

Public Document Pack

Public Accounts Select Committee Agenda

Thursday, 6 February 2014

7.00 pm,

Committee Room 2

Civic Suite

Lewisham Town Hall

London SE6 4RU

For more information contact: Andrew Hagger (Tel: 0208 31 49446)

Part 1

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Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Thursday, 6 February 2014.

Barry Quirk, Chief Executive
Tuesday, 28 January 2014

Councillor Alexander Feakes (Chair)	Chair
Councillor Jim Mallory (Vice-Chair)	Vice Chair
Councillor Jackie Addison	
Councillor Abdeslam Amrani	
Councillor David Britton	
Councillor Helen Gibson	
Councillor Sven Griesenbeck	
Councillor Michael Harris	
Councillor Mark Ingleby	
Councillor Madeliene Long	
Councillor Kevin Bonavia (ex-Officio)	
Councillor Alan Hall (ex-Officio)	

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Monday, 16 December 2013 at 7.00 pm

PRESENT: Councillors Alexander Feakes (Chair), Jim Mallory (Vice-Chair), Jackie Addison, Sven Griesenbeck, Michael Harris and Mark Ingleby and Alan Hall

APOLOGIES: Councillors Abdeslam Amrani and David Britton

ALSO PRESENT: David Austin (Interim Head of Corporate Resources), Aileen Buckton (Executive Director for Community Services), Mayor Sir Steve Bullock (Mayor), Councillor Liam Curran (Chair of Sustainable Development Select Committee), Robyn Fairman (Head of Strategy), Helen Glass (Principal Lawyer), Andrew Hagger (Scrutiny Manager), Councillor Carl Handley (Chair of Housing Select Committee), Councillor Paul Maslin (Cabinet Member for Resources), Barrie Neal (Head of Corporate Policy and Governance), Councillor John Paschoud (Chair of Children and Young People Select Committee), Janet Senior (Executive Director for Resources & Regeneration), Kevin Sheehan (Executive Director for Customer Services), Frankie Sulke (Executive Director for Children and Young People) and Selwyn Thompson (Group Finance Manager - Budget Strategy)

1. Minutes of the meeting held on 11 November 2013

Resolved:

The Committee agreed the minutes of the meeting held on 11 November 2013.

2. Declarations of interest

2.1 Councillor Feakes declared a personal interest as a member of Voluntary Services Lewisham, who have received a grant from Lewisham Council.

3. Strategic Financial Review update and Savings Proposals for 2014/15 and 2015/16

3.1 The Mayor of Lewisham, Sir Steve Bullock, introduced the item and highlighted the following key points:

- The report presents a broad picture of the financial challenges the Council faces over the next few years as well as a number of specific savings proposals for 2014/15.
- There are fewer savings proposed for 2014/15 than in previous years, however the budget requirement for 2015/16 will be more challenging.
- Previous savings have taken a more traditional approach by addressing specific services. The Strategic Financial Review will develop thematic and cross-cutting approaches to address the large savings needed.
- The Mayor has not yet expressed a view on the savings to officers.
- The details of the local government financial settlement have not yet been provided, but it is expected to be in line with the predictions.

3.2 Councillor Paul Maslin, Cabinet Member for Resources, then spoke to the Committee and highlighted the following key points:

- £16m of savings have already been agreed for 2014/15 and the proposals here will release a further £6m savings.
- There have been £82m of savings agreed since 2010, with a further £85m required over the next 4 years

3.3 In response to questions from the Committee, the Mayor advised that:

- Officers have been asked to look at ways in which the savings required can be delivered while accounting for the existing priorities of the borough. The elections in May 2014 will provide an opportunity to refresh those priorities.
- There should be recognition of the context of Lewisham and its local priorities, for example the third sector may not be a priority for other authorities but it is in Lewisham.
- In Lewisham the community expects its services to engage with residents. Lewisham people do things for themselves in partnership with the Council and other public services, such as the development of Community Libraries. A priority will always be to protect the vulnerable in society.
- Lewisham will work closely with neighbouring boroughs who largely share Lewisham's values.
- Large scale efficiencies and savings can be generated through shared procurement with other local authorities. However it is unknown how far it is possible to scale up procurement and contracts before economies of scale are lost. Part of the challenge will be to establish where the limits of economies of scale in procurement are.
- Historically the Council has sought savings through efficiencies. However, simply creating efficiencies will not be enough to achieve the savings required and larger scale savings proposals will start to emerge in the summer.
- The end of a 4 year administration is not the right time to make substantial savings commitments.
- Across local government, organisations have been exploring and identifying potential ways to reduce expenditure. There has been a lot of information sharing and Councils are talking to each other about how to achieve the savings required.
- One of the most important areas where savings can be made is the integration of health and social care and the work carried out here so far will now need to deliver savings.
- The current situation is difficult, partly because in 2010 local government said the cuts would have a large impact, however through hard work it was able to ameliorate the damage to services. It will now be difficult to go back to the public and persuade them that this round of cuts and financial pressure will be different.

3.4 In response to questions from the Committee, Cllr Maslin provided the following information:

- Work to create efficiencies has been ongoing over the four year period and proposals being produced now are the result of previous work carried out.
- Income generation is being looked at.
- The need to find £167m over 8 years creates an impetus for services to look for efficiencies and different ways of approaching service delivery that was not present previously.

- 3.5 David Austin, Interim Head of Corporate Resources, introduced the Strategic Financial Review and highlighted that 2013/14 is a transitional year where the Strategic Financial Review will start and future savings will be identified.
- 3.6 In response to questions from the Committee, Janet Senior, David Austin and Selwyn Thompson provided the following information:
- The inflationary and demographic pressures have always been present year on year, so it is difficult to identify precisely what extra pressures are created by having to find £167m over 8 years.
 - There will be a £21m real-term cash reduction in 2014/15.
 - Because the level of certainty around the finances of local government has disappeared it is very difficult to be able to predict what the future will bring, or to confidently predict a 'worst case scenario'.
- 3.7 The Committee then discussed that the extremity of the cuts imposed on local government were unprecedented. The Committee commented that a graph highlighting the long-term impact on the Council's finances might be useful.

Public Accounts Select Committee Savings Proposals

RNR01 (Audit & Risk)

- 3.8 David Austin, Interim Head of Corporate Resources, introduced savings proposal RNR01. In response to questions from the Committee he provided the following information:
- The team will carry out less housing benefit fraud investigations, although this function will soon transfer to central government.
 - Because of the general decrease in the size and activity of the Council, there will be a proportional decrease in the need for audit.
 - Other assurances such as using external 3rd party or new technology can offer efficiency, as can adopting a more risk-based approach.
 - External audit arrangements will not be changing.

RNR03 (Policy & Governance)

- 3.9 Barrie Neal, Head of Corporate Policy and Governance, introduced savings proposal RNR03. In response to questions from the Committee he provided the following information:
- As the Chief Executive is now working reduced hours, this has freed up capacity among the PA team. PA capacity has also been centralised so is able to cope more flexibly with demands.
 - The post in the Policy and Partnerships Unit has been vacant for 12 months. The team will continue to carefully prioritise its workloads.
 - The post in Business and Committee previously supported processes around Council Questions and Civic Events. A more flexible approach to these services by the wider Governance team will be able to continue to provide these services.

Children and Young People Select Committee Savings Proposals

- 3.10 Cllr John Paschoud, Chair of the Children and Young People Select Committee, introduced the referral from the Children and Young People Select Committee.

CYP13 (Youth Service)

- 3.11 Cllr John Paschoud highlighted that proposal CYP13 would represent a cut to the youth service commissioning fund just as it was undergoing a radical overhaul which had not yet been implemented. Therefore the proposal represented a high level of risk. Scrutiny of this proposal has been carried out previously through joint meetings of the Children and Young People Select Committee and the Safer Stronger Communities Select Committee, with the basis that the commissioning fund would be £956k.
- 3.12 In response to questions from the Committee, Frankie Sulke informed the Committee that savings have had to be found from across the directorate. There has already been a significant overbid for funding from the youth service commissioning fund and that this saving would mean there would be fewer activities funded.
- 3.13 The Committee then discussed:
- That youth services would effectively be reduced by 10% if this saving was accepted.
 - The concern that the balance and spread of youth service provision will be impacted and that this balance should be maintained.
 - The impact on community groups who have already entered into the process of applying for funding.
 - That the Public Accounts Select Committee should endorse the Children and Young People Select Committee's referral on this issue.

CYP12 (Attendance & Welfare)

- 3.14 Cllr John Paschoud highlighted that the Children and Young People Select Committee had raised concerns over the restructure of the Attendance and Welfare service and had recommended that the Children and Young People Select Committee have a chance to scrutinise the proposal in more detail before the Mayor accepts it. Concerns raised included:
- That full information on the proposals was not available at this stage. There was also concern about the status of the staff consultation.
 - The need to provide the Council's statutory responsibilities.
 - Whether increased trading with schools could place an extra burden on schools with disadvantaged children.
 - Whether changes to the service could impact disproportionately on more disadvantaged children.
- 3.15 The Mayor stated that he would need legal advice on what the timetable allowed him to do in terms of not accepting or delaying savings proposals. Helen Glass, Principal Lawyer, advised of the timetable for the budget as set out in Appendix E of the report. The Mayor stated that an option could be to delay a decision on this matter until the new year.
- 3.16 The Public Accounts Select Committee then discussed endorsing the Children and Young People Select Committee's referral on this issue.

Housing Select Committee Savings Proposals

- 3.17 Councillor Carl Handley, Chair of the Housing Select Committee, introduced the referral from the Housing Select Committee.

CUS07 (Service Point)

- 3.18 Councillor Handley highlighted that the Housing Select Committee had felt that the proposal could represent a false economy in the long run and that there were concerns about the quality of the service should the proposal go ahead, so had asked the Mayor to reject it.
- 3.19 In response to questions from the Committee, Kevin Sheehan provided the following information:
- There are now more companies in the market that offer these services than when this was previously looked at. Standards have improved and there are better opportunities for economies of scale, especially as this is a small and relatively expensive service if kept in-house.
 - There will need to be market testing to see if this saving can be achieved. While there is no guarantee that better value for money can be achieved in the market, officers believe that this is achievable.
 - The standard of the service provided will be important in deciding on the approach to take.
 - Monitoring of this proposal can be carried out throughout the year via the budget monitoring process.
- 3.20 The Public Accounts Select Committee then discussed the following issues:
- Outsourcing a service is not inherently a bad thing for the Council to do and can result in improved value for money for the organisation.
 - The Committee should not support the Housing Select Committee's recommendation on CUS07.
 - Cllr Handley indicated he was satisfied with the additional information provided at the meeting.

Sustainable Development Select Committee Savings Proposals

- 3.21 Councillor Liam Curran, Chair of the Sustainable Development Select Committee, introduced the referral from the Sustainable Development Select Committee, highlighting that in order to ensure that select committees are able to deal with savings proposals in a timely manner a standing item should be added to the agenda for each select committee.

CUS03 (Refuse)

- 3.22 Councillor Curran highlighted the following key points:
- Lewisham's apparently poor recycling rate was due to the use of the SELCHP plant to burn waste, but that publicity around this did not reflect the low levels of landfill due to the use of SELCHP.
 - Evidence at the Committee's meeting indicated that some Registered Social Landlords were using Lewisham bins incorrectly, which was causing a cost pressure.

- 3.23 In response to questions from the Committee, the Mayor explained that he had noted a difference between the online and print coverage of recycling rates. The strategy taken in Lewisham is to minimise the impact on the environment, with SELCHP contributing to this goal, and a local authority's recycling rate is not always a reliable indicator of this.

RNR02 (Planning)

- 3.24 Councillor Curran highlighted that the introduction of new planning charges represent a risk to the public image of the Council, especially if there was insufficient explanation of the charges or if the public felt they were too high.
- 3.25 In response to questions from the Committee, Janet Senior provided the following information:
- Officers have carried out benchmarking, which will be provided to Mayor and Cabinet before a decision is taken, which shows that Lewisham previously charged the lowest fees in London for major planning applications (£1000). The increase to £1500 will take Lewisham into the lower-middle bracket.
 - The charges for small scale applications in London range from £80 to £370. Lewisham will charge £60 plus VAT.
 - These charges are part of the discretionary charges that Councils can make.

Healthier Communities Select Committee Savings Proposals

- 3.26 The Healthier Communities Select Committee did not refer any items to the Public Accounts Select Committee.

COM01 (Adult Social Care)

- 3.27 In response to questions from the Committee regarding proposal COM01, Aileen Buckton explained that the savings are part of the 3rd year of the integration programme for health and adult social care, which have been to Healthier Communities Select Committee on a number of occasions and to Public Accounts Select Committee as part of the Funding and Financial Management of Adult Social Care Review.
- 3.28 The Committee felt that the level of detail in the report referencing where exactly savings were coming from and select committee involvement should be improved.

Safer Stronger Communities Select Committee Savings Proposals

- 3.29 The Safer Stronger Communities Select Committee did not refer any items to the Public Accounts Select Committee.

COM03 (Cultural and Community Services – VCS Grants)

- 3.30 Aileen Buckton informed the Committee that the savings were drawn from unallocated funds, including the reduction to the London Borough Grants Scheme and previously agreed tapered funding.
- 3.31 In response to questions from the Committee, Aileen Buckton indicated that Lewisham was not required to fund the London Borough Grants Scheme at the

same level as previously, while some of the rest is being saved from employment projects that have now picked up new sources of funding. The grants programme is regularly scrutinised by Safer Stronger Communities Select Committee.

- 3.32 In response to questions from the Committee, Janet Senior informed the Committee that they will be able to scrutinise the progress of savings and the impact of not filling posts that are vacant through the budget monitoring process, which Public Accounts Select Committee receives every quarter. The Committee will also be able to monitor any unachieved savings through identified overspend in budget monitoring reports.

RNR04 (Strategy)

- 3.33 Robyn Fairman informed the Committee that the service does not require baseline funding as it will seek resources for projects from external sources and look to pool budgets with partner bodies. The proposal will have no impact on staffing levels.

Resolved:

The Committee resolved to advise the Mayor and Cabinet of the following:

The Committee endorsed the recommendation by the Children and Young People Select Committee regarding proposal CYP12 (Attendance and Welfare Service). The Children and Young People Select Committee recognised the rationale for making the Attendance and Welfare Service a partially traded service but noted that not enough information was currently available about the proposals. Therefore the Children and Young People Select Committee should have the opportunity to scrutinise, in January, the full report on the savings proposal going to the Mayor and Cabinet on 18 December to review:

- The response from schools to the consultation currently in progress;
- The plans to ensure that staff are fully consulted on proposals.
- Whether there will be a disproportionate impact on disadvantaged children.
- Whether there will be a disproportionate impact on schools that have high numbers of disadvantaged children.

The Committee also endorsed the recommendation by the Children and Young People Select Committee regarding proposal CYP13 (Youth Service). The Children and Young People Select Committee expressed concern that a reduction to the funding available for commissioned youth work during the first re-designed commissioning process would be confusing and unhelpful. They noted that the fuller reshaping of the youth service has not yet been fully implemented and further reductions at this stage could represent a significant risk to the successful implementation of these changes.

The referrals made by all the Select Committees to the Public Accounts Select Committee have been attached at Appendix A and the Committee asks that the Mayor and Cabinet takes note of the concerns raised and comments made by the Select Committees.

4. Select Committee work programme

Resolved:

The Committee agreed the work programme.

5. Referrals to Mayor and Cabinet

Resolved:

The Committee agreed to refer the comments agreed under item 3 to Mayor and Cabinet.

The meeting ended at 9.05 pm

Chair:

Date:

Agenda Item 2

Committee	Public Accounts Select Committee	Item No.	2
Title	Declarations of Interest		
Wards			
Contributors	Chief Executive		
Class	Part 1	Date	6 February 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 member's 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)

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PUBLIC ACCOUNTS SELECT COMMITTEE			
REPORT TITLE	2014/15 Budget		
KEY DECISION	Yes	Item No.	3
WARD	All		
CONTRIBUTORS	Executive Director for Resources & Regeneration		
CLASS	Part 1	Date	6 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 £268.0m. 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 £6.6m 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. 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 It is recommended that the Mayor considers the comments of the Public Accounts Select Committee of 6 February 2014, which incorporate the views of the respective select committees on the previously agreed revenue budget savings proposals for 2014/16.
- 3.2 That, having considered the views of those consulted on the budget, subject to proper process and consultation, if required, the Mayor:

Capital Programme

- 3.3 notes the 2013/14 Quarter 3 Capital Programme monitoring position as set out in section 5 of this report;
- 3.4 recommends that Council approves 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 asks Members 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 asks Members to note the Lewisham Homes 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 recommends that Council sets an increase of dwelling rents 5.05% (an average increase of £4.61 per week), in accordance with the Rent Restructuring formula;
- 3.8 recommends that Council sets an increase in the hostels accommodation charge by 4.66% (or £3.03 per week), in accordance with the Rent Restructuring formula;

3.9 recommends that Council approves 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 recommends that Council approves 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 recommends that Council approves 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 notes that the budgeted expenditure for the Housing Revenue Account (HRA) for 2014/15 is £104m;

3.13 agrees 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 agrees to recommend to Council, 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

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

- 3.16 notes and approves the previously agreed 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;
- 3.17 that after consideration of the additional information, decides whether to accept the budget saving proposal of £0.3m for the Attendance and Welfare Service (CYP12, Savings Report to Mayor & Cabinet on 18 December 2013). This has been set out in section 8 of the report and in the supporting report attached at Appendix Y2. The specific recommendations relating to this saving proposal are set out in paragraph 3.39;
- 3.18 that after consideration of the additional information, decides whether to re-affirm approval of the budget saving proposal of £0.2m for the out of hours emergency telephone service (CUS07, Savings Report to Mayor & Cabinet on 18 December 2013), where following representations from the Housing Select Committee and Unison, the Mayor has been re-assured by officers that the saving is possible when considering the capacity of current providers;
- 3.19 notes and endorses recommendations 3.16 to 3.18 above. This results in 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. This is subject to any further variations to the Budget which the Mayor may make at Mayor & Cabinet on 12 February 2014.
- 3.20 recommends to Council that it agrees 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;
- 3.21 agrees for the Executive Director for Resources & Regeneration to maintain a fund of £3.9m against which risks and other potential budget pressures which emerge during the year would be considered for funding;
- 3.22 subject to decisions on the above proposals, agrees to recommend to Council one of the options 3.22.1 to 3.22.3, as set out below:
- 3.22.1 that a General Fund Budget Requirement of £268.0m for 2014/15 be approved, if a 0% increase in Lewisham's Council Tax element is 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;
- 3.22.2 that a General Fund Budget Requirement of £269.2m for 2014/15 be approved, if a 1.5% increase in Lewisham's Council Tax element is agreed. This will result in a Band D equivalent Council Tax level of £1,076.26 for Lewisham's services and £1,375.26 overall. This represents an overall increase in Council Tax for 2014/15 of 0.87% 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;
- 3.22.3 that a General Fund Budget Requirement of £269.4m for 2014/15 be approved, if a 1.75% increase in Lewisham's Council Tax element is agreed. This will result in a Band D equivalent Council Tax level of £1,078.91 for Lewisham's services and £1,377.91 overall. This represents an overall increase in Council Tax for 2014/15 of 1.07% 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;

- 3.23 notes 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;
- 3.24 asks that the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2014/15 Revenue Budget is agreed;
- 3.25 agrees to recommend to Council the draft Chief Financial Officer's Section 25 Statement, as attached at Appendix Y4;
- 3.26 agrees the draft statutory calculations for 2014/15 as set out at Appendix Y5;
- 3.27 notes the prospects for the revenue budget for 2015/16 and future years;
- 3.28 agrees 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 (within the General Fund)

- 3.29 decides whether to recommend that Council approves 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 Strategy

- 3.30 recommends that Council approves the prudential indicators and treasury limits, as set out in section 10 of this report;
- 3.31 approves the 2014/15 treasury strategy, including the investment strategy and the credit worthiness policy, as set out at Appendix Z3;
- 3.32 recommends that Council agrees 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;
- 3.33 agrees 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;
- 3.34 recommends that Council agrees 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;
- 3.35 recommends that Council approves lending to other local authorities up to a maximum of £5m and for a period of up to one year;
- 3.36 notes the development of the Municipal Bond Agency, and once fully established, to note its potential as a suitable Agency from which to borrow as and alternative to the Public Works Loans Board (PWLB);

- 3.37 agrees the Minimum Revenue Provision (MRP) policy as set out in section 10 of this report;
- 3.38 notes the Treasury Management mid-year review attached at Appendix Z6;

Specific Recommendations for Appendix Y2 – Attendance and Welfare Service

- 3.39 approves the recommendations in relation to:
- further savings of £0.3m (£0.1m for 2014/15 and £0.2m for 2015/16) from the Attendance and Welfare Service (AWS), and
 - that consultation takes place with staff and schools on the future shape of the service as set out in the report, with a planned implementation date of September 2014.

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 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 £17m 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.
- 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 December 2013 final settlement) 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 expected in early February 2014. Leaving all other previous assumptions unchanged, the provisional estimate is now that further new savings of £45m will be required over 2014/15 and 2015/16. Of these, a remaining £6.6m 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 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 £125.2m (83%) of the original budget allocated for the year of £151.0m will be delivered this year. At this stage, the slippage of £25.8m 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	11.2	4.8	3.3	2.2	2.3	12.6
	79.8	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	125.2	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	1.6	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
	80.2	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	125.2	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 and 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 revenue 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.

Capital Programme

- 5.12 notes the 2013/14 Quarter 3 Capital Programme monitoring position as set out in section 5.3 of this report;
- 5.13 recommends that Council approves the 2014/15 to 2017/18 proposed 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;

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 HRA is budgeted to spend £104.0m in 2013/14. 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 £268.0m. 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 £6.6m for 2014/15.
- 8.12 On 18 December 2013, 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. Should this proposal of £0.3m (£0.1m for 2014/15 and £0.2m for 2015/16) be agreed, then this will bring the budget gap down to £6.5m for 2014/15.
- 8.13 At the same meeting, 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. The Mayor is being asked to re-affirm his approval of this saving proposal.
- 8.14 Following the provisional local government finance settlement in December 2013, 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. If Council choose to set a different Council Tax increase they will need to be mindful, though still subject to confirmation by the Government, that any increase in Council Tax of 1.5% or more would require support in a local referendum. The Local Government Minister has confirmed that the announcement on the threshold level is not expected until mid February 2014. 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 17 December 2013, the Office for National Statistics (ONS) reported that the rate of CPI inflation in the UK stands at 2.1% in November, down from 2.2% in October. It is the lowest CPI figure for four years. This is marginally above the Bank of England's target of 2%.
- 8.19 For financial planning purposes, the Council has previously assumed an average pay inflation of 1% per annum, which equates to approximately £1.2m. 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 prior 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 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 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 number of families presenting 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 £43.9m 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 13 January 2014, which is the date prescribed by the relevant statutory instrument. This calculation showed there is an estimated surplus on the Collection Fund in respect of Council Tax, for the years 1993/94 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. Members should note that the threshold for 2014/15 is still subject to confirmation by the Government and this announcement is not expected to be made until 12 February 2014. It is being widely speculated that the threshold will be lowered, possibly to a level of around 1.5%.
- 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 Greater London Authority (GLA) which the Council pays over to them on collection. The GLA is consulting on a precept of £299 for 2014/15, a reduction of 1.3% and a final decision is expected from them 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 provisional 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% 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 £268.0m, 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	(186.4)	
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		(268.0)
Additional Resources - Council Tax Freeze Grant	(1.0)	
Total Resources available for 2014/15		(269.0)
Base Budget for 2013/14	284.6	
Less: Previously agreed savings for 2014/15	(24.4)	
Less: Attendance & Welfare saving proposal	(0.1)	
Less: Once off Use of provisions and reserves	(4.2)	
Plus: Pay inflation	1.2	
Plus: Non-pay Inflation	3.4	
Plus: Budget pressures to be funded	3.6	
Plus: Risks and other potential budget pressures	3.9	
Total		268.0

*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 £4.2m 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 provisional finance settlement in December 2013	6.6
Less: Attendance & Welfare saving proposal	(0.1)
Less: Surplus on Collection Fund	(2.3)
Remaining Budget Gap to be bridged by use of provisions and reserves	4.2

- 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 8.34 to 8.43. 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 In addition, the Council holds un-earmarked reserves of some £12.0m. These are once off resources. One of the fundamental accounting principles is the matching of resources to spend. So once-off resources should normally be used to finance once off expenditure. 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 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 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 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.
- 9.16 Since the group formed, the number of empty properties within the borough has decreased.
- 9.17 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.
- 9.18 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 the borough. During 2012/13, 564 of the net housing completions were provided as affordable housing units.
- 9.19 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).
- 9.20 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

- 9.21 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 local settlement in December which has raised the estimate of overall savings required to 2017/18 to £95m.

- 9.22 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

- 9.23 In the spending round for 2015/16, the Government announced funding of £3.8 billion 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 will be presented to the Health and Wellbeing Board for approval in January 2014.

New Homes Bonus

- 9.24 The reported top-slice of the New Homes Bonus 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%).
- 9.25 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 FOR 2014/15

- 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
 - 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	190.3	191.2
Other Long Term Liabilities	244.3	243.4	241.4	235.5
Total	442.7	438.8	431.7	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 Z5. 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 will become operation 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 Loans Board (PWLB) 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 citizen 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 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 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 will be consulted on Council's budget between 28 January and 7 February 2014. The results of this consultation will be made available in the Budget Report Update presented to Mayor & Cabinet on 19 February 2014.

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 3 years and that 70% of the funding needs to come from Council revenue or borrowing. If the funding is not used within 3 years it has to be paid to CRG with interest.

Housing Revenue Account

- 13.5 Section 24 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 The Council is under a duty under the Local Government and Housing Act 1989 to maintain a separate housing revenue account (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 housing revenue account 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 housing revenue account 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 contribution 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.

Referendum

- 13.14 Sections 72 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 shortly. 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.
- 13.15 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 will be set out in the Budget Update Report on 19th February 2014.

Robustness of estimates and adequacy of reserves

- 13.16 The Local Government Act 2003 s25 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.
- 13.17 The Chief Financial Officer's section 25 statement can be found at Appendix Y4.

Treasury Strategy

- 13.18 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.
- 13.19 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.
- 13.20 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

- 13.21 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.
- 13.22 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).
- 13.23 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 Public Accounts Committee in particular, thereby complying with the statutory guidance.

Statutory duties and powers

- 13.24 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 reduction 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

- 13.25 Decisions must be made reasonably taking into account all relevant considerations and ignoring irrelevancies. The Mayor is only 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. If the Mayor decides that the budget for that service must be reduced, the Council's reorganization 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

- 13.26 Where proposals, if accepted, would result in 100 redundancies or more within a 90 day period, an employer is required by Section 188 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 reorganization under the Council's own procedure.

Equalities

- 13.27 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.
- 13.28 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.
- 13.29 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.

- 13.30 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/>
- 13.31 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
- 13.32 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/>
- 13.33 The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix Y6 and attention is drawn to its contents.
- 13.34 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

- 13.35 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

- 13.36 Under S3 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

- 13.37 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

- 13.38 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.

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 savings proposals
- Y3 Ready Reckoner for Council Tax 2014/15
- Y4 Chief Financial Officer's Section 25 Statement – To follow for Mayor & Cabinet
- Y5 Statutory calculations – To follow for Mayor & Cabinet
- Y6 Making Fair Financial Decisions

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
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
	79.8	68.1	31.1	26.1	12.6	217.7
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	125.2	126.4	80.5	84.2	94.8	511.1

APPENDIX W2

PROPOSED CAPITAL PROGRAMME - ORIGINAL TO LATEST BUDGET

	Total	Total
	£000	£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	
	90	
		36,971
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	
	49	
		3,134
Latest Budget		217,690
HOUSING REVENUE ACCOUNT		
Original Budget (June 2013)		229,883
HRA Business Plan Capital Requirement - Hostels	1,885	
Rephasing Budgets and addition of 17/18 Budgets	61,642	
	61,642	
Latest Budget		293,410
Overall Budget		511,109

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>
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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	
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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

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 £5.52 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 & Hot 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 - CYP12 (deferred to M&C 18/12/2013)	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
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

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
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

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
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	

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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CHILDREN AND YOUNG PEOPLE SELECT COMMITTEE			
Report Title:	Savings Proposals for the Attendance and Welfare Service		
Key decision:	Yes	Item No:	4
Ward:	All		
Contributors:	Executive Director for Children and Young People Head of Law		
Date:	29 January 2013		

1. Purpose of the report

The purpose of this report is to outline the proposed savings and changes in the Attendance and Welfare Service and to inform members about the proposal to seek the Mayor's agreement to further savings of £300,000 from the service and on implementing those changes in September 2014.

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 will be recommended that the Mayor agrees:

3.1 further savings of £300k from the Attendance and Welfare Service (AWS), and

3.2 that formal consultation takes place with staff and schools on the future shape of the service as set out in the report, with a planned implementation date of 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

Casework	
Pre-referral work on pupils at risk	Chargeable
Persistent absentees	Chargeable except for particular groups such as Looked After Children, children with a Child Protection Plan etc.
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 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.

6.4 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.

- 6.5 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.
- 6.6 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.
- 6.7 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.
- 6.8 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. 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.
- 6.9 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 Southwark (25). The average was 11.8. Our new service will have 12.5 posts – above the average for our statistical neighbours..
- 6.10 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.

6.11 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 will finish on 3 February. The implementation date will be 1 September 2014.

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.]

Contact details

John Russell, Service Manager, Early Intervention and Access
3rd Floor, Laurence House, 1 Catford Road, SE6 4RU
020 8314 6639
john.russell@lewisham.gov.uk

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	Increase / Decrease	GLA Precept	Total Council Tax	Increase / Decrease	
	(Band D)		(Band D)	(Band D)		
£'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%
	268.060	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 Section 25 Statement

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

To follow for Mayor & Cabinet

APPENDIX Y5

STATUTORY CALCULATIONS

To follow for Mayor & Cabinet

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 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 blls	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

PUBLIC ACCOUNTS COMMITTEE			
Title	Annual Complaints Report		
Key decision	No	Item no	4
Wards	All wards		
Contributors	Executive Director for Customer Services		
Class	Part 1	6 February 2014	

1 Executive Summary

- 1.1 The report provides performance information on complaints dealt with by the Council and its partners at stages 1 and 2 of the Corporate Complaints procedure as well as complaints and enquiries to the Mayor and Councillors and complaints and enquiries from Members of Parliament (MP's) that are logged in the Council's complaints management system iCasework, during 2012/13. It is recognised that not all enquiries are logged within iCasework but dealt with directly by officers. Accordingly, there were a total of 4,335 complaints and enquiries received in 2012/13. This represents a 1% decrease when compared to 2011/12. However, there was a significant increase in the number of MP enquiries received.
- 1.2 The report does not include complaints or enquiries about the provision of adult and children's social care, both of which are reported individually and publicised according to statutory guidance.
- 1.3 The Independent Adjudicator's (IA) report is attached at Appendix 1. The IA dealt with 60 complaints between 1 April 2012 and 31 March 2013 of which she partially or fully upheld 23 (38%). The IA responded to 98% within the 30-day response standard, an increase in performance of 4% against the 2011/12 performance. The IA identified a number of issues from the complaints and makes recommendations for improvement.
- 1.4 The Local Government Ombudsman (LGO) report is attached at Appendix 2. In 2012/13, the LGO made decisions in a total of 73 cases, a decrease of 9 cases on the previous year. Lewisham received no public reports.

2 Purpose of Report

- 2.1 To update the Public Accounts Committee on the Council's complaints performance for 2012/13 at all stages including the Independent Adjudicator's report and the Local Government Ombudsman Annual Review.

3. Recommendations

The Committee is recommended to:

- 3.1 Note the contents of the report.

4 Introduction

- 4.1 This report summarises how the Council and its partners performed when dealing with complaints and how it is using the feedback from complaints to improve services. The report does not cover statutory complaints received for adult and children's social care that are subject to a separate report.
- 4.2 This also includes a summary of the Independent Adjudicator's report and a summary of the Local Government Ombudsman's Annual Review with the full reports attached as appendices.

5. Stage 1 and Stage 2 complaints, MP, Mayor and Councillor enquiries

- 5.1 The standard response times and responsibilities for responding to complaints at each stage are:

Stage 1 – 10 days by the Service Manager

Stage 2 – 20 days by the Head of Service or Executive Director

Stage 3 – 30 days by the Independent Adjudicator

MP/Mayor/Councillor – 10 days by the Head of Service or Executive Director

- 5.2 The tables below show the number of complaints and enquiries dealt with by the Council in the last financial year. The tables are broken down by directorate and shows the percentage dealt with in the standard response time. The statistics are for cases logged onto iCasework between 1 April 2012 and 31 March 2013 compared with performance over the same period in 1 April 2011 and 31 March 2012.

Table 1 – total volume of complaints and enquires by directorate

	Total Complaints and Enquiries		
Directorate	2011/12	2012/13	Variance
Children and Young People	223	223	nil
Community Services	254	269	-28
Customer Services	2004	1980	-24
Lewisham Homes	1238	1226	-12
* Regeneration	689	371	-318
* Resources	22	10	-12
** Resources & Regeneration	-	256	256
Total	4430	4335	- 95

* Regeneration and Resources were merged from 30.11.12. The figures above represent the period 1.4.12 to 30.11.12

**** Resources & Regeneration – Both directorates merged on 1.12.12 and the figures above reflect the changes in the restructure.**

Table 2 – stage 1 and stage 2 complaints by directorate

Directorate	Stage 1					Stage 2				
	2011/12	* %	2012/13	* %	Variance	2011/12	* %	2012/13	* %	Variance
CYP	49	80	41	78	- 8	7	71	4	75	- 3
Community Services	89	65	99	82	+ 10	2	50	2	50	0
Customer Services	767	85	691	87	- 76	116	80	68	88	- 48
Lewisham Homes	556	88	622	74	+ 66	117	93	110	93	- 7
Regeneration	136	80	68	81	- 68	39	82	33	94	- 6
Resources & Regeneration	-	-	46	87	+ 46	-	-	10	80	+ 10
Resources	9	56	7	57	- 2	3	33	0	0	- 3
Total	1606	84	1574	81	- 32	284	85	227	91	- 57

* percentage figures are the cases responded to within the specified target

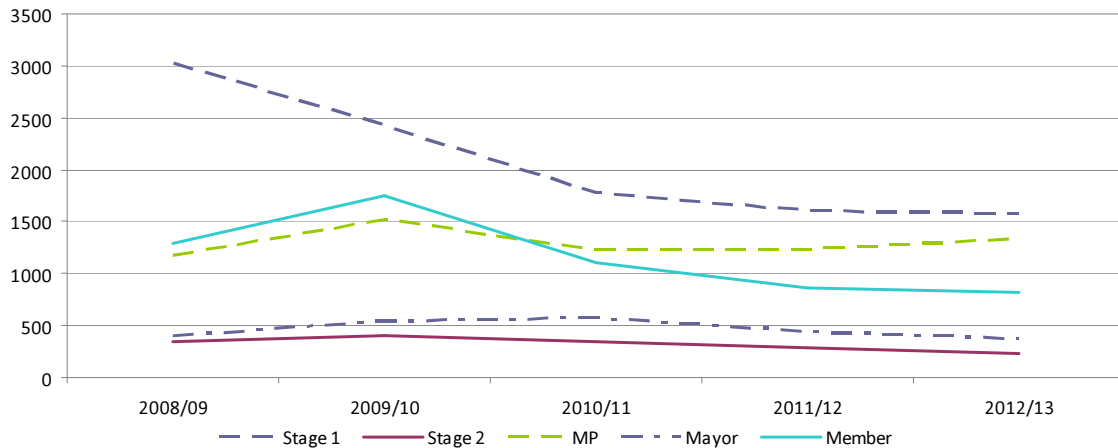
Table 3 - MP, Mayor and Members enquiries by directorate

Directorate	MP			Mayor			Members		
	2011/12	2012/13	Variance	2011/12	2012/13	Variance	2011/12	2012/13	Variance
CYP	117 (78)	144(82)	+ 27	22 (55)	15(80)	- 7	28 (82)	19 (89)	- 9
Community Services	60 (46)	72 (44)	+ 12	26 (58)	25 (88)	- 1	59 (58)	71 (76)	+ 12
Customer Services	550 (85)	642 (86)	+ 92	198 (80)	192 (90)	- 6	373 (87)	387 (89)	+ 14
Lewisham Homes	322 (91)	316 (90)	- 6	61 (90)	42(86)	- 19	182 (90)	136 (87)	- 46
Regeneration	169 (82)	110 (70)	- 59	139 (83)	64(78)	- 75	206 (84)	96 (91)	- 110
Resources & Regeneration	-	53 (89)	+ 53	-	35 (89)	+ 35	-	112 (94)	+ 112
Resources	1 (100)	3 (33)	+ 2	3 (0)	0 (0)	- 3	6 (100)	0	- 6
Total	1219 (83)	1340 (83)	+ 121	449 (79)	373 (87)	- 76	854 (84)	821 (88)	- 33

*figures in brackets denotes the percentage of cases dealt with within the specified targets

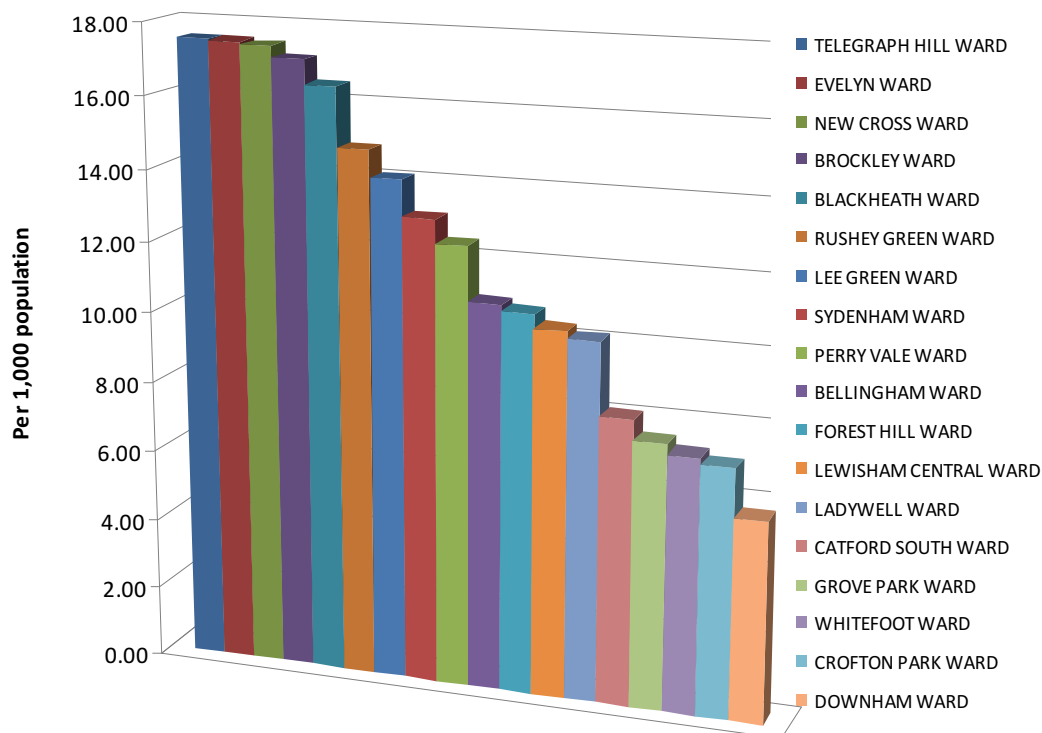
5.3 The total number of complaints and enquiries received in 2012/13 was 4,335. This was a small decrease (1%) on the previous year when a total of 4,430 were received. Overall the number of Stage 1 and Stage 2 complaints and Mayor and Member enquires all decreased. However, there was an increase of 10% in MP enquiries.

The chart below shows the trend in performance by stage over the last five years.



5.4 The distribution of complaints received by Ward is shown below. This shows that the highest number of complaints received per 1,000 population were received from residents in the Telegraph Hill ward, whilst the lowest number of complaints were received by residents in the Downham ward.

Ward	Complaints and enquiries per 1,000 population
TELEGRAPH HILL WARD	17.55
EVELYN WARD	17.53
NEW CROSS WARD	17.45
BROCKLEY WARD	17.14
BLACKHEATH WARD	16.45
RUSHEY GREEN WARD	14.82
LEE GREEN WARD	14.07
SYDENHAM WARD	13.07
PERRY VALE WARD	12.42
BELLINGHAM WARD	10.90
FOREST HILL WARD	10.70
LEWISHAM CENTRAL WARD	10.32
LADYWELL WARD	10.13
CATFORD SOUTH WARD	8.08
GROVE PARK WARD	7.51
WHITEFOOT WARD	7.23
CROFTON PARK WARD	7.03
DOWNHAM WARD	5.70
BOROUGH AVERAGE	12.23



Trends

5.5 On analysing the reasons for complaints, the top three issues are as follows:

- Lewisham Homes – Repairs and Maintenance
- Council Tax
- Lewisham Homes – Decent Homes (major works)

5.5.1 Services with the top three issues provided comments on their complaints and highlighted any learning points that arose from those complaints.

Lewisham Homes – Repairs and Maintenance

The volume of repairs complaints has continued to reduce from 305 responded to in 2011/12 to 231 in the current year. This is partly the impact of introducing ‘real time’ satisfaction surveys which allows the service to address issues straight after the repair. The Independent Adjudicator has commented on a particular reduction in complaints about dampness and condensation, following specific initiatives to improve the way these issues are dealt with.

Even allowing for a small increase in numbers of informal complaints, there was still an overall reduction. The most common services about which we received complaints were Inspections, Plumbing, Roof repairs and renewals, Joinery/fencing and Electrical.

Council Tax

The number of complaints received by the Council Tax section decreased by almost 25% on the previous year and were at their lowest level since 2005/06. Although there was a small 2 % increase on the percentage classified as justified, this was due to the lower numbers of overall complaints received. The actual numbers of justified complaints have continued to reduce year on year.

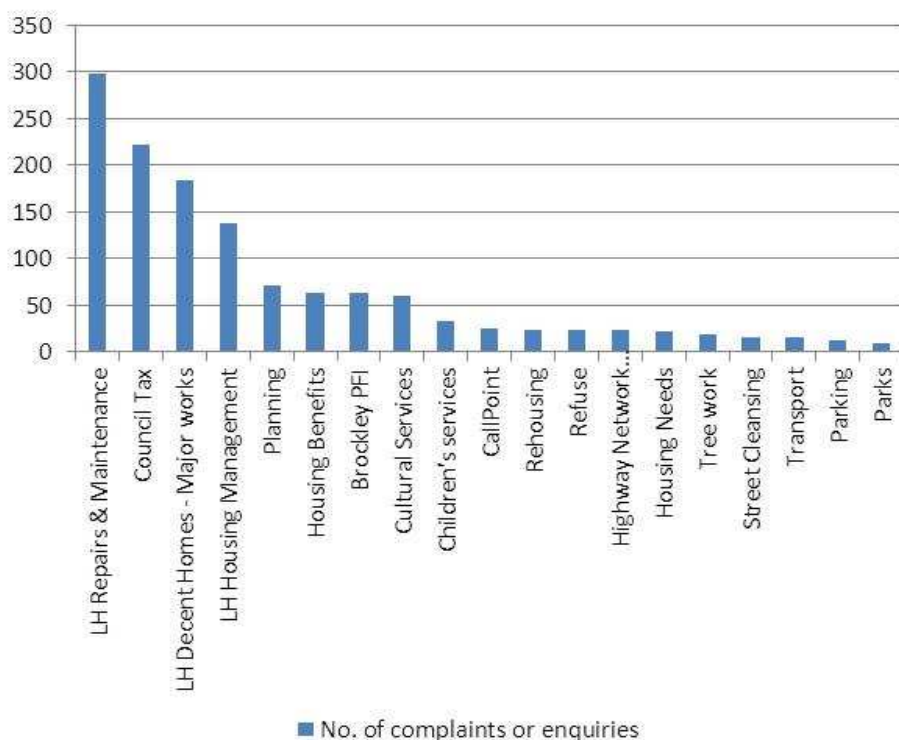
All complaints are reviewed monthly by the management team. Where complaints are deemed justified the case is reviewed in detail to ascertain what changes to existing procedures/processes are required, or additional staff training needed. The agreed action is logged, the responsible officer identified and timeline for completing the action recorded.

Lewisham Homes – Decent Homes (major works)

Performance for responding to complaints on time has worsened, mainly due to the poor performance of one of the contractors for the Major Works Improvement Programme – only 28% of these complaints were responded to on time. This issue has been addressed and the contractor hit the target with 93% on time in February and March. It is common for the volume of complaints to increase during an improvement programme – and 27% of complaints received during the year relate to this programme. Steps were taken to deal with the contractors concerned at CEO level, and there were signs of improvement in September. Solutions implemented by the contractors have included increasing the ratio of liaison staff to properties and better quality control and communications on site. The volume of Decent Homes complaints contributed to our weaker overall performance of 76% (meeting target times). Excluding complaints about Decent Homes, performance was 92%.

5.5.2 Services receiving 10 or more complaints or enquiries

A breakdown of services receiving 10 or more complaints or enquiries is shown below.



Appendix 3 provides a breakdown of the top three complaint reasons, by ward.

5.6 Complaints and enquiries by ward

The top three wards to receive the highest level of complaints and enquires was:

- Telegraph Hill
- Evelyn;
- New Cross

- 5.6.1 The ward to receive the highest level of complaints and enquiries was Telegraph Hill. Housing management was the top reason why customers complained in Telegraph Hill, followed by Council Tax, then Housing Benefit.
- 5.6.2 The second highest ward to receive complaints and enquiries was Evelyn. Housing management was the top reason why customers complained in Evelyn ward, followed by Council Tax, then Planning.
- 5.6.3 The third highest ward to receive complaints and enquiries was New Cross. Housing management was the top reason why customers complained in New Cross ward, followed by Council Tax, then Housing Benefit.
- 5.6.4 Downham received the lowest level of complaints and enquiries.
- 5.6.5 Appendix 4 provides a breakdown of all complaints and enquiries for each ward.

5.7 Complaints and service improvement

- 5.7.1 Each directorate has responsibility for managing complaints and enquiries. This process is overseen by the Corporate Complaints team. Directorate representatives meet regularly to discuss and resolve common issues and exchange ideas for best practice.
- 5.7.2 Throughout the year directorates have worked to improve the quality of the complaints handling. Actions include:
 - Review of the administration of complaints within the team to seek to work proactively and ahead of due date for response
 - Lewisham Homes, Corporate Leadership Team (CLT) set up a Performance Group to look at performance in more detail and address underperformance.
 - Caseworkers worked at Wearside to provide cover for a month. As well as supporting the services, they were able to gain a better understanding of the service.
- 5.7.3 Each directorate has used complaints received to identify areas of improvement and undertook changes to improve the way the service is delivered. Examples of these improvements are outlined below:

In Children's and Young People's directorate, delays in carrying out assessments, delays in setting up appeals and delays in preparing or amending statements have been strong themes throughout the reporting period. Staff have been reminded of the importance of ensuring these aspects of work are carried out thoroughly and in a timely manner.

Street Lighting PFI Contract – as part of this new contract, all of Lewisham's old street lighting columns are being replaced. It was anticipated that complaints would arise as a result, so the Casework Team worked with Management from the Highways department and Skanska to devise a quick and simple procedure to identify who would be responsible for dealing with the complaints and enquiries. This helped in the administration of the complaint and to minimise complaints escalating.

The Casework Team received an increased number of complaints about overhanging hedges on private property as well as on public footways. The enquiries involved Planning and the Environmental Team and sometimes Highways. We developed a

fact sheet about tree problems and solutions to the different types of complaints received.

Caseworkers have visited service areas to gain a better understanding of their working practices which provided valuable context when dealing with responses.

The Customer Relations team, within Community Services, has further embedded the use of iCasework into the Library & Information Service and Community Education Lewisham and provided on-going support and guidance to officers in investigating and responding to stage 1 complaints in a comprehensive and timely manner.

- 5.10 More detailed information on the actions undertaken by directorates to improve the quality of complaints handling and the lessons learnt are set out in Appendix 4.
- 5.11 Last year a complaints action plan that included recommendations by the IA, was developed. The action plan was monitored and was regularly reviewed at the Corporate Complaints Improvement Group (CCIG). Further details pertaining to the action plan can be found in Appendix 6.
- 5.12 Further recommendations have been made and a new action plan has been developed for 2013/2014 to ensure that the recommendations will be implemented. Further details pertaining to the action plan can be found in Appendix 7.

6 Independent Adjudicator

- 6.1 The Independent Adjudicator (IA) deals with stage 3 complaints on behalf of the Council. This section summarises the IA's report and the action being taken in response to the issues raised. The report covers the period 1 April 2012 to 31 March 2013.
- 6.2 The IA received 64 complaints during the year, 23 fewer complaints than in 2011/12. This breaks down to 44 (69%) against the Council/Regenter (down three from last year) and 20 (31%) against Lewisham Homes (down by half).
- 6.3 The IA has highlighted the fact that Planning complaints has increased from 1 complaint in 2011/2012 to 10 complaints in 2012/2013. The IA recognises that the complaints were caused by problems already identified by the Council in this area (particularly enforcement) and on which it has acted. As such the IA expects to see fewer complaints about planning in the future.
- 6.4 As well as the major reduction of complaints in Lewisham Homes, the IA is pleased to see that complaints about council tax, environmental health, and concessionary awards have all reduced from the previous year.
- 6.5 The IA responded to 98% of cases within the 30-day standard, which is above the 90% target and an improvement on the previous year's performance of 94%.
- 6.6 Cases by directorate/partner

The table below sets out the number of Stage 3 complaints against each directorate and each partner (withdrawn cases in brackets). There was a significant decrease 57% decrease of cases in Customer Services and Lewisham Homes cases halved. However, there was a considerable increase of 68% in Regeneration cases.

Total number of stage three complaints against each directorate and each partner

Customer Services*	Regen*	Children and Young People	Community Services	Resources*	Regenter	Lewisham Homes	TOTAL
20	19	0	1	0	4	20 (1)	64

*During 2012/13 the Council's directorates changed: parking moved from Regeneration (Regen) to Public Services (within the Customer Services directorate); Highways and Planning initially fell under the Regen directorate, but then the Regen and Resources Directorates were amalgamated. Cases have been categorised according to the directorate that they fell under in April 2012.

6.7 Compensation

Compensation was awarded in 12 cases ranging from £100 to £600. The total amount of compensation paid was £4,259.75, of which £2,129.75 was for Lewisham Homes.

This was the same total volume of cases in 2011/12, with the overall amount of £3,614 compensation being paid.

	Up to and including £100		£100-£500		More than £500		TOTAL	
2012/13	2	£175	8	£2,484.75	2	£1,600	12	£4,259.75
2011/12	2	£200	9	£2,814	1	£600	12	£3,614

6.8 Key issues highlighted by the Independent Adjudicator

6.8.1 Record keeping and communication

- The IA emphasises the importance of officers making notes of at key stages when interacting with customers. The record will assist should someone complain about lack of communication or if there is a dispute about what happened or what was said.

6.8.2 Complaint administration

- In one case, the complainant complained about officer conduct rather than their professionalism. The IA is appointed to investigate complaints that there has been an administrative failing or service failure of some sort. Where a member of the public makes a complaint against a member of staff about their conduct, however, it is the IA's view, as well as the view of Human Resources, that this should be dealt with under the authority's disciplinary procedure.
- Similarly, the IA has also dealt with complaints that could have been dealt with as a service issue, for example, they are unhappy with a planning decision or complaining about staff conduct.

6.8.3 Overall complaints handling

The IA praised the fact that only 1.5% of all complaints and enquires escalated to stage three. However, the IA strongly encourages officers to see complaints as an integral part of their daily duties; and use the opportunity to put things right when things have gone wrong.

The IA recognises that even though significant changes within the Council and Regenter and to resources have continued this year; and there have been unprecedented changes to the law that have affected services and operations. Notwithstanding, the numbers of stage three complaints has not increased as might have been expected and the IA welcome this.

The IA also welcomes the helpful approach taken by the Council and Regenter in dealing with complaints at stage three: it suggests that they understand the importance of good complaint handling not just because it helps them learn lessons and prevent future complaints, but also because it is an essential part of good customer service.

The IA's report for the Council is attached at Appendix 1. The IA has prepared a separate annual report for Lewisham Homes which deals specifically with any issues relating to them. The IA will attend their management team to present the report and the Council will monitor any actions arising from it.

7 Local Government Ombudsman Annual Letter 2012/13

- 7.1 An annual review letter is produced by the LGO each year. This gives a summary of statistics relating to complaints made against local authorities over the year.
- 7.2 The Council views this as a useful exercise, which gives it the opportunity to reflect on the types of complaints made and consider where improvements might be made.
- 7.3 The LGO will be publishing final decisions on all complaints on their website, as they consider this as an important step in increasing transparency and accountability.
- 7.4 A copy of the LGO's annual letter is attached at Appendix 2.

8 Achievements for 2012/13

- 8.1 Following the formalisation of the Mayor's enquiries process, responses have been sent in a more timely fashion and the performance has increased by 8% from the previous year.
- 8.2 The Corporate Complaints Manager worked closely with the Council Tax team to ensure that their complaints are managed effectively. The Corporate Complaints Manager carried out complaints workshops with Council Tax staff in September 2012, and as a result, significant changes in the way that their complaints are handled, have been made. Following the workshop, stage 3 complaints about Council Tax has nearly halved.
- 8.3 The Corporate Complaints Manager has consulted with members of Corporate Complaints Improvement Group (CCIG) to develop a list of FAQ's for complaints handling. The FAQ's will be available to all staff to refer to, as required.

9 Future improvements for 2013/2014

- 9.1 The corporate complaints team will continue to deliver complaints handling training across the Council to ensure that staff are familiar with the Council's comments, complaints and compliments policy, including how to deal with persistent and unreasonable complainants.
- 9.2 The Council's website will be utilised more as a vehicle to inform and advise residents in order to manage customer expectations

10 Legal Implications

- 10.1 There are no specific legal implications directly arising from this report aside from noting that it is recommended good practice from the Local Government's Ombudsman's Office to make full and specific reference to handling complaints within a management agreement entered into under section 27 of the Housing Act 1985.
- 10.2 Given the subject and nature of this report, it is relevant here to note that 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.
- 10.3 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.
- 10.4 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.
- 10.5 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/>
- 10.6 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
- 10.7 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/>

11 Financial Implications

11.1 There are no financial implications arising from this report.

12 Crime and Disorder Implications

12.1 There are no crime and disorder implications arising from this report.

13 Equalities Implications

13.1 The iCasework system enables the Council to collect equalities monitoring information which is used to ensure the complaints process remains accessible and that no particular parts of the community suffer inequity in service delivery.

13.2 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty 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.

13.3 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.

13.4 As was the case for the original separate duties, the new 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.

13.5 The Equality and Human Rights Commission issued guides in January 2011 providing an overview of the new equality duty, including the general equality duty, the specific duties and who they apply to. The guides cover what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guides were based on the then draft specific duties so are no longer fully up-to-date, although regard may still be had to them until the revised guides are produced. The guides do not have legal standing unlike the statutory Code of Practice on the public sector equality duty, However, that Code is not due to be published until April 2012. The guides can be found at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-duties/new-public-sector-equality-duty-guidance/>.

13.6 The corporate complaints team will continue to work with voluntary community groups to ensure no one is disadvantaged from using the complaints process.

14 Environmental Implications

14.1 There are no environmental implications arising from this report.

15 Conclusions

15.1 The Council has been continually improving its complaints process in response to feedback and best practice. However, there is still a lot more to do to ensure customers receive excellent services. The actions contained in the action plan will ensure continuous improvement is achieved.

16 Background Documents and Report Author

16.1 There are no background documents to this report.

16.2 If you would like more information on this report please contact Jennifer Greaux, Corporate Complaints Manager on 0208 314 6340.

Seventh Annual Report of the Independent Adjudicator for the London Borough of Lewisham 1 April 2012 – 31 March 2013

Dear Mayor Bullock

I am writing with my annual review of the complaints I have received this year against the Council and Regenter at stage three of the Council's complaints process.* I highlight lessons learned about the authorities' performance and complaint-handling arrangements, so that these might then be fed back into service improvement.

I hope that the letter will be a useful addition to other information the Council/Regenter holds on how people experience or perceive their services.

There are two attachments which form an integral part of this letter: statistical data covering the period 1 April 2012 to 31 March 2013.

Complaints received

Volume

1. I have received 64 complaints during the year, 23 fewer complaints than in 2011/12. This breaks down to 44 (69%) against the Council/Regenter (down three from last year) and 20 (31%) against Lewisham Homes (down by half).
2. The number of complaints against the Council/Regenter has stayed almost the same in recent years (43 in 2010/11, 47 in 2011/12, and 44 this year) but I am not unduly concerned: in fact, I am pleased that the expected surge in complaints given these challenging times has not materialised.
3. The number of complaints against Lewisham Homes has halved as I say, and this is remarkable. Although I cannot be sure of the exact reasons for such a decrease, I am aware that the authority tries, wherever possible, to remedy a complaint early on thus avoiding the need for my involvement. I welcome this; I hope that it is something that Lewisham Homes continues; and I commend it to the Council/Regenter.
4. Overall, the number of stage three complaints is very low, comprising only 1.5% of the 4335 complaints and enquiries received against the Council and its partners in 2012/13.

Character

5. The number of complaints about planning has increased significantly this year: from one complaint in 2011/12 to 10, but I think that this was caused by problems already identified by the Council in this area (particularly enforcement) and on which it has acted. Consequently, I expect to see fewer complaints about planning in the future. There was also an increase in complaints about parking (from two to five) but each complaint was different; in some the complainant was simply unhappy that they had received a ticket; there is no evidence of any systemic breakdown in the service; and I am conscious that the numbers are tiny given how many parking contravention notices (PCNs) the Council must issue.

6. There were increases too in the number of complaints about re-housing, going up from two to four, private sector leasing (PSL) and the rent incentive scheme (RIS) going up from two to three, and tenancy matters going up from none to two. Again, though, the numbers are tiny and cause me no concern.
7. In addition, this year I determined three complaints about highways, one complaint about anti-social behaviour (the same as last year); and a single complaint about business rates, trading standards, street lighting and miscellaneous issues. I see no significance in the numbers here.
8. I am pleased to report that complaints about council tax, environmental health, and concessionary awards fell from 13 to seven, from four to one and from three to one respectively. I welcome this. I also welcome the reduction in complaints about trees down from four to none, repairs down from two to one, housing benefit the same, and leaseholders down by two to zero.

Decisions on complaints

Complaints that were settled by remedy

9. Seven of the 15 complaints upheld or partly upheld against the Council/Regenter were settled by compensation – either suggested by me or by officers - and payments totalling £2130 were made. This is slightly more than last year (£1794), but it reflects two complaints where I concluded that a high remedy was justified (£600 and £480), and the actual percentage of cases attracting compensation was down from 67% to 47%. My approach to compensation has always been that it should be proportionate, it should reflect the injustice a complainant has suffered, and it should recognise that it is taxpayers' money.
10. In one case, there were serious failings in the way that the Council handled a planning application affecting the complainants' amenity and causing them significant stress and frustration, and I proposed the payment of £600 compensation. In a second case (against Regenter) there were delays and omissions in dealing with anti-social behaviour including drug taking, and I concluded that £480 compensation was warranted. In a third case £250 was, in my view, a reasonable sum to recognise a lack of joint working to tackle noise nuisance and the detrimental impact had on the complainant and her family.
11. Non-compensation remedies comprised, for example, apologies; inspecting and carrying out repairs, with updates until all work was done; writing off council tax arrears, and taking into account a complainant's suggestions for improving publicly available information on council tax; pursuing robustly a case against neighbour nuisance; visiting the complainant at home to discuss reporting drug use; appointing an officer not previously involved with the complaint to act as liaison; and exploring options for tackling a site where work started under a planning permission remained unfinished and was causing the complainant a serious injustice. I welcome these practical and imaginative ways of addressing complaints.
12. I find that the Council/Regenter readily provide appropriate redress to complainants once it can be shown that things have gone wrong. I also find that officers are often prepared to take action even though there have been no failings, as in a case where money was found to replace and protect trees destroyed or damaged by drivers avoiding speeding restrictions, and a case where a fence was removed to facilitate the complainant using his garage. In addition, in a number of complaints that have come to me this year, officers have already proposed compensation that is responsive to the circumstances of the complaint and reflects Ombudsman guidance. I welcome this good customer care.

Service improvements

13. In some of the complaints, not only did the Council/Regenter provide a remedy, they also reviewed their procedures at my request to determine if there were lessons to be learned and improvements to be made to prevent the same problems occurring in the future. So:

Council tax

- Council tax bills are being re-worded to avoid any confusion about when payments should be made
- Officers have been reminded to take notes at any interview with payees attending court, using a newly introduced template, and expressly to make clear that a liability order will be obtained pending any tax adjustment
- Officers will write to individuals seen, and interviewed at court, where there is an outstanding query
- The wording on bailiffs' letters is being improved
- The wording on business rates bills is being improved to ensure that they explain exactly what the amounts shown are for, and to improve the information given
- Officers have been reminded of the requirements for authorisation when speaking to someone representing a taxpayer
- Housing benefit and council tax are looking at improving cross team working and information sharing.

Planning

- Planning enforcement is much improved in terms of better resources, structures, focus, and strict priorities
- Officers are drawing up a new set of standard planning conditions, and they will let me know how they monitor the implementation of such conditions as well as any assurances they give to Members who express concern about an application
- Planning enforcement has implemented a number of improvements in complaint handling, including proper recording and identifying complaints as opposed to service issues
- Officers are looking at what comprises a good letter to avoid any confusion when writing to a planning applicant about queries on their application.

Housing Options Centre

- Officers are considering when they might mention to homelessness applicants the Council's removals and storage facilities, perhaps including a reminder about this in any checklist of things they ask a homeless client
- HOC is considering drawing up a protocol, and training staff, for when someone is recording on their mobile phone a meeting with officers
- HOC is looking at how it deals with incidents that may occur there
- HOC is revising the wording of its policy on management offers. The policy also now takes into account any period when a housing application is suspended.

Anti-social behaviour (ASB)

- Regenter is now advising tenants to call the Council's Environmental Health or Lewisham Homes' ASB team where they have concerns that a neighbour is using drugs and they can smell them: the officers can act as witnesses and report their findings to the authority
- Regenter has now published guidelines devised by the Council on the use of washing machines in the evenings and early mornings.

Miscellaneous

- The Council and Regenter are looking again at how they manage unreasonable complainant behaviour, including where someone makes numerous telephone calls and sends a lot of emails

- The fraud team will now take notes of any meeting with a customer no matter how informal the meeting might be
- Regenter has reviewed its repairs standards so that tenants can understand exactly what to expect
- There is now improved recording of someone's contact details to ensure that their calls are returned from the relevant service area
- The Council's website now has better wording about controlled parking zones (CPZs) and parking permits
- The parking service will continue to offer payment of a PCN by credit card as an option, and it has updated the Council's website to advise those appealing a PCN to set aside money for paying the notice in case their appeal is not successful.

14. I welcome the steps the Council/Regenter have taken here, and also their willingness to review and improve policies and procedures.

Other findings

15. Sixty complaints against the Council, Regenter and Lewisham Homes were decided during the year. Of these I upheld five in full (8%) and partly upheld 18 (30%); the remaining 37 (62%) were not pursued further because no evidence of maladministration was seen.
16. I upheld/partly upheld just over a third of complaints (35%) determined against the Council/Regenter – 15 out of 43 – compared to last year when the figure was a fifth (20%). This is disappointing especially when complaint numbers have gone down. However, I believe that the increase may be caused by an adverse finding in four planning complaints (as opposed to only one last year), and two out of four homelessness complaints (two more than in 2011/12). Also, it seems to me that complaints at stage three are now more complex (as they should be) so perhaps it is inevitable that I find something has gone wrong. Notwithstanding, the Council/Regenter might monitor the upheld rate, though I would expect the numbers to improve given the significant changes to planning enforcement this year, and action taken in HOC as a result of my investigations.
17. Although the uphold rate has increased considerably, just three (or 20%) of the 15 cases were fully upheld – cases where the maladministration and injustice were, in my view, especially significant. In the remaining 12 cases (or 80%) I identified only some errors (ranging from the not so harmful such as failing to keep the complainant updated about work in his road through to the serious such as including an unenforceable condition in a planning permission) with the rest of the complaint having no merit. It seems to me, however, that I should bring to the Council's and Regenter's attention all mistakes so that they can spot complaint trends; they can identify and remedy any breakdowns in service thus preventing more complaints; and they can learn lessons.
18. Complaints upheld at stage three have increased this year as I say, but it is still the case that I do not uphold the majority of those that are coming through (65%). Of those that do come through, some are complex (as I say) and require further investigation by me, but many have no merit and the complainant is simply unhappy with the decisions at stages one and two of the process and wants a definitive reply from the IA.
19. Finally, this year as in other years, I have chosen not to investigate a number of complaints either because an alternative way exists of achieving a remedy and it is not unreasonable to expect the complainant to pursue that alternative (such as a planning appeal); or the injustice suffered by the complainant is not such as to justify the use of my limited resources (for example, their amenity is not affected by any planning decision because they live at some distance from the development site). For the first time, however, I have started recording these complaints so that next year the Council and Regenter will have a complete picture of complaints received and determined.

Liaison with the Independent Adjudicator and complaint handling

20. I made enquiries on most of the complaints I received this year, with the exception of those mentioned above in paragraph 19 or where it was clear that the Council/Regenter could add little to what had already been said to the complainant in the stage one and two replies. The target for responding to my enquiries was five days and this was generally met. This is pleasing. It suggests that officers noted my concerns last year about improving response times. It also suggests that they are giving complaints a high priority despite the demands made of them in these challenging times.
21. When replies are received, they usually provide a detailed response to the complaint. This is helpful and assists me in coming to robust conclusions on a complaint, keeping the need for further enquiries to a minimum.
22. In one case, however, the response to the complaint was so poor that I had no choice but to make an adverse finding: in several other cases, the replies were deficient and/or late. This is disappointing and it means that I have to spend time chasing those replies or seeking further information (still sometimes not provided though promised), and it may mean that my deadline for writing to the complainant with my final view is delayed (adding to their grievance with the authority). Corporate Complaints will be monitoring response times and how often I need to seek more information, and they will present their findings to senior managers. In the meantime, I urge full and timely replies to my enquiries.
23. Although most complaints raised no particular issues, some themes did emerge:

Recording keeping and communication

- Record keeping (specifically, the absence of records) has been a theme in a number of complaints. I urge officers to make a contemporaneous note of any key action, any telephone call, any discussion, any interviews, any meeting, and any event, for example, when a tenant refuses access for a scheduled repair. The record should help if someone complains about lack of communication or if there is a dispute about what happened or what was said.
- In repairs and anti-social behaviour complaints (but in other kinds of complaints too) there was poor communication; promised updates were not given; officers let matters drag on for a long time; they failed to take action and make decisions; they failed to monitor a case; and there was a lack of cross team working. I am looking for, and I urge, much needed improvements in these areas next year to avoid many of the complaints I see.

Good customer service

- In some complaints, officers have telephoned a complainant to discuss their concerns without any prompting from me, and they have sometimes met them. Officers are encouraged to spot opportunities like this for resolving a complaint even if there has been no particular failing. This is especially relevant, in my view, in repairs complaints. It might also stop escalation to the next stage of the process.
- I see a number of complaints where it might be helpful to refer the complainant to an advice organisation such as the National Debtline. I recommend this where appropriate.
- In one complaint, the complainant threatened suicide. The Council might note The Samaritans' advice to telephone the Police Safe and Well Check Team in such circumstances.

Complaint administration

- In one case, the officer who was the subject of the complaint replied to the stage one, so that the complainant complained at stage three about a lack of objectivity in the response. In another case, the Head of Service replied to the stage one presenting

difficulty when the complainant escalated their complaint to stage two. I direct officers' attention to the Corporate Complaints Procedure which gives guidance on who should investigate and respond to a complaint.

- Sometimes, at stage three, a complainant simply raises service issues rather than a complaint that should be investigated under the complaints process. So, for example, they are unhappy with a planning decision or how much council tax they are being asked to pay. If officers have any difficulty deciding how to treat a case – as a service issue or a complaint – I urge them to contact Corporate Complaints or I am happy to discuss it with them.
- In one case, the complainant complained about officer conduct rather than their professionalism. I am appointed to investigate complaints that there has been an administrative failing or service failure of some sort causing detriment or harm to the complainant, so an officer's professionalism would fall to me. Where a member of the public makes a complaint against a member of staff about their conduct, however, it is my view, and the view of Human Resources (with whom I liaised), that this should be dealt with under the authority's disciplinary procedure.
- Officers have asked for my advice on dealing with vexatious complainants referring, for example, to someone who makes numerous calls or repeatedly raises the same issues. I urge them to contact the Council's Corporate Complaints Team and also consult the agreed procedure.
- Officers have asked about the "request for information" template that I now supply when making my enquiries on a complaint. The template is designed to help service areas understand exactly what information I require to address a complaint; it provides response consistency, and I can easily attach it to my final decision letter. I urge officers to complete the template, or use it as guidance, when submitting their comments to me.

Follow ups, reviews and remedies

- I have reported already willingness by the Council/Regenter to remedy complaints and implement my findings. My one concern – and I raised this last year - is that officers sometimes fail to let me know what happens when I propose a review of procedures or suggest monitoring or I ask for updates. My assistant continues to chase officers, but this should not be necessary. I urge officers to provide me (and the complainant where requested) with follow ups as a matter of course.

I value feedback especially on any improvements implemented as a result of my findings. I can then report in my annual letter that the improvements have been made, and customers and officers can see that there is real benefit in making complaints. The improvements will also inform how I deal with similar complaints: I will quickly be able to explain to the complainant that things might have gone wrong in the past, but changes have now been made to avoid problems in the future.

- In all cases where I propose a remedy, including providing updates to the complainant, I expect it to be implemented by the timescale I suggest or as soon as possible: delay will simply confirm the negativity that the complainant already feels about the Council/authority and it could result in another complaint, or an approach to the Ombudsman, or a further remedy. So, for example, in one case where the Council delayed by six months sending a cheque for £400 compensation to a particularly vulnerable complainant and where I had found a significant failing, I asked for payment of the money as a matter of urgency, an apology for the delay, and the addition of interest calculated at the Bank of England base rates. To avoid such penalties, I urge timely implementation of my proposals.
- In one case where I asked for an apology, the service area seemed unsure about which of its officers should write it and who should send it out: the service area or Corporate Complaints. My view is that an apology should come from a senior officer within the service area and the service area should despatch it, with a copy being sent to Corporate Complaints which monitors the implementation of my findings. I refer

officers to the advice on writing apologies in the Council's Guide to Effective Complaints Handling and on the Scottish Ombudsman's website.

- Some complaints keep coming back to me. I recognise that, in some cases, this is inevitable either because there are difficulties that cannot quickly (or ever) be resolved (such as some anti-social behaviour) and so continue to cause problems for the complainant; or the complainant will not accept the decision on their complaint. However, in some instances, it is clear that the authority is simply repeating the mistakes I have identified already, or it is not implementing the procedures it has reviewed and improved as a result of my intervention. This is disappointing, and it is something I have taken up with the relevant senior officers.

Miscellaneous

- In some cases where a repair breaks down time and time again and it has to be redone, I believe that it is good housing administration for an authority to consider eventually whether it is more cost effective and a better use of taxpayers' money to replace a roof, for example, rather than continue patching it. But the decision is for the authority to take and not me, of course, and it will always be a judgement call especially in this era of very tight resources and high demand.

My performance

24. Over the year, I have:

- Responded to 98% of complaints within the 30 days target (an improvement from last year's 94%)
- Had no decisions overturned on complaints referred to the Local Government Ombudsman; and only one compensatory remedy reviewed and increased
- Met with a record number of complainants and visited their homes where this would aid my investigation
- Facilitated a meeting between Council officers and tenants to try to resolve a longstanding complaint but which fell outside my jurisdiction
- Produced a quarterly digest of cases for Members and officers so that they can see the kinds of cases I uphold, remedies I suggest and lessons learned from complaints
- Written a monthly newsletter for senior officers highlighting any concerns and suggested improvements in service
- Produced a training pack for officers on complaint handling
- Worked with the Corporate Complaints Manager in preparation for housing complaints being referred to the Housing Ombudsman and produced key documents

Conclusions and general observations

25. Significant changes within the Council and Regenter and to resources have continued this year; and there have been unprecedented changes to the law that have affected services and operations. Notwithstanding, the numbers of stage three complaints has not increased as might have been expected and I welcome this. I also welcome the helpful approach taken by the Council and Regenter in dealing with complaints at stage three: it suggests that they understand the importance of good complaint handling not just because it helps them learn lessons and prevent future complaints, but also because it is an essential part of good customer service. I hope that this continues in the face of even greater changes that the Council and Regenter will face in the coming year.

Summary of recommendations

- The Council/Regenter to monitor the upheld rate on complaints, and also the number of stage three planning and homelessness complaints coming through to determine if improvements in these areas are working

- The Council/Regenter to take steps in repairs and anti-social behaviour complaints (but in other kinds of complaints too) to improve communication; to provide updates; to take timely action and decisions thus avoiding a case dragging on; to monitor a case; and to facilitate cross team working
- Officers to make a contemporaneous note of any key action, any telephone call, any discussion, any interviews, any meeting, and any event, for example, when a tenant refuses access for a scheduled repair
- The Council/Regenter to spot opportunities for, and to consider, remedying a complaint early on even if there has been no particular failing
- The Council/Regenter to provide timely and full replies to my enquiries completing, or using as a guide, the response template I supply
- Officers to contact Corporate Complaints or me if they have any difficulty deciding how to treat a case – as a service issue or a complaint
- Officers to consult the Corporate Complaints Procedure which gives guidance on who should investigate and respond to a complaint
- The Council/Regenter to implement the remedies I propose as quickly as possible
- Officers to look again at the advice on writing apologies in the Council's Guide to Effective Complaints Handling and on the Scottish Ombudsman's website
- Officers to provide me (and the complainant where requested) with follow ups as a matter of course
- Officers to contact Corporate Complaints and also consult the agreed procedure for dealing with vexatious complainants and unreasonable complainant behaviour
- Officers to refer complainants to an advice organisation such as The National Debtline where appropriate, or to telephone the Police Safe and Well Check Team where someone is vulnerable and considering self harm.

For the future

26. I have talked in the past about managing complainant expectations and I think that this will be even more of an imperative for me in 2013/14. I have also talked about changes and there are some major changes coming up (in benefits for example). So, I am proposing:

- To manage effectively right from the start complainant expectations about what the IA can and cannot achieve for them: doing this with a telephone call to all stage three complainants from my assistant, with the facility to call me at any stage, and with an early decision letter if I cannot help
- To provide guidance to officers on injustice so that they can deal more effectively with complaints, target resources at those most significantly affected, and reject early on those not significantly affected
- To provide training to officers on complaint handling and especially addressing complaints early on, avoiding the need for resource intense investigations and providing quick, effective, and imaginative remedies
- To record all cases determined without investigation to provide a complete picture of the numbers received and decided
- To produce with the Corporate Complaints Manager a series of factsheets addressing Frequently Asked Questions (FAQs) on the various kinds of complaints so that complainants know what issues can and cannot be investigated and what they can expect

Acknowledgements

I would like to thank Jennifer Greaux (Corporate Complaints Manager), Rebecca Goodman and Rachael Lear (Corporate Complaints Officers), and officers generally for the help and support they have given me this year.

Finally, I welcome this opportunity to give you my reflections about the complaints I have dealt with over the past year. I hope that you find the information and assessment provided useful when seeking improvements to the Council's and Regenter's services.

Yours sincerely

Linzi Banks
Independent Adjudicator

Enc: statistical data

The Independent Adjudicator (IA) deals with complaints at stage three of the Council's complaints process and provides a free, independent and impartial service. The IA considers complaints about the administrative actions of the Council and its partners, for example, Lewisham Homes and Regenter. She cannot question what actions these organisations have taken simply because someone does not agree with it. But, if she finds something has gone wrong, such as poor service, service failure, delay or bad advice and that a person has suffered as a result, the IA aims to get it put right by recommending a suitable remedy.

a separate review on stage three complaints against Lewisham Homes, though the figures for all authorities are included and attached, and some crossover issues are mentioned.

Total cases received/open and determined: 1/4/12 – 31/3/13

TOTAL CASES RECEIVED 1/4/12 – 31/3/13	NO. OF CASES CARRIED OVER FROM 2011/12	NO. OF CASES DETERMINED	NO. OF CASES WITHDRAWN	NO. OF CASES OPEN AS OF 31/3/13
64	4	60	1	7

Number of cases determined

TOTAL CASES DETERMINED	UPHELD IN FULL	UPHELD IN PART	NOT UPHELD
60	5 (8%)	18 (30%)	37 (62%)

Time taken to resolve: target 85% of cases to be resolved within 30 days

30 days and below	31 - 50 days	More than 50 days
59 (98%)	1 (2%)	0

Number of cases received: a comparison

The Council and Regenter	Lewisham Homes	Total cases received
44 (69%)	20* (31%)	64

*This includes a case that was later withdrawn

Cases received by Council directorate/partner

Total number of stage three complaints against each directorate and each partner

Customer Services*	Regen*	Children and Young People	Community Services	Resources*	Regenter	Lewisham Homes	TOTAL
20	19	0	1	0	4	20**	64

*During 2012/13 the Council's directorates changed: parking moved from Regeneration (Regen) to Public Services (within the Customer Services directorate); Highways and Planning initially fell under the Regen directorate, but then the Regen and Resources Directorates were amalgamated. Cases have been categorised according to the directorate that they fell under in April 2012.

**This includes a case that was later withdrawn

Cases determined by subject

Number of complaints determined by subject: number upheld in full or in part in brackets

	All Council/Partners*	Council and Regenter	Lewisham Homes
Housing: Repairs	11 (6)	1 (1)	10 (5)
Housing: Major Works	1		1
Housing: Tenancy	4 (2)	2 (1)	2 (1)
Housing: Re-housing	4 (2)	4 (2)	
Anti-social behaviour	4 (3)	1 (1)	3 (2)
Housing: Leaseholder	1		1
Housing Benefit	1 (1)	1 (1)	
PSL/RIS	3 (1)	3 (1)	
Environmental Health	1 (1)	1 (1)	
Planning	10 (4)	10 (4)	
Highways	3 (1)	3 (1)	
Street Lighting	1	1	
Council Tax	7 (1)	7 (1)	
Business Rates	1 (1)	1 (1)	
Parking	5	5	
Concessionary Awards	1	1	
Trading Standards	1	1	
Miscellaneous	1	1	
Sub-total		43 (15)	17 (8)
Total for all Council	60 (23)		

*Some complaints raised more than one issue but were categorised according to the main issue

Compensation – awarded in 12 cases*

Up to and including £100	£101 - £500	£501 and above	TOTAL – COUNCIL/RB3	TOTAL INC LH*
2 (£175)	8 (£2484.75)	2 (1600)	£2130	£4259.75 (£2129.75*)

*All authorities

LGO letter

Local Government
OMBUDSMAN

16 July 2013

By email

Mr Barry Quirk
 Chief Executive
 London Borough of Lewisham

Dear Mr Quirk

Annual Review Letter

I am writing with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2013. This year we have only presented the total number of complaints received and will not be providing the more detailed information that we have offered in previous years.

The reason for this is that we changed our business processes during the course of 2012/13 and therefore would not be able to provide you with a consistent set of data for the entire year.

In 2012/13 we received 73 complaints about your local authority. This compares to the following average number (recognising considerable population variations between authorities of a similar type):

District/Borough Councils-	10 complaints
Unitary Authorities-	36 complaints
Metropolitan Councils-	49 complaints
County Councils-	54 complaints
London Boroughs-	79 complaints

Future development of annual review letters

We remain committed to sharing information about your council's performance and will be providing more detailed information in next year's letters. We want to ensure that the data we provide is relevant and helps local authorities to continuously improve the way they handle complaints from the public and have today launched a consultation on the future format of our annual letters.

I encourage you to respond and highlight how you think our data can best support local accountability and service improvements. The consultation can be found by going to www.surveymonkey.com/s/annualletters

LGO governance arrangements

As part of the work to prepare LGO for the challenges of the future we have refreshed our governance arrangements and have a new executive team structure made up of Heather Lees, the Commission Operating Officer, and our two Executive Directors Nigel Ellis and Michael King. The Executive team are responsible for the day to day management of LGO.

The Oaks No 2	T: 024 7682 0000
Westwood Way	F: 024 7682 0001
Westwood Business Park	W: www.lgo.org.uk
Coventry	
CV4 8JB	Helpline: 0300 061 0614

Since November 2012 Anne Seex, my fellow Local Government Ombudsman, has been on sick leave. We have quickly adapted to working with a single Ombudsman and we have formally taken the view that this is the appropriate structure with which to operate in the future. Our sponsor department is conducting a review to enable us to develop our future governance arrangements. Our delegations have been amended so that investigators are able to make decisions on my behalf on all local authority and adult social care complaints in England.

Publishing decisions

Last year we wrote to explain that we would be publishing the final decision on all complaints on our website. We consider this to be an important step in increasing our transparency and accountability and we are the first public sector ombudsman to do this. Publication will apply to all complaints received after the 1 April 2013 with the first decisions appearing on our website over the coming weeks. I hope that your authority will also find this development to be useful and use the decisions on complaints about all local authorities as a tool to identify potential improvement to your own service.

Assessment Code

Earlier in the year we introduced an assessment code that helps us to determine the circumstances where we will investigate a complaint. We apply this code during our initial assessment of all new complaints. Details of the code can be found at:

www.lgo.org.uk/making-a-complaint/how-we-will-deal-with-your-complaint/assessment-code

Annual Report and Accounts

Today we have also published *Raising the Standards*, our Annual Report and Accounts for 2012/13. It details what we have done over the last 12 months to improve our own performance, to drive up standards in the complaints system and to improve the performance of public services. The report can be found on our website at www.lgo.org.uk

Yours sincerely



Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

Top 3 reasons for complaints by Ward

Appendix 3

Ward	LH Repairs & Maintenance	LH Decent Homes - Major Works	Housing Management (inc LH)	Council Tax	Brockley PFI	Cultural Services	Housing Benefits	Planning	Refuse	Street Cleansing	Tree Work	Children's Services	CallPoint
BELLINGHAM WARD	1	2	3										
BLACKHEATH WARD	1	2		3									
BROCKLEY WARD	2			3	1								
CATFORD SOUTH WARD				1		2	3						
CROFTON PARK WARD				1		2		3		3			
DOWNHAM WARD				1					1		1	1	
EVELYN WARD	1	2	3										
FOREST HILL WARD	2	1		3									
GROVE PARK WARD				1								2	
LADYWELL WARD				2	1		3						3
LEE GREEN WARD	1	1						1					
LEWISHAM CENTRAL WARD	2		3	1									
NEW CROSS WARD	1		2	3									
PERRY VALE WARD	2	1	2										
RUSHEY GREEN WARD	2			1			3						
SYDENHAM WARD	2	1		3									
TELEGRAPH HILL WARD	1		2	3									
WHITEFOOT WARD			1									2	

* Based on the post code of the complainant

Appendix 4

Complaints and Enquiries received in 2012-13 by Ward

Service	BELLINGHAM WARD	BLACKHEATH WARD	BROCKLEY WARD	CATFORD SOUTH WARD
Housing Management	30	58	68	
Council Tax	7	13	15	11
Housing Benefits	4	1	5	4
Planning		2	11	2
Refuse	2	2	1	
Parking		3		1
Anti-social behaviour		2	1	
Rehousing	1	2		
CallPoint			1	
Education				1
Housing Needs			2	
Library Service			2	1
Tree work				1
Street Cleansing				
Adult Education				4
Parks				1
Highways			1	1
Cultural Other				3
Concessionary Services		1		
AccessPoint	1			1
CEL		1	1	
Environmental Health	1			1
Environment other			1	
Street Lighting	2			
Registration				
Noise				1
Building Control			1	
Crime Reduction			2	
Children's social care				
Business Rates				
Transport				
Abandoned vehicles	1			
Web site				
Pest Control				
Adult Social Care	1	1		
Housing				
Building Security & Cleaning				
Asset Management		1		
Animal welfare				
Housing				
ICT service				
Allotments				
Insurance				
Capital Programme				
Door2Door			1	
Total	50	87	113	33

Complaints and Enquiries

Service	CROFTON PARK WARD	DOWNHAM WARD	EVELYN WARD	FOREST HILL WARD
Housing Management	3		99	53
Council Tax	9	1	10	10
Housing Benefits			4	4
Planning	3		1	6
Refuse	2	1		
Parking			1	1
Anti-social behaviour			3	2
Rehousing			3	
CallPoint	1		2	
Education	1	1	2	2
Housing Needs	2		1	1
Library Service	1		1	
Tree work	2	1	1	1
Street Cleansing	3		1	
Adult Education	1		1	
Parks				1
Highways			1	1
Cultural Other				
Concessionary Services	2			1
AccessPoint				
CEL	2			
Environmental Health				1
Environment other	1		1	
Street Lighting				1
Registration	1			
Noise	1			1
Building Control				
Crime Reduction				
Children's social care				
Business Rates			1	
Transport	1			
Abandoned vehicles				
Web site	1		1	
Pest Control			2	
Adult Social Care				
Housing				
Building Security & Cleaning				
Asset Management				
Animal welfare				
Housing				
ICT service				
Allotments				
Insurance				
Capital Programme				
Door2Door				
Total	37	4	136	86

Complaints and Enquiries

Service	GROVE PARK WARD	LADYWELL WARD	LEE GREEN WARD	LEWISHAM CENTRAL WARD
Housing Management	1	30	32	25
Council Tax	6	6	9	14
Housing Benefits		3	1	1
Planning	2	2	11	2
Refuse	1	2	1	
Parking	2	1	2	3
Anti-social behaviour				
Rehousing	2		1	1
CallPoint		3	2	1
Education	2			
Housing Needs	2	1	1	
Library Service	1		3	
Tree work			1	
Street Cleansing		1	2	4
Adult Education	1		1	
Parks	2	1		
Highways	1		1	1
Cultural Other		1		
Concessionary Services		1	1	
AccessPoint				
CEL				
Environmental Health				1
Environment other				
Street Lighting				
Registration				
Noise				
Building Control				
Crime Reduction				
Children's social care	1			
Business Rates				
Transport		1		
Abandoned vehicles				1
Web site				
Pest Control				
Adult Social Care				
Housing				
Building Security & Cleaning				
Asset Management				
Animal welfare			1	
Housing				
ICT service				
Allotments			1	
Insurance				
Capital Programme				
Door2Door				
Total	24	53	71	54

Complaints and Enquiries

Service	NEW CROSS WARD	PERRY VALE WARD	RUSHEY GREEN WARD	SYDENHAM WARD
Housing Management	69	47	8	68
Council Tax	13	7	18	10
Housing Benefits	8	4	6	2
Planning	1	2		2
Refuse	3	2	2	
Parking		2	1	2
Anti-social behaviour	3	3		2
Rehousing	2		3	
CallPoint	1	4	1	
Education		1	3	1
Housing Needs		2	3	2
Library Service	1	3	2	1
Tree work	1	1	2	1
Street Cleansing			1	2
Adult Education		2		2
Parks	1			1
Highways	1	1		
Cultural Other		1	1	
Concessionary Services				
AccessPoint	1		2	
CEL				
Environmental Health				
Environment other				
Street Lighting				
Registration	1	1		
Noise				
Building Control		1		
Crime Reduction				
Children's social care				
Business Rates				
Transport				
Abandoned vehicles				
Web site				
Pest Control				
Adult Social Care				
Housing				1
Building Security & Cleaning			1	
Asset Management				
Animal welfare				
Housing			1	
ICT service				
Allotments				
Insurance				
Capital Programme	1			
Door2Door				
Total	107	84	55	97

Complaints and Enquiries

Service	TELEGRAPH HILL WARD	WHITEFOOT WARD	Total
Housing Management	63	3	657
Council Tax	14	1	174
Housing Benefits	3		50
Planning	1		48
Refuse	1	1	21
Parking	1		20
Anti-social behaviour	3		19
Rehousing	3	1	19
CallPoint	3		19
Education	3	1	18
Housing Needs	1		18
Library Service			16
Tree work	2	1	15
Street Cleansing	1		15
Adult Education		1	13
Parks	2		9
Highways			9
Cultural Other	1		7
Concessionary Services			6
AccessPoint			5
CEL			4
Environmental Health			4
Environment other			3
Street Lighting			3
Registration			3
Noise			3
Building Control			2
Crime Reduction			2
Children's social care		1	2
Business Rates	1		2
Transport			2
Abandoned vehicles			2
Web site			2
Pest Control			2
Adult Social Care			2
Housing			1
Building Security & Cleaning			1
Asset Management			1
Animal welfare			1
Housing			1
ICT service		1	1
Allotments			1
Insurance	1		1
Capital Programme			1
Door2Door			1
Total	104	11	1206

Directorate Achievements 2012- 2013

1. Things that have been put in place to improve the quality of complaints handling

CYP

- The team has been restructured through 2012/13 to enable streamlined complaints handling.
- Reporting tools have been improved and have been in place since Q1 of 2013/14. The complaints team always seek to improve the scope of reporting on trends.
- Quality assurance exercises are carried out every 6 months to monitor the quality of responses at Stage 1 (corporately and in statutory complaints)
- Awareness of the process, the implications and the necessity to provide a good service is communicated to teams across the directorates.

Community Services

- The Customer Relations team has further embedded the use of iCasework into the Library & Information service and Community Education Lewisham and provided on-going support and guidance to officers in investigating and responding to stage 1 complaints in a comprehensive and timely manner.

Customer Services

- Quarterly meetings with Lewisham Homes to discuss matters of mutual importance
- Review of the administration of complaints within the team to seek to work proactively and ahead of due date
- Training for staff in new areas of knowledge following merge of Customer Services and Regeneration casework teams

Lewisham Homes

- We reviewed our Complaints Policy and Procedure in 2012/13. This took into account the changes to Ombudsman arrangements, but also allowed us to emphasise more clearly the importance of early contact with complainants rather than focusing on sending a written reply in time. We also introduced six month time limits, in line with those of the Housing Ombudsman, for escalating complaints.
- In late 2012, the Corporate Leadership Team (CLT) set up a Performance Group to look at performance in more detail. One of the first areas it examined was Complaints which, at the time, were performing badly. Since then;
 - The Policy Manager has agreed with service heads a new way to provide 'lessons learnt' for their service, and how it compares to overall performance.

- In 2013 all reasons for complaints being answered late have been recorded in detail. This ensures Heads of Service assess whether there is room for improvement and what such improvement might be.
 - We are now meeting our targets on responding to complaints on time. In the 5 months to May, we sent out 95% of responses to complaints on time. Decent Homes is no longer dragging back the figures.
- In the last six to nine months we have been analysing satisfaction trends in greater detail.
 - A Policy Officer now attends the quarterly Public Sector Complaints Network meetings to ensure we keep up-to-date with developments.

Resources & Regeneration

- Street Lighting PFI Contract – Subject to this contract all of Lewisham’s old street lighting columns are being replaced. It was anticipated that complaints would arise as a result so the Casework Team worked with Management from the Highways department and Skanska to devise a quick and simple procedure to identify who would be responsible for dealing with the complaints and enquiries. This helped in the administration of the complaint and to minimise complaints escalating through delays.
- Working at Wearside – Regen Caseworkers worked at Wearside to provide cover for a month. As well as supporting the services the work provided a better understanding of how complaints were handled at stage one and helped the caseworkers gain a better working knowledge of highways, parking and traffic issues which enabled better responses to stage 2, Councillor and Mayoral enquiries.
- Parking Price Increase – The cost of permits increased in May 2011. The Casework Team worked with the parking manager to develop a Q & A sheet before the increase came into effect to enable the team to answer questions quickly and effectively.
- Tree/Hedge information – The Casework Team were receiving an increased number of complaints about overhanging hedges on private property as well as on public footways. The enquiries involved Planning and the Environmental Team and sometimes Highways. We developed a fact sheet about tree problems and solutions to the different types of complaints received

2. Lessons learnt from upheld complaints

CYP

- The Complaints team works towards ensuring that lessons learnt from upheld and partially upheld complaints are highlighted and feedback to improve service delivery. The complaints team monitor implementation of agreed actions and recommendations.
- Staff are reminded of the importance of communicating effectively, and promptly, with service users. Where communication issues have been identified within a complaint, the appropriate managers have been made aware.
- As a result of complaints, Team Managers have been reminded of the importance of conducting assessments on time, and this has been cascaded to all staff.
- Delays in carrying out assessments, delays in setting up appeals and delays in preparing or amending statements have been strong themes throughout the reporting period.

- Staff are reminded of the importance of ensuring these aspects of work are carried out thoroughly and in a timely manner.
- Communication issues have been raised by complainants throughout the reporting period. Teams subject to these complaints have been identified and approached by the Complaints Manager to improve this area of service.

Community Services

- An agreement was reached with relevant parties to redirect invoices to a resident's legal representatives following a complaint that continued reminders sent to the resident were causing distress. An explanation was sent to the resident as to why the Council was required to continue sending invoices, even for an account in dispute, and an agreement was reached and process implemented allowing the Council to redirect future invoices.
- Following a complaint made to the Library & Information service about the Council's returns process for borrowed items, the service implemented a new system that 'double checks' returns are accurately reflected on the Libraries computer management system. This in itself highlighted an issue with the management system that the service were able to quickly address with the system's administrator.
- The Library service is currently reviewing the best way of updating its network of PCs and other IT equipment in response to customer complaints and concerns about its capability in terms of web-browsing and other on-line functionality.

Customer Services

- Improved liaison between internal teams and external provider – In order to avoid any delay or disadvantage to tenants who require repairs and maintenance to their properties

Lewisham Homes

- The most common issues across all services relate to poor communication – either with the resident or between teams. That is one reason why, in our revised policy and procedure, we emphasised the need for the service to make early contact with the complainant when we receive a complaint.

This is further highlighted in the sample of case studies below:

1. Mr W had an appointment to fix the extractor fan in his bathroom. Unfortunately this appointment was missed because the operative was running late but did not tell Mr W. As a result of this complaint, operatives have been asked to contact the office always if they are running late, so we are able to contact the resident and inform them.
2. Ms G had the same ongoing leak into her bathroom for many months. She was really upset about the lack of help and poor service she believed she received from the repair section. We thought that we fixed the problem but unfortunately we hadn't. From this complaint we learnt the importance of checking with the residents affected by leaks in blocks to confirm that the problem has been resolved and to improve communication. We introduced new procedures to ensure this happened.

3. Miss Y was visited by an ASB officer to look into the possibility of having cameras installed in her building as she felt unsafe. Unfortunately the visit was never followed up and her phone calls were not returned. We revised procedures to make sure all cases are managed more closely, so this does not happen again and that we follow up all visits.

Resources & Regeneration

- Timely liaison with services that are introducing change in order to anticipate and prepare for potential public feedback so that we can provide considered and helpful responses.

3. Future objectives in your area for the improvement of complaints management:

CYP

- In 2013/14, the Complaints team will be meeting with staff at team meetings to ensure managers and staff are aware that all complaints and representations need to be forwarded to the Complaints Manager as a matter of urgency.
- The Complaints team keep a log of instances where complaints and representations have not been forwarded in a timely manner, and this list will be sent to Service Managers/Heads of Service to be followed up..
- The under representation of ethnic groups using the complaints process is a major piece of work. It is hoped that this will assist the Complaints team in remedying gaps in representation, and broaden the scope of the complaints process by engaging with the under represented community groups.
- The publicity of the Complaints process, and of the team itself, is high on the agenda for 2013/14. A new, updated complaints leaflet is imminent, and ongoing language specific publicity pushes are to be prioritised moving through 2013/14.
- The Complaints team will carry out a customer satisfaction exercise to gauge feedback on those service users who used the statutory complaints process. This feedback will be analysed and potentially used to shape the service going forward.
- The Complaints team will continue to work with service users to reach satisfactory conclusions through agreed methods. We are dedicated to ensuring the complainant is aware of rights to escalate complaints through the procedure, and will support all requests to do so, should alternative resolution methods not be agreed.

Community Services

- Proactively secure a co-ordinated and comprehensive store of information about dissatisfaction across the entire Directorate; and
- Design and implement a system of recording learning from complaints that allows the Customer Relations team to support the Directorate in making service improvements.

Customer Services

- Promote the roles of the corporate complaints and casework team across the organisation

- Encourage the service areas to take full responsibility for responding to their enquiries and complaints

Lewisham Homes

- We will carry out data quality audits of performance indicators for complaints. We will look at whether they are actual performance indicators or just useful context data. Where they are actual performance indicators we will specify whether they focus on service provider performance (contractor or team) or the service consumer experience or both.
- We want to focus on improving the satisfaction of complainants, not just how quickly we reply.
- We are paying more attention to trends over time, not just most recent numbers or reasons for complaints.
- We will review the (new) way in which we identify and report learning to service managers, now that it has been in operation for 6 months. Most service areas receive such small numbers that trends are hard to identify. This could involve a move to more detailed case studies of those dissatisfied complainants identified in our monthly Kwest phone surveys.
- We also need to look more closely at our compliments to see if we can identify and disseminate positive practice from these cases.

Resources & Regeneration

- Promote the roles of the corporate complaints and casework team across the organisation
- Encourage the service areas to take full responsibility for responding to their enquiries and complaints

Action point	Recommendation	Origin	Lead Person	Action taken	Target date	Status of action
1	The Council to monitor council tax complaints to see if they continue increasing and to understand why this might be so	IA annual report	Jennifer Greaux	The Corporate Complaints Manager has been working closely with the Council Tax team to ensure that their complaints are managed effectively. The Corporate Complaints Manager carried out complaints workshops with Council Tax staff in September 2012, and as a result, has led to significant changes in the way that their complaints are handled. Following the workshop, stage 3 complaints about Council Tax has nearly halved.	March 2013	completed
2	The Council to monitor the time taken to reply to my enquires	IA annual report	Jennifer Greaux	Officers are given a specific timescale to provide information to the IA. There were a few occasions when the target was not met and the IA's assistant had to chase the service areas for information. In most cases, the information is sent to the IA in a timely fashion and the IA is happy to extend the time, if requested.	March 2013	completed
3	The Council/Regenter to ensure that officers reply in good time and see complaints as equal to any other work: providing an opportunity to address anything that might be going wrong; to improve practices and procedures; to learn lessons; and to stop further complaints	IA annual report	Jennifer Greaux	The IA was experiencing difficulties in receiving information back on complaints in a timely fashion from specific service areas. The Corporate Complaint team has been working closely with service areas to ensure that the IA receives the information requested in a timely fashion. As a result, the IA has seen a significant improvement over the last year.	March 2013	completed
4	Officers to provide the IA (and the complainant where requested) with follow ups as a matter of course	IA annual report	All	As part of the IA's recommendations, she may ask for follow on actions. There has been a few occasions when some of the follow on actions are not completed, leading to further frustration from the complainants. The IA's assistant will continue to monitor and chase the relevant service areas to ensure that the complainant and the IA are kept updated with the progress of follow on actions. For long term recommendations, there is a stringent monitoring system in place to ensure that the	March 2013	completed

Action point	Recommendation	Origin	Lead Person	Action taken	Target date	Status of action
				follow on actions are not overlooked.		
5	The Council in all cases to assess as early as possible whether it might resolve a complaint even where there is no evidence of maladministration	IA annual report	All	Service areas are encouraged to investigate and review complaints, on a case by case basis. For each complaint, the individual's circumstances need to be carefully considered and when necessary, discretion applied in order to find a local resolution.	March 2013	completed
6	Officers to use the complaint response template I have provided to draft their comments	IA annual report	All	To ensure that officers provide the IA with the comprehensive information that she needs to carry out her investigation, a request for information template was devised. As a result, information provided to the IA has been more thorough and gaps can be identified earlier. Officers have also used this template in anticipation of a stage 3 complaint. This has led to a more consistent way of gathering information.	March 2013	completed
7	The Council to ensure cross authority liaison in cases where a number of service areas and partners are involved	IA annual report	All	The corporate complaints manager will identify and facilitate meetings between relevant service managers in order to encourage joint up working approach to resolving complaints in a timely fashion.	March 2013	completed
8	Where legal action is involved, I recommend that the formal complaints process is followed but does not touch on the action	IA annual report	All	Staff are reminded of this in the staff complaint handling guide.	March 2013	completed
9	Remedies are changed only at a different stage of the complaints process if it is clear that the injustice has not been properly addressed; or if further failings are identified; or the complainant has been put to a lot of time and trouble taking their complaint higher.	IA annual report	All	Staff have been briefed and this will form part of a new complaints procedure.	March 2013	completed
10	Maintain Corporate Complaints information on the web ensuring it is up to date	Strategy & Performance Star Service Self - Assessment	Jennifer Greaux	The website is consistently updated to ensure that the information is up to date and relevant. This has included adding information about the changes to the way social housing complaints will be dealt with from 1 April 2013.	March 2013	completed

Action point	Recommendation	Origin	Lead Person	Action taken	Target date	Status of action
11	Design and implement an e-learning complaints module	Strategy & Performance Star Service Self	Jennifer Greaux	An e-learning module has been developed which will be used a learning and development tool for staff.	March 2013	completed
13	Develop bespoke complaints training courses linked to specific service areas	Strategy & Performance Star Service Self	Jennifer Greaux	The Corporate Complaints Manager has been working with the Public Services staff to explore a different approach to handle their complaints. Council Tax staff attended workshops and as a result, some of their letters were reviewed and simplified. This has led to a reduction in complaints and the volume escalating to the next stage. In particular, the volume of council tax complaints that escalated to stage 2 had decreased by 60% compared to the previous year. Stage 2 complaints for housing benefits decreased by 75% compared to six months prior to the changes.	March 2013	completed
14	Involve staff in the development of complaints FAQs for the intranet	Strategy & Performance Star Service Self	Jennifer Greaux	The Corporate Complaints Manager has consulted with CCIG in order to develop a list of FAQ's. The FAQ's will be made available to all staff.	March 2013	completed

Corporate Complaints Action Plan - 2013/2014

Appendix 7

Action point	Recommendation	Origin	Lead Person	Action taken	Target date	Status of action
1	Ensure that the transition of social housing complaints from the Local Government Ombudsman to the Housing Ombudsman runs smoothly	Housing Select Committee	Jennifer Greaux	Monitor the new social housing complaints process and assist the designated person to ensure that the transition of social housing complaints from the Local Government Ombudsman to the Housing Ombudsman runs smoothly.	March14	open
2	Ensure that staff have a full understanding of handling complaints and enquiries	Strategy and Performance service plan	Jennifer Greaux	A comprehensive complaints and enquiries procedure will be devised, which will provide clear guidance and timescales.	March14	open
3	Ensure that complaint responses remain at a high standard	Strategy and Performance service plan	Jennifer Greaux	To ensure that responses remain of a high quality, the corporate complaints team will reinstate the quality checking of responses. A sample of stage 1 and stage 2 complaints will be quality checked using a quality checking framework and finding fed back to the service areas.	December 13	open
4	To promote the roles of the corporate complaints and casework team across the organisation Encourage the service areas to take full responsibility for responding to their enquiries and complaints	Strategy and Performance service plan	Jennifer Greaux/CCIG	A promotional event will take place to promote and support the role and responsibilities of the caseworkers and the corporate complaints team. Information will also be provided to ensure that all service areas are aware of their responsibilities when dealing with complaints.	December 13	open
5	The Council/Regenter to monitor the upheld rate on complaints, and also the number of stage three planning and homelessness complaints coming through to determine if improvements in these areas are working	IA annual letter	Corporate Complaints Team	The corporate complaints team will analyse these complaints and work with service areas, as deemed appropriate.	March 14	open
6	The Council/Regenter to take steps in repairs and anti-social behaviour complaints (but in other kinds of complaints too) to improve communication; to provide updates; to take timely action and decisions thus avoiding a case dragging on; to monitor a case; and to facilitate cross team working	IA annual letter	Corporate Complaints Team	The corporate complaints team will liaise with relevant service areas to ensure that the IA recommendations are adhered to.	March 14	open

Action point	Recommendation	Origin	Lead Person	Action taken	Target date	Status of action
7	Officers to make a contemporaneous note of any key action, any telephone call, any discussion, any interviews, any meeting, and any event, for example, when a tenant refuses access for a scheduled repair	IA annual letter	All	All service areas to be reminded of the importance of making contemporaneous notes.	March 14	open
8	The Council/Regenter to provide timely and full replies to my enquiries completing, or using as a guide, the response template I supply	IA annual letter	Corporate Complaints Team	The corporate complaints team will continue to monitor whether services are completing the request for information template and provided by the IA.	March 14	open
9	Officers to contact Corporate Complaints or me if they have any difficulty deciding how to treat a case – as a service issue or a complaint	IA annual letter	Corporate Complaints Team		March 14	open
10	Officers to consult the Corporate Complaints Procedure which gives guidance on who should investigate and respond to a complaint	IA annual letter	Corporate Complaints Team	Corporate complaints team to ensure that staff are made aware of the correct process to follow.	March 14	open
11	The Council/Regenter to implement the remedies I propose as quickly as possible	IA annual letter	Corporate Complaints Team	The corporate complaints team will continue to monitor any remedies made by the IA to ensure that they are carried out in a timely fashion.	March 14	open
12	Officers to look again at the advice on writing apologies in the Council's Guide to Effective Complaints Handling and on the Scottish Ombudsman's website	IA annual letter	Corporate Complaints Team	Corporate complaints team to ensure that staff are made aware of the correct process to follow.	March 14	open
13	Officers to contact Corporate Complaints and also consult the agreed procedure for dealing with vexatious complainants and unreasonable complainant behaviour	IA annual letter	Jennifer Greaux	Corporate complaints team to ensure that staff are made aware of the correct process to follow.	March 14	open
14	Officers to refer complainants to an advice organisation such as The National Debtline where appropriate, or to telephone the Police Safe and Well Check Team where someone is vulnerable and considering self harm.	IA annual letter	Jennifer Greaux	To assist officers in these circumstances, a procedure will be devised to provide guidance and advice for staff.	October 13	open

Agenda Item 5

Public Accounts Select Committee			
Title	Select Committee Work Programme	Item No	5
Contributors	Scrutiny Manager		
Class	Part 1	Date	6 February 2014

1 Purpose

- 1.1 To advise Members of the Select Committee of the work programme for the municipal year 2013/14.

2 Summary

- 2.1 At the beginning of the municipal year, each select committee drew up a draft work programme for submission to the Business Panel for consideration.
- 2.2 The Business Panel considered the proposed work programmes of each of the select committees on 14 May 2013 and agreed a co-ordinated overview and scrutiny work programme, avoiding duplication of effort and facilitating the effective conduct of business.
- 2.3 However, the work programme is a “living document” and as such can be reviewed at each Select Committee meeting so that members are able to include urgent, high priority items and remove items that are no longer a priority.

3 Recommendations

- 3.1 The select committee is asked to:
- note the work programme attached at **Appendix B** and discuss any issues arising from the programme;
 - specify the information and analysis required in the report for each item on the agenda for the next meeting, based on desired outcomes, so that officers are clear on what they need to provide;
 - note all forthcoming executive decisions, attached at **Appendix C**, and consider any key decisions for further scrutiny.

4. The work programme

- 4.1 The work programme for 2013/14 was agreed at the meeting of the Committee held on 15 May 2013 and agreed by the Business Panel on 14 May 2013.
- 4.2 The Committee is asked to consider if any urgent issues have arisen that require scrutiny and if any existing items are no longer a priority and can be removed from the work programme. Before adding additional items, each item should be considered against agreed criteria. The flow chart attached at **Appendix A** may help members decide if proposed additional items should be added to the work programme. The Committee’s work programme needs to be achievable in terms of

the amount of meeting time available. If the committee agrees to add additional item(s) because they are urgent and high priority, Members will need to consider which medium/low priority item(s) should be removed in order to create sufficient capacity for the new item(s).

5. The next meeting

5.1 The following items are scheduled for the next meeting:

Agenda Item	Review Type	Link to Corporate Priority	Priority
1. Funding and Financial management of ASC – Response	In-depth review - Response	Inspiring efficiency, effectiveness and equity	Medium
2. Revenue and Capital Budget Monitoring	Performance monitoring	Inspiring efficiency, effectiveness and equity	Medium
3. Management Report	Performance monitoring	Inspiring efficiency, effectiveness and equity	Low
4. Asset Management Strategy Update	Performance monitoring	Inspiring efficiency, effectiveness and equity	High
5. Audit Panel Update	Constitutional requirement	Inspiring efficiency, effectiveness and equity	Medium
6. Fairness Review Update	In-depth review - Update	Inspiring efficiency, effectiveness and equity	Low
7. Managing Contracts Review Update	In-depth review - Update	Inspiring efficiency, effectiveness and equity	Low

5.2 The Committee is asked to specify the information and analysis it would like to see in the report for each item, based on the outcomes the committee would like to achieve, so that officers are clear on what they need to provide for the next meeting.

6. Financial Implications

6.1 There are no financial implications arising from this report.

7. Legal Implications

7.1 In accordance with the Council's constitution, all scrutiny select committees must devise and submit a work programme to the Business Panel at the start of each municipal year.

8. Equalities Implications

8.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing

the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. 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.

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.

8.2 There may be equalities implications arising from items on the work programme and all activities undertaken by the Select Committee will need to give due consideration to this.

9. Date of next meeting

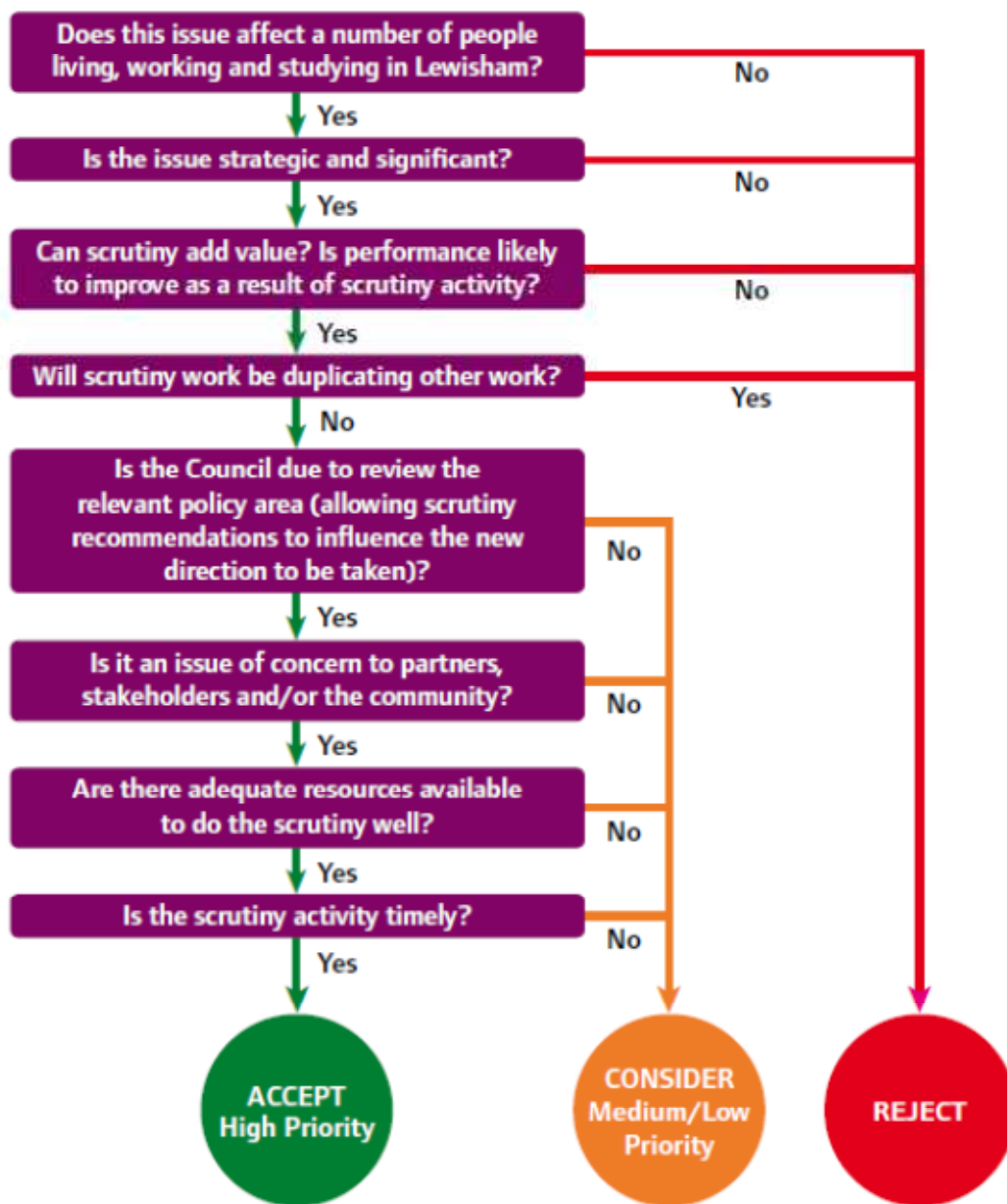
9.1 The date of the next meeting is 25 March 2014.

10. Background Documents

Lewisham Council's Constitution

Centre for Public Scrutiny the Good Scrutiny Guide – a pocket guide for public scrutineers

Scrutiny work programme – prioritisation process



Work Item	Type of review	Priority	Strategic Priority	Delivery deadline	April	June	July	September	November	December	February	March
Audit Panel Update	Constitutional Requirement/ Information Item	MEDIUM	CP10	March								
Asset Management Strategy update	Performance Monitoring	HIGH	CP10	March								
Revenue and Capital Budget monitoring	Performance Monitoring	HIGH	CP10	March		Final return	As at end May 2013		As at end September 2013			As at end December 2013
Management report	Information Item	LOW	CP10	March								
Cross-borough working	Standard Review	HIGH	CP10	November					Response			
Funding and Financial Management of ASC Review	In-depth review	HIGH	CP10	March		Scoping report	Evidence session	Evidence session	Final report			Response
Fairness review - Update	In-depth review	LOW	CP10	March			Employment					Procurement and Schools employment
Managing Contracts review - Response and update	In-depth review	LOW	CP10	March				Response				Update
Catford Regeneration Ltd	Standard Review	MEDIUM	CP10	September								
Financial Survey	Performance Monitoring	HIGH	CP10	September								
Building Control procurement	Standard Review	MEDIUM	CP10	September								
Revenue Budget Savings proposals	Standard Review	HIGH	CP10	December								
Annual Complaints Report	Performance Monitoring	MEDIUM	CP10	February								
Annual Budget 201/15	Standard Review/ Performance Monitoring	HIGH	CP10	February								

	Item completed
	Item ongoing
	Item outstanding
	Proposed timeframe
	Carried over from last year
	Item added

Meeting Schedule					
1) Wed	17-Apr	Dsp 9-Apr	5) Mon	11-Nov	Dsp 31-Oct
2) Thu	13-Jun	Dsp 4-Jun	6) Thu	16-Dec	Dsp 5-Dec
3) Wed	17-Jul	Dsp 9-Jul	7) Thu	06-Feb	Dsp 28-Jan
4) Tue	25-Sep	Dsp 17-Sep	8) Tue	25-Mar	Dsp 13-Mar

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**MAYOR & CABINET AND SCRUTINY
PROGRAMME OF BUSINESS**

Programme of Business for December 2013 - March 2014

Meeting date	Committee	Item	Directorate	Lead Officer
Tuesday, 28 Jan 2014	Overview and Scrutiny Business Panel	Decisions taken by Executive Directors		Janet Senior
Wednesday, 29 Jan 2014	Children and Young People Select Committee	Early intervention and targeted support	Children and Young People Directorate	
Wednesday, 29 Jan 2014	Children and Young People Select Committee	Generation Play Clubs update	Children and Young People Directorate	
Wednesday, 29 Jan 2014	Children and Young People Select Committee	Secondary school placements planning	Children and Young People Directorate	
February				
Monday, 3 Feb 2014	Housing Select Committee	Church Grove Self Build	Customer Services Directorate	
Monday, 3 Feb 2014	Housing Select Committee	Key housing Issues		
Monday, 3 Feb 2014	Housing Select Committee	Newham Landlord Licensing Scheme		
Monday, 3 Feb 2014	Housing Select Committee	Use of temporary accommodation for homeless households: update		
Monday, 3 Feb 2014	Joint Meeting of Children and Young People Select Committee and Safer Stronger Communities Select Committee	Youth Service Reforms	Children and Young People Directorate	
Tuesday, 4 Feb 2014	Sustainable Development Select Committee	Road safety and cycling	Resources and Regeneration Directorate	Simon Moss
Tuesday, 4 Feb 2014	Sustainable Development Select Committee	Update on plans for the extension of the Bakerloo line, DLR and Overground	Resources and Regeneration Directorate	Simon Moss
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	Adult Safeguarding Report	Community Services Directorate	

Meeting date	Committee	Item	Directorate	Lead Officer
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	CCG Plan for 2014/15		
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	Community Education Lewisham		
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	Learning Disabilities and Healthcare Services		
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	Lewisham Hospital – Update		
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	Prioritisation process for Public Health expenditure in 2014/15 (incl. Sustainability of Community Health Projects and Initiatives)	Community Services Directorate	
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	Public Health 2012/13 Annual Report	Community Services Directorate	
Wednesday, 5 Feb 2014	Healthier Communities Select Committee	The Healthier Catering Commitment scheme		
Thursday, 6 Feb 2014	Public Accounts Select Committee	Annual Budget 2014/15	Resources and Regeneration Directorate	
Thursday, 6 Feb 2014	Public Accounts Select Committee	Annual complaints report	Customer Services Directorate	Angelique Golding
Monday, 10 Feb 2014 Wednesday, 12 Feb 2014	Overview and Scrutiny Committee Mayor and Cabinet	Draft London Housing Strategy consultation	Customer Services Directorate	
Wednesday, 12 Feb 2014	Mayor and Cabinet	Budget 2014-15		Janet Senior
Wednesday, 12 Feb 2014	Mayor and Cabinet, Council	Catford Town Centre - CRPL Business Plan 2014/15		Kevin Sheehan
Wednesday, 12 Feb 2014	Mayor and Cabinet	Consultation response to the London Housing Strategy		Kevin Sheehan
Wednesday, 12 Feb 2014	Mayor and Cabinet	Heathside and Lethbridge: Update and Phase 4 A and B Disposal		Kevin Sheehan
Wednesday, 12 Feb 2014	Mayor and Cabinet	Adoption of Lewisham Town Centre Local Plan.		Janet Senior

Meeting date	Committee	Item	Directorate	Lead Officer
Wednesday, 12 Feb 2014	Mayor and Cabinet	Proposals for re commissioning differently the existing BME specific older adult day service at Calabash & St Mauritius as a non BME specific day service		Aileen Buckton
Wednesday, 12 Feb 2014	Mayor and Cabinet	Surrey Canal Sports Foundation - Funding Allocation		Janet Senior
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Award of contract for the enlargement of John Stainer Primary from 1 to 2 FE		Frankie Sulke
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Commissioned Youth Provision Contract Award		Frankie Sulke
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Community Services Investment Fund		Aileen Buckton
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Contract Award for works to construct a Primary Phase at Prendergast Ladywell Fields College		Frankie Sulke
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Contract variations to deliver the 2013 primary places programme		Frankie Sulke
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Deptford Southern Housing sites Development Agreement		Janet Senior
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Drug Intervention & Reducing Reoffending Service - transfer of Contract		Aileen Buckton
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Family Intervention Project (FIP) Contract		Frankie Sulke
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Funding for Carers		Aileen Buckton
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Rushey Green Primary School Contract Award		Frankie Sulke
Wednesday, 12 Feb 2014	Mayor and Cabinet (Contracts)	Public Health Contracts 2014		Aileen Buckton
Tuesday, 18 Feb 2014	Overview and Scrutiny Business Panel	Delivery of advisory and financial services contract award		Aileen Buckton
Tuesday, 18 Feb 2014	Overview and Scrutiny Business Panel, Overview and Scrutiny Education Business	Decisions taken by Executive Directors		Janet Senior

Meeting date	Committee	Item	Directorate	Lead Officer
	Panel			
Wednesday, 19 Feb 2014	Mayor and Cabinet	Budget Update Report		Janet Senior
Wednesday, 19 Feb 2014	Mayor and Cabinet	Response to Overview & Scrutiny Business Panel - Redevelopment of Lewisham Central Opportunity Site		Janet Senior
Wednesday, 19 Feb 2014	Mayor and Cabinet	Response to Overview & Scrutiny Business Panel - the Asset Rationalisation Programme		Janet Senior
Wednesday, 19 Feb 2014	Mayor and Cabinet	Response to Overview & Scrutiny Committee - Emergency Services Review		Aileen Buckton
Wednesday, 19 Feb 2014	Mayor and Cabinet	Response to Sustainable Development Select Committee and Housing Select Committee - regeneration and housing in Deptford and New Cross.		Janet Senior
Wednesday, 19 Feb 2014	Mayor and Cabinet	School Governor Appointments		Frankie Sulke
Tuesday, 25 Feb 2014	Safer Stronger Communities Select Committee	Comprehensive equalities scheme - monitoring and update	Resources and Regeneration Directorate	Paul Aladenika
Tuesday, 25 Feb 2014	Safer Stronger Communities Select Committee	Reshaping youth services - joint scrutiny with CYP select committee - update	Children and Young People Directorate	Warwick Tomsett
Tuesday, 25 Feb 2014	Safer Stronger Communities Select Committee	Safer Lewisham strategy monitoring and update	Community Services Directorate	Geeta Subramaniam-Mooney
March				
Tuesday, 4 Mar 2014	Children and Young People Select Committee	Corporate parenting update	Children and Young People Directorate	
Tuesday, 4 Mar 2014	Children and Young People Select Committee	Falling Through the Gaps Review - Update	Children and Young People Directorate	
Tuesday, 4 Mar 2014	Children and Young People Select Committee	Safeguarding status and update (including LSCB)	Children and Young People Directorate	

Meeting date	Committee	Item	Directorate	Lead Officer
Wednesday, 5 Mar 2014	Housing Select Committee	Developing Lewisham's housing assets: upgrading existing stock	Customer Services Directorate	
Wednesday, 5 Mar 2014	Housing Select Committee	Family Mosaic: Heathside and Lethbridge		
Wednesday, 5 Mar 2014	Housing Select Committee	In depth review into low cost home ownership report and follow up	Customer Services Directorate	
Wednesday, 5 Mar 2014	Housing Select Committee	Local Authority Borrowing Cap		
Wednesday, 5 Mar 2014	Housing Select Committee	Newham landlord licensing scheme	Customer Services Directorate	
Wednesday, 5 Mar 2014	Housing Select Committee	Review of the housing complaints process	Customer Services Directorate	
Wednesday, 5 Mar 2014	Mayor and Cabinet	144 Evelyn Street (Parker House) Surplus Declaration and Demolition		Janet Senior
Wednesday, 5 Mar 2014	Mayor and Cabinet	Asset Rationalisation Programme 2013/14		Janet Senior
Wednesday, 5 Mar 2014	Mayor and Cabinet	Church Grove Self Build Consultation		Kevin Sheehan
Wednesday, 5 Mar 2014	Mayor and Cabinet	Development of Post 19 provision at House on the Hill		Frankie Sulke
Wednesday, 5 Mar 2014	Mayor and Cabinet	Heathside and Lethbridge Estate, Lewisham - Phase 4B) Compulsory Purchase Order 2013		Kevin Sheehan
Wednesday, 5 Mar 2014	Mayor and Cabinet	Re-development of Heathside and Lethbridge Demolition Notice		Kevin Sheehan
Wednesday, 5 Mar 2014	Mayor and Cabinet	Management Report	Resources and Regeneration Directorate	Barrie Neal
Wednesday, 5 Mar 2014	Mayor and Cabinet	Strategic Asset Management Plan 2014/15		Janet Senior
Wednesday, 5 Mar 2014	Mayor and Cabinet (Contracts)	Award of contracts to cover consultancy services to the Primary Places Programme for Employers Agent and other professional services		Frankie Sulke
Wednesday, 5 Mar 2014	Mayor and Cabinet	Recommissioning borough based residential respite		Aileen Buckton

Meeting date	Committee	Item	Directorate	Lead Officer
2014	(Contracts)	care service		
Wednesday, 5 Mar 2014	Mayor and Cabinet (Contracts)	Section 75 Mental Health Services		Aileen Buckton
Wednesday, 5 Mar 2014	Mayor and Cabinet (Contracts)	Section 75 Overarching		Aileen Buckton
Wednesday, 5 Mar 2014	Mayor and Cabinet (Contracts)	Section 75 Public Health Services		Aileen Buckton
Wednesday, 5 Mar 2014	Mayor and Cabinet (Contracts)	Supporting People Contract Award (Pagnell Street and Edward Street/Adult Placement Scheme)		Aileen Buckton
Tuesday, 11 Mar 2014	Overview and Scrutiny Business Panel, Overview and Scrutiny Education Business Panel	Decisions taken by Executive Directors		Janet Senior
Wednesday, 12 Mar 2014	Sustainable Development Select Committee	Sustainable Resources update	Resources and Regeneration Directorate	Martin O'Brien
Wednesday, 12 Mar 2014	Sustainable Development Select Committee	Implementation of the street lighting contract	Customer Services Directorate	Ian Ransom
Wednesday, 12 Mar 2014	Sustainable Development Select Committee	Parking policy monitoring and update	Customer Services Directorate	Ralph Wilkinson
Wednesday, 12 Mar 2014	Sustainable Development Select Committee	Parks and street trees	Customer Services Directorate	John Thompson
Tuesday, 18 Mar 2014	Healthier Communities Select Committee	Lewisham Hospital – Update		
Tuesday, 18 Mar 2014	Healthier Communities Select Committee	Update on outcomes of Premature Mortality Review		
Wednesday, 19 Mar 2014	Children and Young People Select Committee	ECH Pathfinder Project	Children and Young People Directorate	

Meeting date	Committee	Item	Directorate	Lead Officer
Wednesday, 19 Mar 2014	Children and Young People Select Committee	Trading services to schools	Children and Young People Directorate	
Wednesday, 19 Mar 2014	Mayor and Cabinet	Matters referred by Public Accounts Select Committee - Funding and Financial Management of Adult Social Care Review		Aileen Buckton
Wednesday, 19 Mar 2014	Mayor and Cabinet	Matters referred by the Children and Young People Select Committee - Nursery Education and Childcare Review		Frankie Sulke
Wednesday, 19 Mar 2014	Mayor and Cabinet	Matters Referred by the Healthier Communities Select Committee on the Library and Information Service		Aileen Buckton
Wednesday, 19 Mar 2014	Mayor and Cabinet	Matters Raised by the Sustainable Development Select Committee on Sayes Court Garden		Aileen Buckton
Wednesday, 19 Mar 2014	Mayor and Cabinet	Matters raised by Overview & Scrutiny Business Panel - Recycling		Kevin Sheehan
Wednesday, 19 Mar 2014	Mayor and Cabinet (Contracts)	Procurement of the School Catering Contract Service		Frankie Sulke
Tuesday, 25 Mar 2014	Public Accounts Select Committee	Revenue and Capital Budget monitoring	Resources and Regeneration Directorate	
Tuesday, 25 Mar 2014	Public Accounts Select Committee	Management report	Resources and Regeneration Directorate	
Tuesday, 25 Mar 2014	Public Accounts Select Committee	Asset Management update	Resources and Regeneration Directorate	
Tuesday, 25 Mar 2014	Public Accounts Select Committee	Audit Panel Update	Resources and Regeneration Directorate	
Tuesday, 25 Mar 2014	Public Accounts Select Committee	Fairness Review update	Resources and Regeneration Directorate	
Tuesday, 25 Mar 2014	Public Accounts Select Committee	Managing Contract review - update on response	Resources and Regeneration Directorate	
April				
Wednesday, 9 Apr 2014	Mayor and Cabinet (Contracts)	Discretionary rate relief – awards over £10,000	Community Services Directorate	Kevin Sheehan

Meeting date	Committee	Item	Directorate	Lead Officer
Tuesday, 1 Apr 2014	Overview and Scrutiny Business Panel, Overview and Scrutiny Education Business Panel	Decisions taken by Executive Directors		Janet Senior
Wednesday, 9 Apr 2014	Mayor and Cabinet (Contracts)	Award of Contract for the Provision and Support of Multi-Functional Devices		Janet Senior
Wednesday, 23 Apr 2014	Overview and Scrutiny Business Panel, Overview and Scrutiny Education Business Panel	Decisions taken by Executive Directors		Janet Senior
May				

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