscaped measures
- Promotion of long-term decentralised energy options (either by direct provision or by safeguarding opportunities)
- Public transport improvements, including measures to assist bus operations, accessibility for passengers and awareness
- Provision of cycle parking near to shops and leisure facilities

Section 5 detailed the Policy Areas and development sites that make up the key regeneration areas within the town centre and which each require an individual approach and set of policies for redevelopment. Alongside this, a series of policies exist which are relevant to all the Policy Areas and the identified development sites, as well as across the wider town centre vicinity. This section presents those policies which will manage and implement town-centre-wide development.

As demonstrated in Figure 2.1 the LTCLP objectives have been matched with the objective themes (drivers for change) from the Lewisham Core Strategy to demonstrate the close relationship between the documents. As a result, the area-wide policies have been grouped under the Core Strategy objective themes as follows:

- Growing the local economy
- Building a sustainable community
- Environmental management

Each policy is followed by a short section of rationale which highlights key supporting evidence and explanatory text to assist with the implementation of the policy.

6.1 Growing the local economy

- 6.1** Section 6.1 details a number of key policies that are vital in protecting and enhancing the economic prosperity of Lewisham town centre. This includes policies regarding employment uses, housing options and the enhancement of the retail offer.
- 6.2** For the full list of policy and evidence base linkages with these policies see Appendix 1.
- 6.3** The following policy (LTC9) supports the implementation of the following objectives:
- Obj1 – Retail and town centre status
 - Obj2 – Housing
 - Obj4 – Employment and training
 - Obj5 – Open space and recreation
 - Obj8 – Community

Policy LTC9

Growing the local economy

1. All proposals will be required to contribute towards the successful and sustainable growth of the local economy through the following:

(a) implementation of Lewisham Gateway proposals (see Core Strategy Strategic Site Allocations Policy 6),

(b) a greater component of residential development in the town centre within the overall mix of uses, supporting the borough's housing priority needs (see Core Strategy and London Plan targets),

(c) delivery of retail and mixed use allocations on key development sites and the retention and/or reprovision of employment and office uses in the town centre (see LTC10 and LTC11),

(d) provision of community and leisure facilities (see LTC22),

(e) utilisation of development activity to promote training and employment opportunities, in particular through the local labour agreement,

(f) public realm enhancements (see LTC18),

(g) creation of a secondary focus of activity at the southern end of the pedestrianised High Street, incorporating a mix of uses to address the change in the centre of gravity that is likely to result from the Lewisham Gateway development.

Rationale

- 6.4** The health of the town centre and its ability to develop and grow is a major strategic planning priority for Lewisham town centre, as detailed in the Core Strategy spatial strategy and the vision for the LTCLP. In order for this to happen, a wide mix of uses is required to create a town centre with a number of strengths that support each other.

- 6.5** The London Plan consistently supports the growth of the town centre, in particular through its policies relating to retail, housing and employment. The London Plan also places a major emphasis on establishing high viability in town centres through a number of policies including 2.15, 4.7 and 4.8.

6.1.1 Employment

Overview

- 6.6** The economy, and in particular protecting and enhancing opportunities for employment and training, is a key issue for the town centre. The Policy Areas and sites detailed in Section 5 highlight specific locations where employment uses are expected to meet certain criteria. The following set of policies supports this approach by providing a framework of responsibilities for several types of employment use (known as a 'use class').
- 6.7** The Council is keen to protect existing provision of employment land in the town centre and encourage the development of new supplies where appropriate. Certain uses, such as office and hotel provision, have been specifically allowed for through the policies and are to be encouraged.
- 6.8** The following policies (LTC10 and 11) support the implementation of the following objectives:
- Obj1 – Retail and town centre status
 - Obj2 – Housing
 - Obj4 – Employment and training

Policy LTC10

Mixed use

1. An appropriate mix of compatible land uses will be encouraged vertically and horizontally in Lewisham town centre. In particular, residential development located above ground floor retail and commercial uses will be supported (providing it meets policy LTC11). Proposals that do not supply a mix of uses will first be required to provide evidence of why this is not currently deliverable and also asked to demonstrate the future adaptability of buildings to a mix of uses. New development should be designed to accommodate active uses at ground floor level, with a significant amount of active window display and entrances.

Policy LTC11

Employment uses

General employment uses

1. In general, the Council will seek to retain or re-provide existing employment uses in the town centre (uses falling within the category of Use Class B). This includes the Local Employment Location in Molesworth Street which is designated in the Core Strategy (protected from non B uses).

2. The Council will consider redevelopment or conversion of employment sites/buildings for a mix of uses, especially in the Policy Areas and sites identified in Section 5 of this Local Plan. It is envisaged that redevelopment proposals will enable the intensification of sites and there is an opportunity to re-provide employment of an equal or greater floorspace as part of a wider mix of uses, including residential.

3. The employment area in Engate Street is similarly suitable for intensification and it is desirable to provide a 'southern anchor' to the town centre. This site is considered most suitable for redevelopment as employment, leisure or other town centre uses.

4. The conversion of other existing employment sites to a mix of uses including residential may be considered acceptable where:

(a) the building has been vacant for at least two years and appropriately marketed for that length of time, and evidence is provided to this effect,

(b) the scheme will considerably assist in meeting other regeneration objectives as identified in policy LTC14 (Vitality and Viability),

(c) the design is capable of longer term adaptation.

Office use

5. Lewisham town centre is the preferred location for office development in the borough and the Council will seek to promote new office development where appropriate. The Council will resist the loss of office space in the town centre. Where redevelopment entails the loss of office uses, proposals will be required to re-provide this office space in a modern format.

Hotel use

6. The Council is supportive of this use class in principle. The Council will insist that hotel development occurs only within the highly accessible sections of the town centre where car-free development is appropriate and resist it where access is an issue.

7. Proposals must be sympathetic to the existing and emerging surrounding built and natural environment and show consideration of the wider aims of the site, Policy Area and town centre as a whole. A hotel proposal will be required to:

(a) be of the highest design quality,

(b) contain appropriate supporting ancillary space,

(c) have a ground floor presence,

(d) improve pedestrian links and not have a negative affect on transport links or public parking,

(e) have provision for a coach and taxi drop off and collection point,

(f) enhance the image and experience of the town centre,

(g) demonstrate that it plans for long term adaptability and sustainability.

Rationale

- 6.9** The vitality and viability of a town centre are greatly improved by the presence of an active employment sector, therefore it is of great importance to include policies which protect and enhance this offer within Lewisham town centre.

- 6.10** Much of the employment land within the borough is designated as an 'employment site' and subsequently protected by the Core Strategy employment policies, including the Molesworth Street Local Employment Location (LEL) within the town centre. However, the majority of the land in the town centre which is utilised for employment purposes is not included in these designations and therefore requires LTCLP policies to provide the protection required.

Mixed use:

- 6.11** The mixed use and employment use policies support the provision of employment use on the lower storeys of development, while allowing other (mainly residential) uses at higher levels. Where the loss of employment land will generally be resisted, the re-provision along with other uses may be more favourable at particular locations. This supports Core Strategy Policy 4 in assisting town centre renewal and regional and national policy by encouraging high density use of land in a town centre with excellent levels of accessibility.
- 6.12** Sites in the Ladywell Policy Area may be considered an exception to the mixed use policy if evidence shows that this should be the case. The Council acknowledges that the character of this edge of centre area is different from the majority of the rest of the town centre and some locations within the Policy Area may be inappropriate for mixed use.
- 6.13** The policy requires developments to have active window display at ground floor level. This does not simply mean a display window, but rather that the window displays activity and interaction with the inside of the building and the people who use it.

Office use:

- 6.14** The Lewisham Employment Land Study (ELS) 2008 details that the borough has a weak office use sector, which requires an increase in provision in the next two decades. The Core Strategy advances this stance by identifying Lewisham town centre as the Councils preferred location for office provision. Therefore there is an emphasis in the LTCLP to support the protection and growth of office space where appropriate.
- 6.15** There is an ambition to achieve growth in the large scale office sector, but also to ensure that smaller 'town centre use' offices of an improved level of quality are made available. The accessibility of a town centre location makes it highly appropriate to accommodate the demand for both large and small scale office development in Lewisham town centre.
- 6.16** Growing an office environment, even at a small scale, will provide an increased offer of local jobs and support the vitality of the town centre as a whole. Increased and improved office space as part of mixed use developments can lead to wider enhancement of the town centre offer. An increased local workforce alongside the increase in local residents will provide a larger and more varied market for retail and leisure facilities. In particular, it is hoped that an improved office environment will encourage development of the lunchtime and evening economy.

Hotel use:

- 6.17** Lewisham town centre is within 20 minutes travel of central London and Canary Wharf generating a significant opportunity for hotel development. The Council consider hotels as a suitable town centre use in principle and are, in general, supportive of the idea of the generation of a hotel cluster.

- 6.18** Similar to the desired increase in office development, hotels will provide local employment as well as an increased market for local businesses through both employees and visitors. In particular, hotel guests may provide a considerable boost to the evening economy, assisting the planned development of an expanding leisure, restaurant and bar cluster. In support of this, proposals must ensure ease of access to the town centre from the hotel.
- 6.19** It is important that proposals for hotel development are of the highest quality design and appearance. The Council will ensure that any individual or cluster of hotels provides an environment that has a positive effect on the image of the town centre and will strongly resist any proposals that do not improve the range and quality of the existing offer.
- 6.20** The Council will protect the town centre against the construction of buildings that do not serve their intended purpose and run the risk of dereliction. To ensure that any proposed hotel development is deliverable and a sustainable use, the Council will require developers to secure a hotel operator prior to the commencement of development. Given the bespoke nature and requirements of operators, the speculative development of hotel accommodation will not be acceptable.

6.1.2 Housing

Overview

- 6.21** The Core Strategy provides a comprehensive suite of policies that support housing provision in the borough. There is however the requirement for a small number of policies in the LTCLP to support the Core Strategy in dealing with circumstances that are specific to the town centre location.
- 6.22** The following policies (LTC12 and 13) support the implementation of the following objectives:
- Obj2 – Housing

Policy LTC12

Conversion of existing buildings

1. The Council will encourage the conversion of existing buildings such as vacant offices or premises above shops for residential purposes provided that:

- (a) a high quality living environment can be provided,
- (b) there is no conflict with existing land uses,
- (c) the proposal complies with policy LTC11 (employment uses),
- (d) the proposal meets demonstrated local housing need,
- (e) provision can be made for refuse and cycle storage.

Rationale

- 6.23** Lewisham town centre has high public transport accessibility levels (PTAL) and is suitable for higher density development. It is therefore of importance that floorspace is efficiently used to provide active uses that support the objectives of the town centre. The Core Strategy identifies Lewisham town centre as a growth area and is supportive of high density residential development in this location.
- 6.24** The London Plan policy 3.5 supports policy LTC12 part a) by detailing the need for residential development to provide high quality living space internally and externally. Proposals should adhere to London Plan policy 3.5 as well as general design policies in the London Plan, Core Strategy and other local design guidance.
- 6.25** Part d) demands that conversions to residential use should ensure that they are meeting local housing need and comply with Core Strategy Policy 1.

Policy LTC13

Student housing

1. The Council will, in principle, support the provision of student accommodation within the town centre, providing that the development does not:

(a) cause a net loss of permanent self-contained homes, employment space or other town centre uses that add to its vitality or viability,

(b) prejudice the Council's ability to meet the London Plan target for delivery of self-contained homes or,

(c) involve the loss of sites that are considered especially suitable for affordable housing.

2. Further, student accommodation will be required to:

(a) provide a high quality living environment in private and shared spaces and comply with all relevant national and local standards and codes, including BREEAM and ANUK,

(b) include a range of unit sizes and layouts, including with and without shared facilities, as appropriate,

(c) contribute to the establishment of a mixed and inclusive community and does not create an over-concentration of student housing,

(d) be needed by and easily accessible to the higher education institution/s it will serve using public transport,

(e) have a positive affect on the existing and emerging environment of the site, Policy Area and town centre as a whole,

(f) demonstrate it is suitable for year round occupation and that it has long term adaptability and sustainability.

Rationale

6.26 Lewisham town centre is close to Goldsmiths College (University of London) in New Cross, several campuses of Greenwich University and is within easy reach of many other central London universities. This creates an opportunity for building student accommodation within the town centre. The Council considers student accommodation (purpose built or conversions of existing buildings that are not family housing) as a suitable town centre use in principle providing that developments can meet the rules set out within policy LTC13.

6.27 Young people and students bring with them a different spending demographic from the existing residents near to Lewisham town centre and will therefore assist in developing an improved economy for the town centre. In particular, students may provide a considerable boost to the evening economy. In support of this, proposals must ensure that ease of access to the town centre from the accommodation is of utmost importance.

- 6.28** It is important that proposals for student housing development are of the highest quality design and appearance. The Council will ensure that any student accommodation has a positive effect on the environment and image of the town centre and will strongly resist any proposals that do not improve the range and quality of the existing offer.
- 6.29** A number of criteria will inform the Council if there is an over-concentration of student accommodation, including the existing mix of uses, the character of the Policy Area and the impact on existing permanent residents, amenity and infrastructure. Additionally, the Council's housing trajectory will be used to monitor the amount of student housing permitted and ensure that levels do not affect the borough's ability to meet the London Plan housing targets.
- 6.30** The Council will protect the town centre against the construction of buildings that do not serve their intended purpose and run the risk of dereliction. To prevent such circumstances from occurring, speculative development of student accommodation will not be acceptable and the Council will require applicants to secure a commitment of use by an educational institution or a recognised student housing management company prior to commencing development. The location of the occupying universities will also greatly affect the transport assessment required.
- 6.31** The conversion of existing buildings to student accommodation is particularly sensitive given the requirements to provide a high quality living environment which is not always possible with the conversion of existing buildings not originally designed for that use. In particular, the Council will not approve applications that cause a loss of residential, employment, retail, leisure or community space in the town centre and would not accept student accommodation which would be unduly compromised by the layout or position of an existing building.
- 6.32** Applicants will be required to submit management plans for the student accommodation planned as part of the planning application process.

6.1.3 Shopping

Overview

- 6.33** A key element of the LTCLP vision is to achieve Metropolitan status for the town centre in the London-wide retail hierarchy, which will require considerable growth in comparison retail floor space.
- 6.34** While growth is of clear importance, it is also vital that existing shopping facilities are protected. Lewisham town centre has a varied retail offer ranging from 'big box outlets' to town centre brands and a healthy selection of independent stores. There is also a popular and historic market that plays a key role in the vitality and character of the town centre.
- 6.35** The following policies (LTC14, 15, 16 and 17) support the implementation of the following objectives:
- Obj1 – Retail and town centre status
 - Obj4 – Employment and training

Policy LTC14

Town centre vitality and viability

1. Development will need to sustain and enhance the viability and vitality of the town centre through:

- (a) a greater mix of ground floor uses which may include cafés, bars and other evening economy uses (in conformity with policy LTC17),
- (b) incorporation of design principles such as a mix of uses, active frontages and effective street lighting with a view to making the town centre a safer place,
- (c) shopfront improvements and funding programmes (see Shopfront Supplementary Planning Document).

Rationale

- 6.36** As detailed in the Core Strategy and the vision for the LTCLP, the Council is encouraging the development of the town centre to become a Metropolitan centre. This is in conformity with the London Plan, which strongly supports the maintenance, management and enhancement of shopping facilities within existing centres. The Lewisham Retail Capacity Study states that there is viable development potential available for such expansion as required to achieve Metropolitan status.
- 6.37** In order for such growth to take place, the centre must be healthy and have local policies in place to protect those elements that bring vitality to the town and ensure future development enhances the strength and animation of the centre. The London Plan places a major emphasis on vitality and viability through a number of policies including 2.15, 4.7 and 4.8.

- 6.38** While the Council is keen to encourage new retail uses, especially comparison retail, it will demand that any proposal supports the wider aims of the town centre. An appropriate mix of retail types is required and the Council will seek to avoid provision of particular types of retail that are not deemed to be required due to an existing high level of supply. Rather, development should look to create choice and options to enhance the vitality of the centre.

Policy LTC15

Lewisham market

1. The Council will continue to promote Lewisham Market as an essential part of the retail centre and encourage ancillary facilities in order to maintain its viability. The Council will investigate, in consultation with market traders, retailers and other town centre stakeholders, ways in which the market can be improved including temporary use of the market space for alternative activities (e.g. street food stalls or informal leisure activities) in the evenings and other times when the market is not in use.

Rationale

- 6.39** The market plays an important retail role within Lewisham town centre that makes it different from other centres and brings character, vitality and animation to the town centre. Development should protect, enhance and complement the market at all times.
- 6.40** Additionally, a principle has been identified for the potential utilisation of the market area for alternative uses outside of trading hours. This relates to an ongoing Council initiative to promote the innovative use of public spaces for recreational use.

Policy LTC16

Retail areas

Primary shopping frontage

1. Within the primary shopping frontage, as defined in Figure 6.1, the Council will strongly resist any change of use involving the loss at ground floor level of Class A1 shops. The following factors will be taken into account when considering exceptions:

(a) whether the proposal harms the retail character of the shopping frontage, with an over-concentration of non-retail uses (normally three consecutive non A1 uses and 70% maintained in A1 use),

(b) whether the proposal will generate a significant number of pedestrian visits,

(c) whether the proposal uses vacant units (having regard both to their number within the centre as a whole and the primary shopping frontage and the length of time they have been vacant and actively marketed).

2. All proposals for non retail development within the primary shopping frontage, including where relevant, changes of use will:

(a) not harm the amenity of adjoining properties, including that created by noise and disturbance, smell, litter and incompatible opening hours (all of which may be controlled by appropriate conditions),

(b) where appropriate, provide attractive display windows and entrances that are compatible with adjoining shop units.

Secondary shopping frontage

3. Within the secondary shopping frontage, as defined in Figure 6.1, proposals for development or change of use from an A1 shop will generally be acceptable provided:

(a) it is to another A use class, community use or amusement centre where such a change does not result in an over-concentration of non A1 uses (normally 3 non A1 uses),

(b) it does not harm the amenity of adjoining properties,

(c) it does not harm the retail character, attractiveness, vitality and viability of the centre including unreasonably reducing the percentage of A1 units,

(d) it is considered appropriate in relation to the area's specific retail character.

Other shopping areas

4. Outside the primary and secondary shopping frontages as identified above, applications for development or change of use which involve the loss of A1 units will normally be acceptable, provided:

(a) it does not harm the amenity of adjoining properties,

(b) it does not harm the character, attractiveness, vitality and viability of the centre as a whole,

(c) in the case of change to a residential use the frontage for shoppers is not unreasonably interrupted.

Retail Policy Areas

5. The town centre benefits from areas of discrete retail character which, individually and collectively contribute positively to the vitality and viability of the centre. There are also areas where major retail led developments are anticipated and the retail character that they create will be an important consideration. These retail Policy Areas are identified in the policies and text regarding Lewisham Gateway, Lee High Road, Loampit Vale and Ladywell in Section 5 – Policy Areas. In general, development proposals should take account of, not compromise and seek to complement the existing and anticipated retail character of each Policy Area.

Rationale

- 6.41** Policy 2.15 of the London Plan promotes the identification of town centre boundaries and primary and secondary shopping frontages. The Council specifically identified an intention to define primary and secondary frontages within paragraph 6.93 of the Core Strategy, while the current geographical boundaries of the shopping areas are defined in Table 6.1 and are shown in Figure 6.1.

Table 6.1 Retail frontages

Primary shopping frontages
<p><u>Existing primary shopping frontage</u></p> <p>The Lewisham Shopping Centre</p> <p>70 – 212 Lewisham High Street</p> <p><u>Proposed primary shopping frontage</u></p> <p>Retail development in the Lewisham Gateway Policy Area (excluding Kings Hall Mews) as reflected indicatively on Figure 6.1</p>
Secondary shopping frontages
<p><u>Existing secondary shopping frontage</u></p> <p>73 – 83, 85 – 229, 236 – 252 and 262 – 328 Lewisham High Street</p> <p>1 – 43 and 2 – 32 Lewis Grove</p> <p>1 – 91 and 6 – 120 Lee High Road</p> <p><u>Proposed secondary shopping frontage</u></p>

- 6.42** There have been a number of changes in the primary and secondary designations to account for completed development, change of use and general updates.
- 6.43** The Council acknowledges that town centres require a wide range of uses, however the primary focus should be shopping. It is considered important to protect the primary retail functions in order to meet the vision for Lewisham town centre to achieve metropolitan status, as well as preserving the retail character and role of the primary centre. To help maintain the overwhelming retail character of the primary shopping frontage the Council will aim to maintain a high proportion of A1 uses within this area, with a target of 70 % A1 use.
- 6.44** The Council recognises that the town centre will require more than comparison retail to remain a viable and vibrant centre, therefore the secondary shopping frontage will be promoted for other popular town centre uses. This includes A2 and A3 uses and a more flexible approach to non A1 uses.
- 6.45** The Council has taken a more flexible approach to uses outside the primary and secondary shopping frontage. While the Council will seek to encourage the successful use of units for town centre uses, it acknowledges that in some cases a change of use back to residential may be acceptable in appropriate locations.
- 6.46** The Council also realises that there is a need to create a more subtle, character based approach to defining priorities for the different parts of the town centre. This is a locally justified decision which reflects the unique way in which Lewisham town centre combines a number of differing approaches to retail in one town centre. The differences and relationships between the market, small shops, brand stores and 'big box' retail must be allowed for to

create a successful centre. Within the shopping centre there are certain identified areas that have their own character and this must be acknowledged and supported by proposals. These areas are expanded on in the relevant Policy Areas in Section 5 of this LTCLP.

Policy LTC17

Evening economy uses

1. Overall approach: the Council will encourage proposals for new uses that would positively contribute to the evening economy of the town centre where the following criteria are met:

(a) the retail character of the area is not harmed (with reference to LTC16), and in particular the retail character of the primary shopping frontages,

(b) the proposal would contribute positively to the character of the particular area, as outlined in LTC16,

(c) the cumulative impact of the proposal does not unreasonably harm the living conditions of nearby residents.

2. Particular areas would be suitable locations for evening economy uses, as part of a wider mix of uses. These areas will mainly be outside of the primary shopping frontages and should seek to promote hubs of evening use (see in particular Figure 6.2).

Rationale

- 6.47** The evening economy means those uses that provide leisure, entertainment and social meeting places in the evening (normally A3, A4 and D uses). The Council is keen to stimulate the evening economy and assist in the provision of an active and vibrant town centre in the evenings. A strong evening economy alongside successful evening leisure uses would improve the image of the town centre and increased activity would help reduce the fear of crime. Additionally, it would provide financial stimulus for local businesses and the town centre in general.
- 6.48** Currently the town centre is lacking in both volume of outlets and a geographical focus of evening economy uses. There are a number of bars and restaurants although these are spread throughout the centre and are largely disparate from one another.
- 6.49** In general, the Council will encourage evening economy uses, within the confines of a number of identified criteria. The proposal must contribute positively to and not harm in any way the character of the Policy Area. Additionally, the cumulative impact of the proposal must not unreasonably harm the living conditions of nearby residents, including through the creation by noise and disturbance from users and their vehicles, smell, litter or unneighbourly opening hours.
- 6.50** The Council will be particularly supportive of evening economy uses in several sectors of the town centre (see Figure 6.2), including the generation of a cluster of restaurants, bars and leisure uses around the Lewisham Gateway site. This Policy Area is highly accessible via public transport, which encourages usage, but is also beneficial in dispersing people late at night. The Lee High Road will also be considered a suitable location, to add to the existing selection of evening uses in place. **Page 303**

- 6.51** Increased evening facilities south of the town centre, in Lewisham High Street between Limes Grove and Morley Road and also in Ladywell, would provide a good balance to the northern offer and would increase the amount of travel through the main retail centre after dark.

Figure 6.1 Retail designations

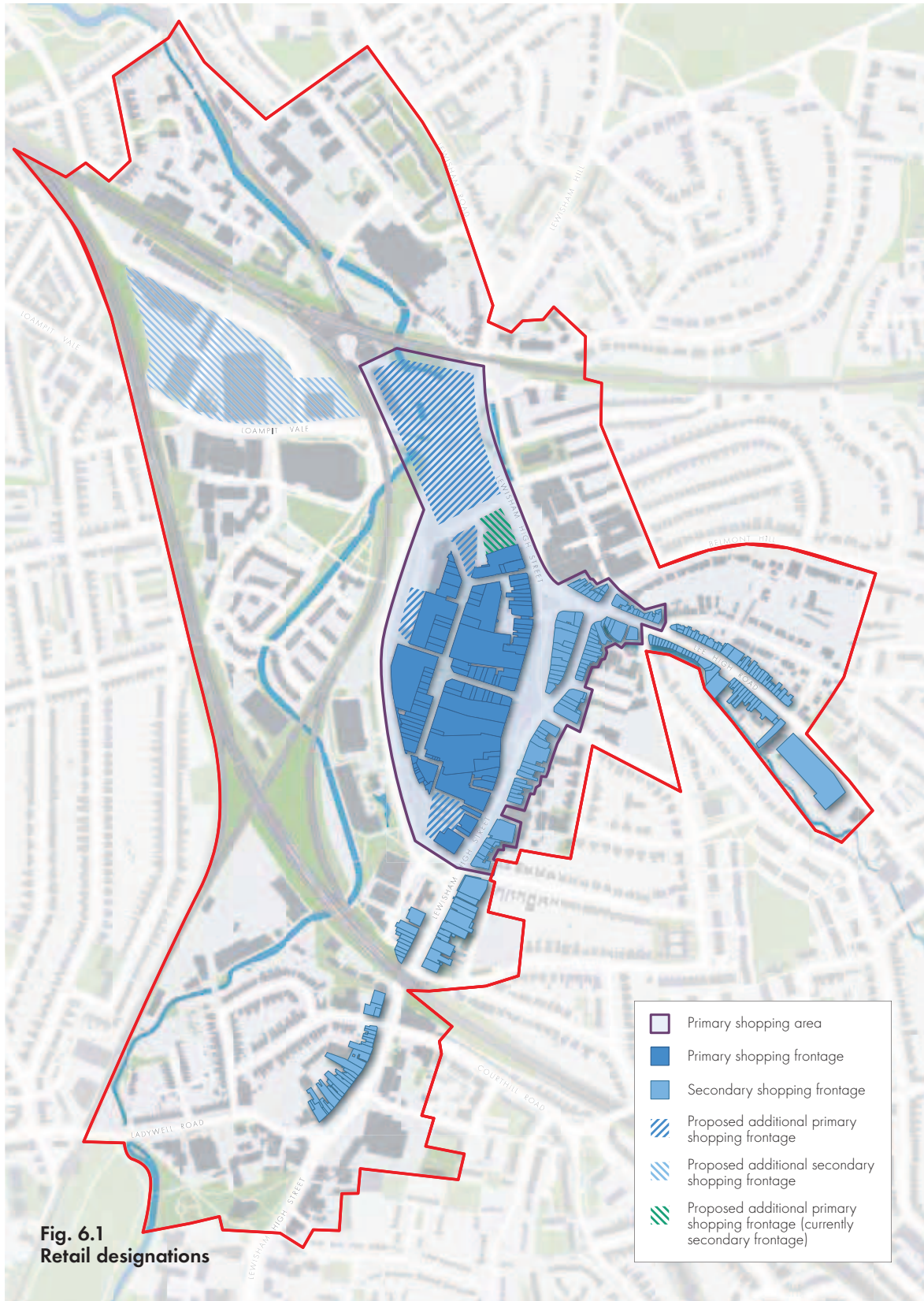


Figure 6.2 Suitable locations for evening economy uses

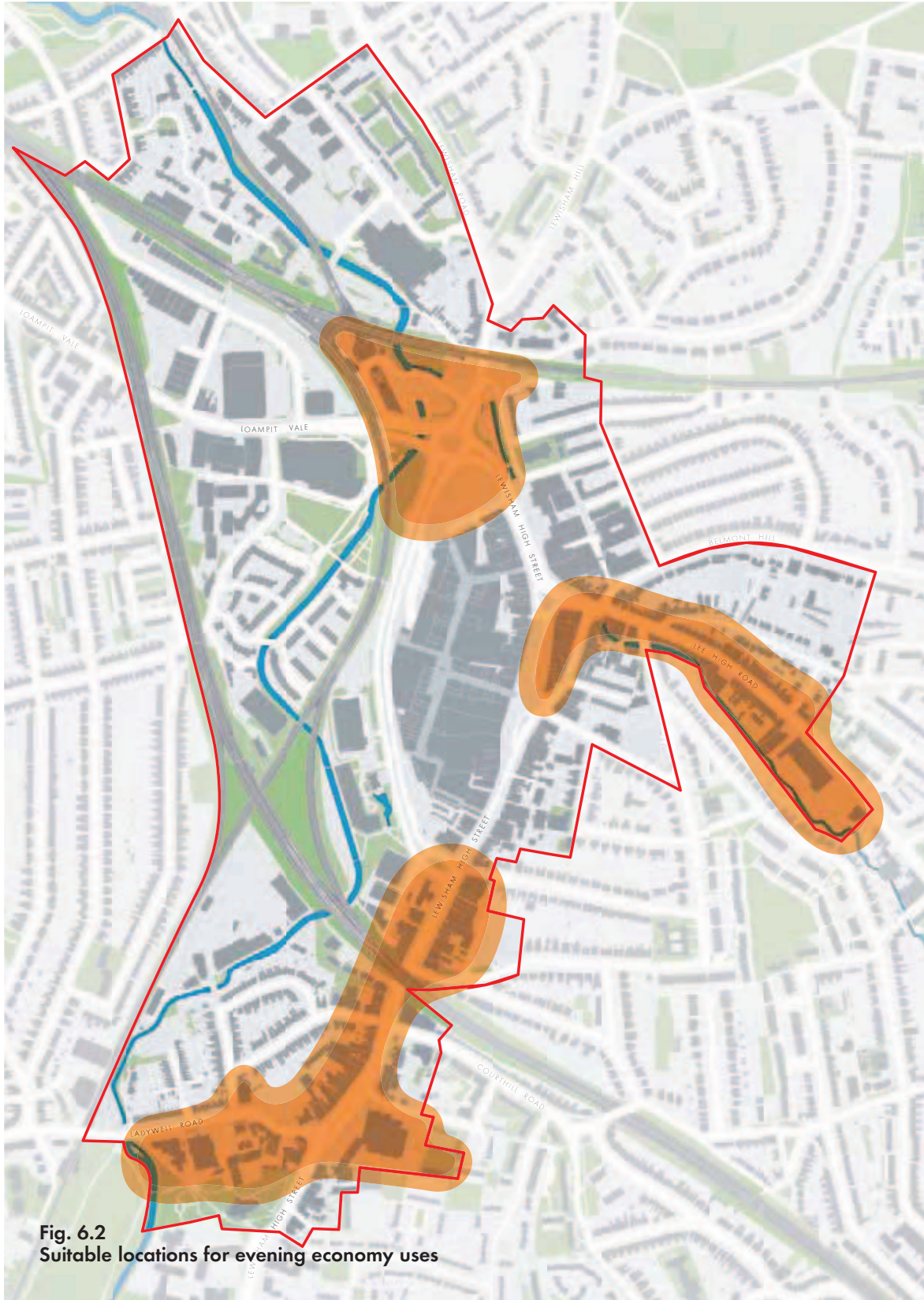


Fig. 6.2 Suitable locations for evening economy uses

6.2 Building a sustainable community

- 6.52** Section 6.2 details a number of key policies that are vital in delivering an approach to the redevelopment of the town centre that will benefit both existing residents and users and those from generations to come. Policies cover a diverse range of subjects such as urban design, transport and community needs, to ensure that Lewisham town centre becomes a socially sustainable hub.
- 6.53** For the full list of policy and evidence base linkages with these policies see Appendix 1.

6.2.1 Urban design

Overview

6.54 There is a considerable amount of policy and advice available on urban design at a national, regional and local level, however, it remains important for the LTCLP to consider and provide policy on a number of key design issues. Creating a town centre that provides a safe, accessible and attractive environment is vital to the vision of the LTCLP. The following policies (LTC18 and 19) support the implementation of the following objectives:

- Obj3 – Design quality
- Obj5 – Open space and recreation

Policy LTC18

Public realm

1. Public spaces in Lewisham town centre should be designed to be safe, accessible, attractive and robust through consideration of the following factors:

(a) the Lewisham Streetscape Guide should be supported, in particular through the avoidance of street clutter, and where it is useful and functional, street furniture and lighting should be designed to delight,

(b) the provision of public art in association with all major development in the town centre will be encouraged and should be considered at the early stages of the design process,

(c) development should enhance community safety through the overlooking of entrances and exits and clear definition of public and private space. Applicants should show how they have taken 'Secure by Design' into account,

(d) new development and public space improvements should be generously sized and designed to improve the wider network of routes and open space in and through the town centre, particularly for pedestrians and, where possible, create new public routes. Enhancements to connections between the town centre and surrounding residential communities are particularly important,

(e) development should ensure that the public realm and development projects incorporate inclusive design principles. The Council will also seek to make provision for Shopmobility initiatives,

(f) building lines should be organised to provide generous streets and pavements,

(g) intelligent planting and street trees should be used to mitigate heat island effects and assist in reducing run-off and flood risk,

(h) urban enclosure and urban grain play a critical role in creating good quality environments and should be considered in any proposals for development,

(i) high quality and legible signage should be provided as appropriate.

Rationale

- 6.55** Lewisham town centre has a considerable amount of public realm. While green space is largely limited to the edge of the centre, the core area contains wide pavements, a 'market square' and other civic space. The Council considers that the quality of the core public realm is of the utmost importance in generating an attractive and welcoming town centre.
- 6.56** In the first place, any new developments should look to add to the provision of space for public realm where possible. This includes not only civic squares or plazas, but also other provision such as generous, wide, well designed pavements and provision for other pedestrian and cycle routes.
- 6.57** Of equal value to the volume of provision, is the approach of development to enhancing existing and new sources of space. To create an attractive environment, consideration needs to be given to a wide range of influences on the public realm, including, but not limited to, the design of, street frontage, building design, height, mass and scaling, shop fronts, signage, street clutter, furniture and art, lighting, safety features and trees and other natural aspects. For further guidance, the Lewisham Streetscape Guide identifies the Council's principles for creating excellent quality public spaces.
- 6.58** The design of all new buildings and improvements to public places will be required to address safety and security issues and the Council will implement Secured by Design principles. Ensuring natural surveillance by good design, making sure ground level development adds vitality at different times of day and night and providing safe routes for cycling and pedestrians are all ways to design safe places, and development will be expected to address these issues.
- 6.59** In order to create good quality environments public spaces should be strongly defined by the built edges that surround them and groups of buildings should be designed to form unified urban 'backdrops'. This can be assisted by respecting and where possible extending the existing street patterns. Buildings should front public spaces, and on major streets and public spaces 'backs' of properties should be avoided wherever possible.
- 6.60** In general, the approach to urban design and public realm should follow the principles stated. It is also important that consideration is given to other policies within the LTCLP, in particular policy LTC2, but also policies regarding energy, historic assets, transport and other design policies.

Policy LTC19

Tall buildings

1. Applicants will need to comply with Core Strategy Policy 18 and then satisfy the requirements of this policy.
2. Detail of zones generally appropriate or inappropriate for tall buildings and those areas sensitive to such development are shown in Figure 6.3.
3. Tall buildings in the town centre must:
 - (a) maximise this high density development type in the most sustainable town centre locations with access to transport, shops and services

(b) increase the amount of local amenity space and improve its quality in order to accommodate tall buildings,

(c) add positively to the existing and emerging overall Lewisham town centre skyline through sensitive and high quality design providing positive landmarks from all angles of view,

(d) be part of a varied size, scale and height of development,

(e) be sensitive to the surrounding environment, in line with CABE and EH guidance.

4. Applicants should provide detailed modelling to assess the appropriate building height in relation to scale and massing.

Rationale

- 6.61** Tall buildings have a role to play in the town centre, but need to support a varied skyline and assist in achieving the aims of the wider site, Policy Area and town centre as a whole. There are many sensitivities that applicants must consider and analyse the effects of in order to establish if a tall building is suitable. Clearly, tall buildings are not suitable everywhere in the town centre.
- 6.62** Applicants must initially comply with Core Strategy Policy 18: The location and design of tall buildings. Following this there are a number of local considerations for Lewisham town centre that must be regarded in relation to the placement and height of tall buildings including:
- Conservation areas
 - Listed buildings
 - Locally listed buildings
 - Undesignated heritage assets
 - Local landmarks
 - Metropolitan Open Land and other open space
 - Rivers
 - The World Heritage Site Buffer Zone
 - The high street and the street market area
- 6.63** This list demonstrates that Ladywell and other susceptible locations are inappropriate for tall buildings and several other areas are sensitive to their development. The influence of these factors has been taken account of in creating the appropriate, sensitive and inappropriate zones in Figure 6.3.
- 6.64** The zones are based on the English Heritage tall buildings guidance and are a rough guide as to the parts of the town centre that may be appropriate, sensitive or inappropriate for tall buildings. Applicants will still be required to complete local analysis and take into account the full range of factors detailed in this policy and rationale.
- 6.65** Policy LTC19 only relates to tall buildings inside the LTCLP boundary. The policy will not support the development of tall buildings beyond the plan area boundary.

Figure 6.3 Height guide



6.2.2 Sustainable movement

Overview

- 6.66** With a significant proposed increase in residential population and retail floorspace attracting added numbers of shoppers, it is of vital importance that Lewisham town centre is accessible.
- 6.67** The town centre has excellent public transport provision by trains, the DLR and a comprehensive bus network. Additionally the town is crossed by two major London routes, the A20 and the A21. Further there are a number of cycle and pedestrian routes that pass through and around Lewisham town centre.
- 6.68** Policies LTC20 and LTC21 are designed to support the development of transport facilities in the centre as the town develops. These policies support the implementation of the following objectives:
- Obj1 – Retail and town centre status
 - Obj5 – Open space and recreation
 - Obj6 – Transport

Policy LTC20

Public and shopper parking spaces

1. Existing public and shopper parking is to be retained where appropriate and further provision to meet the needs of the growing retail sector in the town centre will be sought to maintain the current ratio of parking spaces to retail floorspace.
2. The development of the following Policy Areas and sites are expected to involve a significant amount of new retail floorspace and all existing and any new associated parking spaces should be publicly accessible:
 - (a) Conington Road Policy Area,
 - (b) Loampit Vale Policy Area,
 - (c) Ladywell Leisure Centre (Site S8).
3. All new developments are required to comply with the London Plan regarding the provision of electric charging points. Further, all accessible points must meet the Source London criteria so that they can become part of the London-wide network.
4. All car parks should prioritise disabled drivers and those with children.

Rationale

- 6.69** The highly accessible nature of the public transport network (buses, trains and DLR) in Lewisham town centre, means there is a policy predilection towards the encouragement of these sustainable forms of transport. Given this preference for public transport over the car, parking levels are lower in Lewisham town centre than in many town centres of equivalent size. The Council however recognises that some groups of people are reliant on private

vehicle accessibility; some find it a preferable form of transport and some goods are not suitable for transport via the public network. It is therefore important that a suitable level of public and shopper parking is made available in the town.

- 6.70** If Lewisham town centre is to achieve Metropolitan status it must continue to be competitive with other comparable inner London town centres. The LTCLP promotes a context for enhanced public transport accessibility, but the centre must also be attractive for car borne shoppers. Therefore the Council will seek to retain the existing quantum of public and shopper parking spaces in the town centre as a minimum level. The Council will also seek to broadly maintain the existing ratio of parking spaces to retail floorspace through a moderate increase in provision in line with an expansion in retail floorspace. It is expected that the inclusion of public and shopper parking within the sites identified for redevelopment (as included in policy LTC20 Part 2) will manage this requirement.
- 6.71** The Council's public parking strategy is a pragmatic one. The existing Clarendon and Slaithwaite surface car parks are retained and continue to serve traffic arriving from the east and south respectively. Development of the Ladywell Leisure Centre site has some potential for further public parking for traffic coming from the south, development of sites in Thurston Road provides some public car parking for traffic coming from the west and existing car parking associated at the Tesco store continues to provide public car parking for traffic coming from the north. It should also be noted that the Council will allow the redevelopment of the small Rennell Street car park as it is part of the Lewisham Gateway Strategic Site.
- 6.72** The provision of public parking at these key gateways into the town centre, coupled with improved signs and real-time information on the availability of spaces, should help enable drivers to park at the first available parking area and help prevent through-traffic from being delayed by those circling to find a parking space. In support of the edge-of-centre provision, the Lewisham Shopping Centre multi-storey car park and the Molesworth Street surface car park will continue to provide central parking. Potential additional public car parking areas are identified in Policy LTC20 and shown in Figure 6.4.

Policy LTC21

Sustainable transport

1. The Council will work with a range of partners including Transport for London (TfL), Network Rail, public transport providers, landowners, developers and other stakeholders to ensure that improvements are secured and delivered to the frequency, quality, accessibility and reliability of the town centre public transport network, including those schemes identified in the Policy Area policies in Section 5.
2. Specific funding for improvements required to cycling and walking routes in Lewisham town centre will be sought, including:
 - (a) the Waterlink Way north of the Lewisham transport interchange towards Conington Road,
 - (b) east – west links through the town centre and beyond to the wider neighbourhoods.
3. Additionally, mitigation works to improve the pedestrian and cyclist experience are required at the following locations:
 - (a) northern roundabout,

- (b) Loampit Vale,
- (c) Lee High Road and Belmont Hill,
- (d) Lewisham High Street,
- (e) Molesworth Street,
- (f) southern roundabout,
- (g) the junctions at Ladywell Road / Lewisham High Street / Courthill Road.

Rationale

- 6.73** The enhancement of public transport infrastructure and services within the town centre will improve its accessibility and encourage an increase in its use. Reducing reliance on car use and relieving pressure on roads and car parking has the potential to reduce air pollution levels and generally contribute to the environmental sustainability objectives of the LTCLP. Alongside service enhancements, improved safety and security measures to reduce crime and the fear of crime, combined with improved signage and the wider promotion of the public transport network, will assist in increasing usage.
- 6.74** Figure 6.4 identifies a number of the public transport opportunities that the Council will seek, alongside its partners, to deliver through the plan period. This includes improved access to and from the Lewisham transport interchange, enhanced connections to the town centre and multiple opportunities to improve the bus route and stops network (see relevant Policy Area policies).
- 6.75** In support of Core Strategy Policy 14, applicants will be required to enhance cycling and walking routes wherever this is possible. The Waterlink Way provides an excellent cycling route, a key gateway to the town centre and an area of public realm along the north – south axis of Lewisham town centre. A number of sections of this route have experienced major improvements over recent years and developments adjoining the river or with a responsibility to improve the Waterlink Way in the town centre will be expected to continue this recent history through the provision of cycle routes of excellent quality.
- 6.76** While travel along the north – south route is highly improved, it remains difficult to traverse the town centre along the east – west axis. All developments should consider this and take any opportunity to safely enhance this route.
- 6.77** The redevelopment of a number of sites in the town centre presents a real opportunity to dramatically improve the accessibility and safety of pedestrian and cycle routes. Applicants will be required to enhance the existing network, providing generous pavements and walking routes and support the safe use of bicycles.
- 6.78** TfL has proposed that a cycle superhighway will begin at the Lewisham transport interchange and run to Victoria in the centre of London. This is due to open in 2013 and development proposals should give this due consideration. Local cycle linkages to this new regional resource should be planned.

- 6.79** The Council will, and applicants should, seek to provide publicly accessible cycle parking throughout the town centre. In particular, provision should be made available where cycle routes lead through the town centre, in close proximity to the Lewisham transport interchange and to the primary shopping frontages. Cycle clubs or schemes will also be welcomed by the Council.
- 6.80** Figure 6.5 identifies those areas where the Council has recognised specific opportunities for mitigating the impact of roads and improving the walking and cycling environment. This is not an exclusive list and applicants should consider that there are generally opportunities to improve connectivity across the whole town centre which may even include future proofing for potential cycle hire extension schemes and other measures as appropriate. The quantum of development anticipated for the town centre will only be viable if a modal shift in transport use towards more sustainable methods is achieved. Therefore cycling and walking improvements are central to the acceptability of planning proposals.
- 6.81** TfL will be consulted and closely involved in the design and, where applicable, approval from TfL sought, for works affecting the Transport for London Road Network and the Strategic Road Network.
- 6.82** The London Plan identifies a southern extension to the Bakerloo Line and a southwards extension to the DLR from Lewisham. When these are progressed, it will be appropriate to assess the land use implications for the LTCLP.

Figure 6.4 Public transport opportunities

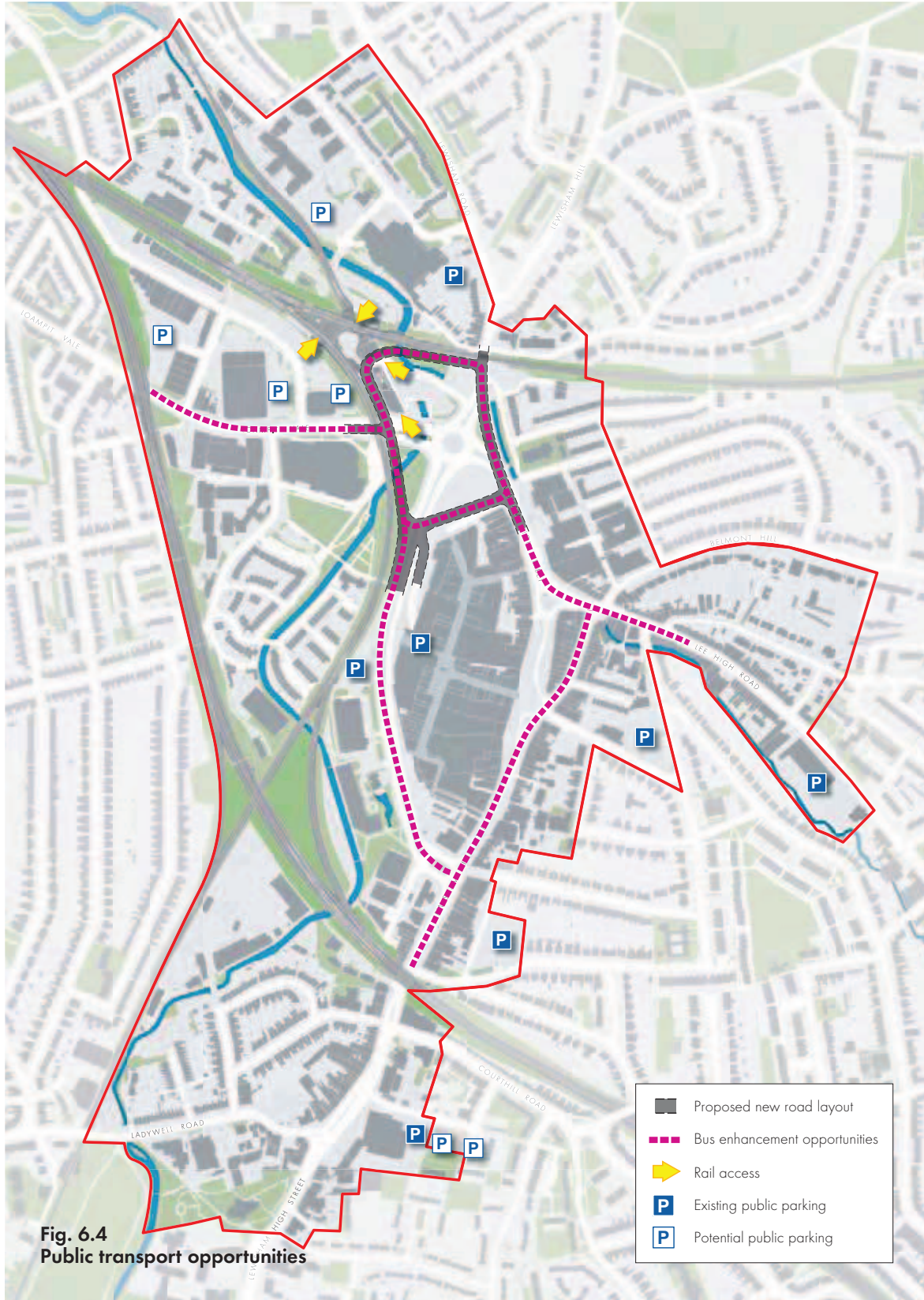


Figure 6.5 Cycling and walking



6.2.3 Community

Overview

- 6.83** Given the desire in the vision and objectives to expand the town centre, it is appropriate to also consider the associated facilities that additional people may require. Social infrastructure, such as schools, doctors, and childcare and leisure facilities, will be planned by the Council to meet the growth of the town centre, while important heritage assets will be protected to retain the important historical context of Lewisham town centre.
- 6.84** The following policies (LTC22 and 23) support the implementation of the following objectives:
- Obj5 – Open space and recreation
 - Obj7 – Environment
 - Obj8 – Community

Policy LTC22

Social infrastructure

1. The residential and commercial growth of Lewisham town centre will demand provision of additional social infrastructure such as schools, childcare and health facilities, and community and leisure spaces, and policing and other emergency services.
2. The Council will monitor infrastructure need and work alongside public, private and voluntary groups to deliver services. Specifically, applicants will be required to assist in the funding and implementation of new and improved facilities through both the planning obligations system and direct provision. Full contributions will be required from applicants to support all social infrastructure and in particular the increased demand for school places generated by high density town centre residential development.
3. Priorities for planning obligations for each Policy Area are detailed in the area specific policies in Section 5.
4. The redevelopment of existing community, leisure and entertainment spaces for alternative uses will only be permitted if it can be demonstrated that:
 - (a) the facility is no longer needed or an equivalent facility can be replaced at an alternative site with an equal or improved level of accessibility,
 - (b) the locational requirements for the facility are not met,
 - (c) the facilities need updating, which cannot be achieved at reasonable cost,
 - (d) alternative provision of equivalent benefit to the community is made.

Rationale

- 6.85** The Council understands that the planned increase in homes in the town centre will generate greater demand for services and facilities.

- 6.86** It should be noted that the delivery of the new homes for the town centre is expected to come over the next 10 years and beyond. The Council will need to deliver the associated social facilities at the right time and hence this is also a 10+ year programme. This is a long time in infrastructure terms and therefore while the Council will have a 10 year forecast to understand the amount of provision required in the future, it will not necessarily know the exact sites or details of schemes further than a few years in advance. It is important for the Council to retain several options for the delivery of social infrastructure in order to ensure that the most appropriate option is available at the time it needs to be delivered.
- 6.87** The Council's Infrastructure Delivery Plan (IDP) plans for the increased demand for infrastructure that comes from the growth of Lewisham town centre over 10+ years. In order to support the process outlined above, it is considered a 'living document' meaning it is regularly updated to include the most up to date information.

Primary school capacity

- 6.88** Births in the Borough of Lewisham increased by 34% between 2000/01 and 2009/10 with a corresponding increase in the demand for places in primary schools. Demand has exceeded supply since 2009/10 and is forecast to continue at this higher level throughout the plan period (this projection incorporates expected increases due to development activity). This means that across the borough the expected need is for an additional 20+ forms of entry (FE) (600+ pupils).
- 6.89** Primary school place planning in the borough is completed in primary place planning localities (PPPLs) which divide the borough into six areas. For Lewisham town centre, the appropriate PPPL is No. 3 – Lewisham and Brockley. In this area there is a projected shortfall of between 3.5 and 6 FE that will be met as best as possible by a mixture of permanent expansions supplemented by temporary classes. Demand is expected to fluctuate across the borough and therefore temporary flexible solutions will be beneficial. Already agreed in PPPL 3 is the expansion of Brockley and Gordonbrock (1 FE and 0.5 FE respectively), while work continues to locate existing schools where sites are large enough to expand, identify sites which may be recommissioned as schools and identify new sites. Further, 3.5 FE are proposed in PPPL's near to the town centre and will contribute significant cross boundary benefits.
- 6.90** Capacity inside the town centre boundary will not necessarily need to increase as provision in the surrounding areas may be able to support the more intensive development in the town centre. Further, development is only one of many influences on pupil numbers in Lewisham town centre. However, the planning department works closely with the education department to ensure that where new development is proposed, such as in the town centre, school places can be supplied to meet the increased demand.

Secondary school capacity

- 6.91** The new Prendergast Vale all-through school will see an extra 120 secondary school places a year in the Plan Area from 2012. Expansions at other secondary schools in the borough (most notably Prendergast Ladywell Fields in 2009/10) will deliver an additional 135 secondary spaces between 2009/10 and 2012. The IDP identifies a need for a possible additional 400 – 600 secondary school places in the area by 2019/20. Secondary school place provision is tackled at a borough-wide level and the Council will seek to work with its partners to identify and bring forward the required additional capacity.

Childcare

- 6.92** The Council's Childcare Sufficiency Review (March 2008) reported on a study into childcare facilities across the borough (based on the four children centre service areas). This found that every ward in the borough had considerable capacity, with childcare place vacancy rates of between 7% and 26%. However, supply within and surrounding the town centre was found to be tight. This is unduly influenced by reduced provision in Blackheath due to high property prices, whereas provision in Lewisham town centre is considered to be good.

Primary health care

- 6.93** The proposed population increase in the three wards that comprise the town centre and surrounding area of 5,460 up to 2021 will require an additional three GPs (based on the ratio of one GP per 1,800 people). NHS Lewisham considers that there is currently sufficient physical capacity to accommodate three GPs within the five GP surgeries that border the town centre, although investment will be needed for some of the existing premises to make them fully fit for purpose.
- 6.94** The proposed population increase will require an additional three dentists (based on the ratio of one dentist per 2,000 people). There is considered to be sufficient vacant and proposed accessible new non-residential space in appropriate locations (including the Lewisham Gateway Site) to easily accommodate this requirement.

Community and leisure facilities

- 6.95** The Council continues to be supportive of the provision of flexible community spaces along with a range of leisure and entertainment uses in Lewisham town centre. In particular, the Council will be supportive of proposals for a cinema in the town centre, and a site at the northern end of the centre, such as the Lewisham Gateway site, is considered to be an appropriate location.
- 6.96** The LTCLP is proactive in identifying opportunities for additional community and leisure facilities as follows:
- Refurbishment of the Playtower building in Ladywell into a multi-use community asset
 - Potential for enhancement of the Leemore Resource Centre on Lee High Road.
- 6.97** Further needs for community premises, including the apparent demand for additional churches (as evidenced by the number of unauthorised churches in the Loampit Vale Policy Area), will be informed by the Council's emerging Community Premises Strategy.
- 6.98** The Loampit Vale Leisure Centre will provide a significant improvement in the provision of indoor sports and leisure facilities in the town centre, enabling the development of the Ladywell Leisure Centre site for other uses. Opportunities also need to be maximised for the provision of enhanced and additional leisure and sports facilities in and around the town centre.

Policy LTC23

Heritage assets

The Council will require development proposals to conserve and enhance those heritage assets and their settings which contribute to the character of the town centre, in particular (but not exclusively) the assets listed in Appendix 2.

Rationale

- 6.99** The town centre's development as the borough's commercial heart reflects its historic location at the confluence of the borough's two rivers and later at the junction of busy roads and railway lines. The core of the town centre is dominated by the 1970's shopping centre and today's high density new developments but elsewhere much of the early street layout remains, as well as numerous heritage assets which reflect the area's historical development and define its character.
- 6.100** Appendix 2 lists the known assets in and around the town centre. These are designated heritage assets (conservation areas, listed buildings and the buffer zone to the Greenwich world heritage site) as well as non-designated assets (locally listed buildings, local landmarks, buildings and areas of townscape merit, and the historic market). The assets are shown in Figure 6.6.
- 6.101** This is not an exclusive list and the Council will endeavour to protect all assets of value whether currently designated or not.
- 6.102** In addition to the previously designated local landmarks of the Clocktower and St Mary's Church, the Tall Buildings Study 2010 identified three buildings on Lewisham High Street that require recognition as Local Landmarks in the town centre:
- St Saviour's Church, Lewisham High Street
 - United Reformed Church tower
 - 65 – 71 Lewisham High Street

Figure 6.6 Heritage assets

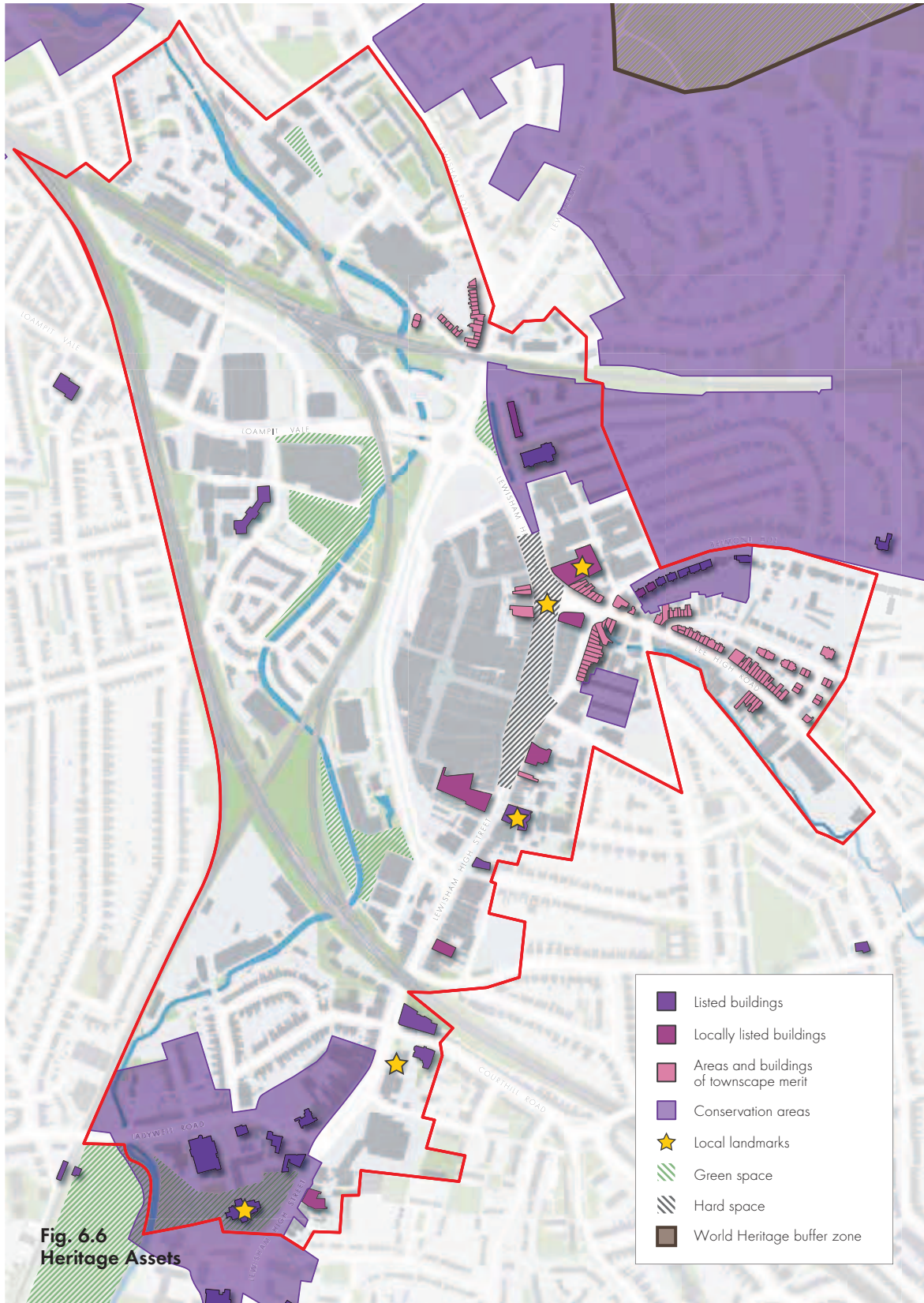


Fig. 6.6 Heritage Assets

6.3 Environmental management

- 6.103** Section 6.3 details two policies that are vital in delivering a number of the LTCLP objectives relating to environmental management and climate change.
- 6.104** For the full list of policy and evidence base linkages with these policies see Appendix 1.

Overview

- 6.105** LTC24 details the approach to be taken by the Council with regards to CO2 emission reduction in the town centre. There is considerable redevelopment anticipated and this offers a great opportunity to deliver a co-ordinated and comprehensive approach to energy production and sharing.
- 6.106** LTC25 adds to Core Strategy Policies 7 and 8 in detailing specific aims and deliverable measures to ensure the town centre adapts to climate change.
- 6.107** The following policy (LTC24 and 25) supports the implementation of the following objectives:
- Obj7 – Environment

Policy LTC24

Carbon dioxide emission reduction

1. All 'major development' will be required to incorporate communal heating and cooling which future-proofs the development and allows for larger scale decentralised energy clusters to be developed in the medium to long term, in some cases beyond the plan period. Where it has been demonstrated that a communal heating and cooling system would not be the most suitable option in the short to medium term, the development should ensure a connection can still be facilitated in the medium to long term. In doing so developments should:

(a) incorporate energy centres that are appropriately sized not only to accommodate the interim requirements of CHP and other centralised plants, but to accommodate a 'consumer substation unit' – to provide all the necessary equipment for a connection to a heating and cooling network and for domestic hot water preparation,

(b) where a communal heating system is not installed, incorporate pipework to the edge of the site which is compatible with any other existing networks or sections and ensure the likely shortest distance to future networks,

(c) locate energy centres close to a street frontage (but without creating 'dead frontage' to a street), ensuring the likely shortest distance to future networks,

(d) safeguard routes from site boundaries to energy centres to enable a connection to be made to a network in the future.

2. The LBL Energy Strategy recommends that there is potential for at least three Policy Areas which could support a cluster of decentralised energy in Lewisham town centre in the future, as follows:

(a) Loampit Vale Policy Area,

(b) Lewisham Gateway Policy Area,

(c) Ladywell Road Policy Area.

Rationale

- 6.108** Developments will need to comply with Core Strategy Policy 8 and the London Plan hierarchy principle of 'lean, clean and green'. Therefore opportunities to implement energy efficiency measures should be pursued in the first place.
- 6.109** The town centre has been identified as a suitable location for decentralised energy networks. The Council will actively pursue options to establish them by, among other things:
- Monitoring opportunities and managing and co-ordinating development proposals
 - Working with public and private sector stakeholders
 - Facilitating further detailed assessment of logistical and technical issues such as potential energy centre locations, connecting pipework routes and operator issues for sites and clusters that have potential
 - Working with TfL and utility companies, to seek to facilitate potential pipework routes when undertaking any major highway works.
- 6.110** The three suggested clusters for decentralised energy in Lewisham town centre are as follows and are displayed in Figure 6.7.

Loampit Vale

- 6.111** This is a potential future cluster and all opportunities to deliver this cluster should be explored. There is already an energy centre in existence south of Loampit Vale and this could act as a catalyst for future linkages to developments in the wider Policy Area, including on Thurston Road. This system could comprise more than one energy centre, with resilience linking.

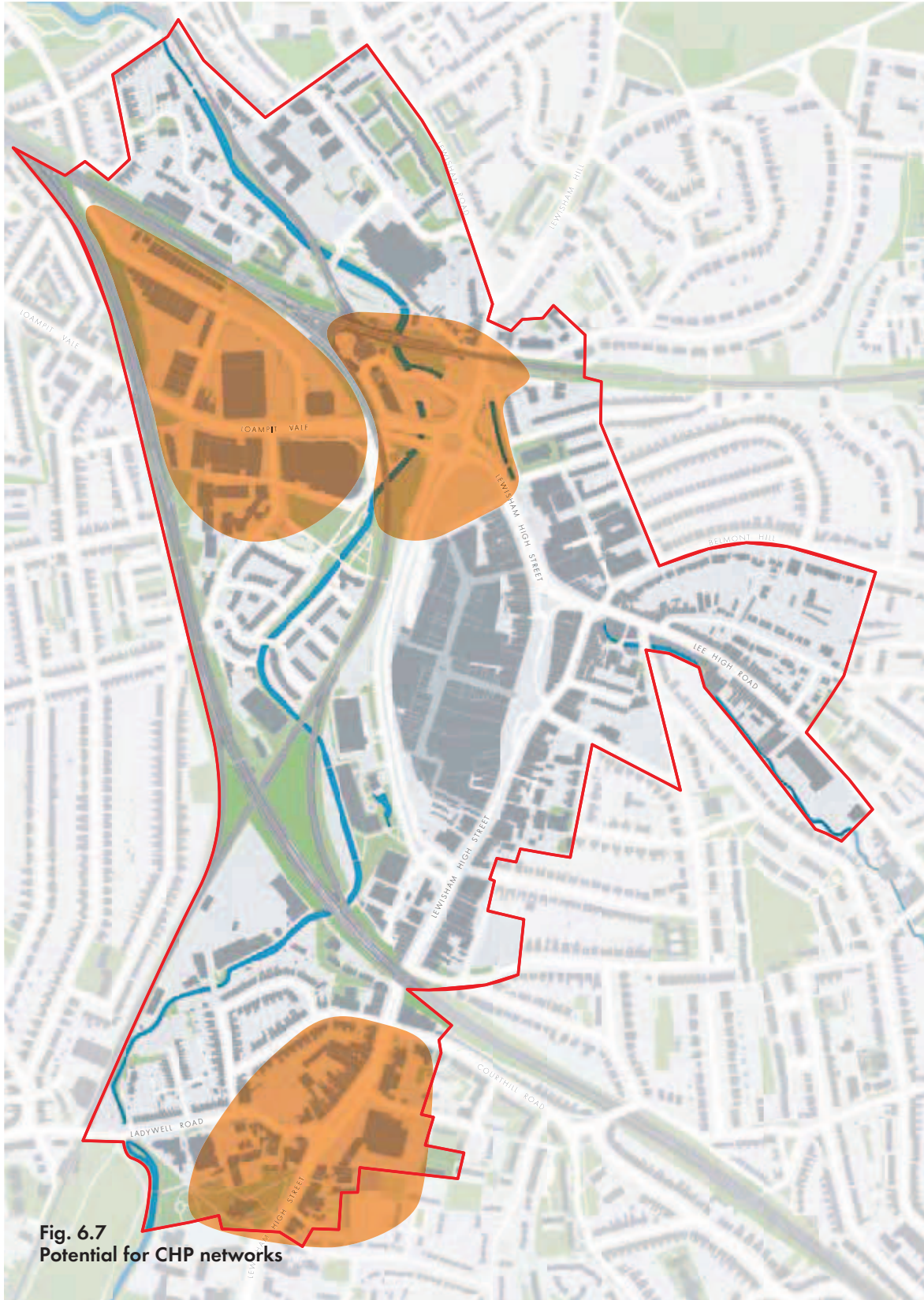
Lewisham Gateway

- 6.112** The outline consent for Lewisham Gateway makes provision for an energy centre and there is scope to consider longer term options to link into adjacent sites as the detailed scheme for the Gateway is progressed. In terms of planning for a phased approach it is recommended that the solutions for early phases are based on the installation of temporary high efficiency gas boilers, used to provide heat and establish the concept of district heating. Then once a critical mass on installation has been established the connection and conversion into a wider system can be progressed. Potential anchor loads include the Lewisham Shopping Centre.

Ladywell Road

- 6.113** This area is part of Lewisham's Low Carbon Zone where Lewisham Council is working with the Mayor of London, GLA and a range of public, private and community sector groups to deliver a reduction in CO2 emissions of 20% by 2012 and a 60% reduction by 2025. The Ladywell Leisure Centre is a key Council-owned development site and there is an opportunity to incorporate decentralised energy, possibly linking into University Lewisham Hospital to the south of the LTCLP area.

Figure 6.7 Potential for CHP networks



Policy LTC25

Adapting to climate change

1. All developments and works to the public realm will be able to adapt to the potential impacts of climate change. In doing so applications are required to use measures including, but not limited to, the following:

- (a) living roofs and walls,
- (b) water saving measures,
- (c) sustainable urban drainage systems,
- (d) vegetation and planting,
- (e) siting and design of buildings and services to minimise impacts,
- (f) materials.

Rationale

6.114 Adaption to climate change is a borough wide issue that is dealt with in the Core Strategy. However, there are a number of issues which are specific to town centres and where there is considerable development anticipated and which require more specific actions.

6.115 There are a number of risks that Lewisham town centre will be exposed to as development comes forward, including:

- urban heat island effect
- overheating
- increased demand for cooling
- air quality impacts
- surface water run-off
- flash flooding
- river flooding

6.116 To assist in the prevention of the above concerns, applicants will be required to utilise the adaptation tools and techniques described in this policy and expanded upon below:

Living roofs and walls:

6.117 The Council expects opportunities for living roofs and walls to be maximised throughout the town centre.

Water saving measures:

6.118 Measures including rainwater harvesting, greywater harvesting, low flow water fittings and water butts are considered to be deliverable on all town centre developments.

Soakaways and basins:

- 6.119** Particularly appropriate in the town centre are permeable and porous paving and infiltration devices such as soakaways and basins.

Vegetation and planting:

- 6.120** Filter strips and swales to help drain water away and planting that is able to cope with extreme weather conditions.

Siting and design of buildings and services to minimise impacts:

- 6.121** Examples include locating electrical and heating services above the likely maximum flood water level and introducing shading to buildings.

Materials:

- 6.122** Materials which are resistant to extremes of weather such as flooding or over-heating or which help to mitigate these effects, such as cool pavements.

This section shows how the vision and objectives of the LTCLP will be implemented to achieve regeneration and growth in the town centre.

Section 7 first explains the action and involvement the Council will have in ensuring implementation. Second, the monitoring framework highlights the process for scrutinising the progress of the LTCLP and how and when monitoring and, if necessary, reviewing the plan will take place. Third, there is a brief assessment of the main risks to the successful implementation of the LTCLP and where appropriate mitigation and adaptation measures are identified to ensure flexibility.

7.1 Implementation

Overview

- 7.1** Table 7.1 demonstrates how the delivery of the LTCLP area wide policies will in turn deliver the objectives and thus the vision of the plan. Policy Area policies LTC3 – 8 assist in implementing all of the objectives. The policies of the LTCLP are also supported by those policies in the Core Strategy and other Local Plan documents as well as the London Plan 2011.

Table 7.1

LTCLP objectives	Area-wide policies delivering each objective
1 – Retail and town centre status	LTC10: Mixed use, LTC11: Employment uses, LTC14: Town centre vitality and viability, LTC15: Lewisham market, LTC16: Retail areas, LTC17: Evening economy uses, LTC20: Public and shopper parking spaces
2 – Housing	LTC10: Mixed use, LTC12: Conversion of existing buildings, LTC13: Student housing
3 – Sustainable design	LTC18: Public realm, LTC19: Tall buildings
4 – Employment and training	LTC10: Mixed use, LTC11: Employment uses, LTC14: Town centre vitality and viability, LTC15: Lewisham market, LTC16: Retail areas, LTC17: Evening economy uses
5 – Open space and recreation	LTC18: Public realm, LTC21: Encouraging cycling and walking
6 – Transport	LTC20: Public and shopper parking spaces, LTC21: Encouraging cycling and walking
7 – Environment	LTC23: Heritage assets, LTC24: Carbon dioxide emission reduction, LTC25: Adapting to climate change
8 – Community	LTC14: Town centre vitality and viability, LTC15: Lewisham market, LTC16: Retail areas, LTC17: Evening economy uses, LTC22: Social infrastructure, LTC23: Heritage assets
9 – Implementing and monitoring the LTCLP	LTC26: Implementation, LTC27: Monitoring

- 7.2** Policy LTC26 details the approach the Council will take to ensuring the successful implementation of the LTCLP over the plan period. Further detail is available in the delivery strategy table (in Appendix 3) containing each policy (site specific and area-wide) and indicating the delivery timescales, responsible agencies, specific infrastructure needs, risk and flexibility.
- 7.3** For the full list of policy and evidence base linkages with this policy see Appendix 1.

Policy LTC26

Implementation

1. The Council will implement the LTCLP by working with public, voluntary, community and private sector partners and co-ordinating action, including:

- (a) engaging in pre-application discussions with prospective developers,

- (b) using the Lewisham Design Panel or a site specific design panel to help secure high quality design,
- (c) requiring planning applications to address the LTCLP's vision, objectives and policies,
- (d) managing its own assets to facilitate appropriate development,
- (e) where appropriate using its compulsory purchase powers,
- (f) implementing the Infrastructure Delivery Plan, Local Implementation Plan and Borough Investment Plan,
- (g) partnership working,
- (h) securing appropriate sources of funding,
- (i) working with Thames Water to deliver water supply and sewerage infrastructure.

Rationale

Pre-application service

7.4 The Council has a formal procedure in place to hold pre-application discussions with prospective applicants at all opportunities. Prior to this formal process, the Council encourages applicants, particularly in relation to major schemes, to engage the Council in more informal discussions at as early a stage as possible. The Council encourages early discussions with officers to ensure all aspects of a proposal are considered from the outset in order to provide greater certainty to applicants when developing their proposals. Discussions are focused on emerging design and access statements with a thorough site analysis. The planning case officer co-ordinates policy and design advice from within the Council and where appropriate the Lewisham Design Panel and external organisations (such as the Greater London Authority Planning Decisions Unit), to ensure applicants and their design teams receive timely, focused, co-ordinated and sound advice.

Lewisham Design Panel

7.5 The Council operates a design panel of independent built environment professionals. Its purpose is to provide design advice to ensure that development proposals are of the highest design quality and fully reflect and make a positive contribution to local context and character. Prospective developers of major proposals will be expected to present emerging proposals for the town centre to the Panel at appropriate stages of design development. In some cases, a particularly complex site may need an individual specialist design panel with several meetings.

Supporting documentation

7.6 Design and access statements are a national requirement and the Local Information Requirements for Lewisham sets out additional documentation that will be required to support major planning applications in the borough. All documents that accompany planning applications for sites in the town centre should demonstrate how the proposals would:

- Make a positive contribution towards the realisation of the vision, objectives and all of the policies in this LTCLP
- Enable (and in no way prejudice) future development in the rest of the area from doing the same – including the phased delivery of larger sites, in line with LTCLP policy LTC2.

LBL owned property

- 7.7** Subject to satisfying legal and strategic policy requirements, the Council will manage its assets including the property it owns in the town centre in ways that will help deliver the LTCLP's vision, objectives and policies.

Compulsory purchase

- 7.8** LBL will consider using its compulsory purchase powers where this would help secure the delivery of high quality development that is in line with the LTCLP vision, objectives and policies.

Infrastructure Delivery Plan

- 7.9** LBL has prepared a borough-wide Infrastructure Delivery Plan (IDP) in order to:
- Identify infrastructure needs and costs (including where possible phasing of development, funding sources and responsibilities for delivery)
 - Further strengthen relationships between the Sustainable Community Strategy and Local Development Framework (LDF)
 - Improve lines of communication between key delivery agencies and the local planning authority
 - Identify opportunities for integrated and more efficient service delivery and better use of assets
 - Provide a sound evidence base for funding bids and prioritising the deployment of allocated funding
 - Help facilitate growth in Lewisham and other growth and regeneration areas
 - Integrate with the Planning Obligations SPD and provide the basis for the Community Infrastructure Levy charging schedule.
- 7.10** The IDP is a live document that will be used as a tool for helping to deliver infrastructure and will be monitored and revised as necessary. Its implementation will be led by Lewisham's Asset Management Board (AMB), which will report to the Sustainable Development Partnership (SDP) – one of the thematic partnerships of the Local Strategic Partnership. The elements of the borough-wide IDP that are considered relevant to the town centre have been placed in the Infrastructure Schedule in Appendix 4.

Local Implementation Plan

- 7.11** LBL will continue to use the Local Implementation Plan (LIP) process to identify and secure funding for improvements that better manage road traffic, improve public transport accessibility and promote walking and cycling in the town centre.

Partnership working

- 7.12** LBL will work as part of the Local Strategic Partnership (which includes senior representatives from Lewisham's public, private, voluntary and community sector organisations) in delivering the vision, objectives and policies of the LTCLP. LBL will also work with other partners,

including local businesses, the Greater London Authority, London Development Agency, TfL, Network Rail, rail operators, the Environment Agency, landowners and developers (through the Major Developers Forum), utility companies (through the Lewisham Utilities Network), and others to deliver strategic change.

- 7.13** Further, LBL will engage and work with land and property owners and developers within the town centre to make delivery of developments possible within the context of the plan and vision.

Funding

- 7.14** LBL has an adopted Planning Obligations Supplementary Planning Document (SPD) which sets out a tariff-based approach to the negotiation of financial contributions from developers. LBL may pool contributions in order to meet significant infrastructure requirements (including those set out in the IDP). The Community Infrastructure Levy (CIL) Regulations (April 2010 and 2011 amendments) introduce a new tariff for raising funds from developers to help deliver infrastructure (but not affordable housing) and the Council is currently preparing a charging schedule in compliance with the Regulations. On the local adoption of CIL (expected 2013) the Regulations restrict the local use of planning obligations for pooled contributions, however money generated through CIL will be available to deliver the identified infrastructure.

- 7.15** It is unlikely that planning obligations or CIL will be able to fully fund the infrastructure needs of the town centre, therefore alternative sources of funding will also be required. The Council will endeavour to use the processes identified above (including using its own land and partnership working) to facilitate the delivery of infrastructure. Regeneration of the town centre is largely developer led and the Council will work closely with such developers to seek out private, government and European funding sources.

Water Supply and Sewerage Infrastructure

- 7.16** It is essential that developers demonstrate that adequate water supply and sewerage infrastructure capacity exists both on and off the site to serve the development and that it would not lead to problems for existing users. In some circumstances this may make it necessary for developers to carry out appropriate studies to ascertain whether the proposed development will lead to overloading of existing water and sewerage infrastructure. Where there is a capacity problem and no improvements are programmed by the water company, then the developer needs to contact the water authority to agree what improvements are required and how they will be funded prior to any occupation of the development.

7.2 Monitoring

Overview

- 7.17** Government legislation outlines a clear requirement for monitoring to be a central part of the plan-making process. Further, it is vital to the implementation process for the Council to understand if the LTCLP is successfully delivering the vision and objectives. To achieve this the Council will be using the plan, monitor, review approach as set out in the Lewisham Annual Monitoring Report.
- 7.18** To support this process the Council has produced a monitoring policy as identified below and a monitoring framework as part of the delivery strategy table in Appendix 3.

Policy LTC27

Monitoring

The Council will facilitate the monitoring of the LTCLP through the monitoring framework (as part of the delivery strategy in Appendix 3) and the following interventions:

- (a) using annual town centre surveys and health checks,
- (b) monitoring progress on planning applications,
- (c) reporting progress on infrastructure delivery to the Asset Management Board and Sustainable Development Partnership,
- (d) including a town centre specific section in the Annual Monitoring Report (AMR).

Rationale

- 7.19** The delivery strategy table contained in Appendix 3 displays the monitoring indicators and targets and also describes when and how the measures will be monitored. This table will become part of the Annual Monitoring Report process on adoption of the LTCLP. The table also reflects and complements the monitoring framework in place for the Core Strategy.
- 7.20** The Council recognises that in order to be sure that sustainable development and sustainable communities are being delivered in the town centre, it needs to be able to check on whether the aims of the LTCLP are being achieved and to take corrective action if they are not. Therefore to supplement the delivery strategy identified in Appendix 3 the Council will complete the following monitoring objectives:
- Checking that the monitoring targets identified in Appendix 3 are being met and identifying the actions needed to address any barriers and blockages
 - Assessing the risks associated with particular aspects of the LTCLP and devising risk management strategies and contingency planning
 - Monitoring the quality of new developments in Lewisham town centre and their compliance with policies and proposals
 - Assessing the potential impacts of new or updated legislation, evidence and national and regional policy and guidance

- Measuring the performance of the LTCLP against the vision and objectives of the LTCLP, the indicators identified in the sustainability appraisal process, the Equalities Analysis Assessment process and other relevant indicators
- Monitoring the LDF evidence base and conditions in the town centre to assess the need for further spatial intervention, including checking and updating the assumptions on which the LTCLP is based

7.21 For the full list of policy and evidence base linkages with this policy see Appendix 1.

7.3 Risk

- 7.22** The implementation plan identified in policy LTC26 and detailed in Appendix 3 provides a process by which the vision and objectives of the LTCLP will be delivered. However, within the 10 year LTCLP plan period there are likely to be many changes to the wider circumstances surrounding the LTCLP which may affect successful delivery.
- 7.23** There will be changing economic and market conditions over the plan period, as well as other factors, including changes in legislation and national and London Plan policy, which will impact on the delivery of the LTCLP and its components. The full impacts cannot be predicted and will be monitored as part of the 'plan, monitor and review' process.
- 7.24** A short risk assessment covering the key risk areas is set out below. This incorporates commentary on contingency planning, including what alternative strategies will be implemented and what will trigger their use.

Changes to legislation and national or regional policy

- 7.25** The LTCLP has been prepared in accordance with legislative requirements and national policy and conforms with the London Plan. The LTCLP does not repeat national and regional policy, but rather refers to them and considers them in the local context. As a result, small adjustments to higher policy documents should not necessarily affect the implementation of the LTCLP. If major changes were proposed the LTCLP may need to be quickly reviewed alongside other LDF Local Plans. This would be overseen by the Council's LDF Steering Group. This would apply to all local authorities and would not be exclusive to the Borough of Lewisham.

Policy Area and site development

- 7.26** A number of the sites identified in the LTCLP already have granted planning permissions. Other sites are at earlier stages of the application procedure, while some have currently not yet entered the development process. The LTCLP as a whole has been produced with an understanding that granted permissions may not be implemented and therefore such sites could enter the planning system afresh during the LTCLP plan period. This has ensured that the policies in place are suitable for both known and unknown developments.
- 7.27** With all Policy Areas and sites there are risks that the expected development will not come forward in the timescales anticipated. The majority of the sites are in private ownership, while some are in multiple ownerships. Private developer co-operation and investment is required in order for some sites to progress. The Council remains in close contact with a number of land and property owners and developers in the town centre and continues to encourage progress through partnership working.
- 7.28** If one or two smaller sites experience delays in delivery in the plan period, the vision of the LTCLP could still be met due to the quantum of delivered development and the flexibility of site indicative capacities to allow for individual site circumstances. In the event of the widescale failure of delivery of sites, the Council would undertake a review of the surrounding circumstances, its evidence base and ultimately a full review of the LTCLP to understand what changes are required to produce a deliverable local plan.
- 7.29** The key scheme in the town centre is the Lewisham Gateway development. This site is considered central to the regeneration of the town centre and is hence identified as a strategic site in the Lewisham Core Strategy and progressed through the associated

processes in place. While the successful delivery of this site is central to the LTCLP and the wider Core Strategy, this does not mean that other development can not occur without it. A number of town centre developments have already preceded the Lewisham Gateway development and are complete.

Infrastructure

7.30 There are always risks that national or regional funding for infrastructure projects could be reduced or withdrawn. However, the risk is considered to be low as Appendix 3 states that key projects for the town centre are identified in existing business plans, have known funding sources, and in some instances are under way. The biggest single risk to infrastructure delivery relates to the delivery of the Lewisham Gateway development. This scheme involves road movements, public transport capacity and accessibility improvements, additional and reconfigured walking and cycling routes, open space and river enhancements and leisure provision. As identified previously, this is monitored and progressed through the Core Strategy.

The economic climate

7.31 The effect of the recent economic recession has been felt worldwide and this is certainly the case in Lewisham. There has been major government intervention at a national, regional and local level, while development has slowed, albeit less so in London than elsewhere. There is currently little assurance of whether the economy will improve or return to a recessionary state, therefore there is a considerable risk to the delivery of development in the near future, certainly in the first half of the plan period.

7.32 Positively, throughout the economic recession, residential and mixed use (with retail and commercial) development has continued apace in Lewisham town centre. Schemes since 2008 on Loampit Vale, Conington Road and Lee High Road have provided hundreds of new dwellings and additional retail and commercial space.

7.33 The Council will continue to monitor local economic conditions and work with regional and national partners on wider economic strategies. However, there is confidence that recent progress and the multitude of varied sites in the town centre will assist in maintaining growth throughout the plan period. Any detrimental impact or 'slowing down' of development will be considered if monitoring highlights it, but the Council remains confident that this will only change the phasing of delivery, not stop it entirely.

Evidence base

7.34 As with national and regional policy, the local evidence base is another component informing the preparation of the LTCLP. New evidence and a review of existing evidence will be prepared to respond to changing circumstances, and this in turn may point to the need to change or alter policy. This process will be managed through the Annual Monitoring Report.

Appendix 1: Policy, guidance and evidence base linkages

Code	LTCLP	Relevant policies			Other guidance documents and evidence base
		Core Strategy	London Plan and other regional guidance	National policy	
Overview policies					
LTC1	Town centre boundary		Policy 2.15 Part D	NPPF Section 2	Overarching evidence documents for all policies Shaping Our Future: Lewisham Sustainable Community Strategy 2008 – 2020 Lewisham Infrastructure Delivery Plan, 2010
LTC2	Spatial strategy	Spatial Policy 2	Policies 2.3, 2.13, 2.15 Part C	NPPF Section 2	
Policy Area policies					
LTC3	TCA Policy – Lewisham Gateway	Spatial Policy 2 Strategic Site Allocation 6 CS Policies 3, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 19 and 20	Policies 2.3, 2.13, 2.15 Parts A, C and D, 3.3, 3.7, 3.16, 3.17, 3.18, 3.19, 4.1, 4.2, 4.3, 4.6, 4.7, 4.8, 4.9, 5.2, 5.3, 5.5, 5.6, 6.2, 6.3, 7.1, 7.3, 7.4	NPPF Sections 1, 2, 4, 6, 7, 8, 10, 11 and 12	<p>Housing Lewisham Strategic Housing Market Assessment, 2008 South East London Boroughs' Strategic Housing Market Assessment, 2009</p> <p>Employment land Lewisham Employment Land Study, 2008</p> <p>Retail and town centres Lewisham Retail Needs Study, 2009 Town Centre Health Checks, 2009</p> <p>Renewables and energy Lewisham Renewables Evidence Base Study, 2009</p> <p>LBL Energy Strategy, 2011</p> <p>Waterways and flooding Lewisham Strategic Flood Risk Assessment, 2008 Lewisham Sequential Test, 2009</p> <p>Open space Lewisham Leisure and Open Space Study, 2009</p>
LTC4	TCA Policy – Loampit Vale				
LTC5	TCA Policy – <i>Conington Road</i>				
LTC6	TCA Policy – <i>Lee High Road</i>				

Appendix 1: Policy, guidance and evidence base linkages

Code	LTCLP	Relevant policies			Other guidance documents and evidence base
		Core Strategy	London Plan and other regional guidance	National policy	
LTC7	TCA Policy – Ladywell				<p>Ravensbourne River Corridor Improvement Plan, 2009 Lewisham Physical Activity, Sport and Leisure Strategy, 2006</p> <p>Transport Lewisham Borough-wide Transport Assessment, 2009 Lewisham Town Centre Transport Study, 2009 Lewisham Local Implementation Plan, 2009</p> <p>Design Lewisham Tall Buildings Study, 2009 Lewisham conservation area appraisals and management plans Lewisham Borough-wide Character Study, 2010</p> <p>Community services Lewisham Children and Young People's Plan, 2009 Lewisham Social Inclusion Strategy, 2005 Healthy Weight, Healthy Lives (PCT with LB Lewisham), 2009 Lewisham Joint Strategic Needs Assessment, 2009</p>
LTC8	TCA Policy – Central				
Area-wide policies					
LTC9	Growing the local economy	Spatial Policy 2 Strategic Site Allocation 6 CS Policies 1, 3, 4, 6, 12, 19 and 20	Policies 2.3, 2.13, 2.15 Parts A, C & D, 4.1, 4.2, 4.3, 4.6, 4.7, 4.8 and 4.9 London-wide Town Centre Health Checks Analysis, 2009	NPPF Sections 1 and 2	<p>Lewisham Strategic Housing Market Assessment, 2008 South East London Boroughs' Strategic Housing Market Assessment, 2009 Lewisham Employment Land Study, 2008 Lewisham Retail Needs Study, 2009 Town Centre Health Checks, 2009 Lewisham Infrastructure Delivery Plan, 2010 Lewisham Leisure and Open Space Study, 2009 Ravensbourne River Corridor Improvement Plan, 2009</p>
LTC10	Mixed use	Spatial Policy 2 Strategic Site Allocation 6	Policies 2.3, 2.13, 2.15 Parts A, C & D, 4.1, 4.2, 4.3 and 4.6	NPPF Sections 1, 2 and 6	<p>Lewisham Strategic Housing Market Assessment, 2008 Lewisham Employment Land Study, 2008 Lewisham Retail Needs Study, 2009</p>
LTC11	Employment uses	CS Policy 6 Spatial Policy 2 Strategic Site Allocation 6 CS Policy 5	Policies 2.3, 2.13, 2.15 Parts A and C, 4.1, 4.2, 4.3 & 4.6	NPPF Sections 1 and 2	<p>Lewisham Employment Land Study, 2008</p>
LTC12	Conversion of existing buildings	CS Policy 1	Policies 2.3, 2.13, 2.15 Parts A and C, 3.3 & 3.14	NPPF Sections 1, 2 and 6	<p>Lewisham Strategic Housing Market Assessment, 2008 South East London Boroughs' Strategic Housing Market Assessment, 2008</p>

Appendix 1: Policy, guidance and evidence base linkages

Code	LTCLP	Relevant policies				Other guidance documents and evidence base
		Core Strategy	London Plan and other regional guidance	National policy		
LTC13	Student housing	CS Policy 1	Policy 3.8 Policy 2.15 Parts A & C, 4.1, 4.2, 4.3, 4.6, 4.7, 4.8 and 4.9	NPPF Sections 2 and 6	Assessment, 2009	
LTC14	Town centre vitality and viability	Spatial Policy 2 Strategic Site Allocation 6 CS Policies 6 and 15	London-wide Town Centre Health Checks Analysis, 2009			
LTC15	Lewisham market	CS Policy 6	Policy 2.15 Parts A and C, 4.7 and 4.8		Lewisham Employment Land Study, 2008 Lewisham Retail Needs Study, 2009 Town Centre Health Checks, 2009 Lewisham Borough Wide Character Study, 2010	
LTC16	Retail areas	Spatial Policy 2 Strategic Site Allocation 6 CS Policy 6	Policy 2.15 Parts A, C and D, 4.7, 4.8 and 4.9 London-wide Town Centre Health Checks Analysis, 2009 Policy 2.15 Parts A & C	NPPF Sections 1 and 2		
LTC17	Evening economy uses	Spatial Policy 2 Strategic Site Allocation 6	Best Practice Guidance: Managing the Night Time Economy, 2007 London-wide Town Centre Health Checks Analysis, 2009			
LTC18	Public realm	CS Policy 12 Strategic Site Allocation 6	Policies 2.15 Parts A and C and 7.5	NPPF Sections 2, 7, 8 and 11	Lewisham Leisure and Open Space Study, 2009 Lewisham Borough Wide Character Study, 2010 Ravensbourne River Corridor Improvement Plan, 2009	

Appendix 1: Policy, guidance and evidence base linkages

Code	LTCLP	Relevant policies			National policy	Other guidance documents and evidence base
		Core Strategy	London Plan and other regional guidance			
LTC19	Tall buildings	CS Policy 18	Policy 7.7			<p>Lewisham Tall Buildings Study 2009</p> <p>Lewisham Conservation Area Appraisals and Management Plans</p> <p>Lewisham Borough Wide Character Study, 2010</p> <p>By Design, CABE, 2000</p> <p>Building for Life, CABE</p> <p>Home Builders Federation and Design for Homes Guidance on Tall Buildings, CABE and English Heritage, 2007</p> <p>Locally Listed Buildings</p> <p>Biggin Hill and London City Airport Safeguarding Maps</p> <p>Areas of Archaeological Priority for Lewisham: English Heritage</p>
LTC20	Public and shopper parking spaces	CS Policy 14	Policies 2.15 Parts A and C and 6.13		NPPF Sections 2 and 4	<p>Lewisham Borough-wide Transport Assessment, 2009</p> <p>Lewisham Town Centre Transport Study, 2009</p> <p>Lewisham Local Implementation Plan, 2009</p>
LTC21	Sustainable transport	CS Policy 14	Policies 2.15 Part D, 6.9 and 6.10		NPPF Sections 2 and 4	<p>Lewisham Leisure and Open Space Study, 2009</p> <p>Ravensbourne River Corridor Improvement Plan, 2009</p> <p>Lewisham Physical Activity, Sport and Leisure Strategy, 2006</p> <p>Lewisham Borough-wide Transport Assessment, 2009</p> <p>Lewisham Town Centre Transport Study, 2009</p> <p>Lewisham Local Implementation Plan, 2009</p>
LTC22	Social infrastructure	CS Policies 19 and 20	Policies 2.15 Parts A and C, 3.16, 3.17, 3.18 and 3.19		NPPF Sections 2 and 8	<p>Lewisham Infrastructure Delivery Plan, 2010</p> <p>Lewisham Children and Young People's Plan, 2009</p> <p>Lewisham Social Inclusion Strategy, 2005</p> <p>Healthy Weight, Healthy Lives (PCT with LB Lewisham), 2009</p> <p>Lewisham Joint Strategic Needs Assessment, 2009</p> <p>Lewisham PCT Commissioning Strategy Plan 2008-2012</p> <p>Local Education Authority School Plan</p>

Appendix 1: Policy, guidance and evidence base linkages

Code	LTCLP	Relevant policies			National policy	Other guidance documents and evidence base
		Core Strategy	London Plan and other regional guidance			
LTC23	Heritage assets	CS Policy 16	Policies 7.8 and 7.9	NPPF Sections 2 and 12	<p>Lewisham Conservation Area Appraisals and Management Plans</p> <p>Lewisham Borough Wide Character Study, 2010</p> <p>By Design, C.A.B.E, 2000</p> <p>Locally Listed Buildings</p>	
LTC24	Carbon dioxide emission reduction	CS Policies 7 and 8	Policies 5.2, 5.3, 5.5 and 5.6	NPPF Sections 2 and 10	<p>Areas of Archaeological Priority for Lewisham: English Heritage</p> <p>Lewisham Renewables Evidence Base Study, 2009</p> <p>Lewisham Town Centre AAP Low Carbon and Decentralised Energy Strategy Recommendations, 2010</p> <p>London Heat Map Study for Lewisham, 2010</p> <p>Carbon Reduction and Climate Change Strategy, 2008</p>	
LTC25	Adaptation to climate change	CS Policies 7, 8 and 10	Policies 5.3, 5.9, 5.10, 5.11, 5.12, 5.13 and 5.15	NPPF Sections 2 and 10	<p>Lewisham Renewables Evidence Base Study, 2009</p> <p>Lewisham Town Centre AAP Low Carbon and Decentralised Energy Strategy Recommendations, 2010</p> <p>London Heat Map Study for Lewisham, 2010</p> <p>Carbon Reduction and Climate Change Strategy, 2008</p>	
Delivery policies						
LTC27	Implementation		Policy 8.1	NPPF Sections 1, 2, 4, 6, 7, 8, 10, 11, 12 and Annex 1	Lewisham Infrastructure Delivery Plan, 2010 Planning Obligations Supplementary Planning Document Lewisham CIL Preliminary Draft Charging Schedule, 2011	
LTC26	Monitoring		Policy 8.4			

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- 9.1** The following designations are part of a living list meaning that any new heritage assets designated within the plan area boundary will automatically be added to it. The identified assets listed below can also be found in Figure 6.6 in this report.

Conservation areas

- 9.2** There are a number of conservation areas in and around the town centre which mostly comprise domestically scaled residential streets, notably the Victorian and early 20th century residential areas to the south, east and north.
- 9.3** Three conservation areas fall entirely within the boundary of Lewisham town centre in the north eastern corner. These are:
- St Stephen's, which also lies adjacent to the Lewisham Gateway Strategic Site
 - Belmont
 - Mercia Grove
- 9.4** To the south of the town centre there are:
- St Mary's, which straddles the plan area boundary
 - Ladywell, which lies close to the south western boundary
- 9.5** Other conservation areas close to the town centre are Blackheath to the north east and St. John's, Brookmill Road and Somerset Gardens to the north west.

Listed buildings

- 9.6** The town centre has a number of listed buildings and structures:
- Clock Tower Lewisham High Street (Grade II)
 - Church of St Stephen, Lewisham High Street (east side) (Grade II)
 - Lewisham Bridge School (Grade II)
 - Church of St Saviour and St John the Baptist and Evangelist, Lewisham High Street (east side) (Grade II*)
 - Presbytery adjacent Church of St Saviour and St John the Baptist and Evangelist (Grade II)
 - St Mary's Vicarage, Lewisham High Street (west side) (Grade II)
 - St Mary's Vicarage Garden Walls, Lewisham High Street (west side) (Grade II)
 - Church of St Mary the Virgin, Lewisham High Street (west side) (Grade II*)
 - Walls surrounding St Mary the Virgin churchyard (Grade II)
 - Nos 233 – 241 Lewisham High Street, Rileys (former Temperance Billiard Hall) (Grade II)
 - No. 340 Lewisham High Street, Lewisham Fire Station (Grade II)
- 9.7** The first three in the above list are in the northern part of the town centre. The Church of St Stephen is directly adjacent to the Lewisham Gateway Strategic Site.
- 9.8** The other buildings in the list are in the southern part of the centre apart from St Saviour's Church, which provides a landmark on the High Street itself. The Grade II listed former Lewisham Public Library lies just to the south outside the plan area boundary.

Locally listed buildings

9.9 There are also a small number of locally listed buildings in the town centre as follows:

- 6 – 8 Belmont Hill
- 17 – 31, 65 – 71, 85 – 87, 93 – 95, 143 – 149 and 219 – 221 Lewisham High Street
- 66 and 180 – 190 Lewisham High Street
- Eagle House, Lewisham Road

Buildings and areas of townscape merit

9.10 The council has undertaken an assessment of buildings and areas of particular townscape merit in the town centre. These are buildings and areas that add to the local distinctiveness of Lewisham town centre including:

- All locally listed buildings
- Architecturally distinctive groups of buildings such as the 19th century terraces that line Lee High Road on the approach from Lee, and Nos 292 – 322 Lewisham Road on the approach from Blackheath
- Buildings that provide key focal points within the area, such as the rounded corner building No. 23 Lee High Road, the Pub ‘One’ Lee High Road or 100 – 104 Lewisham High Street
- Buildings that are notable for their architectural detailing, such as the Victorian Villas at Marischal Road or No. 115 Lewisham High Street, which has the elevation clad with unusual glazed brick
- Areas that have the potential for conservation area designation, such as the western end of Marischal Road or the small island of historic houses comprising Nos 292 – 322 Lewisham Road and Silk Mills Path behind.

9.11 The following properties are considered to be of particular townscape merit:

- 1 – 3 (odd) Belmont Hill
- 1, 7, 19 – 45, 51 – 83 and 91 (odd) and 2, 6, 82 – 90 (even) Lee High Road
- 1 – 27 (odd) Lewis Grove
- 65 – 83 (odd) and 90 – 92 and 100 – 104 (even) Lewisham High Street
- 292 – 322 (even) Lewisham Road
- 1 – 9, 51, and 55 – 61 (odd) and 28 – 42 (even) Marischall Road
- 1 – 6 (cons) Germaines Villas and 1 – 2 Sharsted Villas, Silk Mills Path

Local Landmarks

9.12 In addition to the previously designated local landmarks of the Clocktower and St Mary’s Church, the Tall Buildings Study 2010 identified three buildings on Lewisham High Street that require recognition as Local Landmarks in the town centre (marked with an * below):

- The Clocktower
- St Mary’s Church
- St Saviour’s Church *
- United Reformed Church tower *
- 65 – 71 Lewisham High Street (The Tower) *

Other concerns

- World Heritage Site Buffer Zone
- The historic street market

Appendix 3: Delivery strategy and monitoring framework

1 Policy Area policies

Policy Area	Sites	Proposal or allocation	Responsible agencies	Milestones and targets	Specific infrastructure needs*	Risks	Flexibility
LTC3 – Lewisham Gateway	Overall	Mixed use – 800 homes, 17,000 sqm retail, 8,000 sqm office or business, 5,000 sqm hotel and 5,000 sqm of leisure	LBL, Lewisham Gateway Developments, Muse Developments Ltd, Taylor Wimpey Developments Ltd,	The Lewisham Gateway site development is dealt with by the Core Strategy policy Strategic Site Allocation 6.			
	Kings Hall Mews	LTCLP proposes a mix of uses including retail (A1, A2, A3), office or business (B1), hotel (C1) and residential (C3)	London Development Authority, TfL, London Buses and the Environment Agency and other property and land owners and developers	Development complete within plan period	Public realm (streetscape) improvements Sustainable transport enhancements, including for bus services and cycling and walking provision Decentralised energy and communal heating	Planning consent required Site constraints	The Council will continue to work with landowners and prospective developers to address the site constraints and progress a successful application
LTC4 – Loampit Vale	Overall	Mixed use – 1,000 homes, 11,200 sqm net retail, commercial and office development	LBL, Empire developments with L & Q, other land and property owners and developers, TfL and the Environment Agency				
	Loampit Vale	Current granted permission for		Permission granted – 2011 Completion – 2014	Road enhancements to	Planning permission only until 2012	The Council will work with the

Appendix 3: Delivery strategy and monitoring framework

Policy Area	Sites	Proposal or allocation	Responsible agencies	Milestones and targets	Specific infrastructure needs*	Risks	Flexibility
LTC5 – Conington Road	north west of <i>Jerrard Street</i>	6,771 sqm retail, 9 live/work units and 406 dwellings			<i>Jerrard Street</i> to accommodate increased bus traffic Pavement and public realm improvements		site owner and developer to encourage the commencement of development
	Loampit Vale north east of <i>Jerrard Street</i>	Retail (A1 comparison and A2), B1 commercial, with residential above		Ongoing development and phasing throughout the plan period	Road enhancements to <i>Jerrard Street</i> to accommodate increased bus traffic Pavement and public realm improvements	Land assembly Planning consent/s required	Smaller individual schemes could come forward even if it is not possible for the entire site to be assembled at once.
	The Railway Strip	Retail (A1 comparison and A2), B1 commercial, with residential above		Ongoing development throughout the plan period	Pavement and public realm improvements	Planning consent required Site constraints	The Council will work with the land owners to address the site constraints and progress a successful application
LTC5 – Conington Road	Overall	Mixed use – 400 homes, 3,000 sqm net retail	LBL, Tesco, the Environment Agency				
	Tesco block, car park and petrol station	Retail (A1 comparison and A2), B1 commercial, with residential above		Ongoing development and phasing throughout the time period	Public realm and river environs enhancements Sustainable transport enhancements, including for cycling and walking provision and a access to the railway station	Planning consent required	The Council will work with Tesco and other partners to encourage delivery of

Appendix 3: Delivery strategy and monitoring framework

Policy Area	Sites	Proposal or allocation	Responsible agencies	Milestones and targets	Specific infrastructure needs*	Risks	Flexibility
LTC6 – Lee High Road	Overall	Mixed use – 40 homes, 2,000 sqm net retail: Combination of granted planning permissions	LBL, the Environment Agency, various land and property owners and developers	Permissions granted 2011 – completion 2014	Decentralised energy and communal heating Environmental improvements to the river and the streetscape	Planning permissions not implemented	development on this site The Council will work with the developers to encourage the commencement of delivery as soon as possible
	Overall	Mixed use – 150 homes, 1,400 sqm net retail: Retail (A1 comparison and A2) with residential above	LBL, land and property owners (including LBL), developers, TfL	Development complete within plan period	Highway, parking and cycling improvements Heritage and community concerns Supporting CO2 reduction zone	Planning permission not implemented	Council owned site reduces risk of non-delivery.
LTC7 – Ladywell	Overall	Mixed use – 600 homes, 10,000 sqm net retail	LBL, Land Securities, Citigroup, TfL, Bridge House Trust	Ongoing development and phasing throughout the time period	High street and street market improvements Public transport and cycling enhancements Decentralised energy option	Planning consents required	Regular meetings between LBL and property owners, developers to ensure successful application process and
	Land north of the shopping centre	Retail (A1 comparison and A2) with residential above	(Corporation of London).				
LTC8 – Central	Overall	Mixed use – 600 homes, 10,000 sqm net retail	LBL, Land Securities, Citigroup, TfL, Bridge House Trust	Ongoing development and phasing throughout the time period	High street and street market improvements Public transport and cycling enhancements Decentralised energy option	Planning consents required	Regular meetings between LBL and property owners, developers to ensure successful application process and
	Land south of the shopping centre	Retail (A1 comparison and A2) with residential above	(Corporation of London).				

Appendix 3: Delivery strategy and monitoring framework

Policy Area	Sites	Proposal or allocation	Responsible agencies	Milestones and targets	Specific infrastructure needs*	Risks	Flexibility
							encourage delivery in the plan period

* Specific infrastructure needs do not include those requirements that LBL feels are required as standard across all major town centre developments, including contributions towards social infrastructure such as schools, health facilities and community facilities as well as general open space, transport and other key measures. These are dealt with in policy LTC22

2 Area-wide policies

Policy	Strategic objectives	Responsible agencies	Indicator and action	Target and dates	Indicator source
LTC1 – Plan area boundary	Objective 1 – Retail and town centre status	LBL	n/a	n/a	n/a
LTC2 – Spatial strategy	All Objectives	LBL, land and property owners, developers, local business and residents, other private and public sector bodies	This is proved by the successful delivery of the sites identified in the Policy Areas.	See sites delivery strategy above	See sites delivery strategy above
LTC9 – Growing the local economy	Objective 1 – Retail and town centre status Objective 4 – Employment and training Objective 5 – Open space, recreation Objective 8 – Community	LBL, other public commerce and education bodies, land and property owners, developers, local business	Amount of completed additional A class retail floorspace (A1 comparison in particular) Amount of completed leisure space Amount of retail vacancies No loss of convenience retail floorspace	Provision of 40,000 sqm additional retail floorspace by 2026 to reach metropolitan status Increased leisure provision Year on year reduction No reduction in convenience retail	Annual Monitoring Report (AMR) and Town Centre Retail Survey

Appendix 3: Delivery strategy and monitoring framework

Policy	Strategic objectives	Responsible agencies	Indicator and action	Target and dates	Indicator source
LTC10 – Mixed use	Objective 1 – Retail and town centre status Objective 2 – Housing Objective 4 – Employment and training	LBL, land and property owners, developers, housing associations	Amount of delivered mixed use development in line with the site's delivery strategy	Development delivered in line with timescales identified in the site's delivery strategy	AMR
LTC11 – Employment uses	Objective 1 – Retail and town centre status Objective 4 – Employment and training	LBL, other public commerce and education bodies, land and property owners, developers, local business	Mix of employment uses on new development sites Retention, replacement of B use employment space Retention of Molesworth Street LEL	match the identified proposals (mix of employment space) set out in the sites delivery strategy No net loss of B use employment space No loss of space in the Molesworth Street LEL	AMR
LTC12 – Conversion of existing buildings	Objective 2 – Housing	LBL, land and property owners, developers	Number of permissions granted for conversions that contradict policy LTC12 No negative impact on the overall amount of wheelchair accessible housing provision (measure identified in the Equalities Analysis Assessment)	No permissions Ensure 10% remains the average for the town centre as a whole	AMR
LTC13 – Student housing	Objective 2 – Housing	LBL, land and property owners, developers, educational institutions	Student and standard housing delivery	No negative impact on Lewisham Borough housing targets	AMR GLA monitoring
LTC14 – Town centre vitality and viability	Objective 3 – Sustainable design Objective 4 – Employment and training	LBL, other public town centre bodies, land and property owners, developers, local business	Annual town centre survey and health checks Evening economy uses at ground floor level	Year on year improvement Year on year increase	AMR and Town Centre Retail Survey

Appendix 3: Delivery strategy and monitoring framework

Policy	Strategic objectives	Responsible agencies	Indicator and action	Target and dates	Indicator source
LTC15 – Lewisham market	Objective 1 – Retail and town centre status Objective 4 – Employment and training	LBL (in managing and licensing the market), market traders	Retention of street market pitches	No reduction in available street market pitches	AMR
LTC16 – Retail areas	Objective 1 – Retail and town centre status Objective 4 – Employment and training	LBL	Amount of A1 floorspace in the primary shopping frontage	No reduction in A1 floorspace and retain 70% of total floorspace as A1; Also, avoid over-concentration of non-A1 units (normally over 3 in a row) Reduction in vacancy rates No developments	AMR and Town Centre Retail Survey
LTC17 – Evening economy uses	Objective 1 – Retail and town centre status Objective 4 – Employment and training Objective 5 – Open space, recreation	LBL, property owners, developers, local business	Retail occupancy figures No. of developments inappropriate to retail character Volume of evening economy units (A3 and A4) in the town centre	Year on year increase	AMR and Town Centre Retail Survey

Appendix 3: Delivery strategy and monitoring framework

Policy	Strategic objectives	Responsible agencies	Indicator and action	Target and dates	Indicator source
LTC18 – Public realm	Objective 5 – Open space, recreation	LBL, private and public sector property and land owners, developers	Prevent development on open space and seek provision of new public space as part of new development Provision of additional areas of biodiversity including living roofs and walls	No net loss of open space Net gain of public hard space Year on year increase	AMR
LTC19 – Tall buildings	Objective 3 – Sustainable design	LBL, land and property owners, developers, design panel	No. of permissions granted for buildings contradicting policy LTC19 and, or CABE and EH guidance	No permissions	AMR
LTC20 – Public, shopper parking spaces	Objective 6 – Transport	LBL, property owners, developers, local business, the shopping centre	Ratio of public parking spaces to the amount of retail floorspace	No loss compared to existing ratio	AMR
LTC21 – Sustainable transport	Objective 3 – Sustainable design Objective 5 – Open space, recreation Objective 6 – Transport Objective 7 – Environment	LBL, property owners, developers, TfL	Length of improved walking and cycling route provided Amount of cycle parking	Annual growth Annual growth in cycle parking places	AMR

Appendix 3: Delivery strategy and monitoring framework

Policy	Strategic objectives	Responsible agencies	Indicator and action	Target and dates	Indicator source
LTC22 – Social infrastructure	Objective 8 – Community	LBL, property owners, developers, NHS, local residents, voluntary organisations	No loss of community and recreational facilities completed Delivery of identified social infrastructure Index of Multiple Deprivation	No net loss Delivery in accordance with Appendix 4 of the LTCLP Improve overall rank of SOAs within the plan area boundary Year on year reduction Year on year increase	AMR
LTC23 – Heritage assets	Objective 7 – Environment Objective 8 – Community	LBL, property owners, developers, English Heritage, voluntary organisations, local residents	Number of buildings added to local List Number of identified designated and non-designated heritage assets	Year on year increase No loss of listed heritage assets No loss of designated and undesignated heritage assets	AMR

Appendix 3: Delivery strategy and monitoring framework

Policy	Strategic objectives	Responsible agencies	Indicator and action	Target and dates	Indicator source
LTC24 – Carbon dioxide emission reduction	Objective 7 – Environment	LBL, land and property owners, developers, design panel, TfL	% of major developments granted permission with communal heating and cooling systems or connection for future adaptation Year on year increase in the number of properties connected to communal heating and cooling systems	100% Year on year increase	AMR
LTC25 – Adaptation to climate change	Objective 3 – Sustainable design Objective 7 – Environment	LBL, land and property owners, developers, design panel, GLA	No. of new living roofs and walls No. of planning permissions granted contrary to EA advice (flood defence or water quality grounds) No. of approved developments which incorporate Sustainable Urban Drainage Systems (SUDS)	Increase in the number of completed living roofs and walls Zero applications Year on year increase	AMR

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Appendix 4: Lewisham town centre Infrastructure Schedule

Stages	Status of project	'Essential' projects
<ul style="list-style-type: none"> Pre-2011 Stage 1 – 2012 to 2017 Stage 2 – 2018 to 2022 	<ul style="list-style-type: none"> 'Committed' – where they are ready to go and funding has been secured 'Planned' – scope of project is defined with the intention to deliver, but funding yet to be identified 'Emerging' – need for a project identified, but scope yet to be defined and funding yet to be secured. 	'Essential' projects are highlighted in grey. These are projects that must happen if the policy objectives set out in the LTCLP are to be met in full.

P1. Transport

IDP Ref.	Major links to town centre objectives	Project reference	Requirement	Stage	Approximate capital cost (revenue)	Funding source (status)	Responsible agency (supporting agencies)	Risks and contingency planning
P1A	Objectives 5 and 6	Waterlink Way	Signage and marketing	1	£1.96m	LDA (committed)	LBL (with DfL and Environment Agency support)	Waterlink Way is a long-standing LBL objective that is now embedded into the East London Green Grid concept. This project focuses on LBL owned land and risk to non-delivery is low.
P1J	Objectives 1 and 6	Lewisham Station	Re-location of bus layover and increase in capacity	1	To be determined	s.106 contributions (planned)	TfL (with Lewisham Gateway Developments Ltd + LBL)	This is linked with and dependent on the Lewisham Gateway scheme. Discussions are continuing with Lewisham Gateway Developments Ltd, TfL, LDA and other sources. Existing bus station will remain in interim and alternative ways of increasing bus service capacity may need to be investigated.
P1K	Objective 5	Bus Stops and Bus Lanes	Measures to improve bus movements	1	To be determined	s.106 Contributions (committed)	Developers (with TfL + LBL)	The s.106 agreement that forms part of the planning permission for the Loampit Vale scheme enables TfL to require land from the site to implement a bus lane. Regular liaison meetings with TfL will enable the need for such a widening and s.106 funding should enable this to happen.
P1M	Objectives 1 and 6	Lewisham Town Centre	Re-modelling of Lewisham Interchange (removal of roundabout + creation of 'Low H' layout)	1	To be determined	TfL and s.106 contributions (planned)	TfL (with Gateway Development Ltd + LBL)	This is linked with and dependent on the Lewisham Gateway scheme. Discussions are continuing with Lewisham Gateway Developments Ltd, TfL, LDA and other sources over the funding of these enabling works. The Council remains optimistic that this project will proceed imminently.
P1V	Objective 6	Group 3 – Lewisham Town Centre, Brookmill Road and Loampit Vale	Emerging programme for Lewisham TC	1 to 2	To be determined	TfL (LIP), LBL, s.106 and CIL contributions (emerging)	LBL (with TfL and developers)	This project comprises a series of interventions, all of which are sub-projects in themselves. Regular liaison with TfL and other stakeholders will enable the overall programme to be monitored and changed where necessary. This is being coordinated via the Local Implementation Plan Neighbourhood and Corridor programmes and is a consideration for gap funding using Community Infrastructure Levy payments. If individual sub-projects fall by the way-side, alternative ways of meeting programme objectives will be developed.

P2. Utilities

IDP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/ Contingency Planning
P2C	Objective 9	Utility enhancements	Necessary adjustments and improvements to the established utility networks	1 to 2	To be determined	Developers (emerging)	Developers (utility companies)	The Lewisham Utilities Forum should help improve liaison between LBL and alert the utility companies to development opportunities more quickly.

Appendix 4: Lewisham town centre Infrastructure Schedule (as of January 2012)

P4. Flood Defence

IP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/ Contingency Planning
P4A	Objectives 5 and 7	LewishamTown Centre Open Space	Channel re-profiling	1	Unknown	Developers (planned)	Lewisham Gateway Development Ltd and London Development Agency	This is linked with and dependent on the Lewisham Gateway scheme. Discussions are continuing with Lewisham Gateway Developments Ltd, TfL, LDA and other sources to help ensure the early delivery of this project. If required, alternatives will be explored with the EA and landowners as part of developing and implementing the Ravensbourne River Corridor improvement Plan.

S1. Education

IP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/ Contingency Planning
S1S	Objectives 4 and 8	GordonbrockPrimary School	New build and refurbishment. Expansion from 2.5 FE to 3FE (complete Sept 2011)	1	£9.2m	Tranche 1 Primary Capital Programme (committed)	LBL C+YP	No significant risks identified. LBL Project Board is overseeing the delivery of the project.
S1T	Objectives 4 and 8	BrockleyPrimary School	New build. Expansion from 1FE to 2FE (complete Sept 2011)	1	£8.3m	Tranche 1 Primary Capital Programme (committed)	LBL C+YP	No significant risks identified. LBL Project Board is overseeing the delivery of the project.
S1I	Objectives 4 and 8	Prendergast Vale	New all-through school (600 secondary, 210 primary, 25 nursery (complete April 2012)	1	£22.7m	BSF (PFI) (committed)	LBL C+YP (Learning 21)	Current planning application for proposals for a revised scheme (incorporating the listed original LewishamBridgePrimary School). Risk is being mitigated by close liaison with English Heritage and other stakeholders in relation to design. LBL Project Board and Local Education Partnership are overseeing the delivery of the project.
S1P	Objectives 4 and 8	Primary School Capacity Enhancements	Additional 6 forms of entry by 2015/16 (exc 1.5 FE gained by projects above)	1 + 2	To be determined	DfE, Planning Obligations (emerging)	LBL (land owners + developers)	High risk and consequences of non-delivery. LBL Planning and LBL Education are liaising closely in order to test the feasibility of expanding existing schools and identify opportunities for new provision. The AMB is considering the wider public sector estate and the opportunities for rationalisation and co-location that may help deliver additional school places. School place projections are reviewed regularly and there are also regular meetings between LB Education and colleagues in adjoining boroughs to discuss and respond to cross-borough movement.
S1Q	Objectives 4 and 8	Secondary School Capacity Enhancements	Additional 14 to 20 forms of entry by 2019/20 (borough-wide)	1 + 2	To be determined	BSF (PFI and Design + Build), DfE, Planning Obligations (emerging)	LBL C+YP (Learning 21, land owners + developers)	Ongoing analysis will ensure that the Council is prepared for further need for development post 2016. High risk and consequences of non-delivery. Secondary school place provision needs to be tackled at a borough-wide level and the AMB is considering the wider public sector estate and the opportunities for rationalisation and co-location that may help deliver additional school places. School place projections are reviewed regularly and there are also regular

Appendix 4: Lewisham town centre Infrastructure Schedule (as of January 2012)

IDP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/ Contingency Planning
								meetings between LB Education and colleagues in adjoining boroughs to discuss and respond to cross-borough movement. Ongoing analysis will ensure that the Council is prepared for further need for development post 2016.

S2. Health

IDP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/ Contingency Funding
	Objective 8	GP Facilities	Additional 3 GPs needed up to 2022 (based on the ratio of 1 GP per 1,800 people).	1 to 2	To be determined	PCT, joint venture, LIFT, Planning Obligations and CIL (emerging)	Lewisham PCT and LBL (developers)	NHS Lewisham suggests that existing GP practices in the town centre could accommodate anticipated population growth, subject to necessary capacity enhancements. The NHS and LBL are working together to ensure that there is sufficient surgery space to accommodate growth.
	Objective 8	Dentist Facilities	Additional 3 dentists needed up to 2022 (based on the ratio of 1 dentist per 2,000 people).	1 to 2	To be determined	PCT, joint venture, LIFT, obligations and CIL (emerging)	Lewisham PCT and LBL (developers)	There is considered to be sufficient vacant or proposed new non-residential space in appropriate locations (especially in the Lewisham Gateway scheme) to easily accommodate this requirement. However, the situation will be monitored in liaison with Lewisham PCT.

S3. Community

IDP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/ Contingency Planning
S3B	Objective 8	Lewisham City Mission, Elmira Street, SE13	Replacement and enhanced church facility (315m2) with a private garden space (approx. 95m2).	1	Embedded within development scheme.	Barratt East London (committed)	Barratt East London (City Mission)	This is an integral part of the consented Loarnpit Vale proposals that are on-site and is secured by legal agreements between Barratt East London, LBL and the City Mission. Risk of non-delivery is therefore low.
S3E	Objective 8	Ladywell Tower Project	Refurbishment of existing building into a multi-use community asset.	1	To be determined	To be determined (planned)	LBL Community Sector Unit (VAL)	Efforts at the moment are focused on the establishment of a trust that could manage the building and the range of uses proposed. Securing funding for refurbishment works will be challenging. If the project fails, LBL will need to develop alternative means of finding a use for this historic and listed building.

S4. Leisure

Appendix 4: Lewisham town centre Infrastructure Schedule (as of January 2012)

DP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/Contingency Planning
S4A	Objectives 5 and 8	Loampit Vale Leisure Centre, SE13	Swimming pool (25m), teaching pool, fitness suite, dance and aerobic studios, 'healthy living suite' and climbing wall.	1	Embedded in scheme – £20.5m	Land sale, development agreement and s.106 (committed)	Barratt East London (LBL)	This is an integral part of the consented Loampit Vale proposals that are on-site and is secured by legal agreements between Barratt East London and LBL. Risk of non-delivery is therefore low.

G1. Green Infrastructure

DP Ref.	Major links to town centre objectives	Project Reference	Requirement	Stage	Approximate Capital Cost (Revenue)	Funding Source (Status)	Responsible Agency (Supporting Agencies)	Risks/Contingency Planning
G1B	Objectives 5 and 7	Waterlink Way Open Spaces	Improvements to Green Chain, including major improvements to Ladywell Fields Middle and South.	1	£1.96m	London Development Agency (committed)	LBL (Environment Agency)	This is a long-standing LBL objective that is now embedded into the East London Green Grid concept. This project focuses on LBL owned land and risk to non-delivery is low.
G1K		Lewisham Gateway Open Space	New 2,250m ² public open space at confluence of Quaggy and Ravensbourne Rivers.	1	Embedded in scheme	Landowner/ developer (planned)	Landowner/ developer	This is linked with and dependent on the Lewisham Gateway scheme. Discussions are continuing with Lewisham Gateway Developments Ltd, TfL, LDA and other sources to help ensure the early delivery of this project. If required, alternative projects will need to be identified to improve open space provision in the area.
G1L		Loampit Vale Open Spaces	Improved and larger 'East Piazza' (approx. 0.19ha) and new 'West Piazza' (approx. 0.14ha)	1	Embedded in scheme	Landowner/ developer (planned)	Landowner/ developer	This is an integral part of the consented Loampit Vale proposals that are on-site and is secured by legal agreements between Barratt East London and LBL. Risk of non-delivery is therefore low.

The following table lists the development sites, as shown in UDP Schedule 1 and on the UDP Proposals Map, that have been implemented or amended so far by changing circumstances as to be replaced by new sites. There is no need to show these sites on the Proposals Map and the site references can be deleted.

UDP proposals replaced by the LTCLP

Table 12.1

Site Ref.	Site Address
37	Lewisham Passenger Transport Interchange site
39	Lewisham Town Centre – Odeon Site
40	Lewisham Town Centre – Riverdale
40a	206 –210 Lewisham High Street and 'Model Market', SE13

Annual Monitoring Report

A report produced by the Local Authority to assess progress with and the effectiveness of the Local Development Framework.

Biodiversity

Biodiversity is the variety of life, which includes mammals, birds, fish, reptiles, amphibians, invertebrates, fungi and plants and the woodlands, grasslands, rivers and seas on which they all depend including the underlying geology.

Code for Sustainable Homes

A national standard for sustainable design and construction of new homes which became mandatory on 1 May 2008. The Code measures the sustainability of a new home against categories of sustainable design using a 1 to 6 rating system to communicate the overall sustainability performance of a new home. The Code sets minimum standards for energy and water use at each level. Go to www.communities.gov.uk/thecode to find out more.

Community Infrastructure Levy (CIL)

A levy allowing local authorities to raise funds from owners or developers of land undertaking new building projects in their area.

Comparison Retailing

The provision of items not obtained frequently. These include clothing, footwear, household and recreational goods.

Conservation Area

Areas of special architectural or historic interest designated by local authorities under the Planning (Listed Building and Conservation Areas) Act 1990.

Contribution

Land, services, facilities and/or money given by developers of land to the local authority following negotiations, to ensure that the needs of new communities generated by the development are catered for.

Convenience Retailing

Convenience retailing is the provision of everyday items, including food, drinks, newspapers, magazines and confectionery.

Core Strategy

A Development Plan Document setting out the spatial vision and strategic objectives of the planning framework for the area, in line with the Sustainable Community Strategy.

Decentralised Energy

Local renewable energy and local low-carbon energy usually but not always on a relatively small scale encompassing a diverse range of technologies.

Department for Communities and Local Government (DCLG)

The government department responsible for setting UK policy on local government, housing, urban regeneration, planning and fire and rescue.

Development

'The carrying out of building, engineering, mining or other operations in, on, over or under land, or the making of any material changes in the use of any building or other land' (Town and Country Planning Act (1990) Part III Section 55).

Development Plan Document (DPD)

A Local Development Document that has been drawn up by the local planning authority in consultation with the community, has been subject to independent testing and has the weight of development plan status. The terminology 'Development Plan Document' has been replaced with 'Local Plan' for new documents, but remains for pre-existing documents (i.e. Lewisham Core Strategy DPD, 2011).

Edge of Centre

For retail purposes, a location that is well connected and up to 300 metres of the primary shopping frontage. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge of centre, account should be taken of local circumstances.

Equalities Analysis Assessment (EQAA)

Equality Analysis Assessments are concerned with anticipating and identifying the equality consequences of particular policy initiatives and service delivery and ensuring that, as far as possible, any negative consequences for a particular group or sector of the community are eliminated, minimised or counterbalanced by other measures.

Evidence Base

The data and information about the current state of Lewisham used to inform the preparation of Local Development Framework documents.

Flood Risk Assessment

An assessment of the likelihood of flooding in a particular area (usually a specific site) so that development needs and mitigation measures can be carefully considered.

Infrastructure

The utilities, transport and other communication facilities and community facilities required to support housing, industrial and commercial activity, schools, shopping centres and other community and public transport services.

Issues and Options and Preferred Options

The 'pre-submission' consultation stages on Local Plans with the objective of gaining public consensus on proposals ahead of submission to Government for independent examination.

Lewisham Transport Interchange

This includes the mainline railway station, the DLR station and the bus layover site that covers the area sandwiched between both station buildings and the large roundabout that links the A20 and the A21.

Listed Building

Buildings of special architectural or historic interest designated by the Department of Culture, Media and Sport under the Planning (Listed Building and Conservation Areas) Act 1990.

Local Development Document (LDD)

Sits within the LDF portfolio and comprises Development Plan Documents (DPDs) and Local Plans that have been subject to independent testing and have the weight of development plan status and Supplementary Planning Documents (SPDs) which are not subject to independent testing and do not have development plan status.

Local Development Framework (LDF)

The Local Development Framework is a portfolio, or a 'folder', of Local Development Documents which will provide the local planning authority's policies for meeting the community's economic, environmental and social aims for the future of their area where this affects the development and use of land.

Local Development Scheme (LDS)

A public statement identifying which Local Development Documents will be produced by the Council and when.

Local Employment Location (LEL)

Land that is of local significance and provides goods and services for the local economy, which is used for business use, industrial use, storage and distribution uses, generally being those uses falling within Classes B1, B2 and B8 of the Use Class Order.

Local Plan

A Local Development Document that has been drawn up by the local planning authority in consultation with the community, has been subject to independent testing and has the weight of development plan status.

Local Strategic Partnership

A Local Strategic Partnership is a single non-statutory, multiagency body which matches local authority boundaries and aims to bring together at a local level the different parts of the public, private, community and voluntary sectors.

Masterplan

A document which sets out proposals for buildings, spaces, movement strategy and land use in text and three dimensions and matches these proposals to a delivery strategy. The masterplan can be described as a sophisticated 'model' that:

- shows how the streets, squares and open spaces of a neighbourhood are to be connected
- defines the heights, massing and bulk of buildings
- sets out suggested relationships between buildings and public spaces
- determines the distribution of activities and uses that will be allowed
- identifies the network of movement patterns for people moving by foot, cycle, car or public transport, service and refuse vehicles
- sets out the basis for provision of other infrastructure elements such as utilities
- relates physical form to the socio-economic and cultural context and stakeholder interests
- allows an understanding of how well a new, urban neighbourhood is integrated with the surrounding urban context and natural environment.

National Planning Policy Framework (NPPF)

The National Planning Policy Framework sets out the Government's planning policies for England and how these are expected to be applied.

Out of Centre

A location which is not in or on the edge of a centre but not necessarily outside the urban area.

Planning and Compulsory Purchase Act 2004

National planning legislation from central government aimed at improving the planning process and enhancing community involvement in it. Visit www.communities.gov.uk to find out more.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Policy Area

Six Policy Areas have been defined in Lewisham town centre. These geographic areas contain the sites where it is expected that most of the change and development will occur in the town centre.

Previously Developed Land/Brownfield Land

Land which is or has been occupied by a permanent structure (excluding agriculture and forestry buildings) and associated fixed surface infrastructure. The definition covers the curtilage of the development. Previously developed land may occur in both built up and rural settings. The definition includes defence buildings and land used for mineral extraction and waste disposal, where provision for restoration has not been made through development control procedures.

Primary and secondary frontages

Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses such as restaurants, cinemas and public houses.

Public Transport Accessibility Level (PTAL)

A standard method used in London to calculate access level of geographical areas to public transport. The result is a grade from 1-6 (including sub-divisions 1a, 1b, 6a and 6b), where a PTAL of 1a indicates extremely poor access to the location by public transport and a PTAL of 6b indicates excellent access by public transport. More parking is generally allowed in areas with a low PTAL i.e. poor public transport and vice versa - and that also relate the allowed density of development to PTAL (i.e. areas with better public transport may have higher density housing or offices).

Regeneration

The process of putting new life back into often derelict older urban areas through environmental improvements, comprehensive development and transport proposals.

Sequential approach and test

A planning principle that seeks to identify, allocate or develop certain types or locations of land before others. For example, brownfield housing sites before greenfield sites, or town centre retail sites before out-of-centre sites.

Stakeholder

A person, group, company, association, etc, with an economic, professional or community interest in the borough or a specific part of it, or that is affected by local developments.

Statement of Community Involvement (SCI)

The Statement of Community Involvement sets out the local planning authority's policy for involving the community in the preparation and revision of Local Development Documents and planning applications.

Strategic Environmental Appraisal (SEA)

A generic term used internationally to describe environmental assessment as applied to policies, plans and programmes.

Strategic Flood Risk Assessment (SFRA)

An assessment usually undertaken by a local authority at a borough-wide level that considers flood risk, both fluvial and tidal, and examines the risks involved for developing certain areas within the borough in accordance with the NPPF. The Lewisham SFRA was produced by Jacobs and published in July 2008. Areas/sites are categorised as falling within one or more of the following flood zones:

Flood Zone 1 Low probability of flooding. Defined as land outside flood zone 2 and having less than 1 in 1000 annual probability of river or sea flooding in any year (<0.1%)

Flood Zone 2 Medium probability of flooding. Defined as land having between 1 in 100 and 1 in 1000 annual probability of river flooding (1% - 0.1%) or between a 1 in 200 and 1 in 1000 annual probability of sea flooding (0.5% - 0.1%) in any year

Flood Zone 3a High probability of flooding. Defined as land having 1 in 100 or greater annual probability of river flooding

Flood Zone 3b Land where water has to flow or be stored in times of flood. Defined as land having a 1 in 20 (5%) or greater annual probability of flooding in any year; or is designed to flood in an extreme (0.1%) flood, or at another probability to be agreed between the local authority and the Environment Agency.

Supplementary Planning Document (SPD)

Documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.

Sustainability Appraisal (SA)

Sustainability appraisal is a systematic and iterative appraisal process, incorporating the requirements of the European Strategic Environmental Assessment Directive. The purpose of sustainability appraisal is to appraise the social, environmental and economic effects of the strategies and policies in a Local Development Document from the outset of the preparation process.

Sustainable Community Strategy (SCS)

The Sustainable Community Strategy has been prepared by Lewisham's Local Strategic Partnership and sets out how the vision and priorities for Lewisham will be achieved. The Core Strategy is the spatial interpretation of the SCS.

Town Centre

Area defined on the local authority's proposal map, including the primary shopping frontage and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping frontage.

Waterlink Way

A long distance cycle/pedestrian route following the River Ravensbourne from the south of the borough to the Thames at Deptford.



Agenda Item 10

COUNCIL		
Report Title	Catford Town Centre – CRPL 14/15 Business Plan	
Key Decision	No	Item No.
Ward	Rushey Green	
Contributors	Director Regeneration & Asset Management, Head of Law, Capital Project Manager	
Class	Part 1	Date: February 26 2014

1. Purpose of Report

This report presents the CRPL 2014/15 business plan to Council for approval as per the Catford Regeneration Partnership Limited (CRPL) articles of association.

2. Recommendations

The Council is recommended to:

- 2.1 Approve the Catford Regeneration Partnership Limited (CRPL) business plan for 2014/15.

3. Background

- 3.1 Lewisham's overarching sustainable communities strategy sets out a vision for the future of the Borough. One of the priorities laid out in the strategy is to develop, build and grow communities that are *dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond*. This report supports the aims of the strategy.
- 3.2 This report is also in alignment with the Council's corporate policy. Lewisham's Asset Management Plan sets out the approach to using property effectively in order to achieve the Council's objective of making Lewisham the best place in London to live, work and learn. It acknowledges that the Council's assets have a key role to play in supporting the borough's regeneration aims.
- 3.3 The content of this report also supports the aims of Lewisham's Regeneration Strategy, 'people, prosperity and place', which links the Council's corporate priorities to the development and regeneration of Lewisham's communities, the local economy and the built environment.
- 3.4 CRPL was set up in January 2010 following M&C approval. The company was tasked with the following activities;
 - To continue the effective management of the Catford Centre, ensuring that the operational management standards remain high and that the full commercial potential of the centre is being realised through letting and renewal strategies.

- To enable the redevelopment of the Catford Centre by working with Lewisham Council to undertake a regeneration process and reach a commercial agreement with key stakeholders in the town centre, in order to contribute to the regeneration aims for the town centre as a whole.
- 3.5 As part of the creation of the company, Articles of Association were agreed, which detail how and when the company must interact with its shareholders, in this case Lewisham Council, which is the sole shareholder.
- 3.6 Operational responsibility for the company is given to the Lewisham Council nominated company directors.
- 3.7 The company is required to submit a business plan for approval by the Council as shareholder for each financial year.

4. Current Position and 14/15 Business Plan

- 4.1 Since the acquisition of the centre in February 2010, CRPL has been working on operational management issues to ensure that the centre is fit for purpose, meets quality standards, and that rent is collected in a timely manner. All health and safety standards are now being complied with and major repairs works identified have been completed. Rental collection is at around 95% and arrears issues are being resolved to raise this figure. Further detail is provided in the business plan.

5. Financial and Legal Implications

- 5.1 The financial implications of the CRPL budget are fully discussed in the attached 2014/15 Business Plan. The plan contains sections on the 2013/14 budget, the 2014/15 budget, and future year's budget projections. The projected deficit for 2013/14 will be offset by surpluses in 2014/15 and 2015/16 to give a balanced "going concern" position
- 5.2 Regular progress reports on the Catford regeneration programme are made to the Mayor & Cabinet. This report is fulfilling the obligation laid out in CRPL's articles of association (listed at appendix B in the attached business plan) to circulate a draft business plan prior to each financial year for member approval.

6. Equality implications

- 6.1 There are no immediate environmental implications associated with the recommendations of this report. Environmental implications for the future regeneration programme will be considered at the appropriate time.

7. Conclusion

- 7.1 Approval of this report by full council will allow CRPL to proceed with the activities, aims and objectives as detailed in the business plan for 2014/15.

BACKGROUND PAPERS

<u>Short title of document</u>	Date	File Location	Contact Officer
Catford town centre – CRPL business plan	25 January 2012	Programme Management	Eleanor Hoyle
Catford town centre – CRPL business plan http://councilmeetings.lewisham.gov.uk/documents/s7330/CRPL%20business%20plan%202012-13.pdf	18 January 2012	Programme Management	Eleanor Hoyle
Catford town centre – CRPL business plan	1 March 2011	Programme Management	Eleanor Hoyle
Catford town centre – CRPL business plan http://councilmeetings.lewisham.gov.uk/documents/s1662/Catford%20Town%20Centre%20business%20plan%202011-12.pdf	23 February 2011	Programme Management	Eleanor Hoyle
Catford Town Centre update report – part 2 http://councilmeetings.lewisham.gov.uk/Data/Mayor%20and%20Cabinet/20100714/Agenda/Item%2016%20Catford%20-%202014%20July%202010%20-%20PDF.pdf	14 July 2010	Programme Management	Eleanor Hoyle
Catford Centre Mayor & Cabinet Report http://councilmeetings.lewisham.gov.uk/Data/Council/20100127/Agenda/1fd4acfa995e44a9980d316e8d7d69caCouncilMinutes27January2010.PDF	27 January 2010	Programme Management	Eleanor Hoyle

CATFORD
REGENERATION
PARTNERSHIP
LTD
BUSINESS PLAN
2014/15

Introduction

Catford Regeneration Partnership Limited (CRPL) is a wholly owned subsidiary of Lewisham Council. The company was created in January 2010 to purchase the leasehold interests in and around the Catford centre in order to manage and regenerate the property to improve the economic, social and environmental wellbeing of the people of the London Borough of Lewisham.

The purpose of this business plan is to set out the company's objectives, activities, and budget for 2014/15 for agreement by the Council as sole shareholder in accordance with the company's articles of association (listed at Appendix B).

Structure and governance

CRPL currently has one director, Ralph Wilkinson (LBL Head of Public Services). The second director post is currently vacant and it is proposed that this post is filled by the permanent appointee to the Head of Business Management and Service Support. The directors are responsible for the day to day running of the company in line with the articles of association and have other statutory duties as defined by the Companies Act 2006. The directors must take account of the approved business plan when exercising their functions in the management of the Company. Directors are appointed and removed by the Council as sole shareholder.

In line with the plans presented to the Council in previous financial years, CRPL has continued to develop an effective and efficient management approach for the operation of the property through a team of professional advisors, including managing and letting agents that oversee daily management of the property and report to the director of CRPL.

Certain key decisions in relation to the company are classified as reserved matters, and must be approved by the Council as sole shareholder. The Mayoral Scheme of Delegation allows specific officers to take executive decisions in relation to the Company where appropriate. The complete list of shareholder reserved matters is included at Appendix B, with key matters including:

- the approval of each Business Plan;
- the approval of each Budget and in any financial year changes over £20,000 in any one amendment to the Budget and changes to the Budget exceeding £100,000 in aggregate in any financial year;
- the making of any acquisition or disposal by the Company other than in accordance with the then current Business Plan and Budget;
- the making of any application for planning permission;
- the implementation of any regeneration initiative other than in accordance with the then current Business Plan.

These reserved matters ensure that the Council retains control over the direction of future regeneration proposals. The Council's Catford Programme Board, chaired by the Chief Executive, has responsibility for setting the overall direction on the regeneration of Catford town centre. CRPL is represented at these programme board meetings, which are used as the mechanism for updating the Council on progress against the company's objectives.

CRPL directly employs two centre management staff; a centre manager and a cleaning supervisor. Council officers also conduct work on behalf of the company, and officer time is recharged to the company as appropriate.

Objectives

CRPL has continued to work alongside the Council to build on the proposed delivery strategy and commercial approach for a regeneration programme for Catford town centre. CRPL directors propose the following company objectives for the 2014/15 financial year:

- To continue the effective management of the Catford Centre and other CRPL assets, ensuring that the operational management standards remain high and that the full commercial potential of the centre is being realised through letting and renewal strategies.
- To enable the redevelopment or partial/comprehensive refurbishment of the Catford Centre and other CRPL assets by working with Lewisham Council to evolve and undertake a regeneration process and reach a commercial agreement with key stakeholders/potential partners.
- Work with Lewisham Council across Catford town centre, in order to contribute to the regeneration aims for the town centre as a whole through property related activities.
- To enable CRPL to acquire key properties that are considered strategic to further regeneration aims.

Activities

In order to achieve these objectives, CRPL continues to promote, commission, undertake or participate in a range of activities, including:

Centre management

- Rent collection and arrears management
- Service charge administration; including reconciliations to tenants and the creation of future service charge budgets
- Tenant liaison; operational issues, lease issues and queries on wider regeneration aims
- Health & safety; assessment and compliance of property, day to day implementation of H&S policies and practices
- Facilities management and maintenance; ensuring that all of the landlord's obligations are met, create and maintain a schedule of repairs, major works, improvements and comprehensive redecoration as required.
- Asset management including acquisitions and disposals, redevelopment and lease structuring
- Legal proceedings relating to leases and rental arrears
- Data management; maintenance of accurate records and accounts
- Lease renewals and Rent reviews
- New Lettings

- CRPL contracts; procurement and management of services provided to CRPL by outside parties. These include centre management, legal, accountancy and asset management services.

Regeneration

- Procurement of professional services (in conjunction with LBL)
- Consultation (in conjunction with LBL)
- Commercial negotiation with other land owners/potential partners
- Engagement with stakeholders (in conjunction with LBL)
- Retail and Leisure proposals
- Design/feasibility work
- Planning strategies (led by LBL)
- Milford Towers decant strategy (led by LBL)
- Council office design (led by LBL)
- Housing proposals (in conjunction with LBL)

Key professional services to assist CRPL in the delivery of these activities include:

- DTZ - Managing agents
- Mason Owen - Letting agents
- Johnson Fellows - Surveyors & rent review negotiators
- Russell Cooke - Solicitors

2013/14 Budget Review

The 2013/14 budget was developed by officers based on 2012/13 figures, projected CRPL running costs, the rental income from the Catford Centre and adjoining properties as well as the provisions of the service charging system.

Overall the company projecting a deficit for this financial year, which will broadly offset the surplus which was made in 2012/13. The main reason for this is the major enabling works undertaken on the new commercial lettings. Costs have therefore been incurred in 2013/14 which will be recouped in future years.

Letting and renewal fees – there have been a number of new and renewed lettings this financial year, including a new agreement at 6-8 Winslade Way following tenant administration and a new letting at 148 Rushey Green to Phones4U, which has delivered an additional 45% rental income per annum (following rent free periods). The level of fees for lettings and renewals reflects CRPL taking positive management action to avoid a negative change in tenant mix in the town centre units under its control.

Professional fees – other professional fees, including those for centre management, have all been at or below projected levels. This is largely due to the development of good working practices that have been established with those providing the services to ensure that costs can be anticipated.

Repairs – due to enabling works required on new commercial lettings, there has been some spend on major repairs in the 2013/14 financial year that was not projected. However, overall the spend on non recoverable costs, exclusive of works in relation to new commercial lettings, was lower than projected as other works including repair works to the residential properties was lower than forecast.

Rental income – This has again held up well, with the full rent of Poundland now being received as well as a number of new lettings, along with strong collection performance throughout the year comparable to the previous year. In addition, a number of leases provide for a gross rent with the company meeting the service charge and other costs, thus increasing both income and property costs.

2014/15 Budget and Management Approach

An analysis of rental income against the projected rental income has been undertaken. This considers issues such as rent free periods for new lettings and arrears and is considered to be a prudent assumption on likely future rental income. This analysis has been used to arrive at the rental income figure of £1.05m for the 2014/15 financial year.

The main centre service charge is a separate cost to tenants and all expenditure must be reconciled with their payments at the end of the service charge year. The current service charge budget has been calculated using the actual spend figures for the previous service charge year, assumptions on increased costs and the renegotiation of service contracts. The service charge budget and spend is externally audited to ensure CRPL are meeting all of the requirements of the Service Charge Code. The expenditure for the 2012/13 service charge year (1 September- 30 August) totalled £434k which was 2.76% under budget.

There are fewer opportunities for new lettings in 2014/15 as a result of breaks in existing leases, but an increased likelihood of vacancies as the proposed redevelopment date approaches. Although CRPL will continue to pursue all opportunities for new lettings, it is considered likely that overall there will be fewer lettings in 2014/15. However, due to the fact that there are some forthcoming lease renewals and given the current economic climate, which has resulted in many retailers being unable to continue with their leases, the budgets for letting and renewal fees, along with the budget for covering empty property costs, are being kept at the same level as the 2013/14 budget.

The level of repairs liability to CRPL, which is anything that is not covered via the service charge (shared between all tenants and CRPL), will remain at £30k from £35k to reflect the level of projected repair work. Regular inspections are undertaken to ensure that all planned maintenance work can be factored into this budget allowance. However a contingency must always be allowed for unforeseen repair work.

As part of the agreed objectives to work with the Council to progress the regeneration of Catford Town Centre, CRPL officers have been involved in discussions regarding the interim use of Lewisham Town Hall, which has been declared surplus to Council office building requirements, The potential for CRPL to lease the building from the Council and let it out to third parties on commercial terms is one of a number of options being considered. CRPL would need to carry out its own due diligence on any such lease agreement and make budget alterations accordingly. Should this option be preferred by all parties, it could result in changes to the overall CRPL budget that exceed the amounts listed at 25.2 of the Articles of Association. In that instance, the company director will undertake to brief members as part of a wider briefing on the interim use of Lewisham Town Hall.

Having due regard for market forces, such as the number of high street retailers entering administration, an overall change in retail focus and the future potential redevelopment of the town centre, CRPL must take a flexible approach to lettings and renewals. This approach may include the combining or dividing of units to meet space requirements, which could involve some capital works. This could also include utilising units for meanwhile activities to ensure that the Catford Centre and associated properties remain a

thriving town centre asset. CRPL may also consider short term lettings up to three years to allow flexibility around future regeneration plans.

In November 2013 a non-intrusive structural survey was carried out to the Catford Centre and Milford Towers to help inform redevelopment options for the regeneration of the centre. A second-stage intrusive survey was commissioned in January 2014 (via CRPL) to provide more detailed analysis of the structural integrity of the facility. This information will prove beneficial as redevelopment options are being formulated.

CRPL is projecting a small surplus in 2014/15. This shows that the company is operating successfully and it is felt that this is a fair budget assumption given the 2013/14 budget position. This surplus will be utilised to meet the deficit from the 2013/14 year.

Future Year Budget Projections

The 2015/16 financial year would be significantly affected by a target vacant possession date of December 2015, as CRPL would in that scenario seek to exercise its lease break options (requiring 6 months' notice). This would reduce the overall rental income to the centre for that financial year, as there would be very little 4th quarter income, and may also coincide with the company accepting some lease surrenders to allow for vacant possession to be achieved. How this issue is dealt with will be part of the overall proposals for the redevelopment of the site as part of the wider regeneration programme for the town centre. Following discussions with the Council regarding the likely vacant possession target date, CRPL believes it is prudent to carry out 2015/16 budget projections on the basis that the vacant possession target date could alter and therefore CRPL would have additional time to operate within its current parameters. Until a decision is taken on the vacant possession approach by the elected members of the Council, CRPL will take the best interim commercial view of all property management activity and will fully assess actions and risks on the basis of the best information available at that time with regards to the vacant possession date.

APPENDIX A

CATFORD REGENERATION PARTNERSHIP LTD

2012/13 OUTTURN AND CURRENT AND FUTURE YEARS BUDGETS

	Final Outturn 2012/13 £	Original Budget 2013/14 £	Draft Outturn 2013/14 £	Proposed Budget 2014/15 £
<u>INCOME</u>				
Lease Rents Receivable	1,067,500cr	960,000cr	1,100,000cr	1,050,000cr
Service Charge Recoveries	149,100cr	156,500cr	145,000cr	140,000cr
TOTAL INCOME	1,216,600cr	1,116,500cr	1,245,000cr	1,190,000cr
<u>EXPENDITURE</u>				
<u>CRPL costs</u>				
CRPL Employee Costs	83,100	83,500	83,000	84,000
LBL Staff Recharges	72,000	73,000	72,000	73,000
Letting and Renewals Fees	91,300	60,000	60,000	60,000
Property Costs	64,500	20,000	70,000	70,000
Works, Repairs and Maintenance	70,600	40,000	220,000	50,000
Insurance Costs (Net)	19,500	39,000	35,000	36,000
Fees and Miscellaneous	8,500	9,000	9,000	9,000
	409,500	324,500	549,000	382,000
<u>Loan Repayments</u>				
Interest	663,200	658,500	659,000	653,000
Principal	93,400	99,000	99,000	105,000
	756,600	757,500	758,000	758,000
TOTAL EXPENDITURE	1,166,100	1,082,000	1,307,000	1,140,000
NET PROFIT (cr) / LOSS	50,500cr	34,500cr	62,000	50,000cr

APPENDIX B - Shareholder reserved matters

- 1 CRPL's articles of association identify the following items as shareholder reserved matters:
 - 1.1 the approval of each Business Plan;
 - 1.2 the approval of each Budget and in any financial year changes over £20,000 in any one amendment to the Budget and changes to the Budget exceeding £100,000 in aggregate in any financial year;
 - 1.3 the declaration and/or payment of any dividends by the Company save where such declaration and distribution is made in accordance with the Company's dividend policy;
 - 1.4 the approval of and any change to the Company's dividend policy;
 - 1.5 the increase in any indebtedness of the Company other than in accordance with the prevailing Budget;
 - 1.6 the commencement by the Company of any new business not being ancillary to or in connection with the Business or making any change to the nature of the Business;
 - 1.7 the Company participating in any activity which is detrimental to and/or incompatible with the Business;
 - 1.8 the making of any political or charitable donation;
 - 1.9 the making of any acquisition or disposal by the Company other than in accordance with the then current Business Plan and Budget;
 - 1.10 writing off a bad debt exceeding £25,000 provided that if debts of that person or organisation have been written off by the Company in the previous three years in an aggregate amount of £50,000 or more, the decision to write off any further bad debts for that person or organisation shall also be a reserved matter;
 - 1.11 the making of any application for external funding;
 - 1.12 the repurchase or cancellation by the Company of any shares, or the reduction of the amount (if any) standing to the credit of its share premium account or capital redemption reserve (if any) or any other reserve of the Company;
 - 1.13 a change of name of the Company or location of its registered office;
 - 1.14 any issue of new shares in the Company.
 - 1.15 the devolution or transfer of all or part of the management of the Company or its business to persons who are not directors of the Company and, if approved, the terms of such devolution;

- 1.16 without limiting the generality of article 25.15, the appointment of any Chief Executive Officer or person holding a similar role and the terms of such appointment;
- 1.17 the appointment or removal of any director of the Company;
- 1.18 the engagement of (and terms of engagement of) any individual person as a consultant (but excluding for such purposes any firm/professional advisers) or employee;
- 1.19 the engagement of (and terms of engagement of) any company, partnership, individual person or other entity for the provision of services to the Company where the services provided are not contemplated in the then current Business Plan and Budget and/or where the value of the services is above the Official Journal of the European Union limit for services and/or where the services have not been tendered in accordance with the [Company's Contract Lettings Procedure];
- 1.20 any change to the terms of employment/engagement and/or remuneration of a person referred to in articles 25.18 and 25.19;
- 1.21 the letting of any contract for the provision of supplies to the Company where the supplies provided are not contemplated in the then current Business Plan and Budget and/or where the value of the contract is above the Official Journal of the European Union limit for supplies and/or where the contract has not been tendered in accordance with the [Company's Contract Lettings Procedure];
- 1.22 the letting of any contract for the provision of works to the Company where the works provided are not contemplated in the then current Business Plan and Budget and/or where the value of the contract is above £200,000 and/or where the contract has been not tendered in accordance with the [Company's Contract Lettings Procedure];
- 1.23 the instigation of any court proceedings where the directors have not taken appropriate legal advice or where such proceedings would be against that legal advice;
- 1.24 the authorisation of the levying of distress against the occupants of land or property in arrears where the directors have not taken appropriate legal advice or where such actions would be against that legal advice;
- 1.25 the making of any application for planning permission;
- 1.26 the implementation of any regeneration initiative other than in accordance with the then current Business Plan;
- 1.27 the commencement of any winding-up or dissolution of or the appointment of any liquidator, administrator or administrative receiver of the Company or any of its assets unless it shall have become insolvent.

Agenda Item 11

Council			
Report Title	Pay Policy Statement		
Key Decision	Yes	Item Number	
Ward	n/a		
Contributors	Head of Human Resources		
Class	Open	Date	26 February 2014

1. Introduction

The purpose of this paper is to present a policy statement on the pay of officers as per Section 38 of the Localism Act 2011.

2. Summary

The Localism Act requires each local authority to publish a statement which identifies the Council's approach to pay and in particular sets out pay arrangements for the chief officer posts i.e. heads of service, executive directors and the chief executive.

3. Recommendation

That Council agrees the pay policy statement attached as Appendix 1 to this report.

4. Statement content and operation

The statement sets out the levels of remuneration for the Council's chief officers as well as Council's general approach to pay i.e. it identifies how jobs are evaluated, graded and the relationship between roles. The report explains the position of additional payments and identifies the relevant terms and conditions as required by statute.

Once agreed by the Council, the Pay Policy Statement will form the basis on which the Council remunerates employees particularly those at the chief officer level, as required by Section 41 of the Localism Act 2011

5. Independent Executive Remuneration Panel

The Council has set up an Independent Executive Remuneration Panel (IERP), the terms of reference of the panel are:

To advise the Council's appointments panel on the appropriate pay framework and pay structure relating to the chief executive.

To advise the chief executive on the appropriate pay framework and pay structure relating to executive directors and heads of service.

To consider and commission reports on pay levels relevant to heads of service, executive director and chief executive roles.

To consider how individual pay anomalies should be addressed.

To provide a sounding for consultation on national pay issues.

With the publication of the pay statement the Council will be compliant with nearly all aspects of the Hutton Fair Pay Code, the panel will review and confirm this compliance in the course of their work programme.

6. Financial Implications

The cost of appointing and remunerating members of the Independent Remuneration Panel will be contained within existing budgets. Adopting the proposed pay policy statement does not in itself give rise to any other direct financial implications, although in due course recommendations from the IERP, if adopted, may have direct financial implications.

7. Legal Implications

The pay policy statement attached to this report complies with the requirements of Section 38 of the Localism Act 2011 which required all local authorities to prepare a pay policy statement for the financial year 2012 -2013 and every financial year thereafter. Chapter 8 of the Localism Act 2011 sets out the information which a pay policy statement must contain. Section 40 of the Act also requires the Council to have regard to any guidance issued or approved by the Secretary of State. Guidance under Section 40 was issued in February 2012 and the attached pay policy statement takes account of this guidance.

A pay policy statement must be approved by a resolution of the Council before it comes into force, and the Council complied with the requirement to have a statement in force and approved before the end of 31st March 2012. Each subsequent statement must be prepared and approved before the end of 31st March immediately preceding the financial year to which it relates. Again, the Council complied with the requirement to have its 2013/14 statement prepared and approved before the end of 31st March 2013. The pay policy statement for 2014/15 must be in force and approved before the 31st March 2014.

Additional guidance under Section 40 of the Localism Act was issued in February 2013. As with the earlier guidance, the Council is required under Section 40 to have regard to this guidance when preparing its pay policy statement. This new guidance included commentary on how local authorities had complied with the original guidance. The new guidance also introduced two new requirements. The first requirement is for local authorities with directly elected mayors. The guidance sets out an expectation that the Council would involve the directly elected mayor and have regard to any proposals that the mayor may have before the statement is considered and approved. The second requirement is that the pay policy statement should include a requirement that full council is required to vote in relation to any severance packages of over £100,000 (including redundancy pay, holiday pay and pension entitlements).

Given that the new guidance was introduced in February 2013 and there was a statutory requirement to have a pay policy statement for 2013/14 in force by 31st March 2013, there was insufficient time to provide a draft of the 2013/14 pay policy statement to the Mayor. The Mayor has been provided with a draft copy of the 2014/15 pay policy statement on 15 January 2014 in accordance with the new guidance and the Mayor has recommended the pay policy statement to Council. The guidance requires the Council to have regard to the Mayor's proposals.

With regard to the guidance on severance payments this states that the Council should consider putting a requirement in place that full Council should be given an opportunity to vote before large severance packages (which the guidance recommends should be defined as over £100,000) are provided to staff leaving the organisation. The guidance states that it considers that a severance package will

include a number of potential components, including redundancy compensation, pension entitlements and holiday pay.

There are likely to be a number of difficulties with this requirement. Firstly, a number of the elements of the “severance package” are likely to be contractual and/or statutory entitlements, such as redundancy compensation, pension entitlements and holiday pay. If the Council decided not to approve payments of this type then this is likely to result in the Council being in breach of contract and/or statute. It is feasible that a member of staff’s pension and redundancy compensation alone could take them above the £100,000 threshold without any further payments being made to them. Secondly, the requirement to hold a vote at full Council could delay the making of any payments, again this has the potential of placing the Council in a position where it may be in breach of contract and/or other legislation. A delay could also fetter the Council’s ability to effectively settle any potential claims against the authority, particularly in situations where a timely settlement may be the most cost effective resolution. Thirdly, where the Council enters into settlement of potential claims, it is often a term of any settlement agreement that the settlement remains confidential. This can be of benefit to the Council as well as to the employee. If a vote at full Council was required then it may be difficult for the Council to provide the confidentiality required by these agreements. If the confidentiality requirement of an agreement was breached this could lead to further claims against the Council and it may be difficult for the Council to provide evidence that confidentiality had definitely not been breached when details of the potential settlement had been distributed to full Council.

As set out above, the Localism Act 2011 requires the Council to have regard to the guidance. This does not require the Council to follow the guidance in circumstances where it has considered the requirements of the guidance but where the Council considers that it has good reasons for not following the guidance.

The draft pay policy statement attached to this report does not include a requirement that full council is required to vote before large severance packages are provided to staff leaving the organisation. This report recommends that the Council approve the draft pay policy statement for the reasons set out above.

Once a pay policy statement is in force, any decision of the authority made after 1st April 2014 and relating to remuneration or other terms and conditions of chief officers must comply with the pay policy statement in force at the time. An authority may amend its pay policy statement by resolution.

In the event that the Council wished to adopt a pay policy that does not reflect the current contractual arrangements in place for the employment of officers, then this may give rise to employment law implications.

**London Borough of Lewisham
Pay Policy Statement
2014/15**

1. Introduction

The Council seeks to be a fair and good employer of choice and in doing so deliver effective services in the borough. It seeks to engage talented people at all levels of the organisation and to benefit from the exercise of these people's talents. To this end it sets its pay (and reward packages generally, including pensions, etc) in accordance with a fair pay policy and with regard to national and regional pay policy. In doing so it has regard to changing conditions in differing occupational labour markets. The Council's people management strategy recognises the need for a committed and engaged workforce which is rewarded fairly for its motivation, adaptability, innovation and achievement.

Whatever their role, the Council seeks to ensure that every member of staff is valued and remunerated on a fair and just basis – taking into account the burden of personal responsibility their job requires, the delivery expectations placed upon them, as well as any requirements for the exercise of any particular expertise or speciality. The Council wants people to do valuable work and it wants the work to be of value to the workers performing the roles. It is for this reason that the Council has decided that it will conform to the London Living Wage and wherever it is lawful to do so, requires payment of the London Living Wage by its contractors.

The Council's pay strategy is designed to ensure that its pay structures are fair, support a sustainable management structure and foster managerial accountability and effectiveness and provide value for money to the tax payer.

The Council's approach to pay is to:

- ensure pay levels are right to provide the right levels of reward and motivation; and
- ensure pay levels are affordable by the Council

It is set in the wider context of a remuneration policy focussed on:

employee roles
employee development
benefits (including pension)
salary

The Council's management arrangements continue to be reviewed to optimise the effectiveness of management while reducing its overall cost (by a process of reducing managerial overheads and by reviewing managerial layers as well as spans of managerial control).

2 Remuneration of chief officers

The definition of chief officers including Executive Directors and Service Heads appears in paragraph 20. Chief officers are all graded as Heads of Service or higher depending on their responsibilities.

The Council pays its chief officers on the following scales shown with pay rates for 2013/14. These pay rates have not been increased in the last 5 years. In the course of 2014/15 these figures may be increased by a maximum of any increase negotiated by the appropriate negotiating body. Generally post holders are not remunerated at a higher level than the position they report to.

Employees	Scale	From	To
Heads of Service (JNC4)	3 points	£74,142	£79,002
Heads of Service (JNC3)	3 points	£89,976	£94,836
Director of Public Health	8 points	£75,249	£101,451
Directors (JNC2)	3 points	£102,678	£107,538
Executive Directors (JNC1)	3 points	£135,867	£141,123
Chief Executive	Fixed point	£192,387	

Pay points for chief officers and the Chief Executive are determined following independent pay expert advice. The remuneration for chief officers on these pay points is determined by reference to Hay job evaluation advice, save where chief officers have transferred to the Council under statutory provisions which entitle them to retain their pre transfer pay scales. The Council's levels of pay for chief officers are regularly benchmarked against other London Councils. These benchmarking exercises show that Lewisham's pay levels for Executive Directors and Heads of Service fall at the 69th and 43rd percentile respectively amongst London Councils.

The salary paid to chief officers is inclusive of all hours worked and no additional payments are paid to chief officers apart from those specifically set out in any of the following paragraphs. Since July 2011 the Chief Executive has been engaged on a part-time (0.6) basis and is remunerated pro rata to the fixed point referred to in the table above.

An Independent Executive Remuneration Panel (IERP) has been established to advise on the appropriate pay framework and structure for chief officer positions. In fulfilling this role the Remuneration Panel will:

- support the achievement of the Council's aims,
- take account of wider public sector pay policy and good practice,
- ensure their decisions are proportionate, fair and equitable and support equal pay principles, including having regard to the "Fair Pay" code published by the Review of Fair Pay in the Public Sector,
- take account of appropriate pay differentials, including relationship and multiples between chief officers and all employees,
- develop pay policies which attract, retain and motivate senior managers of the right quality and talent,
- take account of the resources required in transitioning to any revised arrangements.

3 Remuneration of employees who are not chief officers

The majority of employees who are not chief officers are appointed on NJC for Local Government terms and conditions. This will remain the case for 2014/15.

Remuneration for posts below chief officer will normally be determined by either the Greater London Provincial Council job evaluation scheme or the Hay job evaluation scheme. In both cases they are designed to ensure fairness and reward, making

assessments based on objective criteria. Salary levels for employees who are not chief officers currently range from £15,459 per annum (see below) to £67,029 per annum though this may change in the course of 2014/15 to reflect a maximum increase of that negotiated with the appropriate national negotiating body.

Save for apprentices who are excluded from the London Living Wage Scheme, the Council does not pay below point 5 (currently £15,459 of the Greater London pay spine and has adopted a policy of not paying below the current level of the London Living Wage (LLW), calculated on an annual basis (i.e. after any pay awards for that year have been agreed and implemented). Because of this, for the purposes of this Pay Policy Statement the Council defines its lowest paid employee as an employee earning the full time equivalent salary for the LLW, without any additional payments. This is to enable a pay multiple to be calculated against the Chief Executive's full time equivalent salary. The Council has agreed a maximum pay multiple of 13 to 1. In 2013/14 had the Chief Executive worked on a full time basis he would have earned 12.4 times that of the lowest paid employee. In effect, the 2013/14 pay multiple was below the maximum figure.

Council policy is to pay chief officers in accordance with pay scales set by reference to the Hay job evaluation scheme and non chief officers in accordance with the pay scales set by reference to the Greater London Provincial Councils (GLPC) job evaluation scheme. This does not apply to chief officers who have transferred to the Council under statutory provisions which entitle them to remain on their pre-transfer levels of pay. The Hay Scheme remunerates employees above the levels of the GLPC scheme. Currently the median average of the pay of chief officers is 2.7 times that of all non chief officer posts (excluding apprentices). The IERP have endorsed the current senior pay structure and believe that this has served the Council well, particularly in the context of the changes to public services. The IERP has been requested to keep this relationship under review to ensure it is fair and appropriate.

4. Performance related pay

As with chief officers, the Council does not pay bonuses or performance related pay to any of its employees.

5 Market supplements

In a limited number of cases the Council currently makes market supplement payments to employees. During 2014/15, the Council may make such market supplement payments where market conditions dictate that this is necessary to recruit or retain suitable staff where it would otherwise be unable to do so. Market supplements are not currently and normally will not be paid to any chief officers.

6 Approach to remuneration on recruitment

New employees, including chief officers, are normally appointed to the bottom of the particular pay scale applicable for the post. If the employee's existing salary falls within the pay scale for the post, the employee is normally appointed to the nearest point on the scale which is higher than their existing salary. In cases where the existing salary is higher than all points on the pay scale for the new role, the employee is normally appointed to the top of pay scale for the role.

7 Appointment to new posts paid in excess of £100,000 per annum

Where it is proposed to appoint to a post which is not in existence at the time of the publication of this pay policy statement, and the proposed remuneration is more than £100,000 per annum the appointment may not be made unless the Council has agreed to the level of remuneration attaching to the position. This provision does not apply to any roles which transfer to the Council through either TUPE or any other equivalent or similar statutory transfer process. This requirement does not apply to roles arising out of restructures to which the Council is obliged to match existing employees to or conduct a ring fenced recruitment exercise.

8 Increments and pay awards

For all employees the Council's usual policies on incremental progression and application of appropriate pay awards will apply.

9 Additional salary payments

Council policy allows for an additional salary payment to be made to employees to reflect duties of an exceptional nature that are required to be undertaken which are over and above the normal requirements of the employee's post.

In accordance with Council policy, additional salary payments may be agreed for all employees, in the case of chief officers this is made up to the value of three increments (currently a maximum of £7,290). No additional salary payments of this nature are currently made to Executive Directors or the Chief Executive and this will remain the case in 2014/15.

However, the post of Director of Public Health is entitled to receive additional payments of £8,917 in respect of a director supplement. Medical Consultants are able to submit an application for either a local or national Clinical Excellence Award for specific projects/work. If successful an award is made which becomes a permanent element of pay. Awards can be made at 12 levels ranging from £2,957 to £75,796.

10 Resilience for emergencies: disaster/incident recovery, command and control

The Council is required to have measures in place to respond to any major incident in the Borough. There is an emergency plan in place which is supported by a team of senior officers within the Council, led by the Chief Executive. Responding to incidents so as to ensure adequate recovery requires 24/7 management coverage by those senior managers who are able to perform these emergency incident roles. The Chief Executive and Executive Directors do not receive any additional payment for undertaking this role which is incorporated into their contracts of employment. Other senior staff, including other chief officers, who undertake a role in emergency planning and disaster recovery for the borough and participate in the emergency rota receive an additional payment. In the case of roles covered by chief officers, other than executive directors, this payment is £2,000 per annum.

11 Terms and Conditions of employment

The terms and conditions of employment for Council employees (excluding those who have transferred under specific statutory provisions) are as negotiated nationally by the relevant Negotiating Body for Local Authority Employees and supplemented/amended by any policies or procedures agreed

The negotiating bodies which apply to employees include:

The National Joint Council for Local Government Employees, commonly known as the Green Book, applicable to most non-teaching professional and support staff in the Council.

The Joint Negotiating Committee for Chief Executives of Local Authorities

The Joint Negotiating Committee for Chief Officers of Local Authorities

The National NHS Staff Council

The employment conditions and any subsequent amendments are incorporated into employees' contracts of employment. The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.

The Council reached an Agreement with the local trade unions on 1 April 2008, known as Single Status, which applies to most of its employees up to Chief Officer level. This included the introduction of a single pay and grading structure together with a new job evaluation scheme (the GLPC scheme). The Agreement also sets out the Council's working arrangements and the payments to be made to employees for working outside normal working hours including overtime, and call out payments.

12 Interim and Consultant engagements

The Council can either engage individuals or companies to fulfil interim or consultant engagements. The Council's policy is that such engagements should conform with guidance and pro forma documents issued by the Council to enable managers to determine whether an individual interim worker or consultant is engaged on an employed or self-employed basis, or if they are engaged through an intermediary, such as a company. These documents follow the guidance produced by HMRC and are required in order to ascertain the correct tax status of each engagement, and who is responsible for deducting/paying tax and National Insurance.

13 Election Fees

At any election time, approximately 500 – 600 Council staff will be employed on election duties of varying types. The fees paid to Council employees for undertaking election duties vary according to the type of election they participate in and the nature of the duties they undertake. All election fees paid are additional to Council salary and are subject to normal deductions for tax.

Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements but fees paid to them for national elections/ referendums are paid in accordance with the appropriate Statutory Fees and Charges Order.

In 2014/15, European and local elections are due to take place. Election fees for the European elections will be fixed by reference to the relevant Statutory Fees and Charges Order, and for the local elections by reference to the most appropriate guidance from London Councils and benchmarks from recent elections modified to reflect any changes in duties.

14 Pensions

All Council employees are eligible to join the Local Government Pension Scheme. The Council does not enhance pensionable service for its employees either at the recruitment stage or on leaving the service, except in certain cases of retirement on grounds of permanent ill-health where the strict guidelines specified within the pension regulations are followed.

15 Payments on ceasing office

The general position

Employees who leave the Council, including the Chief Executive and chief officers, are not entitled to receive any payments from the Council, except in the case of redundancy or retirement as indicated below.

Retirement

Employees who contribute to the Local Government Pension Scheme who elect to retire at age 60 or over are entitled to receive immediate payment of their pension benefits in accordance with the Scheme. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme with the permission of the Council in specified circumstances from age 55 onwards and on grounds of permanent ill-health at any age.

The Council will consider applications for flexible retirement from employees aged 55 or over on their individual merits and in the light of service delivery needs. Approval is conditional upon the employee agreeing to reduce their hours/pay by not less than 40%. Benefits closely reflect those permitted by Regulation 18 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007/1166.

Redundancy

Employees who are made redundant are entitled to receive statutory redundancy pay as set out in legislation calculated on their actual salary. In addition the Council has a policy for the payment of further compensation, of an amount based on the statutory payment. This scheme may be amended from time to time in accordance with the Council's Constitution

Settlement of potential claims

Where an employee leaves the Council's service in circumstances which are, or would be likely to, give rise to an action seeking redress through the courts from the Council about the nature of the employee's departure from the Council's employment, the Council may settle such claims by way of compromise agreement where it is in the Council's interests to do so. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. Should such a matter involve the departure of an Executive Director or the Chief Executive it will only be made following external legal advice that it would be legal and reasonable to pay it.

Payment in lieu of notice

In exceptional circumstances, where it suits the Council's service needs, payment in lieu of notice is made to employees on the termination of their contracts.

16 Re-employment

Employees who have left the Council on grounds of redundancy will not normally be re-employed for a period of two years.

Applications for employment from employees who have retired from the Council or another authority or who have been made redundant by another authority, will be considered in accordance with the Council's normal recruitment policy. However like many authorities, Lewisham operates an abatement policy which means that any pension benefits that are in payment could be reduced on re-employment in local government.

17 Exceptional circumstances

The provisions of this pay policy are designed to set out the Council's normal approach to remuneration and to provide transparency for the public about its policies relating to remuneration. However exceptional circumstances may occasionally arise where it would be appropriate to depart from the detailed provisions set out in this policy where Council service needs demand. This pay policy authorises such payment if appropriate specialist external advice is that it would be appropriate to make an exception in any particular case, in which case the Council may act in accordance with that advice

18 Publication of and access to information relating to remuneration

The Council will publish details of all chief officer positions. This will be published at the same time as the Council's statement of accounts.

19 Publication and amendment

The Council will publish this Pay Policy Statement on its website and may amend it at any time during 2014/15 if it is of the opinion that it is appropriate to do so. Any amendments to it will also be published on the Council's website.

20 Definition of chief officers

Within this Pay Policy Statement, chief officer includes the following roles: the Council's Chief Executive, Monitoring Officer and those fulfilling statutory chief officer roles as set out in section 2(6) of the Local Government and Housing Act 1989. It also includes non-statutory chief officers as set out in section 2(7) of that Act, which includes all officers for whom the Chief Executive is directly responsible, those who report directly or are directly accountable to the Chief Executive and those who are directly accountable to the Council itself or any committee or sub-committee.

Within this Pay Policy Statement, the term chief officer also includes those who are a deputy to a statutory or non-statutory chief officer referred to above (i.e. those who report directly or are directly responsible to a statutory or non-statutory chief officer). It does not include those employees who report to the Chief Executive or to a statutory or non-statutory chief officer but whose duties are solely secretarial or administrative.

Agenda Item 12

COUNCIL		
Report Title	Motion 1 in the name of Councillor Wise to be seconded by Councillor Handley	
Key Decision	no	Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 26 2014

Motion – Housing crisis

“This Council recognises that London is in the middle of a severe housing crisis. Home ownership is falling. Rents are rising by ten percent a year. Standards in the private rented sector are declining. Overcrowding is getting worse and homelessness is rocketing. This Council regrets that the crisis has dramatically deteriorated under the Coalition Government and Tory Mayor of London. Under David Cameron house building has fallen to the lowest level since the 1920’s. Boris Johnson has missed every one of his own targets for building new affordable homes. On average, Conservative Councils in London have built half as many affordable homes as Labour Councils and a fifth as many Council homes.

This Council believes that tackling the housing crisis must be our highest priority. Accordingly, this Council will:

1. Build more genuinely affordable homes
2. Tackle rogue landlords and rip-off letting agencies
3. Build more homes for London’s growing population
4. Bring empty homes back into use
5. Create jobs and apprenticeships in the building industry”

COUNCIL		
Report Title	Motion 2 in the name of Councillor Feakes to be seconded by Councillor Maines	
Key Decision	no	Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 26 2014

**Lewisham Liberal Democrat council group
Budget amendment 2014-15**

More affordable and better housing

- Increased focus on bring empty and underutilised properties back into full use, bring extra income from private sector portion.
- Using New Homes Bonus to increase affordable housing through home expansion as well as new builds.

		<i>£000s</i>
Item	2014/15	Future years
Private sector housing unit resourcing	90	
Strategic housing support	50	
Additional net non-HRA housing income	(30)	

More jobs and business growth

- Institute a small business loan scheme
- Double the rate of apprenticeship places creation through match funding
- Promote Lewisham's role a small business incubator, particularly for the creative industries, so that Lewisham is 'open for business'
- Target collection rate and above trend business rate growth and use the additional retained business rates to help fund the above activities

		<i>£000s</i>
Item	2014/15	Future years
Additional apprenticeships	800	
Net small business loans resourcing (not capital costs)	60	
Business rates overage and collection improvement	(400)	(400)

A better start for families

- Use the roll-out of wider free childcare for under-2s, the extension of free school meals and the troubled families initiatives to support best start packages for new families across the borough
- Work with schools and the Schools Forum to target £17m of Pupil Premium money at those most in need and those to who it would make the most difference.

Building a Future for all in Lewisham

- Support and encourage the payment of London Living Wage as a minimum to all who provide social care in the borough, and build into social care contracts the expectation of empathetic care as well basic care processes.

- Take recycling and cleansing back to the streets with split bins, community award schemes and a move away from landfill and incineration.
- Improve public trust and engagement in our civil society by investing in and unifying enforcement of local standards in trading, licensing, parking, environment and planning.

		<i>£000s</i>
Item	2014/15	Future years
LLW (all within contracts)		
Recycling and cleansing services	730	
Enforcement services	450	

A leaner, more responsive and more dynamic public service ethos

- Focus the savings programmes on producing more effective public service delivery, removing deadening bureaucracy where possible and freeing up innovative council staff and third sector organisations to provide responsive, appropriate and personalised services.
- Reduce the Council's communications expenditure budgets by 25%
- Reduce the size of Mayor & Cabinet, and work towards eventually replacing the current Mayoral system with arrangements with greater accountability
- Work towards a more responsive and integrated councillor and community relationship, with fewer but better resourced councillors and local democratic units more closely involved in decision-making affecting their area.

		<i>£000s</i>
Item	2014/15	Future years
Re-tiering of management grades	(100)	(500)
Communications budget	(200)	
Mayor & Cabinet	(150)	
Local decision making		(400)

Summary

		<i>£000s</i>
Item	2014/15	Future years
Private sector housing unit resourcing	90	
Strategic housing support	50	
Additional net non-HRA housing income	(30)	
Additional apprenticeships	800	
Net small business loans resourcing (not capital costs)	60	
Business rates overage and collection improvement	(400)	(400)
Recycling and cleansing services	730	
Enforcement services	450	
Re-tiering of management grades	(100)	(500)
Communications budget	(200)	
Mayor & Cabinet	(150)	
Localised decision making		(400)
Use of one-off resources and provisions	(1,300)	

Lewisham Liberal Democrat Group – Proposed Budget Amendment for 2014/15

Financial and legal officer comments

Introduction

1. The following paragraphs set out the officers financial and legal comments on the Liberal Democrat Group proposed amendment to the 2014 Budget.
2. The budget proposals are presented in outline without fully developed and costed plans. The individual proposals with financial implications attached to them would require further work before final financial and legal comment can be offered. The comments below are therefore provided on the proposals taken at face value, assuming the savings and costs will result in the implied outcomes.

More affordable and better housing

3. Officers have established a cross-departmental New Homes Bonus (NHB) working party. This group was formed to review the empty homes data held within each department, cross-reference the data to ensure the long term empty status is correct and report on initiatives and progress within their respective areas to reduce long term empty properties.
4. Since the group formed, the number of empty properties within the borough has decreased. As at October 2011, there were 2,355 (2%) empty properties and 940 (0.8%) properties empty for more than six months. This was below the percentage of properties empty across London which was reported at 2.25% with 0.9% empty for more than six months.
5. As at October 2012, there were 1,511 properties reported as empty, 844 less than the previous year. Of these, 742 were empty for six months or more compared with 940 in 2011, a reduction of 198 properties.
6. The work to bring further empty and under-utilised properties back into full use, continues. This is supported by the decision of Council in January 2014 to apply the maximum increases on the Council Tax for under occupied properties to encourage freeholders to bring them back into use.
7. Contained within the Budget Report for 2014, is a specific recommendation to approve an allocation of £0.65m per annum of NHB over the next ten years 2014/15 and 2023/24. It is expected that the Council will continue to use a proportion of the NHB to progress the necessary plans and activities required to drive the regeneration of the borough, including maximising the potential affordable housing which can be achieved.
8. The Council produces an Annual Monitoring Report (AMR) each year which assesses the level of development which has taken place and reviews the performance on plan making and related steps being undertaken to progress the regeneration of the borough.
9. The latest AMR sets out that 1,805 net new homes were built during 2012/13, the highest amount of housing completed in the last nine years. The majority of

planned growth for the borough is yet to come. The AMR provides a housing trajectory and identifies the anticipated amount of residential development over the next 15 years (2014/15 to 2028/29).

More jobs and business growth

10. The proposals to introduce a new small business loans scheme is possible. There would be a degree of risk in building this assumption into the budget for 2014/15. The detailed criteria for operating such a scheme would need to be fully worked up. If any loan is below market rate, then consideration would also need to be given to State Aid issues. The EU Treaty prohibits Public Authorities in Member States from giving aid to companies or organisations who are conducting economic activities which could distort competition and the internal market between Member States, unless the grant is de minimus (i.e. less than 200,000 Euros from all public sources over a period of three financial years).
11. The Council currently employs more than 40 apprentices who work in a range of different services across the Council. It would be possible to increase the number of apprentices in the Council. There is currently no match funding process in place to support these costs.
12. In April 2013, the business rates retention scheme was introduced. This served to provide a direct link between business rates growth and the amount of money the Council is able to spend on local people and local services. The system provides a financial incentive for Councils to promote economic growth. This resource forms part of the Council's overall settlement funding assessment and is therefore used to support the overall General Fund budget for spend on local people and local services.
13. Under the new national business rate arrangements, the Council retains 30% of the business rates it collects. The remainder is pooled nationally and the Council then receives a balancing amount from the pool in the form of a 'top-up' allocation. At present, the value of business rates collected in Lewisham is well below the threshold where the Council would no longer be eligible for a 'top-up' via the national reallocation. Therefore, should the Council be able to grow its business rates base sufficiently, it will be able to retain 30% of any new growth it achieves, without any adverse impact on future funding levels. The Government does not intend to reset the system until 2020, at the earliest. The current collection rate is 98% and to achieve additional directly retained income of £0.8m in two years would therefore require a net increase in business rates collected of at least £2.4m to be generated on the current total net yield value of £46m. This represents an increase of 5%.

A better start for families

14. The pupil premium is allocated to schools on the basis of the average number of children who are entitled to a free school meal in the past six years. Schools maintain the responsibility of how this is spent for those most in need and the Council continues to work alongside the Schools Forum to ensure that the resources are allocated appropriately and benefit those in greatest need. This includes the Council providing its support to troubled families initiatives.

Building a future for Lewisham

15. Lewisham was among the first London boroughs to decide to pay its Council employees and sub-contracted employees the London Living Wage (LLW) from 2012 and this is an initiative which the Council continues to support and promote. The LLW is a voluntary initiative for Councils and employers. Companies working in Lewisham, unless contracted to do so, have no legal obligation to implement it. Lewisham encourages the LLW to be paid in all its contracts.
16. The introduction of a community award scheme is possible. In December 2013, the Department for Environment, Food and Rural Affairs (DEFRA) produced a report into the 'evaluation of the waste and recognition scheme'. Its initial findings concluded that "reward and recognition schemes cannot be seen as a 'quick fix'. They require careful consideration, time and investment, if they are not only meant to be successful, but also to demonstrate their success and impact"
17. Lewisham has one of the lowest landfill rates in the country.
18. As part of the Lewisham Future Programme, a cross cutting review of Environmental Services is underway looking at refuse and recycling and a thematic review of Enforcement Activities underway looking at local standards in trading, licensing, environment and planning.

A leaner, more responsive and more democratic public service ethos

19. There is a moderate degree of financial risk that the savings proposed to both communications and the future cost of management could not be achieved in 2014/15. There are no specific legal implications arising from these proposed savings, which are all legally permissible subject to proper due process being followed in implementing them, if Council were to approve them.
20. The number of members in the Cabinet is by law a matter on which only the Mayor may make a decision. Subject to statutory minimum and maximum, this is entirely a matter for his discretion. Again by law, full Council cannot make any binding decision on this.
21. Members' remuneration, including those of Cabinet members, is however a matter for the Council to decide. This again is a matter of law. In deciding the level of members' allowances, the Council must have regard to the advice of an Independent Remuneration Panel (IRP) which it is under a duty to establish and maintain. Lewisham retains the services of the London wide remuneration panel and when it last agreed the scheme of members' allowances Council had regard to this panel's advice, and engaged the services of Sir Rodney Brooke to advise it on the appropriateness or otherwise of the panel's suggested remuneration levels in the Lewisham context.
22. Any change to the Members' Scheme of Allowances would require a decision of full Council, having had regard to the IRP's recommendations. A new Scheme would be subject as usual to publication requirements.
23. The number of Councillors can be reduced, but only after a review by the independent Local Government Boundary Commission for England (BCE). Any reduction in the size of the Council has to conform to statutory criteria which

focuses on the need to achieve electoral equality in terms of electorate to councillor ratios, to secure effective and convenient local government and to reflect the identities and interests of local communities. The process involves a period of public consultation with local residents and interest groups. The final decision is taken by the BCE.

Summary

24. Members should note that these proposals, taken as a package, would require the further use of once-off resources totalling £1.3m to ensure that a balanced budget could be set for the 2014/15 financial year. The use of once-off resources should be considered a temporary measure and adds to the savings target for the following year. In this case, the approach proposed for 2014/15 would add a further £1.3m to the already significant savings target for 2015/16.

Agenda Item 14

COUNCIL		
Report Title	Motion 3 in the name of Councillor Brooks to be seconded by Councillor Feakes	
Key Decision	no	Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 26 2014

“As a London borough that is privileged to have a professional football club within our boundaries, this Council recognizes the positive impact that team sports such as football can have on young people's lives. In addition, this Council recognizes that all sports and organised activities can play a vital role in local communities, and notes the benefits of sports and leisure opportunities for local people, including vulnerable people.

This Council wishes to ensure that London retains an Olympic legacy and that young people are encouraged to play sport, and therefore commits to support the development and uptake of sport and other organised activities by young people across the borough of Lewisham, through organised clubs or otherwise.

To demonstrate this support, this council calls upon the relevant Cabinet Member to make an annual report to Council detailing the efforts that Member has made to encourage the development of sports and other organised activities within the borough.”

Agenda Item 15

COUNCIL		
Report Title	Motion 4 in the name of Councillor Brooks to be seconded by Councillor Foreman	
Key Decision	No	Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 26 2014

“This Council recognizes the historical problem of rogue landlords across the borough of Lewisham, and welcomes the £125,000 funding recently granted to Lewisham by the coalition government to tackle this problem.

There are currently some 50 rogue landlords and letting agencies in the borough, and some of these own large portfolios of properties, blighting the lives of residents and communities. Problems such as overcrowding, harassment, illegal eviction and illegal fees present a real problem for Lewisham's residents, and can have a devastating effect on the vulnerable. The Council commits to taking a strategic approach to tackling the problem of rogue landlords, and improving standards in the private rented sector, to improve the lives of Lewisham's residents. “

COUNCIL MEETING FEBRUARY 26 2014
AMENDMENTS

Amendment to Item : Motion 1 Proposed by Councillor Brooks and seconded by Councillor Foreman

Motion 4: ROGUE LANDLORDS

Amendment:

First Para line 2 **delete all** after “the” and **insert** “Council’s successful bid for £125,000 funding which has been boosted by a further £30,000 from Public Health in recognition of the link between poor housing and poor health outcomes. This funding will enable the Council to develop a programme which will include a dedicated enforcement co-ordinator and paralegal which will increase prosecutions.”

At the beginning of para 2 **insert** the following which becomes the new start of the para “This Council welcomes the findings of the recent Housing Select Committee report which highlighted..” and **delete** capital “T” in “there”.

Final sentence of para 2 **delete** “The Council commits to taking a...” and insert “The Council’s” Then **delete** all after “landlords” and **insert** “along with the launching of the Private Sector Housing Agency will raise standards and improve the lives of many Lewisham residents.”

So the amended motion will read:

“This Council recognizes the historical problem of rogue landlords across the borough of Lewisham, and welcomes the Council’s successful bid for £125,000 funding which has been boosted by a further £30,000 from Public Health in recognition of the link between poor housing and poor health outcomes. This funding will enable the Council to develop a programme which will include a dedicated enforcement co-ordinator and paralegal which will increase prosecutions.

This Council welcomes the findings of the recent Housing Select Committee report which highlighted there are currently some 50 rogue landlords and letting agencies in the borough, and some of these own large portfolios of properties, blighting the lives of residents and communities. Problems such as overcrowding, harassment, illegal eviction and illegal fees present a real problem for Lewisham’s residents, and can have a devastating effect on the vulnerable. The Council’s strategic approach to tackling the problem of rogue landlords along with the launching of the Private Sector Housing Agency will raise standards and improve the lives of many Lewisham residents.”

Proposed by: Cllr Britton
Seconded by: Cllr De Ryk