

Public Document Pack

Lewisham Council Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 25 February 2015.



Barry Quirk, Chief Executive
February 17 2015

Councillor Obajimi Adefiranye

Councillor Abdeslam Amrani

Councillor Chris Barnham

Councillor Paul Bell

Councillor Peter Bernards

Councillor Chris Best

Councillor Kevin Bonavia

Councillor Andre Bourne

Councillor David Britton

Councillor Bill Brown

Mayor Sir Steve Bullock

Councillor Suzannah Clarke

Councillor John Coughlin

Councillor Liam Curran

Councillor Janet Daby

Councillor Brenda Dacres

Councillor Amanda De Ryk

Councillor Joe Dromey

Councillor Damien Egan
Councillor Colin Elliott
Councillor Alan Hall
Councillor Carl Handley
Councillor Maja Hilton
Councillor Simon Hooks
Councillor Ami Ibitson
Councillor Mark Ingleby
Councillor Stella Jeffrey
Councillor Liz Johnston-Franklin
Councillor Alicia Kennedy
Councillor Roy Kennedy
Councillor Helen Klier
Councillor Jim Mallory
Councillor Paul Maslin
Councillor David Michael
Councillor Joan Millbank
Councillor Jamie Milne
Councillor Hilary Moore
Councillor Pauline Morrison
Councillor John Muldoon
Councillor Olurotimi Ogunbadewa
Councillor Rachel Onikosi
Councillor Crada Onuegbu
Councillor Jacq Paschoud
Councillor John Paschoud
Councillor Pat Raven
Councillor Joan Reid

Councillor Gareth Siddorn

Councillor Jonathan Slater

Councillor Alan Smith

Councillor Luke Sorba

Councillor Eva Stamirowski

Councillor Alan Till

Councillor Paul Upex

Councillor James-J Walsh

Councillor Susan Wise

Council Agenda

Wednesday, 25 February 2015

7.30 pm,

Civic Suite

Lewisham Town Hall

London SE6 4RU

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

Part 1

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

Agenda Item 1

COUNCIL		
Report Title	Declarations of Interests	
Key Decision		Item No. 1
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: February 25 2015

Declaration of interests

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

1 Personal interests

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

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

2 Disclosable pecuniary interests are defined by regulation as:-

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

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

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

(3) Other registerable interests

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

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

(4) Non registerable interests

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

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

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

of up to £5000

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

(6) Sensitive information

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

(7) Exempt categories

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

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

Agenda Item 2

COUNCIL		
Report Title	Minutes	
Key Decision		Item No.2
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: February 25 2015

Recommendation

It is recommended that the minutes of the meeting of the Council which was open to the press and public, held on January 21 2015 be confirmed and signed (copy previously circulated).

Agenda Item 3

COUNCIL		
Report Title	Announcements or Communications	
Key Decision		Item No.
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: February 25 2015

Recommendation

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

Agenda Item 4

COUNCIL		
Report Title	Petitions	
Key Decision	no	Item No.
Ward	n/a	
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 25 2015

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

Governance Support, Town Hall, Catford, SE6 4RU

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

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

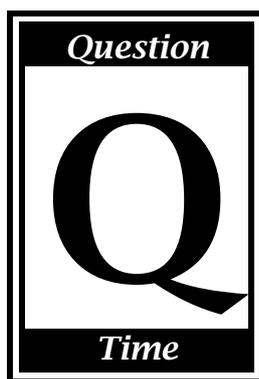
Agenda Item 5

COUNCIL		
Report Title	Public Questions	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 25 2015

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

Question **Questioner**

1.	John Hamilton
2.	Barbara Janiszewska
3.	Peter Richardson
4.	Patricia Richardson
5.	Imogen Solly
6.	John Hamilton
7.	Peter Richardson
8.	Patricia Richardson
9.	Imogen Solly
10.	Peter Richardson
11.	Patricia Richardson
12.	Imogen Solly
13.	Peter Richardson
14.	Imogen Solly
15.	Imogen Solly
16.	Patricia Richardson



PUBLIC QUESTION NO 1.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: John Hamilton

Member to reply: The Mayor

Question

You have been quoted as saying: "This Council is working hard to improve the supply of housing to families in housing need by building at least 500 homes ourselves by 2018." Mercury, 28th January 2015. Does this imply the use of a direct-labour organisation to build Council housing?

Can you confirm you do not intend to ask large, profit-making companies like Barratts to build houses on public land and then sell off 20% of them? Would you make a public statement to the Mercury confirming that the Council is, in fact, only having 6 council homes built on its behalf at the moment, the figure of 500 merely being an aspiration dreamed up prior to last May's elections and unlikely to be realised, in the same way as your promise in 2006 that all homes would be at Decent Homes standard by 2010.

Reply

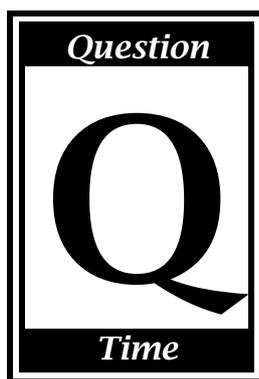
Mr Hamilton appears to be having difficulty distinguishing between the roles played by those who develop housing and those who actually construct it.

When we say that the Council will build homes, the work required to get the development ready will be undertaken by Lewisham Homes in most cases while the construction work will be through competitive tender to building firms which it is hoped will come from the smaller sector of the market which has found it hard to win very large contracts.

Lewisham Homes will, in this way, manage the construction of at least 625 new homes, which will include the 500 Council homes and a further 125 homes for sale that will create a cross-subsidy to increase the number of council units and also respond to local demand.

A range of partner Registered Providers, with the Council's support, will manage the construction of the remaining new homes to meet the target of at least 2,000 new affordable homes by 2018.

At present the first six Council homes are almost complete and will be ready for residents to move into before the end of March this year. In January we approved plans to take the total number of homes under development past 200. We have identified a wide range of potential development sites with the capacity to meet our ambitious targets, and we will be bringing forward detailed further plans for these later this year.



PUBLIC QUESTION NO 2.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Barbara Janiszewska - Lewisham People Before Profit

Member to reply: Councillor Bonavia

Question

Deptford Traders have complained that a flyer distributed using the Council's email accounts and staff time has been distributed to promote a Labour Party event on Thursday 5 February at the Albany. This flyer includes an invite to meet the Labour Party parliamentary candidate for Deptford who is not a borough councillor, and an event no other party candidate was invited to attend. Also a flyer that by not stating printed and published by, gave local traders the clear impression this event was organised by Lewisham Council.

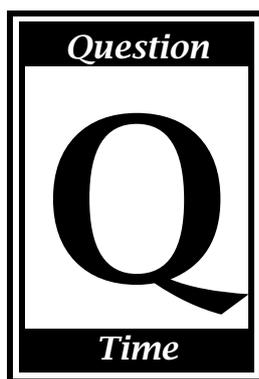
In light of strict election guidelines clearly set out by the electoral commission, can the Council confirm a councillor instructed staff to distribute a Labour party flyer in this way to promote its election candidate, and what measures are in place to show that while the Labour Party may be running the Council, Council employees' independence is not compromised in this way again?

Reply

Officers in the markets team had the good intention of telling market traders about a public event, led by local ward councillors, on issues that traders have long held a

strong interest in, such as anti-social behaviour, business rates and street cleaning. Officers were not instructed by councillors but took it upon themselves to hand out leaflets to traders on licensed stalls; they now understand that it was inappropriate to distribute a leaflet that drew attention to a prospective parliamentary candidate and the team will ensure there is no recurrence.

Councillors and officers are regularly reminded of the importance of distinguishing between party political and Council communications, and this unintended oversight serves as a useful reminder to maintain that approach.



PUBLIC QUESTION NO 3.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Mr Richardson

Member to reply: Councillor Best

Question

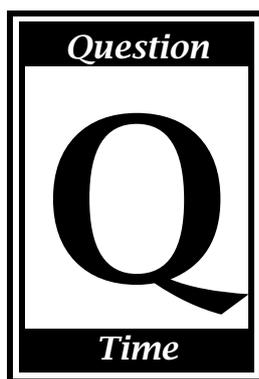
It is understood that Lewisham must make a 40% expenditure saving over the next 3 years and very few services are to be "ring-fenced". In view of this, are there any redundancies planned to be made in the Public Library and Information Service? Will there be any further reduction in numbers of the current seven branch libraries totally operated by the Council?

Reply

On 12 November 2014, Mayor and Cabinet delegated the Savings Proposal in relation to the Library and Information Service which have been sanctioned on 11 February 2015.

The proposal includes a reduction of £240,000 from the staffing budget but leaves unchanged the number of service points and the library opening hours.

The savings will be achieved through a restructuring of the Service which includes redundancies but will not impact on opening hours.



PUBLIC QUESTION NO 4.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Patricia Richardson

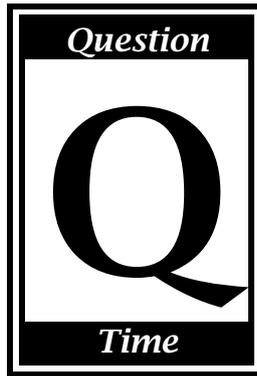
Member to reply: Councillor Best

Question

In a recent Blackheath Society newsletter, Sir Ian Mills wrote a piece to update members on the Age Exchange in Blackheath Village. It was stated that in order to continue to flourish, the charity would need a guaranteed income of between £400,000 and £450,000 per annum. As the Blackheath Community Library is based in the Reminiscence Centre, will there be any requirement for further investment of public money from the Council? Has any been asked for?

Reply

There is no plan to make any change to the library provision at the Reminiscence Centre in Blackheath. No request has been made to the Library and Information Service in relation to the future of this provision.



PUBLIC QUESTION NO 5.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Imogen Solly

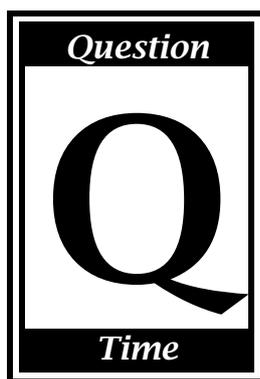
Member to reply: Deputy Mayor

Question

Despite choosing the 15th November for their public exhibition of plans for the Leegate Centre, St Modwen did not have their traffic analysis complete by this time. Has the Council yet been made aware of the results of this analysis through the pre application dialogue with St Modwen?

Reply

A transport statement, including a traffic analysis of the site and any cumulative impacts, will form part of the planning application. This will be made publically available and will be fully assessed by officers and TfL at that time. Conclusions drawn from the analysis of the Transport Assessment would be set out in a committee report to Members for consideration.



PUBLIC QUESTION NO 6.

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: John Hamilton

Member to reply: Councillor Egan

Question

The Council's target for affordable housing within any significant development is 50%. In the Lewisham Gateway plans have been approved which include no affordable housing of any kind whatsoever. Is it true that the Council has been advised that if it tries to insist on a target for affordable housing the developer might appeal to the GLA or central government and that the Council might then be required to pay compensation to a developer for any delay to the scheme? Is this risk the reason that the Council has caved in to the developer?

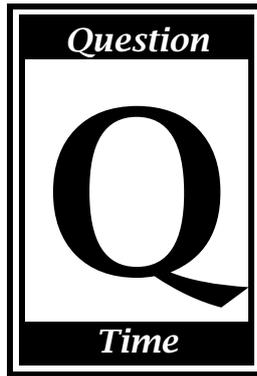
What is the total public money that has been spent (or will be spent) on infrastructure works and the value of land given to developers in the three housing developments at Loampit Vale, Thurston Road and Lewisham Gateway?

Reply

The decision to approve the Gateway development has been taken by our Strategic Planning Committee (in various incarnations from 2009), I have sat on that committee since 2012 and at no point in my memory have threats been made by the developer to take any decision on the scheme to the GLA.

The development itself will deliver a major infrastructure project which is the central focus of the Council's plans for the regeneration of Lewisham Town Centre, of which housing is only a part. The site is one of the five Strategic Site Allocations within the Core Strategy, seen as a catalyst for the regeneration of the town centre with the potential to deliver £250million of public and private investment. The very significant costs of these infrastructure works of £35m (which include the relocation and diversion of underground services, the removal of the roundabout and construction of the new road network and works to divert the Rivers Ravensbourne and Quaggy) are being met in full by the developer.

In terms of the exact details of these transactions, they are considered to be commercially sensitive. However, the Council has been satisfied that our legal obligations to ensure it receives best consideration and best value for its assets, whilst also furthering its wider corporate objectives (e.g. Regeneration), are being achieved on this strategic site.



PUBLIC QUESTION NO 7

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Mr Richardson

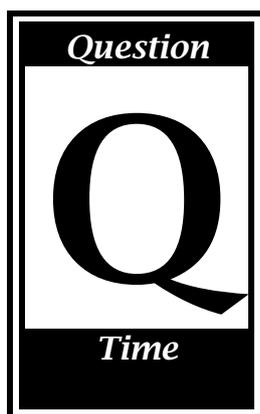
Member to reply: Councillor Best

Question

How many marriage ceremonies were performed at The Manor House, Old Road, Lee in the period 1st April 2014 until the 31st January 2015, and what has been the total income to The Manor House during the same period?

Reply

A total of 8 ceremonies were performed during this period. The total income received is £2570.



PUBLIC QUESTION NO 8

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Patricia Richardson

Member to reply: Councillor Best

Question

This question concerns access on the research initiative to give free access to a wide range of academic research, funded by public money, through local libraries. In March 2011 David Willetts (then Minister of State for Universities and Business) launched the scheme, also in collaboration with publishers. In September 2013 a 3 month technical trial, in which Lewisham was involved, was launched and in Feb 2014 the project was fully launched by the said minister at Lounge. When I asked staff at the Manor House Library, this week, about this they had no information and I could see no notices or posters drawing attention to this availability. Will the library service be making the public more aware of what is open to public research?

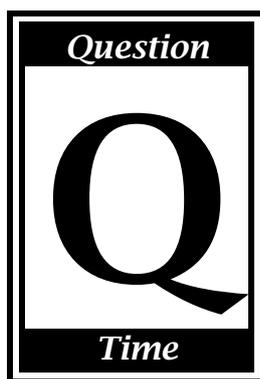
Reply

Lewisham was part of a trial programme that highlighted a number of technical issues that limited access to the provision. Most of these have been remedied and the service is more stable than it was when it was launched. The pilot is a 2 year project which will terminate in December 2015.

The Library and Information Service is now training staff to support the public in the usage of Access to Research.

Access to Research is listed on the Libraries website Virtual Library page and there are plans to publicise the service more fully as soon as staff are confident enough to make full use of Access to Research.

Information learned from the training programme and the technical input that Lewisham contributed have been fundamental to roll out of Access to Research nationally and we continue to contribute to the development of this pilot.



PUBLIC QUESTION NO 9

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Imogen Solly

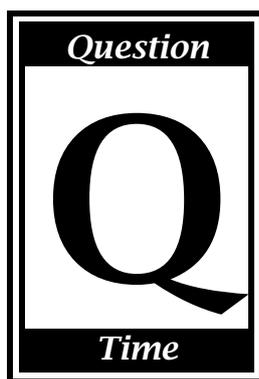
Member to reply: Deputy Mayor

Question

Has the Council yet been able to obtain information about how a second superstore at Lee Green opposite the existing Sainsbury's would affect the Leegate Centre and Lee Green area economically?

Reply

Officers have advised that the planning application will need to be accompanied by a Retail Statement that would address retail issues including the impact of two supermarkets trading in the Lee Green Area. Once a valid planning application is received, the application, including this document, will be made publically available.



PUBLIC QUESTION NO 10

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Peter Richardson

Member to reply: Deputy Mayor

Question

It is understood that Lewisham will implement a 20mph Road Speed maximum across the entire Borough. Since this is significantly below the Statutory Speed Limit for built-up areas, can the Council explain how this will be enforced and if it is intended to be only governed by speed humps or road-width cushions, what is the estimated cost of this project?

Reply

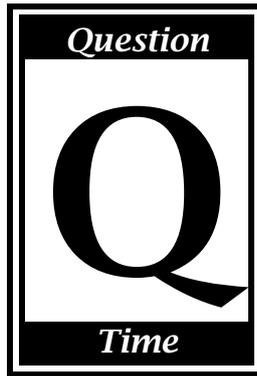
The programme of work is in the very early stages. The initial part of this work will be to carry out an audit of the speed of traffic at various locations across the borough.

We will be working in consultation with the Police to ensure a good level of compliance through a variety of measures. This may include some traffic calming, signs, and widespread publicity. Any safety cameras that are already at sites where there were fatal or serious injury collisions may be set at the lower speed limit.

The main aim is to create a consistent and fair road network for all borough road users. The Labour manifesto for the 2014 mayoral and local elections - 'Lewisham Together, towards a better future' plans to build on the success of the 20mph zones by introducing a borough 20 mph speed limit.

The exception will be the TFL managed roads, namely the South Circular and the A21, A200 (Evelyn Street) which are the red routes.

The cost of the scheme in total is £1.2M.



PUBLIC QUESTION NO 11

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Patricia Richardson

Member to reply: Councillor Best

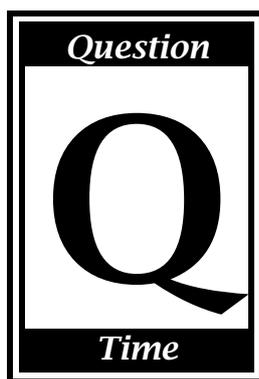
Question

Recently the Sieghart Report on the public Library Service was published. Has the service in Lewisham taken note of the recommendations and comments and will it be employing any such ideas in its library service at a later date?

Reply

Lewisham's Library and Information Service has contributed to the Sieghart's research and will be contributing to the work of the recently established Task Force through the role we plays within the Society of Chief Librarians.

The Library and Information Service in Lewisham is in many respects far ahead of the recommendations in the report. Among other things, Lewisham offers free WiFi in every library; we have established extraordinarily strong links with local communities through our Community Libraries; we have piloted Access to Research; the service has offered an e-lending collection since 2009 and we have fostered cross-borough collaboration through the London Libraries Consortium.



PUBLIC QUESTION NO 12

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Imogen Solly

Member to reply: Councillor Best

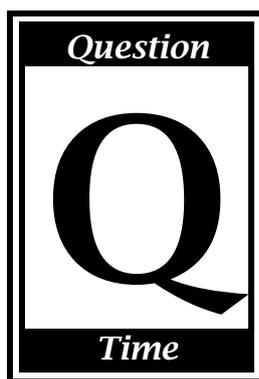
Question

Does the Council believe the level of financial suffering which will be caused to vulnerable people through increasing charges for adult social care is proportionate to the impact the £275,000 which might be saved if all proposals, when put in place, would have on the £90m of savings to be made by the Council?

Reply

Following the consultation period, a report on the proposed changes to the Council's charging and contributions policy was considered by the Executive Director for Community Services on 6 February 2015.

The Executive Director for Community Services considered the recommendations alongside the consultation report and the Equality Analysis Assessment. Whilst agreeing that an increase in charges and contributions was necessary to contribute to the Council's overall savings target, the Executive Director agreed that two proposed changes should not be implemented, one in relation to carers and one in relation to transport, and that the proposal to reduce the income support buffer from 35% to 25% should be phased in over a two year period. This decision was taken in order to mitigate the potential impact on service users and their carers.



PUBLIC QUESTION NO 13

Priority 4

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Peter Richardson

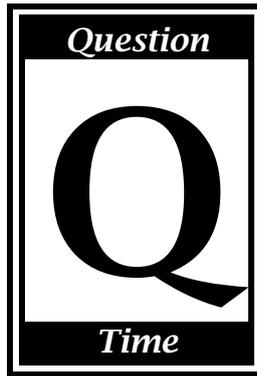
Member to reply: Councillor Best

Question

Manor House Library has a substantial computer room in the lower ground floor of the building with two windows facing the entrance drive. The plaster of the interior wall below and alongside the window nearest to the entrance steps has been removed to floor level revealing the brick beneath. It has been like this for some time, implying it has suffered from ingress of water. As the bottom of the windows are actually at external ground level, has there yet been any remedial work to waterproof this part of the building and do the costs of this lie with the Council or the private company which was responsible for the building's refurbishment which was completed in 2009?

Reply

Remedial work has been carried out to the internal and external area of The Manor House. This has included the installation of a soak-away to improve the drainage to the front of the building. Further work is required to replaster the internal area and improve the ventilation.



PUBLIC QUESTION NO 14

Priority 4

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Imogen Solly

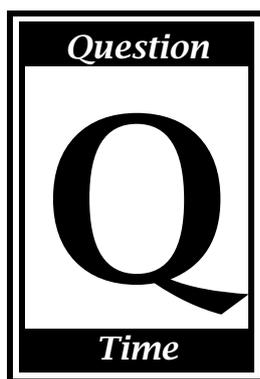
Member to reply: Councillor Best

Question

As the Council raises charges and cuts services, will the money allocated to vulnerable people to source social care privately, accurately reflect the cost of acquiring care from the private sector or will allowances continue to be based on an official list which seems based more on the cost to the Council of providing services directly?

Reply

The value of a personal budget does reflect the cost of purchasing care from local providers.



PUBLIC QUESTION NO 15

Priority 5

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Imogen Solly

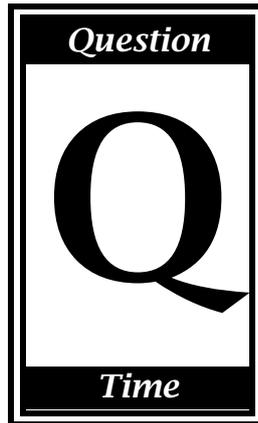
Member to reply: Councillor Best

Question

Does the Council agree that services such as the Door2Door transport service which provide vital community links for vulnerable people, essential in an integrated health and social care strategy, should not be cut until and unless there is a proven, safe and workable alternative available to service users?

Reply

Work is in progress to build on the arrangements to extend community transport options. These can be used as an alternative form of transport for some people.



PUBLIC QUESTION NO 16

Priority 4

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

Question asked by: Patricia Richardson

Member to reply: Councillor Bonavia

Question

Councillors have certain restrictions placed on them in certain areas when their representation in a ward may be a conflict of interest with various plans for that ward.

Does the same apply to an officer living in a council ward having control of a plan in that ward?

Reply

Officers are subject to the Council's employee code of conduct. This provides for disclosure of personal interests. Whether or not an officer has a disclosable interest will depend on the circumstances in each particular case and their involvement, if any, in any decision making that may affect their interest.

Agenda Item 6

COUNCIL		
Report Title	Member Questions	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 25 2015

7. Questions from Members of the Council

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

QUESTION No. 1

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

Following the welcome paving of half of Kilmore Road SE23 last summer in the financial year 2014/15, and reassurance from LBL's Highways Department that the other half will be paved within the financial year 2015/16, can the Deputy Mayor please provide residents of the road with the date for when this will take place?

Reply

The current proposal is that the remaining footways in Kilmore Road will be repaved in the 2015/16 programme. Once the 2015/16 budgets are set then the programme for the future footway works will be established with the Council's Highways Term Contractor.

QUESTION No. 2

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

**Question by Councillor John Paschoud
of the Deputy Mayor**

Question

Large numbers of pedestrians need to cross the stretch of Perry Vale, near to the entrance to Forest Hill Rail Station and the pedestrian subway to the Forest Hill side of the Station, every day. Many of these pedestrian journeys are to and from the Station but people also need to cross near here to reach St Georges Primary School, Perrymount Primary School, and shops in Perry Vale, London Road and Dartmouth Road.

Could the Deputy Mayor tell me (with the aid of a map or plan if necessary) where, in the opinion of his Highways and Traffic officers, would be the safest place on this stretch of Perry Vale for pedestrians to cross the road, and what measures to control the speed of vehicles or give pedestrians priority, might make this particular stretch of road a better place to live, work or learn?

Reply

In 2008, to facilitate pedestrians, the Council realigned this road, widened the footways, installed a flat topped speed table and improved the sight lines around the bend. The geometry of the road at this location is such that it is not suitable for a controlled crossing.

QUESTION No. 3

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

**Question by Councillor Michael
of the Cabinet Member for Community Safety**

Question

What is your Equalities brief from The Mayor and what is your strategic plan of its application for the benefit of local residents, businesses, educational establishments, Council Officers, staff and elected members?

Reply

Given the Council's role in reducing inequality across the borough and ensuring that services are delivered in an efficient, effective and equitable manner, briefings provided to the Lead Cabinet Member for Equalities are of particular importance. In this role, I work with the Executive Director for Community Services to provide the strategic oversight and direction of the equalities agenda and provide advice to the Mayor on equality developments and issues. As Lead Cabinet Member for Equalities, I also receive briefings from officers as appropriate on matters affecting this role.

The strategic policy framework for the Council's equalities work is the Comprehensive Equalities Scheme 2012-16. The Scheme, which incorporates all aspects of Council business, sets out ambitions and objectives for promoting life chances and empowerment in the borough in line with the statutory provisions of the Equality Act 2010. The Comprehensive Equalities Scheme is available on the Council's website.

An annual review of the Comprehensive Equalities Scheme is presented to the Safer Stronger Communities Select Committee each year. The Committee last received this review on 25 February 2014 and the next review is time-tabled for 10 March 2015.

QUESTION No. 4

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

What are the latest actions the Council is taking to expedite the reconstruction of The Greyhound public house and is there a date for completion?

Reply

On 10th February 2015, a S96a application proposing non-material amendments to the Greyhound scheme approved in 2010 was granted planning permission. The proposed changes included;

- The construction of a replacement roof;
- The retention of an enlarged basement;
- The omission of a rear elevation window;
- Amendment to the west elevation regarding the proposed sliding door and omission of a ground floor window;
- Provision of replacement railings and door to the existing first floor balcony;
- The formation of a chimney to accommodate internal ventilation ducting;
- The provision of new timber openings;
- A rooflight to the rear slope;
- Stone plinths with replica greyhounds.

It was considered by officers that the works outlined would not materially harm the appearance of the Greyhound building, the amenities of neighbouring occupiers or the character of the Cobbs Corner Conservation Area.

The land owners are now seeking to formally submit detailed plans, specifications and a method statement to the Council. These will address both Building Regulations and Schedule 10 of the S106 Agreement dated 24 May 2010, which required the submission of reinstatement and refurbishment works to be undertaken,

including confirmation of the method of construction. It is anticipated that these will be received in late February or early March.

There is no agreed date in place for the recommencement of building works at present. However, the applicants have advised they would seek to mobilise works within approximately 3 weeks of Building Control details being approved, whilst construction works would take up to 4 months.

A further update will be reported to Mayor and Cabinet on 25th March. Should there be no indication of when works will recommence at that stage, it would clearly be appropriate for the Council to consider legal action.

QUESTION No. 5

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

In the last few months, Forest Hill has had occurrences of 'natural springs' emerging from roads: Manor Mount, Ewelme Road, Sydenham Hill and possibly London Road. During the recent cold weather spells this water has frozen on Ewelme Road creating hazardous road conditions resulting in cars sliding into other cars, lamp posts etc.

The residents believed this to be water leaks, but Thames Water teams have pointed out that these were not mains water leaks but naturally occurring water in the high water tables from the water saturated high ground.

The 2010 Flood and Water Management Act passed the responsibility from Environmental Agency to Local Government for such issues.

What steps has the Council taken to ensure it is meeting its obligations under this Act, and in particular regarding the above issues? Is there a developed plan of actions including communications flow and a range of actions appropriate for such situations? What is the Council doing to communicate this plan to relevant stakeholders? What advice is given to residents?

Reply

The Council is in discussion with Thames Water on the water discharging onto the highway, as it appears to be emerging from an old Thames Water reinstatement . An excavation may be required to confirm the source as either a Thames Water responsibility or groundwater.

In terms of groundwater the UK Groundwater Forum advises;-
"The precautions that can be taken by local authorities or the environment regulators to protect against groundwater flooding are limited. Groundwater flooding is often

more difficult to prevent than surface water flooding; it is not as simple as building flood defences to prevent river water spilling over its banks. There are some areas where groundwater flooding has been dealt with by installing pumps to remove groundwater and so lower the water table but these only have a localised effect, and there is still the problem of having somewhere to discharge the water.”

Lewisham Council is a Lead Local Flood Authority. The role of Lead Local Flood Authority (LLFA) was created by the Flood Risk Regulations 2009, and defined and developed further by the Flood and Water Management Act 2010. Lead Local Flood Authorities have been assigned the flood risk management function of managing local flood risk, which is defined as flooding resulting from surface runoff, groundwater and ordinary watercourses. The way in which the Act assigns the flood risk management functions of these sources of risk is through section nine, which puts a duty on the authority to ‘develop, maintain, apply and monitor a strategy for local flood risk management in its area’, which is followed by a definition of ‘local flood risk’.

The Council recently received approval to consult on its draft Local Flood Risk Management Strategy and six-year Action Plan. LLFAs have a significant role to play in coordinating partner risk management authorities such as the Environment Agency and Thames Water to build awareness of flood risk within the community; assisting in ongoing community engagement as part of identifying measures; and outlining the scope of plans affecting specific communities.

The Council’s website contains information for residents and businesses on how to report flooding incidences.

QUESTION No. 6

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

**Question by Councillor Hall
of the Mayor**

Question

"Has the Mayor any indication of the Ambulance, Fire and Police spend in Lewisham for 2015/16?"

Reply

In respect of the Metropolitan Police Service, the figure is a Met-wide one and not calculated at borough level.

In respect of the Fire Service, the Mayor of London sets the budget for the London Fire and Emergency Planning Authority (LFEPA) for the entire running costs of the London Fire Brigade. This money is then put into the smaller budgets, some of which is attributed to stations rather than boroughs and some budgets are allocated on bids or greatest need i.e. property maintenance / refurbishments.

NHS Lewisham Clinical Commissioning Group's contract with the London Ambulance Service for 2014/15 was £9.3m. This is a contribution towards the total cost. The Lewisham contract for 2015/16 is expected to be of a similar value.

QUESTION No. 7

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

**Question by Councillor Bourne
of the Cabinet Member for the Public Realm**

Question

A number of constituents have raised concerns due to the lack of disabled access on The Green, next to King's Church. Can the Council confirm whether any action will be taken to make The Green, wheelchair and pushchair friendly?

Reply

The Green next to King's Church is the responsibility of the Phoenix Community Housing Trust Housing Group and is maintained by them.

Phoenix have carried out a site visit of the area to look at the feasibility of installing disabled access. The main entrance to the green is on a steep, sloped hill with a high grading and is also near residential gardens. Access to services such as gas supply and the drainage system for residents is directly underneath this pathway.

The initial site visit has highlighted that it would not be viable at this stage to implement full disabled access in this particular location.

Phoenix remain very committed to ensuring that all our residents have access to the greens and open spaces and will continue to engage and work with residents to look at the most viable options to make our greens and open spaces accessible to all residents and visitors.

QUESTION No. 8

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

Further to the successful consultation on proposals to extend the Bakerloo line along the Hayes line through Bellingham ward, will consideration be given to using this opportunity to widen the road underneath the Hayes line at Southend Lane as part of the extension works, thereby relieving a significant bottleneck for local traffic?

Reply

In response to TfL's consultation on the Bakerloo Line Extension, the Council has identified two options for improving Lower Sydenham Station and surrounding environment. One option would be to regenerate the existing industrial area surrounding the station, creating a new local place with improved pedestrian links to the existing local centre.

Another option would be to relocate the station further north (near Southend Lane) closer to the heart of the existing local centre. This would benefit the residents of Lower Sydenham, but there are other likely impacts which remain to be investigated, such as the impact on the Waterlink Way.

The opportunity to widen the bridge span will be considered under either option. However, this pinch-point does serve to restrain the volume of traffic using Southend Lane and we would have reservations about the impact of increasing the number of lanes under the bridge. The primary purpose for widening the bridge span will be to provide an improved environment for pedestrians and cyclists, and to optimise the road width for the purposes of vehicle safety and visibility.

Both options require further consideration and the Council will be engaging with Transport for London on further work to find the best solution.

QUESTION No. 9

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

Can the Deputy Mayor please provide residents of Kilmore Road SE23, the date for when the long awaited complete resurfacing, rather than haphazard patching, of the road will take place?

Reply

The resurfacing programme is devised on a priority basis, predominantly based upon the condition of the highway network and the available budgets. Unfortunately, on this basis, Kilmore Road is not scheduled to be resurfaced within the existing programme.

QUESTION No. 10

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

**Question by Councillor Curran
of the Cabinet Member for the Public Realm**

Question

What statistics does the Council have with regard to a) the number of players at Beckenham Place Park Golf Course on a daily basis and b) the income derived from the golf course?

Reply

- a) The Council collects golf course usage figures on a monthly basis from Glendale Golf.

	2014/15	Year	Number of rounds
March	1361		
April	2038	2002/3	38531
May	1907	2003/4	35734
June	2067	2004/5	25535
July	2437	2005/6	28381
August	2327	2006/7	26636
September	2251	2007/8	26174
October	1706	2008/9	22514
November	1101	2009/10	21794
December	831	2010/11	19803
January	906	2011/12	20949
	18932	20012/13	16483

- b) The Council has a 3-year interim agreement with Glendale Golf, to 31st December 2015, to manage the golf and catering operations at Beckenham Place Park. Golf and catering income is retained by Glendale Golf who pay an annual fixed fee to the Council - £67,119 in 2014/15. The risk of fluctuating usage figures is borne by Glendale Golf allowing the Council to manage a balanced budget.

QUESTION No. 11

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

Please give an update on progress with regard to the future use of the former housing office at 109 Randlesdown Road.

Reply

The former housing office is 111 Randlesdown Road. It is intended that the premises is occupied by Lewisham Disability Coalition (LDC) .

Legal Services are at an advanced stage of finalising formal lease arrangements in order that the group can take up occupancy.

QUESTION No. 12

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

**Question by Councillor Wise
of the Cabinet Member for the Public Realm**

Question

Over recent years, at least four trees have been removed from Kilmore Road SE23 for various reasons, with the promise from LBL's Green Scene that they would be replaced in the financial years 2013/14 or 2014/15. As this has not happened, can the Cabinet Member please provide the date for when the trees' replacement will take place?

Reply

It was agreed with Green Scene's tree officer, that two replacement trees, (Amelanchier arborea), would be planted in Kilmore Road this planting season as part of this year's Green Scene funded tree replacement programme. Unfortunately this budget is very small and could not accommodate the replacement of all four trees removed over recent years. The 2 trees will be planted by the end of this financial year.

QUESTION No. 13

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

There have been many complaints about the construction of a new central reservation at the eastbound Highclere Street bus stop in Sydenham Road which means that whenever a bus stops there, it prevents all traffic from passing. Was this intentional and will it be reviewed?

Reply

As part of the Sydenham East scheme the pavements were widened, central reservations improved and bus stops repositioned, and in particular by Highclere Street this allowed:

- 1) The school crossing patrol to operate more safely as previously the crossing patrol had to contend with a very wide 2-lane section of road with 2 lanes of oncoming traffic on the eastbound carriageway.
- 2) The visibility is improved for exiting vehicles from both Sunnydene Street and Highclere Street into Sydenham Road.
- 3) Reduced carriageway width generally leads to a speed reduction.
- 4) The centre islands which, were already there, have been upgraded and connected to prevent vehicles getting caught between the two previous islands.

Officers have not witnessed long vehicle queues as a result of these works.

The works are now near completion in Sydenham Road. The only option that could be considered, would be to shorten the revised centre island and that would be a decision for the future following on site monitoring by a Council's Engineer.

QUESTION No. 14

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

When will Aldermoor Road be resurfaced, with reference to several assurances that this will be during this financial year?

Reply

Aldermoor Road is programmed to be resurfaced on the 17 March 2015.

QUESTION No. 15

Priority 4

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

Honeyfield Mews is a cul de sac off Dacres Road SE23, where the Dacres Road Nature Reserve is located. The cul de sac is adjacent to a block managed by Lewisham Homes, and there is a recently built small private development in the Mews. The road is in a serious state of disrepair and requires resurfacing. It is an unadopted road, and Lewisham Council and Lewisham Homes each believe the maintenance of it sits with the other organisation.

As that part of Dacres Road is in the process of being resurfaced, is it possible that the work on Honeyfield Mews can be performed at the same time, with Lewisham Council, Lewisham Homes and perhaps the residents of the private development coming to some arrangement over this? It would also be very helpful to resolve the maintenance issue for the future, could that be done also?

Reply

Dacres Road is now resurfaced.

Lewisham Homes sold the land to facilitate the development but kept the access road, now known as Honeyfield Mews. Paragraph 7.1 of the Transfer requires the developer and successors in title to make "a reasonable contribution to the cost of maintaining or keeping [the access road] in repair. Therefore, Lewisham Homes will need to make arrangements with the developer/successors for such necessary repairs to this access road.

QUESTION No. 16

Priority 4

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

25 FEBRUARY 2015

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

Question

What procedures will LB Lewisham and the Metropolitan Police take to enforce speed limits and prevent speeding in the borough's 20mph roads?

Reply

The current speeds are to be collected through a number of speed surveys.

In consultation with the Police the speeds will be assessed and we will jointly look at the issues arising and what options there are to reduce speeds.

On roads where the speeds are higher than expected we will look at traffic calming to reduce speeds. Existing safety cameras may be set at the lower speeds, traffic calming may also be introduced to roads following the introduction of the speed limit on roads where compliance is not being met.

20mph signs will be placed around the borough, with more obvious signs as vehicles enter the borough.

This will be carried out alongside widespread publicity and work within businesses and schools.

There is also an opportunity to engage with the Police in Community Speed Watch, which is a community project where the local community work with a Police Officer to record speeds on a Speed Laser. Those travelling over the speed limit will be sent warning letters from the Police initially. This is a new project which the road safety team will support the Police to introduce in Lewisham.

COUNCIL			
REPORT TITLE	2015/16 Budget		
KEY DECISION	Yes	Item No.	
WARD	All		
CONTRIBUTORS	Executive Director for Resources & Regeneration		
CLASS	Part 1	Date	25 February 2015

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 2015/16. These include the following:

- The proposed Capital Programme (General Fund and Housing Revenue Account) budget for 2015/16 to 2018/19 of £424.3m, of which £132.7m is for 2015/16;
- The proposed rent increase of 2.61% (an average of £2.51 per week) in respect of dwelling rents, 2.2% (average £1.50 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 £130.9m for 2015/16;
- The provisional Dedicated Schools Grant allocation of £275.8m and a separate Pupil Premium allocation of £18.2m for 2015/16.
- In respect of the General Fund, the assumed net revenue expenditure budget of £246.224m. This is made up of provisional Settlement Funding from government of £160.017m (grant and business rates), forecast Council Tax receipts, and a surplus on collection of Council Tax in previous years from the Collection Fund.
- The changes to the prior year General Fund position to meet the 2015/16 net revenue budget of £246.224m are proposed on the basis of the following assumptions:
 - £26.9m of revenue budget savings are proposed for 2015/16;
 - £1.5m of revenue budget savings have been previously agreed for 2015/16;
 - £7.5m is provided for budget pressures in 2015/16 of which it is being recommended that £4.3m of specific identified budget pressures be funded now and £3.2m be set aside for identified, but as yet un-quantified risks;
 - £5.0m use of the New Homes Bonus reserve for revenue purposes for one year with the position to be reviewed for 2016/17;
 - An assumed 0% increase in Council Tax for Lewisham's services for 2015/16 and in so doing, receive the Government's freeze grant of £1.0m; and
 - A combination of once-off reserves and provisions be used to fund the current savings shortfall of £5.0m for 2015/16 to balance the budget, pending further proposals from the Lewisham Future Programme in 2016/17 to make this up.

- 1.2 The report also looks to the medium term financial outlook and notes the prospects for the budget in 2016/17, 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 2014/15 and to set the Budget for 2015/16. This report allows for the Council Tax to be agreed and housing rents to be set for 2015/16. 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 presented at Mayor & Cabinet on the 11 February 2015. The approval and successful delivery of these savings are required in order to help balance the budget for 2015/16 and to address the budget requirement for 2016/17.

3. RECOMMENDATIONS

- 3.1 That Council approves the recommendations shown below in respect of the 2015/16 Budget. This is subject to any amendments which the Mayor may make when considering the 2015/16 Budget update report to be presented to Mayor & Cabinet on 18 February 2015.

Council is asked to:

3.2

Capital Programme

- 3.3 note the 2014/15 Quarter 3 Capital Programme monitoring position as set out in section 5 of this report;
- 3.4 approve the 2015/16 to 2018/19 Capital Programme of £424.3m, there are two new proposed major capital projects for 2015/16 and it includes an allocation of £90,000 of capital to Phoenix Housing in respect of their proposals for developing the Fellowship Inn, as set out in section 5 of this report and attached at Appendices W1 and W2;

Housing Revenue Account

- 3.5 note the consultation report on service charges to tenants' and leaseholders in the Brockley area, presented to area panel members on 11th December 2014, as attached at Appendix X3;
- 3.6 note the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 15th December 2014, as attached at Appendix X4;
- 3.7 set an increase in dwelling rents of 2.61% (an average of £2.51 per week) – option B as presented in section 6 of this report, in accordance with current Housing Revenue Account financial strategy;

- 3.8 set an increase in the hostels accommodation charge by 2.20% (or £1.50 per week), in accordance with the Rent Restructuring formula;
- 3.9 approve the following average weekly increases for dwellings for:
- 3.9.1 service charges to non-Lewisham Homes managed dwellings (Brockley);
- caretaking 2.20% (£0.07)
 - grounds 2.20% (£0.04)
 - communal lighting 2.20% (£0.01)
 - bulk waste collection 2.20% (£0.02)
 - window cleaning 0.00% (£0.00)
 - tenants' levy No increase
- 3.9.2 service charges to Lewisham Homes managed dwellings:
- caretaking No increase
 - grounds No increase
 - window cleaning No increase
 - communal lighting 40.70% (£0.35)
 - block pest control 5.16% (£0.08)
 - waste collection No change
 - heating & hot water -18.93% (-£1.87) decrease
 - tenants' levy No increase
- 3.10 approve the following average weekly percentage increases for hostels and shared temporary units for;
- service charges (hostels) – caretaking etc.; 4.08% (£2.77)
 - no energy cost increases for heat, light & power; 0.0% (£0.00)
 - water charges increase; 5.88% (£0.01)
- 3.11 approve an increase in garage rents by Retail Price Inflation (RPI) of 2.3% (£0.20 per week) for Brockley residents and 2.3% (£0.27 per week) for Lewisham Homes residents;
- 3.12 note that the budgeted expenditure for the Housing Revenue Account (HRA) for 2015/16 is £130.9m;
- 3.13 endorse the HRA budget strategy savings proposals in order to achieve a balanced budget in 2015/16, as attached at Appendix X1;
- 3.14 agree to write off 20 cases of Former Tenants' Arrears as set out in section 6 and Appendix X6, totalling £265,843.81;

Dedicated Schools Grant and Pupil Premium

- 3.15 subject to final confirmation of the allocation, agree that the provisional Dedicated Schools Grant allocation of £275.8m be the Schools' Budget for 2015/16; and
- Agree the changes to the funding arrangements for High Needs Pupils as set out in paragraph 7.12;
 - Note the level of pupil premium anticipated for 2015/16 of £18.2m

General Fund Revenue Budget

- 3.16 note the projected overall variance against the agreed 2014/15 revenue budget as set out in section 8 of this report and that any year-end overspend will have to be met from reserves;
- 3.17 endorse the previously approved revenue budget savings of £1.48m for 2015/16 and delegated budget savings proposals as per the Mayor and Cabinet meeting of the 12 November 2014, as set out in section 8 of the report and summarised in Appendix Y1;
- 3.18 note that the revenue budget savings presented at the Mayor and Cabinet meeting held on the 11 February 2015 as summarised in Appendices Y1 and Y2 of the 2015/16 Revenue Budget Savings Report, (with the exception of proposal O1) will be used to balance the budget.
- 3.19 endorse the previously agreed efficiency savings of £2.5m from 2015/16 to 17/18 to be off-set against non-pay inflation in directorate budgets.
- 3.20 agree the transfer of £5.0m in 2015/16 from the New Homes Bonus reserve to the General Fund for one year to meet funding shortfalls and that the position be reviewed again for 2016/17;
- 3.21 agree the use of £4.96m reserves to fill the budget gap in 2015/16;
- 3.22 agree to create a fund in respect of quantified revenue budget pressures in the sum of £4.3m in 2015/16, allowing the Executive Director for Resources & Regeneration to hold these resources corporately until such time that these pressures emerge during the year, and authorise the Executive Director for Resources and Regeneration to allocate these funds to meet pressures when satisfied that those pressures cannot be contained within the Directorates' cash limits;
- 3.23 agree to create a fund in respect of as yet un-quantified revenue budget risks in the sum of £3.2m in 2015/16, allowing the Executive Director for Resources & Regeneration to hold these resources corporately in case these pressures emerge during the year, and authorise the Executive Director for Resources and Regeneration to allocate these funds to meet such pressures when satisfied that those pressures cannot be contained within the Directorates' cash limits;
- 3.24 agree that a General Fund Budget Requirement of £246.224m for 2015/16 be approved, based on a 0% increase in Lewisham's Council Tax element and the 1% Council Tax freeze grant of £1.0m being accepted. This will result in a Band D equivalent Council Tax level of £1,060.35 for Lewisham's services and £1,355.35 overall. This represents an overall decrease in Council Tax for 2014/15 of 0.3% and is subject to the GLA precept for 2015/16 being reduced by 1.3% from its existing 2014/15 level, in line with the GLA's final draft proposal;
- 3.25 note the Council Tax Ready Reckoner which for illustrative purposes sets out the Band D equivalent Council Tax at various levels of increase. This is explained in section 8 of the report and set out in more detail in Appendix Y3;
- 3.26 ask that the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2015/16 Revenue Budget is agreed;

- 3.27 agree the Chief Financial Officer's Section 25 Statement, as attached at Appendix Y4;
- 3.28 agree the statutory calculations for 2015/16 as set out at Appendix Y5;
- 3.29 note the prospects for the revenue budget for 2016/17 and future years as set out in section 9;
- 3.30 agree that officers continue to develop firm proposals as part of the Lewisham Future Programme to help meet the forecast budget shortfalls in 2015/16 and for future years;

Other Grants (within the General Fund)

- 3.31 note the adjustments to and impact of various specific grants for 2015/16 on the General Fund as set out in section 8 of this report;

Treasury Management Strategy

- 3.32 approve the prudential indicators and treasury limits, as set out in section 10 of this report;
- 3.33 approve the 2015/16 treasury strategy, including the investment strategy and the credit worthiness policy, as set out at Appendix Z3;
- 3.34 agree to delegate to the Executive Director for Resources & Regeneration authority during 2015/16 to make amendments to borrowing and investment strategies provided there is no change to the Council's authorised limit for borrowing;
- 3.35 agree the Minimum Revenue Provision (MRP) policy as set out in section 10 of this report.
- 3.36 agree the credit and counterparty risk management criteria, as set out at Appendix Z3, the proposed countries for investment at Appendix Z4, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration;
- 3.37 agree to decrease the maximum deposit limits with the part nationalised banks from £65m to £40m for each of Lloyds Banking Group and Royal Bank of Scotland (RBS) Group;
- 3.38 note that there was one incidence of a breach of the investment policy in November 2014 when an investment with an approved counter party was made for 12 months which should have been limited to 6 months; and
- 3.39 note the development of the Municipal Bond Agency

4. STRUCTURE OF THE REPORT, POLICY CONTEXT AND BACKGROUND

- 4.1 The 2015/16 Budget Report is structured as follows:

- Section 1 Executive Summary
- Section 2 Purpose
- Section 3 Recommendations

Section 4	Structure of the Report, Policy Context and Background
Section 5	Capital Programme
Section 6	Housing Revenue Account
Section 7	Dedicated Schools Grant and Pupil Premium
Section 8	General Fund Revenue Budget and Council Tax
Section 9	Other Grants and Future Years' Budget Strategy
Section 10	Treasury Management Strategy
Section 11	Consultation on the Budget
Section 12	Financial Implications
Section 13	Legal Implications
Section 14	Human Resources Implications
Section 15	Crime and Disorder Implications
Section 16	Equalities Implications
Section 17	Environmental Implications
Section 18	Conclusion
Section 19	Background Documents and Further Information
Section 20	Appendices

POLICY CONTEXT

4.2 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council's vision "together, we will make Lewisham the best place in London to live, work and learn" was adopted by the Lewisham Strategic Partnership as part of the Sustainable Community Strategy, along with six over-arching priorities:

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

The Council's ten 'enduring' priorities were agreed by full Council and are the principal mechanism through which the Council's performance is reported and through which the impact of saving and spending decisions are assessed. The Council's priorities also

describe the Council's contribution to the delivery of Lewisham's Sustainable Community Strategy 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.

Values

4.2 Values are critical to the Council's role as an employer, regulator, securer of services and steward of public funds. The council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In taking forward the Council's Budget Strategy, we are guided 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.

4.3 A strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This has meant, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone. This joint endeavour continues to secure massive investment in the borough: new homes, school improvements, regenerating town centres, new and renewed leisure opportunities and improvement in the wider environment, including award winning work on our river corridors. This work has done much to improve life chances and life opportunities across the borough through improved education

opportunities, skills development and employment. And there is still much more that can be done to realise our ambitions for the future of the borough, ranging from our work to bring the Bakerloo Line extension here, with other transport improvements through to our nationally recognised programmes of care and support to some of our most vulnerable and troubled families.

- 4.4 However, it is clear that the Council cannot do all that it once did, nor meet all those expectations that might once have been met, for we are in a very different financial position than just a few years ago. Very severe financial constraints have been imposed on Council services, with cuts to be made year on year on year, and this on-going pressure is addressed here in this report, proposing further budget savings for 2015/16.

BACKGROUND

- 4.5 The requirement to rebalance the public finances and the financial outlook for the Council and the public sector as a whole remains extremely challenging.
- 4.6 The Office for Budget Responsibility (OBR) provides independent analysis of the UK's public finances. The most recent forecasts, released in December 2014, are for the period to 2018/19. They show that the UK economy has grown more in 2014 than originally predicted in March 2014. This has resulted in Gross Domestic Product (GDP) being revised up to 3.0% from 2.7% and forecasts for 2015 also being revised upwards from 2.3% to 2.4%. Inflation forecasts have been revised downwards due to lower than expected outturns in recent data and the effects of lower oil and food prices. It is expected that Consumer Price Index (CPI) inflation will remain below the Bank of England's 2% target until 2017.
- 4.7 The OBR expect Public Sector net borrowing to fall by 0.6% of GDP in 2014/15, reaching 5.0% of GDP – half the peak it reached in 2009/10. Looking further ahead, the OBR expects the deficit to fall each year and to reach a small surplus by 2018/19.
- 4.8 In the Autumn Statement, the Chancellor of the Exchequer announced further efficiency savings of £10bn for the public sector. It is expected that this will have a further detrimental effect on the Council's funding in the years to come.
- 4.9 The Council has already made savings of £93m to meet its revenue budget requirements since May 2010 and is proposing further savings of £28.9m (£26.9m of new proposals, £0.5m of additional Council Tax collected, and £1.5m of previously agreed savings) for 2015/16.
- 4.10 The Medium Term Financial Strategy was reported to Mayor & Cabinet in July 2014. This set out that an estimated £85m of savings are required from 2015/16 to 2017/18. The Lewisham Future Programme Board was established to progress cross-cutting and thematic reviews to deliver these savings.
- 4.11 The final Local Government Finance Settlement was announced on 3 February 2015. Leaving all other previous assumptions unchanged, this confirms that the forecast savings required in 2015/16 remains at £40m.
- 4.12 This report sets out the position of the financial settlements as they impact on the Council's overall resources:
- Capital Programme for 2015/16 to 2018/19;

- Housing Revenue Account and level of rents for 2015/16;
- Dedicated Schools Grant for 2015/16;
- General Fund Revenue Budget for 2015/16;
- Other Grants for 2015/16;
- Council Tax level for 2015/16; and
- Treasury Management Strategy for 2015/16.

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 2015/16 to 2018/19 is proposed at £424.3m, of which £132.7m is for 2015/16.
- 5.2 This section of the report is structured as follows:
- Update on 2014/15 Capital Programme
 - Proposed Capital Programme 2015/16 to 2018/19

Update on 2014/15 Capital Programme

- 5.3 Progress in delivering the 2014/15 Capital Programme has been reported to Mayor & Cabinet and the Public Accounts Select Committee regularly throughout the year. The latest forecast projection is that £137.3m (93%) of the revised budget allocated for the year of £147.4m, and reported to Mayor and Cabinet on 12th November 2014, will be delivered this year. At this stage, the slippage of £10.1m has been re-phased to 2015/16.
- 5.4 The capital programme for 2014/15 has seen a number of schemes progress well with the main areas of capital spend involving the provision of school places and housing.
- 5.5 The Council has pursued an ambitious programme to transform the borough's schools and create state-of-the art facilities which would have a positive impact on children's education. Over £300m - a combination of central government and council money - has been spent on rebuilding or refurbishing schools over the last ten years. Drumbeat is a brand new school over two sites, catering specifically for children identified as having Autistic Spectrum Disorder. Brent Knoll School and Sydenham School are the last two schools being either rebuilt or refurbished as part of the Building Schools for the Future programme, with ongoing works due for completion in 2015/16.
- 5.6 The school places programme has resulted in an additional 645 Reception places being provided enabling the Council to offer a school place to all children whose families requested one and the Schools Minor Works Programme has successfully delivered building improvements to the primary schools estate. Delivered across 11 schools with a £1.5m budget, the programme has led to improvements to the building fabric, roof structures and heating systems. These works will improve the energy efficiency of the schools and help reduce on-going maintenance issues.
- 5.7 The borough's first council housing development in 30 years was completed in January 2015. These homes are the first of 500 new council homes that are pledged to be built by 2018. These properties are part of the New Homes, Better Places programme that includes investment in social housing and housing for older people and working with

developers to build more homes for Lewisham people at affordable prices. Six new homes near Mercator Road in Lee are now being advertised so prospective tenants can bid for them. As part of this programme, Lewisham Homes and Roofing will also seek to provide high quality employment, training and business opportunities.

5.8 In terms of housing the “New Homes, Better Places Programme” has led to six new homes that are nearing completion with 74 awaiting planning permission and a further 124 homes in process. In addition the hostels acquisition & conversion programme is also in progress with the acquisition of Hamilton Lodge and Canonbie Road now completed. When ready these will help alleviate some of the pressure on nightly paid accommodation. In addition, the proposed construction of the Ladywell pop-up village will also enable the Council to provide accommodation on a temporary basis as an alternative to nightly paid accommodation. Significant expenditure has also been incurred as part of the ongoing decent homes programme of works.

5.9 Other notable areas of capital project management and expenditure include:

- **Lewisham Gateway** - the largest regeneration scheme within Lewisham Town Centre, incorporating homes, retail space, Confluence Park, new pedestrian routes to Lewisham Station and revised a road layout.
- **Catford Stadium** - comprising 589 residential units, commercial floor space, a community centre, plus landscaping, including river naturalisation and creation of a public plaza between Catford and Catford Bridge Stations. Construction is now underway, and expected to continue through to June 2018.
- **Catford Broadway** - a £2.1 million makeover is complete, including a brand new level 'shared' surface to improve accessibility, new lighting and seating, plus better facilities for the market and means of attracting new market traders.
- **Marine Wharf West** - delivering new homes, shops and businesses and landscaping along the 30m wide former route of the Surrey Canal. Construction is nearing completion on the second and third phases, which include 78 units provided as an 'extra care' facility.
- **Cannon Wharf** - including a purpose-built business centre which is expected to create at least 80 new jobs on the site (25% more than previously), a children's nursery, and landscaping along the former route of the Surrey Canal. The first Business Centre and first tranche of commercial units will be ready for occupation in June 2015.
- **Beckenham Place Park** - awarded around £300k from the Heritage Lottery Fund (HLF) and the Big Lottery to further develop proposals to restore many of heritage features and make it more attractive to a wide range of local and regional visitors. Further HLF/Big Lottery funding, totalling £4.6 million, has been ring-fenced for the delivery of the finalised plans. As this funding can be used for park-wide restoration works, gardens, visitor centres or recreational features, it is likely to see the reinstatement of the original lake and the introduction of numerous play features and an events space.

Proposed Capital Programme 2015/16 to 2018/19

5.10 The Council's proposed Capital Programme for 2015/16 to 2018/19 is currently £424.3m, as set out in Table A1:

Table A1: Proposed Capital Programme for 2015/16 to 2018/19

	14/15	15/16	16/17	17/18	18/19	4 Year Total
	£m	£m	£m	£m	£m	£m
General Fund						
Building Schools for the Future	22.0	6.2	1.2	0.0	0.0	7.4
Schools – Primary Places and other Capital Works	32.7	17.2	12.4	1.2	1.2	32.0
Highways, Footways and Bridges	6.7	5.5	5.5	3.5	3.5	18.0
Major Regeneration Schemes	5.0	24.6	6.9	2.7	0	34.2
Town Centres and High Street Improvements	0.9	0.0	3.6	0.0	0.0	3.6
Asset Management Programme	2.4	2.5	2.5	2.5	2.5	10.0
Other Schemes	15.1	6.5	4.1	2.4	2.4	15.4
	84.8	62.5	36.3	12.3	9.6	120.6
Housing Revenue Account	52.5	70.2	76.8	104.5	52.2	303.7
Total Programme	137.3	132.7	113.1	116.8	61.8	424.3

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

Table A2: Proposed Capital Programme Resources for 2015/16 to 2018/19

	14/15	15/16	16/17	17/18	18/19	4 Year Total
	£m	£m	£m	£m	£m	£m
General Fund						
Prudential Borrowing	4.0	22.9	10.7	0.0	0.0	33.6
Grants and Contributions	55.8	25.1	13.2	0.5	0.5	39.3
Specific Capital Receipts	6.9	4.5	2.0	2.7	0.0	9.2
General Capital Receipts / Reserves / Revenue	18.1	10.0	10.3	9.1	9.1	38.5
	84.8	62.5	36.3	12.3	9.6	120.6
Housing Revenue Account						
Prudential Borrowing	0.0	0.0	0.0	35.1	2.3	37.4
Grants	36.2	0.0	2.7	3.2	0.0	5.9
Specific Capital Receipts	3.7	10.5	7.6	13.3	14.3	45.7
Reserves / Revenue	12.6	59.7	66.5	52.9	35.6	214.7
	52.5	70.2	76.8	104.5	52.2	303.7
Total Resources	137.3	132.7	113.1	116.8	61.8	424.3

- 5.12 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.
- 5.13 The Highways and Footways programme of £3.5m per year, agreed by Mayor & Cabinet, has been included. A full list of changes to the Programme is shown in Appendix W2.
- 5.14 The two larger additions to the programme for 2015/16, both in the General Fund, are the agreement to loan up to £20m to Lewisham Homes to acquire street properties to help address the on-going nightly paid accommodation pressures and an anticipated £1.9m of borrowing for works to provide additional primary school places.
- 5.15 No changes are proposed at this stage to the existing General Fund revenue contributions to capital (CERA) of £2.0m per year from General Fund and £1.2m per year contribution from schools. The revenue funding line also includes amounts transferred to reserves in previous years for schemes which at that time, had not been delivered.
- 5.16 The Capital Programme will be further updated to include future grants, 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 2015/16.
- 5.17 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

- 5.18 The proposed 2015/16 to 2018/19 Capital Programme totals £424.3m (General Fund £120.6m and HRA £303.7m) and includes all the Council's capital projects. It sets out the key priorities for the Council over the four year period and will be reviewed regularly. The Capital Programme is set out in more detail in Appendices W1 and W2.

6. HOUSING REVENUE ACCOUNT

- 6.1 This section of the report considers the Housing Revenue Account (HRA). The budgeted expenditure for the HRA in 2015/16 is £130.9m
- 6.2 It is structured as follows:
- Update on the HRA financial position for 2014/15
 - Update on the HRA Business Plan
 - Future Years' Forecast

Update on the HRA financial position for 2014/15

- 6.3 The HRA is budgeted to spend £104.0m in 2014/15. The latest forecast on the HRA for 2014/15, is that net expenditure can be contained within budget by the year end. There

are currently minimal reported pressures, which can, if necessary, be 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 Housing self-financing system was implemented on 1 April 2012 when the HRA subsidy scheme was abolished. 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 The plan is due to have a major revision following the undertaking of detailed stock surveys to complete Decent Homes and other investment programmes over the next few years. 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.
- 6.6 In addition, the Council received in January the results of the bidding process to the GLA for additional Decent Homes backlog grant funding. This confirmed that the Council is one of two boroughs not to receive any additional Decent Homes monies.
- 6.7 The plan has also been recently updated with costs associated with new build units and a target of 500 additional units by the end of the Mayor's current term.
- 6.8 The Council continually considers how best to respond to the challenges and opportunities of the HRA 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.

Future Years' Forecast

- 6.9 The key purpose of the proposed HRA budget is to ensure that there are sufficient resources to support lifecycle works, repairs and maintenance, the Decent Homes programme and delivery of new homes in the borough. The reduction in management costs is also expected to continue.
- 6.10 The HRA is budgeted to spend £130.9m in 2015/16. 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 2015/16. Overall Savings of £0.346m for 2015/16 were identified and put before Tenants Panels in December 2014. 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 2015/16, they could be used for investment needs currently identified by the HRA Business Plan, or to off-set reductions in the proposed rent increase.
- 6.11 Under these proposals, the Lewisham Homes management fee would move from its current level of £18.676m in 2014/15 to £18.673m in 2015/16. This is after inflation allowances increases and a reduction for stock loss. However, this represents an overall increase of 1.52% in the fee per property compared to 2014/15.

- 6.12 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 and allowances

- 6.13 The average weekly rent is currently £95.97 in 2014/15.
- 6.14 In October 2013, Government consulted with Local Authorities on the implementation of a new social rent policy, proposing to move from annual increases of RPI + 0.5% (+£2 convergence where necessary) to CPI + 1%. This policy was confirmed by Government in May 2014 as its preferred method for rent increases for a 10 year period from 2015/16. In addition, the Government also assumed that the majority, if not all, Local Authority stock would or should be at its formula level as there had ‘been more than enough time’ to have moved rents to this level.
- 6.15 However, this is not the case in Lewisham as approximately 29% of stock has not yet reached its rent convergence level. The majority of London boroughs have also reported that their stock is not yet at the rent convergence levels.
- 6.16 The forecast increase in actual tenants’ rents, using the Government’s rent policy guidance of limiting actual increases to CPI at September 2014 of 1.20% + 1.0% is 2.20%, which equates to an average rise of £2.10pw. However, this would leave the HRA with an annual shortfall in rent of £693k against the business plan assumptions. In addition, the loss over the remaining life of the 30 year plan, assuming increases only in line with CPI + 1%, would be £26.3m.
- 6.17 In view of the change in policy, and the potential rental income shortfall against the HRA business plan assumptions, officers provided four illustrations of potential 2015/16 rent rises for consideration by residents and Mayor & Cabinet. These include following: A) Government guidance; B) continuation of Rent convergence until all units have reached their formula rent; and C) capped D) uncapped increases.
- 6.18 The table below provides the illustrations of various rent increases consulted on, and its impact on moving units to its formula or target level and the shortfall in income compared to the business planning assumptions for the HRA. It should be noted that illustration A assumes that convergence will not continue, whilst illustration’s B to D will continue with convergence. For example, a rise in line with the previous convergence formula will generate £1.89m in additional rental income. A rent rise lower than this is likely to result in additional lost resources in the HRA. For example, a rent rise of CPI plus 1% would generate £1.58m in additional rental income, a reduction of £311k or £0.41 per dwelling per week.

Illustration	A	B	C	D
CPI 1.2% RPI 2.3%	CPI + 1%	RPI + 0.5% + £2	Overall 3% increase capped to £10pw	Overall 3% Increase not capped
*Limit Rent	£98.92	£98.92	£98.92	£98.92
Continue Convergence	No	Yes	Yes	Yes

Rent Rise £	£2.10	£2.51	£2.77	£2.87
Rent Rise %	2.20%	2.61%	2.88%	3.00%
New Average rent	£98.01	£98.42	£98.68	£98.78
Units On Formula	10,264	13,031	14,079	14,241
Units not on Formula	4,266	1,499	451	289
Highest Rise £	£3.92	£6.61	£10.00	£20.92
Highest rise %	2.20%	6.49%	18.50%	13.71%
Lowest Rise £	£1.19	£1.44	£1.44	£1.44
Lowest rise %	2.20%	2.20%	2.20%	2.20%
Rent rise value	£1,583,970	£1,894,761	£2,089,886	£2,170,690
Additional rent	-	£310,791	£505,916	£586,720
Shortfall against business plan	£613k	£302k	£107k	-
Long-term shortfall	£24.6m	£0.90m	£0.107m	-
Convergence (Yr's)	-	8	5	-

- 6.19 The table also shows the impact of the various increases in terms of new average rent and average increases. It also shows the effect on the number of units not currently at its convergence or formula rent
- 6.20 The illustrated proposals all show a reduction against the assumptions in the current HRA financial model, with fewer resources available to the HRA business plan. It would therefore be likely that additional savings/efficiencies would be required to make up for any lost resources.
- 6.21 A rent rise higher than the limit rent calculation will result in additional recharges to the HRA via the Housing Benefit (HB) subsidy limitation charges. Any rise above this level will be lost through additional limitation recharges and therefore result in no benefit to the HRA.
- 6.22 The table below shows increased proposed or being consulted on by other providers in London:

Councils	Indicative average increase	Proposed increase Methodology
Barking and Dagenham	4.00%	Convergence in 5 years
Camden		CPI+1%+£2 (2.2% + £2)
Croydon	2.20%	
Greenwich	2.20%	
Hackney	3.02%	
Hillingdon	2.20%	
Kensington and Chelsea	2.20%	
Lambeth	2.90%	
Newham/Havering	9.00%	

Councils	Indicative average increase	Proposed increase Methodology
Redbridge	2.20%	
Southwark	2.20%	
Tower Hamlets		RPI + 0.5% + £2
Westminster	2.26%	
Phoenix	2.20%	

- 6.23 Tenants were asked to provide comments and feedback on the illustrations for inclusion in the Mayor & Cabinet budget report at meetings held with Brockley PFI and Lewisham Homes tenants. There was a strong expression of concern raised relating to options B, C and D. The greatest concern was for the impact of the rent rise on working tenants, particularly in the cases of options C and D, as the proposals were significantly higher than pay awards over the last five years. The comment was made that last year's rise was also significantly higher than increases in pay.
- 6.24 Tenants of both Brockley and Lewisham Homes overwhelmingly favoured option A, although some sympathy was shown to option B. Options C and D were considered unacceptable by all tenants in attendance.
- 6.25 The three responses received from Excalibur tenants expressed a consistent stance that the rents on that estate should not be increased due to the poor standards of the properties and the lack of Council investment in the estate.
- 6.26 Further details of the consultation results can be found in appendix X2
- 6.27 Details of the options for the rent rise for 2015/16 were presented to the Housing Select Committee on 17th December 2014. Members indicated that they favoured option B, allowing the council to stick to its current plans.
- 6.28 Having regard to the consultation held in December 2014, the Mayor is asked to make a recommendation to full Council that a rent increase be agreed to accord with one of the options A, B, C or D. The range of new average rents are between £98.01 to £98.78 with officers proposed option being option B with an average rent of £98.42.

Other Associated Charges

- 6.29 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 2015/16 have been set out in detail in Appendix X5.

Summary

- 6.30 The gross budgeted expenditure for the HRA in 2015/16 is £130.9m. The Mayor is asked to make a recommendation to full Council for a rent increase having considered tenants feedback following consultation on rent illustrations A to D, held in December 2014. The current average weekly rent is £95.97 in 2014/15. The illustrations provided are within a band of average rents of between £98.01 to £98.78 with the officers proposed option being option B with an average rent of £98.42.

Former Tenants' Arrears Write Offs

- 6.31 The HRA self-financing of 2012 means that the Council now has considerably greater control over the long term planning of its Housing Revenue Account, and this longer term focus has allowed excellent progress to be made in delivering investment into new Council homes for the first time in 30 years.
- 6.32 As part of the annual review of the HRA and the setting of associated budgets, this long term focus also requires officers to review both the assumptions that underpin long term plans and the operational performance of delivering that plan. In that regard it is important for officers to consider at this time the likelihood of recovering all of the income to which the Council is due.
- 6.33 Lewisham Homes has substantially improved the way its income collection processes work and has addressed the majority of historic arrears cases. The percentage of rent collected in 2013/14 was 97.86% and at the latest update, 99.65% had been collected in the current financial year. This high income collection rate strengthens the performance of the HRA and enables greater levels of investment for both existing residents and to build the new Council homes Lewisham so desperately needs.
- 6.34 However, there remains a limited number of historic bad debt cases in which Lewisham Homes, despite exhausting all possible options, has been unable to collect. In total there are 20 such cases, some of which date back nearly a decade, which in total constitute outstanding arrears of £265,843.81. A summary of these cases is set out at Appendix X6.
- 6.35 Lewisham Homes advises officers that in all of these cases it has exhausted all possible recovery options and now as such these debts as unrecoverable. In order to remove unrecoverable debt from the Council's portfolio, the Mayor is recommended to agree that for each of these cases the historic debt be written off.

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 2015/16. This grant is formula based, calculated by the Government with the Council passing it onto schools. The respective budgets for 2015/16 are £275.8m and £18.2m.
- 7.2 It is structured as follows:
- Update on 2014/15 Dedicated Schools' Grant
 - Dedicated Schools' Grant for 2015/16
 - Pupil Premium

Update on 2014/15 Dedicated Schools' Grant

- 7.3 The level of the Dedicated Schools' Grant (DSG) for 2014/15 is £268.6m. This will be revised later to take account of the pupil count which for early years children is undertaken in January 2015.

7.4 The only current budget pressure in the DSG arises from children with SEN statements / Education, Care and Health plans 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 2015/16

7.5 The DSG for 2015/16 has provisionally been set by the Department for Education (DfE) at £275.8m, although this will change during the year to reflect updated pupil numbers. This is the first year that the DSG has been bigger than the Councils Net General Fund budget. It is now £30m larger than the Net General Fund for 2015/16.

7.6 In comparison with last year, there is a £7.2m increase (2.7%) in the DSG. This increase is due to the following:

- some £8.1m relates to the inclusion in the settlement for Academy schools not included previously. The funding will be recouped by the Education Funding Agency later in the year. All Academies are now included in the DSG. The inclusion of Academies in the DSG will demonstrate the base funding for all schools within the Borough is on a comparable basis. The EFA then provide additional funds to reflect Academies additional responsibilities.
- A funding adjustment for part recoupment academies that were included in the funding settlement for 2014/15. The extra funding is £0.7m
- Although the amount per pupil has been frozen in cash terms there is an increase of £4.8m driven by the estimated increase in pupil numbers, largely in the primary age group.
- The funding for two years olds has been excluded from the settlement. The funding for two year olds will be announced in June 2015. The funding excluded is estimated, based on current projections, at £6.7m.
- A new pupil premium for early years children, £0.3m

7.7 Once inflation of 2.5% for the year is taken into account, this funding represents a real terms reduction in funding of 1.0%

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 (i.e. the per pupil funding in a school cannot fall by more than 1.5%).

7.9 The Schools Forum considered the Dedicated Schools Budget on 11 December 2014. The Forum has legal responsibilities to decide some budgets, while for others their role is to take a view.

7.10 Under the regulations the Forum decides:

- Whether some elements of funding given to schools should no longer be delegated but instead managed centrally. This includes contingency funds, the administration of free meals, supply cover and insurance.

- The budget level of central spend, which includes growth funds, early years expenditure, admissions and capital expenditure from revenue. The budget of the latter spend, under the funding regulations, is capped at the 2013/14 level.

- 7.11 The Council has to consult the Schools Forum on arrangements for Special Educational Needs (SEN) children. The Forum's powers extend to giving a view but the final decision lies with the Council.
- 7.12 The projection for 2015/16 is an overspend of £2.1m on the High Needs Block if no action is taken. The Schools Forum has agreed and recommended an approach to manage this shortfall in 2015/16 by reducing the top-up to schools budgets for High Needs Pupils (£1.8m) and reducing the funding given to school collaboratives (£0.3m). The task group set up by the Schools Forum to manage the High Needs Pupils costs in 2014/15 has agreed to continue to meet.
- 7.13 The Forum recommended that, as the Dedicated Schools Grant was cash frozen, the funding rates used to calculate ISBs should stay at the same level as 2014/15.
- 7.14 The Schools Forum on 25 September 2014 considered the proposed increase in charges in the Council services that are traded with them. The School Forum supported the proposal that the General Fund of the Council should not subsidise school activities and noted the increase in prices proposed. At their meeting of 11 December 2014 detailed consideration was given to the Public Health services that will be traded with schools in 2015/16 and asked that the Service Level Agreement offer be developed further.

Pupil Premium

- 7.15 In addition to the DSG, schools will continue to receive the pupil premium. The pupil premium in 2014/15 was allocated to schools on the basis of the 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.
- 7.16 In 2014/15, the rate of funding was £1,300 per primary child, £935 per secondary child and £1,900 per child in Looked After Care. The only change for 2015/16 is to the primary rate which rises by £20 to £1,320k. The current overall estimated levels of funding for the pupil premium in Lewisham are summarised in Table B1.

Table B1 – Pupil Premium

Sector	2014/15		2015/16	
	No. of Children	Funding	No. of Children	Funding
Primary	8,640	£11.2m	9,333	£12.3m
Secondary	5,690	£5.3m	5,369	£5.0m
Looked after Children	390	£0.8m	390	£0.7m
Adopted From Care			85	£0.2m
Total		£17.3m		£18.2m

- 8.1 This section considers the General Fund revenue budget and Council Tax. The General Fund budget for 2015/16, assuming a Council Tax increase of 0%, is £246.224m. Details of the savings anticipated for 2015/16 are provided at Appendices Y1 and Y2
- 8.2 It is structured as follows:
- Update on 2014/15 Revenue Budget
 - The Budget Model
 - Council Tax for 2015/16
 - Overall Budget Position for 2015/16.

Update on 2014/15 Revenue Budget

- 8.3 The Council's revenue budget for 2014/15 was agreed at Council on 29 February 2014. The budget requirement was set at £268.1m.
- 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. These include, for example: Looked After Children, No Recourse to Public Funds; Nightly Paid Accommodation; 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 and strengthening of Directorate Expenditure Panels (DEPs). In addition to this, a Corporate Expenditure Panel (CEP) was introduced in late October 2014. The Chief Executive and the Executive Director for Resources and Regeneration sit on this panel, and it has served to provide an additional layer of scrutiny and challenge to existing DEPs.
- 8.6 The initial projected overspend of £11.2m was reported at the end of May 2014. Even since this position was first reported back in the spring, the scale of the projected overspend had suggested that the council would be facing budget pressures of a different order to those of previous years. A series of measures and management actions have been employed over the course of the financial year and this has helped to alleviate some of the pressure with the latest projected forecast of £9.5m being reported to the end of December 2014. This is still a significant overspending projection, and the Executive Director for Resources and Regeneration will continue to work with directorate management teams across the Council to effect the necessary continued actions to manage their service pressures.
- 8.7 The forecast variances by Directorate are set out in Table C1 below.

Directorates

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

Table C1: Forecast outturn for 2014/15 as at end of November 2014

Directorate	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/ (under) spend Dec 2014	Variance
	£m	£m	£m	£m	
Children & Young People	74.3	(20.4)	53.9	8.5	15.8%
Community Services	168.0	(58.0)	110.0	(0.8)	(0.3%)
Customer Services	100.3	(63.1)	37.2	2.6	7.0%
Resources & Regeneration	44.5	(12.2)	32.3	(0.8)	(2.5%)
Directorate Totals	387.1	(153.7)	233.4	9.5	4%
Corporate Items	34.7	0.0	34.7	0.0	
Overall Total	421.8	(153.7)	268.1	9.5	

Corporate Financial Provisions

- 8.9 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.
- 8.10 Consideration is now being given to employing the use of corporate measures to balance the budget at year end. It is proposed to meet any 2014/15 budget overspend from reserves.

The Budget Model

- 8.11 This section of the report sets out the construction of the 2015/16 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

- 8.12 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 2015/16 as part of a sustainable financial strategy to 2018/19.

Savings

- 8.13 On the 12 November the Mayor:
- Endorsed previously agreed savings proposals from the 2014/15 budget of £1.48m for 2015/16;
 - Delegated £11.83m of savings proposals of which £8.56m were for 2015/16 to Executive Directors to agree and implement;
 - Rejected the 2015/16 Option 2 savings proposal for the Youth Service of £1.75m; and
 - Agreed for consultation and further work to proceed on £26.93m of savings proposals, of which £18.87m are for 2015/16.
- 8.14 On 11 February 2015, the Mayor rejected the 2015/16 savings proposal of £200k relating to ending the discretionary Freedom Pass Scheme. This reduced the total 2015/16 new savings to £26.73m and increased the shortfall by £200k. In total there is a shortfall of £9.96m is required to balance the 2015/16 budget.
- 8.15 Following the final Local Government Finance Settlement in February 2015, the Executive Director for Resources & Regeneration has been considering options to bridge the budget shortfall in order to balance the budget for 2015/16. The options include using of a mixture of on-going and once-off resources.
- 8.16 The Medium Term Financial Strategy in July 2014 also identified the need for further work on the potential use of reserves and provisions.
- 8.17 The proposals are to use:
- £5.0m of New Homes Bonus reserve in 2015/16 to cover part of the shortfall in revenue balances (see 8.24 to 8.34 below)
 - To use once-off resources to cover the remaining shortfall.
- 8.18 Estimates for 2016/17 to 2017/18 are less certain, particularly as the local government finance settlement only contains details up to 2015/16. In the Autumn Statement, the Chancellor of the Exchequer implied further cuts in public spending of around £10bn. 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

- 8.19 The assumption used in the model for preparing the budget for 2015/16, subject to confirmation by Council, is for a 0% Council Tax increase and receipt of the 1% Council Tax freeze grant from Government. If the Council chooses to set a different Council Tax increase it will need to be mindful that any increase in Council Tax of 2% or more would require support in a local referendum. The limit being set by the Secretary of State. Further information on the options for the Council when setting the Council Tax is set out towards the end of this section.

Inflation

- 8.20 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.

- 8.21 On 16 December 2014, the Office for National Statistics (ONS) reported that the rate of CPI inflation in the UK stood at 1.0% in November, down from 1.3% in October. This is a 12 year low, the last time the rate was as low as 1.0% was September 2002. It is well below the 2.0% target set by the Government, and is expected to fall below 1.0% in early 2015.
- 8.22 For financial planning purposes, the Council has previously assumed an average pay inflation of 1.0% per annum, which equates to approximately £1.1m. In November 2014, a pay award of 2.2% was agreed for 2015/16 by the National Joint Council for Local Government Services (NJC). This equates to approximately £2.6m to be provided for in 2015/16.
- 8.23 The Council currently applies a non-pay inflation rate of 2.5% per annum. This equates to approximately £2.5m per annum. This figure has been put forward as an efficiency saving for three years starting from 2015/16.

New Homes Bonus

- 8.24 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'.
- 8.25 The NHB is paid each year for six years, with the last year being 2016/17. 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.
- 8.26 The provisional allocation for 2015/16 in Lewisham, including on-going payments, is £7.842m with the allocation for Year 5 (2015/16) delivery being £1.399m.
- 8.27 The Autumn Statement 2013 announced that in London, £70 million of New Homes Bonus would be pooled in 2015/16 in support of the London Growth Deal prepared by London's Local Enterprise Partnership (LEP).
- 8.28 The Government has not yet confirmed the amounts each authority will contribute to the £70m London LEP top slice in 2015/16, however it has outlined how it intends to calculate this, and has published provisional allocations. Lewisham's provisional contribution is £2.218m, which leaves a revised allocation of £5.624m for Lewisham's own use.
- 8.29 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	2015/16
Yr 1	0.706	0.706	0.706	0.706	0.706
Yr 2		0.958	0.958	0.958	0.958

	2011/12	2012/13	2013/14	2014/15	2015/16
Yr 3			2.150	2.150	2.150
Yr 4				2.629	2.629
Yr 5					1.399
Total Allocation	0.706	1.664	3.814	6.443	7.842
Less London LEP Top slice	0	0	0	0	-2.218
Lewisham Total	0.706	1.664	3.814	6.443	5.624

- 8.30 Officers have established a cross-departmental NHB working party. The group was initially formed in order to review the empty homes data and reduce long term empty properties in the Borough. Since the group formed, the number of empty properties within the Borough has decreased.
- 8.31 The Council produces an Annual Monitoring Report (AMR) 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.
- 8.32 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 14 years to 2028/29.
- 8.33 In view of the planned growth in housing and associated infrastructure in the borough in future years it was agreed to commit £0.65m of the NHB allocation per annum to provide delivery support for this. This represents a significant year-on-year commitment for the Council. Given the planned growth in the Borough over the next 14 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.
- 8.34 While initially being held with a view to funding future capital works, a review of the NHB has been conducted and, given the pressures on the overall budget, it is now proposed to use some of the NHB for revenue funding shortfalls. This will be effected by releasing £5.0m of the accumulated reserve balance from the NHB scheme to the General Fund in 2015/16 only. We have not projected to spend any NHB beyond that as there is some uncertainty around the future of the scheme beyond 2015/16. We will review the position again in 2016/17.

Budget Pressures to be funded

- 8.35 As in previous years, £7.5m of funds are set aside in the budget model to meet specific identified budget pressures and identified potential budget risks.
- 8.36 In addition, from 2014/15 the unallocated amount of risk fund was £3.9m. In respect of this budget as it is carried into 2015/16, it is recommended that a number of specific identified pressures be funded now.

- 8.37 For 2015/16, this means the risk fund will be £11.4m (£7.5m + £3.9m). The budget pressures anticipated in 2015/16 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.
- 8.38 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.
- 8.39 Table C2 provides a summary of the corporate budget pressures that are being recommended to be funded.

Table C2: Summary of 2015/16 budget pressures to be funded

Description	£m	£m
Pressures set against 2014/15 unallocated budget		
• No Recourse to Public Funds	2.90	
• Nightly Paid Accommodation	1.00	
		3.90
Pressures to be set against 2015/16 risk budget		
• Actuarial Valuation	1.00	
• London Living Wage & Travel Time	2.20	
• Highways and footways pressure	0.35	
• Environment – Waste Disposal	0.30	
• Concessionary Fares	0.43	
		4.28
Total - pressures recommended to be funded		8.18

No Recourse to Public Funds – £2.90m

- 8.40 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. This has emerged as a significant budget pressure since 2013/14 and reported to the Public Accounts Select Committee regularly as part of the financial monitoring report.
- 8.41 Action is being taken to manage this risk. In 2014/15 a dedicated pilot was run to look at the families concerned to ensure that they are entitled to payment. The impact of this work has been to reduce the number of cases accepted. In addition, with the support of a seconded officer from the Home Office Border Agency, work is underway to re-assess the support arrangements for those already accepted. The impact of this work is starting to see the level of spend in this area decline.
- 8.42 It is estimated that over time this work will reduce to an ongoing level of just over £3m. It is therefore proposed to allocate £2.9m to the existing base budget at this time and hold the remaining risk against the unallocated risk fund.

Housing Needs – £1.00m

- 8.43 An increase in the number of homelessness applications has led to a significant increase in the number of people placed in nightly paid accommodation. The shortage of housing in London has also impacted on the situation. Limited new supply has meant that the movement in re-lets and new housing opportunities has reduced. The increase in demand for nightly paid accommodation has also meant that prices have increased faster than the benefit cap. A number of measures are being considered to ease the pressure but the impact will continue into the next financial year.
- 8.44 The annual cost pressure in this area is estimated at £2.0m in 2014/15 against an annual budget of £0.5m, with the effect of recent cost saving measures starting to be felt. For this reason it is proposed to set aside £1.0m in 2015/16 from the risk fund to address this anticipated continuing pressure.

Actuarial Valuation – £1.00m

- 8.45 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 portfolio along with other financial and demographic changes.
- 8.46 The actuary has applied a stabilisation mechanism which restricts movements in employer's 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 2015/16.

Adults' Social Care – Care Provider Terms & Conditions, including the London Living Wage and Travel Time - £2.20m

- 8.47 First, there has been an increase of almost 4% in London Living Wage (LLW) and the current domiciliary care contracts have just been extended. Providers have been offered 1% for an extension until October 2015 when new contracts will be in place. There is also a need to increase direct payment rates by a minimum of 3% to honour the LLW commitment. LLW has not been built into residential/nursing block contracts yet, but there is some pressure to do so. Requirement to enrol staff in pension schemes will be a further cost pressure.
- 8.48 Secondly, there is an expectation under the Care Act that Home Care workers are paid reasonably for travelling between visits. Current domiciliary care contracts are not clear on this so payment of travelling time would probably require increased funding from the Council.
- 8.49 To support the work to bring all the Council's care contracts in line with the above terms and conditions and wages it is proposed to provide additional funding of £2.2m from 2015/16.

Highways and Footways pressure – £0.35m

- 8.50 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. In 2014/15 it was agreed that an ongoing highways resurfacing budget of £3.0m be established over a ten year period. In the first year, this was funded by a combination of

pressures funding, reserves and the release of existing prudential borrowing budgets as debt is repaid.

- 8.51 Corporate funding of £0.3m for 2015/16 will be provided with an additional £0.3m being added to the budget 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.
- 8.52 It was also agreed in 2014/15 to create an ongoing budget of £0.5m for the replacement of footways over a ten year period 2014/15 until 2023/24. For 2015/16, a budget allocation of £0.05m will be needed with an additional £0.05m being added to the budget for each of the years to 2023/24.
- 8.53 As part of the Capital Programme set out in section five of this report, capital investment for highways and footways of £3.5m per year has been included for 2014/15 onwards.

Environment Waste Disposal – £0.30m

- 8.54 Disposal tonnages have been increasing during 2014/15. To date, the associated increased costs are being contained within the environment budget. There is a further risk on increases in gate fees for recycling and an above inflation increase in the SELCHP gate fee. If the tonnages stay at current levels or increase further and the fee increases materialise, there will be a pressure on the budget of approximately £0.3m in 2015/16.

Concessionary Fares – £0.43m

- 8.55 London Councils have advised of Lewisham's Freedom Pass costs for 2015/16. The figure is £0.43m higher than 2014/15.

Risks and other potential budget pressures to be managed

- 8.56 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.
- 8.57 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:
- Demographic Pressures
 - Looked After Children
 - Business Rate appeals
 - Child Sexual Exploitation
 - Redundancy
 - Unachieved savings

Demographic pressures

- 8.58 There is an increase in the transfer of high cost packages and placements for young people with a learning disability from the Children & Young People's directorate to Adult Social Care. Increases in other client groups are lower, but the number of the most elderly in the borough appears to be increasing too along with their needs. Additional

provision also has to be made for a few new physical disability placements a year (brain injuries and other accidents).

Looked After Children

- 8.59 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. Even though the budget pressure is being managed down in 2014/15 through effective and economic placement decisions, overall there remains a risk.
- 8.60 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 creating a potential budget pressure.

Business Rate appeals

- 8.61 The Valuation Office continues to hear appeals on valuations from the 2010 list. Any of these that are upheld will require the Council to return the backdated overpayment and reduce the ongoing level of rates to be collected. This cost can be amortised over five years. At the same time new businesses may be starting and additional rates collected. Given these uncertainties it is not possible to fully evaluate the risk at this time.

Child Sexual Exploitation

- 8.62 This is a risk area across London which may, if the number of cases locally grows significantly, become a pressure in the future. At present the service is managing this risk by refocusing existing resources within their current budget and expect to be able to do through 2015/16. Given these uncertainties it is not possible to fully evaluate the risk at this time.

Redundancy

- 8.63 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 £85m over the next three 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.

Unachieved savings

- 8.64 For those savings agreed there is a risk, as the detailed work to implement them progresses, of delay or changes to the proposals in response to consultations or other factors. These changes may impact the value of the saving that can be achieved, either in total or more often in terms of achieving a full year's financial impact.
- 8.65 Such pressures cannot be easily quantified at this stage, although it is estimated that it could be up to £4.0m on the current proposals of £26.9m for 2015/16. Should these

pressures arise in the year and not be able to be contained within Directorate budgets, they could be met from the risk fund or become an additional call on reserves.

Summary of Budget Pressures

- 8.66 There are some pressures to be funded (paragraphs 8.40 to 8.55), which can be quantified within a reasonable range. There are also a number of other risks and potential budget pressures (paragraphs 8.56 to 8.63) to consider which are less easy to quantify with any certainty.
- 8.67 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.
- 8.68 After allowing for allocations of £8.2m, as summarised in Table C2 above, an unallocated balance of £3.2m 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.

Council Tax for 2015/16

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

Collection Fund

- 8.70 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.
- 8.71 A calculation was carried out on 15 January 2015, 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 2014/15 of £6.236m.
- 8.72 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 £4.864m of the £6.236m surplus has to be included in the calculation of Lewisham's Council Tax. The remaining balance of £1.372m will be allocated to the GLA. Work continues on the continuation of the Council Tax collection improvement pilot scheme which commenced in 2013/14 which will require once off resources of £0.15m in 2015/16.
- 8.73 Members should note that Council agreed on the 21 January 2015 to pass on the percentage reduction in 2014/15 settlement funding assessment and reduce the Council Tax Reduction Scheme (CTRS) accordingly. The impact of this for the Council, subject to collection and the contribution owing to the GLA, is estimated at £2.0m in 2015/16.

Council Tax Levels

- 8.74 The current position is that Council Tax may not be increased by 2% or more (inclusive of levies) without a referendum. A referendum cannot reasonably be held before the Council Tax is set for 2015/16. The Government has indicated that if an authority sets its basic amount of Council Tax (i.e. its Band D Council Tax) in 2015/16 at a level which is no more than its basic amount of Council Tax in 2014/15, it will receive a grant equivalent to a one per cent increase on the 2014/15 figure in 2015/16.
- 8.75 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.
- 8.76 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 2015/16 and their general responsibilities to steward the Council's finances over the medium term.
- 8.77 In 2014/15, the Band D Council Tax in Lewisham is £1,359.35 on a base of 75,526 Band D equivalent properties. Of this, £299 relates to the activities of the GLA which the Council pays over to them on collection. The GLA is consulting on a precept of £295 for 2015/16, a reduction of £4 or 1.3% and a final decision is expected from them after the 14 February 2015. Table C3 below shows, for illustrative purposes, the Council Tax payable by a resident in a Band D property in 2015/16 under a range of possible Council Tax increases, and the financial implications of this for the Council.
- 8.78 Whilst a freeze is recommended it should be noted that Council has the option to consider a decrease or increase in Council Tax should it so wish. A full Council Tax Ready Reckoner is attached at Appendix Y3.

Table C3 – Band D Council Tax Levels for 2015/16

Change in Council Tax	Amounts payable by residents				Extra income *
	Lewisham element	GLA element	Total	Change in total	
	£	£	£	%	
Council Tax Freeze	1,060.35	295.00	1,355.35	-0.29%	0.978
0.50% increase	1,065.65	295.00	1,360.65	0.10%	0.400
1.00% increase	1,070.95	295.00	1,365.95	0.48%	0.801
1.50% increase	1,076.26	295.00	1,371.26	0.87%	1.201
1.75% increase	1,078.91	295.00	1,373.91	1.07%	1.601

* - 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 2015/16 onwards. The Government has indicated that the funding for 2014/15 freeze grant should be built into the spending review baseline. This is still subject to formal confirmation.

- 8.79 Were Council to agree a Council Tax freeze, the Council will gain the one-off freeze grant of £1.0m (£0.978m to be precise) for 2015/16. This figure of £1.0m is the indicative figure of the Council Tax freeze grant for 2015/16 provided in the provisional local government settlement 2015/16. 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.

- 8.80 The amount shown above for Council Tax Freeze grant is slightly higher than if the Council increased Council Tax by 1%. This is because the Council Tax base figure used to calculate the freeze grant is the taxbase before applying the CTRS.

Overall Budget Position for 2015/16

- 8.81 For 2015/16, the overall budget position for the Council is an assumed General Fund Budget Requirement of £246.224m, 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 2015/16	(160.017)	
Council Tax 2015/16 at 0% increase	(80.084)	
SFA: Adjustment 2015/16*	(1.259)	
Surplus on Collection Fund	(4.864)	
Assumed Budget Requirement for 2015/16		(246.224)
Total Resources available for 2015/16		
Base Budget for 2014/15	268.062	
Plus: Reversal of reserves drawn in 14/15 (once off)	3.000	
Plus: Pay inflation	1.503	
Plus: Non-pay Inflation	3.417	
Plus: Grant adjustments for changes 14/15 to 15/16	0.911	
Plus: Budget pressures to be funded from 15/16 fund	4.280	
Plus: Risks and other potential budget pressures	3.220	
Less: Previously agreed savings for 2015/16	(1.480)	
Less: New savings for 2015/16	(26.729)	
Less: Use of New Homes Bonus reserve for five yrs.	(5.000)	
Less: Once off use of provisions and reserves	(4.960)	
Total		246.224

*Value of Section 31 grants to compensate local authorities for the cost of capping the business rates multiplier in 15/16 confirmed in the local government financial settlement.

Use of Provisions and Reserves

- 8.82 Should all the above proposals be agreed, then this would leave a remaining gap of some £5.0m to be funded by the once off use of reserves in 2015/16. This has been set out in the Table C4 above.
- 8.83 If the need should arise to balance the budget for any in-year pressures 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:

- Better Care Fund 2015/16
- Various other grants 2015/16 – reduced with net impact £0.9m
- Future Years' Budget Strategy 2015/16 onwards

Better Care Fund

9.2 The £3.8 billion national Better Care Fund (BCF) was announced by the Government in the June 2013 Spending Round, to support transformation and integration of health and social care services to ensure local people receive better care. The BCF is a pooled budget that shifts resources into social care and community services for the benefit of the NHS and local government. The Better Care Fund does not represent an increase in funding but rather a realignment of existing funding streams with new conditions attached/ risks.

9.3 For Lewisham the value in 2015/16 is £21.842m. Our local plan has been approved by NHS England subject to the following standard conditions which apply to all BCF plans (1) The Fund must be used in accordance with our final approved plan and through a section 75 pooled fund agreement which is being developed and will be operational by 1st April 2015; and (2) the full value of the element of the Fund linked to non-elective admissions reduction target will be paid over to Lewisham Clinical Commissioning Group (CCG) at the start of the financial year. However the CCG may only release the full value of this funding into the pool if the proposed admissions reduction target is met/. If the target is not met, the CCG may only release into the pool a part of that funding proportionate to the partial achievement of the target. Any part of this funding that is not released into the pool due to the target not being met must be dealt with in accordance with NHS England requirements. We are developing contingency arrangements to address this risk.

Other Grants and Levies

9.4 Certain specific grants have been reduced or stopped in 2015/16 reducing funding by approximately £0.9m. The main change is in respect of the Education Support Grant that has been reduced by 20% to £3.9m. The other various smaller changes include: Council Tax Scheme new burden funding, Adoption reform grant, and SEN reform grant.

9.5 From October 2015/16 the work of public health visitors for the 0-5 year old population will transfer to Local Authorities. The six month grant for their work will be £3.79m.

9.6 It is expected that, as the funding on specific grants reduces, the related cost of service provision will also reduce as the Directorates manage their activities within their allocated resources.

9.7 The Council is also required to levy monies totalling in the region of £1.6m for other bodies, in addition to the Council Tax collected on behalf of the GLA (see Collection Fund). These bodies are the London Pension Fund Agency, Lee Valley Regional Park, and Environment Agency. Formal notifications for the first two levies have been

received, and officers have estimated the levy for the Lee Valley Park Authority and assumed no change, these are set out in Appendix Y5.

Future Years' Budget Strategy 2015/16 onwards

Revenue Budget

- 9.8 The Medium Term Financial Strategy was reported to Mayor & Cabinet in July 2014. This set out that an estimated £85m of savings is required from 2015/16 to 2017/18 over and above savings already agreed. The profile for these savings is broadly;
- £40m for 2015/16,
 - £25m for 2016/17, and
 - £20m for 2017/18.
- 9.9 Since then we have received the provisional local settlement in December but for one year only – 2015/16. The estimate of overall savings required to 2017/18 remains at £85m with £40m for 2015/16. However, the back drop is one where the savings requirement may increase for the additional public spending cuts of £10 billion identified nationally to balance the budget by 2017/18.
- 9.10 The Lewisham Future Programme (LFP) was established to carry out cross-cutting and thematic reviews to deliver these savings. The savings report received by the Mayor in November 2014 and the separate savings report taken alongside this budget report presents the LFP work to date. This continues and further savings proposals will be brought forward in 2015/16.

10. TREASURY MANAGEMENT STRATEGY

- 10.1 This section sets out the Council's Treasury Management Strategy for 2015/16 and is structured as follows:
- Capital Investment Plans
 - Prudential Indicators
 - Minimum Revenue Provision (MRP) Policy
 - Borrowing Strategy including Treasury Indicators
 - Debt Rescheduling
 - Annual Investment Strategy
 - Credit Worthiness Policy
 - Prospects for Investment Returns
- 10.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department for Communities and 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 Investment Plans

- 10.3 The Treasury Management Strategy for 2015/16 incorporates the capital plans 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 involves both the organisation of the cash flow and, where capital plans require, the arrangement of appropriate borrowing facilities.
- 10.5 The Council's expected treasury portfolio position at 31 March 2015, with forward projections is summarised below. Table D1 compares the actual external debt against the Capital Financing Requirement (CFR) which is the underlying capital borrowing need. This table illustrates over/(under) borrowing.

Table D1 – External Debt Projections

	2013/14 Actual £m	2014/15 Expected £m	2015/16 Forecast £m	2016/17 Forecast £m	2017/18 Forecast £m
Expected External Debt at 1 April	198.4	195.4	190.4	191.3	195.9
Expected Change in Ext Debt	(3.0)	(5.0)	0.9	9.6	21.0
Other Long-Term Liabilities	253.0	254.6	252.2	245.8	238.2
Gross Debt at 31 March	448.4	445.0	443.5	446.7	460.1
Capital Financing Requirement*	488.8	487.8	487.3	486.7	501.7
Borrowing – over / (under)	(40.4)	(42.8)	(43.8)	(40.0)	(41.6)

*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 two parameters of external debt, 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 and Regeneration reports that the Council has complied with this prudential indicator in the current year to date and does not envisage any 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 for External debt

- 10.8 This is the limit 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 depending on the levels of actual gross debt anticipated. The Council's operational boundary is set out in Table D2.

Table D2: Operational Boundary

	2014/15 Expected £m	2015/16 Forecast £m	2016/17 Forecast £m	2017/18 Forecast £m
Maximum External Debt at 31 March	195.7	204.5	214.1	238.7
Other Long-Term Liabilities	254.6	252.3	245.8	238.2
Operational Boundary for Year	450.3	456.8	459.9	476.9

The Authorised Limit for External Debt

- 10.9 This key prudential indicator represents a constraint on the maximum level of borrowing and is a statutory limit determined under Section 3(1) of the Local Government Act 2003. The Government retains the power 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 and needs to be set by full Council. It represents 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 limits as set out in Table D3.

Table D3 – Authorised Limits

	2014/15 Expected £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
Operational Boundary for Year	450.3	456.8	459.9	476.9
Provision for Non Receipt of Expected Income	46.0	51.0	51.0	51.0
Authorised Limit for Year	496.3	507.8	510.9	527.9

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

Table D4 – HRA Debt Limit

	2014/15 Expected £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
HRA Debt Cap (Statutory)	127.3	127.3	127.3	127.3
HRA Debt (CFR) at 31 March	(83.6)	(83.6)	(83.6)	(103.7)
HRA Headroom	43.7	43.7	43.7	23.6

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 applies a consistent MRP policy which comprises prudential borrowing being repaid over the useful life of the asset concerned and previous borrowing being repaid at the rate of 4% of the outstanding balance.

Borrowing Strategy

- 10.14 The Council's external debt as at 31 March 2015, gross borrowing plus long term liabilities, is expected to be £445m. During 2014/15 the Council has repaid £5.9m of PWLB loans. The Council's borrowing strategy is consistent with last year's strategy. The Council is currently maintaining an under-borrowed position in that the CFR is not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as an alternative funding 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 However, it is possible that in 2015/16 the Council may need to borrow £11m to fund the Housing Strategy. It is likely that this borrowing will be funded from Council balances, however the Council will seek advice before making a final decision.
- 10.16 The Executive Director for Resources and 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.
- 10.17 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.
- 10.18 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

- 10.19 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.

10.20 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.

10.21 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 2015/16			
		Lower	Upper
Under 12 months		0%	0%
12 months to 2 years		0%	15%
2 years to 5 years		0%	11%
5 years to 10 years		0%	3%
10 years to 20 years		0%	17%
20 years to 30 years		0%	7%
30 years to 40 years		0%	18%
40 years to 50 years		0%	30%
Maturity structure of variable interest rate borrowing 2015/16			
		Lower	Upper
Under 12 months		0%	100%

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

Debt Rescheduling

10.22 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.

- 10.23 The Council has £112 m of LOBO loans (Lender's Option Borrower's Option) of which £65m will be in their call period in 2015/16. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also the option of repayment of the loan without penalty.
- 10.24 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

Introduction: changes to credit rating methodology

- 10.25 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts". This process may commence during 2014/15 and / or 2015/16. The actual timing of the changes is still subject to discussion, but this does mean immediate changes to the credit methodology are required.
- 10.26 It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.
- 10.27 Both Fitch and Moody's provide "standalone" credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody's has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no point monitoring both Long Term and these "standalone" ratings.
- 10.28 Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as "A bank for which there is a possibility of external support, but it cannot be relied upon." With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.
- 10.29 As a result of these rating agency changes, the credit element of our future methodology will focus solely on the Short and Long Term ratings of an institution. Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor's that we have always taken, but a change to the use of Fitch and Moody's ratings. Furthermore, we will continue to utilise Certificate of Deposit (CD) prices as an overlay to ratings in our new methodology.
- 10.30 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 2015/16 are presented to Council for approval in this same appendix.

- 10.31 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.
- 10.32 Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes
- 10.33 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.
- 10.34 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.
- 10.35 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

- 10.36 The Council's Treasury Management Team applies the creditworthiness service provided by its treasury management advisors 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:
- credit watches and credit outlooks from credit rating agencies;
 - CDS spreads to give early warning of likely changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 10.37 This modelling approach combines credit ratings, credit watches and credit outlooks in a

weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 1 year
- Pink 1 year
- Purple 1 year
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Council's creditworthiness policy has been set out at Appendix Z3.

Country limits

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

Part nationalised banks

10.39 In the 2013/14 mid year strategy it was agreed that the maximum deposit limits with part nationalised banks be increased to £65m from £50m. It is now proposed that from April 2015, the Council's maximum deposit limits with part nationalised banks is decreased to £40m for each of the Lloyds Banking Group and Royal Bank of Scotland (RBS) Group.

10.40 This scale back is as a result of the following recent events:

- The results of the 2014 Bank of England (BoE) Stress tests
- The Government's intention to sell more of its shareholding in Lloyds Banking Group.

10.41 Banks are required to have a core capital ratio of at least 4.5% as part of the BoE stress test. The results showed that the British banks with the "lowest pass" came from The Royal Bank of Scotland (at 5.2%) and Lloyds plc (at 5.3%). The report judged that both bank's capital position needed to be strengthened further. The results demonstrated that they remain susceptible to a severe economic downturn. However, the report also acknowledges the measures being taken by the banks to augment capital and the BoE did not request the banks to submit a revised capital plan.

10.42 On 17 December 2014, UKFI announced that it intended to sell part of Her Majesty's Treasury's shareholding in Lloyds Banking Group plc over the next six months through a pre-arranged trading plan. The trading plan will terminate no later than 30 June 2015. A maximum of 15% of the share holding will be sold. If the maximum amount of shareholding is sold, this will result in a Government shareholding of 9.9%. There are no immediate intentions to sell shareholding in RBS, but they will be embarking on a further period of restructuring.

10.43 The Council feels that although both banks are showing very good improvements; are

still state backed; and have positive feedback from our Treasury Management advisors; it would be beneficial to take a more prudent approach. Therefore the Council will begin to reduce the deposit limits for the part nationalised banks.

Investment Policy

- 10.44 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.
- 10.45 The Executive Director for Resources and Regeneration reports one occasion in 2014/15 where approved limits set out in the Annual Investment Strategy was breached. This breach was with regards to the duration of an investment. The Counterparty was an approved counterparty and the value of the investment was also within the set limits. However, the investment was taken out for one year as opposed to the six months limit as set out in the Annual Investment Strategy. Tighter review and approval procedures have been put into place to mitigate the risk of such an incident occurring in the future.

Municipal Bond Agency

- 10.46 Members should also note it is likely that the Municipal Bond Agency (currently in the process of being set up) will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority is a shareholder of the MBA and may make use of this new source of borrowing as and when appropriate.

Prospects for Investment Returns

- 10.47 The Bank of England base rate is currently forecast to remain unchanged at 0.5% before starting to rise from quarter four of 2015. The rate forecasts for financial year-ends are:
- 2015/16 0.75%
 - 2016/17 1.25%
 - 2017/18 2.00%
- 10.48 There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.
- 10.49 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 eight years are as follows:
- 2015/16 0.60%
 - 2016/17 1.25%
 - 2017/18 1.75%
 - 2018/19 2.25%
 - 2019/20 2.75%

- 2020/21 3.00%
- 2021/22 3.25%
- 2022/23 3.25%
- Later years 3.50%

10.50 A more extensive table of interest rate forecasts for 2015/16, including Public Works Loan Board (PWLB) borrowing rate forecasts is set out in Appendix Z1.

Summary

10.51 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 (included in the Council's outturn report).

11 CONSULTATION ON THE BUDGET

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

Rent Setting and Housing Panel

11.2 As in previous years, tenants' consultation was in line with Residents' Compact arrangements. This provided tenant representatives of Lewisham Homes with an opportunity in December 2014 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 December 2014 to hear the proposals and fed back.

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

Business Ratepayers

11.4 Representatives of business ratepayers were consulted online on Council's outline budget between 19 January and 2 February 2015. No responses to this consultation were received.

12. FINANCIAL IMPLICATIONS

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

13. LEGAL IMPLICATIONS

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

Capital Programme

13.2 Generally, only expenditure relating to tangible assets (e.g. roads, buildings or other structures, plant, machinery, apparatus and vehicles) can be regarded as capital expenditure. (Section 16 Local Government Act 2003 and regulations made under it).

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

Housing Revenue Account

- 13.5 Section 24 of the Housing Act 1985 provides that a local authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Council must review rents from time to time and make such charges as circumstances require.
- 13.6 Under the Local Government and Housing Act 1989, the Council is obliged to maintain a separate HRA (Section 74) and by Section 76 must prevent a debit balance on that account. Rents must therefore be set to avoid such a debit.
- 13.7 By Schedule 4 of the same Act where benefits or amenities arising out of a housing authority functions are provided for persons housed by the authority but are shared by the community, the Authority must make such contribution to the HRA from their other revenues to properly reflect the community's share of the benefits/amenities.
- 13.8 The process for varying the terms of a secure tenancy is set out in Sections 102 and 103 of the Housing Act 1985. It requires the Council to serve notice of variation at least 4 weeks before the effective date; the provision of sufficient information to explain the variation; and an opportunity for the tenant to serve a Notice to Quit ending their tenancy.
- 13.9 Where the outcome of the rent setting process involves significant changes to housing management practice or policy, further consultation may be required with the tenants' affected in accordance with section 105 of the Housing Act 1985.
- 13.10 Part 7 of the Localism Act 2011 abolished HRA subsidy and moved to a system of self financing in which Councils are allowed to keep the rents received locally to support their housing stock. Section 174 of the same Act provides for agreements between the Secretary of State and Councils to allow Councils not to have to pay a proportion of their capital receipts to the Secretary of State if he/she approves the purpose to which it would be put.

Balanced Budget

- 13.11 Members have a duty to ensure that the Council acts lawfully. It must set and maintain a balanced budget each year. The Council must take steps to deal with any projected overspends and identify savings or other measures to bring the budget under control. If the Capital Programme is overspending, this may be brought back into line through savings, slippage or contributions from revenue. The proposals in this report are designed to produce a balanced budget in 2015/16.
- 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, 2015/16, were anticipated in the course of the 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. This report is predicated on taking all of the agreed and proposed savings. If not, any shortfall will have to be met through adjustments to the annual budget in this report.
- 13.14 The body of the report refers to the various consultation (for example with tenants and business) which the Council has carried out/is carrying out in accordance with statutory requirements relating to this budget process. The Mayor must consider the outcome of that consultation with an open mind before reaching a decision about his final proposals to Council. It is noted that the outcome of consultation with business rate payers will only be available from 3 February 2015 and any decisions about the Mayor's proposals on the budget are subject to consideration of that consultation response.

Referendum

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

Robustness of estimates and adequacy of reserves

- 13.17 Section 25 of the Local Government Act 2003 requires, when the authority is making its calculations under s32 of the Local Government Finance Act 1992, the Chief Finance Officer to report to it on:-
- (a) the robustness of the estimates made for the purposes of the Calculations; and

(b) the adequacy of the proposed financial reserves.

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 the Public Accounts Select 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.

Reasonableness and proper process

13.25 Decisions must be made reasonably taking into account all relevant considerations and ignoring irrelevancies. Members will see that in relation to the proposed savings there is a separate report and a summary at Appendix Y2. If the Mayor decides that the budget for that service must be reduced, the Council's reorganisation procedure applies. Staff consultation in accordance with that procedure will be conducted and in accordance with normal Council practice, the final decision would be made by the relevant Executive Director under delegated authority.

Equalities

13.26 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.

13.27 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.

13.28 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. 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'.

13.29 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/>

13.30 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

13.31 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/>

13.32 The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix Y6 and attention is drawn to its contents.

13.33 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.

13.34 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.

13.35 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 particular decisions could have on human rights. Where particular savings have such implications, they are dealt with in relation to those particular reports.

Crime and Disorder

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

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

Best Value

13.38 Under section 3 of the Local Government Act 1999, the Council is under a best value duty to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It must have regard to this duty in making decisions in relation to this report.

Environmental Implications

13.39 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'.

13.40 There are no specific environmental implications arising from this report.

Integration with health

13.41 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 12 November 2014 and the accompanying savings report to Mayor & Cabinet on 11 February 2015. A summary of the savings proposals are attached at Appendix Y2 to this report.

15. CONCLUSION

18.1 This report sets out the information necessary for the Council to set the 2015/16 budget. Updates may be made to this report at Mayor & Cabinet on 18 February 2015. Final decisions will be taken at the meeting of full Council on 25 February 2015.

16. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

Short Title of	Date	Location	Contact
Medium Term Financial Strategy	16 July 2014 (M&C)	5th Floor Laurence House	David Austin
Savings Proposals for 2015/16	12 November 2014 (M&C) 11 February 2015 (M&C) 18 February 2015 (M&C)	5th Floor Laurence House	David Austin
Setting the Council Tax Base & Discounts for Second Homes and Empty Properties	21 January 2015 (Council)	5th Floor Laurence House	David Austin

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 on 020 8314 9114

Shola Ojo

Principal Accountant, Strategic Finance on 020 8314 7778

17. APPENDICES

Capital Programme

- W1 Capital Programme 2014/15 to 2018/19 – Major Projects
- W2 Proposed Capital Programme – Original to latest Budget

Housing Revenue Account

- X1 Proposed Housing Revenue Account Savings 2015/16
- X2 Tenants rent consultation 2015/16
- X3 Leasehold and Tenants charges consultation 2015/16
- X4 Leasehold and Tenants charges and Lewisham Homes Budget Strategy 2015/16
- X5 Other associated housing charges for 2015/16
- X6 Summary of 20 historic housing debt cases proposed for write off

General Fund

- Y1 Summary of previously agreed budget savings for 2015/16
- Y2 Summary of Proposed Revenue Budget savings 2015/16 to 2017/18
- Y3 Ready Reckoner for Council Tax 2015/16
- Y4 Chief Financial Officer's Section 25 Statement – *To follow M&C 18th February 2015*
- Y5 Council Tax And Statutory Calculations
- Y6 Making Fair Financial Decisions

Treasury Management

- Z1 Interest Rate Forecasts 2015 – 2018
- 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

APPENDIX W1

2014 / 2015 TO 2018 / 2019 CAPITAL PROGRAMME - MAJOR PROJECTS

Major Projects over £2m	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
GENERAL FUND						
BSF - Sydenham (D&B)	11.9	4.7	1.2			17.8
BSF - Brent Knoll (D&B)	6.8					6.8
Schools - Primary Places Programme	25.6	15.7	11.2			52.5
Schools - Other Capital Works	7.1	1.5	1.2	1.2	1.2	12.2
Highways & Bridges - TfL	2.8	2.0	2.0			6.8
Highways & Bridges - LBL	3.9	3.5	3.5	3.5	3.5	17.9
Catford TC (inc Broadway & Milford Towers) Regeneration	0.6	0.1	8.5			9.2
Asset Management Programme - Non Schools	2.4	2.5	2.5	2.5	2.5	12.4
ICT - Tech Refresh	0.3	0.5	0.5	0.5	0.5	2.3
Kender and Excalibur Regeneration	2.0	0.8	0.6	1.1		4.5
Heathside & Lethbridge Regeneration						
Property Acquisition – Hamilton Lodge/Canonbie Rd	3.0	3.7	1.5	1.6		9.8
Acquisition – Hostels Programme	3.1					3.1
Lewisham Homes – Property Acquisition	1.5	2.8				4.3
Disabled Facilities Grant	0.0	20.0				20.0
Private Sector Grants and Loans	1.0	0.7	0.7	0.7	0.7	3.8
Aids, Adaptations, Disabilities	0.8	0.6	0.6	0.6	0.6	3.2
Other Schemes	0.5	0.4	0.4	0.4	0.4	2.1
	11.5	3.0	1.8	0.2	0.2	16.7
	84.8	62.5	36.3	12.3	9.6	205.5
HOUSING REVENUE ACCOUNT						
Customer Services	5.5	22.3	40.4	44.5	24.5	137.1
Lewisham Homes	47.0	47.9	36.4	60.1	27.7	219.1
	52.5	70.2	76.8	104.5	52.2	356.2
TOTAL PROGRAMME	137.3	132.7	113.1	116.8	61.8	561.7

APPENDIX W2

PROPOSED CAPITAL PROGRAMME - ORIGINAL TO LATEST BUDGET

	Total £000	Total £000
GENERAL FUND		
Original Budget (Feb 2014)		137,853
New Schemes during the year		
Tfl – Highways Programme (14/15 – 16/17)	6,863	
Lewisham Homes – Property Acquisition	20,000	
Hostels Programme – Acquisitions	4,290	
Property Acquisition – Canonbie Road/ Hamilton Lodge	335	
Education Catering Investment (UFSM)	1,000	
CPZ Programme (14/15 – 16/17)	1,534	
BSF ICT - Sydenham	1,208	
BSF ICT – Brent Knoll	224	
Tackling Empty Homes Scheme – Rounds one and Two	900	
Developing 2 Year old Childcare Provision	1,022	
Drumbeat 6 th Form School (Brockley site) – Phase 3	938	
Green Travel Corridor – (Brockley Rise/Brockley Road)	240	
Baring School – Emergency Works	229	
Surrey Canal - NLL	206	
Folkstone Garden Improvements	199	
Calabash Centre Day Service – Refurbishment Project	111	
Outdoor Gyms – Deptford Park and Mayow Park	100	
Fellowship Inn Project (Phoenix)	90	
Bellingham Leisure and Lifestyle Centre	40	
Home Park Frontage Improvements	15	39,544
18/19 Rolling Programmes		
Aids & Adaptations	400	
ICT – Tech Refresh	500	
LBL Highways	3,500	
Asset Management Programme	2,500	
Schools AMP	1,200	
Disabled Facilities Grant	700	
Private Sector Loans & Grants	600	
Cash Incentive Scheme	200	9,600

Approved variations on existing schemes

13/14 Underspends on various schemes	10,775	
Primary Places Programme – Targeted Basic Needs funded	4,250	
Primary Places Programme – Additional funding	1,874	
Abbotshall Playing Fields Pavillion – Extra Grant allocations notified	304	
Ladywell Specialist Dementia Day Service Centre – Additional funding	43	
Excalibur – Phase 3 – Additional Funding	72	
Other Variations	1,099	18,417

Latest Budget		205,414
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HOUSING REVENUE ACCOUNT

Original Budget (Feb 2014)		248,060
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Re-phasing Budgets and addition of 18/19 Budgets		
- Lewisham Homes	43,660	
- Other HRA schemes including Housing Matters Programme	64,488	108,148

Latest Budget		356,208
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Overall Budget		561,622
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APPENDIX X1: Proposed Housing Revenue Account Savings 2015/16

HRA Efficiencies/Savings & Growth proposals 2014/15

Item	Area	Proposals 2014/15 £'000
	Savings/Efficiencies	
1.	*Lewisham Homes Fee	-284
2.	Nil Inflation Increase for Repairs & Maintenance	-413
3.	Nil Inflation Increase for Energy Costs (now on 3 year fixed contract)	-304
4.	Nil Inflation on Internal Support Costs	-46
	Savings/Efficiencies total	-763
	Increased costs/income reduction	
5.	Reduction in Income on Communal Heating Systems	141
6.	Increased Property Insurance Costs	110
7.	Reduction in income forecast for tenants & leasehold service charges	166
	Total increase in costs/income reduction	417
	Net effect of proposals	-346

* Already included in business plan

Savings/Efficiencies

Item 1 Lewisham Homes management fee

The initial fee proposal for 2015/16 after allowing an inflationary increase of 1% on salaries and 2.5% on running costs is £18,957m. However a reduction of £284k for stock loss through right to buy sales' and regeneration schemes is also being made and will reduce the 2015/16 proposed fee to £18.673m.

The net effect, if the saving is taken, will be a management fee of £18.673m in 2015/16, against the fee for 2014/15 of £18.676m. This reflects an overall increase of 1.52% in the fee per property managed compared to 2014/15.

Savings of £284k can be achieved through efficiencies with no 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 £413k.

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 2012/13 and 2013/14 respectively and is forecast to do so again in 2015/16. 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.

Item 4 Nil Inflation on Internal Support Costs

No inflationary increase has been included for Internal support costs. This is due to cost efficiencies in the general fund being passed down to the HRA. Savings of £46k can be achieved with no impact on service provision.

Item 5 Reduction in Income on Communal Heating Systems

Lewisham Homes are proposing a reduction in the communal heating & hot water charge £1.87pw (18.93%). This will move the current charge down from £9.88pw to £8.01pw

The decrease is due to regular meter readings from the current supplier which has reduced the number of bills based on estimated readings. Consumption rates have also slightly decreased which has an effect on the 3 year average usage calculation.

Item 6 Increased Property Insurance Costs

The recharge to the HRA for property insurance will increase due to the recent revaluation of the stock and other council property effecting the charges received from the insurance brokers. The current forecast is for an increase in recharges of £110k.

Item 7 Reduction in tenants & leaseholders service charge income

The HRA financial model makes assessments regarding inflationary increases to both costs and income on annual basis. These need to be adjusted once firm proposals and inflationary data has been received.

It has been assessed that, following the proposals to reduce the average service charge levied to both tenants and leaseholders by Lewisham Homes, a shortfall of £166k against the model income assumptions for these areas is likely to arise.

APPENDIX X2: Tenants' Rent consultation 2015/16

The Tenants' rent consultation meeting took place on 11th December 2014 with Brockley tenants and on 15th December 2014 with Lewisham Homes managed tenants. Excalibur tenants consultation took place via letters to residents and a report sent to the committee in December 2014.

Views of representatives on rent rise & savings proposals			
	Lewisham Homes	Brockley PFI	Excalibur TMO
No of representatives (excl Cllrs)/responses	14	3	3
Rent Rise			
Illustration A	Strongly In favour	Strongly In favour	Strongly against
Illustration B	Limited support	Against	Strongly against
Illustration C	Strongly against	Strongly against	Strongly against
Illustration D	Strongly against	Strongly against	Strongly against
Savings Proposals:-			
1. Lewisham Homes Fee	No comments	No comments	n/a
2. R&M Inflation	No comments	No comments	n/a
3. Energy Inflation	No comments	No comments	No comments
4. Support Costs Inflation	No comments	No comments	No comments
5. Communal Heating	No comments	No comments	No comments
6. Property Insurance	No comments	No comments	No comments
7. Service Charges	No comments	No comments	No comments
Service Charges inc: Heating & Hot Water Charges	No comments	No comments	n/a
Garage Rents	No comments	No comments	No comments
Tenants Fund	No comments	No comments	No comments

Summary of other comments made by representatives	
Lewisham Homes Panel	<p>Rent rise:</p> <p>Strong concerns were raised relating to options B, C and D. with regard for the impact of the rent rise on working tenants as the proposals were significantly higher than pay awards over the last 5 years. The comment was made that last year's rise was also significantly higher than increases in pay.</p> <p>Tenants also requested that the council look at ways of mitigating the effect on those affected by the highest rent rises if options C or D were adopted.</p> <p>Concerns were raised that arrears and evictions may increase as a result of higher rent rises. Lewisham Homes responded by advising the panel that rent arrears and evictions were falling.</p> <p>Those present overwhelmingly supported option A, although one tenant added that they would have some support for option B.</p>
Brockley PFI Area	<p>Rent Rise:</p> <p>Tenants unanimously favoured option A in light of the difficult economic times.</p>

Excalibur TMO Committee and Tenants

Rent Rise:

The three responses received from tenants on the estate all presented the view that any rent increase would be unfair on residence as no investment had been made in the properties for some time and that accommodation standards were poor.

The view was also expressed that anything other than the lowest option would discriminate against those that pay their rent in full, i.e. tenants not in receipt of benefits.

APPENDIX X3: Leasehold and Tenants Charges Consultation 2015/16

Committee	Brockley Residents Board	Item No	
Report Title	Leasehold and Tenant Charges Consultation		
Contributor	Regenter Brockley Operations Manager		
Class	Decision	Date	11th December 2014

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 2.2% for 2015/16 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 ring-fenced 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 2.2% (CPI (September 2014) + 1%).

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	366	£3.55	£3.63	£0.07	2.20%
Grounds Maintenance	363	£2.00	£2.04	£0.04	2.20%
Lighting	384	£0.74	£0.76	£0.01	2.20%
Bulk Waste	357	£1.21	£1.24	£0.02	2.20%
Window Cleaning	216	£0.09	£0.09	£-	0.00%
Resident Involvement	525	£0.24	£0.25	£0.01	0.000%
Customer Services	525	£0.35	£0.36	£0.01	0.0%
Ground Rent	525	£0.19	£0.19	£-	0.00%
General Repairs	232	£0.54	£0.55	£0.01	2.20%
Technical Repairs	395	£0.32	£0.33	£0.01	2.20%
Entry Phone	137	£0.05	£0.05	£-	0.00%
Lift	234	£0.30	£0.31	£0.01	0.00%
Management Fee	525	£1.65	£1.69	£0.03	2.20%
Total		£11.23	£11.49		

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 £0.10pw which would move the current average weekly charge from £5.13 to £5.23.

- 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	2.78	2.84	0.06	2.20%
Grounds	1.30	1.32	0.02	2.20%
Lighting	0.71	0.72	0.01	2.20%
Bulk Waste	0.20	0.20	0.01	2.20%
Window Cleaning	0.02	0.02	0.00	0.0%
Tenants fund	0.13	0.13	0.00	0.0%
Total	5.13	5.23	0.10	1.94%

- 6.9 The RB3 Board are asked for their views on these charges from 2015/16. Results of the consultation will be presented to Mayor and Cabinet for approval in February 2015.

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 2015/16

Meeting	Combined Area Panel		Item No.	7
Report Title	Lewisham Homes Budget Strategy and Leasehold/Tenant Service Charge 2015/16			
Report Of	Director of Resources – Adam Barrett			
Class	Decision	Date	15 th December 2014	

1. Purpose of the Report

- 1.1 This report sets out proposals to change existing service charges for residents in 2015/16 and updates the Area Panel on the Lewisham Homes budget position for 2015/16.

2. Recommendations

That the Area Panel:

- 2.1 Comments on the proposed service charges for 2015/16.
- 2.2 Notes the average changes, from 2014/15, in the tenanted and leasehold service charges:
- Tenants - decrease of £0.01 (-0.13%)
 - Leaseholders - decrease of £0.09 (-0.65%)
- 2.3 Note the RPI for September 2014 is 2.3%.
- 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 £0.559m for 2015/16. These have been passed on to residents and contributed to the proposed changes for 2015/16.

- 3.3 Charges for both leaseholders and tenants have reduced. The proposed 2015/16 average service charge for tenants is £7.71. This is an average decrease of -0.13%, on the current charges of £7.72, though 70% of tenants are to receive an increase of 1.99% which is below the rate of inflation. Leaseholders average charge has reduced by -0.65%, on the current charges of £13.89 with 77% to receive an increase of 1.54%.
- 3.4 The tenant charges decrease is less than the leasehold decrease as they are not charged for services such as Entry Phone, the charge for which has reduced by 25% (-0.09) in 2015/16.
- 3.5 The proposed 2015/16 average service charge for tenants, at £7.71, is below the London average charge of £9.19 for 2013/14.

Lewisham Homes aims to provide services that are affordable to residents and that represent value for money.

4. Tenant and Leasehold service charges 2015/16

- 4.1 Table 1 below sets out the proposed changes between the current 2014/15 average charge and the 2015/16 proposed charge.

Table 1

Existing Service	Tenant (T) / Leaseholders (LH)	Estimate (per week charge)		Change		
		2014/15	2015/16			
		£	£		£	%
Caretaking	T & LH	5.93	5.93	no change	0.00	0.00%
Ground Maintenance	T & LH	0.97	0.97	no change	0.00	0.00%
Anti Social Behaviour	LH	0.31	0.38	increase	0.07	22.58%
Customer Services	LH	0.05	0.06	increase	0.01	20.00%
Resident Involvement	LH	0.42	0.43	increase	0.01	2.38%
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	0.27	decrease	-0.09	-25.00%
Block Pest Control	T & LH	1.55	1.63	increase	0.08	5.16%
Ground Rent	LH	0.19	0.19	no change	0.00	0.00%
Sweeping	LH	0.87	0.88	increase	0.01	1.15%
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	0.48	0.48	no change	0.00	0.00%
Insurance	LH	0.87	0.87	no change	0.00	0.00%
Communal Lighting	T & LH	0.86	1.21	increase	0.35	40.70%
Communal Heating and Hot Water	T & LH	9.88	8.01	decrease	-1.87	-18.93%
Grand Total		30.54	29.11		-1.43	-4.68%

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 decrease of -0.13% for the service charge for tenants, from £7.72 to £7.71 per week. This decrease is a result of a decrease in communal hot water and heating of -18.93%. The decrease in communal hot water and heating is due to a consistent drop in energy usage and stable purchase price over the last 3 years. The decrease in energy usage has been due to the relatively mild winters that we have had.
- 5.2 Communal lighting and block pest control charges have increased by 40.70% and 5.16% respectively. The increase in communal lighting charge is due to higher energy prices. Block Pest Control has increased as there are more infestation treatments on the 2015-16 programme.
- 5.3 Table 2, below sets out the impact of the changes for current services for Tenants. The average decrease is 0.13%, with 70% receiving an increase of 1.99%, which is below inflation at 2.3% (September RPI).

Table 2

Bands of Decrease / Increase	Number of Tenants	% of Total	Average decrease / increase
Dec. £3.00 plus	598	4.46%	-26.12%
Dec £2.01 to £3.00	439	3.28%	-18.67%
Dec - £1.01 to £2.00	1,126	8.40%	-11.66%
Dec - 0 to 1.00	1,502	11.21%	-4.30%
Inc - 0 to 1.00	9,311	69.50%	1.99%
Inc - £1.01 to £2.00	230	1.72%	16.86%
Inc - £2.01 to £3.00	115	0.86%	23.01%
Inc – 3.00 plus	77	0.57%	167.17%
Grand Total	13,398	100.00%	-0.13%

Dec – Decrease , Inc - Increase

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

- 6.1 Charges for leaseholders have reduced by -0.65%, i.e. from £13.89 to £13.80 per week. This is mainly due to reduction in communal heating and hot water, and entry phone charges.

Table 3

Bands of Decrease / Increase	Number in Band	% of Total	Average decrease / increase
Dec - 3.00 plus	86	1.83%	-31.00%
Dec - £2.01 to £3.00	59	1.25%	-11.58%
Dec - £1.01 to £2.00	325	6.91%	-8.05%
Dec - 0 to 1.00	528	11.22%	-2.02%
Inc - 0 to 1.00	3,624	77.02%	1.54%
Inc - £1.01 to £2.00	66	1.40%	7.73%
Inc - £2.01 to £3.00	16	0.34%	13.37%
Inc - 3.00 plus	1	0.02%	901.85%
Grand Total	4,705	100.00%	-1.54%

Dec – Decrease , Inc - Increase

7. Tenant Service Charge Benchmarking

- 7.1 The benchmarking data for 2014/15 is not currently available. As a result. the data for 2013/14 has been used to benchmark the service charge.

As Table 4 below shows the proposed average service charge for tenants for 2015/16 still remains below the average service charge for all London Boroughs in 2013/14 .

Average charges per week for London Boroughs for tenanted Service Charges 2013/14.

Table 4

Borough	£
Haringey	17.25
Hackney	12.15
Ealing	11.60
Camden	10.11
Islington	9.78
Brent	9.38
Tower Hamlets	8.63
Barnet	8.04
Lewisham proposed charge 15/16	7.71
Redbridge	7.64

Hillingdon	7.33
Southwark	7.01
Newham	6.79
Harrow	3.78
Average (excluding Lewisham)	9.19

Source - CIPFA Rent and Service Charge data April 2014.

8. Lewisham Homes Budget Proposals for 2015/16

8.1 Company Budget and the Fee

- 8.2 The fee and budget that Lewisham Homes is proposing for 2015/16 is £18.671m. This assumes inflation at 1% for staff pay and 2.5% for non-pay costs (1.5% effective rate). The changes to the management fee from 2014/15 to 2015/16 are set out in Table 5 below.

Table 5

	Proposed Fee/budget
	£'000
2014/15 fee	18,676
Inflation	277
Stock loss	(282)
2015-16 Fee	18,671

- 8.3 The proposed fee includes savings of £-0.936 and growth pressures from service areas of £0.337 resulting in a net saving of £-0.559.
- 8.4 The savings and growth with explanations are set out below

Savings Table

Description	£'000
Corporate Savings	-444
Operational Budgets	-492
Total	-936

Corporate Savings - £-0.444m

- 8.5 Corporate savings have been identified through savings on inflation provisions that have not been used in 2014/15. This is due to the effective and efficient delivery of services removing the need for increased budget provision.

Service improvements and Pressures £0.337m

Description	£'000
Increase in SLA charges as a result of Town Hall move	100
Additional staff to support residents through welfare reform changes	154
Caretakers Enhanced Weekend Working	60
Additional staff resources to support the community engagement team	63
Total	377

Town Hall Property Move £0.100m

- 8.6 The relocation of all our core operations to one site office has resulted in an increase in property related costs by £100,000. However, the Council will be offering rent free periods in the first two years of occupancy thereby reducing the growth requirement in property related costs for these periods.

Income and Revenue £0.154m

- 8.7 A total growth requirement of £154,000 has been identified in the Income and Revenue service, 50% of this is to cover two roles to mitigate the impact of Welfare Reforms. These two roles are currently funded on an ad hoc basis from company reserves and are now considered as mainstream requirements. The other 50% is to cover an increase in court fees.

Caretakers Enhanced Weekend Working \$£0.060m

- 8.8 A total growth requirement of £60,000 has been identified in the Estate services. This is to cover the cost of enhanced weekend working by caretakers.

Head of Community Engagement £0.063m

- 8.9 A new post of Head of Community engagement which has been funded from reserves in 2014/15 is now proposed to be part of core mainstream budgets at a cost of £63,000.

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 2015/16

Garage Rents

1. Allowance has been made for a 2.3% inflationary increase to garage rents in the Brockley area, based on the RPI rate at September 2014. This equates to an increase of £0.20 per week and raises the average basic charge from £8.49 to £8.69 per week.
2. Garage rents for the Lewisham Homes managed area are also proposed to rise in line with RPI inflation as at September 2014. This equates to an increase of £0.27 per week and would raise the average basic charge from £11.67 per week to £11.94 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 2.20% (£1.50 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 2015/16, the charge for Caretaking/management and Grounds Maintenance are proposed to be increase by 4.08% or £2.77 per week to reflect inflationary increases. This will move the average charge from £68.00 per unit per week to £70.77 per unit per week.
7. In addition, the charge levied for Heat, Light & Power (Energy) and Water Charges will not be increased 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 remain the same at £5.24pw. Water charges will increase from £0.17 to £0.18 an increase £0.01pw. 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 2015/16. 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 2015/16 by 2.5%. Charges will increase to £5.30 per week for line rental and £0.93 per week for maintenance from the current charge of £5.16 and £0.91 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 2015/16 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 2015/16 (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 electricity and gas was re-let on 1st January 2014. This was a fixed price contract for a 3 year term. Consumption patterns remain under review and form part of the variable element of the contract.
15. The proposal for 2015/16 is for an decrease of 18.93% or -£1.87 per week for energy usage for communal heating. The decrease is a result of a consistent drop in energy consumption/usage and stable purchase prices. This will move the current average charge from £9.88pw to £8.01pw.
16. The proposal for communal lighting is an increase of 40.0% or £0.35 per week. This will move the current average charge from £0.86pw to £0.1.21pw. The increase is due to higher energy prices. Officers will review the costs and actual energy usage in 2014/15 as part of the monitoring regime for 2015/16 financial year and recommendations brought forward as part of the 2016/17 budget setting process.

Appendix X6 - Summary of 20 historic housing debt cases proposed for write off

A summary of the 20 historic debt cases proposed for write off is set out below. In each case any information that might be identifiable to a certain individual or property has been removed.

1. Former Tenant Arrears cases over £10k and prepared for write off

Arrears over £10k at Jan 07 (4)

Reference	Balance Including Court Costs	Tenancy Start Date	Tenancy End Date	Case Notes
CASE 1	£10,820.61	15-Jul-02	02-May-04	This is a historic case and no information is available to demonstrate how the debt was accrued.
CASE 2	£12,973.48	08-May-95	06-Nov-05	This is a historic case and no information is available to demonstrate how the debt was accrued.
CASE 3	£18,359.35	22-Jul-02	23-Sep-07	This is a historic case and no information is available to demonstrate how the debt was accrued.
CASE 4	£14,598.34	14-Jul-03	20-Jan-08	This is a historic case and there is only limited information available to demonstrate how the debt was accrued. This is insufficient to allow for recovery procedures to take place.
Total	£56,751.78			

Cases ended Pre July 2010 (10)

Address	Balance Including Court Costs	Tenancy Start Date	Tenancy End Date	Case Notes
CASE 5	£10,578.23	25-Feb-85	22-Jun-08	This is a historic case and there is only limited information available to demonstrate how the debt was accrued. This is insufficient to allow for recovery procedures to take place.
CASE 6	£11,903.62	23-Aug-04	05-Oct-08	There is insufficient information available to allow for recovery procedures to take place.
CASE 7	£11,856.23	07-Aug-00	21-Dec-08	There is insufficient information available to allow for recovery procedures to take place.
CASE 8	£13,994.69	11-Dec-06	22-Mar-09	There is insufficient information available to allow for recovery procedures to take place.
CASE 9	£13,206.05	28-Feb-00	26-Jul-09	There is insufficient information available to allow for recovery procedures to take place.
CASE 10	£12,723.40	06-Mar-06	13-Sep-09	There is insufficient information available to allow for recovery procedures to take place.
CASE 11	£10,792.96	15-Oct-07	01-Nov-09	This is a hugely complex case with very limited likelihood of there being a successful recovery action
CASE 12	£10,345.70	14-Aug-06	15-Nov-09	There is insufficient information available to allow for recovery procedures to take place.
CASE 13	£13,445.82	02-Feb-09	25-Apr-10	There is insufficient information available to allow for recovery procedures to take place.
CASE 14	£10,616.87	10-Apr-95	25-Apr-10	There is insufficient information available to allow for recovery procedures to take place.
Total	£119,463.57			

Cases ended post July 2010 (6)

Address	Balance Including Court Costs	Tenancy Start Date	Tenancy End Date	Case Notes
CASE 15	£11,777.09	03-Feb-03	04-Jul-10	Unauthorised occupant, rent charges backdated, repossession delayed due to a stay hearing.
CASE 16	£12,052.32	26-May-08	09-Oct-11	Arrears are from two tenancies. Tenant transferred from one LH property with £6k arrears and accrued £5k of arrears on the second LH property. There is a very limited likelihood of there being a successful recovery action
CASE 17	£10,154.73	14-Nov-05	20-Nov-11	Suspected abandonment and possession proceedings started, however unsuccessful in proving abandonment and legal action had to be re-started. Case further delayed by a 9 month wait for an eviction date.
CASE 18	£10,204.43	06-Apr-09	08-Jul-12	Stay hearing delayed 4 times as judge accepted tenants delay in applying for HB due to husbands visa issues and their child's poor health. Two further stay hearings then granted before eviction was successful.
CASE 19	£26,778.35	28-Nov-94	13-Jan-13	Both tenants deceased, no estate, arrears due to HB overpayment claw-back as tenants believed to be abroad when claiming HB. LH unsuccessfully appealed against HB overpayment.
CASE 20	£18,661.54	13-May-85	02-Dec-12	Tenant passed away but the family did not inform HB or LH and relatives became unauthorised occupants. HB overpayment created as HB was paid after tenants death. LH unsuccessfully appealed against HB overpayment.
Total	£89,628.46			

Total all cases	£265,843.81
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.APPENDIX Y1 – 2015/16 Previously Agreed Revenue Budget Savings

2015/16 SAVINGS SUMMARY - DIRECTORATE

DIRECTORATE	LEWISHAM FUTURE WORKSTRAND	2015/16 Agreed Savings £'000s
CHILDREN & YOUNG PEOPLE		475.0
Business support placements & procurement	Safeguarding & Early Intervention (Q)	50.0
Looked after children, leaving care & adoption service	Safeguarding & Early Intervention (Q)	100.0
Contact	Safeguarding & Early Intervention (Q)	50.0
Attendance to welfare services	Safeguarding & Early Intervention (Q)	200.0
Services to schools	School Effectiveness (J)	75.0
COMMUNITY SERVICES		50.0
Sports development & leisure centres	Culture & Community (L)	50.0
CUSTOMER SERVICES		375.0
Green scene	Environmental Services (N)	250.0
Service Point – emergency hours	Public Services (O)	100.0
Service Point	Public Services (O)	25.0
RESOURCES & REGENERATION		579.5
Transport	Asset Optimisation (E)	47.0
Technology & Operations	Management & Corporate Overheads (I)	500.0
Policy & Partnerships	Management & Corporate Overheads (I)	32.5
TOTAL - REVENUE BUDGET SAVINGS AGREED		1,479.5

APPENDIX Y2 – 2015/16 Revenue Budget Savings

Saving Proposals delegated on 12 November 2014 - Summary by Thematic Review

Ref	Description	Amount £'000		
		15/16	16/17	17/18
A5	Charging for Adult Social Care Services.	275	0	0
A7	Mental Health provision	250	0	0
A10	Proposal in respect of recouping health costs	600	0	0
E2	Efficiencies in the current facilities management contracts and optimising the current operational estate (reduction in the quantum of office accommodation).	150	305	670
E3	New ways in generating income from assets.	0	0	200
E4	Generating increased income, based on up-to-date market rates, better use of properties and effective rent collection. Also includes the transfer of commercial assets from the HRA to the GF.	50	445	100
E5	Energy efficiency measures	109	10	15
F1	Establishment of a centrally located, corporate business support service which combines a general support function with specialist service hubs.	900	0	1,000
G1a	Reviewing charges to our School Service Level Agreements (SLAs), and reviewing the Council's current investment strategy.	450	0	0
G1b	Improving Council Tax debt collection.	500		
I1	Savings in management overheads, commissioning, and professional services budgets covering Finance, Legal Services, Audit and Risk, Human Resources and IMT.	2,090	0	0
J1	The proposal to increase the income from the Service Level Agreement which will increase the costs for schools which will need to be paid for from the Individual Schools Budget block of the DSG.	751	0	0

Ref	Description	Amount £'000		
		15/16	16/17	17/18
K1	The Prevention and Inclusion service will be tendering a number of services to increase efficiencies while reducing and targeting provision such as residential rehabilitation.	574	30	0
K3	Withdraw funding from the case mgt/support team element of the Integrated Offender Management Service.	200	0	0
L2	Libraries staff reorganisation.	280	0	0
M1	Transfer of non-housing stock from the HRA to the General Fund.	700	200	100
O2	Review Parking Contract Client Team.	50	0	0
O3	Set up an internal 'enforcement agency' (bailiff) service to collect Council Tax and other debts. The internal bailiff service will generate income from the statutory fees charged to debtors. The 'saving' is the net surplus income once operational costs have been taken into account.	400	200	0
P1	Restructure of planning service and Cutting funding for legal locum to deal with s106 agreements that is no longer required	229	0	0
	Total proposed savings	8,558	1,190	2,085
	Less: G1b Council Tax collection savings achieved via Collection Fund surplus	-500	0	0
	Total proposed savings towards 15/16 General Fund budget requirement	8,058	1,190	2,085

Saving Proposals returning to Mayor & Cabinet following 12 November 2014 - Summary by Thematic Review

Ref	Description	Amount £'000		
		15/16	16/17	17/18
A1	This proposal will ensure that a consistent approach is taken in meeting care and support needs in the most cost effective way. This may result in some community based packages of care ending or being reduced where needs can be met in different and more cost effective ways.	2,680	0	0
A2	The majority of this savings proposal (£900k) represents a negotiated reduction in 24 hour individual prices of care packages.£550K of saving relates to pathway clarification and redesign. The final £50 relates to the extension of charging to people using supported living services.	1,500	0	0
A3	Reconfiguring sensory services provision.	150	0	0
A4	Remodelling building based day services and associated transport costs.	1,300	0	0
A6	Public Health programme review (I)	1,500	0	0
A8	Public Health programme review (II)	1,154	0	0
A9	Review of services to support people to live at home	250	0	0
B1	Efficiency savings through reduced contract values while maintaining capacity, reductions in service capacity, service closures, a review of mental health services across the board lends itself to changes in what is currently commissioned via the SP programme, and a complete reconfiguration and re-procurement of all remaining floating support services.	1,349	1,174	0
D1	In setting the 2014/15 budget the decision was agreed to effect this efficiency saving by means of holding back an annual amount of £2.5m of non-pay inflation when setting service budgets. It is anticipated that this approach will continue for the remainder of the programme (i.e. to 2017/18). This assumption will be re-proposed for agreement as part of setting the Council's annual budget in February each year.	2,500	2,500	2,500
E1	Structural re-organisation of the Regeneration & Asset Management Division.	600	0	0

Ref	Description	Amount £'000		
		15/16	16/17	17/18
G1c	Blue Badge administration fee	24	0	0
H1	Restructuring of enforcement and regulatory services	800	0	0
K2	Restructure of YOS service and changes in interventions and reduction in some contracts.	200	0	0
L1	Review of VCS grants programme.	1,125	375	0
N1	To close and cease to maintain a number of small parks, highways enclosures and closed churchyards and reduce management and management support posts	340	0	0
N2	Reduction in street cleansing frequencies and cleansing management costs.	400	0	0
O1	Discretionary Freedom Pass scheme.	200	0	0
Q1	These proposals involve a re-alignment of the Early Intervention and Social Care Referral and Assessment functions to create a new approach to our front door and triage for access to services.	3,208 <u>973</u> 4,181	1,223	111
Q2	Review of Youth Services – Option 1.	1,406	0	0
	Total proposed savings	21,599	5,272	2,611
	Less: Q1 Non LFP element relating to resetting 14/15 Children's budgets	-3,208	0	0
	Total proposed savings towards 15/16 General Fund budget requirement	18,451	5,272	2,611

NEW Saving Proposals for Mayor & Cabinet on 11 February - Summary by Thematic Review

Ref	Description	Amount £'000		
		15/16	16/17	17/18
L3	Reduction in a number of development budgets, an increase in income and the deletion of two vacant posts.	240	0	0
L4	Reduction in the operating period of the Broadway Theatre.	180	0	0
	Total proposed savings	420	0	0
	Less:	0	0	0
	Total proposed savings towards 15/16 General Fund budget requirement	420	0	0

Summary of Saving Proposals contributing to the General Fund Budget

Ref	Description	Amount £'000		
		15/16	16/17	17/18
All	Previously agreed for 2015/16	1,480	0	0
	Sub Total	1,480	0	0
All	Delegated to officers on 12 November 2014	8,058	1,190	2,085
All	Returning to M&C in February 2015 for decision	18,451	5,272	2,611
All	New for M&C in February 2015 for decision	420	0	0
	Sub Total	26,929	6,462	4,696
	Total proposed savings towards 15/16 General Fund budget requirement	28,409	6,462	4,696

APPENDIX Y3

Ready Reckoner for Council Tax 2015/16						
	Budget Requirement	Council Tax (Band D)	Increase / (Decrease)	GLA Precept (Band D)	Total Council Tax (Band D)	Increase / (Decrease)
	£'M	£	%	£	£	%
2014/15	268.062	1,060.35		299.00	1,359.35	
	245.023	1,044.44	(1.50%)	295.00	1,339.44	(1.46%)
	245.423	1,049.75	(1.00%)	295.00	1,344.75	(1.07%)
	245.824	1,055.05	(0.50%)	295.00	1,350.05	(0.68%)
Recommended	246.224	1,060.35	0.00	295.00	1,355.35	(0.29%)
	246.625	1,065.65	0.50%	295.00	1,360.65	0.10%
	247.025	1,070.95	1.00%	295.00	1,365.95	0.48%
	247.425	1,076.26	1.50%	295.00	1,371.26	0.87%
	247.626	1,078.91	1.75%	295.00	1,373.91	1.07%

APPENDIX Y4: Chief Financial Officer's Section 25 Statement

This statement makes reference to the 2015/16 Budget Report to Mayor & Cabinet circulated to all Members.

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

Section 114 of the Local Government Act 1988, requires the Chief Financial Officer (CFO) to issue a report to all the Local Authority members to be made by that officer, in consultation with the monitoring officer and head of paid service, if there is or is likely to be unlawful expenditure or an unbalanced budget.

Generally

The Council has already made savings from its revenue budget of £93m since May 2010. The Medium Term Financial Strategy was reported to Mayor & Cabinet in July 2014. This set out that an estimated £85m of savings is required from 2015/16 to 2017/18, over and above savings already agreed. The final Local Government Finance Settlement on 4 February 2015 announced a one year settlement for 2015/16. This confirmed the need for £40m of savings in 2015/16. The estimates for 2016/17 and 2017/18 may vary depending on future year settlements. Current forecasts expect the Council to need to find £40m to £50m of savings for the two years 2016/17 and 2017/18.

Our estimates were for a further £85m of savings but following the Chancellors announcement in the Autumn Statement of a further £10 billion of cuts to public sector expenditure these estimates are likely to worsen and it would be prudent to revisit the overall estimates in the next financial survey in the summer.

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

Pressures on the Council's Revenue Budget in 2015/16

During 2014/15 there have been a number of pressures which have crystallised due to increasing demographics and legislative changes. These have given rise to an increase in individuals presenting with no recourse to public funds and an increase in bed and breakfast usage. Consideration is given in the report to the management and funding of these risks.

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

In addition, the Council holds General Earmarked Reserves which total £63m. These funds are earmarked for various future planned spending and to undertake one-off projects or work that does not happen every year. Examples include, the transitional fund, redundancy provisions, elections, replacement of obsolete equipment and contractual claims that may become due (e.g. dilapidations that may become payable on properties we lease from the private sector to provide housing).

The 2015/16 budget pressures have been outlined in the main budget report. These include a range of pressures, some of which cannot be quantified at this stage, and include: demographic pressures for children and adult services; redundancy and further potential changes to funding as a result of government legislation and reform. These funds will either be transferred to the Directorate budgets where quantifiable and not thought to be directly controllable at the start of the year or held corporately until such time when the pressure emerges during the year.

Budget assumptions

Inflation

For financial planning purposes, the Council continues to anticipate the environment of public sector pay restraint to continue and assume an average pay inflation of 1% per annum, which equates to approximately £1.1m. Negotiations concluded in 2014 confirmed a pay award of 2.2% with effect from January 2015 for the two years 2014/15 and 2015/16, and funding for this increase is provided within the budget.

The Council applies a notional non-pay inflation level of 2.5% per annum which equates to approximately £3.4m on net expenditure.

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

Budget Risks

Capital Programme

The risks related to the Capital Programme are managed programme-wide and scheme by scheme. Officers review anticipated capital receipts quarterly, the last

review was carried out in January 2015. Projections are updated and reported on regularly to Mayor & Cabinet.

Service volume pressure

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

With regards to the overall financial standing of the authority, issues concerning the level of borrowing and debt outstanding, are considered in section ten of the 2015/16 Budget Report.

Business Rates Retention

This is the third local government finance settlement under the new 'business rate retention' funding system. There is now an increased emphasis on local authorities to grow their business activities locally. Councils retain 30% of locally collected business rates, but have no discretion to vary the rateable value or 'multiplier', (i.e. the pound charged per rateable value). This element makes up 17% of the total baseline funding received by Lewisham in respect of business rates in the financial settlement.

Each local authority is given an indicative target of business rates yield against which growth will be judged. Councils will be able to retain a share of any growth in business rate income and therefore have a direct financial incentive to promote growth in their local economies. Conversely, any decline in business rates will also be borne by the authority and will negatively impact upon income levels.

Savings

Identifying savings

The Council, through the Lewisham Future Programme, continues to look at reshaping the Council over the medium term. This Programme recognises that in the fifth consecutive year of spending reductions even greater innovation, focus on the customer, and cross-cutting thinking is required to deliver savings. This whilst attempting to minimise the impacts on residents and customers of Lewisham.

The Programme comprises a mixture of thematic and cross-cutting reviews. Some examples of these include: smarter assessment arrangements and deeper integration of social & health care, including public health; approach to safeguarding and early intervention services; opportunities for asset rationalisation; a strategic review of income generation and the drive to make further reductions in management and corporate overheads.

The 2014/15 budget was supported by the use of reserves. The 2015/16 budget makes use of once off resources from New Homes Bonus of £5.0m and £5m of earmarked reserves. Going forward, ongoing measures will need to be put in place to ensure the sustainability of the budget.

Implementing savings

There is a risk that one or more budget savings, in full or in part, may not be delivered on time in the year. The Council operates financial management on the principle of devolved responsibility for budgets to managers in Directorates. This is managed through the monthly budget monitoring process with quarterly updates provided in the budget monitoring reports for members. The extent to which any anticipated savings are not delivered adds to future pressures.

Control

Going forward into 2015/16, it will be even more important that the Council continues to maintain its strong systems for monitoring expenditure and controlling expenditure through Directorate cash limits.

During 2014/15 instructions to budget managers were re-affirmed to ensure tight spending on budgets and focus on ensuring the Council's budget position remains within budget at the year-end. However, throughout the year the Council has forecast a significant overspending position. While this has been reduced, the forecast outturn position for the year at the December 2014 was an overspend of £9.5m. In light of this position the Chief Executive and the Executive Director for Resources and Regeneration introduced a Central Expenditure Panel to approve all spending decisions in October 2014. Any overspend at the end of the financial year will have to be met from once off resources.

For 2015/16, the budget holders within Directorates are again being requested to endorse their cash limits before the start of the financial year and provide confirmation of an ability to deliver their services within the agreed allocated resources. It is expected that the Departmental Expenditure Panels and the Corporate Expenditure Panel will continue into 2015/16 and this will be reviewed after the first quarter.

Given the forecast outturn position in 2014/15, the unprecedented level of savings required for 2015/16 and the anticipated very significant level of savings/cuts required in the years beyond; it remains critically important to monitor the progress being made in implementing these savings throughout the year.

Conclusion

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

However, this has required the Council to draw on once off resources in 2014/15 and again in 2015/16. This action reduces the resilience of the Council to respond flexibly in the event of continued resource reduction or meet the financial consequences of a severe shock to or failure of service(s).

Tight control will need to be exercised over the budget for 2015/16 given the levels of risk, as set out earlier in this statement. Attention needs to continue to be focussed on managing within budget and identifying the savings necessary to achieve a balanced budget in future years. The use of once off resources on a continuous basis to balance the annual budget is not sustainable and could quickly

lead to the depletion of reserves. Should the Council find itself in a position where it does not have the resources to meet expenditure this would lead to the consideration of a Section 114 notice. Whilst the Council does currently have adequate reserves and a robust financial management regime, the budget preparation must remain a focus.

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

February 2015

APPENDIX Y5

COUNCIL TAX AND STATUTORY CALCULATIONS

Council Tax Calculation

As part of the Localism Act 2011, any Council Tax increases that exceed 2% in 2015/16 will trigger an automatic referendum of all registered electors in the borough. The statutory calculation for whether the Council is required to hold a referendum is based upon the 'relevant basic' amount of Council Tax, which under accounting regulations, includes levies. Any final recommendations on Council Tax levels will need to meet statutory requirements.

To date, Lewisham has only received one formal provisional notification from its levy bodies for 2015/16 (the Environment Agency). The LPFA and the Lee Valley levies have both been estimated for 2015/16 (it is assumed they will not change). Formal final notifications are expected to be received week commencing 9th February 2015.

Council Tax and Levies

'Relevant Basic' Amount of Council Tax	2014/15	2015/16
Council Tax Base	73,941	75,526
Council Tax Requirement with Levy (£)	78,403,552	80,084,100
Basic Amount of Council Tax (£)	1,060.35	1,060.35
Increase in basic amount of Council Tax (%)		0%

Levy bodies for Lewisham	2014/15 £	2015/16 £	Change £
LPFA (estimated)	1,243,426	1,231,690	-11,736
Lee Valley Regional Park (estimated)	232,194	232,194	0
Environment Agency (provisional)	170,425	172,889	2,464
Total Levies	1,646,617	1,649,084	-9,272

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

Statutory Calculations

1) It be noted that at its meeting on 21 January 2015, the Council calculated the number of 75,526.1 as its Council Tax base for 2015/16 in accordance with the Local Authorities (Calculation of Taxbase) Regulations;

2) The following amounts be now calculated by the Council for the year 2015/16 in accordance with the Local Government Finance Act 1992:

a. **£1,042,058,620** being the aggregate of the amounts which the Council estimates for gross expenditure, calculated in accordance with Section 32(2)A of the Act;

b. **£795,834,465** being the aggregate of the amounts which the Council estimates for income, calculated in accordance with Section 32(3)A of the Act;

c. **£246,224,155** being the amount by which the aggregate of 2(a) above exceeds the aggregate of 2(b) above, calculated by the Council, in accordance with Section 32A(4) of the Act, as its General Fund budget requirement for the year;

d. **£161,276,055** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of the Settlement Funding Assessment. This includes a Settlement Funding Assessment adjustment of **£1,259,461**;

e. **£84,948,100** being the residual amount required to be collected from Council Tax payers. This includes the surplus on the Council's Collection Fund of **£4,864,000**.

f. **£1,060.35** being the residual sum at (e) above (less the surplus on the Collection Fund), divided by the Council Tax base of **75,526.1** which is Lewisham's precept on the Collection Fund for 2014/15 at the level of Band D;

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

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

3) It be noted that for the year 2015/16, the Greater London Authority is currently consulting on the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 (as amended), for each of the categories of dwellings shown below:-

Band	GLA Precept
	£
A	196.67
B	229.44
C	262.22
D	295.00
E	360.56
F	426.11
G	491.67
H	590.00

4) Having calculated the estimated aggregate amount in each case of the amounts at 2) (f) and 3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, assumed the following amounts as the amounts of Council Tax for the year 2015/16 for each of the categories of dwellings shown below:-

Band	Total Council Tax (LBL & GLA)
	£
A	903.57
B	1,054.16
C	1,204.75
D	1,355.35
E	1,656.54
F	1,957.73
G	2,258.92
H	2,710.70

Appendix Y6 - Making Fair Financial Decisions



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

0B Introduction

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

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

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

1B What the law requires

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

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

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

of the key ways in which public authorities can demonstrate that they have had 'due regard'.

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

2BAim of this guide

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

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

We have also produced detailed guidance for those responsible for assessing the impact on equality of their policies, which is available on our website:

[Hhttp://www.equalityhumanrights.com/uploaded_files/EqualityAct/PSED/equality_analysis_guidance.pdf](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 be 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.
www.equality.humanrights.com

APPENDIX Z1: Interest Rate Forecasts 2015 - 2018

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
Mar 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.30	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

APPENDIX Z2: Economic Background

The UK. Economy

Growth Performance

UK. After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then in 2014 0.7% in Q1, 0.9% in Q2 2014 (annual rate 3.2% in Q2), Q3 has seen growth fall back to 0.7% in the quarter and to an annual rate of 2.6%. It therefore appears that growth has eased since the surge in the first half of 2014 leading to a downward revision of forecasts for 2015 and 2016, albeit that growth will still remain strong by UK standards. For this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.

Employment and wages

This overall strong growth has resulted in unemployment falling much faster than expected. The MPC is now focusing on how quickly slack in the economy is being used up. It is also particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back significantly above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates.

Unemployment is expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in wage growth at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Inflation

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.0% in November 2014, the lowest rate since September 2002. Forward indications are that inflation is likely to remain around or under 1% for the best part of a year. The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed until November. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated.

The Eurozone

Growth and inflation

The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In November 2014, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. It now appears likely that the ECB will embark on full quantitative easing (purchase of EZ country sovereign debt) in early 2015.

Sovereign debt

Concern in financial markets for the Eurozone subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause of concern, especially as some of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are likely to continue to deteriorate.

Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US.

Greece

The general election due to take place on 25 January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece

USA

The U.S. Federal Reserve ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 and Q3 of 4.6% and 5.0% have been stunning and hold great promise for strong growth going forward. It is therefore confidently forecast that the first increase in the Fed. rate will occur by the middle of 2015.

China

Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has indicated a marginally lower outturn for 2014, which would be the lowest rate of growth for many years.

Japan

Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession in Q2 and Q3. The Japanese government already has the highest debt to GDP ratio in the world.

Capita Asset Services Forward View

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. 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, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

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	£60m	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 £40m £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*

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

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

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;

Agenda Item 8

COUNCIL		
Report Title	Lewisham River Corridors Improvement Plan Supplementary Planning Document – Approval for Consultation	
Key Decision	Yes	Item No.
Ward	All	
Contributors	Executive Director for Resources and Regeneration	
Class	Part 1	Date:25 February 2015

1. Purpose

- 1.1 This report seeks the Council's approval to undertake public consultation on the Lewisham River Corridors Improvement Plan Supplementary Planning Document (RCIP SPD) in accordance with the statutory requirements and the Council's adopted Statement of Community Involvement.

2. Summary

- 2.1 The Lewisham River Corridors Improvement Plan Supplementary Planning Document (RCIP SPD) is one of the documents that, when adopted, will make up the Council's Local Development Framework (LDF) and will provide guidance on development near rivers and river corridors. The LDF refers to the group of documents setting out the Council's planning strategy, policies and guidance.
- 2.2 The RCIP SPD will set out additional planning guidance to inform decisions on planning applications where development near a river or river corridor is proposed and provides a greater level of detail than the policies set out in the Core Strategy, the London Plan or other LDF documents.
- 2.3 The RCIP SPD is set out as Annex 1 to this report.
- 2.4 The Mayor agreed at the Mayor and Cabinet meeting on 14 January 2015 that the draft RCIP SPD be publicly consulted on, and recommended that the Council do the same. The full report presented to Mayor and Cabinet is set out as Annex 2 to this report and gives further detail regarding the policy context, background and content of the RCIP SPD.

3. Recommendation

- 3.1 The Council is recommended to approve the draft River Corridors Improvement Plan SPD for public consultation in accordance with the Statement of Community Involvement.

4. Policy context

- 4.1 The SPD will form part of the Council's Local Development Framework (LDF).
- 4.2 The role of the SPD is to explain and elaborate on the policies in the Lewisham Core Strategy (part of the LDF) in relation to development near rivers. The LDF forms part of the Council's policy framework.
- 4.3 The full policy context is set out in the report to Mayor and Cabinet dated 14 January 2015 which is set out as Annex 2 to this report.

5. Background

- 5.1 The Report to Mayor and Cabinet dated 14 January 2015 sets out the background and a summary of the Lewisham River Corridors Improvement Plan SPD.
- 5.2 Minor changes to the formatting, and factual and typographical corrections to the SPD have been made since the Mayor and Cabinet meeting on 14 January 2015. These changes do not impact the policy direction or intended meaning.
- 5.1 The RCIP SPD, when adopted, will form part of the LDF and will facilitate the implementation of the vision, objectives and policies of the Core Strategy. As an SPD, the document will be used to explain and elaborate on the implementation of policy in the rest of Lewisham's LDF and the content must be consistent with the policies in the Development Plan, including those in the Core Strategy and London Plan.

6. Consultation changes resulting from Overview and Scrutiny

- 6.1 Overview and Scrutiny, at its meeting of 17 January 2015, expressed concern that the consultation approach should reach a wider audience than that described in the 14 January 2015 report to Mayor and Cabinet.
- 6.2 The Council's Statement of Community Involvement states that when consulting on draft SPDs, the Council will:
- Advertising the draft SPD in a local newspaper
 - Notifying by letter (or email) all those who have been involved in the Council's Local Plan consultation process (this consists of over 1,200 statutory bodies, organisations and individuals)
 - Make paper or CD copies available to all who want them
 - Publishing the SPD and any associated documents on the Council website, and making them available in the Planning Information Office and at the local library
- 6.3 The consultation period will run for 6-weeks and in addition to the above required measures, a full consultation and communications plan will be

developed to support the process. It is intended to also consult on Lewisham's Local Flood Risk Management Strategy – a statutory document – in early 2015 and an integrated approach will support both consultation processes due to the inter-dependencies between both documents.

6.4 Additional channels, mechanisms and dialogue methods will include:

- A link to the questionnaire via Lewisham's Consultation Portal and a news items on the Council's website
- A link within the Lewisham Life eNewsletter and any other relevant eNewsletters issued by the Council during the lifetime of the consultation
- A link to the questionnaire aimed at staff via 'News for You'
- A link to the questionnaire for councillors
- Awareness of the consultation using Local Assemblies', Young Advisors' and Voluntary Action Lewisham's communication mechanisms and the 'Greenscene' Twitter account
- Direct mail to other individuals/organisations who have in the past expressed an interest in the Lewisham environment and in particular its rivers, and who are not already on the Planning Policy mailing list
- Notification of the consultation to schools which have expressed an interest in the subject
- Notification of the consultation to existing groups such as the Ravensbourne Catchment Improvement Group and the South East London Flood and Water Management Group
- Consideration of a specific mail drop to properties adjoining, or in close proximity, to the borough's rivers

7. Legal implications

- 7.1 The procedures which the Council are required to follow when producing a Supplementary Planning Document derive from the Planning and Compulsory Purchase Act 2004 (as amended) and the Town and Country Planning (Local Planning) (England) Regulations 2012.
- 7.2 The function of approving Planning Documents is shared by the Mayor and Cabinet and Full Council, however the formal adoption of the document is a matter reserved to Full Council only.
- 7.3 If full Council resolves to adopt the SPD, the document will form part of the Local Development Framework
- 7.4 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 7.5 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 7.6 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.
- 7.7 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/>
- 7.8 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
 2. Meeting the equality duty in policy and decision-making
 3. Engagement and the equality duty
 4. Equality objectives and the equality duty
 5. Equality information and the equality duty
- 7.9 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:
<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

8. Conclusion

8.1 The Council is asked to approve the River Corridors Improvement Plan SPD attached as Annex 1 to this report.

Background documents

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
Planning & Compulsory Purchases Act 2004 (as amended)	2004	Laurence House	Planning Policy	Brian Regan	No
National Planning Policy Framework	2012	Laurence House	Planning Policy	Brian Regan	No
Local Plan Regulations	2012	Laurence House	Planning Policy	Brian Regan	No
Localism Act 2011	2011	Laurence House	Planning Policy	Brian Regan	No

If you have any queries on this report, please contact Brian Regan, Planning Policy, 3rd floor Laurence House, 1 Catford Road, Catford SE6 4RU – telephone 020 8314 8774.

Annex 1: Lewisham River Corridors Improvement Plan SPD – Version for public consultation

Annex 2: Report to Mayor and Cabinet on Lewisham River Corridors Improvement Plan SPD 14 January 2015

This may be viewed at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CIId=139&MIId=3498>

River Corridors Improvement Plan

Supplementary Planning Document

London Borough of Lewisham

Copy for public consultation

March 2015

How to give your views

This draft Supplementary Planning Document is published for public consultation until:

xx xx 2015

Please send comments to:

POST:

Planning Policy
Planning Service
London Borough of Lewisham
3rd Floor, Laurence House
1 Catford Road, Catford
SE6 4RU

EMAIL:

planning.policy@lewisham.gov.uk
with draft River Corridor Improvement
Plan SPD in the subject box

ONLINE:

lewisham-consult.objective.co.uk/portal/
planning_policy

Any representations made in relation to
this draft SPD will be made available for
public inspection



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Executive Summary

The River Corridor Improvement Plan Supplementary Planning Document provides guidance relating to the rivers and river corridors in the London Borough of Lewisham. The Supplementary Planning Document seeks to secure high quality development along the river corridors, whilst balancing environmental protection and enhancement, flood risk, housing supply and economic growth.

The River Corridor Improvement Plan has the following aims:

- To provide guidance for developers and landowners;
- To ensure high quality development along the river corridors;
- To ensure development enhances the river setting;
- To provide guidance on flood alleviation and ecological improvements;
- To ensure that development is appropriate and that the impacts of development are effectively understood;
- To engage local communities in flood prone areas and encourage appropriate action.

The vision of the River Corridor Improvement Plan is to protect and enhance the environment, to reduce flood risk, to support strong, prosperous and vibrant communities, and to contribute to healthy communities. The plan has been informed by the European Water Framework Directive and other relevant policies at the European, national, regional and local levels.

The plan has identified three overarching river character areas in the London Borough of Lewisham, comprising the River Thames and Deptford Creek, the River Ravensbourne and Pool River, and the River Quaggy and Kyd Brook. The public access networks traversing these character areas could be improved through the designation of Public Rights of Way across land in private ownership, measures to reduce crime and fear of crime, environmental enhancements and improved connections between the Public Rights of Way and the rivers.

Case studies including Ladywell Fields, Broadway Fields, Beckenham Place Park, Linear Park and Cornmill Gardens demonstrate the current contribution that the rivers in the London Borough of Lewisham make to flood risk, habitat and conservation, and recreation. Design and development guidelines have been

prepared for Broadway Fields, Beckenham Place Park and Linear Park. Sutcliffe Park demonstrates best practice in the adjacent Borough of Bexley and Royal Borough of Greenwich.

General design and development guidelines relating to regeneration, channel enhancement, ecological enhancement, boundary and surface treatments, public art, access and the public realm, management and maintenance, and flood risk should be considered by applicants for planning permission and development management officers. The River Corridor Improvement Plan Supplementary Planning Document will be delivered through planning policy, development management, and other initiatives by the London Borough of Lewisham. Partnership working with developers, landowners and communities, and securing funding where necessary, will also support the delivery of the strategy.

Introduction

BACKGROUND

1.1

This Supplementary Planning Document (SPD) provides detailed guidance on the rivers and river corridors in the London Borough of Lewisham. The purpose of the River Corridor Improvement Plan (RCIP) is to ensure that all works along the river corridors are of a high quality and guided by the protection and enhancement of local amenity. A balance is sought between the interests of environmental protection and enhancement, flood risk, housing supply and economic growth.

1.2

In the past, some sections of the rivers that flow through the Borough have been canalised for flood defence reasons. The RCIP seeks to provide guidance where canalised sections of river can be returned to a more natural state without increasing flood risk.

DEFINITION

1.3

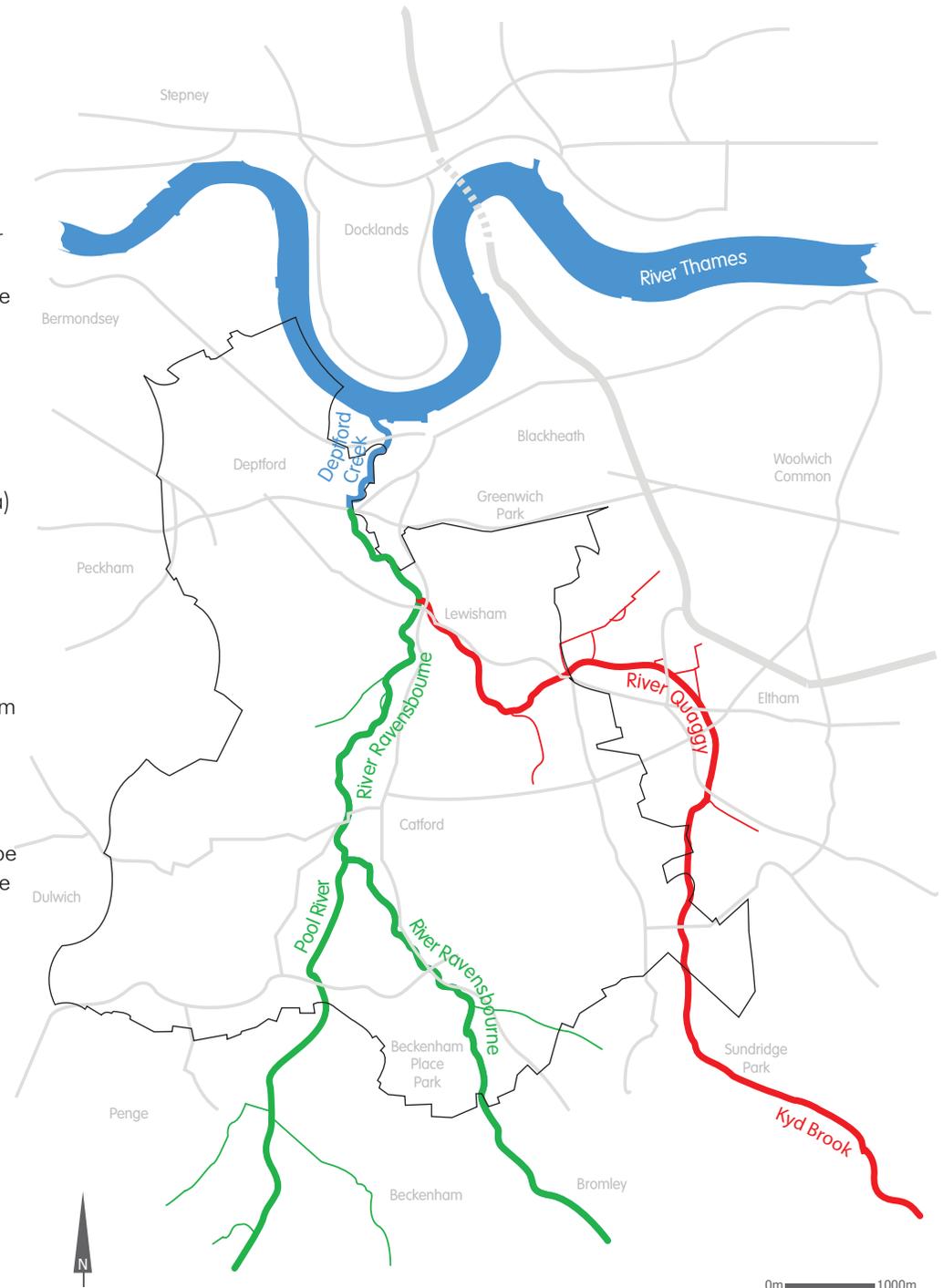
The RCIP defines a river corridor as the width of the channel in which water flows, as well as a river's extensive influence on the surrounding landscape and townscape.

1.4

A river corridor is characterised by the interactions between a range of natural (the influences of hydrology, geology, soils, climate, flora and fauna) and cultural (the historical and current impact of land use, settlement, public access and other human interventions) components within the water course.

1.5

The RCIP applies to all sites in Lewisham that are located within the corridors of the River Thames, Deptford Creek, the River Ravensbourne, Pool River, the River Quaggy and Kyd Brook. Sites may not have a river frontage but will be closely related to the river and therefore have the potential to affect the river environment.



AIMS AND OBJECTIVES

1.6

The aims of the RCIP are to:

- Provide guidance for developers and landowners;
- Ensure high quality development along the river corridors;
- Ensure development enhances the river setting;
- Provide guidance on flood alleviation and ecological improvements;
- Ensure that development is appropriate and that the impacts of development are effectively understood;
- Engage local communities in flood prone areas and encourage appropriate action;
- Encourage development which positively responds to rivers and their setting, ensuring that any necessary mitigation is designed in from the earliest stage as an inherent part of the scheme;
- Improve the overall water quality and river health.

1.7

The objectives of the RCIP are set out below:

- To protect and enhance the biodiversity and landscape value of the rivers in Lewisham;
- To provide coordinated guidance for development adjacent to the London Borough of Lewisham's rivers, promoting regeneration and ensuring design is responsive to and makes the most of opportunities to enhance the river environment;
- To promote the sustainable and efficient use of space by protecting and enhancing the multifunctional nature of the Ravensbourne, Quaggy and Pool Rivers, Deptford Creek and the River Thames;
- To promote opportunities to manage flooding;
- To safeguard and increase the role of the river corridors in the public realm, contributing to the open space network in the Borough, and to promote opportunities for sport, leisure, education, investment and employment;



Sutcliffe Park



Ladywell Fields

- To promote social inclusion and tackle deprivation and discrimination, ensuring that the river corridor is accessible to everyone as part of the blueribbon network;
- To promote opportunities for walking and cycling by ensuring existing routes, such as the Waterlink Way and Route 21, are maintained and where possible enhanced, and by promoting opportunities to overcome barriers to the public rights of way network.
- To promote improved access to rivers and increased public awareness

BENEFITS

1.8

The RCIP provides a clear framework for the river corridors. The vision, which has been developed through consultation with the key stakeholders, sets out the expectations and requirements for the range of activities that occur along the river corridors. General and specific design requirements are provided. The SPD provides a coordinated approach to the complex interests of environmental protection and enhancement, flood risk, housing supply, economic growth and other development pressures, and recreation needs and demands. The RCIP is developed in the context of an urban Borough subject to significant risk of flooding.

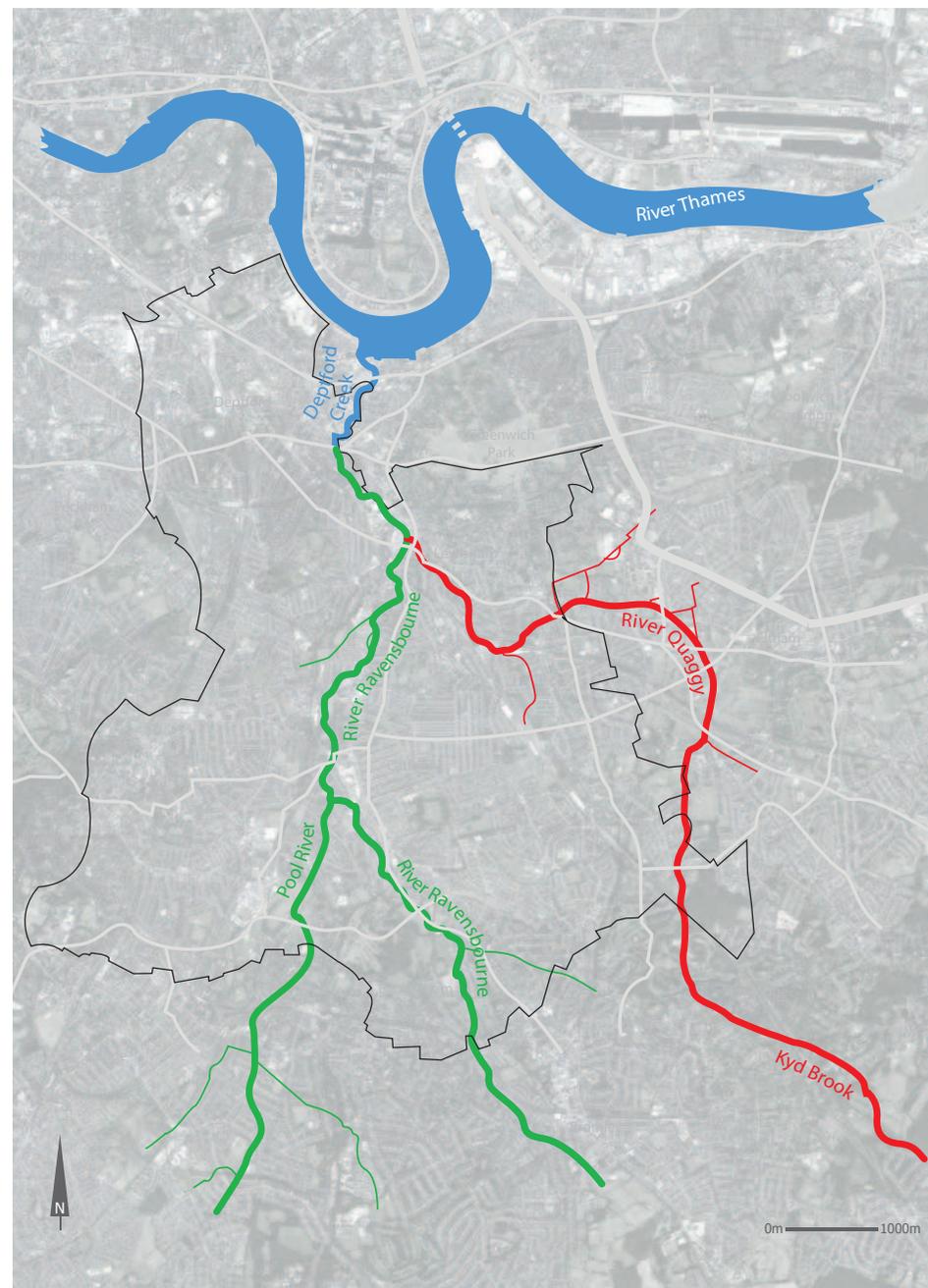
STATUS

1.9

This SPD has been prepared to support the implementation of Lewisham's Core Strategy, in particular policies 10 (Managing and reducing the risk of flooding), 11 (River and waterways network) and 15 (High quality design for Lewisham), and policies in Lewisham's Development Management Local Plan, Site Allocations Local Plan and Lewisham Town Centre Local Plan.

1.10

The policies within this SPD are consistent with Lewisham's Local Plan documents and are therefore additional material considerations in planning decisions.



METHODOLOGY

1.11

Lewisham RCIP SPD has been prepared in accordance with the process set out within the Town and Country Planning (Local Planning) (England) Regulations 2012, in addition to other relevant requirements and best practice guidance. A sustainability appraisal (incorporating strategic environmental assessment and equalities analysis assessment) has been completed in parallel with the formulation of the SPD.

1.12

The Ravensbourne RCIP (2010) has been reviewed and expanded to cover the River Thames, Deptford Creek, the River Quaggy, Pool River and Kyd Brook, in addition to the River Ravensbourne. The local community and interested groups have participated in the preparation of the SPD from the outset. A shared vision for the future enhancement of Lewisham's river corridors is presented in Section 2. The SPD has been developed in parallel with the Thames River Basin Management Plan and the Ravensbourne Catchment Improvement Plan.

1.13

The relevant EU, national, regional and local policies and strategies have been reviewed and the results are summarised in Section 3. An integrated character assessment of the river corridors has been completed and the features, particular characteristics and the character of each river corridor are described in Section 4.

1.14

The Green Grid, Waterlink Way, Green Chain and other Public Rights of Way Networks traversing the river corridors have been mapped and potential enhancements have been identified in Section 5. Section 6 comprises details of relevant case studies for key sites within each of the river corridors.

1.15

The sensitivity of each river corridor to development pressure has been identified, based on the integrated character assessments. The sensitivity of the river corridors has informed the design and development guidelines set out in Section 7.

1.16

Research has been completed into the key means of delivering river corridor improvements, including policy mechanisms, forums, development management, developer contributions and other funding opportunities. An outline of these delivery mechanisms is supplied in Section 8. Short, medium and long-term priorities for the draft SPD are linked to key actions and presented in an Action Plan in Section 9.



Vision

A coordinated approach to bring the River Thames, Deptford Creek, the River Ravensbourne, the River Quaggy, Pool River and Kyd Brook back to the heart of Lewisham, as distinctive and attractive focal points that bring together local communities and wildlife, promoting healthy living whilst reducing flood risk and the impacts of climate change.

PROTECT AND ENHANCE THE ENVIRONMENT ALONG THE RIVER CORRIDORS

- Use environmentally sensitive designs to enhance the river environment for wildlife, providing better conditions for habitats to flourish and adapt to climate change.

REDUCE FLOOD RISK

- Maximise opportunities from regeneration to review the location, layout and design of riverside sites to help reduce and manage flood risk, including downstream flood risk;
- Raise awareness of the expected increased risk of flooding and extreme weather conditions and encourage appropriate adaptation and mitigation measures.

SUPPORT STRONG PROSPEROUS AND VIBRANT COMMUNITIES ALONG LEWISHAM'S RIVERS

- Enhance and maintain the image and identity of the river corridors by stimulating development which reflects the landscape, townscape and historic character of the locality;
- Encourage development responsive to the river corridors, which can include community facilities, homes and jobs in addition to river corridor enhancements;
- Encourage development to respond to and address the river and deliver enhancements as part of schemes.
- Encourage public participation in the active management of wildlife habitats directly adjacent to the river, such as appropriate river bankside management.



CONTRIBUTE TO HEALTHY COMMUNITIES, THROUGH RECREATION AND LEISURE PROVISION ALONG THE RIVER CORRIDORS

- Provide high quality public spaces along the river corridors, which are accessible to everyone;
- Encourage safe and legible cycling and pedestrian routes along and across the river corridors, overcoming barriers to the public rights of way network;
- Make continued provision for water related activities where appropriate and desirable;
- Improve access to leisure, cultural, education and sports facilities along the river corridors.



Cornmill Gardens



Bell Lane



Sutcliffe Park



Cornmill Gardens

Policy and Strategic Context

3.1

A detailed assessment of the policy and strategic context has been completed to inform the formulation of London Borough of Lewisham RCIP SPD. The table below summarises the objectives of the key European, national, regional and local policies and strategies. The RCIP SPD is in general conformity with these objectives. The SPD supplements and furthers the aims of the relevant policies and strategies where appropriate.

POLICY	OBJECTIVE	POLICY	OBJECTIVE
<p>EUROPEAN Water Framework Directive</p>	<ul style="list-style-type: none"> To provide a framework for the protection of water, through river basin districts and river basin management plans. The assessment and management of flood risk, through flood risk assessments and flood risk management plans. 	<p>London Rivers Action Plan</p>	<ul style="list-style-type: none"> To provide a forum for identifying stretches of river that can be brought back to life, by improving habitats, removing or modifying flood defences, or by reclaiming buried rivers.
<p>NATIONAL National Planning Policy Framework</p>	<ul style="list-style-type: none"> A presumption in favour of sustainable development; A requirement for proactive strategies for climate change mitigation and adaptation, considering flood risk; A sequential test to direct development away from the areas of highest flood risk; A need for decisions to be informed by a flood risk assessment; Development should not increase flood risk and where possible should reduce flood risk. 	<p>Thames River Basin Management Plan</p>	<ul style="list-style-type: none"> To promote the protection, improvement and sustainable use of the water environment. River basin management ensures a collaborative approach to the improvements needed.
<p>LONDON London Plan</p>	<ul style="list-style-type: none"> Increased use and restoration of the blue ribbon network; To address current and future flood issues and minimise risks in a sustainable and cost effective way. 	<p>Thames Catchment Flood Management Plan</p>	<ul style="list-style-type: none"> To understand the scale and extent of flooding now and in the future, and set policies for managing flood risk within the catchment.
		<p>London Abstraction Management Strategy</p>	<ul style="list-style-type: none"> To set out how water resources are managed in the London area and to provide information about water availability for further extraction.
		<p>Thames Estuary 2100</p>	<ul style="list-style-type: none"> The strategic direction for managing flood risk in the Thames estuary to the end of the century and beyond.
		<p>Estuary Edges</p>	<ul style="list-style-type: none"> To provide guidance on ecological design for soft natural riverbank edges to encourage wildlife on the Thames.

POLICY	OBJECTIVE
LONDON BOROUGH OF LEWISHAM Lewisham Core Strategy	<ul style="list-style-type: none"> To preserve and enhance the river and waterways network, including the water quality, landscape, biodiversity, amenity and historical value, wider recreation and health benefits and potential for transport routes; To ensure development adjacent to rivers and waterways contributes to their special character, improving urban design quality and the natural ability of rivers and waterways to function, enhances the vitality of river frontages and access to the foreshore, and naturalising flood defences where appropriate; To protect the borough from the risk of flooding and to manage improved water quality.
Lewisham Site Allocations Local Plan	<ul style="list-style-type: none"> To facilitate development through the allocation of sites, protecting and enhancing the key features of the borough, including the river and waterways network.
Lewisham Development Management Local Plan	<ul style="list-style-type: none"> To guide and inform the assessment and determination of planning applications, with a presumption in favour of sustainable development and specific policy for the River Thames area and Deptford Creekside.
Lewisham Town Centre Local Plan	<ul style="list-style-type: none"> A spatial strategy for the town centre, identifying town centre areas and site specific policy for the town centre. The document considers the paths of the River Ravensbourne and the River Quaggy, and accompanying open space, supporting opportunities to enhance the quality of the river environment.

POLICY	OBJECTIVE
Lewisham Strategic Flood Risk Assessment	<ul style="list-style-type: none"> To identify flooding sources, provide an assessment of the level of flooding associated with identified areas and outline flood risk constraints to development.
Ravensbourne River Corridor Improvement Plan	<ul style="list-style-type: none"> To provide design guidance for the Ravensbourne river corridor based on the distinctive nature of the different character areas.

River Corridor Character Assessments

Introduction to Character Assessment Areas

4.1

The three river corridors that are the subject of this document all have differing characters. An assessment of the character of these river corridors is provided on the following pages. The three character areas which have been identified and assessed are:

- River Thames & Deptford Creek;
- River Ravensbourne & Pool River; and
- River Quaggy & Kyd Brook

4.2

As shown on the map opposite, the catchment of the Ravensbourne extends beyond the boundaries of the Borough and hence there is a need for partnership and collaboration between the Council and the adjacent Boroughs.

4.3

Lewisham's rivers sit within the Ravensbourne Catchment. The rivers start in Bromley and Croydon and run for approximately 25 km northwards, through Lewisham and Greenwich until they meet in Deptford at the River Thames.

4.4

The Catchment is made up of the area of land where water runs into rivers and streams, and includes parks, gardens, buildings and roads. This means that events occurring in Bromley or Croydon, such as heavy rainfall or pollution, can

impact on water levels, flooding and water quality down stream in Lewisham and Greenwich. Therefore it is important to work together, across borough boundaries, to ensure a joined up approach to managing the rivers in our shared Ravensbourne Catchment.



River Corridor Character Assessments

River Thames and Deptford Creek

THE RIVER CORRIDOR

4.5

Deptford is the northernmost area within the London Borough of Lewisham, extending to the banks of the River Thames. There is limited access or activity along this stretch of the frontage to the River Thames. The River Ravensbourne flows north to enter the River Thames at Deptford Creek. The eastern boundary of Deptford is defined by Deptford Creek, forming the border between the London Borough of Lewisham and Royal Borough of Greenwich. Deptford Creek is one of the few remaining navigable creeks off the River Thames. Creekside Discovery Centre provides access to Deptford Creek and a range of activities near by, however public access to the creek is otherwise limited and there are few river crossings.

KEY LANDSCAPE AND TOWNSCAPE CHARACTERISTICS

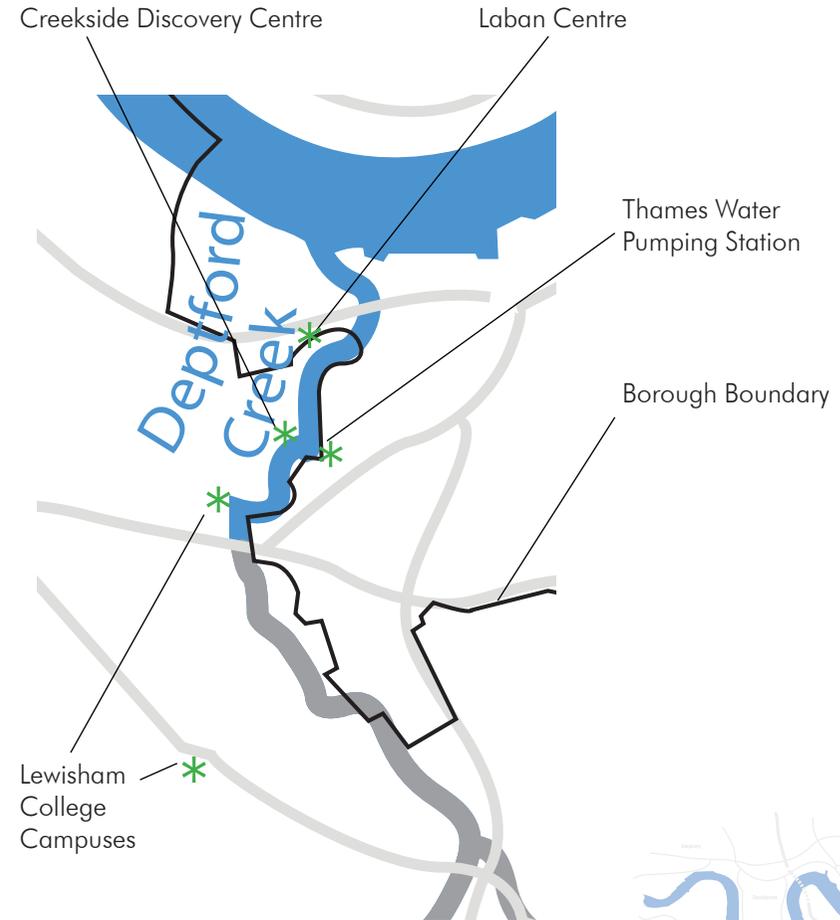
4.6

The River Thames and Deptford Creek are deep and broad tidal rivers, bounded by walls of timber fendering and steel piling. Wide expanses of mud are exposed at low tide. Deptford Creek has a strong meandering character. At Creekside, the river is largely hidden from public view by brick walls along the pavement edge. Commercial and residential buildings with large footprints

also screen the river from public view, whilst private inner courtyards along the river embankment provide a sense of openness and light.

4.7

The colourful houseboats on Deptford Creek, historic wharves, individual bridges and viaducts create a distinctive townscape character along the river corridor. Key features include the Docklands Light Railway, Mumford Mill and Thames Water Pumping Station. The area has a strong sense of community, fostered by the Crossfields Estate, Lewisham College, Trinity Laban Conservatoire of Music and Dance and Creekside Discovery Centre.



River Thames and Deptford Creek

RIVER ECOLOGY

4.8

The Thames and Deptford Creek include a diversity of wetland plants, including hemlock water-dropwort and garden angelica. There is no saltmarsh, as all the intertidal mud is deeply inundated at high water. These tidal reaches do, however, support wide and varied fish populations, and Deptford Creek is known to be an important nursery for fish fry. There is also a large and increasing population of Chinese Mitten Crab. The intertidal mud is a valuable feeding habitat for birds. Fish eating birds such as grey herons and cormorants also visit regularly.

FLOOD RISK

4.9

The River Thames Tidal Defences alleviate the risk of flooding to London at a higher standard than anywhere else in the country. The Thames Barrier holds back high tides and storm surges preventing them from reaching Deptford. Secondary tidal flood walls and embankments are also constructed along the River Thames including at Deptford Creek and along the lower end of River Ravensbourne up to Brookmill Park.



River Thames and Deptford Creek

HERITAGE

4.10

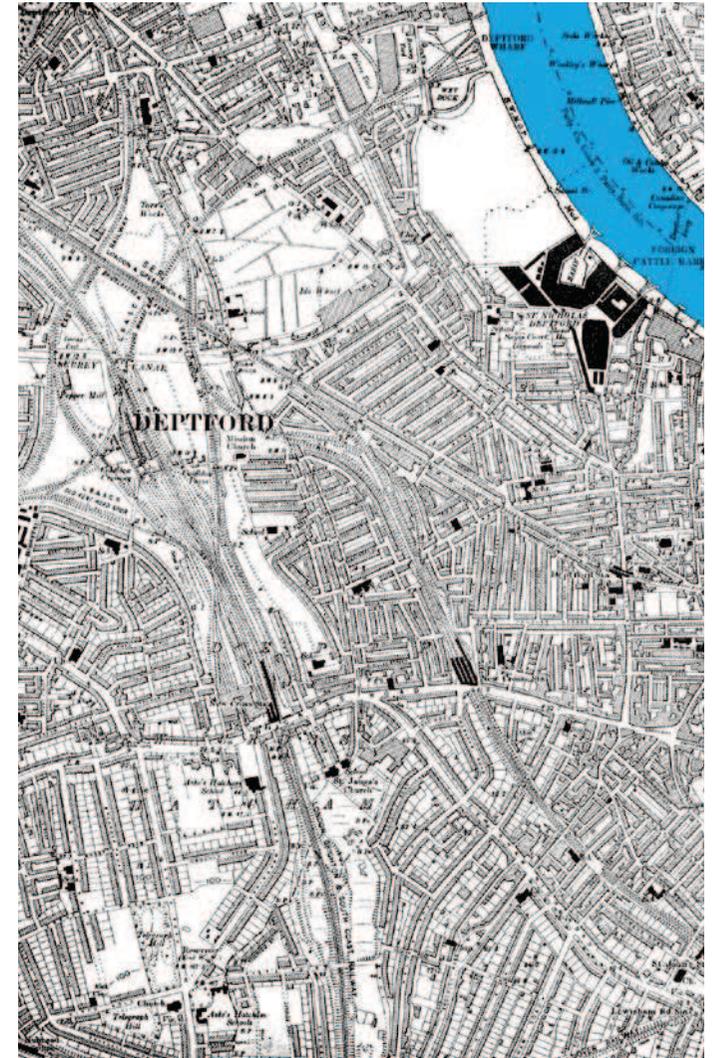
The deep ford which gave Deptford its name was formed during the Roman era. By the Tudor period, Deptford had become a thriving fishing village. Between the eleventh and eighteenth century, Deptford was strongly related to the river, with early development and industry along the waterfront, including watermills, gravel pits, fishing wharves, and shipbuilding.

4.11

From the sixteenth century onwards until its closure in the nineteenth century, the proximity of the Royal Dockyard created by Henry VIII at Deptford provided employment for shipbuilders at Deptford Creek. Towards the end of this period further industrial development included gasworks, breweries and chemical works. The Deptford Waterworks was founded in the early eighteenth century by the Ravensbourne Water Company. From the nineteenth century, both sides of Deptford Creek were fully revetted, confining the river to the current position.



1833



1894

River Thames and Deptford Creek

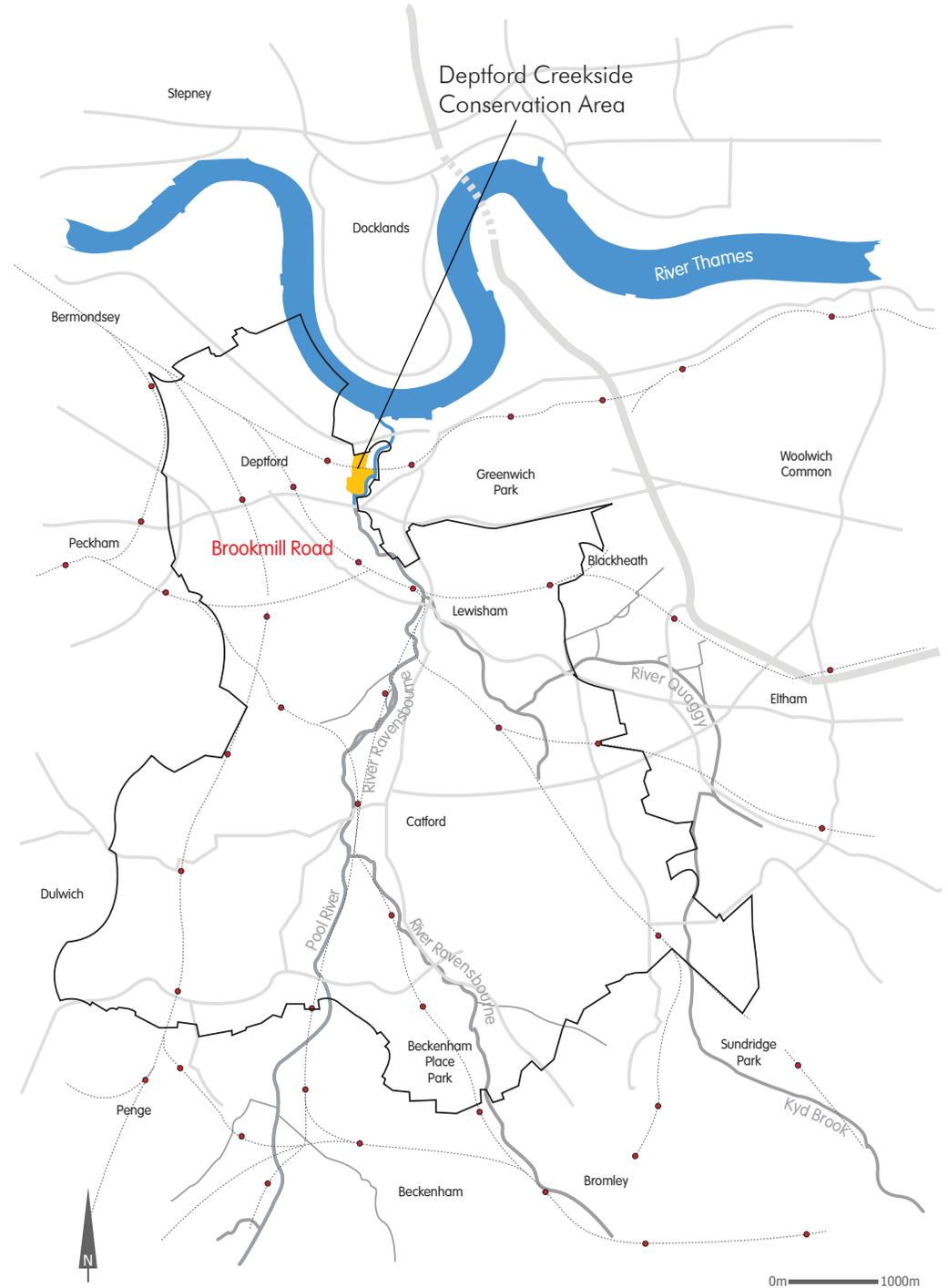
CONSERVATION AREA

4.12

The recently designated Deptford Creekside Conservation Area is located along Deptford Creek



1746 - JOHN ROQUE MAP



River Corridor Character Assessments

River Ravensbourne and Pool River

THE RIVER CORRIDOR

4.13

Lewisham lies almost entirely within the catchment of the River Ravensbourne, which rises at Keston Ponds on the North Downs. The dry valley of the River Ravensbourne can be traced in the topography and geology continuing further south. The Pool River is a major tributary of the River Ravensbourne, which rises further west. The River Ravensbourne and the Pool River flow broadly south to north through the centre of the borough and enter the River Thames at Deptford Creek. Crystal Palace Ridge forms a distinct topographical feature to the west. The land to the east of the ridge drains into the River Ravensbourne system.

KEY LANDSCAPE AND TOWNSCAPE CHARACTERISTICS

4.14

The River Ravensbourne enters the borough from the London Borough of Bromley near Beckenham Place Park, whilst the Pool River enters the borough at Lower Sydenham to join the River Ravensbourne south of Catford.

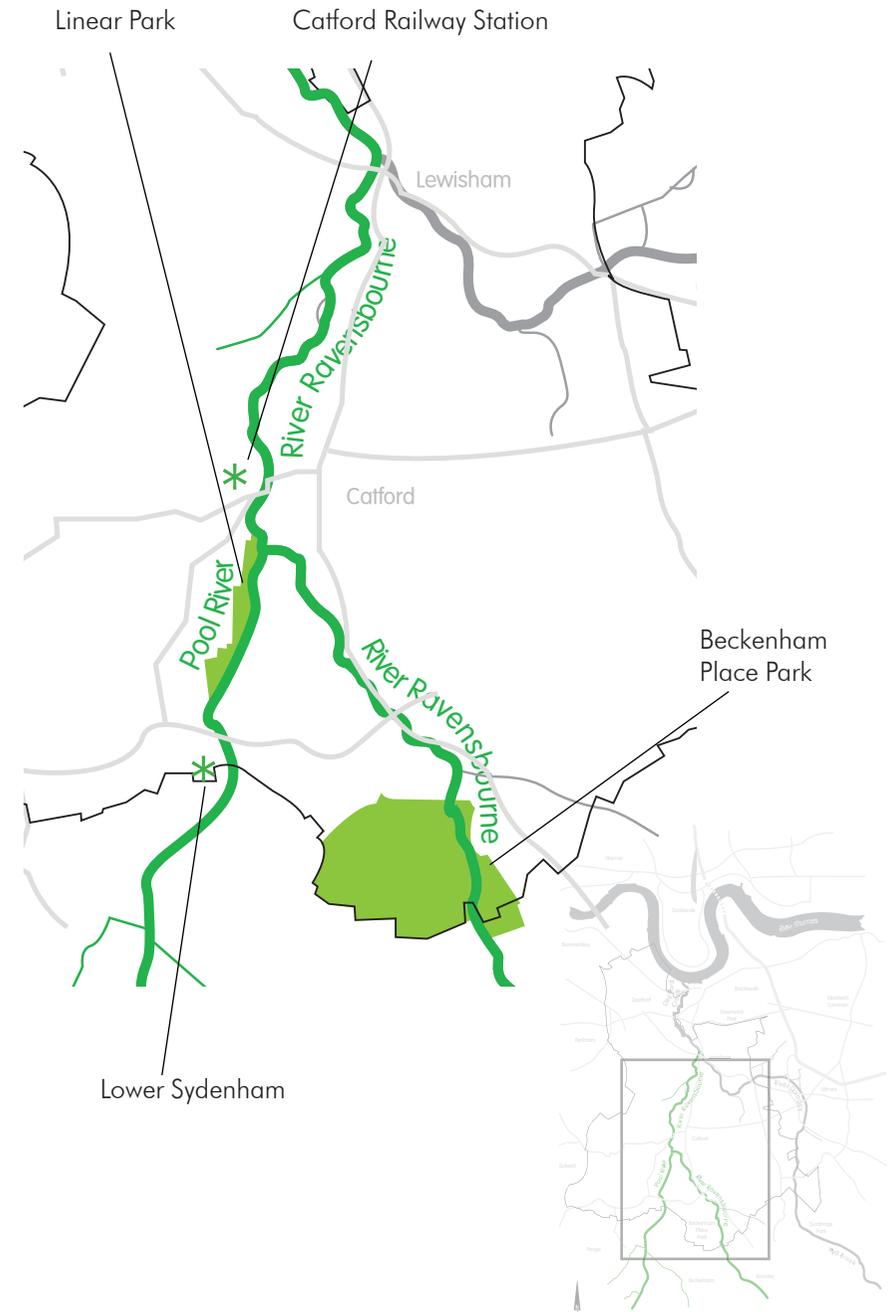
Riverview Walk and Pool River Linear Park are located within the southern area of the London Borough of Lewisham. Approximately 300 metres to the south of Catford Hill, the River Ravensbourne emerges from beneath the railway to the east, and the Pool River passes over a small weir and beneath a footbridge where the rivers coalesce. The River Ravensbourne flows north through a wooded area into formal open parkland to the south of Catford Road. South of the confluence of both rivers, between the Pool River and the railway, there is a cycle and pedestrian route which forms part of Waterlink Way.

4.15

The River Ravensbourne flows north to Catford Railway Stations, where there is limited access to the concrete channel. The river is culverted to the south of the South Circular Road, whilst to the north of the road the river is lined with mature trees. The Waterlink Way route gives way to private spaces, including large commercial buildings and a concrete surfaced car park.

4.16

Ladywell Fields is a public park situated



River Ravensbourne and Pool River

along the railway line, between Catford and Ladywell Railway Stations. The linear park has a flat to gently undulating landform. The canalised channel has been restored in places. The park comprises a northern, middle and southern field. The northern field includes expansive open areas, mature trees, wetland and ornamental shrubs. There are areas of flat grassland in the middle field which are used for informal football games. There are more secluded facilities in the southern field, including a bowling green and a tennis court.

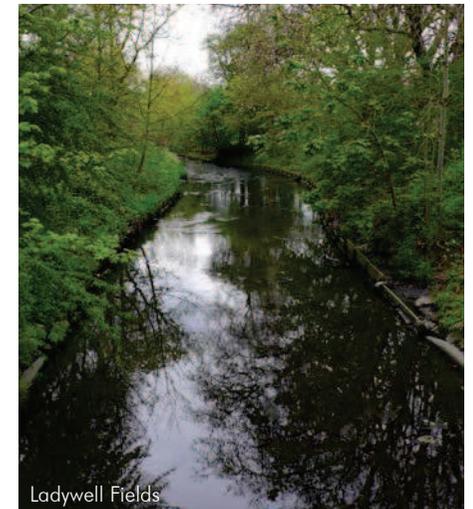
4.17!

The river environment in Lewisham Town Centre is characterised by concrete channeling and culverting. The environmental quality of the River Ravensbourne is poor at this location, with litter along the riverbanks, and public access is limited. Most of the historic

development along the river corridor does not relate well to the river. To the south-west of Cornmill Gardens, there is a semi naturalised, partially restored river channel, associated with an area of public open space.

4.18

Brookmill Park and Broadway Fields provide linear public open spaces along the river corridor. Brookmill Park includes naturalised embankments which create a positive relationship between the park and the River Ravensbourne. The river meanders through the park in a two staged channel. The river is diverted through a concrete channel at Broadway Fields, which is a more urban open space with sports and play facilities.



River Ravensbourne and Pool River

RIVER ECOLOGY

4.19

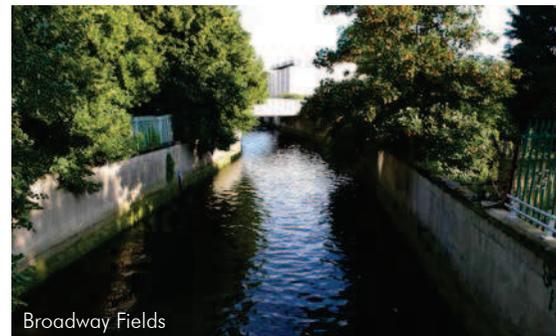
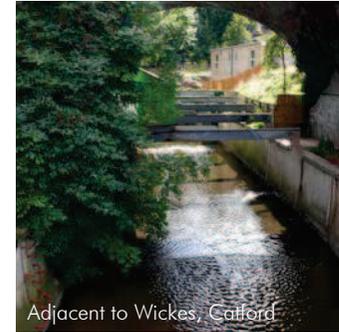
Significant parts of The River Ravensbourne and Pool River are culverted underground or in deep, vertical sided concrete channels. These sections of the river are of little nature conservation value, as flora and fauna regularly get washed away by floodwater. The Pool River between Bell Green and Catford, and the Ravensbourne at Beckenham Place Park, have more natural channels, although the higher land along the river corridors has prevented the formation of wetlands. Marginal vegetation includes watercress and Indian balsam. Aquatic plants such as Canadian waterweed and curled pondweed gain a foothold in the natural gravel bed. Birds include wagtails and kingfishers, and skittlebacks are a commonly seen fish.



FLOOD RISK

4.20

Extensive modification was undertaken in the 1960s to reduce the risk of flooding from the River Ravensbourne and its tributaries. Even with these works in place, there are approximately 1,500 homes and businesses within the borough located within the floodplain of the River Ravensbourne. These are mainly located through Catford and Lewisham. Of these, approximately 400 homes and 280 businesses are at risk of floodwater entering and damaging the inside of their properties.



River Ravensbourne and Pool River

HERITAGE

4.21

Thirty acres of meadow and eleven mills were recorded in Lewisham in the Domesday Book. The meadow is now part of Ladywell Fields. Five of the mills were located between Lewisham and Deptford, one of which was at Brookmill Park. Ford Mill at Catford Hill was also mentioned in the Domesday Book. The principal historic settlements along the River Ravensbourne comprise Lewisham and Catford. A historic route, from Lewisham to Orpington, follows the River Ravensbourne.

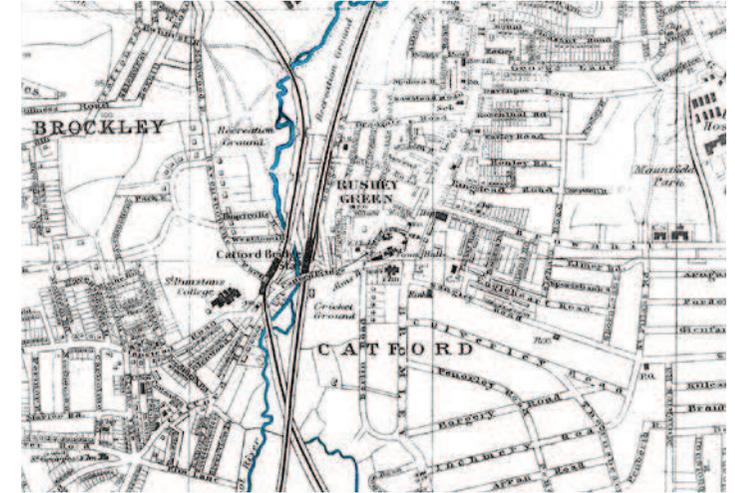
4.22

Up to the mid nineteenth century, the River Ravensbourne and the Pool River were part of the countryside and used largely for agricultural purposes. Railway lines were constructed along substantial sections of the Ravensbourne and Pool valleys during the nineteenth century, resulting in significant Victorian suburban expansion in Lewisham and Catford. Major new housing estates were developed in Lewisham and Catford during the early twentieth century, associated with significant works to realign the River Ravensbourne. Urban development continued to encroach on the river valleys throughout the interwar period, with stretches of the River Ravensbourne and the Pool River completely obscured, canalised and culverted by modern settlement.



1877
CATFORD

1917



1940

River Ravensbourne and Pool River

HISTORIC MAPS

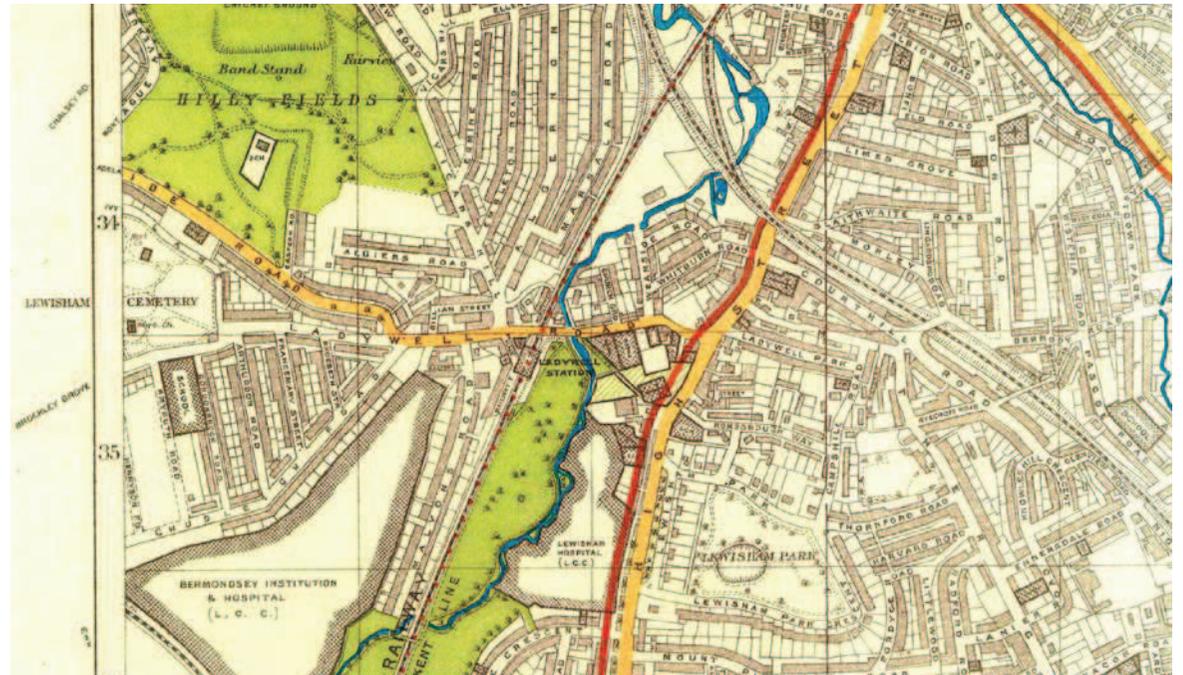
LADYWELL



1833



1875

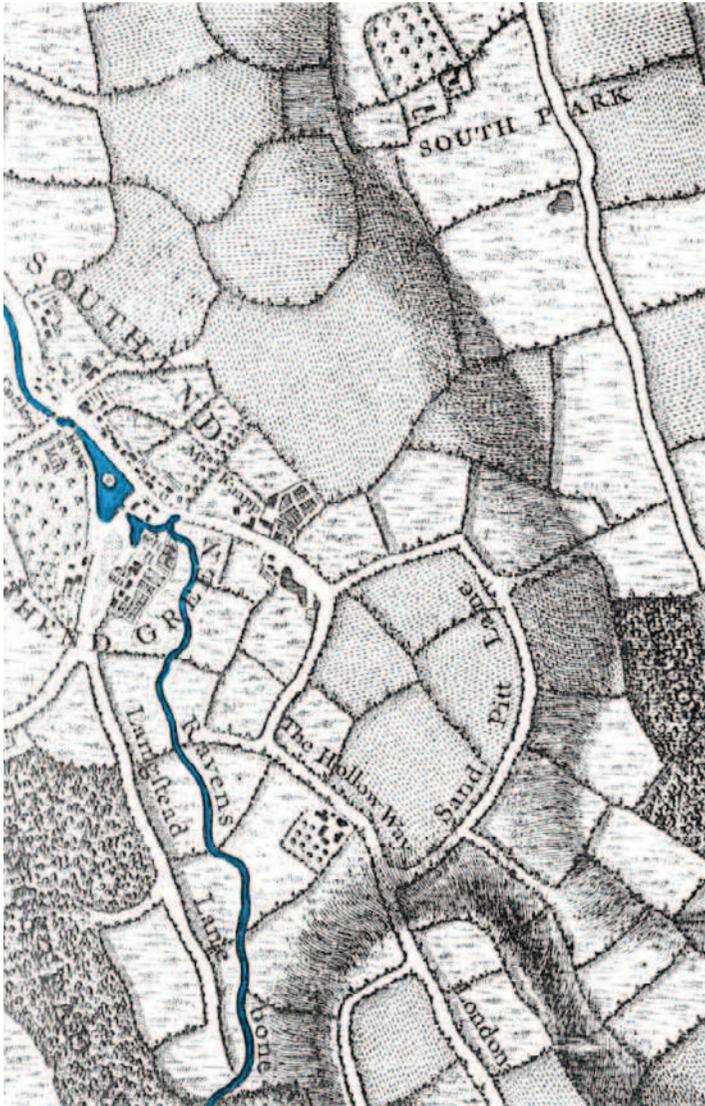


1930

River Ravensbourne and Pool River

HISTORIC MAPS

SOUTHEND



1743



1914



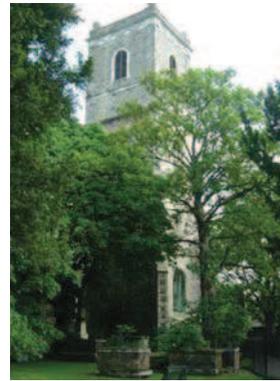
1930

River Ravensbourne and Pool River

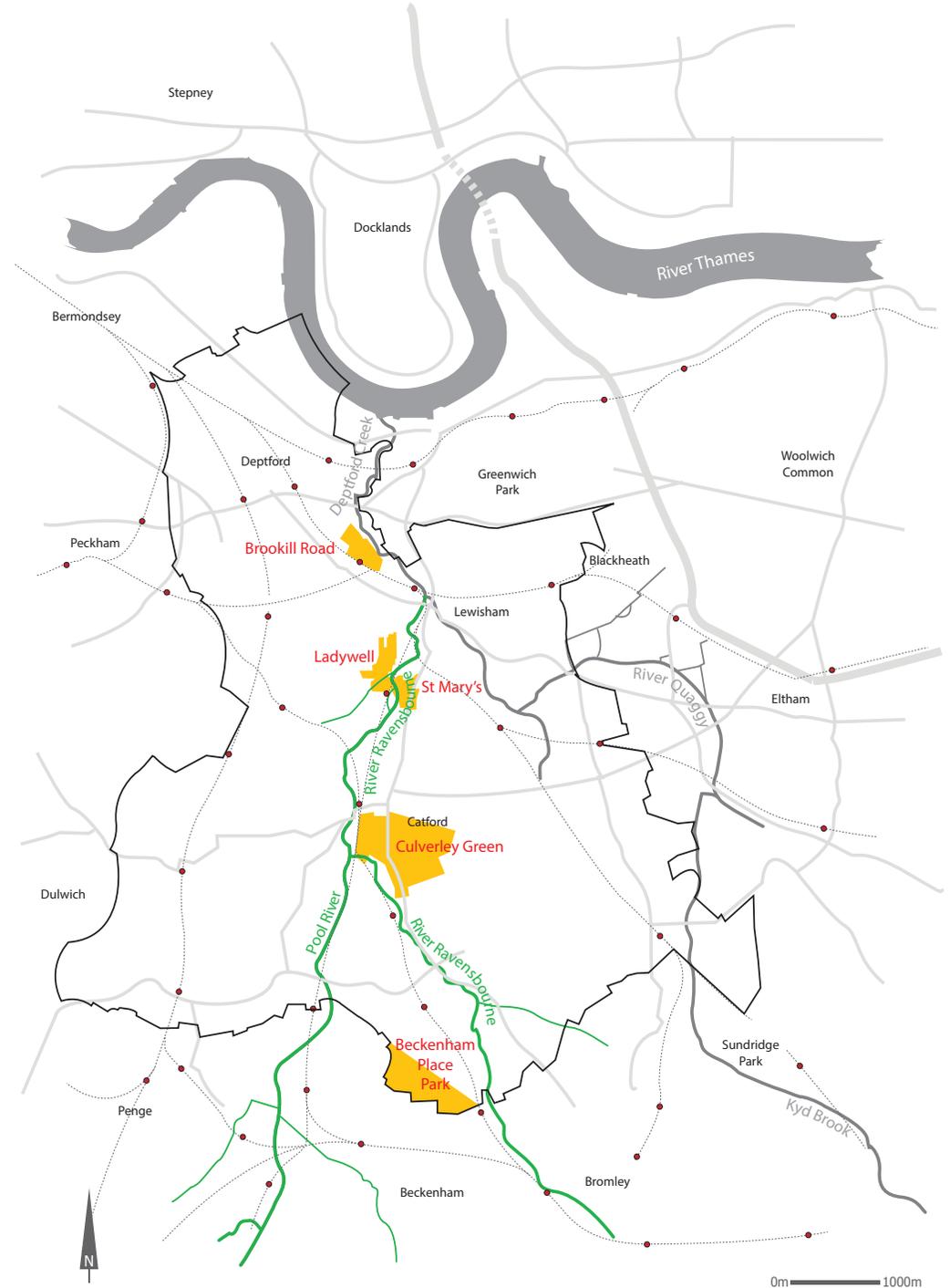
CONSERVATION AREAS

4.23

Conservation Areas associated with the River Ravensbourne and the Pool River include Brookmill Road, St Mary's, Ladywell, Culverley Green and Beckenham Place Park.



ST MARY'S CONSERVATION AREA
(images taken from St Mary's Conservation Area Character Appraisal)



River Corridor Character Assessments

River Quaggy and Kyd Brook

THE RIVER CORRIDOR

4.24

The upper reaches of the River Quaggy are known as Kyd Brook. The river rises at Locks Bottom, Farnborough Hospital and Bromley Common to the east and reaches the London Borough of Lewisham at Chinbrook Meadows in Grove Park. The river passes into the London Borough of Bromley near Mottingham and subsequently flows into the Royal Borough of Greenwich before re-entering Lewisham at Lee Green. The River Quaggy joins the River Ravensbourne in Lewisham Town Centre.

KEY LANDSCAPE AND TOWNSCAPE CHARACTERISTICS

4.25

At Chinbrook Meadows, where Kyd Brook reaches the London Borough of Lewisham, the river channel has been naturalised, with river banks reintroduced to encourage wildlife. Boardwalks and bridges enhance the relationship between visitors and the river. Much of the subsequent length of the river to the boundary with the London Borough of Bromley is within concrete channels, or has been culverted.

4.26

The extent of the river flowing into the borough from the Royal Borough of Greenwich is urban in character, until the river reaches Manor House Gardens. A fairly natural section of the river flows through the south of the formal park, along a gently meandering course over a clean gravelly river bed. Further west, at Manor Park, the river runs between the park, from which it is fenced off, and the back gardens of the adjacent houses. The river flows over a natural gravel bed and is retained by wooden revetments.

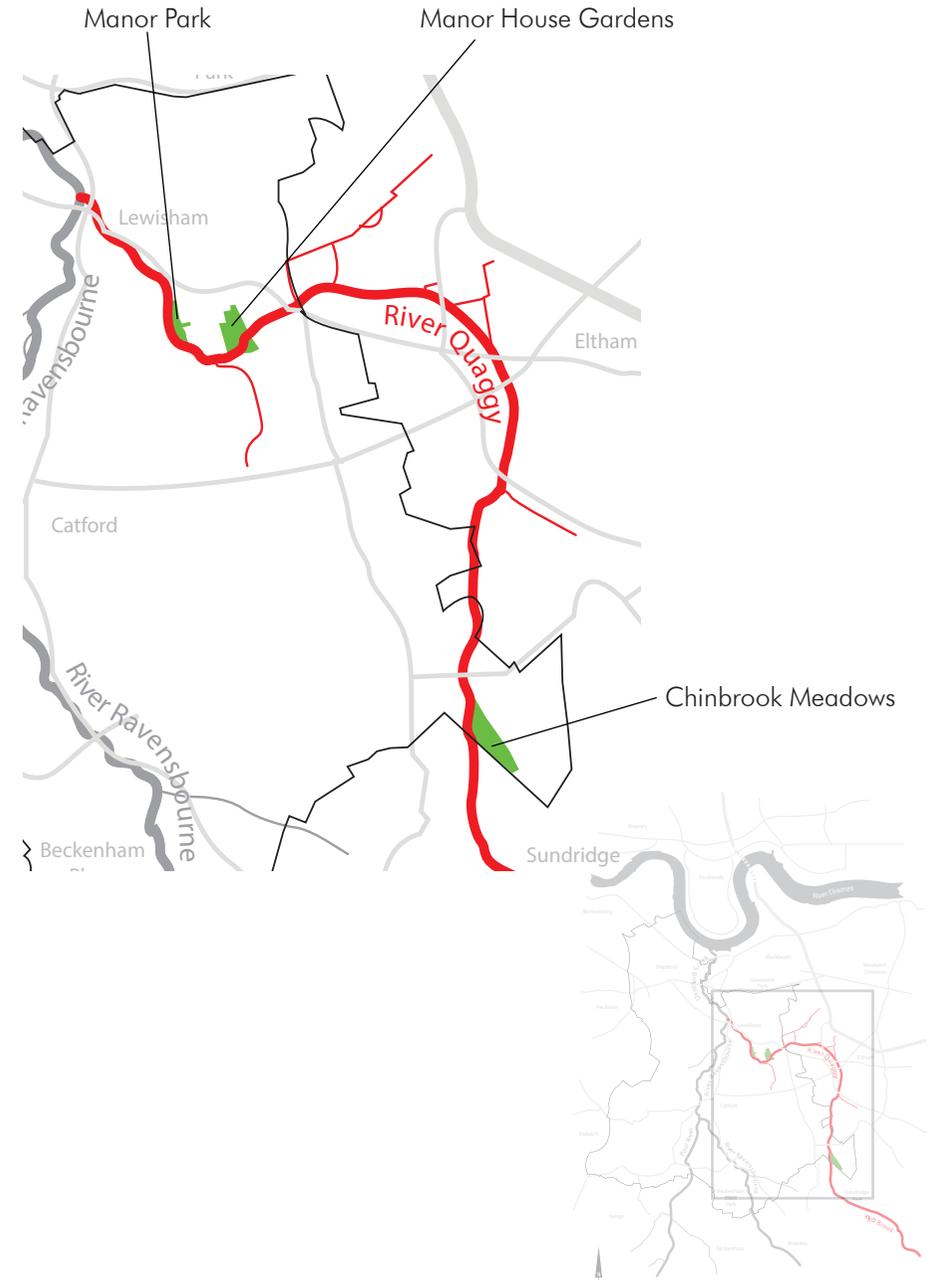
4.27

Lewisham town centre has developed at the confluence of the River Quaggy and the River Ravensbourne. A number of sections of the River Quaggy flowing through Lewisham town centre were previously culverted underground, but have now been deculverted.

RIVER ECOLOGY

4.28

The sections of the River Quaggy which are within concrete channels or have been culverted have limited value for wildlife, and there is little or no terrestrial habitat alongside. Conversely, the naturalised channel at Chinbrook Meadows has attracted a diversity of wildlife, including birds such as blackcaps, black headed gulls, herring gulls, grey herons and kingfisher.



River Quaggy and Kyd Brook

4.29

Despite the fairly natural appearance of the river at Manor House Gardens, there is little or no aquatic vegetation. At this location the river is fringed with Alder trees, which attract flocks of siskins. At Manor House Gardens, mature trees within adjacent gardens shade the river and there is little aquatic vegetation. A fenced area to the south of Manor House Gardens contains willows, with an understory of nettles. The area attracts willow warblers and blackcap. To the north of Manor House Gardens, the river runs between old brick walls, on which pendulous sedge, hart's tongue, water figwort and a variety of mosses and liverworts grow.

FLOOD RISK

4.30

Extensive work was completed in 2004



River Quaggy

to reduce the risk of flooding through Lewisham from the River Quaggy. These works included providing floodwater storage upstream at Sutcliffe Park and Weigall Road sports ground within the Royal Borough of Greenwich, as well as raising flood walls along parts of the river. These works have significantly reduced the frequency of flooding, however, some homes and businesses remain at risk in more extreme flood incidents.

HERITAGE

4.31

Kyd Brook and the River Quaggy were rural rivers surrounded by agricultural land and boggy quagmires up to the mid nineteenth century, when the railway lines were constructed. The River Quaggy is said to have acquired its name from the quagmires through which it flowed. Major new housing estates were developed from the early twentieth century. Sections of Kyd Brook and the



Manor Park



Manor Park



River Quaggy



River Quaggy

River Quaggy and Kyd Brook

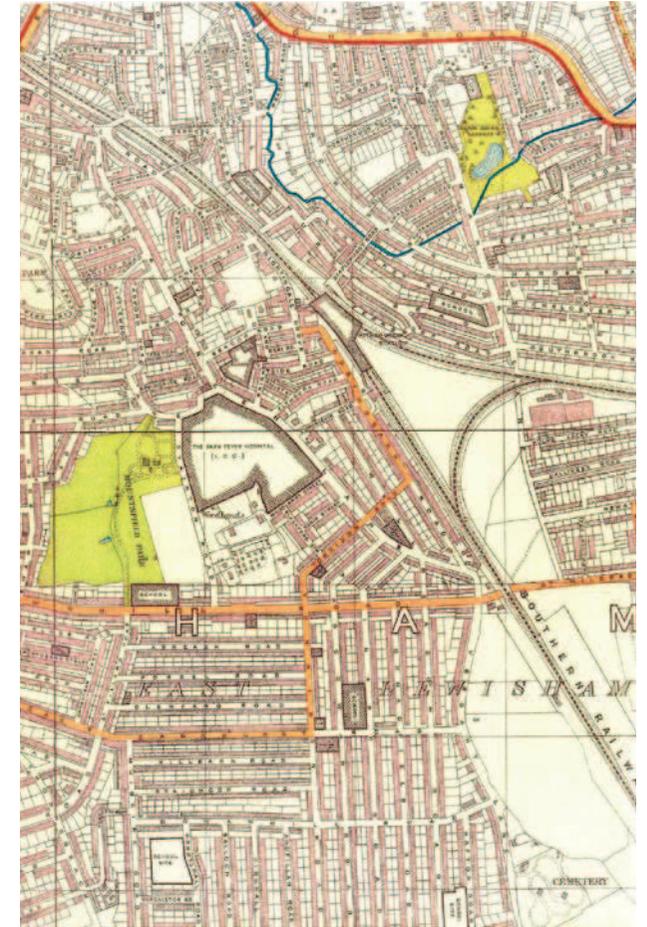
River Quaggy were canalised and culverted as part of the urban expansion. Chinbrook Meadows were opened in the early twentieth century as a three hectare children's playground on the edge of the Grove Park Housing Estate. The meadows were later extended by a further nine hectares.



1877



1904



1930

River Quaggy and Kyd Brook

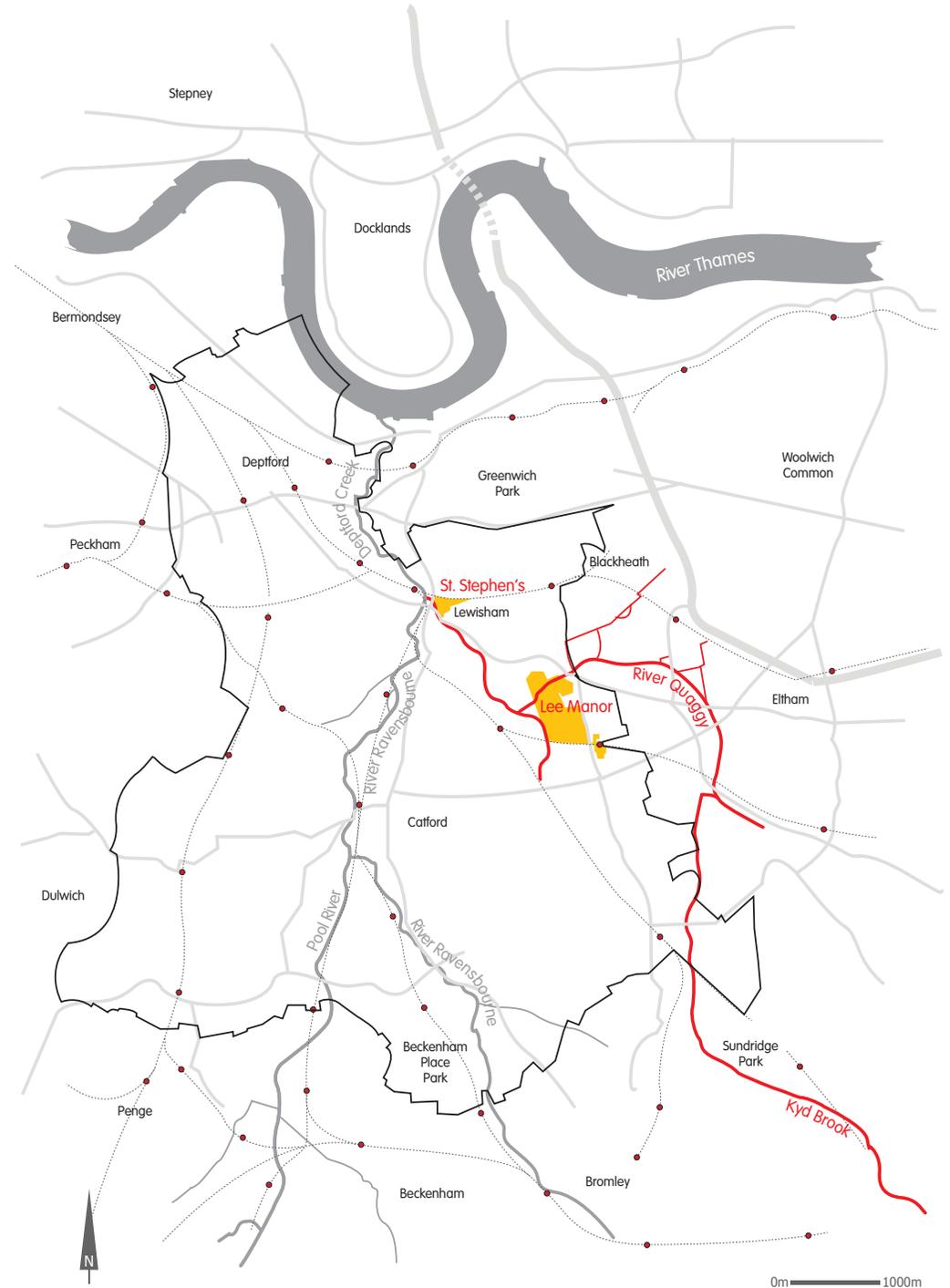
CONSERVATION AREAS

4.32

Lee Manor Conservation Area and St Stephen's Conservation Area are located along the River Quaggy.



LEE MANOR CONSERVATION AREA
(Images taken from Lee Manor Conservation Area Character Appraisal)



Access

Existing Public Rights of Way Network

5.1 The key public rights of way which relate to Lewisham’s rivers are as follows:

- The Green Chain;
- Waterlink Way;
- The Thames Path;
- Other local walking and cycling routes.

5.2 The All London Green Grid provides a framework to promote the design and delivery of green infrastructure across London. The objective of the All London Green Grid is to create a network of interlinked, multifunctional and high quality open spaces, connecting town centres, public transport hubs, and major employment and residential areas with parks and open spaces, rivers and the green urban fringe.

5.3 The aims of the All London Green Grid are as follows:

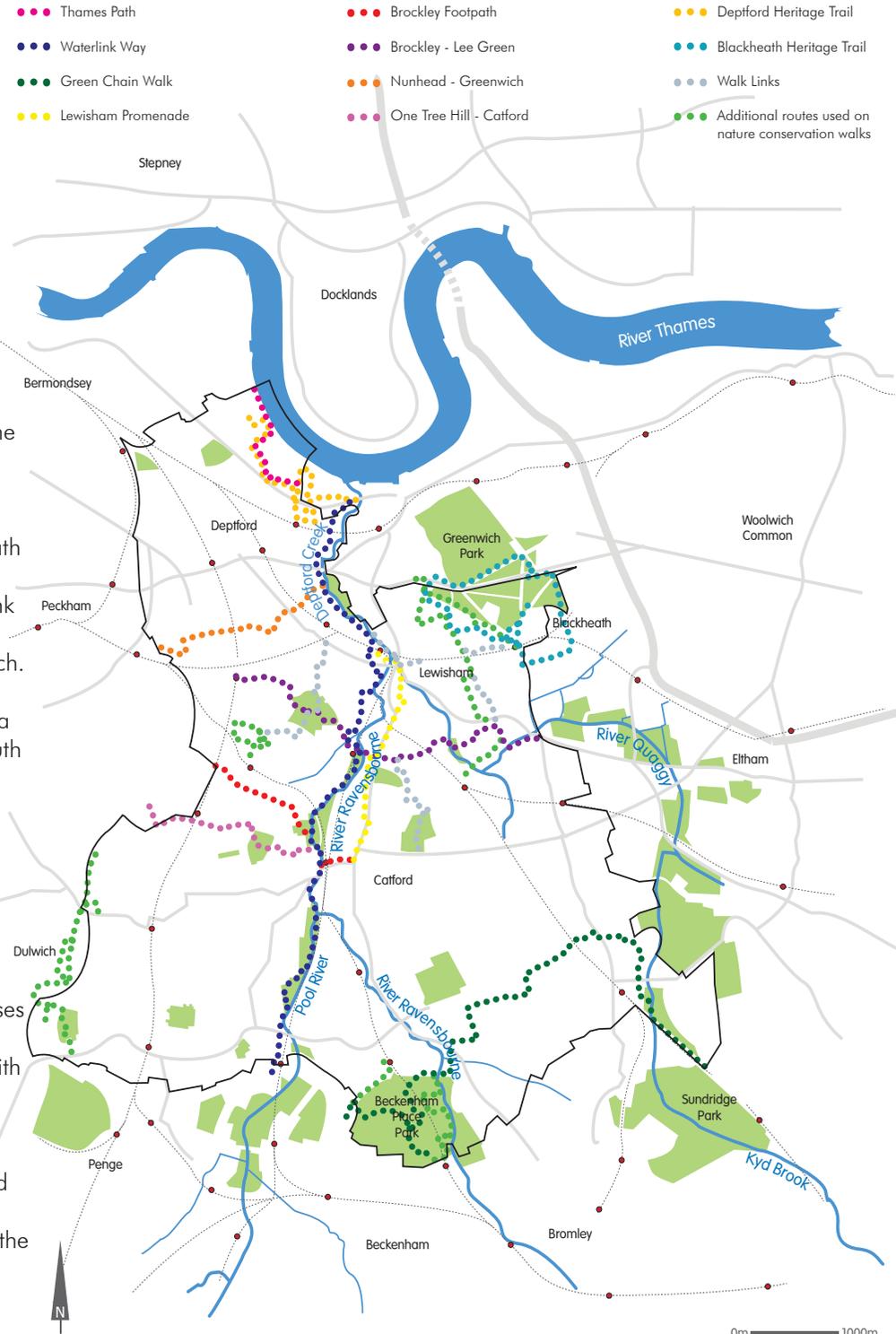
- To increase access to open space and nature;
- To conserve landscapes and the natural environment;
- To adapt the city to the impacts of climate change;
- To promote sustainable transport, walking and cycling;
- To encourage healthy living;
- To promote sustainable food growing;
- To enhance the visitor economy; and
- To promote sustainable design, management and maintenance.

5.4 The Green Chain comprises a network of connected green spaces and places of interest, including historic sites and monuments, local nature reserves, parks and gardens, sports grounds and allotments. The Green Chain aims to provide a haven for the natural environment, promoting wellbeing and the long term preservation of green spaces.

5.5 Waterlink Way is a long distance cycle path and walking route in south east London, connecting to the Green Chain. Waterlink Way extends from Cator Park in New Beckenham to the Cutty Sark in Greenwich. Waterlink Way is an established part of the National Cycle Network, connecting a number of parks and green spaces in south east London, including Ladywell Fields and Brookmill Park, following the Pool and Ravensbourne Rivers. The route was designed to encompass railway stations.

5.6 The Thames Path is a National Trail footpath running for 180 miles along the banks of the River Thames. The path passes through Deptford, along main roads and residential streets, before reconnecting with the river at Deptford Strand.

5.7 There are a number of other footpath and cycle links which relate to the rivers in the London Borough of Lewisham, including the Deptford and Blackheath Heritage Trails, Brockley Footpath Route 2 and Lewisham Promenade.



Access

Proposed Enhancements to the Public Rights of Way Network

DESIGNATION OF PUBLIC RIGHTS OF WAY ACROSS LAND IN PRIVATE OWNERSHIP

5.8

Private spaces interrupt the connectivity of the public access links along the river corridors in the London Borough of Lewisham, including the Green Chain and Waterlink Way. For example, to the south of the Catford Railway Stations, Waterlink Way is fragmented by large commercial buildings and car parking areas. There is limited access to the concrete channel of the River Ravensbourne, which is culverted to the south of the South Circular Road. The Lewisham Town Centre Local Plan aspires for extensions to be made to the Waterlink Way, and new developments may provide opportunities for this.

5.9

Where the key public access links along the river corridors are interrupted by land in private ownership, the Council can use its powers to make changes to the Public Rights of Way network within the Borough. New routes may be created either through an agreement between the local authority and the landowner, or compulsorily by order.

REDUCED CRIME AND FEAR OF CRIME

5.10

The Public Rights of Way along the river corridors in the London Borough of Lewisham should be safe environments, where crime does not undermine quality of life or community cohesion. The principles of designing out crime should be applied to the enhancement of existing Public Rights of Way and the creation of new links along the river corridors.

5.11

Public Rights of Way should be designed to meet the following criteria:

- Visually open;
- Direct and as straight as possible;
- Well used;
- Wide, to allow people to pass without infringing on personal space and to accommodate passing wheelchairs;
- Adequately lit;
- Devoid of potential hiding places;
- Overlooked by surrounding buildings and activities;
- Well maintained;
- Any pedestrian subways should be as wide and short as possible, well lit, with a clear line of sight to the exit.



Access

5.12

Crime and fear of crime could be reduced along Waterlink Way, where the long distance route passes through Linear Park. There is potential to create more open views along the river corridor. Lighting could also be enhanced, particularly within the underpass. Increased use of Linear Park could be encouraged through improvements to the entrance from Catford Hill and interpretative signage.

ENVIRONMENTAL ENHANCEMENTS TO PUBLIC RIGHTS OF WAY ALONG THE RIVER CORRIDORS

5.13

The appearance and public perception of the Public Rights of Way along the river corridors in the London Borough of Lewisham could be improved through the implementation of environmental enhancements. The environmental quality of the River Ravensbourne and the River Quaggy is poor in Lewisham town centre. The rivers are confined to poorly maintained concrete channels, with embankments littered with rubbish and overgrown vegetation.

5.14

Environmental enhancements could include the removal of unsightly rubbish, restoration of the river corridors and/or repairs to existing flood defences. Maintenance of existing hard and soft landscaping could improve the environmental quality of the Public Rights of Way network along the River Quaggy and the River Ravensbourne.

IMPROVED CONNECTIONS BETWEEN PUBLIC RIGHTS OF WAY AND THE RIVER CORRIDORS

5.15

Physical and visual barriers between Public Rights of Way and the river corridors include concrete channels and culverts, walls, fences and buildings. For instance, the River Quaggy runs through an area fenced off from Manor Park and the back gardens of the adjacent houses. Footbridges, viewing platforms, boardwalks, signage and street furniture can integrate the river corridors into the public realm, improving physical and visual links between Public Rights of Way and Lewisham's rivers.



Ladywell Fields



Molesworth Street



Linear Park

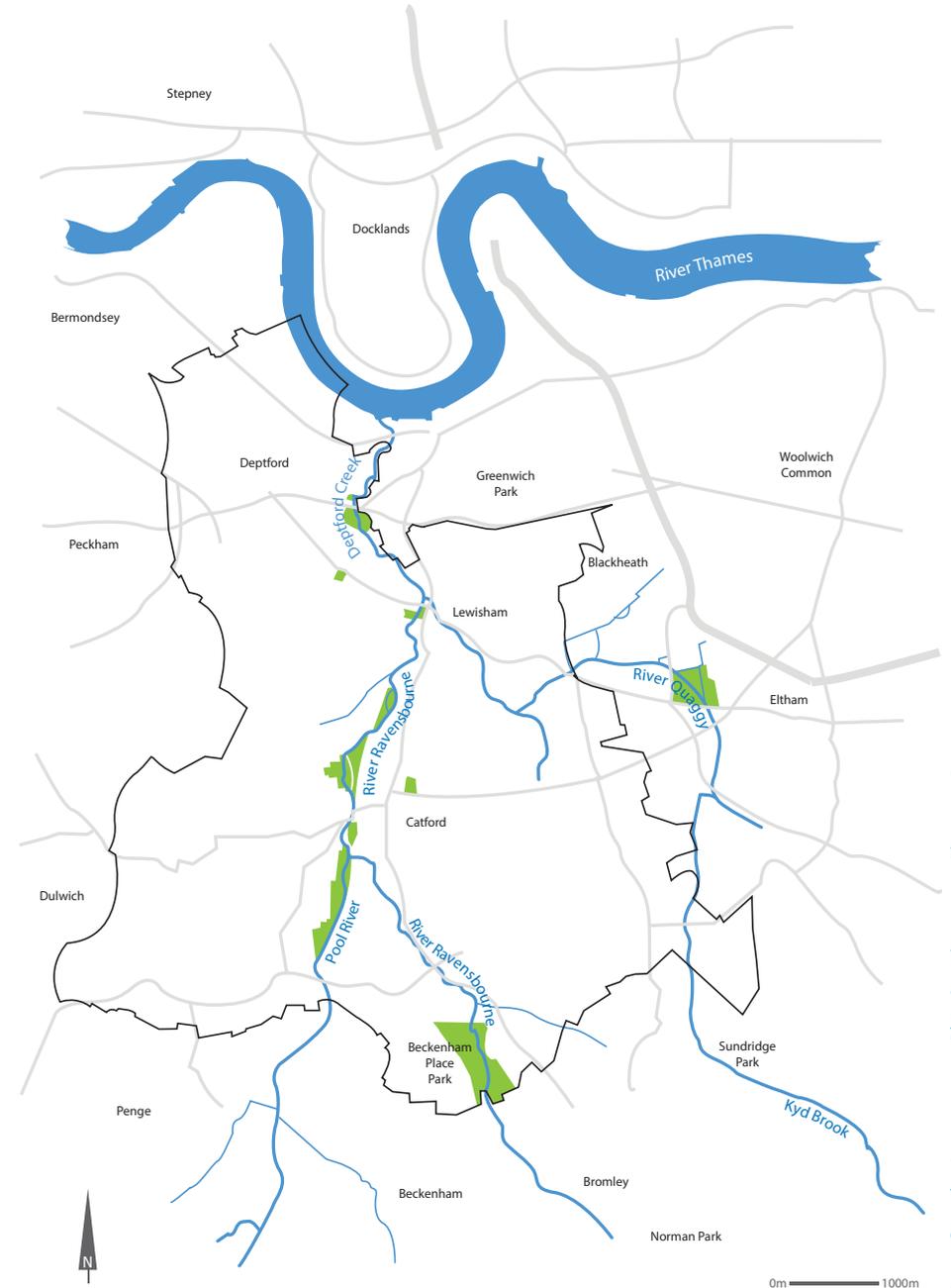
Design and Development Guidelines

6.1

This section sets out the borough-wide and corridor specific guidelines which proposals for new development should take account of and comply with.

6.2

The policies below are consistent with, and build on, policies contained with in the adopted development plan, as explained in the justification for each policy below.



Design and Development Guidelines

Borough-wide Policies

POLICY 1: INTEGRATED DEVELOPMENT

1. For all new development, the Council will require an integrated approach where land and river uses are considered holistically

Justification:

- This policy supports Core Strategy Policy 11 'Rivers and waterways network', in particular the aspiration to put the river back at the heart of Lewisham's developments and open spaces.
- An integrated approach is where the development delivers multiple benefits and enhances the use, enjoyment and setting of the river. Considering the land and river uses holistically, can result in developments that:
 - **Actively inform development proposals**
 - Improve the public realm
 - Enhance biodiversity
 - Improve water quality
 - Reduce flood risk
 - Facilitate housing and economic growth
 - Increase land values
 - **Treat the river as a valuable resource**
 - **Increase spaces around river corridors**



Design and Development Guidelines

Borough-wide Policies

POLICY 2: RIVER IMPROVEMENTS

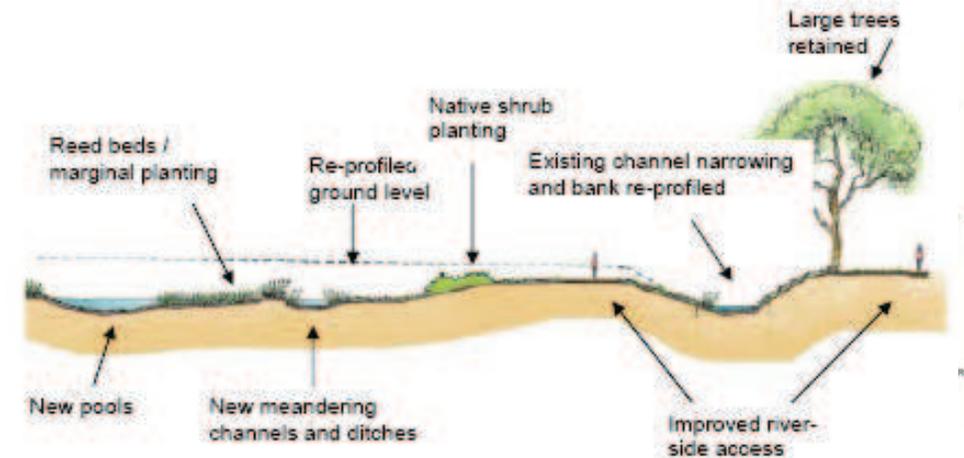
1. For all new development, the Council will require an appraisal of the opportunities for:
 - a. full river restoration
 - b. partial restoration, where it can be demonstrated that full river restoration is not possible
 - c. in channel enhancements or other appropriate measures, where it can be demonstrated that full and partial river restoration are not possible.

Justification:

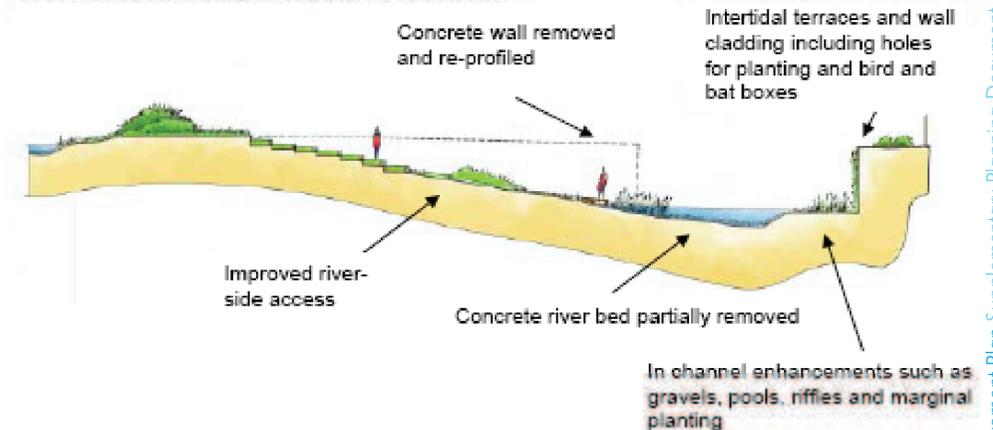
- The London Plan explains that London's rivers have been hugely altered from their natural state which has reduced their value to wildlife and also amenity. Policy 7.28 supports the restoration and enhancement of the blue ribbon network and seeks to reverse previous unsustainable alterations through taking opportunities to open culverts and naturalise river channels, increasing habitat values and protecting the open space of river networks.

- Core Strategy Policy 11 'Rivers and waterways network' seeks to preserve and enhance the rivers in the borough. Development should contribute to the special character of the river by improving the urban design and natural ability of the rivers to function, including improving access to the foreshore and naturalising flood defences.
- The starting point for all development is full river restoration. The Council will require opportunities for full restoration to be fully explored from an early stage, as part of the design process. Opportunities for full river restoration are typically at a large scale and involve re-establishing more natural processes and modifying the river channel, including in-channel improvements. Ecological improvements should be considered alongside placemaking and public realm improvements. The works may involve opening up and improving river channels through a range of measures including:
 - setting back buildings to increase the space around rivers
 - deculverting and removing concrete channels
 - re-grading river bank
 - re-meandering river channels
 - in-channel enhancements
 - planting and creating wildlife habitat
 - increasing public access and
 - establishing or connecting up riverside walkways and cyclepaths.

Cross section example of a new river channel (full restoration)



Cross section example of partial restoration

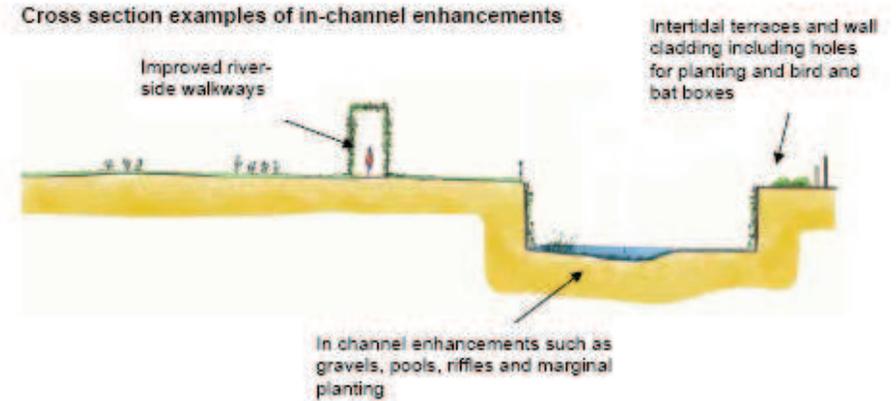


Design and Development Guidelines

Borough-wide Policies

- The Council acknowledges there will be situations where full river restoration may not be possible as part of a development, for reasons such as flood risk considerations, viability considerations, constrained sites and limited land availability, or engineering or infrastructure constraints. Where full restoration is not possible applicants should provide details of the site constraints and the consideration given to overcoming them.
- Partial river restoration is usually possible at a smaller scale, generally where space is available within the development site, and may involve measures such as replacing culverts, channels or concrete river banks with more natural features.
- In channel enhancements should be considered for sites where there is very limited space and there are no opportunities for full or partial restoration. In channel enhancements might include deflectors, gravels (riffles), habitat creation, planting, bird boxes and nesting places, and improvements to river walls and surrounding river banks. Consideration should be given to intertidal terracing where a terrace or terraces are constructed and appropriate planting is established, providing additional habitat.
- Proposals at any scale should include a buffer area along the river's edge and should consider contamination and floodrisk implications as any changes to the river channel and river banks, even seemingly minor changes, can have significant floodrisk implications, both up and down stream.
- An appraisal of the opportunities for river restoration should be considered from the outset and should be included in pre-application discussions and design and access statements
- Applicants should contact a planning advisor at the Environment Agency who will coordinate responses from other teams such as flood risk and ecology and ensure that well rounded, consistent comments are given.
- The Environment Agency generally require an 8 metre building set back for flooding, access and maintenance.

Any pre application meetings held with the Environment Agency should involve Council officers



Design and Development Guidelines

Borough-wide Policies

POLICY 3: ACCESS

1. All new development should seek to improve visual and physical public access to and along the river.
2. The Council will support developments that:
 - a. Provide direct, safe and clear access for pedestrians and cycles to and along the river.
 - b. Provide a joined up approach to river access, considering access and uses up and down stream, as well as across the river channel.
 - c. Promote uses and activities along river-side routes to help provide safe public spaces
 - d. Balance ecological protection and public access and consider carefully where access may be restricted for ecological gains.
 - e. provide space for access, maintenance and naturalisation

Justification:

- Open space should be taken into account in planning for all new development (NPPF paragraphs 73-74 and NPPG paragraph 001). Open space can take many different forms, including linear corridors and areas of water such as rivers, it also offers opportunities for sport and recreation and can act as a visual amenity. In this context, rivers and the space around them can have positive ecological values as well as providing health and recreation benefits to the people living and working nearby. They can make positive contributions to landscape values, can be an important part of contributing to the setting of built development, and are an important component in achieving sustainable development (NPPG paragraph 001).
- The London Plan policy 7.5 'Public Realm' provides further regional policy that supports development reinforcing the connections between public spaces and existing local features such as the Blue Ribbon Network . Policy 7.27 'Blue Ribbon Network: Supporting Infrastructure and Recreational Use' states that development proposals should enhance the use of the Blue Ribbon Network by protecting and improving existing access points to or alongside the Blue Ribbon Network (including



Design and Development Guidelines

Borough-wide Policies

paths) and that new access infrastructure into and alongside the Blue Ribbon Network will be sought.

- Core Strategy Policy 12 'Open Space and Environmental Assets' sets out the links between the biodiversity of our environment, the value of open spaces such as rivers and waterway networks, and the positive impact these spaces can have on healthy lifestyles and well-being. This is particularly true in relation to the contribution open spaces make in bringing communities together, providing places to meet and relax or enjoy sport and active recreation. Therefore access to river environments, both visual and physical, is an important element of any development near a river corridor.
- While public access is an important element in new development it is acknowledged that this can often disrupt natural processes and habitats. For this reason, undisturbed areas for fauna and flora should be carefully considered from the outset and balanced with any areas set aside for human access. The consideration and provision of any access should protect and enhance existing special destinations and access points, such as the Creekside Discovery Centre and create new destinations where possible.
- Lewisham's Local Plans provide more specific detail and should be referenced. For example, for development in Lewisham town centre, the Lewisham Town Centre Local Plan details areas for proposed riverside improvements (Figure 4.5 Environmental Context) and aspirational additions to Waterlink Way (Figure 4.6 Sustainable linkages and movement). Further detail and policies regarding the implementation of these aspirations is set out in each of the town centre 'Policy Areas' in the Lewisham Town Centre Local Plan.
- Providing for a building set back from the river is an important design consideration that allows for enhancement, access and maintenance. A set back provides the necessary space to renaturalise rivers without increasing flood risk.

Design and Development Guidelines

Borough-wide Policies

POLICY 4: PUBLIC REALM

1. All new development should treat the river as a key element in developing a sense of place and high quality public realm that adds value to the site
2. The Council will support development that:
 - a. Create public spaces that overlook the river.
 - b. Provide high quality and appropriate boundary treatment along the river, creating an attractive and robust embankment.
 - c. Provide opportunities for public art, artistic features and wildlife/ecological interpretation

Justification:

- This policy supports Core Strategy Policy 15 'High quality design for Lewisham' and Development Management Policy 30 'Urban design and local character'.
- New developments should be designed efficiently so that successful public spaces can be created as an integral part of the development. Public spaces should be designed so that they positively respond to the context of the river and provide visual and physical connections to the river.
- Boundary treatments proposed as part of specific schemes should be tailored to reflect the river corridor environment, ranging from highly urbanised to naturalised.
- The provision of public art and artistic features should form an integral part of developments, particularly in prominent locations or where works of art would make a significant impact on the physical environment. Wildlife/ecological boards or other means of interpretation should be considered.
- The provision of public art should be in accordance with the Council's latest cultural strategy and should be discussed with the Council at an early concept stage. Public art should be developed through a transparent process that involves community engagement and consultation at an early stage in the process, as appropriate.



Design and Development Guidelines

Borough-wide Policies

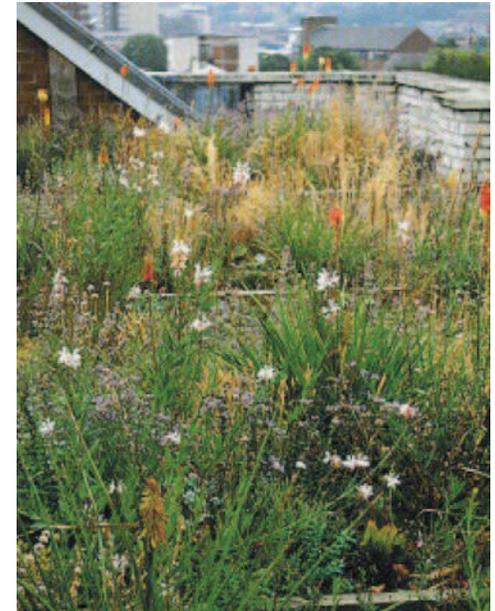
POLICY 5: BIODIVERSITY

1. All new development should preserve and enhance local biodiversity by including measures such as:
 - a. Undertaking river improvements, in line with Policy 2: River Improvements.
 - b. Providing appropriate landscaping that respects existing vegetation of value
 - c. Establishing less disturbed, low maintenance, riverside areas
 - d. Providing habitat for a range of species that is appropriate to the area, including shade and shelter, as appropriate
 - e. Ensuring appropriate lighting is used to avoid a negative impact on species
 - f. Enhancing green networks that link sites
 - g. Managing and seeking to eradicate invasive species such as Japanese knotweed and Himalayan balsam and Giant hogweed
 - h. Employ bio-security measures and

procedures to reduce the risk of introducing or spreading invasive non-native species (and other harmful organisms such as diseases) in the wild

Justification:

- The NPPF (paragraph 109) states that the planning system should contribute to and enhance the natural and local environment by, among other things, recognising the wider benefits of ecosystem services and minimising impacts on biodiversity and providing net gains in biodiversity where possible.
- The NPPG (paragraph 008) states that local planning authorities should develop and deliver a strategic approach to protecting and improving the natural environment, based on local priorities and evidence. Local planning authorities should also consider the opportunities that individual development proposals may provide to enhance biodiversity and contribute to wildlife and habitat connectivity in the wider area.
- In addition, Core Strategy Policy 12 'Open Space and Environmental Assets' sets out the importance of conserving nature and protecting and enhancing biodiversity.



Design and Development Guidelines

Borough-wide Policies

- The nature of proposals considered appropriate for this policy will vary depending on the scale of the river improvements proposed (see Policy 2: River Improvements).
- The provision of areas that are less disturbed and are low maintenance should be carefully balanced with access, amenity and flood risk/storage considerations. Areas that are less disturbed are necessary as they provide a safe refuge for wildlife to flourish. This requirement must be carefully designed into schemes from the outset and must be balanced with other development considerations.
- Habitat for a range of species appropriate to the area should be provided and this may include provision of bird and bat nesting and roosting sites, niches for invertebrates, and other ledges, crevices and boxes, as appropriate. Living walls and roofs on buildings and structures may be appropriate to compensate for any loss of habitat as well as creating new habitat and contributing to surface water management. Any proposals to improve habitat should consider how green networks can be improved so that they link sites as far as possible.
- Any outdoor lighting should not negatively impact species, including bat commuting and foraging routes. Lighting proposals for developments should clearly address the need to limit night-time spillage and glare in areas likely to support bat activity, now or in the future. Considerations include: avoiding UV light emissions, instead use warm white or amber lighting; reduce the brightness of lights as far as possible; direct lighting to where it is needed to avoid light spillage; avoid upward lighting; use of fitted hoods to angle lights, preferably at an angle of less than 70 degrees; limit the height of lighting columns; lighting private areas, such as balconies, should also be designed to avoid impact on bats. (Development Management Policy 27 'Lighting' provides further information on this topic).
- The management and maintenance of all landscaping and habitat should be considered in line with Policy 7: Management and Maintenance.

Design and Development Guidelines

Borough-wide Policies

POLICY 6: FLOOD RISK

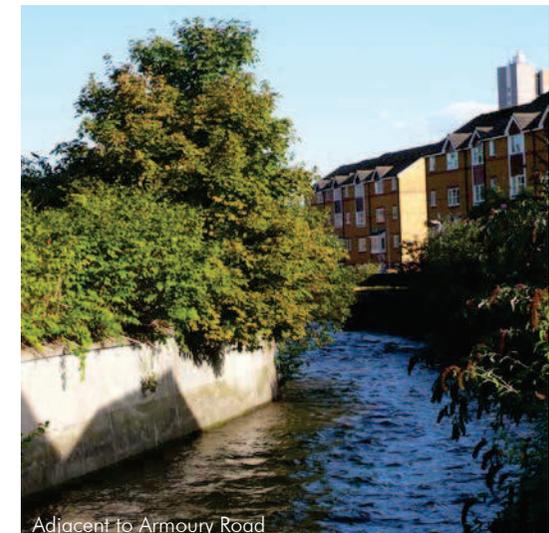
1. All new development should integrate flood risk mitigation measures into the overall site layout and design while also considering access

Justification:

- The NPPF (paragraphs 99-104) and the associated NPPG sets out how planning can take account of the risks associated with flooding in the plan-making and the application process.
- Through the planning application and development process Core Strategy Policy 10 'Managing and reducing the risk of flooding' seeks to deliver a positive reduction in flood risk to the borough while also bringing the river back to the heart of new developments and our open spaces.
- The goal of river corridor improvements is to open up river corridors, revealing them from behind walls and hard flood defences, while also reducing flood risk. Therefore the starting point for reducing flood risk should be setting back flood defences
In order to achieve this goal works elsewhere in the catchment should be considered and a coordinated approach taken to flood risk mitigation.
- The flood risk implications should be considered from the outset and alongside all other policies contained in this SPD as well as the content of the Ravensbourne Catchment Improvement Plan, the Council's Local Flood Risk Management Strategy and Strategic Flood Risk Assessment.
- Existing structures such as concrete channels and culverts have a finite design life requiring maintenance and eventually replacement, which is the responsibility of the owner. Redevelopment therefore provides the opportunity for owners to consider longer term and more sustainable measures such as set backs from the river.



Lewisham Town Centre Flood, 1968



Adjacent to Armoury Road

Design and Development Guidelines

Borough-wide Policies

POLICY 7: MANAGEMENT AND MAINTENANCE

1. On going management and maintenance arrangements should be considered as part of any development.
 2. Enhancements and improvements should be designed to be as low maintenance as possible.
 3. Management should consider appropriate bio-security measures and procedures to reduce the risk of introducing or spreading invasive non-native species (and other harmful organisms such as diseases) in the wild
- The Council will consider the use of conditions to ensure that ongoing maintenance and management is **secured in perpetuity**

maintenance and monitoring should be considered and addressed in the submitted management and maintenance plan.

Justification:

- This policy supports Core Strategy Policy 10 'Managing and reducing the risk of flooding', 11 'Rivers and waterways network' and 12 'Open Space and Environmental Assets'
- Applicants should submit to the Council a management, maintenance and monitoring plan, outlining how the river environment, including channel, banks and any associated landscaping will be maintained in perpetuity. Community involvement in the ongoing management,

Design and Development Guidelines

Corridor Specific Policies

POLICY 8: RIVER THAMES AND DEPTFORD CREEK

In addition to borough-wide policies 1 to 7 above, the following policies apply to all new development in the River Thames and Deptford Creek area:

1. Maintain existing slipways and moorings and consider the provision of new moorings, taking into account location of existing moorings.
 2. Maintain existing ecological fenders/terracing and consider the provision of new fenders/terracing.
 3. Maintain and improve access in line with Policy 3 above with particular consideration given to the role of the Creekside Discovery Centre.
 4. Maintain and protect the robust and earthy materiality of the buildings along Deptford Creek.
- These stretches of the river are located within the borough's 'Regeneration and Growth Area' which is where the majority of the borough's new housing, retail and employment uses will be focused. The river corridor in this area is generally tightly constrained and heavily modified and while this offers little opportunity for full-scale river restoration, all opportunities for access to and along the river should be carefully considered as well as smaller scale in-channel improvements, including to the river walls.
 - The River Thames in the borough has several important functions to play in terms of the potential contribution to transport, contribution to nature conservation, flood defence, archaeology and other heritage assets. These interests should be protected and enhanced by new development. This approach is supported by Core Strategy Policy 11 and by London Plan policies relating to the Blue Ribbon Network (Policies 7.24 - 7.28) and the River Thames (Policy 7.30) which identifies the strategic importance of the River Thames and sets out the Thames Policy Area.
 - The Thames Estuary 2100 Plan looks at flood risk management for London and the Thames Estuary through to the year 2100. It looks at managing and reducing tidal flood risk and contains objectives, policies and actions that should be referred to as relevant. Redevelopment provides the opportunity for owners to undertake river related works upfront, or ensure that provisions are in place so that the work can be undertaken in the future, when required.
 - In order to maintain and enhance the character of Deptford Creek's embankments timber cladding, fendering and intertidal terraces should be provided to enhance the natural habitat.
 - Improved access to and along Deptford Creek should be considered, in line with Policy 3 above, but also with thought given to the unique image and identity of the area. The Deptford Creek environment is characterised by short, sudden and dramatic views which should be protected and enhanced, and its current detachment from main vehicular access routes should be maintained. Enhanced pedestrian and cyclist access should be considered, particularly as a non-linear experience and through the provision of new crossings and lighting, where appropriate. Improved legibility to Deptford Creek from south of the river, as well as from New Cross to Greenwich should be considered (see North Lewisham Links 2012).
 - New development near the river should respect and enhance the character of the area, particularly the historic connections and robust, industrial nature. Further detail regarding the character of the area is set out in the Deptford Creekside Conservation Area Appraisal.
 - This policy supports and builds on DM Policy 34: Thames Policy Area and Deptford Creekside which brings together a range of policies in the Core Strategy and London Plan in order to focus on the spatial character and quality of the two rivers.

Design and Development Guidelines

Development Site Examples

KENT AND SUN WHARF

- This is a large site adjacent to Deptford Creek bounded on the north side by the Laban Dance Centre and to the south by the Railway Viaduct and the historic Halfpenny Bridge which also provides a strategic crossing point to Greenwich
- It accommodates various existing light industrial uses and the Cockpit Arts Centre
- Attractive views of the creek can be obtained from within the site but at present there is no waterside access for the public
- The Waterlink Way currently follows Creekside Road but the existing buildings screen any views of the Creek
- As part of any redevelopment of the site for mixed-use residential and employment, positive and active built frontages should be created to Creekside Road and the Creek.
- It is important that the Cockpit Arts Centre use is retained as part of any new development.
- Built form should use a language of shallow courtyard blocks to reflect the existing dockside character of the area.
- Improving pedestrian routes to and from the site is vital and there is any opportunity to create existing new public spaces.
- An alternative route for the Waterlink way should be provided through the site, partly along the creek edge and partly within the development to leave some areas more undisturbed for wildlife
- The creation of new pedestrian linkages through the railway arches at the southern end of the site to connect to the Halfpenny Bridge footpath and to the Laban Dance Centre at the northern end is a high priority
- A new public space including public art should also be provided in the north east corner of the site
- There is potential here to recreate a historic dock which was formerly associated with the site
- A green corridor linkage should be provided on the northern boundary of the site which links the new public space with the small existing park to the west of Creekside Road.
- Along the creek edge the provision of an extended area of brownfield habitat and inter-tidal terraced Creekside planting should be provided especially associated with any renewal of the tidal walls that may be necessary



Design and Development Guidelines

Development Site Examples

LEWISHAM COLLEGE

- This is a very prominent site at the southern end of Deptford Creek where it splits into two branches divided by a narrow peninsula
- The site is dominated by a disparate collection of modern buildings, security fencing and the Docklands Light Railway on a high level concrete viaduct
- Nonetheless the presence of the creek itself and the adjacent historic Mumford's Mill building provides a strong historic, landscape/townscape and ecological setting whose distinctive qualities could inform enhancements to the site
- As part of any future redevelopment of the college site to create a new campus, positive built frontages should be provided to both the creek and the surrounding streets
- Shallow building blocks which reflect the historic creek side typology of warehouse buildings should be considered;
- Pedestrian linkages from the campus to the surrounding streets need to be clearer and more legible
- Potential for the Waterlink Way to connect through the site, including over the peninsula with a new bridge link to the eastern Greenwich bank
- Waterlink Way could also extend north eastwards from the college site on the west bank of the creek
- Where space is very restricted between the creek and existing development the creation of a veloduct (a walkway/cycleway on a raised deck suspended from the DLR elevated railway) would be a possible solution. The maintenance of access for the houseboats moored in this area will be important;
- The provision of high quality waterfront space with views over the creek will be essential. However to avoid disturbance to wildlife not all the edges of the tidal walls should be accessible.
- The provision of a generous area of creek side inter-tidal terraced planting or brownfield habitat is a high priority



Design and Development Guidelines

Corridor Specific Policies

POLICY 9: RIVER RAVENSBOURNE AND RIVER POOL RIVER QUAGGY AND KYD BROOK

In addition to borough-wide policies 1 to 7 above, the following policies apply to all new development in the River Ravensbourne and River Pool area:

1. Improve the presence of the river by revealing areas that remain hidden or obscured
2. Maintain and improve Waterlink Way.
3. Consider all opportunities to incorporate kingfisher nest banks.

- Waterlink Way is a walking and cycling route following the rivers Ravensbourne and Pool through the borough. All new development should consider ways to improve Waterlink Way, including through the provision of new river-side sections of walking and cycling routes.

- Lewisham's Local Plans may provide further detail on specific area, sites or proposals.

For development within Lewisham town centre, the Lewisham Town Centre Local Plan details areas for proposed riverside improvements (Figure 4.5 Environmental Context) and aspirational additions to Waterlink Way (Figure 4.6 Sustainable linkages and movement). Further detail and policies regarding the implementation of these aspirations is set out in each of the town centre 'Policy Areas' in the Lewisham Town Centre Local Plan.

- During winter kingfishers are active on this stretch of the river, particularly between Lewisham town centre and Deptford Creek. Kingfishers are unable to find suitable nest sites in the breeding season and there is a distinct need for artificial nest banks.

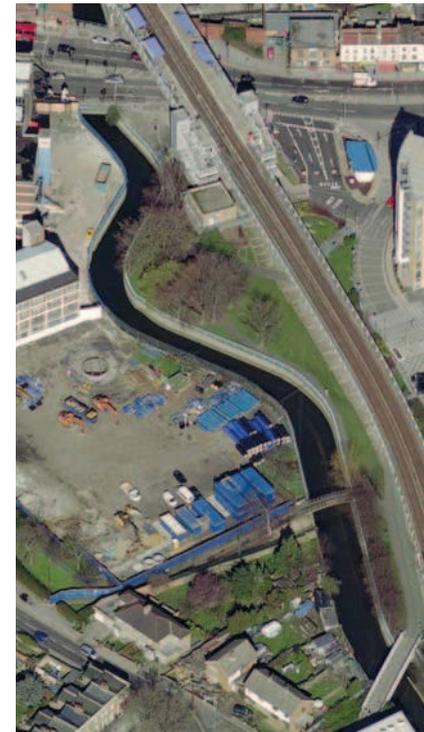
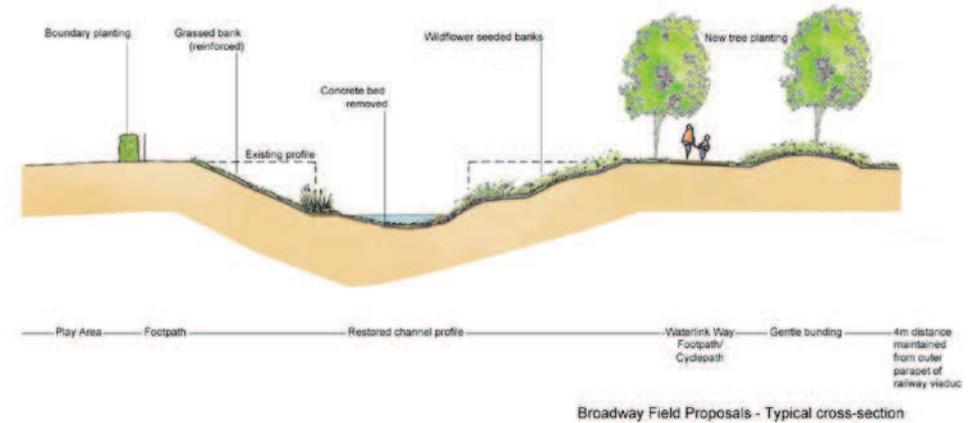


Design and Development Guidelines

Site Specific Design and Development Guidelines

BROADWAY FIELDS

- Create greater interaction between Broadway Fields and the river, and enhance flora and fauna, through naturalisation of the river embankment, connecting to the naturalised embankments at Brookmill Park.
- Terracing at Broadway Fields should be considered together with the Weir at Lewisham College, as combined works could reduce the risk of flooding.
- Provide more formal and informal seating areas along the river to strengthen the perception of Broadway Fields as a riverside destination.
- Improve the boundary treatment of Broadway Fields at both sides of the river.
- Create open views along the river corridor from the access points to Broadway Fields at Deptford Bridge and Brookmill Road.
- Interpretation boards should be provided to improve the educational value of the site for teenagers.
- Safeguard land that is required for current and future flood risk management.
- Make more space for water and consider the opportunity to re-create a functional floodplain along Broadway Fields.
- Use more trees and planting at Broadway Fields (whilst not compromising natural surveillance of routes through the site) to help with flood storage, moderate warm temperatures and provide shade and shelter.
- Introduce seating areas in shady spaces and provide fountains with drinking water.

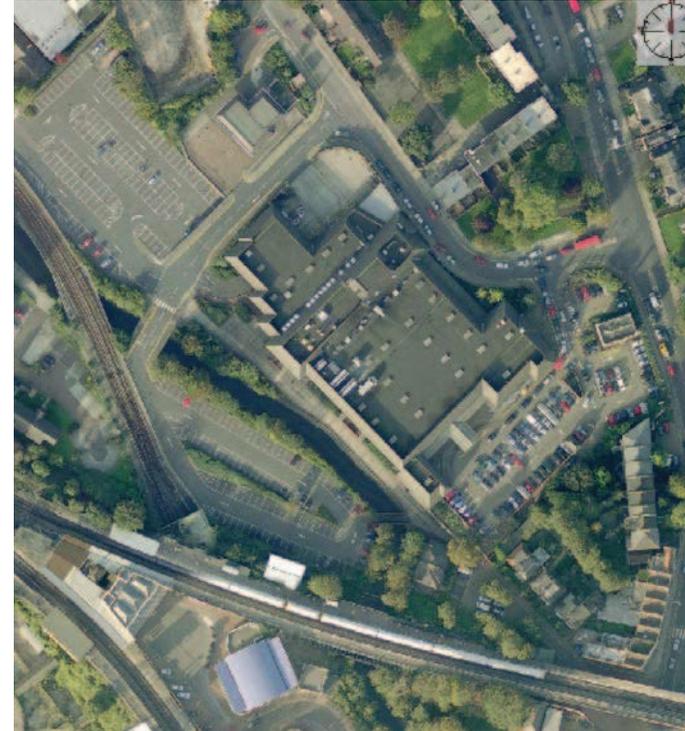


Design and Development Guidelines

Site Specific Design and Development Guidelines

TESCO

- Any redevelopment of the existing Tesco store site on the east bank of the Ravensbourne at Connington Road and of the associated surface level car park on the west bank will provide a major opportunity for improvement of the river corridor and of the river channel itself, as well as achieving Waterlink Way access along the river
- To make it easy for residents and visitors to orientate themselves in this area and along the river corridor it is crucial that routes and views to key space or buildings are respected or enhanced in the future
- Views to the river or the station entrance are a priority as are clear and direct routes along the river and to the station
- Linking Silk Mills Path with Connington Road would create an easy and direct route for the Waterlink Way that can connect to the north with Brookmill Park over the existing railway crossing at Elverson Road DLR Station
- However the feasibility of a footbridge link from Tesco's car park to Armoury Road should also be considered to provide more of a riverside route
- Residential development addressing the river frontage with a mix of uses on the ground floor should be concentrated at the back entrance to Lewisham Station
- It is a priority to create a new safe and attractive station environment as part of a more tranquil and local gateway to the surrounding residential area
- Live frontages must be provided on the links between Connington Road and Silk Mills Path as well as Lewisham Road
- A prominent frontage for a redeveloped Tesco's store on Lewisham Road should also be promoted
- High quality waterfront space and the improvement of the river banks must be at the heart of any development proposal for this area
- The provision of a section of more naturalised channel including a possible meander should also be a high priority

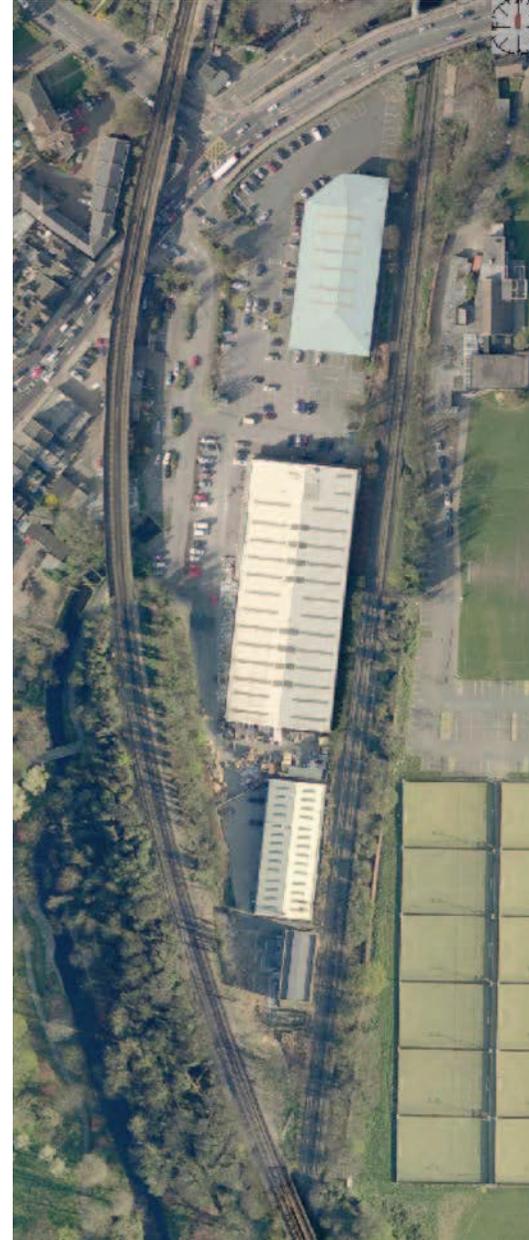


Design and Development Guidelines

Site Specific Design and Development Guidelines

WICKES/HALFORD

- The site is located between the Catford and Catford Bridge railway lines to the south of the South Circular (A205) and forms the western edge of the town centre
- It accommodates several large retail outlets and some light industrial uses
- The river is completely covered over through this section in a concrete culvert approximately 2-3m below existing ground levels and surface level car parks associated with the existing retail warehouses
- This means that there is no access to the river for people, it is of limited wildlife value and as it is very heavily constrained the ability to reduce flood risk along the river is compromised
- This site is also in a very prominent location close to Catford Bridge Railway Station and Catford Town Centre and has been identified as having potential to be redeveloped for high density mixed-use residential, community, retail and employment uses
- There is significant potential associated with this to open up the river and provide high quality waterfront space and a more naturalised river channel.
- Any new development should better integrate the site with Catford town centre and immediate surrounds through improved access and permeability both to and within the site, including enhanced pedestrian and cycle links across and under the South Circular
- A clearer well signed Waterlink Way footpath and cycle route must be provided through the site and the potential for interpretative signage about the river should also be considered
- New built development must positively face the South Circular road with activity at ground floor level and also face the Waterlink Way and opened up river channel
- Key gateway buildings either side of the main access should be designed to enhance the first impression of Catford
- The opportunity to introduce buildings that overlook the sports fields should also be considered



Design and Development Guidelines

Site Specific Design and Development Guidelines

BECKENHAM PLACE PARK

- Use the opportunities created by the Environment Agency flood alleviation proposals to create a new community space with the river as its focal point.
- Implement flood alleviation measures, including a new earth mounded bund.
- Restore the reed beds along the banks of the River Ravensbourne.
- Improve the entrances to Beckenham Place Park in the vicinity of the River Ravensbourne.
- Consider the potential to provide new or enhanced play facilities, or a skate park, and a cycle track linking to the facilities within the wider park.



Delivery Mechanisms

Planning Policy

7.1

The policies of the RCIP SPD are supported by the following Local Plan policies. Implementation of the RCIP SPD should be considered together with the delivery of these policies.

Lewisham Core Strategy

Policy 11: River and Waterways Network

Lewisham Site Allocations Plan

SA2: Seager Buildings, Brookmill Road

SA14: Creekside Local Employment Allocation

SA16: Prendergast Vale College

SA43: Former Tigers Head Public House

SA46: Manor Lane Local Employment Location

SINC2: Pool River Linear Park

The emerging Development Management Local Plan

Lewisham Town Centre Local Plan

LTC3: S2 Kings Hall Mews, Lewisham Gateway

LTC5: Connington Road Policy Area

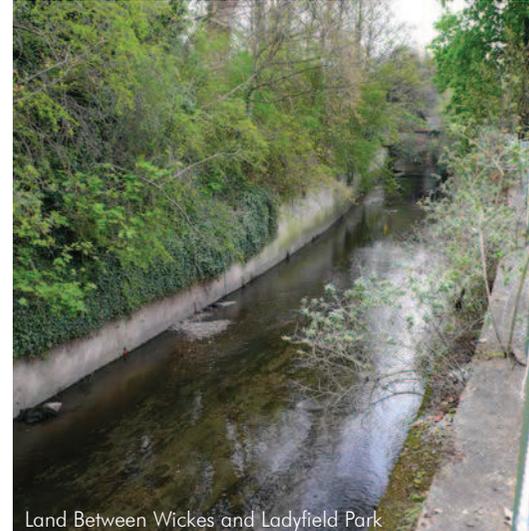
LTC6: Lee High Road Policy Area

LTC8: Lewisham Central Policy Area

LTC25: Adapting to Climate Change

The emerging Planning Obligations Supplementary Planning Document

Deptford Creekside Supplementary Planning Document



Land Between Wickes and Ladyfield Park



Adjacent to Armoury Road

Development Management

PRE-APPLICATION ADVICE

7.2

The Council has a formal procedure in place to hold pre-application discussions with prospective applicants at all opportunities. Prior to this formal process, the Council encourages all applicants, particularly in relation to major schemes, to engage in more informal discussions at the earliest stage possible. The requirements relating to river corridors should be considered from the outset to provide applicants with greater certainty. Discussions are based on site analysis and emerging Design and Access Statements. The planning case officer coordinates policy and design advice, and advice from external organisations including the Environment Agency.

LEWISHAM DESIGN PANEL

7.3

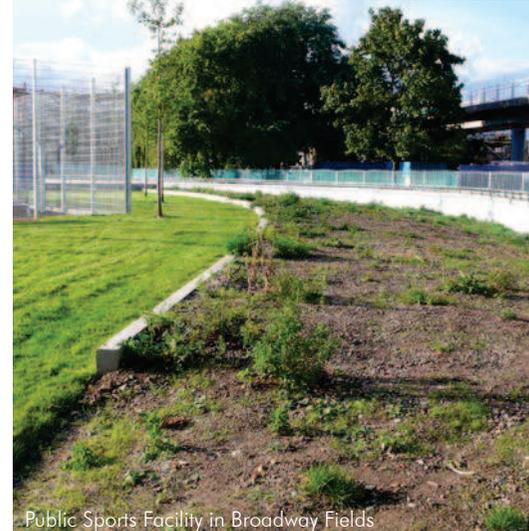
The Council operates a design panel of independent built environment professionals. The purpose of the panel is to provide design advice to ensure that development proposals are of the highest design quality and fully reflect and make a positive contribution to local context and character. Prospective developers of major proposals along the river corridors should present emerging schemes to the Panel at appropriate stages of design development. In some cases, a complex site may need an individual specialist design panel, with several meetings.

PLANNING APPLICATION SUPPORTING DOCUMENTS

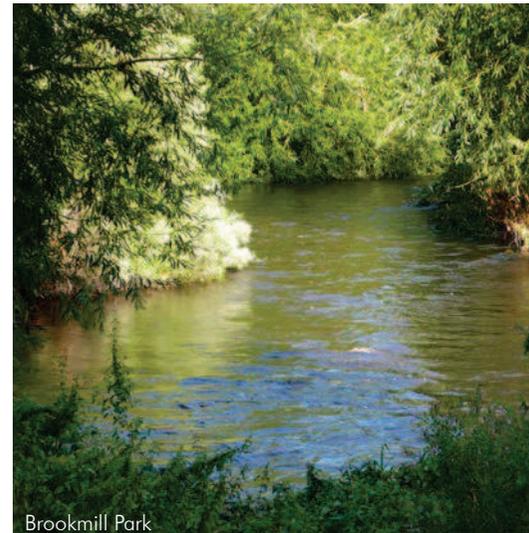
7.4

Design and Access Statements are a national requirement and the Local Information Requirements for Lewisham set out additional documents to be provided in support of planning applications. Given the nature of the sites that are subject of this document, a Flood Risk Assessment (FRA) is also likely to be required. All documents supporting planning applications for development along the river corridors should demonstrate the following:

- How the proposal would make a positive contribution towards the realisation of the aims, objectives and vision of the RCIP SPD;
- How development would enable (and in no way prejudice) future development along the river corridors to contribute to the aims, objectives and vision of the RCIP SPD.



Public Sports Facility in Broadway Fields



Brookmill Park

The London Borough of Lewisham

7.5

Subject to satisfying legal and strategic policy requirements, the London Borough of Lewisham will manage its assets, including the property the Council owns along the river corridors, to support the delivery of the aims, objectives and vision of the RCIP SPD.

7.6

The London Borough of Lewisham will consider using compulsory purchase powers where this would help to secure the delivery of a high quality public realm along the river corridors, in line with the aims, objectives and vision of the RCIP SPD.

Partnership Working with Developers, Landowners and Communities

7.7

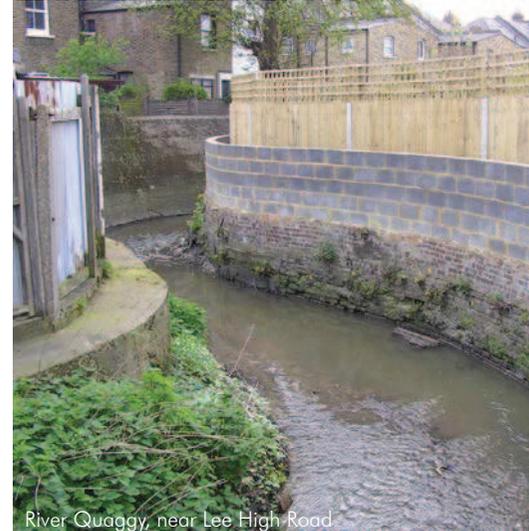
The London Borough of Lewisham will work as part of the Local Strategic Partnership (which includes representatives from Lewisham's public, private, voluntary and community sector organisations) in delivering the aims, objectives and vision of the RCIP SPD.

7.9

The London Borough of Lewisham will engage with land and property owners, and developers, with an interest in the river corridors to make delivery of development possible within the context of the aims, objectives and vision of the RCIP SPD. The Council will also encourage developers to work with local groups when formulating development proposals for sites subject of this document.

7.8

The Council will work with stakeholders and members of the public with a specific interest in Lewisham's river corridors. Community groups with an interest in rivers, environment and wildlife, sports teams, public access and public open spaces will be engaged in the delivery of the strategy. The Environment Agency will also support the delivery of the RCIP SPD.



River Quaggy, near Lee High Road



River Quaggy, near Lee High Road

Funding

7.10

The requirements set out within the London Borough of Lewisham's Planning Obligations Supplementary Planning Document and the Community Infrastructure Levy Charging Schedule will support the delivery of the RCIP SPD. The Environment Agency will contribute to the delivery of flood alleviation schemes. It is envisaged that CIL funding will be used for strategic river works whilst funding for site specific works will be secured through a Section 106 agreement.

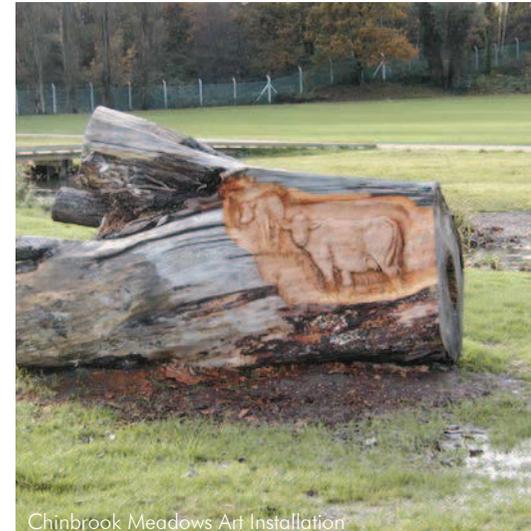
The London Borough of Lewisham has sought a grant from the Heritage Lottery Fund for the proposed improvements to Beckenham Place Park. Similar funding bids could be made for projects along the river corridors which contribute to the London Borough of Lewisham's heritage.

7.11

Additional sources of funding will also be required. Funding for the production of the RCIP SPD was secured through the European RCIP Project. Further funding could be sought for the implementation of the initiatives set out within the SPD. The LIFE programme is the European Union's financial instrument supporting environmental and nature conservation projects. LIFE funding could be used to deliver the projects with significant environmental and ecological benefits. Details of the 2014 to 2020 European Regional Development Fund are yet to be published by the Greater London Authority. The fund could be used to implement the aims, objectives and vision of the RCIP SPD if appropriate.



Sudcliffe Park



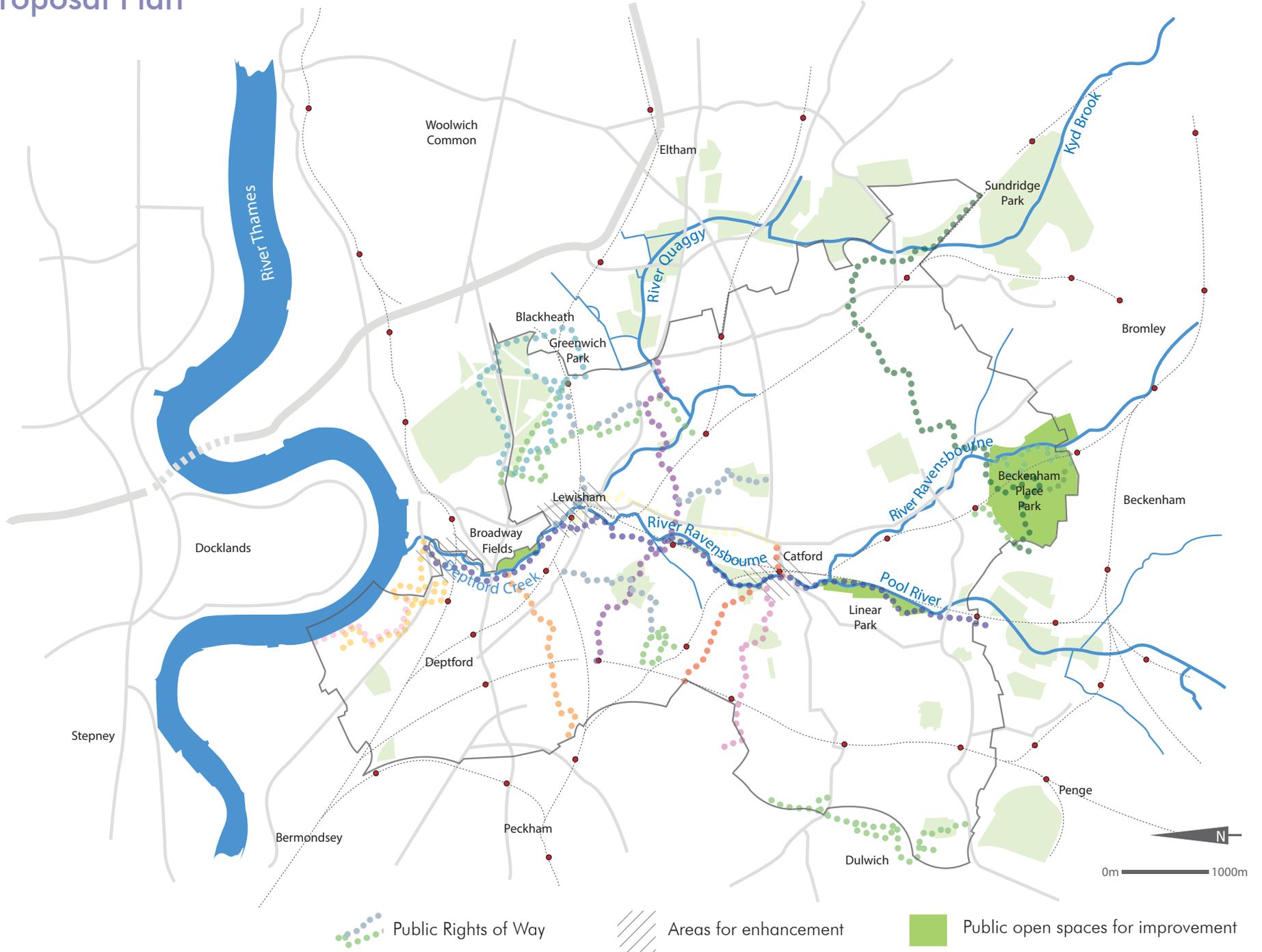
Chinbrook Meadows Art Installation

Action Plan

8.1 The following actions will support the delivery of the aims, objectives and vision set out in Sections 1 and 2, above.

ACTION	TIMESCALE (YEARS)	PARTNERS	OUTCOME
Secure improvements to the areas for enhancement identified on the proposals plan	5-15	Landowners and developers	High quality development along the river corridors and a public realm which contributes to the setting of Lewisham's rivers
Facilitate improvements to public access along the river corridors	0-10	Community groups, landowners and developers	A well connected, high quality, safe network of public rights of way and public open spaces along the river corridors
Prepare a strategy for the renaturalisation of the River Ravensbourne at Broadway Fields	5-15	Landowners, developers and the Environment Agency	A public open space with enhanced recreation and nature conservation value
Implement improvements to Beckenham Place Park	0-10	Community groups and the Environment Agency	Increased use of the public open space and an enhanced relationship between the public open space and the river
Secure enhancements to Linear Park	5-15	Landowners, developers and the Environment Agency	A public open space which makes a significant contribution to flood risk management, habitats and conservation and recreation
Facilitate a Rivers Forum discussion group	0-5	Community groups	Increased awareness of flood risk, water quality and community initiatives along Lewisham's river corridors

Proposal Plan



Agenda Item 9

COUNCIL		
Report Title	Adoption of Lewisham Community Infrastructure Levy Charging Schedule	
Key Decision	Yes	Item No.
Ward	All	
Contributors	Executive Director of Resources and Regeneration	
Class	Part 1	Date: 25 February 2015

1. Purpose

- 1.1 This report seeks the Council's formal resolution to adopt the Lewisham Community Infrastructure Levy (CIL) Charging Schedule; the Lewisham CIL Regulation 123 List and the Lewisham CIL Instalments policy.

2. Summary

- 2.1 The Community Infrastructure Levy (CIL) is a levy which the local planning authority may charge against most types of new development in their area. This report sets out the Lewisham CIL Charging Schedule for Adoption by Full Council. A charging authority, that is, the Council, must set out its proposed levy rates in a charging schedule as pounds per square metre. In addition to the charging schedule (Appendix 1) the report recommends adoption of a list of types of infrastructure the Lewisham CIL will be used to fund. This is known as the regulation 123 list (Appendix 2). A policy on Instalment payments (Appendix 3) is also set out. All these documents are required under the Community Infrastructure Levy Regulations 2010 (as amended).

3. Recommendations

- 3.1 The Council formally resolve to adopt:
the Lewisham Community Infrastructure Levy (CIL) Charging Schedule;
the Lewisham CIL Regulation 123 List and
the Lewisham CIL Instalments policy.
- 3.2 The documents listed above should come into effect on 1st April 2015.

4. Policy context

- 4.1 The contents of this report are consistent with the Council's policy framework. The CIL is a discretionary charge that the local planning authority can impose to help pay for local strategic infrastructure. The Core Strategy adopted by the Council in June 2011 is part of the Council's policy framework. The Core Strategy is the spatial implementation plan for the Sustainable Community Strategy.

4.2 The Core Strategy was accompanied by an Infrastructure Delivery Plan (IDP), published in 2010, which set out the types of infrastructure needed to implement the growth strategy set out in the Core Strategy. The IDP was the starting point for the evidence of need for infrastructure that was necessary for producing and justifying the CIL Charging Schedule. The receipts from CIL will help implement the Core Strategy and the Sustainable Community Strategy (SCS).

5. Background

5.1 The full background, policy context and details of the charging schedule, the regulations 123 list and the instalments policy is set out in the report to Mayor and Cabinet dated 14th January 2015 which is included as Appendix 4 to this report.

5.2 The Community Infrastructure Levy (CIL) was introduced by the Planning Act 2008. It is a levy which Local Planning Authorities in England may charge against most types of new development in their area. The money raised is to be used to pay for local strategic infrastructure in order to support the additional demand arising from new development such as schools, hospitals, roads and transport schemes.

5.3 Once in force CIL will largely replace the use of Section 106 planning obligations as a means of funding infrastructure through development. However, the system of using Section 106 agreements for securing affordable housing, local site mitigation measures and non-infrastructure matters, such as, employment and training contributions, will remain. As such the s106 Supplementary Planning Document has been revised to ensure that it is appropriate when CIL is adopted. The S106 SPD is a separate item on this agenda for adoption and provides more detail of the relationship between Planning Obligations and CIL.

6. The CIL Charging Schedule

6.1 The CIL charging schedule for adoption is set out as **Appendix 1** to this report. As is required by the regulations it is the charging schedule approved by the Inspector at Examination. The charging schedule sets out 2 charging zones (Zones 1 and 2) and 3 rates for development (Use class C3; Use Class B & all other uses). The zones are defined by postcode and identified on a map in the charging schedule. Zone 1 is the smallest zone, along the northern edge of the Borough abutting the Thames and Greenwich. The rate in zone 1 for residential development in Use Class C3 is £100 per square metre (psm). The rest of the Borough forms Zone 2 where the residential rate (Class C3) is £70 psm. There is a zero rate across the Borough for all development in use class B which is the business use class. All other development is charged a rate of £80 psm across both zones.

Table 1: Lewisham CIL rates			
Geographical	Use Class C3	Use Class B	All Other Uses

Zone			
Zone 1 (see map)	£100 per square metre	£0 per square metre	£80 per square metre
Zone 2 (see map)	£70 per square metre	£0 per square metre	£80 per square metre
Note: Use class is that set out in The Town and Country Planning (use classes) Order 1987 as amended.			

7 The Regulation 123 List

- 7.1 The CIL regulations (as amended) require the Council when approving a charging schedule to specify and list those types of infrastructure or projects that it proposes to fund through the levy. This is known as the Regulation 123 List. Government advice is that the List should be based on the draft list that was part of the examination of the draft charging schedule. The Regulation 123 list for adoption is set out as **Appendix 2** to this report.
- 7.2 The Lewisham Regulation 123 list sets out the types of infrastructure on which CIL income would or could be spent. The list includes state education facilities; public health care facilities; strategic transport enhancements; publically accessible open space; strategic flood management; publically owned leisure facilities and local community facilities and public emergency services.

8 The Instalments policy

- 8.1 To aid cash flow for developers in making CIL payments during the construction of a scheme, the CIL Regulations allow for the adoption of a CIL instalments policy. Under Regulation 69B a charging authority which wishes to allow persons liable to pay CIL to do so by instalments must publish on its website an instalment policy containing only the information specified in the Regulations.
- 8.2 Under CIL Regulations (69B), the Council may chose to adopt its own CIL instalments policy. However, if it chooses not to, the London Mayor's CIL instalments policy will apply (Reg 70) . A number of other London Boroughs are already applying the London Mayor's CIL instalments policy. Doing so allows boroughs collecting their own CIL, as well as the London Mayor's CIL, to have a common approach to the collection of both CILs. This is simpler in terms of administration, and allows for the aggregation of money due under the Mayoral and Lewisham CILs to be used in determining the threshold for phased payments.
- 8.3 The Lewisham CIL Instalment Policy for adoption, reflect that adopted by the Mayor of London. The Lewisham CIL Instalment Policy is set out in **Appendix 3**. to this report.

9 Legal implications

9.1 The report recommends that Full Council formally adopt the documents to be effective from 1 April 2015.

9.2 Regulation 123 of the Community Infrastructure Regulations 2010 requires that where planning permission is being granted for development then:

1. a planning obligation may not constitute a reason for granting planning permission to the extent that the obligation provides for the funding or provision of a relevant infrastructure.

2. a condition may not be imposed on the grant that requires a highway agreement for funding or provision of relevant infrastructure to be entered into or prevent or restrict the carrying out of development until a highway agreement has been entered into.

3. a planning obligation may not constitute a reason for granting planning permission to the extent that the obligation provides for the funding or provision of an infrastructure project and five or more separate planning obligations for development within the area of the charging authority; and which provide for the funding or provision of that project have been entered into on or after 6th April 2010 .

In short, planning obligations and or conditions are not to be used to secure the provision of relevant infrastructure. “Relevant infrastructure” means, in this context where a charging authority has published on its website a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL those infrastructure projects or those types of infrastructure. This is the Regulation 123 list.

Once the Charging Schedule is adopted and implemented it will not be appropriate to use planning conditions or planning obligations to secure relevant infrastructure.

9.3 Section 213 (2) of the Planning Act 2008 requires that a Charging Schedule be approved at a meeting of the authority and by a majority of votes of members present.

Regulation 25 of the CIL Regulations require that as soon as practicable after the charging authority approves a charging schedule in accordance with section 213 it must—

(a) publish the charging schedule, on its website;

(b) make the charging schedule available for inspection at the places at which the documents mentioned in regulation 16(1)(a) were made available;

9.4 a charging schedule is to take effect at the beginning of the day specified for that purpose in the charging schedule (Regulation 28 of the CIL Regulations)

10 Conclusion

10.1 The Council is asked to resolve to agree and adopt the CIL Charging Schedule (appendix 1); the Regulation 123 List (appendix 2) and the Instalments Policy (appendix 3) as required by the CIL regulations.

Background documents

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
Planning & Compulsory Purchases Act 2004 (as amended)	2004	Laurence House	Planning Policy	Brian Regan	No
National Planning Policy Framework	2012	Laurence House	Planning Policy	Brian Regan	No
Local Plan Regulations	2012	Laurence House	Planning Policy	Brian Regan	No
Localism Act 2011	2011	Laurence House	Planning Policy	Brian Regan	No

If you have any queries on this report, please contact Brian Regan, Planning Policy, 3rd floor Laurence House, 1 Catford Road, Catford SE6 4RU – telephone 020 8314 8774.

Appendix 1: Lewisham CIL Charging Schedule

Appendix 2: Lewisham CIL Regulation 123 List

Appendix 3. Lewisham CIL Instalments Policy

Appendix 4: Report to Mayor and Cabinet on Adoption of CIL dated 14th January 2015

This can be viewed at:

<http://councilmeetings.lewisham.gov.uk/documents/s33034/CIL%20Adoption.pdf>

London Borough of Lewisham

Community Infrastructure Levy: Charging Schedule

The Charging Authority

The Charging Authority is the London Borough of Lewisham

Date of Approval

This Charging Schedule was approved by the Full Council meeting on 25 February 2015

Date of Schedule Taking Effect

This Charging Schedule will take effect on 1 April 2015

Calculating the Chargeable Community Infrastructure Levy (CIL)

CIL will be chargeable on the net additional floorspace (gross internal area) of all new development apart from that exempt under Part 2 and Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended). The amount to be charged for each development will be calculated in accordance with Regulation 40 of the 2010 Regulations (as amended).

CIL Rates

The rate at which CIL will be charged by the London Borough of Lewisham are set out in Table 1 below:

Table 1: Lewisham CIL rates			
Geographical Zone	Use Class C3	Use Class B	All Other Uses
Zone 1 (see map)	£100 per square metre	£0 per square metre	£80 per square metre
Zone 2 (see map)	£70 per square metre	£0 per square metre	£80 per square metre
Note: Use class is that set out in The Town and Country Planning (use classes) Order 1987 as amended.			

Geographical Zones

The two CIL payment zones are shown on map 1. They have been created along postcode boundaries at the time of submission of the draft charging schedule (2013). Table 2 contains the list of postcodes that are subject to the payment of CIL grouped into the two previously arranged zones and Map1 show the exact boundary. Please note that it is only development within the

boundaries of the stated postcodes, as shown on Map 1 and is within the London Borough of Lewisham boundary that is liable for this Lewisham CIL.

Table 2: CIL payment zones (postcodes as 2013)	
Zone 1	SE3, SE8, SE10 & SE16
Zone 2	BR1, BR3, SE4, SE6, SE9, SE12, SE13, SE14, SE15, SE23 & SE26

Calculation of the CIL Charge.

CIL will be calculated on the basis set out in Part 5 of the Community Infrastructure Levy Regulations 2010 (as amended). The amount to be charged for each development will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended). When calculating the CIL liability for a development the relevant rate [R] is the differential rate relating to each specific use as set out in this Charging Schedule.

Statutory Compliance

The Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and Part 11 of the Planning Act 2008 (as amended).

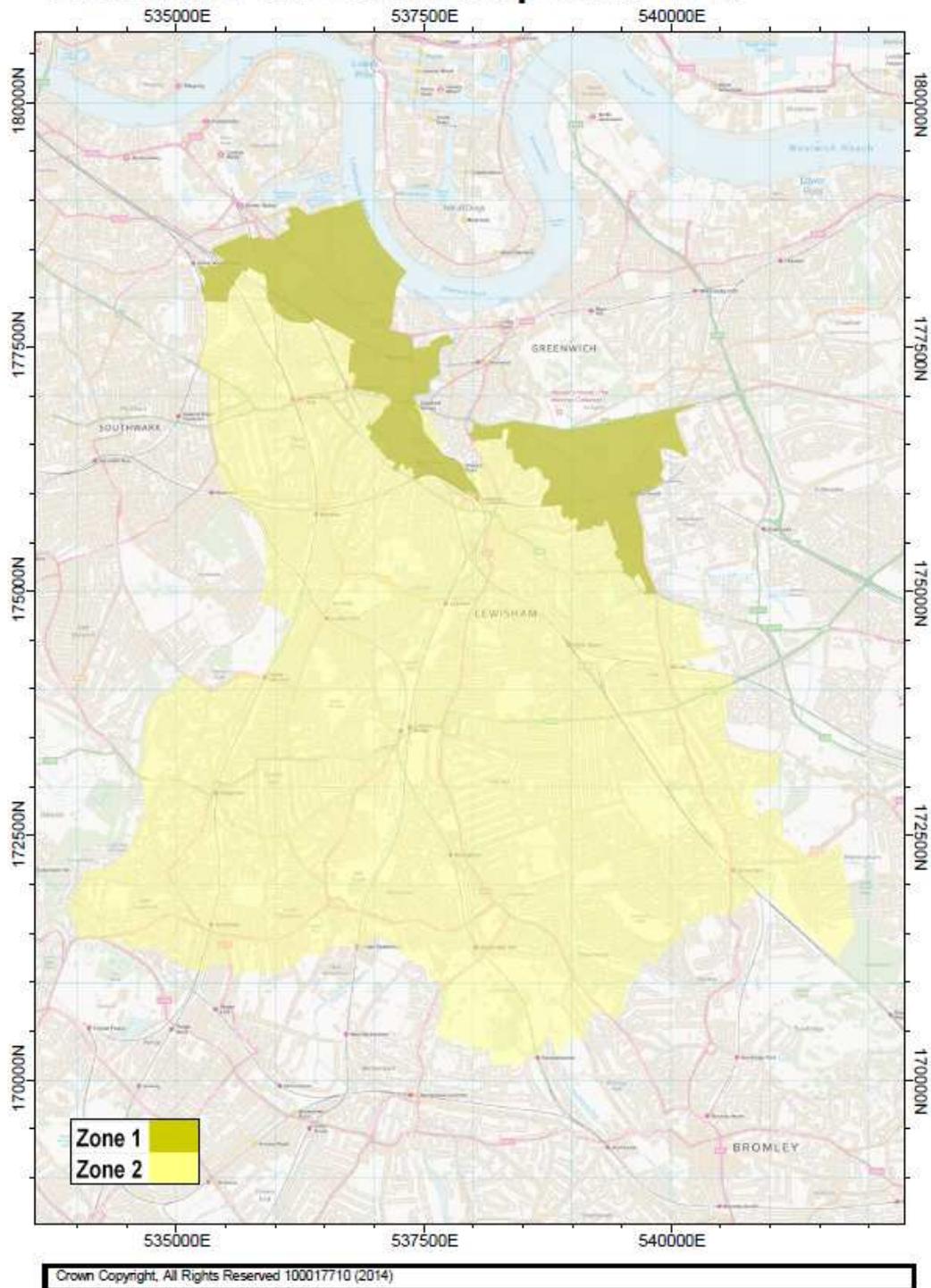
Additional Notes – Not part of the Charging Schedule

Mayor of London CIL

As per Regulation 14 of the Community Infrastructure Levy Regulations 2010 (as amended), the council is designated as the 'Collecting Authority' for the Mayor of London CIL. This requires a charge of '£35 per sqm' to be levied in addition to the amounts specified above (table 1).

Map 1: London Borough of Lewisham CIL payments zones

Lewisham CIL Zones Map June 2013



London Borough of Lewisham

Community Infrastructure Levy: Infrastructure List

This list is in accordance with Regulation 123 of the Community Infrastructure Regulations 2010 (as amended) This List is valid from 1st April 2015

In accordance with regulation 59 of the Community Infrastructure Levy Regulations 2010 (as amended) CIL receipts from the Lewisham CIL must fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.

In accordance with the CIL Regulation 123 the types of infrastructure that Lewisham intends will be, or may be, wholly or partly funded by CIL are listed below. The List will be reviewed and updated regularly.

Types of infrastructure that will or may be funded in whole or part by CIL
State education facilities
Public health care facilities
Strategic transport enhancements (excluding site-specific, highways and public transport matters needed to make developments acceptable in planning terms, which may include matters on site, regarding access to the site or off site where the need for such works is identified in a transport assessment or travel plan)
Publicly accessible open space, allotments and biodiversity
Strategic flood management infrastructure
Publicly owned leisure facilities
Local community facilities (including (but not limited to) community centres and halls and libraries, but excluding places of worship)
Public Emergency Services (this is intended to apply to physical projects by the police, fire or ambulance services)

Regulation 123 of the CIL Regulations 2010 (as amended) restrict the use of planning obligations (section 106 agreements) for infrastructure that will be funded in whole or in part by CIL to ensure that there is no duplication between the two types of developer contribution.

Those interested in the continued use of planning obligations should consult the Planning Obligations Supplementary Planning Document 2015 which sets out the detailed use of planning obligations and the relationship with CIL.

London Borough of Lewisham

Community Infrastructure Levy : Instalments Policy

This instalment policy has been prepared and published in accordance with regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended).

It takes effect on 1st April 2015.

The Council will allow payment of Community Infrastructure Levy (CIL) required by the adopted charging schedule as follows:

Amount of CIL liability	Number of Instalment Payments	Amount or proportion of CIL payable in any instalment/time at which payments are due
£500,000	No instalments	Total amount payable within 60 days of commencement of development
£500,001 or more	Two	The greater of £500,000 or half the value of the total amount payable within 60 days of commencement of development. The remainder within 240 days of commencement of development.

Agenda Item 10

COUNCIL		
Report Title	Adoption of Planning Obligations Supplementary Planning Document 2015	
Key Decision	Yes	Item No.
Ward	All	
Contributors	Executive Director of Resources and Regeneration	
Class	Part 1	Date:25 February 2015

1. Purpose

- 1.1 This report seeks the Council's formal resolution to adopt the Planning Obligations Supplementary Planning Document 2015 (SPD).

2. Summary

- 2.1 The Planning Obligations SPD is one of the documents that, when adopted, will make up the Council's Local Development Framework (LDF). The LDF refers to the group of documents setting out the Council's planning strategy and policies.
- 2.2 The Planning Obligations SPD has been revised to take account of necessary changes required to reflect the adoption of the Lewisham Community Infrastructure Levy (CIL). The Planning Obligations SPD sets out how the Council will negotiate Planning Obligations after adoption of the CIL Charging Schedule due to come into effect on 1st April 2015.
- 2.3 The Mayor agreed during the Mayor and Cabinet meeting on 14th January 2015 that the Council be recommended to formally adopt the Planning Obligations SPD.

3. Recommendation

- 3.1 This report seeks the Council's formal resolution to adopt the Planning Obligations 2015 SPD as set out at Appendix 1 to this report.

4. Policy context

- 4.1 The Planning Obligations SPD is part of the Local Development Framework and as such is part of the Council's policy framework as set out in the Council's constitution. It requires a resolution from the full Council to adopt.

- 4.2 The full background and policy context is set out in the report to Mayor and Cabinet dated 14th January 2015 which is included as Appendix 2 to this report.

5. Background

- 5.1 Planning Obligations under section 106 of the Town and Country Planning Act 1990 (as amended) are a mechanism which makes a development proposal acceptable in planning terms that would not otherwise be acceptable. See section 6 of this report for further details.
- 5.2 The current Planning Obligations SPD was adopted in 2011 and it was necessary to update due to planning policy changes and to take account of the adoption of the CIL Charging Schedule. A consultation on a draft SPD was undertaken between October and November 2014. The draft was amended as a result of the comments made and the adoption version was reported to the Mayor and Cabinet in January 2014. Some further minor textual changes have been made for the final adoption version as set out at appendix 1.

6. Legal implications

- 6.1 The power of a Local Planning Authority to enter into a planning obligation with any person interested in land in the area of the local planning authority is contained within Section 106 of the Town and Country Planning Act 1990 (as amended). Planning obligations are secured by Deed either by way of planning agreements or unilateral undertakings and are required in order to mitigate the impact of the proposed development.
- 6.2 In accordance with the Act, planning obligations:
- May restrict the development or use of land;
 - May require specified operations or activities to be carried out;
 - May require land to be used in any specified way;
 - May require cash payments to be made;
 - Can be either positive, i.e. requiring a person to carry out a specified action, or negative, i.e. restricting the person from developing or using the land in a specified way;
 - May be entered into either by agreement with the Local Planning Authority or by an undertaking by the developer to which the Local Planning Authority is not a party (e.g. unilateral undertakings in appeal cases);
 - Must be entered into by means of a Deed (which can be varied later if necessary by 'Deed of Variation');
 - Must be registered as a local land charge
 - may be enforced against the person entering into it and against any person deriving title from that person; and
 - Can be enforced by means of injunction.

- 6.3 Regulation 122 of The Community Infrastructure Levy Regulations 2010 requires that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is —
- (a) necessary to make the development acceptable in planning terms;
 - (b) directly related to the development; and
 - (c) fairly and reasonably related in scale and kind to the development.
- 6.4 Regulation 123 scales back the use of obligations where an authority introduces a Community Infrastructure Levy to those matters that are directly related to a specific site, satisfies Regulation 122, and is not for relevant infrastructure. “Relevant infrastructure” means, in this context, where a charging authority has published on its website a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL.
- 6.5 Planning obligations are not permitted to secure the provision of relevant infrastructure. The SPD clarifies the Council’s policy towards securing appropriate planning obligations required to mitigate the impact of development, in the light of CIL.

7. Conclusion

- 7.1 The Council is asked to resolve to adopt the Planning Obligations Supplementary Planning Document 2015 attached as Appendix 1 to this report.

Background documents

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
Planning & Compulsory Purchases Act 2004 (as amended)	2004	Laurence House	Planning Policy	Brian Regan	No
National Planning Policy Framework	2012	Laurence House	Planning Policy	Brian Regan	No
Local Plan Regulations	2012	Laurence House	Planning Policy	Brian Regan	No

If you have any queries on this report, please contact Brian Regan, Planning Policy, 3rd floor Laurence House, 1 Catford Road, Catford SE6 4RU – telephone 020 8314 8774.

**Appendix 1: Planning Obligations Supplementary Planning Document,
Adoption Version February 2015**

**Appendix 2: Report to Mayor and Cabinet on Planning Obligations SPD dated
14th January 2015**

This can be viewed at:

<http://councilmeetings.lewisham.gov.uk/documents/s33045/Planning%20Obligations%20SPD%20Adoption.pdf>



Appendix 1 to Council Report 25th February 2015

Lewisham Planning Obligations: Supplementary Planning Document

**Adoption Version for Full Council Meeting 25th
February 2015**

February 2015

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1. Introduction

Background to this Document

- 1.1 The London Borough of Lewisham will be subject to a significant amount of development up to 2026, with around 18,000 new residential units planned for the borough, as well as new employment, retail and leisure provision. This level of development is expected to continue beyond 2026 to support London's growth.
- 1.2 New development plays an important role in the vitality of any locality. Whether it is the provision of new homes, employment or recreational facilities, development is essential to provide for our current and future needs. The planned level of growth within the borough, however, will result in increased pressure on local infrastructure, services and facilities and will also create a need for additional provision within the borough.
- 1.3 The purpose of the Planning Obligations Supplementary Planning Document (the SPD) is to provide detailed guidance on the likely type and scale of planning obligations for development proposals in the London Borough of Lewisham, to ensure that the impact of development on infrastructure and services can be adequately mitigated. It also seeks to establish a transparent, fair and consistent process for negotiating, securing and monitoring planning obligations.
- 1.4 In order to fund the infrastructure necessary to support development across the borough the Council is planning to adopt a Community Infrastructure Levy (CIL) in accordance with the CIL Regulations (2010) (as amended). The CIL Regulations limit the use of planning obligations.
- 1.5 It should be noted that the SPD does not attempt to specify all of the planning obligations that may be necessary to mitigate the impacts of every development. Other planning obligations may be required that are not set out in this SPD due to site specific or local circumstances. The exact type and range of planning obligations, which may be sought for an individual site, will depend upon the particular circumstances and development proposed and its impacts upon the local environment, local services and facilities and in accordance with the National Planning Policy Framework (NPPF) and the Community Infrastructure Levy Regulations (2010), (as amended).
- 1.6 When adopted this SPD will replace the Council's adopted Planning Obligations SPD (2011). The SPD will be a material planning consideration for use in guiding and determining planning applications and obligations.

What are Planning Obligations?

- 1.7 Planning obligations (made under Section 106 of the Town and Country Planning Act 1990, as amended) (S106 agreements), are legal agreements between local planning authorities and developers, or unilateral undertakings made by developers, in the context of the granting of planning permission. They can be both financial and non-financial, and they are used when there is a requirement to address the impact of a development and the impact itself cannot be dealt with through a planning condition on the permission.

- 1.8 Planning obligations can be used to prescribe the nature of development (e.g. by requiring that a given portion of housing is affordable); or to secure a contribution from a developer to compensate for loss or damage (e.g. enhancements to open space); or to mitigate a development's impact (e.g. through increased or improved public transport provision). The use of planning obligations is an effective tool through which the Council will seek to ensure that growth and development, whether individually or cumulatively, meets the objectives of sustainable development as promoted in local, regional and national policies.
- 1.9 Regulation 122 of the Community Infrastructure Levy Regulations provides that from 6th April 2010 it is unlawful for a planning obligation to be taken into account when determining a planning application for a development or any part of a development that is capable of being charged CIL, if the obligation does not meet the following tests:
- (a) necessary to make the development acceptable in planning terms;
 - (b) directly related to the development; and
 - (c) fairly and reasonably related in scale and kind to the development.
- 1.10 Planning obligations are local land charges and run with the land. This means that they are intended to be enforceable against the original parties who entered into the agreement or undertaking and in most cases, anyone acquiring an interest in the land after it has been sold or transferred.
- 1.11 Used properly, planning obligations can significantly increase the quality of development. They can secure benefits capable of mitigating the adverse impacts of a development. However, they cannot be used to make a bad application good where, for example, a scheme does not comply with the development plan.

What is the Community Infrastructure Levy?

Introduction

- 1.12 The Community Infrastructure Levy (CIL) came into force in April 2010. It allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of local and strategic infrastructure that is needed to support growth and development in the borough. This includes transport facilities, flood defences, schools and other education facilities, medical facilities, sporting and recreational facilities and open spaces.
- 1.13 CIL is intended to provide developers more certainty up front about how much money they will be expected to contribute towards borough infrastructure needs. CIL takes the form of a charge per square metre of floorspace applied to most new developments that involve an increase of 100 square metres or more of gross internal floorspace or that involve the creation of a dwelling even where this is below 100 square meters. The CIL charges are based on the size and type of the new development. Some developments are exempt from paying the levy such as affordable housing, self build and developments of buildings by charities that are used for charitable purposes.
- 1.14 The CIL charges are set out in a formal document called a 'charging schedule' and charges are index linked and inflated over time.

Lewisham Community Infrastructure Levy

- 1.15 The Council's CIL is expected to become effective on 1 April 2015. The Lewisham CIL will provide funding to help deliver a wide range of infrastructure projects to support new housing and economic growth and benefit local communities. It allows Lewisham to work with infrastructure providers and communities to set priorities for what the funds collected under the levy should be spent on and provides a funding stream so that the delivery of infrastructure projects can be planned more effectively.
- 1.16 The list of projects to be funded by CIL is set out in the Council's Regulation 123 list and the Council will allocate funds to projects to be supported through CIL as part of its capital programme.
- 1.17 Further information on the Lewisham CIL can be found on the Council's website.¹

Mayor of London Community Infrastructure Levy

- 1.18 In addition to the Lewisham CIL, the Greater London Authority is also a charging authority and the Mayor of London can charge a CIL to help ensure the delivery of local and sub-regional large scale infrastructure. From 1 April 2012 the Mayor of London has been charging CIL to fund strategic transport – this is currently the Crossrail project.
- 1.19 In Lewisham borough the Mayor's levy is £35 per square metre of new development, but with a nil charge for education and health uses.
- 1.20 The Council is required to collect the Mayor's CIL on his behalf, and also to give it priority in calculating the viability of its own CIL and other planning obligations. The Mayor is responsible for spending the Mayoral CIL.
- 1.21 Further information on the Mayoral CIL can be found on the Greater London Authority website.

How will the Community Infrastructure Levy and Planning Obligations work together?

- 1.22 The CIL will largely replace planning obligations as the way in which developments contribute towards funding the new infrastructure necessary to support new development. Once a local CIL has been adopted or by April 2015 (whichever is the sooner) the Council will not be able to pool planning obligations from more than five developments to pay for any one item of infrastructure.
- 1.23 When the Lewisham CIL has been adopted the key principle of our approach will be that planning obligations will be used to address site specific impacts of developments such as local access road or public realm improvements near the site. They may also be used in situations where a developer does not meet planning policy requirements to provide infrastructure on the development site. Planning obligations will be negotiated where items sought are clearly linked to the development site and are needed to make that particular development acceptable. CIL on the other hand will be used to provide the money to fund local and strategic infrastructure required to support growth across the borough.

¹ <http://www.lewisham.gov.uk/myservices/planning/applications/community-infrastructure-levy/Pages/default.aspx>

- 1.24 Planning obligations will be used to fund different infrastructure items to those to be funded through CIL, and developers will not be charged for the same items of infrastructure through both planning obligations and CIL. CIL is used for funding strategic infrastructure – the infrastructure that is required regardless of the demand created by any scheme helping to fund it. S.106 contributions will continue to be used to secure scheme-specific infrastructure – the infrastructure required by the scheme itself. This will generally be on or adjacent to the site, and may also provide a wider or strategic benefit.
- 1.25 To help clarify this we will publish a list of those infrastructure types for which we will not seek to negotiate planning obligations after Lewisham’s CIL has been adopted. This is called a Regulation 123 list and it will contain projects which may be funded partly or wholly by CIL. The list will be based on the infrastructure projects set out in the borough’s infrastructure plan which are required to support growth over the Core Strategy period (2011-2026). It will be kept up to date to take into account any changes in circumstances and/or infrastructure needs identified in future.
- 1.26 Affordable housing falls outside of CIL and will therefore continue to be required through planning obligations, as set out in this document.
- 1.27 The CIL Regulations allow authorities to offer CIL relief in exceptional circumstances, subject to specific circumstances. To qualify for the CIL relief the financial cost of complying with the planning obligations must be greater than the CIL charge cost and meeting the cost of CIL and the planning obligations would have to be proven to make the development economically unviable. The Council has decided not to introduce a CIL Exceptional Relief Policy at the current time, but the impact of the introduction of the CIL and the potential benefits of introducing such a policy will be kept under review.

2. Legislative and Policy Context

Statutory Framework

- 2.1. The legislative basis for planning obligations is set out in Section 106 of the Town and Country Planning Act 1990 (as amended), which provides local authorities with the opportunity to enter into Section (S106) agreements to secure planning obligations in connection with the development and use of land and for applicants/land owners to give unilateral undertakings regarding these when making a planning application.
- 2.2. Further statutory provisions are set out in Regulations 122 and 123 of the Community Infrastructure Regulations 2010 (as amended) ('CIL Regulations').
- 2.3. The CIL Regulations place into law for the first time the Government's policy tests on the use of planning obligations. As of 6 April 2010 it became unlawful for a planning obligation to be taken into account when determining a planning application for a development, or any part of a development, if the obligation does not meet all of the following tests:
 - a) Necessary to make the development acceptable in planning terms
 - b) Directly related to the development; and
 - c) Fairly and reasonably related in scale and kind to the development
- 2.4. The above requirement seeks to clearly delineate the different roles that CIL and planning obligations have when used together, to secure the delivery of social and physical improvements and infrastructure required of and to support new development.

The National Planning Policy Framework (NPPF)

- 2.5. At the national level the National Planning Policy Framework (2012) (NPPF) sets out the Government's economic, environmental and social planning policies for England. Paragraphs 203 to 206 of the NPPF deal with the use of planning conditions and planning obligations. The NPPF reiterates the three tests governing the use of planning obligations in the CIL Regulations, and upholds the long-standing principle that planning conditions are preferable to planning obligations. The NPPF also requires local planning authorities to ensure that policies on planning obligations take account of changes in market conditions over time and, wherever appropriate, are sufficiently flexible to prevent development from being stalled.

The London Plan (July 2011)

- 2.6. The London Plan (July 2011) provides the strategic context for planning obligations in London, and together with the Council's Adopted Core Strategy (June 2011) is the primary consideration in determining planning applications.
- 2.7. London Plan Policy 8.1 Implementation states that in enabling development, the Mayor of London will work with boroughs and other key stakeholders across sectors to ensure the effective development and implementation of the Community Infrastructure Levy.
- 2.8. Policy 8.2 Planning Obligations states that the Mayor of London will provide guidance on the preparation of frameworks for negotiating obligations in DPDs and the

aspiration that there is a voluntary system of pooling contributions for the provision of facilities related to proposed developments. The policy also sets out that development proposals should address strategic as well as local priorities through planning obligations, and that affordable housing and the funding of Crossrail and other public transport improvements should be given the highest priority. Climate change, learning and skills, health facilities and services, childcare provision and the provision of small shops should also be given priority.

- 2.9. Policy 8.3 Community Infrastructure Levy states that the Mayor of London will work with Government and other stakeholders to ensure effective development and implementation of CIL and will prepare guidance for boroughs setting out a clear framework for its application. The focus of this is to ensure that the necessary infrastructure to deliver the policies of the plan, such as Crossrail, can be delivered.

Further Alterations to the London Plan

- 2.10. The Mayor of London published a consultation draft further alterations to the London Plan (FALP) in January 2014. The proposed amendments to Policy 8.2 (Planning Obligations) include the inclusion of air quality and social infrastructure as matters which should be given priority in the consideration of planning obligations. The EIP for the FALP was held in September 2014 and the Inspectors report is expected early 2015.

Mayor of London's Powers

- 2.11. It should also be noted that the Mayor of London has the discretion to determine planning applications of strategic significance. This includes consideration of any planning obligations relating to those strategic applications the Mayor decides as Planning Authority. On strategic applications that the Mayor decides, boroughs are statutory consultees and conversely, for those strategic applications that boroughs decide, the Mayor is a statutory consultee.

Lewisham Sustainable Community Strategy

- 2.12. The Sustainable Community Strategy (2008 – 2020) focuses on key challenges to reduce inequality and social exclusion within Lewisham's communities and between Lewisham and the rest of the country. It sets out objectives under the following themes:
- Ambitious and achieving – where people are inspired and supported to fulfil 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

- 2.13. All of the Council's activities and policies are guided by, and should be consistent with, the objectives and priorities set out in the Lewisham Community Strategy.

Local Development Framework

- 2.14. Lewisham Council's Local Plan currently comprises the Core Strategy (adopted June 2011), Site Allocations Local Plan (adopted June 2013) and the Lewisham Town Centre Local Plan (adopted February 2014). The Development Management Local Plan (DMLP) was adopted in late 2014.
- 2.15. The Core Strategy sets out the spatial planning framework for the development of the borough over the period 2011 to 2026. It is a strategic document that provides the broad strategy for the scale and distribution of development and for the provision of supporting infrastructure.
- 2.16. The Development Management Policies, the Site Allocations Local Plan and the Lewisham Town Centre Local Plans are aimed at achieving development that delivers the vision and objectives set out in the Core Strategy to bring forward sustainable development.
- 2.17. Core Strategy Policy 21 sets out the following in relation to planning obligations:
- 'The need to provide infrastructure, services and/or facilities to address the impact of new development will be considered by the local planning authority from the outset of the planning application process.
 - The Council will seek planning obligations in accordance with Circular 05/05 to ensure effective implementation of the Core Strategy.
 - The Council will prepare a Planning Obligations Supplementary Planning Document to provide further guidance on the likely type, scale and priority of planning obligations and the methodology for calculating formula based obligations, where it is appropriate to do so.'
- 2.18. A number of DMLP policies refer to the use and application of planning obligations in relation to issues such as town centres, wheelchair housing, air quality management and community facilities. The town centre local plan contains details of planning obligation priorities for the key development sites in the town centre.

Infrastructure Planning

- 2.19. The Council has produced an Infrastructure Delivery Plan (IDP) to assess the requirements for a range of physical, social and green infrastructure that may be needed over the 15 year plan period up until 2026. The IDP looks at the current and planned supply of, and the likely demand for, such infrastructure if the forecast for population growth is achieved. The use of planning obligations will assist in the delivery of that infrastructure.

3. Topic Areas

3.1 Affordable Housing

Introduction

- 3.1.1. The provision of housing is a key priority and pressure for the borough. The Council is seeking to create socially-mixed communities with a greater choice of housing, in order to meet the needs of Lewisham's diverse community. The provision of affordable housing to meet the existing and future housing needs of residents who cannot afford market housing is particularly important in Lewisham, given the high levels of deprivation, the lower than average household incomes and the high market housing prices experienced in the borough.
- 3.1.2. This section provides guidance on securing affordable housing as an integral part of development in Lewisham.

Definition

- 3.1.3. The main types of affordable housing promoted by the Council are set out in the 'Method for Delivering Affordable Housing Obligations' section below. For the purposes of this document, the definition of 'affordable housing' as contained in Annex 2 of the National Planning Policy Framework (NPPF) will apply:

'Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.'

- *Social rented housing is owned by local authorities and Private Registered Providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.*
- *Affordable rented housing is let by local authorities or Private Registered Providers of social housing to households who are eligible for social rented housing. Affordable rent is subject to rent controls that require no more than 80% of the local market rent (including service charges, where applicable).*
- *Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can be shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.*

Homes that do not meet the above definitions such as low cost market housing may not be considered as affordable housing for planning purposes'.

- 3.1.4. Definitions, consistent with the NPPF, are also provided in regional and local policy.
- Policy 3.10 and paragraph 3.61 of the London Plan
 - Appendix 6 of the Core Strategy

- Appendix 5 of the Development Management Local Plan (DMLP).

Policy Pointers

- 3.1.5. For a summary of the national, regional and local planning policy context, see Appendix 1.

Justification

- 3.1.6. When dealing with affordable housing it is important to recognise from the outset the unique nature of the borough in terms of its population, deprivation, housing stock, incomes, house prices and housing affordability. An overview of each of these characteristics is provided below, using data taken from:

- 2011 Census
- 2013 ONS Mid Year Population Estimate
- ONS 2011 Neighbourhood Statistics
- 2012 Ethnic Group Projections
- 2010 Index of Multiple Deprivation
- 2012 GLA Population Projections
- 2012 GLA Ward Profiles
- 2012 Land Registry Data
- 2012 NOMIS Official Labour Market Statistics
- 2013 London Labour Market Indicators
- 2014 Lewisham Affordable Rent Study.

- 3.1.7. **Population** In 2011 Lewisham had 275,900 residents, representing an 11% increase since 2001. This level of growth reflects London's growth as a whole and was greater than had been previously anticipated. The borough's population is projected to grow by 23% to 339,776 residents by 2041. Lewisham has a younger population than London as a whole, with approximately 20% of residents aged 0-14, 70% aged 15-64 and 10% aged 65 and over in 2012. Lewisham also has a highly diverse and vibrant community both ethnically and culturally. In 2012 48.5% of residents were of black and ethnic origin and this will rise to 57.7% by 2041.

- 3.1.8. **Deprivation** Some of the borough's most successful communities are also some of its most deprived. In 2010 Lewisham was ranked as the 31st most deprived local authority in England. 38% of Lewisham's lower super output areas (LSOAs) (census counting areas) were in the 20% most deprived LSOAs in the country. There is a range of indicators that point towards Lewisham having high levels of deprivation. In 2011 life expectancy at birth for males (78 years) and females (83 years) were slightly lower in Lewisham than England (79.2 and 83 years respectively). Conversely, in 2012 childhood obesity levels (11.2% of 4-5 year olds and 24.4% of 10-11 year olds) in Lewisham were higher than England (9.4% and 19% years respectively).

Deprivation relating to crime is widespread, with 60% of the LSOAs in the borough being in the 20% most deprived LSOAs nationally in 2010 in regard to crime levels. In 2013 Lewisham's unemployment rate was 9.9%, and the rate of claimants for Job Seekers Allowance exceeds the London average. In particular there is a

disproportionate impact on young people (16-24 years) of unemployment, with some wards experiencing 22.6% compared to London's 6.9% in 2012.

- 3.1.9. **Housing stock** Lewisham's housing stock housed 116,091 households in 2011, of which 26% were single people living on their own. Purpose built flats are most common (35.7%) form of dwelling, followed by terrace houses (28.2%). 43.6% of dwellings are owner-occupied or in shared-ownership, 31.1% are social rented and 24.4% are privately rented, compared to London (56.5%, 26.2% and 15.5% respectively). Private renting has almost doubled from 13.1% in 2001 to 24.3% in 2011. In terms of the values of dwellings, there is also significantly more housing in the lower Council Tax bands A-C and significantly less in the higher bands.
- 3.1.10. **Incomes** In 2013 the average gross earnings per household in Lewisham was £602 per week. Lewisham's gross average annual pay, at £31,439, was lower than London's average of £36,781. Importantly, a quarter of Lewisham's resident workforce earn less than £16,000 per year.
- 3.1.11. **House prices** Despite being lower than London as a whole, house prices in Lewisham have recovered well since the recession and have once again reached the peak seen in 2008. By August 2013, average house prices rose to £296,559 and the house price index increased to 400. Average house prices also vary across the borough, ranging from £194,236 in the south to £415,757 in the north.
- 3.1.12. **Housing affordability** The average house price to income ratio is 7.91, making it difficult for local residents to buy a home in the borough. Barriers to housing affordability are apparent. In 2010 89.2% of the LSOAs (encompassing areas within every ward) fell within the 20% most deprived and 19.9% of the LSOAs fell within the 10% most deprived. With average house private rents of £415 per week, renting takes up a significant proportion of residents' incomes. The monthly average rental value in 2014 varies from £927 for a 1-bedroom flat to £1,995 for a 4-bedroom house and values differ between postcodes.

If 33% of residents' gross incomes were used to pay for their rents, the percentage of residents who would be able to afford 80% market rent (as per the HCA guidelines for the 'market rent' permutations of social housing) varies from 48% for a 1-bedroom flat to 12% for a 4-bedroom house. Conversely, for families consisting of 4 children in a 4-bedroom house that are reliant upon benefits, rents at 80% of market rent level would comprise 73% of their gross income.

- 3.1.13. To summarise, population growth coupled with lower than average earnings and an under-supply in both market and affordable housing has led to high housing costs beyond the reach of many residents. Furthermore, the benefits of inward investment do not always reach existing residents and often private housing developments are not accessible to local residents in housing need.

The Lewisham Affordable Rent Study emphasised that affordability will be an increasing concern for larger households, including those in work and those who are affected by the housing benefit cap. Consequently there is a need to ensure that Lewisham borough contributes to achieving the overall London Plan affordable housing targets, but doing so in a manner that responds to the significant and high level of need for affordable housing in the borough, especially social rented units and affordable family homes. This section provides local level guidance on the provision of affordable housing that is tailored towards addressing this local level need.

- 3.1.14. The guidance in this section also takes into account the established and robust evidence base that already exists. At the regional level the London Strategic Housing Market Assessment (SHMA) (2013) identified a net requirement for around 49,000 new homes per year in London, of which 48% is needed as market housing, 20% as intermediate housing and 32% as social/affordable rented housing. In terms of unit

sizes, 34% is needed as 1-bedroom units, 18% as 2-bedroom units, 26% as 3-bedroom units and 22% as 4-bedroom units. The Homes for London: London Housing Strategy 2014 and the Mayor's Housing Covenant 2015-18 Programme seek a mix of 60% rented homes and 40% intermediate (shared ownership). For the affordable rented units that are supported by the Mayor of London, half of the units should be lower-capped rents of no more than 50% of local market rents inclusive of service charges, and targeted at those most in need. Half should be discounted rents of no more than 80% of the market rent, prioritised for working households.

- 3.1.15. At the sub-regional level the South East London SHMA (2014), prepared on behalf of the London Boroughs of Southwark, Lewisham, Greenwich, Bexley and Bromley, identified a current net requirement for 35,204 affordable dwellings, with an additional demand for 8,867 dwellings per year over the next twenty years. Data contained in the SHMA suggest that whilst Greater London's population will increase by 12% in the period 2011-2021, growth in Southeast London will be 11.7%, and in Lewisham borough it will be 12%, or 56,014 people – the largest increase of any of the five Southeast London boroughs.
- 3.1.16. As well as an additional 1760 affordable dwellings per year over the next 20 years to clear the current shortfall in Southeast London, it is estimated that of the projected increase of 12,663 households in Southeast London up until 2031, 60%, or 7,583 of these households, will be unable to afford market housing and therefore will require social, or affordable, housing. It is also estimated that a 1,284 additional households currently in market housing will fall into social housing need. This gives an annual social housing requirement of 10,627 every year for the next 20 years, with 2,743 of these being in Lewisham. It is these dwellings that contributions secured through S.106, as set out in this SPD, will help provide.
- 3.1.17. The South East London Strategic Housing Market Assessment (June 2014) found that 12% of Lewisham dwellings were classed as 'overcrowded'. In addition, at the end of 2013, Lewisham had 1,372 households classed as homeless and in temporary accommodation – 37% of the total in the SHMA sub-region. This was the highest of the five boroughs.
- 3.1.18. In addition to overcrowded dwellings and homeless households, according to the 2011 census there were 1,715 concealed families in Lewisham (ie cases where more than one household occupied a dwelling). However, in some cases this is a choice, as extended families living together is more common in some other cultures than in Anglo Celtic society, and this number therefore does not reflect overcrowding in all cases.
- 3.1.19. According to the GLA's 2013 Round of household projection (central trend), Lewisham will experience a net growth of 30,200 households between 2011 and 2031, leading to a net additional dwelling requirement of 33,400 dwellings (based on existing concealed dwellings and homeless households added to the household growth project, and rounding of the numbers).
- 3.1.20. According to the South East London SHMA, if allowance is made for concealed households, homeless households, and for a vacancy level in the stock sufficient to permit mobility, the average annual rate of additional demand is 1,670 dwellings, based on the GLA projections. This is significantly higher than the 2011 London Plan or 2014 FALP dwelling targets for Lewisham borough. Based on new dwelling completions between 2011 and 2013, and projected dwelling supply from 2013 to 2031, this leaves a shortfall of about 5,700 dwellings over the period, or about 320 dwellings per annum.
- 3.1.21. The SHMA tested two scenarios for the required size mix of affordable housing. Under the baseline scenario, the largest demand was for 3 bed units and there was

calculated to be no additional demand for 1 bedroom units. In the intermediate sector demand was greatest for 2 bed units. Under the scenario addressing under occupation and overcrowding demand shifts from 2 bed and 3 bed units to 1 bed and 4 bed units.

3.1.22. The Lewisham Annual Monitoring Reports identified that 564 net new affordable units were completed in 2012-13 and 244 completions in 2013-14. In both periods these were mostly concentrated in the north of the borough. They provide a mix of unit sizes and types with 27% 1-bedroom dwellings, 48% 2-bedroom dwellings and 25% 3- or more bedroom dwellings in 2012-13, and 21% 1-bedroom dwellings, 55% 2-bedroom dwellings and 24% 3- or more bedroom dwellings in 2013-14. Almost universally in both years, the additional dwellings were in new-build complexes and were flats. However, the affordable housing completions formed only 31% of the total completed housing in 2012-13 and 30% in 2013-14, and thus fall short of the 50% target. The social/affordable rent to intermediate ratio of 57:43 in 2012-13 and 73:27 in 2013-14 also falls short of the target ratio of 70:30.

3.1.23. The Lewisham Affordable Rent Study (2014) found that rent values vary across the borough and that target rent levels currently equate to 50% or less of the market rent. The housing stock in only 25% of the postcodes in the borough falls within the desired affordability threshold (i.e. no more than 33% of gross income spent on housing) for 2-bedroom units at 80% market rent, whilst for 3-bedroom units 65% market rent is needed to meet affordability threshold and 50% is needed for 4-bedroom units.

Affordability will be an increasing concern for larger households including those in work and those affected by the benefit cap. In particular, there will be a significant reduction in residual income for unemployed families with three or more children, if they move from target rent to affordable rent at 80% of market rent.

3.1.24. The evidence presented above, when considered alongside the unique factors in the borough, strongly emphasizes the need for affordable housing in the borough. The Council will be looking at development schemes to ensure that the affordable housing proposals do not exacerbate the inability of local residents in housing need to be able to access new homes.

3.1.25. Affordable housing also sits within a regional and local policy framework, namely the National Planning Policy Framework, London Plan policies 3.9-3.13, the London Housing Strategy, Funding Prospectus: Mayor's Housing Covenant, Core Strategy Policy 1, DM Policy 7 in the Development Management Local Plan and the Lewisham Housing Strategy. A number of overarching principles arise from this policy framework, including:

1. Helping to significantly boost the supply of high quality affordable housing and contribute to an average of 13,200 net new affordable homes per year in London. The FALP are proposing to increase this to 17,000.
2. Providing affordable housing to meet the objectively assessed current and future needs for the area, as identified in the SHMA, having regard to local incomes, land and house prices, population trends and the strategic and local needs of different groups within the local community.
3. Providing affordable housing where the site is capable of providing 10 or more homes, with a preference for providing affordable units on site.
4. Seeking the maximum provision of affordable housing on a case-by-case basis, taking into account individual site circumstances. The starting point should be

50% affordable homes that will in turn contribute to an overall strategic target of 50% across the borough.

5. Providing the right mix of housing to underpin successful and vibrant neighbourhoods, with a mixed and balanced tenure and a wide choice of housing options. In areas with high existing concentrations of social rented housing, introduce a more balanced social mix by providing a higher percentage of intermediate housing.
 6. Providing a mixed tenure with 70% social/affordable rented units and 30% intermediate units, thereby helping people on low or middle incomes to move into home ownership.
 7. Giving priority to affordable family housing, with a target of 42% of the units provided as family dwellings (3 or more bedrooms). Delivering family sized affordable homes, as well as increasing the supply of small affordable homes will help to tackle overcrowding and enable people to downsize.
 8. Providing affordable units that take account of viability and are subject to a financial viability assessment. A balance needs to be demonstrated between providing affordable housing that is genuinely affordable to local residents in housing need and ensuring that schemes are viable and can be delivered.
 9. Ensuring affordable housing is effectively managed in a cost-efficient way and that units remain at an affordable price for future eligible households.
- 3.1.26. The guidance in this section builds upon these overarching principles. The Council will expect development schemes to incorporate affordable housing in a manner that is compatible with the overarching principles listed above.

Development types from which obligations will be sought

General

- 3.1.27. In accordance with the London Plan and Core Strategy, the Council will implement the affordable housing requirements set out in this SPD on sites of 10 units or more.
- 3.1.28. In order to prevent the underdevelopment of sites, the affordable housing requirement will be sought on sites that are capable of yielding the 10 unit threshold,, whether or not the 10 unit threshold has been triggered. Where the Council considers that a site has been artificially subdivided in order to avoid the application of the affordable housing policy, the Council will investigate the ownership of each site to determine whether the ultimate holding company or owners are the same. Where possible, the Council will apply the affordable housing policy across the entire site.
- 3.1.29. Where there is an increase in the number of residential units on a site at a later date, then the affordable housing policy will be applicable if the increase in the number of units takes the total to 10 or more units and the guidance within this document will be applicable to all affordable dwellings.
- 3.1.30. In the event that planning permission is granted for a mixed-use scheme, and a subsequent application seeks to vary a use from a non-residential element to residential use, this will trigger a reassessment of the requirement for affordable housing to be provided on the site.

Specialist housing

- 3.1.31. The London Plan requires that specialist housing for people with specific housing needs, including sheltered housing for the elderly, should be provided for, in line with local needs. The Council's Local Plan also supports proposals for special needs housing to meet the needs of specific groups across all tenures and income groups.

Specialist housing for older people

- 3.1.32. Proposals for sheltered housing and extra care homes are subject to other residential policies. This means that the affordable housing policies will be applied to schemes that fall over the threshold. Where the Council receives a planning application for a market sheltered housing scheme or extra care scheme the Council will confirm whether or not there is a need for affordable accommodation of this type. If there is, the required amount of affordable housing will be sought as sheltered or extra care accommodation on-site. If there is no identified need for affordable housing of this type, the applicant will be required to provide general needs or other forms of affordable supported housing on site, through re-design exercises if necessary.

Student housing

- 3.1.33. Genuine student housing will not be required to provide a proportion as affordable housing. In accordance with the London Plan (paragraph 3.53) the Council will secure student housing through the planning agreement or a condition to be robustly secured for students in perpetuity, otherwise it will be subject to the requirements of the affordable housing policy. Proposed future changes to student housing provision will be subject to the same requirements.

Hotels

- 3.1.34. The Lewisham Development Management Local Plan states that '*Proposals for hotels will need to demonstrate that a hotel operator will be identified and secured prior to the commencement of the development.*' The Council consider that genuine hotel development is not required to provide additional affordable housing, whilst speculative development that is not considered as deliverable as a hotel by the Council may be subject to affordable housing.

Method for delivering affordable housing obligations

Affordable housing targets

- 3.1.35. The London Plan (2011), the Mayor's Housing Supplementary Planning Guidance (2012) and the Lewisham Core Strategy (2011) seek to maximise the provision of affordable housing, with the Core Strategy setting an affordable housing target of 50%. That target is supported by the Council's Local Housing Market Assessment and Affordable Housing Viability Assessment. In order to achieve the 50% strategic target the Council will use this as a starting point for negotiations subject to any site specific issues including financial viability.
- 3.1.36. The proportion of affordable housing will be calculated on the total number of units provided and rounded to the nearest whole number (with 0.5 being rounded up). However if the scheme proposes to provide a high proportion of affordable family units (defined as units with three or more bedrooms), the affordable housing

requirement can be measured using habitable rooms, in accordance with the Mayor's Housing SPG (2012).

- 3.1.37. Ultimately the proportion of affordable housing will be determined by the Council:
- On a site by site basis;
 - On identified evidence of local need; and,
 - Taking into consideration the financial viability of the development.
- 3.1.38. Where the quantum or type of affordable housing for delivery requires negotiation due to the influence of the three factors identified above, the Council will expect such negotiations to be undertaken early in the pre-application planning process, in particular in relation to the potential receipt of grant funding (from the Government, the Mayor of London, or other sources). Where discussions would be assisted by the inclusion of a Registered Provider, applicants should speak to the Council, which has a good relationship with many local Registered Providers and may therefore be able to assist in identifying a suitable partner. Further advice on Registered Providers can be found later in this section.
- 3.1.39. The Council understands that financial viability can affect the ability of a development to deliver affordable housing to meet policy targets. Guidance regarding Financial Viability Appraisal is available in Section 4.

Securing affordable housing

- 3.1.40. Planning obligations and affordable housing will be secured through a legal agreement under Section 106 of the Town and Country Planning Act 1990. Applicants are advised to agree heads of terms for a S106 agreement with the Council. The following details will usually be referred to within the legal agreement:
- Number, location, size and tenure of the affordable units;
 - Standards which the affordable housing will meet;
 - Availability of units in perpetuity; and
 - Completion timing and availability of affordable units in relation to market units
- 3.1.41. Whenever possible any Registered Provider associated with the delivery of the affordable units will be expected to be party to the Section 106 (S106) agreement.
- 3.1.42. Applicants are required to submit a 'Planning Obligations Statement' with their planning application. The Planning Obligations Statement should include the timing of the expected delivery of the affordable housing units, the mix of affordable housing tenures, how the affordable housing will be delivered and managed, and the levels of affordable rent.

Dwelling size and mix

- 3.1.43. Providing housing of appropriate sizes to meet the needs of the borough is important in creating better and healthier places. The borough's needs will not be served through the provision of a large number of units designed to cater for single people or couples, as this will result in an under supply of much needed family housing. Conversely, the provision of predominantly family housing would make it more difficult for young and single people to stay in the borough and for those impacted by Welfare Reform to down size.

- 3.1.44. The dwelling size and mix should link directly to the London Housing Strategy, the Lewisham Core Strategy, the Strategic Housing Market Assessment and the Lewisham Housing Strategy.
- 3.1.45. One-person dwellings are not suitable for affordable housing as they do not meet the borough's needs for this type of housing. Because of this, developments that only provide one-person dwellings will not be accepted as affordable housing provision. However, these dwellings do generate a requirement for affordable housing, just like any other size of unit if they are part of a development of 10 or more residential units.
- 3.1.46. The Council recognises that different sites may pose different design challenges in terms of providing larger family accommodation. However, even in blocks of flats the Council considers that good quality family housing can be provided, particularly at ground floor and 1st floor levels with access to private gardens, balconies, terraces or other communal amenity space. In accordance with the Core Strategy, the Council will ensure that 42% of the affordable housing provided within developments have three bedrooms or more.
- 3.1.47. The need for family accommodation in Lewisham is greatest within the social rented sector and therefore the Council will ensure that 16% of any intermediate housing provided has three or more bedrooms and the remainder (to meet the 42% overall) should be provided within the social rented accommodation component of the development.
- 3.1.48. Some proposed developments may have too few affordable housing units to allow for a mix of unit sizes. In these circumstances, the size of the affordable housing units required should have one more bedroom than the majority of the units in the development. For example, if the majority of units have two bedrooms then the affordable housing units should have three bedrooms.

Tenure mix

- 3.1.49. A key characteristic of a mixed and balanced community is the variety of housing particularly in terms of tenure and price, and a mix of different households such as families with children, single person households and older people.
- 3.1.50. As a starting point for negotiations, social/affordable rented units will be the main tenure required and will account for up to 70% of the affordable housing provision with the remaining 30% provided through intermediate tenures. These targets are considered appropriate as they:
- Conform to the needs identified in the Strategic Housing Market Assessment;
 - Respond to the greatest amount of need (rented housing) whilst still enabling balanced and sustainable developments; and
 - Reflect the historic and current policy position in the Council's Local Plan which has been shown to be viable and deliverable since it was adopted.
- 3.1.51. In areas where there is a high concentration of social/affordable rented housing, for instance in the south of the borough, the Council may, at its absolute discretion, accept a slightly higher percentage of intermediate housing than the borough wide target of 30%. The Council will advise applicants if such a departure from policy is appropriate, and if so it will be at the Council's discretion.
- 3.1.52. Ultimately, the Council will determine tenure mix:
- On a site by site basis.
 - By the area of the borough in which the site is located; and

- By evidence of need in the housing market assessment.
- 3.1.53. On some schemes, it may be impractical to split the affordable housing into social/affordable and intermediate tenures and it may be more practical to provide only one type of affordable housing tenure. On such sites, the Council will require that all of the affordable housing is provided as social/affordable rented housing, in order to address the significant need for this type of housing in the borough.

Affordable rent

- 3.1.54. Policy 7 in the Development Management Local Plan provides guidance on providing affordable rented housing. Evidence has shown that in Lewisham affordable rent levels that are set at 80% of market rent levels will be unaffordable for many local residents in need of, and eligible for, affordable housing. In reality individual schemes usually contain homes at a range of affordable rent levels, including some at or around the Council's target rent level. Hence, DM Policy 7 and its justification text does not prescribe rigid rent levels but instead seeks that they be set on a case by case basis, taking into account:
- maximising affordable housing output whilst complying with other Core Strategy policies
 - meeting the full objectively assessed affordable housing needs
 - ensuring provision remains affordable for future eligible households, and
 - the location within the borough, the area's tenure mix and site characteristics.
- 3.1.55. Development schemes that provide affordable rent will be supported by the Council where they:
- comply with Core Strategy Policy 1 and DM Policy 7 of the Development Management Local Plan
 - create a balance between maximising affordable housing delivery whilst meeting the full range of housing needs. This includes giving first priority to people on the Common Housing Register and providing homes that they can genuinely afford (with no more than 33% of household income spent on housing costs), and
 - can demonstrate that ownership of affordable rented homes will be transferred on completion to an approved Registered Provider or other Council approved body.
- 3.1.56. The Lewisham Affordable Rent Study (2014)² looked at local market rents across the borough, average incomes and benefit levels of different sized families and the ability of local residents in housing need to meet affordable rents up to 80% of the market value. It found that there are issues regarding the affordability of larger properties in the borough, especially for those people who are affected by the housing benefits cap, as only people in employment are able to claim housing benefit to support higher affordable rent levels. It also found a disproportionate impact on larger unemployed families, given the benefit cap of £500 per week regardless of family size. It recommends that affordable rent levels be tailored to meet the needs of local residents in housing need including ensuring that larger unemployed families have some affordable housing options.

² <http://www.lewisham.gov.uk/myservices/planning/policy/LDF/evidence-base/Pages/housing.aspx>

Specifically, the study identified the appropriate levels of affordable rent in Lewisham that can be considered as affordable to local eligible people, and recommended the following range of affordable rent levels:

- 1-bedroom units could be provided at up to 80% of the market rent or local housing allowance (LHA)
 - 2-bedroom units could be provided at 70-80% of the market rent or LHA
 - 3-bedroom units should be provided at no more than 65% of the market rent or LHA to cater for larger working families. Furthermore, a proportion of the 3-bedroom units should be provided at 50% of the market rent (capped rent) in order to cater for families in most housing need
 - 4-bedroom units should be provided at 50% of the market rent (capped rent).
- 3.1.57. The Council's website will be regularly updated to show current estimates of market rent, target rent levels and the LHA.
- 3.1.58. The Council agrees that, without constraining the ability of development schemes to provide affordable housing, rent levels should reflect the range of rent levels listed above. Furthermore, these rent levels should be applied across the borough, without differentiating between different areas, as market value will vary on a site by site basis with pockets of high value in most areas.
- 3.1.59. The Council will use this range of rent levels as the starting point in individual scheme negotiations and development schemes should strive to comply with the rent levels identified above. The exact mix of rent levels should be determined as part of an independent financial viability assessment (with the costs borne by the applicant). If site circumstances dictate that a development scheme should deviate away from these rent levels, reasons as to why such a mix of rents is not possible and/or viable should be provided as part of the planning application.
- 3.1.60. The rent levels assessed as appropriate in the financial viability assessment will be secured in the Legal Agreements signed as part of the planning permission, and the Council will seek to ensure that the rent levels determined at the time of planning approval are retained at those levels on occupation.
- 3.1.61. In some circumstances rents will need to be at levels that enable movement for decant households or downsizers, therefore developers should always agree rent levels with a Registered Provider and the Council at the earliest opportunity (preferably at pre-application stage) and in accordance with any other housing strategy or policies.

Affordability thresholds for intermediate housing

- 3.1.62. The London Plan sets income limits for intermediate housing. These are based on average household incomes and average house prices across the whole of London. The Council has undertaken a SHMA and HMA and considers that it is appropriate to provide income thresholds that reflect local circumstances. The SHMA has been updated in 2014 and these figures incorporate its findings.
- 3.1.63. The maximum income levels that would allow households to qualify for intermediate housing are detailed in Table 3.1 below. These are upper thresholds.
- 3.1.64. Intermediate accommodation should be affordable for rent or purchase by households where the average total gross household annual income does not exceed £36,795 in respect of all 1-bedroom dwellings, £42,663 in respect of all 2-bedroom dwellings, and £59,810 in respect of all 3-bedroom or larger dwellings (i.e. row 4 in Table 3.1).

Table 3.1 – Household Income Thresholds

	1 bedroom	2 bedroom	3-bedroom or larger
1. Cost of private housing in lowest quartile ³	£180,480	£237,047	£357,074
2. Annual household income required to purchase private housing ⁴	£51,565	£67,727	£102,021
3. Annual household income range for affordable rental housing ⁵	Up to £22,026	Up to £22,026	Up to £22,026
4. Annual household income range mid-point for intermediate housing (mid point of 2 and 3).	£36,795	£42,663	£59,810

Source: Lewisham Council Strategic Housing Group, as background to the South East London Housing Market Assessment, June 2014

- 3.1.65. These figures will be increased (or decreased) annually in accordance with changes in income levels and house prices in the borough.
- 3.1.66. Affordability for shared ownership units should be established according to current HCA guidance. Total housing costs (including mortgage, rent and service charges) should not exceed 40% of net household income. Net household income is assumed to be 74% of gross household income.

Wheelchair housing

- 3.1.67. The Council will expect a minimum of 10% of all housing including the affordable housing to be capable of easy adaptation to the South East London Housing Partnership Wheelchair Homes Design Guidelines (October 2011) or any successor version of this document.
- 3.1.68. For further details regarding the provision of wheelchair housing see Section 3.2.

Completion and Availability of Affordable Units

- 3.1.69. The Council expects to see the affordable housing component of developments to be delivered as quickly as possible. On development sites the Council will therefore seek to secure the completion and transfer of the affordable housing units prior to the first sale or occupation of dwellings to be sold on the open market or rented privately. The market dwellings to be occupied in advance of completed affordable housing being

³ SELHP Housing Market Bulletin Table 5d – Lower Quartile prices in South East London (and Lambeth) by ward, housing type and size, October 2013

⁴ Assumes 3.5 x gross income multiplier (in line with HCA calculator).

⁵ SHMA 2014

transferred to an RP will be a maximum of 50% of the units. For phased development this will be 50% of the units per phase.

Service and management charges

- 3.1.70. Affordability of service charges is important on all affordable tenures and some may be ineligible for housing benefit. The Mayor of London's Supplementary Planning Guidance sets out that 'housing is affordable in that rents are no greater than target rents as set by Government for local authority and housing association and co-operative tenants. Service Charges should not be so great as to make a tenancy unaffordable for a household with an income of less than £16,900 on the basis of rents and service charges not exceeding 30% of net household income.' The new Affordable Rent tenure, as introduced in the 2011-15 GLA Investment period includes service charges in the total rent figure as a percentage of the market rent. This may not be achievable on all schemes, however, where it is not achievable, charges should be kept to a minimum and discussed in detail with the Council.
- 3.1.71. The imposition of high maintenance costs and high services charges could affect the overall affordability of affordable units. Therefore the developer should aim to ensure that the services and management charges of the affordable units are affordable and to keep costs down where possible, without compromising high quality design.
- 3.1.72. The RP partner will be able to provide advice on acceptable levels of service charge and whether there is scope to reduce charges through design. Consideration can also be given to the services the charge will cover and whether it is appropriate for some of the services to be made available to occupiers of the market housing only.
- 3.1.73. If service charges exceed the affordable amount for tenants in social rented housing, the developer should reduce them to affordable levels through the provision of an endowment to subsidise charges on an on-going basis. The Council may consider other methods of reducing service charges, at its own discretion.

Public subsidy

- 3.1.74. Only affordable housing providers that are accredited by the Homes and Communities Agency (HCA) and GLA are able to apply for public subsidy. The Council's role is to inform the GLA whether it supports an application for public subsidy based on it meeting strategic priorities.
- 3.1.75. The Council will support the use of Social Housing Grant to maximise the provision of affordable housing in the borough. The Council will use the GLA Development Control Toolkit (or another suitable appraisal model) to determine whether a scheme requires grant and to demonstrate 'additionality'. If grant funding is required although not secured from the GLA, the Council may consider the inclusion of a 'cascade mechanism' on either the level or the tenure mix of affordable housing required, to ensure the overall viability of the scheme. Cascade mechanisms will only be used in exceptional circumstances and only where the need for grant is supported by a financial viability appraisal.
- 3.1.76. On occasion the Council might not support grant funding to schemes. The Council will only support schemes that meet the current and future GLA and Council's standards for residential development standards.
- 3.1.77. As the Council cannot guarantee that RPs will be able to secure grant funding on schemes coming forward for development, this should be taken into consideration in viability appraisals at the early stages of the planning application process. Thus the onus is on the developer to ensure that a scheme is economically viable without the

need for securing grant funding. Grant funding, if available, will be used to provide affordable housing additional to that can be provided through development value alone.

Selecting and working with Registered Providers

- 3.1.78. The Council has established good relationships and working arrangements with a number of Registered Providers (known as 'preferred RPs') that operate effectively in partnership with the Council to provide affordable housing that meets local housing need. The Council encourages developers to meet their affordable housing obligations by forming partnerships with the Council's preferred RPs following discussions with the Council. Early dialogue between applicants, the Council and any potential RP can help to ensure that the scheme is acceptable to all parties.
- 3.1.79. Early involvement of an RP can also help to provide clarity on the prospects for grant funding as programmes vary from partner to partner according to their agreement with the GLA. The Council will not support grant funding for schemes if applicants choose an RP that is not one of the Council's preferred partners and has not been discussed with the Council.
- 3.1.80. If Registered Providers (RPs) come forward as the 'lead' applicants for the development of schemes, RPs will be treated in the same way as other applicants in relation to the quality of the scheme required, meeting the relevant policies and any necessary planning obligations.

Perpetuity of provision and affordability

- 3.1.81. The Council requires affordable housing delivered through planning obligations to be kept available for initial and subsequent occupiers. In practice, this means that the affordable housing will be required to be retained as affordable in perpetuity.
- 3.1.82. In order to ensure that the affordable housing is retained as affordable in perpetuity, applicants will be required to grant a freehold or long lease of the units to an RP. A long lease is defined for this purpose as having a minimum of 125 years.
- 3.1.83. The only exception to this requirement is shared ownership units where the owner has 'staircased' to 100% of the property value. In these cases, the Council will ensure the provision of new affordable housing by requiring the RP to ring-fence the proceeds of any staircasing for use within the borough or the South East London sub region (i.e. The London Boroughs of Bexley, Bromley, Greenwich, Lewisham and Southwark).

Nominations for Affordable Housing

- 3.1.84. The Council will require nomination rights to all housing secured through Planning Obligations. A standard form of nomination agreement is available from the Council on request and the applicant will be responsible for ensuring that any Registered Provider acquiring the completed affordable housing units enter into an agreement with the Council. The standard form shall be amended as necessary to comply with any requirements of the South East London Regional Housing Strategy (for further details go to www.selondonhousing.org).
- 3.1.85. The applicant will be required in the S106 agreement to ensure that an RP enters into a nomination agreement with the Council, in the form prescribed above. The Council will require that any agreement it enters into will conform with the requirements of its choice-based lettings scheme.

Other Priorities

- 3.1.86. In exceptional circumstances, the Council may review levels of affordable housing and/or the tenure mix of the affordable housing. These special circumstances include occasions when achieving other Council priorities are considered to outweigh the full affordable housing obligation or the 70/30 tenure split of social rent to intermediate housing. There may be circumstances where a scheme delivers exceptional community benefits over and above the standard planning obligations required. In these exceptional circumstances, the Council may (at its discretion) review the levels of affordable housing required on the site if it is satisfactorily demonstrated that there is a need for the proposed facilities. A financial appraisal will also be required to demonstrate that the required levels of affordable housing can not be provided.
- 3.1.87. Applicants are strongly encouraged to discuss such proposals with the Council at an early stage. To inform these discussions the Council will require evidence that demonstrates the need for such facilities and that their provision does not have a significant adverse impact on the financial viability of the development.

Financial Review Mechanisms

- 3.1.88. Major sites that are delivered through a series of phases over a period of several years may be able to make a greater contributions to the borough's affordable housing requirements as market values increase over time. The borough will therefore seek to secure delivery of these sites by negotiating flexible S106 agreements that will require the applicant to review the economic viability of their developments periodically. On outline schemes to be delivered over a number of phases, it is likely that the Council will require the applicant to update their financial appraisal upon the submission of each successive reserved matters application. If sales values have increased to an extent that the quantum of affordable housing can increase in a later phase above the agreed minimum contribution, additional units will be required in that phase.

Overage and 'Clawback' Mechanisms

- 3.1.89. The Council may also secure an 'overage clause' within the associated S106 agreement in circumstances where the full provision of affordable housing in line with the relevant policy is not possible due to financial viability.
- 3.1.90. The overage clause will require the applicant to make additional payments to the Council to represent any uplift in value between the date of the financial appraisal and the date of the completion of the development or the disposal of the completed development.
- 3.1.91. The maximum sum sought by the Council will be the cash equivalent to the percentage of affordable housing not provided as part of the development raised in line with inflation. Any payment due under an overage clause will be made to the Council in order to provide additional affordable housing within the borough.

Development of Affordable Housing by developers and non-Registered Providers

- 3.1.92. The Council's preference is for affordable housing to be owned and managed by Registered Providers. However, it recognises that some applicants are investment

partners of the GLA, and the Council may consider the provision of affordable housing by such bodies. The Council would expect any housing not developed by an RP to be managed by an RP on the Council's preferred list, or another RP agreed in consultation with the Council.

- 3.1.93. The Council generally discourages the provision of shared equity housing by applicants who are not investment partners or the inclusion as affordable housing of any shared equity schemes not funded by the GLA.

Off-site Provision

- 3.1.94. The Council's preference is for affordable housing to be provided on-site. Off-site provision misses the opportunity for creating mixed and balanced communities and will only be considered in exceptional circumstances, where the Council is satisfied that the preferred unit mix and tenure of affordable housing could not be provided on-site.
- 3.1.95. If off-site provision of affordable housing is acceptable to the Council, the applicant would be required to identify suitable sites for it within the borough. These are:
- located in areas where there is not a pre-existing high level of social rented housing;
 - within the same geographical area as the principal site; and
 - either owned by the developer or under some form of option to purchase, so that the Council can be assured that the site is available for development.
- 3.1.96. The Council would either require the applicant to demonstrate that the secondary site has planning permission; or to submit an application for the off-site affordable housing at the same time as the application for the principal site. The provision of affordable housing off-site should not result in being economically advantageous for the developer. In line with the London Plan, applicants should demonstrate that they could provide a greater contribution towards affordable housing off-site and/or benefit the community more than could have been achieved through on-site affordable housing. An example is the provision of family-sized units off-site that could not have been provided on site. The Council will ultimately determine on a site-by-site basis whether provision of affordable housing units off-site is the most appropriate solution.
- 3.1.97. Off-site provision may be acceptable if it would enable affordable housing provision that is more appropriate to identified needs to be met, and where the project is deliverable prior to the on-site market development being completed. In cases where it is appropriate for a developer to provide units on an alternative site, the Council will expect to see the required level of affordable housing across all sites concerned. This will usually result in a higher percentage of affordable housing provision on the alternative site. The Council will expect the affordable housing to be delivered prior to the occupation of the private housing. This will be secured through an appropriate clause in the legal agreement.

Hierarchy of affordable delivery

- 3.1.98. For all types of affordable housing it is preferable to the Council for developers to, wherever possible, make direct provision without the need for financial contributions to the Council. In the first instance this provision should be on-site and integrated in to the development. Where the Council deems that it is not possible to appropriately deliver affordable housing requirements on-site, the developer will be required to provide the necessary provision off-site. In exceptional circumstances and entirely at

the discretion of the Council, a financial contribution in lieu may be considered appropriate. This matter is detailed further in the following paragraphs.

Payments in lieu

- 3.1.99. Payments in lieu of on-site affordable housing provision may be considered in exceptional circumstances and at the Council's absolute discretion. Payments may be considered if there is a concentration of a particular size and type of units on the proposed site, for instance:
- if there is a high concentration of 1- and 2-bedroom units on the site and there is a need to provide more family-sized units; or
 - to mix tenures to ensure that balanced and mixed communities are being created.
- 3.1.100. In order for the Council to accept a commuted sum payment, it needs to be satisfied that the developer subsidy towards affordable housing could fund the required proportion, type and tenure of affordable housing units required elsewhere in the borough. It will also need to include the cost to the Council of acquiring a suitable site on which to build the affordable housing and making the land capable of hosting development. This may mean that the cost per unit of a commuted sum is higher than the on-site cost per unit would be for the developer.
- 3.1.101. The Council will normally use the GLA Development Control Toolkit for calculating the commuted sum payments and to assess the economic feasibility of sites to provide affordable housing. The main concern with using this method for the calculation of commuted sum payments is that in some circumstances, it does not produce enough money to deliver the same target and mix of affordable units off-site. Therefore, the Council may make adjustments to the calculation to account for local and site specific circumstances.
- 3.1.102. When the Council deems it necessary, it may seek independent financial viability advice to inform its decision regarding the suitability of payments in lieu. The Council requires applicants to agree to meet the cost of an independent valuer to critically analyse the proposal to ensure it accurately represents the ability of the scheme to provide affordable housing off-site. If the applicant is unwilling to meet the Council's costs in procuring such advice, the Council may be unable to determine whether the affordable housing provision is appropriate and may refuse the application.
- 3.1.103. The calculation of a payment in lieu must include the following essential components:
- The cost of acquiring a suitable site in the same area as the application site;
 - PLUS the cost of building suitable sized affordable housing units;
 - LESS the price an RP may pay for the completed units.
- 3.1.104. The Council will require payments in lieu to be made on commencement or prior to first occupation.

3.2 Wheelchair Housing

Background and justification

- 3.2.1 Many Londoners require accessible housing to lead independent and dignified lives. Lifetime Homes are suitable for most occupiers but are not a substitute for purpose-designed wheelchair standard housing. Wheelchair users require purpose-designed wheelchair housing and would find a Lifetime Homes standard dwelling inadequate for their space requirements.
- 3.2.2 Wheelchair housing is designed to specifically meet the diverse and changing needs of wheelchair users and the multiplicity of impairments that some wheelchair users experience. Greater spatial demands and increased flexibility and specification in a property designed to wheelchair housing standards aims to ensure that not only does a wheelchair user have access to every facility inside and outside of the dwelling, but also has choice on how best to approach (and sometimes adjust) that facility to suit their particular needs.
- 3.2.3 The Council will expect a minimum of 10% of all housing, including the affordable housing, to be adapted or easily adaptable to the South East London Housing Partnership Wheelchair Homes Design Guidelines (November 2012) or any successor version of this document. A copy of the South East London Housing Partnership Wheelchair Homes Design Guidelines (SELHP Guidelines) can be found on the Council's website (www.lewisham.gov.uk).
- 3.2.4 The Council will secure the timely provision, and retention in perpetuity, of wheelchair units (both affordable and private) provided as part of a development through a planning obligation (or condition where appropriate). This will include fit out requirements for affordable units and details of the developer's marketing responsibilities for both affordable and private units. Where wheelchair units are not provided (or cannot be provided to the required standard) the Council will seek a financial contribution towards provision of wheelchair housing elsewhere in the borough.

Policy pointers

- 3.2.5 For a summary of the national, regional and local planning policy context, see Appendix 1.

Types of obligation and when they are required

- 3.2.6 The Council will secure the timely provision, and retention in perpetuity, of wheelchair units (both affordable and private) provided as part of a development through planning obligations. This will include the fit out requirements for affordable units and details of the developer's marketing responsibilities for both affordable and private units.

Required form of obligations

Provision of wheelchair housing units within the development

- 3.2.7 The Council will expect a minimum of 10% of all housing, including the affordable housing, to be adapted or easily adaptable to the South East London Housing Partnership Wheelchair Homes Design Guidelines (November 2012) or any successor version of this document.

- 3.2.8 The 10% requirement will be calculated based on the total number of units within the development rounded to the nearest whole number (with 0.5 being rounded up) and must be provided in equal proportions across each tenure type within the development, unless otherwise agreed with the Council.
- 3.2.9 The wheelchair units provided as part of any development must be designed to meet all of the requirements set out in the SELHP Guidelines (including communal access doors and corridors and on-site parking) for them to be considered acceptable as wheelchair units. Any communal areas of the development including but not limited to any open space, leisure facilities and refuse storage must also be fully accessible for wheelchair users.
- 3.2.10 The Council requires a mix of sizes of wheelchair units across tenures, and where possible wheelchair units should be located on the ground floor, or where this is not possible they should be provided below 3rd floor level. It is important to consider the distribution, location, number and size of wheelchair units at the beginning of the design process in consultation with the Council, which can advise further on current wheelchair housing needs in terms of unit sizes.
- 3.2.11 The Council requires that all of the social rented or affordable rented wheelchair units provided as part of a development are fully fitted out for wheelchair occupiers, unless otherwise agreed by the Council. In relation to the intermediate and private wheelchair units, where the first occupants are likely to be unknown, the home should be designed to be easily adaptable for future occupation by a wheelchair user.
- 3.2.12 'Easily adaptable' for the purposes of this SPD means that the home is designed from the outset with suitable accessibility, storage capacity, refuse storage, approach space to facilities and furniture, and circulation as defined by the SELHP Wheelchair Homes Design Guidelines, that enables later minor alterations to be easily undertaken to suit individual needs. Easily adaptable units should not require structural alterations (such as removing walls or widening doorways) or alterations to services to make it suitable for wheelchair users, but it might require minor alterations such as installing grab rails, replacing a bath with a shower or changing the kitchen worktops and cabinets.
- 3.2.13 The Council requires that all wheelchair units are provided with on-site carparking unless otherwise agreed by the Council. No additional cost should be charged by the developer for the affordable wheelchair housing parking provision.
- 3.2.14 The provision of both the affordable and private wheelchair housing units (including the number, mix, location, fit-out and associated carparking spaces) will be secured through planning obligations.

Marketing of units

- 3.2.15 Developments that include shared ownership and/or private wheelchair units will be required to market wheelchair units for a minimum period of 6 months before any of the homes, if still unsold, are released onto the open market.
- 3.2.16 Shared ownership wheelchair units should be marketed in accordance with the 'SELHP Guidelines for Developing & Marketing Wheelchair Accessible Shared Ownership Properties' document (available from the SELHP website). Private wheelchair units should be advertised on specialist websites/publications catering for people with disabilities.
- 3.2.17 In the case of larger developments the Council may secure the submission of a 'Wheelchair Housing Marketing Plan' through planning obligations to ensure that

every effort is made to target people with disabilities. The Council may also require the submission of monitoring information such as the number of wheelchair units sold to wheelchair users.

Payment for provision of off-site wheelchair units

- 3.2.18 In exceptional circumstances, where site constraints such as topography prevent the SELHP Guidelines from being met, the Council will require detailed justification setting out why the guidelines cannot be met. Where wheelchair units cannot be provided on-site the Council will seek a financial contribution towards the provision of or fit-out of wheelchair housing elsewhere in the borough.
- 3.2.19 Any shortfall in the required provision of on-site wheelchair housing will be charged at £25,000 per unit. The level of payment is based on the average cost of adapting properties in Lewisham over the past 5 years. These changes include installing accessible kitchens, bathrooms, doors and providing level access and ramps.
- 3.2.20 In providing off-site wheelchair units the Council will work with Lewisham residents who have a disability whose current homes are in need of adaption, to adapt their homes as necessary. This will help more disabled people to stay in their homes and thereby provide accessible units to those who can not move into new units.

3.3 Local Labour and Business

Background and justification

- 3.3.1 As London's economy grows the number of jobs and careers available to Lewisham's citizens will increase. The Further Alterations to the London Plan (2014), developed by the Greater London Authority, predicts that a minimum of 128,000 more jobs between 2011 and 2036 will be created in south-east London.
- 3.3.2 Many of these jobs will require specific skills. Lewisham's citizens should feel equipped to compete for the best jobs and fulfil their aspirations. Everyone, regardless of their background or experience, will be able to develop their skills through lifelong learning and access these opportunities. New skills can be learnt in a variety of situations, whether it be caring for a relative, starting an adult education course or training to advance or change a career.
- 3.3.3 The GLA Local Enterprise Panel identified, in the Jobs & Growth Plan for London, April 2013, that one of its four priorities is 'skills and employment' – to ensure Londoners have the skills to compete for and sustain London's jobs.
- 3.3.4 Some 30,000 adults in Lewisham require help with basic literacy and numeracy. With access to the right training, development opportunities and support, all our citizens can benefit from London's dynamism and transform their prospects.
- 3.3.5 High unemployment levels, low incomes and deprivation persist in the borough because of certain barriers to employment that people experience, most notably the lack of skills that are required in the jobs market. Reducing deprivation is an essential part of developing socially sustainable communities, especially in areas experiencing high density development.
- 3.3.6 Improving the skills of the local population is important in promoting a vibrant labour market and local economy that provides jobs for local people and a full range of goods and services for residents and visitors.
- 3.3.7 The objectives of the Council's Local Labour and Business Scheme has objectives around securing and raising awareness of opportunities in employment, training and business within the borough. This is a co-ordinated scheme, working with developers, contractors, suppliers and service providers, which makes available bespoke support and guidance. This is designed to ensure that local people and businesses are best positioned to take advantage of new employment, training and business opportunities through the development and regeneration taking place in the borough and in the wider London area.
- 3.3.8 The Lewisham Local Labour and Business Scheme also provides the opportunity for local small and medium sized enterprises (SMEs) to obtain support in the form of workshops, Lewisham business procurement directory , one-on-one business growth advice, prequalification questionnaire completion and tender submissions assistance. The Local Labour and Business Co-ordinator promotes Lewisham businesses by brokering opportunities and intelligence regarding Lewisham businesses to developers.
- 3.3.9 The use of local labour and businesses can also limit the environmental impact of new development as it will reduce the need for commuting to work and training locations and will require materials being transported shorter distances.

- 3.3.10 As previously described, Lewisham contains some of the most deprived locations in the country, where there is high unemployment. The addition of further population from new development has the potential to exacerbate the rate of unemployment as competition for a limited number of local jobs rises.
- 3.3.11 For the reasons above, financial support for the Local Labour and Business Scheme is vital in mitigating the impact of new development. Most development will have an impact and therefore obligations in this respect will be required.

Policy pointers

- 3.3.12 For a summary of the national, regional and local planning policy context, see Appendix 1.

Key Document - Lewisham Business Growth Strategy

The Business Growth Strategy sets out how the Council and partners will work together to maximise business growth in the borough in the next ten years (2013 to 2023). The vision of the strategy is that in ten year's time Lewisham will be one of the fastest growing parts of the London economy.

Three aims have been developed to underpin this vision. These aims have been developed through an examination of the Lewisham economy and by considering how its unique mix of characteristics can be exploited to harness the potential that already exists in the borough to boost economic growth.

Aim 1: To boost Lewisham's contribution to the London economy by enhancing the ability of new and existing business to thrive and grow.

Aim 2: To accelerate the expansion of the Lewisham economy by capitalising on major physical regeneration in the borough to create the right environment for business growth

Aim 3: To diversify and expand the Lewisham economy by inspiring, nurturing and promoting the creativity and entrepreneurship of Lewisham residents.

Types of obligation and when they are required

- 3.3.13 The Council will use planning obligations to secure financial contributions towards the training, support and recruitment of local people.
- 3.3.14 The Council will also use planning obligations to secure the commitment of developers, contractors and end users to use local labour by providing apprenticeships, graduate placements/jobs, work experience, work placements, advertising jobs locally and seeking to recruit Lewisham residents into job vacancies.
- 3.3.15 The Council will use planning obligations to secure the commitment of developers, contractors and end users to upskill their local workforce, with specific focus on Lewisham residents.
- 3.3.16 The Council will use planning obligations to secure the commitment of developers to engaging with local businesses to ensure that they are best positioned to access contract opportunities through development, regeneration and other end-user routes.

Required form of obligations

Financial contribution

- 3.3.17 Financial contributions will support both capital and revenue costs of a range of services provided by the Local Labour and Business Scheme for residents and small and medium-sized businesses in the borough.
- 3.3.18 The contribution sought reflects the current training and operation costs of running the programme to the end of the Local Plan period (2025). Based on the Council's experience and forecasting, it is estimated that the combined cost of operating the programme is approximately £1,000,000 per year.
- 3.3.19 The approach to the contribution sought seeks to split the contribution between residential and commercial development. This is because both the local residential population and the local economy stand to gain from the Local Labour and Business Scheme. Residential development will therefore be expected to contribute to half of the annual £1,000,000 required to operate the Local Labour and Business Scheme, with commercial development contributing to the remaining half.
- 3.3.20 The approach seeks an equal amount for each job and dwelling proposed. The contribution for each dwelling and job generated by commercial development is therefore derived by dividing the amount required to operate the scheme by the total number of jobs and dwellings that will be created within the borough to 2025. Based upon the estimated number of new dwellings (1,385) to be created annually as required by the London Plan (FALP 2014) and the number of new jobs required annually (500) as estimated by the Lewisham Business Growth Strategy, each new job and dwelling will require a contribution of £530 towards employment training.

Table 3.2 – Total Contribution Required per Dwelling/Job

	No. planned annually to 2025	Total cost of running employment training schemes annually	Total cost per dwelling/job
Dwellings	1,385	£735,000	£530
Jobs	500	£265,000	£530
Total	1,835	£1,000,000	£530

- 3.3.21 In order to estimate the number of jobs that will be generated from employment floorspace, the Council will use the employment densities identified in the HCA Employment Densities Guide (2nd edition) or subsequent guidance.

e.g. High street retail = 1 job per 19 m²
190 m² of new High street retail development = 10 jobs
Cost per job = £530
Cost for 10 jobs = £5,300

Non financial obligations

- 3.3.22 The Council will secure both financial and non-financial obligations as required. Non-financial obligations could include:
- A Local Labour and Business Strategy

- Monitoring on a monthly basis.

3.3.23 A Local Labour and Business Strategy will be required to:

- Support local people into work by providing employment opportunity-linked training. It is envisaged that the employment opportunities will not only be construction related eg trades, construction professionals, administration, security, catering etc but will also be secured through the wide range of end users eg leisure, facilities management, warehouse operative etc. A commitment from developers, contractors and end users to use reasonable endeavours to obtain 50% of the on site workforce from residents within the borough;
- Advertise job opportunities locally 7 days prior to general advertisement;
- Raise awareness of the vast, varied and rewarding career opportunities available in the construction industry and other sectors to local young people in full time education and leading from apprenticeships;
- Detail participation in community events eg job fairs, youth engagement, careers fairs, engagement with groups supporting residents furthest away from the job market;
- Provide support for local businesses to access developer, contractor and supply chain subcontract and supplier contract opportunities through workshops and events;
- Commit to including suitable local businesses in all project related procurement processes;
- Commit the developer/contractor to use reasonable endeavours to place 50% (in terms of value) of the available supply and service contracts with businesses from the borough;
- Detail employment opportunity-linked training places and associated costs (e.g. licenses, PPE, certification etc);
- Provide construction phasing information and labour forecasting data to the Council, to maximise the job matching process;
- Provide a named contact who is responsible for the delivery of the Local Labour and Business Strategy;
- Make a commitment to include anticipated achievements, on the project, in the following areas (all targets are related to local residents and businesses, where 'local' refers to the location of permanent operation of business or location of resident's home being within Lewisham borough):
 - a) New apprenticeship places
 - b) Continued apprenticeship places (safeguarded)
 - c) Finished apprenticeships
 - d) Graduates
 - e) Community involvement activities
 - f) 16+ work experience
 - g) 14-16 work experience
 - h) Jobs advertised through the Local Labour and Business Scheme
 - i) Job Starts
 - j) Accredited training places

- k) Businesses completing prequalification process
- l) Businesses receiving project related invitations to tender
- m) Value of contracts secured by local business.

3.3.24 Monitoring will expected to be undertaken in accordance with the requirements detailed on the Council's website and using the monitoring form, available at the website link below:

<http://www.lewisham.gov.uk/mayorandcouncil/counciljobs/employmentadvice/default/Pages/Local-Labour-and-Business-Scheme.aspx>

3.4 Employment floorspace

Background and justification

- 3.4.1 The borough of Lewisham has seen a reduction in the amount of employment land in recent times. The table below shows how the amount of commercial space in the borough has shrunk over the past decade at a faster rate than for both London and London East.

Table 3.3 – Changes in Commercial Floorspace

Percentage Change in Commercial Space 2002-2012			
	Lewisham	London	London East
All	-16.33	-2.98	1.65
Industrial	-30.2	-17.31	-19.68
Retail	-5.79	3.72	7.42
Office	7.35	4.2	21.03

Source : Local Futures 2013

- 3.4.2 Once employment land is redeveloped for alternative uses it is unlikely it will ever revert back to an employment-generating use.
- 3.4.3 The Council has a range of planning policies to protect existing employment floorspace, require positive redevelopment of employment floorspace where possible and encourage new floorspace to be brought forward. Additionally, the Business Growth Strategy⁶ sets out how the Council and its partners will work together to maximise business growth in the borough in the next ten years, 2013 to 2023.
- 3.4.4 The vision of the strategy is that in ten year's time Lewisham will be one of the fastest growing parts of the London economy, backed up by three aims, as follows:
1. To boost Lewisham's contribution to the London economy by enhancing the ability of new and existing business to thrive and grow.
 2. To accelerate the expansion of the Lewisham economy by capitalising on major physical regeneration in the borough to create the right environment for business growth.
 3. To diversify and expand the Lewisham economy by inspiring, nurturing and promoting the creativity and entrepreneurship of Lewisham residents
- 3.4.5 Most development will have the opportunity to bring forward employment floorspace, while many schemes will have a policy requirement to deliver it. In these circumstances the Council will seek to ensure that the provision is of a sufficient quality, accessibility and affordability that makes certain it has the highest possible chance of being deliverable and becoming sustainable and resilient employment floorspace. Obligations may be sought from all developments.
- 3.4.6 This section sets out examples of those matters that will, when appropriate, need to be mitigated through a planning obligation in order to ensure high quality deliverable employment floorspace is provided. This may include both permanent matters as

⁶<http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/strategies/Documents/LewishamBusinessGrowthStrategy2013-2023.pdf>

well as temporary measures, such as incentives to encourage initial momentum in occupation.

- 3.4.7 In order to maintain a diverse and sustainable local economy it is important for a range of commercial property to be available to support the small and medium-sized enterprises (SME) sector and accordingly the Council will work with developers to encourage the provision of flexible and affordable office floorspace in office development and small and affordable shop units in major retail developments.
- 3.4.8 In some cases, local regeneration and improvement projects may include enhancement of employment floorspace in conjunction with many other improvements, such as town centre improvements, transport improvements or public realm enhancements. This is particularly likely in the Council's Regeneration and Growth Area, or where a development is located in one of the town centres identified in the Core Strategy as a Major, District, or Local Town Centre. A financial contribution towards such overarching projects may mitigate against multiple adverse impacts. In such circumstances reference should be made to other relevant sections of this SPD regarding these matters, including the specific guidance in section 4 regarding improvement projects in areas of high growth.

Policy pointers

- 3.4.9 For a summary of the national, regional and local planning policy context, see Appendix 1.

Types of obligations and when they are required

Delivering sustainable new floorspace

- 3.4.10 In order for the Council to ensure that deliverable, sustainable and resilient floorspace is provided in the right locations, applicants proposing new employment floorspace will, when appropriate, be required to provide details for approval regarding a number of matters, including:
- The level of fitout of commercial units. Micro business should not have to meet the costs of fitting out small units. Small units should be fitted out or if left as shell and core the costs of fitting out should be met by the developer.
 - Market research that provides evidence of demand for the type of premises being delivered.
 - Evidence that consideration has been given to workspace models such as co-working space, incubators and accelerators, which can support growth in new and micro businesses.
 - Affordable rent (in perpetuity or as a temporary incentive)
 - Commercial rates
 - Service/additional charges
 - Provision of business incubator space and/or co-working space
 - Size of floorspace
 - Flexibility of floorspace
 - Length and terms of lease. Terms that provide flexibility for small businesses are preferable. Include details of break clauses and notice periods

- Provision of high speed broadband.

The Council may use a legal agreement to manage the proposed use of employment floorspace, including appropriate rent levels and to control the size, location and nature of the occupant.

Loss of existing floorspace

- 3.4.11 The Council will resist the loss of employment floorspace in accordance with the policy framework in place. However, in exceptional circumstances and at the Council's discretion, the Council may take the view that the loss of employment floorspace is acceptable.
- 3.4.12 Where this is the case, the Council will seek a financial contribution as detailed in the following section.

Required form of obligations

- 3.4.13 New employment floorspace (as required by policy), taking account of the matters outlined above, should be delivered on-site whenever possible and only off-site when the Council deem it necessary. The proposed approach, detail and delivery of such provision (whether on-site or off-site) will need to be approved by the Council.
- 3.4.14 Where the Council deem that direct provision by the developer is not achievable a financial contribution may be necessary.
- 3.4.15 In order to estimate the number of jobs that have been lost or failed to be generated from missed opportunities for employment floorspace, the Council will use the employment densities identified in the HCA Employment Densities Guide (2nd ed.) or subsequent guidance.
- 3.4.16 The cost of a job has been calculated as the equivalent of the cost of supporting a trainee for one year, in order to provide an opportunity to secure long term employment, which is £10,000.
- e.g. High street retail = 1 job per 19 m²
 190 m² of new High street retail development = 10 jobs
 Annual cost for a trainee = £10,000
 Cost for 10 jobs = £100,000
- 3.4.17 The rate of £10,000 will be subject to indexation in the form of the BCIS index quarterly in order to ensure that it stays appropriate over the lifetime of the policy.
- 3.4.18 The Council will use this funding to bring forward flexible and affordable business space.

3.5 Transport

Background and justification

- 3.5.1 Securing an accessible, effective and appropriately-sized public transport system is integral to the creation of sustainable and cohesive communities, and plays an important role in enhancing quality of life for all residents and combating social exclusion for disadvantaged individuals and groups.
- 3.5.2 Most forms of development will result in increased pressure on existing transport infrastructure across the Borough and will therefore be required to minimise, eliminate or mitigate against the impacts of the development. This includes improvements in the quality, capacity and safety of the road network as a result of residential and commercial vehicle movements; improvements to cater for increased walking and cycling trips, and enhancements to public transport, such as bus and rail services and supporting infrastructure.
- 3.5.3 Obligations will be sought from all impact-generating development to provide for appropriate infrastructure to cater for proposed increases in the residential population and demand generated through increased employment opportunities.
- 3.5.4 Funding for strategic transport enhancements that are required as a result of incremental growth will normally be provided by the Council using CIL funding.
- 3.5.5 Where developments are required to deliver infrastructure matters needed to make developments acceptable in planning terms, these matters may be secured through planning obligations. Other transport matters may be dealt with through planning conditions and Section 278 transport agreements.
- 3.5.6 This section sets out examples of those matters that may be required to be mitigated through planning obligations, including transport assessments and travel plans, site delivery infrastructure, local network impacts, carparking and car sharing.
- 3.5.7 In some cases, regeneration projects may include enhancement of the local transport network in conjunction with other improvements, including to the economic development and/or public realm in the vicinity. This is particularly likely in the Council's Regeneration and Growth Area, or where a development is located in one of the town centres identified in the Core Strategy as a Major, District, or Local Town Centre. A financial contribution towards such overarching projects may mitigate against multiple adverse impacts. In such circumstances reference should be made to other relevant sections of this SPD regarding economic and public realm matters.

Policy pointers

- 3.5.8 For a summary of the national, regional and local planning policy context, see Appendix 1.

Types of obligation and when they are required

- 3.5.9 The following are types of obligation that may be required to mitigate against the impact of a development. This is not an exhaustive list, but a guide for developers to the types of transport matters that should be considered.

Plans

- 3.5.10 In most instances travel plans, servicing and delivery plans, temporary traffic management plans and other transport related plans should be submitted up front in the application process in line with the Council's Local Information Requirements.⁷ In exceptional circumstances and in particular for very large schemes, it may be necessary to secure on-going matters, including monitoring and review mechanisms, as a planning obligation.

Site delivery infrastructure and specific network impacts

- 3.5.11 A proposed development may require specific works in order to make the scheme acceptable in planning terms. Necessary infrastructure may be secured on site, regarding access to the site or off-site in the vicinity of the development.
- 3.5.12 On-site matters and those regarding access to the site could include the relocating of bus stops, trees and street furniture, kerbing matters, road crossings and minor junction works. The delivery of these works should be secured through the most appropriate course, be it a S106 obligation or through a S278 agreement.
- 3.5.13 Improvements to the strategic transport network required as a result of development will normally be provided by the Council using CIL and other funding. However, there may be occasions where a developer may be required to fund other transport infrastructure where:

- a) the development will have an impact on the local transport network that requires mitigation.

In these circumstances, there may be the need for local changes and improvements, such as (but not limited to) enhancements to local highway and freight capacity and quality, public transport infrastructure, cycling and walking routes and vehicle management matters (including carparking controls and management and car and cycling clubs).

- b) a specific transport improvement is necessary to make a proposed development acceptable.

The Council considers that this is most likely for large developments that require enhancement of the transport network in order to ensure the acceptability and effective delivery of the proposals for the site. For example, the provision of transport infrastructure that will improve the development's PTAL to a point which will make the proposed quantum of residential development acceptable. For the majority of developments the Council considers that on-site and local improvements will normally be sufficient to mitigate impacts.

Required form of obligations

- 3.5.14 The level of contributions for this topic cannot be determined through use of a standard formula, as the level of any contribution needs to reflect the particular characteristics of the proposed development and the local context.
- 3.5.15 It is preferable to the Council for developers to directly provide necessary improvements and mitigation rather than financial contributions to the Council. This should be delivered on-site whenever possible and off-site only when necessary. The proposed approach, detail and delivery of such mitigation (whether on-site or off-site) will need to be approved by the Council. Where direct provision by the

⁷ <http://www.lewisham.gov.uk/myservices/planning/applications/Pages/Validation-requirements.aspx>

developer is not achievable a financial contribution may be necessary. This should be based on the cost to the Council of undertaking the necessary works or of engaging a third party to undertake the works. The level of cost should be evidenced by the developer and then submitted for agreement with the Council in advance.

- 3.5.16 Applicants should note that Transport for London may require contributions over and above those sought by the Council in order to address the impacts of the development. TfL operates a pre-application process. For further details please see www.tfl.gov.uk.

3.6 Public Realm

Background and justification

- 3.6.1 Public realm is considered to be those parts of an urban area (whether publicly- or privately-owned) located between, surrounding and within buildings that are publicly accessible, including streets, squares, forecourts and open spaces. The public realm is an important aspect of any development and ensures that the development is integrated into and enhances the existing character and use of the area.
- 3.6.2 All residential and commercial development is required by policy to contribute towards good design (in particular through Core Strategy Policy 15), which extends to the consideration of the public realm. Most forms of development will place the surrounding public realm under increased strain and will therefore be required to minimise, eliminate or mitigate against the negative impacts of the development. Such mitigation may be required to cover aspects such as quality and durability, access and connectivity, community safety and other matters integral to its use. Contributions to public realm may also add towards refurbishment or new provision of civic space and other projects aimed at improving the quality for users of these areas. Applicants will be encouraged to engage artists and urban designers at an early stage.
- 3.6.3 Planning obligations for public realm improvements may be sought from any development that is required to mitigate its impact and will be sought from qualifying residential and commercial development proposals within major and district town centres and employment locations (as shown on the Local Plan Policies Map), those developments impacting on key public transport locations and those developments that generate high visitor numbers.
- 3.6.4 Any public realm contributions will be separate and additional to CIL. They will be required to address the localised impacts of a development, not the strategic infrastructure matters listed in the Council's Regulation 123 list. Most green open space infrastructure will be funded by CIL.
- 3.6.5 In some cases, regeneration projects may include enhancement of the public realm in conjunction with other improvements, including improvements to the economic development and/or transport sustainability of the locality. This is particularly likely in the Council's Regeneration and Growth Area, or where a development is located in one of the town centres identified in the Core Strategy as a Major, District, or Local Town Centre. A financial contribution towards such overarching projects may mitigate against multiple adverse impacts. In such circumstances reference should be made to other relevant sections of this SPD regarding economic and transport matters and the specific guidance in Section 4 regarding regeneration.

Policy pointers

- 3.6.6 For a summary of the national, regional and local planning policy context, see Appendix 1.

Types of obligation and when they are required

Providing high quality public realm

- 3.6.7 Provision of new or improved public realm may be required on site, to access the site or in the vicinity of the development, and will be expected to be delivered to the highest quality level.
- 3.6.8 Public realm environments should be delivered to a high standard of design and using high quality materials. The Council has a number of documents that offer guidance on delivering high quality public realm, including the Streetscape Guide⁸, the North Lewisham Links⁹ strategy and the River Corridor Improvement Plan SPD¹⁰. The Council will also seek independent design advice when it is deemed necessary to ensure the delivery of a high quality public realm. It may be necessary for the applicant to fund the independent advice required to enable the Council to assess the acceptability of proposals. Applicants should seek advice from the Council at an early stage as to the appropriate design guidelines to be followed, dependent on the public realm works proposed.

Public art

- 3.6.9 The provision of public art and artistic features should form an integral part of any Major Development in prominent locations and/or making a significant impact on its physical environment.
- 3.6.10 The provision of public art should be in accordance with the Council's latest cultural strategy and should be discussed with the Council (including the Council's Officer responsible for public art) at an early stage, i.e. at concept stage, rather than approval stage. The Council will insist that any public art is developed through a transparent process that should involve community engagement and consultation at an early stage in the process, where appropriate.
- 3.6.11 The use of local artists will be encouraged, where it is appropriate to do so and the integration of successful existing or newly planned public hard and green open spaces will be supported.
- 3.6.12 Where necessary, the Council will use planning obligations to secure the delivery of a public art proposal. Applicants may be required to submit a public art plan for approval detailing matters including engagement and consultation, form and design, funding, delivery, on-going management and maintenance.

Access and connectivity

- 3.6.13 New developments should be connected with the surrounding environment and provide easy access to the most sustainable forms of movement, including cycling and walking. Developments may need to link to and maintain existing publicly-accessible routes on the site and in the vicinity, and ensure that new links and routes are provided as necessary. Reference should again be made when appropriate to

⁸ <http://www.lewisham.gov.uk/myserVICES/transport/roads-and-pavements/Pages/Lewisham-Streetscape-Guide.aspx>

⁹ <http://www.lewisham.gov.uk/inmyarea/regeneration/deptford/north-lewisham-links/Pages/default.aspx>

¹⁰ <http://www.lewisham.gov.uk/myserVICES/planning/policy/LDF/SPDs/Pages/River-corridor-improvement-plan.aspx>

the North Lewisham Links strategy and the River Corridor Improvement Plan SPD for further guidance on this matter.

- 3.6.14 The Council will use planning to ensure that hard open spaces and routes are publicly accessible and will remain so in perpetuity (whether publicly- or privately-owned), and will resist the installation of gates.
- 3.6.15 Applicants may be required to submit public realm and public access management plans to support their proposed approach. Such plans will be required to detail matters including public access route funding, delivery, management and maintenance and providing a clear purpose of the function of each route.
- 3.6.16 Further obligations may be necessary to secure rights of way and to ensure they are provided or upgraded to a suitable quality and maintained as such over time.

Community safety

- 3.6.17 Developments must provide a safe environment for the local community and visitors. The primary means of addressing community safety will be good design. In some circumstances there may be specific safety concerns arising from a scheme requiring further mitigation measures to be taken to tackle safety risks either on-site or in the vicinity of the development. In particular, development that generates high visitor numbers may generate public safety concerns that require additional mitigation.
- 3.6.18 Measures to improve community and visitor safety in the vicinity of developments that may be required could include improved lighting, enhancements to the Council's CCTV system, and design measures including actions to improve lines of sight and over looking.

Impact on surrounding public realm

- 3.6.19 The introduction of most forms of new development will place an extra strain on public realm in the vicinity of the development. In particular large scale development in town centre or employment centre locations or developments that generate a high number of visitors can have a significant impact on the local public realm. In these circumstances there may be the need for mitigation in the form of off-site projects or financial contribution to the Council to provide local improvements, ensuring that the public realm can accommodate the increased strain. Such mitigation may include enhancement of the public realm in the shape of public conveniences and benches, space accessibility, management, function and maintenance improvements and waste management schemes.

Required form of obligations

- 3.6.20 The level of contributions for this topic cannot be determined through use of a standard formula, as the level of any contribution needs to reflect the particular characteristics of the proposed development and the local context.
- 3.6.21 For the types of obligation detailed in this section, it is preferable to the Council for developers to, wherever possible, directly provide necessary improvements and mitigation without the need for financial contributions to the Council. The Council recognises that this may not be possible when it comes to off-site locations, particularly civic spaces. Should the developer intend to undertake direct provision, the proposed approach, detail and delivery of works will need to be approved by the Council and may be secured through a S106 agreement. Where a financial

contribution is necessary, this should be based on the cost to the Council of undertaking the necessary works or of engaging a third party to undertake the works. The level of cost should be evidenced by the developer and then submitted for agreement with the Council.

- 3.6.22 Where a financial contribution may be appropriate to support wider regeneration projects, the quantum of contribution will be agreed between the developer and the Council, based on the cost of works required and the amount of development expected to support the project. Where possible the Council will justify the amount of contribution required with reference to a local plan or strategy.
- 3.6.23 Applicants should note that Transport for London may require contributions over and above those sought by the Council in order to address the impacts of the development. TfL operates a pre-application process. For further details please see www.tfl.gov.uk.

3.7 Children's Play Space

Background and justification

- 3.7.1 The provision of facilities for children and young people is important in facilitating opportunities for play and physical activity and the development of movement and social skills.
- 3.7.2 London Plan Policy 3.6 and Core Strategy Policy 12 require that residential and mixed use developments make provision for children's play and informal recreation space. The London Plan states that the amount of provision should be proportionally based on the number of children expected to occupy the development and an assessment of future needs. Summarily, the Mayor of London concludes that new development that creates a child yield is expected to provide 10 m² of play and recreation space for every child.
- 3.7.3 The Lewisham Leisure and Open Space Study (2010) details the existing ratio of children's play space to the child population in the borough. Currently there is 1.51 m² of play space per child in Lewisham, equating to 8.49 m² less than the figure recommended by the Mayor of London. Planning obligations will not be used to address existing deficiencies in provision; rather this information is provided to emphasise the importance of delivering an acceptable level of play space alongside new development. The Council will expect all new major developments to provide children's play space provision in line with London Plan Policy 3.6.

Policy pointers

- 3.7.4 For a summary of the national, regional and local planning policy context, see Appendix 1.

Required form of obligations

- 3.7.5 It is preferable to the Council for developers to, wherever possible, directly provide well designed children's play space on-site in accordance with the policy requirements. Where the Council deems that there are exceptional circumstances and it is not possible for a development to meet children's play space requirements on-site, a financial contribution will be necessary.
- 3.7.6 The financial contribution will be based on the policy requirement (10 m² per child) minus any space delivered on-site. The undelivered play space will then be multiplied by £300 per m², which represents the estimated cost for the Council to deliver off-site children's play space on behalf of the developer. This rate is based on evidence of the costs to provide actual recent play space schemes in Lewisham and is a pro-rata cost of 1,000 m² split into one third play, one third grass and one third safety measures, plus 20% for additional design, surveys, project management, fees and delivery.
- 3.7.7 For both on-site and off-site provision of children's play space, the Council will require commitment from the developer to meeting the maintenance costs ~~in perpetuity~~ to an agreed standard. This payment will be required whether the play space is to be transferred to the Council or retained by the developer or their successor owners.

- 3.7.8 Any children's play space contributions will be separate and additional to CIL. Whilst children's play space is often located in open spaces, it will not be considered to be covered by any CIL payment.

3.8 Carbon Offsetting

Background and justification

- 3.8.1 Tackling climate change is a key policy at all levels of government. Local planning authorities are expected to help deliver considerable reductions in CO₂ emissions from new buildings. As a result and in line with the London Plan, Lewisham Council require all major applications to achieve a reduction of 40% in carbon dioxide emissions from the level set by the 2010 Building Regulations. This requirement is set out in Policy 5.2 of the London Plan 2011.
- 3.8.2 Major applications are those for 10 dwellings or more, or applications for over 1,000 m² of floorspace.
- 3.8.3 The policy will also be applied to any minor material amendment applications (made under S73 of the Town and Country Planning Act 1990) which may impact on the CO₂ emissions of previously granted major permissions.
- 3.8.4 Where the policy can be met on-site, there is no need for a S106 agreement in relation to carbon reduction. However, if the circumstances as described further in this section occur and require a financial contribution to be made in lieu of on-site delivery, a 'carbon offset' payment will be secured using a S106 agreement.
- 3.8.5 Any money collected through the Carbon Offset Fund will contribute towards the cost of reducing carbon emissions across Lewisham. The emphasis will be on using this funding to link in with existing schemes so as to minimise any administration costs and to reduce the overall cost of carbon. The cost of carbon has been tested alongside other Lewisham Council policy requirements and has been found to sit within the required financial viability cost parameters.
- 3.8.6 The domestic sector forms the single biggest element of the carbon footprint of Lewisham, so linking to existing schemes to deliver more measures is one possibility. Works to reduce the carbon emissions within the public sector – eg schools – are also another mechanism.
- 3.8.7 Further guidance on the Carbon Offset fund is available in the Council's guide at the following web address:

<http://www.lewisham.gov.uk/myservices/planning/applications/Documents/CostofCarbonAdviceforApplicantsUpdatedFeb2014.pdf>

Policy pointers

- 3.8.8 For a summary of the national, regional and local planning policy context, see Appendix 1.

Required form of obligations

- 3.8.9 The 40% reduction in CO₂ emissions should be met on-site whenever possible. In very limited circumstances off-site mitigation measures may be accepted, however this will only be permissible if it is clearly demonstrated by an applicant that it is not possible to meet the reduction target on site. Applications are liable to be refused if the 40% reduction is not met on-site, and if evidence is not provided as to why the reduction cannot be met on-site.
- 3.8.10 In these circumstances applicants should provide off-site provision within Lewisham whenever possible, or as a last resort agree to pay into Lewisham's Carbon Offset

Fund. Where applicants are proposing to provide the off-site provision themselves they will have to provide evidence that they have identified a project or projects which will deliver the required level of residual carbon emissions reductions and have all the necessary agreements in place to deliver the project.

3.8.11 Lewisham will charge £104 per year for every tonne of CO₂ required to be offset to meet the target figure. The amount is calculated on the basis of the annual difference (in tonnes) between the predicted carbon emissions of the development and the target carbon emissions. The figure should be multiplied by £104 to come to the amount to be paid per year, and then multiplied by the assumed 30 year lifespan of the offset measures.

3.8.12 The calculation is therefore as follows:

(Target carbon emissions to meet a 40% reduction onsite – Projected onsite contribution to carbon reductions) x 104 x 30 = £offset contribution

3.8.13 A worked example to illustrate the above calculation:

Development A has annual CO₂ emissions of 100 tonnes. To meet the policy requirement the developer needs to reduce this by 40 tonnes, however the developer is only able to reduce carbon emissions by 30 tonnes onsite, which means 10 tonnes is required to be offset:

$$(40 - 30) \times 104 \times 30 = \text{£}31,200$$

3.8.14 The local list validation requirements for energy assessments require applicants to set out the carbon emissions for a baseline building and what they are proposing to deliver on site. If applicants cannot meet this target on site they should be setting this out, with information on what element of the costs they are proposing to meet through a payment into the offset fund. The Council expects applicants to address any matters in which the proposal is not policy-compliant and to justify the non-compliance.

3.9 Environmental Protection

Background and justification

- 3.9.1 The protection and improvement of air, water and soil quality is of importance in maintaining the health and well-being of residents, workers and visitors to the borough. The Council monitors the air quality in the borough as part of the London Air Quality Network and uses its Air Quality Action Plan to implement measures to improve the local air quality.
- 3.9.2 In accordance with London Plan Policy 7.14 and Core Strategy Policy 9, all developments are required to ensure that they are 'air quality neutral' as a minimum. The London Plan also states that measures to attain this standard should be provided on-site when possible, and only when this is not the case consider off-site provision or the use of planning obligations. The Council will therefore seek planning obligations from any development that is required to mitigate its air quality impact.
- 3.9.3 Applicants will be required to provide an Air Quality Impact Assessment alongside their application, in accordance with the Council's Local Information Requirements.
- 3.9.4 In cases where a proposed residential site has been previously used for an industrial use, documentary evidence will need to be submitted with the planning application, demonstrating that the soil on the site meets relevant standards making the site safe for residential use.
- 3.9.5 In situations where contamination of soils or controlled waters extends off-site, or originates off-site but affects the development site itself there may be a need for a S.106 agreement to secure the necessary remediation and/or monitoring, particularly when works are required to be implemented off-site or for the longer term. Under such circumstances relevant parties should agree with the London Borough of Lewisham (in consultation with the Environment Agency as necessary) at the preplanning application stage to enter into a Section 106 agreement.

Policy pointers

- 3.9.6 For a summary of the national, regional and local planning policy context, see Appendix 1.

Required form of obligations

- 3.9.7 The level of contributions for these matters cannot be determined through use of a standard formula, as the level of any contribution or measures needing to be implemented needs to reflect the particular characteristics of the proposed development and the local context.
- 3.9.8 In respect of air quality protection, developments will be required to mitigate their impact on-site wherever possible. Where the Council deems that this is not possible, it may consider it acceptable for the applicant to deliver equivalent mitigation measures off-site. In appropriate circumstances, the Council may consider a financial contribution where it can be demonstrated that mitigation is best provided through a Council-funded scheme. The applicant should therefore liaise with the Council's Environmental Protection Team at an early stage to establish whether such a funded scheme is acceptable and to provide justification for this approach.
- 3.9.9 Groundwater protection will need to be addressed by way of on-site measures, although soil remediation may involve off-site treatment an/or placement elsewhere.

- 3.9.10 As a member of the London Air Quality Network the Council undertakes air quality monitoring using the associated monitoring network, which also provides the necessary independent validation of the data. Large developments will normally be required to undertake air quality monitoring, and are therefore advised to liaise with the Council to establish the best approach. This may be through developer provision or through a financial contribution to support the Council's monitoring network.
- 3.9.11 During demolition and construction there is a risk of a range of negative environmental impacts (including dust, noise, emissions and soil contamination) and there will be a need to monitor and mitigate impacts during construction and, in the case of some forms of development or use of the site, as part of the use of the site.
- 3.9.12 Applicants should look to undertake the monitoring and mitigation themselves. In addition the Council may need to undertake monitoring using its own resources, and in these circumstances a financial contribution may be required. At all times, applicants should comply with the recommendations in the Council's 'Good Practice Guide, Control of Pollution and Noise from Demolition and Construction Sites' as the primary means of minimising impacts from demolition and construction.
- 3.9.13 In respect of groundwater quality and soil protection, developments will need to be designed and used in a way that these risks do not arise. In order to identify appropriate standards and provide a means of securing compliance with this requirement. A groundwater and soil protection plan will be required to be submitted for development which entails, or could in the future entail, use of the site for activities or processes which could result in a risk of soil or groundwater contamination.

3.10 Flood and Water Management

Background and justification

- 3.10.1 For the purposes of this document the definition of 'flood risk reduction' and 'water management' infrastructure include measures that:
- minimise the risk of fluvial and surface water flooding, including flood warning systems and flood adaptation measures;
 - facilitate sustainable drainage;
 - minimise water use and secure water supply; and
 - maintain or enhance water quality.
- 3.10.2 The Council seeks to reduce flood risk through the appropriate location, design and construction of development and the sustainable management of surface water run-off. Where it is decided that development should be permitted for social or economic reasons, then appropriate flood protection and mitigation measures, including measures to restore the floodplains or provide adequate compensatory storage, will be required to mitigate the impact of development. At sites suspected of being at unacceptable risk from flooding but for which adequate flood risk information is unavailable, developers may be required to carry out at their own expense detailed technical investigations to evaluate the extent of the risk.
- 3.10.3 Funding for strategic flood management infrastructure that is required as a result of incremental growth will normally be provided by the Council using CIL funding.
- 3.10.4 Where developments are required to deliver infrastructure matters needed to make them acceptable in planning terms, these matters may be secured through a S106 legal agreement. Other water management and flooding matters may be dealt with through planning conditions.

Policy pointers

- 3.10.5 For a summary of the national, regional and local planning policy context, see Appendix 1.

Types of obligation and when they are required

- 3.10.6 The following are types of obligation that may be required to mitigate the impact of a development. This is not an exhaustive list, but a guide for developers to the types of flood risk and water management matters that should be considered.

Plans

- 3.10.7 Plans relating to flood risk assessment and water management (e.g. landscaping scheme, living roof detail, etc.) will be required to be submitted up front in the application process, in line with the Council's Local Information Requirements¹¹. In exceptional circumstances and in particular for very large schemes, it may be necessary to secure on-going matters, including monitoring and review mechanisms as a planning obligation.

¹¹ <http://www.lewisham.gov.uk/myservices/planning/applications/Pages/Validation-requirements.aspx>

Site specific and localised water management and flood risk reduction

- 3.10.8 The provision of strategic flood management infrastructure required as a result of development will normally be provided by the Council using CIL funding. However, developers cannot call on public resources to provide local and site-specific flood defences for their proposed development where they are not already programmed for the protection of the existing built environment.
- 3.10.9 There may be occasions where an applicant may be required to deliver specific flood risk reduction measures, including long term maintenance, where the development will have increase the local flood risk, either on-site or in the environs of the development.

Required form of obligations

- 3.10.10 The level of contributions for this topic cannot be determined through use of a standard formula, as the level of any contribution needs to reflect the particular characteristics of the proposed development and the local context.
- 3.10.11 It is preferable to the Council for developers to directly provide necessary improvements and mitigation without the need for financial contributions to the Council. This should be delivered on-site whenever possible and only off-site when necessary. The proposed approach, detail and delivery of such mitigation (whether on-site or off-site) will need to be approved by the Council. Where direct provision by the developer is not achievable a financial contribution may be necessary. This should be based on the cost to the Council of undertaking the necessary works or of engaging a third party to undertake the works. The level of cost should be evidenced by the developer and then submitted for agreement with the Council in advance.

3.11 Biodiversity

Background and justification

- 3.11.1 For the purposes of this document, the definition of 'biodiversity' infrastructure includes all private natural greenspace, links between public open spaces, living roofs and spaces within public open space that have a specific ecology or biodiversity role, and sites of importance for nature conservation (SINCs).
- 3.11.2 In a densely populated urban area such as Lewisham, promoting and encouraging habitats for biodiversity is very important, both for wildlife itself and in promoting quality of life for those who live and work in the borough. Most forms of new development will result in additional pressure on Lewisham's limited supply of biodiversity resources and will therefore be required to minimise, eliminate or mitigate the impacts of the development. This includes enhancing urban wildlife through planting principles such as 'right tree, right place', habitat creation and wildlife areas and the integration of features such as living roofs and walls.
- 3.11.3 Development having an impact on the biodiversity of the site will be required to incorporate features to minimise the loss of, and where possible, improve, the biodiversity of the site.
- 3.11.4 Funding for strategic biodiversity works that are required as a result of incremental growth, will normally be provided by the Council using CIL funding.
- 3.11.5 Where developments are required to deliver biodiversity matters needed to make the development acceptable in planning terms, these matters may be secured through planning obligations. Other biodiversity matters may be dealt with through planning conditions.
- 3.11.6 This section sets out examples of those matters that may be required to be mitigated through planning obligations, including the provision of biodiversity plans and the protection, and enhancement and creation of new networks of natural habitats, maximising opportunities to incorporate biodiversity within development and safeguard protected species from the adverse impact of development.

Policy pointers

- 3.11.7 For a summary of the national, regional and local planning policy context, see Appendix 1.

Types of obligation and when they are required

- 3.11.8 The following are types of obligation that may be required to mitigate against the impact of a development. This is not an exhaustive list, but a guide for developers to the types of biodiversity matters that should be considered.

Site specific and localised biodiversity

- 3.11.9 A proposed development may require specific works in order to make the scheme acceptable in planning terms. Planning obligations may be used to secure:
- reinstatement of existing habitat features
 - protection and enhancement of existing features
 - creation of new features

- new habitat creation schemes
- monitoring or survey work to confirm that relevant environmental measures have been implemented successfully as part of a scheme.

Required form of obligations

- 3.11.10 The level of contributions for this topic cannot be determined through use of a standard formula, as the level of any contribution needs to reflect the particular characteristics of the proposed development and the local context.
- 3.11.11 It is preferable to the Council for developers to directly provide necessary improvements and mitigation without the need for financial contributions to the Council. This is to be delivered on-site whenever possible and only off-site when necessary. The proposed approach, detail and delivery of such mitigation (whether on-site or off-site) will need to be approved by the Council. Where direct provision by the developer is not achievable a financial contribution may be necessary. This is to be based on the cost to the Council of undertaking the necessary works or of engaging a third party to undertake the works. The level of cost is to be evidenced by the developer and then submitted for agreement with the Council in advance.

4. Procedure for Securing Planning Obligations

- 4.1 The Council's objectives are to make the handling of planning obligations more efficient, speed up decision-making and provide clear guidance to applicants seeking planning permission. The Council, working closely with applicants and other stakeholders, will seek to ensure a high standard of service and that applications subject to planning obligations are determined within the Department of Communities and Local Government (DCLG) target periods for decisions where possible.
- 4.2 The Council expects the extent of planning obligations to be determined at pre-application stage (based on the information in this SPD and discussions with Council Officers and other relevant agencies) and explicit reference to the proposed planning obligation types and quanta to be submitted as supporting information with any planning application, recognising that the scope of proposed obligations may occasionally change in response to comments made by organisations and individuals during consultation on the planning application.
- 4.3 In cases where issues of financial viability arise, negotiations will be undertaken by the planning officer and assisted where appropriate by officers representing the various Council service areas.
- 4.4 Where the planning officer is minded to recommend an application for approval, the agreed 'Heads of Terms' outlining the planning obligations required will be reported to councillors along with all other material considerations as part of the planning committee report. The planning officers recommendation for approval will usually set out the grant of planning permission subject to any appropriate conditions and the signing of a S106 agreement.
- 4.5 All finalised S106 agreements (or unilateral undertakings) will be placed on the Statutory Planning Register and Local Land Charges Register.
- 4.6 Table 4.1 below summarises the process by which planning obligations are negotiated and secured in the borough.

Table 4.1 Process for negotiating and securing planning obligations

PRE-APPLICATION STAGE	
Prior to initiating pre-application discussions with the Council	Applicant needs to consider the relevant policies, legislation and all material considerations in relation to their development proposal including the information in this SPD.
Pre-application discussions	Applicant provides initial proposals for discussion with the case officer. Applicants should provide their own initial assessment of the impact of the development and suggest any likely required planning obligations (both in-kind and financial)
	Case officer will provide advice, without prejudice, on: <ul style="list-style-type: none"> - their initial assessment of the impacts of the proposal and whether it is acceptable - indicative planning obligation heads of terms likely to be required to mitigate likely impacts, and the nature and scale of the obligations - the information that will be required to be submitted in order to make the application valid, including whether or not a financial viability assessment is required
Prior to submitting a planning application	Case officer and applicant discuss and agree the heads of terms for the development. Applicants should prepare their planning application for submission, in accordance with the Council's Local List including a CIL form and planning obligations statement summarising the Heads of Terms.
PLANNING APPLICATION STAGE	
Planning application submission	Once an application is submitted it will be checked by the case officer to ensure that it contains all of the necessary information, and if so, it will be validated. The case officer may contact the applicant (or their agent) to discuss the likely timescales to prepare the draft agreement if this has not been discussed at pre-application stage. Council's solicitor will begin drafting the agreement if this has not already started at pre application stage.
Consultation and assessment of the application	Consultation on the planning application will be carried out in line with the Council's Statement of Community Involvement. The public can comment on any aspect of a scheme including planning obligations and the case officer will consider any representations made on the application in the context of the submitted 'planning obligations statement' (heads of terms). Case officer assesses the application and the possible planning obligations resulting from the heads of terms, application documents, internal and external consultation, giving consideration to material considerations including this SPD and a financial viability assessment (where applicable).
Officer's Recommendation	If the impacts cannot be mitigated by obligations (and/or conditions imposed to address) at an appropriate level, the application is recommended for refusal. If the case officer considers the proposal to be acceptable and agreement has been reached with the applicant on the necessary planning obligations, the case officer will draft a report including a recommendation to grant planning permission subject to completion of a S106 agreement by the statutory end date or within one month of the committee meeting, whichever is sooner.
Decision	The Council's planning committee considers the application including the planning obligations heads of terms. The decision to grant planning permission would normally be a decision in principle subject to the completion of a S106 agreement within a specified period of time within the statutory timeframe. The Council aims to have the S106 agreement draft ready prior to the planning

	committee.
POST DECISION RESOLUTION	
Following the decision to grant planning permission	Legal Services and the case officer, in liaison with the applicant's solicitors or other representatives, will issue a final draft for approval (engrossments) and signature by all parties.
Completion of legal agreement	On completion and signing of the S106 agreement, planning permission will be formally issued. The completed agreement will be registered as a local land charge against the land and a copy placed on the local land charges register and the planning register. A copy of the agreement will be scanned and available to view on the Council's website.
If the applicant is aggrieved by the decision of the Council	Applicants may appeal to the Secretary of State. Unless the Secretary of State, agrees to an extension of time the applicant should give notice of appeal within six months of the decision.
Modification of obligations	The terms of a planning obligation may not be modified or discharged except by legal agreement between the Council and the applicant, or after 5 years there is a right of appeal to the Secretary of State.
MONITORING	
	Details of agreed planning obligations are held on an electronic database in order to track compliance. and ensure that the obligations are met. S106 officers monitor agreements to ensure that payments and obligations are received and completed in accordance with the agreement and that payments received by the Council are spent on appropriate projects within the required timeframes. Copies of the Council's S106 agreements are available on its website. Applicants are required to submit annual update reports summarising the number of units completed and other key milestones.

Overview of Lewisham's Approach to Planning Obligations

- 4.7 Lewisham's approach to securing planning obligations is set within the framework of national legislation and guidance; regional and local strategy and guidance; and any other material considerations relevant in each particular case. When a planning application is considered, planning obligations will only be sought where they are material to a planning decision, mitigate a particular impact and comply with the CIL Regulations (2010) (as amended).
- 4.8 The Council will not seek planning obligations that are unrelated to a proposed development. Neither will it grant planning permission for unacceptable development. Similarly, unrelated or unnecessary planning obligations offered by an applicant are not a means to secure planning permission for unacceptable development. Planning obligations are unlikely to overcome fundamental objections and will only be sought to address issues that prevent permission being granted for generally acceptable proposals. Planning permission will not be granted for unacceptable development.
- 4.9 Where there is a choice between imposing conditions and entering into a planning obligation, the imposition of a condition is preferable. The Council will therefore

consider if an issue can be satisfactorily addressed through a condition before negotiating planning obligations. Planning obligations will be the preferred method of ensuring the provision of complex arrangements, such as affordable housing, local labour and financial obligations.

Drafting of Legal Agreements

- 4.10 In most cases, S106 agreements will be drafted by the Council's Legal Services team, or by solicitors acting on the Council's behalf. The applicant will be required to pay the Council's reasonable legal and professional costs incurred in the preparation and completion of the agreement and/or, where appropriate, in the negotiation of any related third party agreements.
- 4.11 The Council has prepared a model S106 agreement which is available on the Council's website. Additionally the Council is seeking to provide template sections for Unilateral Undertakings. These are intended to assist applicants in understanding how the arrangements will work in detail (particularly for complex issues such as affordable housing) and will help with the timely consideration of planning applications.

Timing of Payments

- 4.12 It is important that planning obligations take effect in time to meet the additional demands from developments as they arise. There are two main ways in which the Council receives financial obligations: either upon completion of the Legal Agreement, or via specified 'triggers'. Each case will need to be reasonably considered on its merits and in relation to the administrative costs to monitor and administer the agreement.
- 4.13 Generally the Council will always seek to receive the payment of contributions upon either the signing of the Legal Agreement or commencement of development in order that projects to mitigate the impact of a development can be delivered in tandem with the construction of the development.
- 4.14 In exceptional cases, particularly very large phased developments, the Council may, where appropriate, agree specific triggers for when the payments are to be made such as commencement of the above ground works or prior to completion of a specified phase of the development.

Unilateral Undertakings

- 4.15 Unilateral undertakings are Legal Agreements which bind only one party, usually the applicant, to undertake planning obligations. A unilateral undertaking can sometimes be used as an alternative to a negotiated S106 agreement as part of the process of determining a planning application. Instead of negotiating planning obligations between the Council and the applicant, the applicant may submit their proposals for planning obligations without consultation. The undertaking is usually submitted alongside the planning application, or with planning appeal submissions.
- 4.16 The Council would like to encourage the use of unilateral undertakings, particularly in the following circumstances:
- 4.17 Small developments
- 4.18 Developments that only require financial obligations.

- 4.19 Template Sections of draft unilateral undertaking template sections will be made available on the Council's website to assist applicants.

Consideration of Previous S.106 Contributions

- 4.20 There may be instances where a permission has been granted and associated S.106 contributions paid prior to the commencement of this SPD, and following the commencement of this SPD, a subsequent replacement or amending application is lodged which entails payment of a greater contribution.
- 4.21 Where this is the case, the previous contributions paid will be taken into account in calculating the obligations and charges arising from the replacement or amending development.

Indexation of Financial Obligations

- 4.22 Financial obligations will be index linked (on an upwards basis only) in order to maintain the value of the obligation, from the date of the committee resolution to grant planning permission, until the date that the full payment is received.
- 4.23 In most cases the Retail Price Index (RPI) will be used for non-capital financial contributions (e.g. employment and training contributions) and the Building Cost Information Service (BCIS) index will be used for financial contributions towards a specific building or facility as it relates more closely to the cost of delivering a scheme (e.g. monies secured to build or extend a school).
- 4.24 All financial obligation indexation will be rounded up to the nearest pound.

Interest on Late Payments

- 4.25 It is the developer's responsibility to ensure that any financial contributions or in-kind obligations are paid or addressed by the required trigger point. Failure to make any payment due will incur a penalty rate of interest at 4% above the Bank of England Base Rate from the date any payment was due until the day it is received. Such a penalty rate will be above and beyond any indexation that is applied to the sum.
- 4.26 All interest charges will be rounded up to the nearest pound.

On-Site vs Off-Site Provision

- 4.27 The issue of whether the required measures or facilities are to be provided on or off-site will be considered by the Council on a case by case basis, although the Council's policies and good planning practice require that provision should normally be made on site for measures required to support a particular development.
- 4.28 In cases where it is neither practicable nor appropriate to provide the measures on-site, the Council will require a financial contribution towards providing the measures off-site. Where a financial contribution is considered acceptable in lieu of on-site provision, the financial contribution will include the cost of designing and implementing the measures and the Council's project management costs.
- 4.29 Where the Council or a third party undertakes works required under and thus funded by S.106, these works will be undertaken within a reasonable period.

Outline Applications

- 4.30 Planning obligations are determined for all outline planning applications, and where details are not available at the time of submission (such as the exact number of units) agreement to the formula for Standard Charges will be set out within the S106 agreement. Outline applications are generally only suitable in certain circumstances, and the Council would seek to ensure that applicants submit a full rather than an outline application.

Use of Financial Viability Appraisals

- 4.31 The Council recognises that there may be circumstances where a developer may consider that it is not feasible for the proposed development to meet all the requirements set out in local, regional and national planning policies and still be economically viable. These circumstances would not include developers who acquire sites without planning permission at unrealistically high prices and then seek reductions in affordable housing or other requirements. Viability concerns may arise genuinely, for example where site remediation costs are exceptionally high.
- 4.32 The Council will usually require detailed financial appraisal utilising a recognised cash flow model such as Argus Developer, although in some cases the GLA Toolkit may be accepted by the Council. The appraisal will need to be submitted to the Council as part of the application (or at pre-application stage) and both a hard copy and an electronic copy should be provided.
- 4.33 Analysis should be based on land values as set by the application of planning policy in determining the permissible scope of development rather than the price actually paid for the land. For this reason valuations should usually be undertaken on a residual basis where the value of land is an output of the process. Arguably no allowance should be made for the original cost of purchasing the land or for payments that are contracted to be made to the landowner or third party under an existing option, conditional land sale agreement, profit share (overage) or clawback arrangement. If it is suggested that the viability of the development is compromised as a result of an allowance for these items then it will be at the discretion of the Council as to what extent, if any, obligations are amended in recognition of them.
- 4.34 The general requirements for open book appraisals are:
- Identify and justify (with comparable evidence where appropriate) all development value and cost variables;
 - Specify any 'exceptional' cost items with supporting evidence in writing from reputable cost consultants;
 - Adhere to the standard conventions in terms of appraisal calculations not least regarding developer's profit;
 - Specify all assumptions made concerning the provision of affordable housing and planning obligations;
 - Provide Red Book, or other appropriate valuations to support Existing Use Values where they arise; and
 - Identify in cash flow terms the effect of deferred contributions.
- 4.35 The Council expects all financial viability appraisals to be provided with both 'no grant' and 'with grant' scenarios in relation to affordable housing provision and different tenure mixes, where the Council considers that it may be appropriate.

- 4.36 In cases where a dispute relates to the viability of a proposal, and in any case, where the Council considers it appropriate, a 'verification' of the applicant's financial viability appraisal will be carried out by an independent assessor. The applicant will be required to provide any financial information to support the viability appraisal to the Council and/or independent assessor on a strictly confidential basis. In such cases the assessor will be commissioned by the Council and the costs are to be met by the applicant. The independent financial assessor's report shall be provided to the Council.
- 4.37 In order to address any issues of economic uncertainty which may arise over the lifetime of the proposal the Council will consider putting in place provisions for re-appraising the viability of schemes prior to implementation and/or prior to 100% occupation. These are also known as 'contingent obligations' and may also be known as 'overage'. These will obligate the applicant to resubmit a financial appraisal and if the margins of viability/profitability have increased since determination, further obligations may be payable. If the situation has not improved, the approved obligations will stand. This allows for development to be carried out when it may otherwise not be viable to do so or to do so would be at increased levels of risk. It may also serve to encourage development to take place sooner rather than later.
- 4.38 Proven impact on viability will be a material consideration in the assessment of a planning application and failure to comply with this SPD will be considered on a case-by-case basis in accordance with the relevant government guidance. However, it should be noted that where development proposals are unable to satisfactorily mitigate their impacts the Council will refuse planning permission.

Dispute Resolution

- 4.39 Where appropriate, S106 agreements contain dispute resolution clauses which set out how disagreements between the parties to the agreement will be resolved. Any dispute arising between the parties in respect of the agreement will be referred to an independent expert. The expert will have at least ten years relevant experience. The role of the independent expert is to facilitate or contribute to the negotiation process. It is the responsibility however, of the parties involved to agree on the outcome of the planning obligation negotiations. The final determination of the planning application remains with the Council.

Monitoring of Planning Obligations

- 4.40 The Council has a defined officer responsible for monitoring and managing planning obligations and the details of agreed planning obligations are held on an electronic database in order to track compliance as the development proceeds. The Council will liaise with developers (and applicants) and use other means of monitoring including site inspections, to ensure that planning obligations are completed by the agreed date or trigger. Large developments are also required to submit an annual update report, outlining progress on the development to date, until the development is complete.
- 4.41 The Council will report the results of monitoring and compliance with S106 agreements annually, including the total value of financial contributions received and spent.

Wider Regeneration/Improvement Projects

- 4.42 In some cases, wider regeneration or improvement projects across the borough may include enhancement of a number of factors, such as the public realm, economic health and transport accessibility of the locality. This is particularly likely in the Regeneration and Growth Areas identified in the Core Strategy or where a development is located in one of the town centres identified in the Core Strategy as a Major, District, Neighbourhood or local Town Centre. In such cases, a financial contribution towards such overarching projects may be secured by the Council to mitigate multiple impacts. Any financial contributions secured will be based on negotiations across the individual topic areas in this SPD and any other site specific issues.

100% or Mostly-Affordable Housing Schemes

- 4.43 The Council acknowledges that schemes that incorporate affordable housing provide an important social benefit and that its provision can in some instances impact upon the financial viability of a development. Nevertheless, affordable housing like other forms of residential development, does have an impact on social infrastructure and surrounding services. Mitigating the impacts of all types of development is critical to establishing sustainable and balanced communities.
- 4.44 Census studies are able to demonstrate that occupation levels per unit of floorspace in affordable housing are often greater than other forms of accommodation. For that reason the basis for negotiations with applicants on these schemes will be similar to all other schemes, however the Council does understand that the comparative profitability of affordable housing schemes is lower and to some extent affordable housing schemes are already providing a community benefit.
- 4.45 Striking a balance between facilitating the provision of affordable housing whilst providing an appropriate level of social infrastructure and supporting services is required to achieve truly sustainable communities and meet the Council's strategic aims.

5. Review and Monitoring

5.1 The Council will report the performance of planning obligations as part of its LDF annual monitoring report, or by other appropriate reporting methods. However it is also appropriate to ensure that the effectiveness of this SPD is monitored and reported on. The Council has therefore established the following set of monitoring requirements in respect of this SPD:

- The level of contributions being achieved and compliance with the requirements of the SPD;
- Monitoring the time taken for decisions where a planning obligation has been agreed as part of the application; and
- Monitoring of delivery (i.e. the completion of obligations, including those to be undertaken by delivery agents other than the developer).

5.2 To take into account significant changes in circumstances that would affect the appropriateness of the requirements in this SPD, the document will be reviewed periodically. The review will take account of:

- The changing needs for facilities and services;
- The adoption of emerging LDF documents;
- Further alterations or reviews of the London Plan (2011);
- Changes to central government guidance;
- Indexation of contributions; and
- Changes to CIL that affect how planning obligations can be used and secured.

6. Professional, Legal and Monitoring Fees

- 6.1 The Council incurs substantial costs in assessing the requirement for planning obligations in relation to planning applications. This includes reviewing financial viability assessments and the negotiation and the drafting of individual Section 106 (S106) agreements. These are over and above the normal costs of dealing with planning applications, for which applicants already pay a fee. Following completion of a S106 agreement, the applicant or the Council may find it necessary to modify an agreement. The Council incurs further costs in negotiating and drafting variations to the agreement.
- 6.2 The Council maintains a database of all current agreements and monitors compliance against set targets and triggers. This includes maintaining contact with developers before and during construction, site inspections, legal advice and in the collection and accounting for financial contributions. In certain instances, agreements allow for the subsequent submission of detailed proposals for the provision or payment for infrastructure. These necessitate further technical and legal advice, negotiations and approvals.
- 6.3 For the purposes of this SPD the Council will charge professional, legal and monitoring fees. Applicants are expected to fully reimburse the Council's legal, professional and monitoring costs associated with drafting, checking and monitoring S106 agreements, and checking and monitoring unilateral undertakings.

Professional Fees

- 6.4 For applications where the Council expects that significant professional time or the use of external consultants will be necessary, fees will be charged. Applicants will normally be given an estimate of the expected cost of professional fees, particularly in cases where external consultants are used.
- 6.5 In the event that external consultants are required, for example, to provide independent expert advice on financial viability assessments submitted as part of an application to the Council, quotations will be provided to the applicant and payment will be required on signing of the agreement.
- 6.6 The Council's full professional fees will also have to be paid in the event of the agreement or undertaking not being completed where planning permission is refused or where the developer does not proceed with the development or proposal.

Legal Fees

- 6.7 Applicants will be expected to meet all legal costs associated with the drafting, negotiating, checking and agreeing of a S106 agreement or checking and agreeing a unilateral undertaking.
- 6.8 The Council will require an undertaking from the solicitor acting on behalf of the applicant to pay the Council's reasonable legal and professional costs associated with the preparation of the S106 agreement or with approving a unilateral undertaking at the beginning of the process. Where a solicitor or other professional advisor is not acting on behalf of the applicant, the Council may ask for the deposit of a reasonable sum, having regard to the likely complexity of the matter.
- 6.9 The Council's solicitor will charge applicants at an hourly rate for work undertaken. The Council will, where requested, provide applicants with an estimate of the costs at the outset of a new case.

- 6.10 The legal fees (or balance of legal fees where a payment on account of costs has been made) will be payable at the time of completing the S106 agreement or unilateral undertaking. The Council's full legal fees will also have to be paid in the event of the agreement or undertaking not being completed where planning permission is refused or where the developer does not proceed with the development or proposal.

Monitoring Fees

- 6.11 The cost of administration and the monitoring of planning obligations, once entered into, will be financed through monitoring fees applied to individual S106 agreements and unilateral undertakings. The total monitoring charge will vary depending on the number and complexity of the clauses in the S106 agreement or undertaking and will be based on the Council's reasonable assessment of the likely time required to monitor the S106 agreement or undertaking.
- 6.12 The total value of any planning obligation will exclude the monitoring fees set out in this section. The monitoring fees are additional and will be added to the final cost. The basis for the monitoring fees charged is set out below and will be reviewed and updated annually to reflect inflation and increases in the costs incurred by the Council.

Table 6.1 – Monitoring Charges*

Number of affordable housing units	1-10 units	£250 per unit
	11-30 units	£3,000
	31-60 units	£6,000
	61-150 units	£10,000
	151-300 units	£15,000
	301+ units	£25,000
Type I clause	Non-financial clauses that involve the approval of a standard document and financial clauses for small payments with a single trigger and spend project.	£500
Type II clause	Financial clauses involving large payments, multiple trigger points, and/or multiple spend projects, approval of a non-standard document or complex non-financial clause.	£750
Type III clause	Non standard complex clauses.	Case by case

* Subject to a total minimum fee of £500 per S106 agreement or unilateral undertaking.

- 6.13 If an agreement is exceptionally complicated and difficult to monitor (e.g. possibly in the case of a large strategic application or a phased development over a long period) the Council may seek a monitoring fee over and above the standard 'Type I' and 'Type II' clauses. Similarly, the Council will also apply a discount to the standard monitoring fee where economies of scale would streamline monitoring requirements and thereby reduce the monitoring time required.
- 6.14 Planning obligations will be monitored to ensure that they are undertaken or paid at the agreed dates or trigger points. The spending of received contributions will also be closely monitored to ensure that they are spent by the Council or other agencies on what was agreed and within the required time period set out in the agreement. Where

contributions have not been spent by the Council within the required time period, they will be returned.

- 6.15 The details of agreed planning obligations will be held on an electronic database in order to track compliance as the development proceeds. The Council will liaise with applicants and use other means of monitoring, including site inspections, to ensure that applicants discharge their obligations at the agreed date or trigger. Where financial obligations are due to the Council these become payable on the date or at the trigger point specified in the agreement. In the event that payments are not received by the due date, a late penalty payment will be applied at 4% above the base rate, and the Council may take action through civil recovery procedures to secure compliance with obligations.
- 6.16 The Council will report the results of monitoring and compliance with S106 agreements and unilateral undertakings annually. The report will provide details of the S106 agreements entered into, unilateral undertakings made to the Council, payments received, and the completion of schemes funded or part funded by S106 contributions.
- 6.17 The monitoring payment, like legal and professional costs, will be required on signing the agreement. However, in the event that the agreement or undertaking is not completed where planning permission is refused or where the developer does not proceed with the development or proposal, monitoring fees will not be required.

Variations of Planning Obligations

- 6.18 Where a S106 agreement contains a requirement to review or submit later detailed proposals for facilities or services, or where the applicant is seeking to modify the S106 agreement, the same arrangements will apply for professional and legal fees as applied to the original agreement, and further monitoring costs may therefore be incurred.

7. Glossary

Affordable Housing

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Affordable Rent

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable rent is subject to rent controls that require no more than 80% of the local market rent (including service charges, where applicable).

Cascade Mechanism

A cascade is a mechanism that enables the form and/or quantum of affordable housing to be varied if a certain event happens. Cascades respond to rises or decreases in the site development costs and incomes that may render certain levels of provision financially either viable or unviable.

Common Housing Register

The common housing register is a list of people who have applied for housing in Lewisham.

Community Infrastructure Levy (CIL)

A levy that local authorities can choose to charge on new developments in their area. Part 11 of the Planning Act 2008 sets out the legislative framework and regulations introduced it in April 2010. It has since been amended by further regulations in 2011, 2012 and 2014. The money secured by the local authority is to be spent upon local and strategic infrastructure which may include roads and other transport needs, parks, schools, sports centres, emergency services and community facilities.

Conditions / Planning Conditions

Planning permission is usually subject to certain conditions. These conditions need to be met in order for development to be allowed to proceed. They will generally deal with less complex issues than those dealt with by way of Planning Obligations (e.g. time limits for implementation, the submission and approval of further details, restrictions on the use). What can and cannot be the subject of planning conditions is the subject of extensive legal and government policy tests.

Development Plan Document (DPD)

A Local Plan that has been drawn up by the local planning authority in consultation with the community, has been subject to independent testing and has the weight of development plan status. The terminology 'Development Plan Document' has been replaced with 'Local Plan' for new documents, but remains for pre-existing documents (i.e. Lewisham Core Strategy DPD, 2011).

Habitable Room

A room within a dwelling, the main purpose of which is for sleeping, living or dining. It is any room with a window that could be used to sleep in, regardless of what it is actually used for. This excludes toilets, bathrooms, landings, halls and lobbies, and also excludes kitchens with an overall floor area of less than 13 m². This excludes rooms which cannot function for the

purposes for which they are intended by reason of an inadequate size, height, shape or daylight.

Heads of Terms

A document setting out the particular items of a Section 106 agreement (including in-kind works, financial contributions and any restrictions on the land that may be relevant) as agreed in principle between the Council and applicant.

Homes and Communities Agency

A statutory public body whose role is to fund and regulate Registered Providers in England.

Housing Association

Independent societies, bodies of trustees or companies established for the purpose of providing low-cost social housing for people in housing need on a non-profit-making basis. Any trading surplus is used to maintain existing homes and to help finance new ones. They are now the United Kingdom's major providers of new homes for rent, while many also run shared ownership schemes to help people who cannot afford to buy their own homes outright.

Intermediate Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can be shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Key Worker Housing

Housing that is reserved or allocated for people who are given priority by virtue of their employment to ensure that employees are retained in essential public services. This includes those who work in health, education, police and emergency services.

Lifetime Homes

Lifetime Homes are ordinary homes incorporating [16 Design Criteria](#) that can be universally applied to new homes to add to the comfort and convenience of the home and support the changing needs of individuals and families at different stages of life.

Local Development Framework (LDF)

The Local Development Framework is a portfolio, or a 'folder', of Local Development Documents which will provide the local planning authority's policies for meeting the community's economic, environmental and social aims for the future of their area where this affects the development and use of land.

Local Plan

A Local Development Document that has been drawn up by the local planning authority in consultation with the community, has been subject to independent testing and has the weight of development plan status.

Major Development

Any residential or mixed use development creating 10 or more dwellings, if that is not known, where the site area is 0.5 hectares or more. For other types of development, a major site is one where the floorspace to be built is 1, 000 square metres or more, or the site area is 1 hectare or more.

Material Consideration

A legal term describing a matter or subject which is relevant (material) for a local authority to consider when using its powers under planning law.

Planning Obligation

Planning obligations secured through Section 106 agreements or unilateral undertakings are Legal Agreements in the context of the grant of planning permission. Planning obligations are intended to make development acceptable which would otherwise be unacceptable in planning terms.

Public Realm

Public Realm – This includes exterior places, linkages and built form elements, excluding green open spaces, that are physically and/or visually accessible regardless of ownership. These elements can include, but are not limited to, streets, pedestrian ways, bikeways, bridges, plazas, nodes, squares, transportation hubs, gateways, landmarks and building interfaces.

Public Transport Accessibility Level (PTAL)

Provides a methodology for assessing the relative ease of access of a location to the public transport network. PTAL 1 is 'very poor' with PTAL 6 being 'excellent'.

Registered Provider

Registered Provider (RP) is the technical name for social landlords that are registered with the Tenant Services Authority. Most are housing associations, but there are also trusts, co-operatives and companies.

Social Rented (Social Housing)

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Standard charges

Standard charges are a set of general formulae that are used to estimate the amount of contributions that are likely to be sought for a particular type of development, based on a local planning authority's policies and evidence of the common impacts of development. These will then be enforced through a planning obligation.

Supplementary Planning Document (SPD)

Documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.

Transport for London (TfL)

A statutory body appointed by the Mayor of London for the purpose of providing public transport within London and for delivering an integrated and sustainable transport strategy for London.

Unilateral Undertakings

Instead of agreeing obligations through the standard process of negotiation and agreement between the Council and developer, developers may prepare the terms of a planning obligation on their own, without prior discussion with the Council. These will then be submitted to the council. If the terms are acceptable the fact that the document has not been negotiated should not in itself be seen as a bar to the grant of permission. Where a Unilateral Undertaking does not meet the Council's objective's, planning permission should be refused.

Vicinity

In this document means nearby and within the surrounding area so as to ensure a geographical relationship between the planning obligation and the development.

Wheelchair Accessible Housing

This refers to homes built to meet the standards set out in the South East London Housing Partnership Wheelchair Housing Design Guidelines (August 2011).

Note: References made in these definitions to any organisation, body or guidance will apply to successor organisation, body or guidance or arrangements, as changes may occur over time.

8. Abbreviations

CIL – Community Infrastructure Levy

DCLG - Department for Communities and Local Government

DMLP – Development Management Plan

DPD - Development Plan Document

LDF - Local Development Framework

S106 - Section 106

SCI - Statement of Community Involvement

SPD - Supplementary Planning Document

TfL – Transport for London

9. Appendix 1 – Policy Pointers

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
<p>Affordable Housing</p>	<p>Core Strategy Policy 1: Housing provision, mix and affordability</p>	<p>DM Policy 7: Affordable rented housing</p>	<p>Policy 3.8 Housing Choice Policy 3.9 Mixed and Balanced Communities Policy 3.10 Definition of affordable housing Policy 3.11 Affordable housing targets Policy 3.12 Negotiating affordable housing on individual private residential and mixed-use schemes Policy 3.13 Affordable housing thresholds Policy 8.2 Planning Obligations</p>	<p>NPPF – Paragraphs 47-55 Funding Prospectus: Mayor’s Housing Covenant 2015-18 Programme (2013) London Housing Strategy (2010) Draft London Housing Strategy (2013) Draft Further Alterations to the London Plan (FALP) (2014) Revised Early Minor Alterations (REMA) to the London Plan (2013) Mayor of London’s Housing Supplementary Planning Guidance (2012)</p>	<p>Lewisham Housing Strategy (2009-2014) Affordable Housing Viability Study (2009) Lewisham Housing Conversions Study (2012) Lewisham Housing Market Assessment 2007-2008 (2009) Lewisham Housing Strategy South East London Strategic Housing Market Assessment 2009 South East London Strategic Housing Market Assessment 2014.</p>
<p>Wheelchair Housing</p>	<p>Core Strategy Policy 1: Housing provision, mix and affordability</p>	<p>DM Policy 7: Affordable rented housing</p>	<p>Policy 3.8 Housing Choice Policy 8.2 Planning Obligations</p>	<p>NPPF – Paragraphs 50 Mayor of London’s Housing Supplementary Planning Guidance (2012) Homes for London The London Housing Strategy: Draft for London Assembly (2014) Funding Prospectus: Mayor’s Housing Covenant 2015-18</p>	<p>Lewisham Housing Strategy: Homes for the future: raising aspirations, creating choice and meeting need (2009-2014) South East London Housing Partnership Wheelchair Homes Design Guidelines (2012)</p>

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
				Programme (2013)	
Local Labour and Business	<p>Policy 3 Strategic Industrial Locations and Local Employment Locations</p> <p>Policy 4 Mixed Use Employment Locations</p> <p>Policy 5 Other employment locations</p>	<p>Policy 4 Conversions of office space</p> <p>Policy 9 Mixed use employment locations</p> <p>Policy 10 Local employment locations</p> <p>Policy 11 Other Employment Locations</p> <p>Policy 13 Location of Main Town Centre Uses</p>	<p>Policy 4.1 Developing London's Economy</p> <p>Policy 4.2 Offices</p> <p>Policy 4.3 Mixed Use Development and Offices</p> <p>Policy 4.4 Managing Industrial Land and Premises</p> <p>Policy 4.7 Retail and Town Centre Development</p> <p>Policy 4.8 Supporting a Successful and Diverse Retail Sector</p> <p>Policy 4.10 New and Emerging Economic Sectors</p> <p>Policy 4.11 Encouraging a Connected Economy</p> <p>Policy 4.12 Improving Opportunity for All</p> <p>Policy 8.2 Planning Obligations</p>	NPPF – Paragraphs 18-21	<p>Shaping our future: Lewisham's Sustainable Community Strategy 2008-2020</p> <p>Lewisham Employment Study 2008</p> <p>Lewisham Local Cultural Strategy</p> <p>Lewisham Economic Development Business Plan 2004</p> <p>Retail Capacity Study (2009)</p> <p>Pubs in Lewisham evidence base study (2013)</p> <p>Hot Food Take-away shops: and evidence base study (2013)</p>
Employment Floorspace	<p>Policy 3 Strategic Industrial Locations and Local Employment Locations</p> <p>Policy 4 Mixed Use Employment Locations</p> <p>Policy 5 Other</p>	<p>Policy 4 Conversions of office space</p> <p>Policy 9 Mixed use employment locations</p> <p>Policy 10 Local employment locations</p> <p>Policy 11 Other</p>	<p>Policy 4.1 Developing London's Economy</p> <p>Policy 4.2 Offices</p> <p>Policy 4.3 Mixed Use Development and Offices</p> <p>Policy 4.4 Managing Industrial Land and Premises</p>	NPPF – Paragraphs 18-21	<p>Lewisham Employment Land Study (2008)</p> <p>Shaping our future: Lewisham's Sustainable Community Strategy 2008-2020</p> <p>Lewisham Employment Study 2008</p>

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
	<p>employment locations</p> <p>Policy 6 Retail hierarchy and location of retail development</p>	<p>Employment Locations</p> <p>Policy 13 Location of Main Town Centre Uses</p> <p>Policy 14 District Centres Shopping Frontages</p> <p>Policy 15 Neighbourhood Local Centres</p> <p>Policy 16 Local Shopping Parades and Corner Shops</p>	<p>Policy 4.7 Retail and Town Centre Development</p> <p>Policy 4.8 Supporting a Successful and Diverse Retail Sector</p> <p>Policy 4.10 New and Emerging Economic Sectors</p> <p>Policy 4.11 Encouraging a Connected Economy</p> <p>Policy 4.12 Improving Opportunity for All</p> <p>Policy 8.2 Planning Obligations</p>		<p>Lewisham Local Cultural Strategy</p> <p>Lewisham Economic Development Business Plan 2004</p> <p>Retail Capacity Study (2009)</p> <p>Pubs in Lewisham evidence base study (2013)</p> <p>Hot Food Take-away shops: and evidence base study (2013)</p>
transport	<p>Policy 14 – Sustainable Movement and Transport</p>	<p>Policy 21 Mini cabs and taxi offices</p> <p>Policy 29 Car Parking</p>	<p>Policy 6.1 Strategic approach</p> <p>Policy 6.3 Assessing effects of development on transport capacity</p> <p>Policy 6.5 Funding Crossrail and other strategically important infrastructure</p> <p>Policy 6.7 Better streets and surface transport</p> <p>Policy 6.9 Cycling</p> <p>Policy 6.10 Walking</p> <p>Policy 6.11 Smoothing Traffic Flow and Tackling Congestion</p> <p>Policy 6.12 Road Network Capacity</p>	<p>NPPF – Paragraphs 29-41</p>	<p>The Infrastructure Delivery Plan (2011)</p> <p>Deptford and New Cross Transport Infrastructure Study (2007)</p> <p>North Lewisham Links Strategy (2007)</p> <p>Deptford and New Cross Masterplan (2007)</p> <p>Lewisham Town Centre Transport Study (2010)</p> <p>Lewisham Town Centre Transport Study Report Addendum (2012)</p> <p>Lewisham Borough Wide Transport Study (2010)</p>

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
			<p>Policy 6.13 Parking</p> <p>Policy 8.2 Planning Obligations</p>		Lewisham Local Implementation Plan (2011)
Public Realm	<p>Policy 12 Open Space and Environmental Assets</p> <p>Policy 15 High Quality Design for Lewisham</p>	<p>Policy 19 Shopfronts, Signs and Hoardings</p> <p>Policy 25 Landscaping and Trees</p> <p>Policy 27 Lighting</p> <p>Policy 30 Urban Design and Local Character</p> <p>Policy 35 Public Realm</p>	<p>Policy 6.9 – Cycling</p> <p>Policy 6.10 – Walking</p> <p>Policy 7.3 – Designing out Crime</p> <p>Policy 7.4 – Local Character</p> <p>Policy 7.5 – Public Realm</p> <p>Policy 7.6 – Architecture</p> <p>Policy 7.18 – Protecting Local Open Space and Addressing Local Deficiency</p> <p>Policy 7.19 – Biodiversity and Access to Nature</p> <p>Policy 7.21 – Trees and Woodland</p> <p>Policy 8.2 Planning Obligations</p>	NPPF – Paragraphs 35, 57 and 58	<p>Lewisham’s Control of pollution and noise from demolition sites Code of practice (2008)</p> <p>Lewisham Noise Mapping Study (2012)</p> <p>Lewisham Air Quality Action Plan (2008)</p> <p>London Borough of Lewisham Streetscape Guide</p> <p>Lewisham Borough Wide Character Study (2010)</p> <p>North Lewisham Links Strategy (2007)</p> <p>Deptford and New Cross Masterplan (2007)</p>
Childrens Play Space	<p>Policy 12 Open Space and Environmental Assets</p> <p>Policy 15 High Quality Design for Lewisham</p>	<p>Policy 19 Shopfronts, Signs and Hoardings</p> <p>Policy 25 Landscaping and Trees</p> <p>Policy 27 Lighting</p> <p>Policy 30 Urban Design and Local</p>	<p>Policy 3.6 Children and young people’s play and informal recreation facilities</p> <p>Policy 8.2 Planning Obligations</p>	Shaping Neighbourhoods: Play and Informal Recreation SPG, Mayor of London 2012.	Children & Young People’s Plan 2012-2015

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
		Character Policy 35 Public Realm and Street Furniture			
Carbon Offsetting	Policy 7 Climate Change and Adapting to the Effects Policy 8 Sustainable Design and Construction and Energy efficiency.	DM Policy 22 Sustainable Design and Construction	Policy 5.2 Minimising Carbon Dioxide Emissions Policy 5.3 Sustainable Design and Construction Policy 5.4 Retrofitting Policy 8.2 Planning Obligations	NPPF – Paragraphs 94 - 98	Lewisham Renewables Evidence Base Study (2010) Lewisham Town Centre Local Plan Low Carbon and Decentralised Energy Strategy Recommendations
Environmental Protection	Policy 9 Air Quality	Policy 23 Air Quality Policy 26 Noise and Vibration Policy 28 Contaminated Land	Policy 7.14 Improving Air Quality Policy 7.15 Reducing noise and enhancing soundscapes Policy 8.2 Planning Obligations	NPPF – Paragraphs 109, 123 and 124	Lewisham’s Control of pollution and noise from demolition sites Code of practice (2008) Lewisham Noise Mapping Study (2012) Lewisham Air Quality Action Plan (2008) London Borough of Lewisham Streetscape Guide Lewisham Good Practice Guide, Control of Pollution and Noise from Demolition and Construction Sites
Flood Risk and Water	Policy 10 Managing and Reducing the Risk		Policy 5.3 Sustainable Design and Construction	NPPF Paragraphs 94, 95, 99, 100, 101, 102, 103 and 104	Local Biodiversity Action Plan – A Natural Renaissance for

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
Management	of Flooding Policy 11 River and Waterways Network		Policy 5.12 Flood Risk Management Policy 5.13 Sustainable Drainage Policy 5.14 Water Quality and Wastewater Infrastructure Policy 5.15 Water Use and Supplies	National Planning Practice Guidance Flood and Water Management Act 2010 London Climate Change Adaptation Strategy (2008) The London Rivers Action Plan Mayor's Supplementary Guidance: Sustainable Design and Construction Thames Catchment Flood Management Plan and TE2100 Plan Thames River Basin Management Plan	Lewisham Lewisham Strategic Flood Risk Assessment (2008) Lewisham Flood Risk and Development Sequential Test (2009) Ravensbourne River Corridor Improvement Plan (2010)
Biodiversity	Policy 11 River and Waterways Network Policy 12 Open space and environmental assets	DM Policy 24 Biodiversity, living roofs and artificial playing pitches DM Policy 25 Landscaping and Trees	Policy 5.10 Urban Greening Policy 5.11 Green Roofs and Development Site Environs Policy 7.19 Biodiversity and Access to Nature Policy 7.21 Trees and Woodland Policy 8.2 Planning Obligations	NPPF Paragraphs 7, 99, 109, 113, 114, 118, 119 and 125 East London Green Grid Framework SPG Mayor of London's Biodiversity Strategy (2002)	Local Biodiversity Action Plan – A Natural Renaissance for Lewisham Ravensbourne River Corridor Improvement Plan (2010)

Appendix – Policy pointers

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
<p>Affordable Housing</p>	<p>Core Strategy Policy 1: Housing provision, mix and affordability</p>	<p>DM Policy 7: Affordable rented housing</p>	<p>Policy 3.8 Housing Choice Policy 3.9 Mixed and Balanced Communities Policy 3.10 Definition of affordable housing Policy 3.11 Affordable housing targets Policy 3.12 Negotiating affordable housing on individual private residential and mixed-use schemes Policy 3.13 Affordable housing thresholds Policy 8.2 Planning Obligations</p>	<p>NPPF – Paragraphs 47-55 Funding Prospectus: Mayor’s Housing Covenant 2015-18 Programme (2013) London Housing Strategy (2010) Draft London Housing Strategy (2013) Draft Further Alterations to the London Plan (FALP) (2014) Revised Early Minor Alterations (REMA) to the London Plan (2013) Mayor of London’s Housing Supplementary Planning Guidance (2012)</p>	<p>Lewisham Housing Strategy (2009-2014) Affordable Housing Viability Study (2009) Lewisham Housing Conversions Study (2012) Lewisham Housing Market Assessment 2007-2008 (2009) Lewisham Housing Strategy South East London Strategic Housing Market Assessment 2009 South East London Strategic Housing Market Assessment 2014.</p>
<p>Wheelchair Housing</p>	<p>Core Strategy Policy 1: Housing provision, mix and affordability</p>	<p>DM Policy 7: Affordable rented housing</p>	<p>Policy 3.8 Housing Choice Policy 8.2 Planning Obligations</p>	<p>NPPF – Paragraphs 50 Mayor of London’s Housing Supplementary Planning Guidance (2012) Homes for London The London Housing Strategy: Draft for London Assembly (2014) Funding Prospectus: Mayor’s Housing Covenant 2015-18</p>	<p>Lewisham Housing Strategy: Homes for the future: raising aspirations, creating choice and meeting need (2009-2014) South East London Housing Partnership Wheelchair Homes Design Guidelines (2012)</p>

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
				Programme (2013)	
Local Labour and Business	<p>Policy 3 Strategic Industrial Locations and Local Employment Locations</p> <p>Policy 4 Mixed Use Employment Locations</p> <p>Policy 5 Other employment locations</p>	<p>Policy 4 Conversions of office space</p> <p>Policy 9 Mixed use employment locations</p> <p>Policy 10 Local employment locations</p> <p>Policy 11 Other Employment Locations</p> <p>Policy 13 Location of Main Town Centre Uses</p>	<p>Policy 4.1 Developing London's Economy</p> <p>Policy 4.2 Offices</p> <p>Policy 4.3 Mixed Use Development and Offices</p> <p>Policy 4.4 Managing Industrial Land and Premises</p> <p>Policy 4.7 Retail and Town Centre Development</p> <p>Policy 4.8 Supporting a Successful and Diverse Retail Sector</p> <p>Policy 4.10 New and Emerging Economic Sectors</p> <p>Policy 4.11 Encouraging a Connected Economy</p> <p>Policy 4.12 Improving Opportunity for All</p> <p>Policy 8.2 Planning Obligations</p>	NPPF – Paragraphs 18-21	<p>Shaping our future: Lewisham's Sustainable Community Strategy 2008-2020</p> <p>Lewisham Employment Study 2008</p> <p>Lewisham Local Cultural Strategy</p> <p>Lewisham Economic Development Business Plan 2004</p> <p>Retail Capacity Study (2009) Pubs in Lewisham evidence base study (2013)</p> <p>Hot Food Take-away shops: and evidence base study (2013)</p>
Employment Floorspace	<p>Policy 3 Strategic Industrial Locations and Local Employment Locations</p> <p>Policy 4 Mixed Use Employment Locations</p> <p>Policy 5 Other</p>	<p>Policy 4 Conversions of office space</p> <p>Policy 9 Mixed use employment locations</p> <p>Policy 10 Local employment locations</p> <p>Policy 11 Other</p>	<p>Policy 4.1 Developing London's Economy</p> <p>Policy 4.2 Offices</p> <p>Policy 4.3 Mixed Use Development and Offices</p> <p>Policy 4.4 Managing</p>	NPPF – Paragraphs 18-21	<p>Lewisham Employment Land Study (2008)</p> <p>Shaping our future: Lewisham's Sustainable Community Strategy 2008-2020</p> <p>Lewisham Employment Study 2008</p>

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
	<p>employment locations</p> <p>Policy 6 Retail hierarchy and location of retail development</p>	<p>Employment Locations</p> <p>Policy 13 Location of Main Town Centre Uses</p> <p>Policy 14 District Centres Shopping Frontages</p> <p>Policy 15 Neighbourhood Local Centres</p> <p>Policy 16 Local Shopping Parades and Corner Shops</p>	<p>Industrial Land and Premises</p> <p>Policy 4.7 Retail and Town Centre Development</p> <p>Policy 4.8 Supporting a Successful and Diverse Retail Sector</p> <p>Policy 4.10 New and Emerging Economic Sectors</p> <p>Policy 4.11 Encouraging a Connected Economy</p> <p>Policy 4.12 Improving Opportunity for All</p> <p>Policy 8.2 Planning Obligations</p>		<p>Lewisham Local Cultural Strategy</p> <p>Lewisham Economic Development Business Plan 2004</p> <p>Retail Capacity Study (2009)</p> <p>Pubs in Lewisham evidence base study (2013)</p> <p>Hot Food Take-away shops: and evidence base study (2013)</p>
transport	<p>Policy 14 – Sustainable Movement and Transport</p>	<p>Policy 21 Mini cabs and taxi offices</p> <p>Policy 29 Car Parking</p>	<p>Policy 6.1 Strategic approach</p> <p>Policy 6.3 Assessing effects of development on transport capacity</p> <p>Policy 6.5 Funding Crossrail and other strategically important infrastructure</p> <p>Policy 6.7 Better streets and surface transport</p> <p>Policy 6.9 Cycling</p> <p>Policy 6.10 Walking</p> <p>Policy 6.11 Smoothing Traffic Flow and Tackling Congestion</p> <p>Policy 6.12 Road Network</p>	<p>NPPF – Paragraphs 29-41</p>	<p>The Infrastructure Delivery Plan (2011)</p> <p>Deptford and New Cross Transport Infrastructure Study (2007)</p> <p>North Lewisham Links Strategy (2007)</p> <p>Deptford and New Cross Masterplan (2007)</p> <p>Lewisham Town Centre Transport Study (2010)</p> <p>Lewisham Town Centre Transport Study Report Addendum (2012)</p> <p>Lewisham Borough Wide</p>

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
			Capacity Policy 6.13 Parking Policy 8.2 Planning Obligations		Transport Study (2010) Lewisham Local Implementation Plan (2011)
Public Realm	Policy 12 Open Space and Environmental Assets Policy 15 High Quality Design for Lewisham	Policy 19 Shopfronts, Signs and Hoardings Policy 25 Landscaping and Trees Policy 27 Lighting Policy 30 Urban Design and Local Character Policy 35 Public Realm	Policy 6.9 – Cycling Policy 6.10 – Walking Policy 7.3 – Designing out Crime Policy 7.4 – Local Character Policy 7.5 – Public Realm Policy 7.6 – Architecture Policy 7.18 – Protecting Local Open Space and Addressing Local Deficiency Policy 7.19 – Biodiversity and Access to Nature Policy 7.21 – Trees and Woodland Policy 8.2 Planning Obligations	NPPF – Paragraphs 35, 57 and 58	Lewisham’s Control of pollution and noise from demolition sites Code of practice (2008) Lewisham Noise Mapping Study (2012) Lewisham Air Quality Action Plan (2008) London Borough of Lewisham Streetscape Guide Lewisham Borough Wide Character Study (2010) North Lewisham Links Strategy (2007) Deptford and New Cross Masterplan (2007)
Childrens Play Space	Policy 12 Open Space and Environmental Assets Policy 15 High Quality Design for Lewisham	Policy 19 Shopfronts, Signs and Hoardings Policy 25 Landscaping and Trees Policy 27 Lighting Policy 30 Urban Design and Local	Policy 3.6 Children and young people’s play and informal recreation facilities Policy 8.2 Planning Obligations	Shaping Neighbourhoods: Play and Informal Recreation SPG, Mayor of London 2012.	Children & Young People’s Plan 2012-2015

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
		Character Policy 35 Public Realm and Street Furniture			
Carbon Offsetting	Policy 7 Climate Change and Adapting to the Effects Policy 8 Sustainable Design and Construction and Energy efficiency.	DM Policy 22 Sustainable Design and Construction	Policy 5.2 Minimising Carbon Dioxide Emissions Policy 5.3 Sustainable Design and Construction Policy 5.4 Retrofitting Policy 8.2 Planning Obligations	NPPF – Paragraphs 94 - 98	Lewisham Renewables Evidence Base Study (2010) Lewisham Town Centre Local Plan Low Carbon and Decentralised Energy Strategy Recommendations
Environmental Protection	Policy 9 Air Quality	Policy 23 Air Quality Policy 26 Noise and Vibration Policy 28 Contaminated Land	Policy 7.14 Improving Air Quality Policy 7.15 Reducing noise and enhancing soundscapes Policy 8.2 Planning Obligations	NPPF – Paragraphs 109, 123 and 124	Lewisham’s Control of pollution and noise from demolition sites Code of practice (2008) Lewisham Noise Mapping Study (2012) Lewisham Air Quality Action Plan (2008) London Borough of Lewisham Streetscape Guide
Flood Risk and Water Management	Policy 10 Managing and Reducing the Risk of Flooding Policy 11 River and Waterways network		Policy 5.3 Sustainable Design and Construction Policy 5.12 Flood Risk Management Policy 5.13 Sustainable Drainage Policy 5.14 Water Quality and Wastewater	NPPF Paragraphs 94, 95, 99, 100, 101, 102, 103 and 104 Flood and Water Management Act 2010 London Climate Change Adaptation Strategy (2008) The London Rivers Action Plan	Local Biodiversity Action Plan – A Natural Renaissance for Lewisham Lewisham Strategic Flood Risk Assessment (2008) Lewisham Flood Risk and Development Sequential Test (2009)

Topic	Core Strategy (June 2011)	Development Management Local Plan Policies	London Plan (July 2011) Policies	National and Other Regional Policies & Guidance	Other Relevant Guidance
			Infrastructure Policy 5.15 Water Use and Supplies	Mayor's Supplementary Guidance: Sustainable Design and Construction Thames Catchment Flood Management Plan and TE2100 Plan Thames River Basin Management Plan	Ravensbourne River Corridor Improvement Plan (2010)
Biodiversity	Policy 12 Open space and environmental assets	DM Policy 24 Biodiversity, living roofs and artificial playing pitches DM Policy 25 Landscaping and Trees	Policy 5.10 Urban Greening Policy 5.11 Green Roofs and Development Site Environs Policy 7.19 Biodiversity and Access to Nature Policy 7.21 Trees and Woodland Policy 8.2 Planning Obligations	NPPF Paragraphs 7, 99, 109, 113, 114, 118, 119 and 125 East London Green Grid Framework SPG Mayor of London's Biodiversity Strategy (2002)	Local Biodiversity Action Plan – A Natural Renaissance for Lewisham

Agenda Item 11

COUNCIL		
Report Title	CONSTITUTIONAL CHANGES	
Key Decision	N/A	
Ward	All	
Contributors	Head of Law	
Class	Part 1	Date 25 February 2015

1 Summary

This report brings to the attention of the Council changes to the law that allow electronic service of papers for Council meetings. It also brings to the attention of members the requirement to establish a Pension Board and asks for constitutional amendments to reflect these changes. Changes to the Constitution are recommended in accordance with the views of the Council's Constitution Working Party.

2 Purpose

The purpose of this report is to ensure that full Council amend the Constitution to reflect changes in the law, so that the Constitution remains fit for purpose.

3 Recommendation

- 3.1 That the Constitution be amended as set out in paragraphs 4.7 and 6 of this report.
- 3.2 That the Council establish a Pension Board with effect from 1st April 2015 with the detailed terms of reference set out in Appendix 1 of this report.
- 3.3 To make appointments to the Pension Board at the earliest opportunity.
- 3.4 To agree that the remuneration for non-councillor members of the Pension Board be equivalent to that paid to co-opted members of the Council's Standards Committee from time to time.
- 3.5 To delegate to the Head of Law authority to amend the Council's Member Code of Conduct to reflect the particular circumstances of the Pension Board and ask that she circulate it to the Board members once appointed.

4 Electronic service

- 4.1 The Local Government Act 1972 (as amended) makes detailed provisions about notice of Council meetings and access to reports about matters that will be discussed at the meetings of Council and its decision making bodies.
- 4.2 As part of its modernising agenda, on 7th January 2015 the Local Government (Electronic Communications) (England) Order SI 2015/5 was laid before Parliament. It came into force on 30th January this year.
- 4.3 It provides that at least five clear days before a meeting a notice of the time and place of the intended meeting must be published at the Council's offices and if the meeting is called by members it must be signed by those members. This re-iterates existing law.
- 4.4 However the Order also amends the law so that in future the summons for meetings may be served on members either
- (1) by post to, or leaving at, their usual place of residence, or a different address specified by the member; or
 - (2) by sending in electronic form to a particular electronic address where the member has consented to electronic transmission to that address.
- 4.5 The upshot is that in future all papers for Council meetings may be served on members electronically should they so consent.
- 4.6 The summons must be "authenticated" , namely signed or otherwise authenticated in such manner as the proper officer thinks fit.
- 4.7 To give effect to this change in the law, officers recommend that Para C5 of the Constitution be amended to read as follows:-

"5 Notice of place of residence or alternative

5.1 At least 5 clear days before a Council meeting, the proper officer will publish at the Council's offices and on the Council's website, notice of the time and place of the intended meeting and, where the meeting is called by members of the Council, the notice shall be signed by those members and shall specify the business proposed to be transacted at the meeting.

5.2 The proper officer will send to every member of the Council a summons to attend the meeting , specifying the business proposed to be transacted at the meeting and authenticated by the proper officer. The summons may be served by:-

(a) sending it to, or leaving it at the member's usual place of residence; or

(b) where the member has specified an address other than their usual place of residence, by sending it to, or leaving it at, that other address; or

(c) where the member has given consent for the summons to be transmitted in electronic form to a particular electronic address (and consent has not been withdrawn) sending it in electronic form to that address.

5.3 In paragraph 5.2 above “authenticated” means signed or otherwise authenticated in such manner as the proper officer thinks fit”

4.8 It is proposed that authentication should be by actual or electronic signature of the Chief Executive.

4.9 There are no changes to the public’s access to information.

5 Pension Board

5.1 The Council is the administering authority for the Local Government Pension Scheme (LGPS) in Lewisham. It administers the scheme not only for the Council itself but also the employers who are scheduled or have admitted body status such as Phoenix and Lewisham Homes.

5.2 The Government has recently put in place a framework for the governance of the LGPS nationally. Under the Local Government Pension Scheme (Amendment) Regulations 2015 (the Regulations) a national scheme advisory board is to be appointed to advise the Secretary of State on changes to the LGPS and to provide advice to administering authorities in relation to the management of local schemes and their funds. A shadow national board is already in place. The regulations also provide for the establishment of local pension boards whose role is to assist administering authorities to secure compliance with the LGPS regulations and other legal requirements and generally to ensure that there is efficient and effective governance and administration of the fund at a local level.

5.3 Key features of the regulations are as follows:-

- (1) Each administering authority must establish a local Pension Board by 1st April 2015.
- (2) The role of the Board is to assist the administering authority with compliance issues and effective governance and administration.
- (3) The Pension Board may only be established as a committee of the Council with the approval of the Secretary of State.
- (4) Costs of the Pension Board are chargeable to the pension fund.

- (5) It is for the administering authority to determine the membership of the Pension Board, how they are appointed and removed, and their terms of appointment. However, the Board must include in equal number, at least 4 in total, employer and scheme member representatives. Unless the Pension Board is established, with Secretary of State consent, as a formal committee of the Council, only scheme member representatives and employer representatives may vote. Should it wish to do so, the Council may appoint other members to the Pension Board, but they are not entitled to vote.
- (6) Scheme member and employer representatives must have the capacity to represent scheme members and employer respectively and the Council must satisfy itself on this point.
- (7) Councillors and officers who have any responsibility for management or administration of the fund may not be appointed to the Pension Board. Any elected councillors appointed to the Board must be appointed as either an employer or scheme member representative.
- (8) The members of the Pension Board must not have a conflict of interest (as defined in S5(5) Pensions Act 2013), and the administering authority must satisfy itself on this point and check from time to time that this is the case. Board members must supply such information as the administering authority requires to substantiate this. For these purposes a conflict of interest is a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the Board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).
- (9) The Secretary of State may issue guidance in relation to pension boards, and the administering authority must have regard to it. To date none has been issued by the Secretary of State, though the Pensions Regulator has done so and the Shadow Advisory Group has issued a template for the Board's terms of reference. Regard should be had to both. The contents of Appendix 1 are largely based on these documents with some amendment to fit local circumstance.
- (10) The Pension Working Group (PWG), consisting of members and officers, chaired by Councillor Ingleby, has considered the new legislation since its formative stage and proposed detailed Terms of Reference. Those detailed terms of reference were considered by the Constitution Working Party which agreed that those now appearing at Appendix 1 to this report should be recommended to Council to direct the operations of the Pension Board when it is established. The only significant difference from the recommendations of the PWG is that the core functions of the Pension Board are defined in the broadest of terms in Appendix 1 so that the Board will have the flexibility to decide upon its own activities so long as they reflect the regulatory requirements which define them.

6. To give effect to this legislative change it is proposed that the Constitution be amended to insert a new Article 9.6 which should be worded as follows:-

“9.6 *The Council will appoint a Pension Board as set out in the first column of the table below, with the composition set out in the second column and the terms of reference set out in the third column*

<i>Pension Board</i>	<i>Composition</i>	<i>Terms of reference</i>
<i>Pension Board</i>	<p><i>2 employer representatives, and</i></p> <p><i>2 scheme member representatives,</i></p> <p><i>all of them appointed in accordance with the Pension Board detailed Terms of Reference as approved and published by the Council from time to time</i></p> <p><i>One other member as the Council may from time to time appoint to act as independent Chair, such member not to have any voting rights.</i></p>	<p>To fulfil the statutory functions imposed upon Pension Boards by the Pensions Act 2013, the Local Government Pension Scheme (Amendment) Regulations 2015, any amendment thereto and any other relevant legislation in place from time to time</p> <p>In particular to assist the Council and advise it upon measures as administering authority to secure compliance with the Local Government Pension Scheme Regulations and other legal requirements , and generally to ensure that there is efficient and effective governance and administration of the fund at a local level.</p> <p>To report annually to the Council in relation to the above for inclusion in the Council’s annual governance statement</p>

7 Pension Board Detailed Terms of Reference

7.1 The document appearing at Appendix 1 broadly reflects the guidance and template from the Pensions Regulator and national Scheme Advisory Board with amendments proposed to reflect local circumstances. Key features are highlighted below.

Code of Conduct

- 7.2 It is suggested that Board members should, so far as possible, be subject to the same requirements relating to their conduct as are local councillors. Certain exceptions would exist (e.g. provisions relating to matters that do not constitute a conflict of interest and the fact that there is no legal provision which would make it a criminal offence not to declare disclosable pecuniary interests). It is recommended that the Head of Law, having consulted the Executive Director for Resources and Regeneration, be authorised to adapt the existing Member Code of Conduct to fit the circumstances of the Pension Board and circulate it to members of the Board when appointed.

Independent Chair

- 7.3 Paragraph 11 of Appendix 1 refers to the appointment of an independent Chair, who as an independent, by law would have no voting rights. This accords with the template terms of reference provided by the Shadow Advisory Board, who suggest that the Board should, where possible, make decisions by consensus. Instances of failure to reach consensus should be recorded and published. (paragraph 23(c)). Members' attention is drawn to the restrictions to be imposed on the Chair at paragraph 22(b).

No substitutes

- 7.4 Paragraph 14 and paragraph 18 – it is proposed that substitutes should not be appointed.

Appointment of member representatives

- 7.5 Paragraph 15(a) relates to the appointment of scheme member representatives. It is proposed that 1 member representative should be appointed by recognised trade unions. To be clear about this, officers recommend that the scheme member representative appointed by this method should be nominated by the trade union with the largest number of Lewisham scheme members in its membership. Paragraph 15(b) suggests that one further member representative should be appointed by a transparent process open to all Fund members and approved by the Council.

Appointment of employer representatives

- 7.6 It is proposed that 2 employer representatives be appointed by the Council where all employers have been asked to submit their interest in undertaking the role of employer representative on the Board.

Term of office

- 7.7 Paragraph 25 – It is proposed that the usual term of office of those appointed to the Pension Board be 4 years from the Annual General Meeting (AGM) at the beginning of a Council administration to the first AGM after the next

Council election. It is proposed initially that 1 scheme member representative and 1 employer representative appointed in 2015 should serve until the AGM in 2017. It is also suggested that 1 scheme member and 1 employer representative be appointed until the AGM in 2018. This would stagger the termination of the initial Board members' period in office.

Meeting frequency

- 7.8 Paragraph 35 – It is suggested that meetings must be held at least once per year with the possibility of more being called at the discretion of the Board.

Board administration

- 7.9 The proposal is for the Board to proceed as if it were a Council committee in so far as access to information and records are concerned.

Quorum

- 7.10 A meeting will only be quorate if at least 50% of both member and employer representatives are present.

8 Legal implications

- 8.1 The legal implications are set out in the body of the report. The proposals in this report reflect new legal duties imposed upon the Council. The Council is required to maintain its Constitution which contains the rules by which Council business is conducted. A copy will be available on the Council's website. The CWP was established to advise the Council on any proposed changes, and it is for full Council to agree any amendment to the existing constitution.
- 8.2 Once a decision has been made in relation to the Pension Board, the Council must comply with publication requirements pertaining to the establishment of the Board, its members and terms of reference.
- 8.3 Members are asked to agree that a payment be made to those appointed to the Pension Board. It is noteworthy that the Board is not to be established as a formal Council committee and it is not necessary for any of those appointed to the Board to be councillors. Those appointed to the Board (other than those who may also be elected councillors) will not be members of the Council. However, applying the principles pertaining to the Standards Committee, it is not proposed that any payment be made to an elected councillor appointed to the Pension Board. In respect of members of the Board who are not councillors, it is proposed that they receive payment equivalent to the allowance paid to the co-opted members of the Standards Committee at any time. This currently stands at £600 per annum.
- 8.4 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil

partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 8.6 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.
- 8.7 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.
- 8.8 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/>
- 8.9 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
- 8.10 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/>

9 Financial implications

- 9.1 With regard to electronic service of meeting papers, there are no financial implications arising directly from this report, though if as a result there is a reduction in the need to produce paperwork for meetings, this may reduce printing costs. The extent will depend on the level of take up by members of the alternative means of service.
- 9.2 The costs of the Pension Board are recoverable from the Fund

10. Environmental Implications

There are no specific implications

11. Equalities implications

There are no specific implications arising.

For further details please contact Kath Nicholson: 020 8314 7648

LOCAL PENSION BOARD OF THE LONDON BOROUGH OF LEWISHAM
DETAILED TERMS OF REFERENCE

Introduction

1. This document sets out the terms of reference of the Local Pension Board of the London Borough of Lewisham (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. the Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
2. The Board is established by the Administering Authority and operates independently of the Pension Investment Committee. Relevant information about its creation and operation are contained in these Terms of Reference.
3. The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.
4. The Board shall be constituted separately from the Pension Investment Committee constituted under Section 101 of the Local Government Act 1972 with delegated authority to execute the function of the Administering Authority.

Interpretation

5. The following terms have the meanings as outlined below:

'the Act'	The Public Service Pensions Act 2013
'the Code'	means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes
'the Committee'	London Borough of Lewisham's Pension Investment Committee who has delegated decision making powers for the Pension Fund in accordance with Section 101 of the Local Government Act 1972.

‘the fund’	means the Pension Fund that is managed and administered by the London Borough of Lewisham as Administering Authority.
‘the Guidance’	means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.
‘the Regulations’	means the Local Government Pension Scheme Regulations 2013 (as amended from time to time); the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time), including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).
‘Relevant legislation’	means relevant overriding legislation as well as the Pension Regulator’s Codes of Practice as they apply to the Administering Authority and the Board, notwithstanding that the Codes of Practice are not legislation.
‘the Scheme’	means the Local Government Pension Scheme in England and Wales.

Statement of Purpose

6. The purpose of the Board is to assist the London Borough of Lewisham in its role as a scheme manager of the Scheme. Such assistance is to:
 - (a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pension Regulator in relation to the Scheme and;
 - (b) to ensure the effective and efficient governance and administration of the Scheme.

Duties of the Board

7. The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should be subject to and abide by the code of conduct for Board members.

Establishment

8. The Board is established on 1 April 2015.

Membership

9. The Board shall consist of 4 voting members, as follows:
 - 2 Scheme Representatives; and
 - 2 Employer Representatives.
10. There shall be an equal number of Member and Scheme Employer Representatives.
11. There shall also be one other member who will be appointed as Chair, who is not entitled to vote.

Scheme Member Representatives

12. Scheme Member representatives shall either be scheme members or have capacity to represent scheme members of the Fund.
13. Scheme Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
14. Substitutes shall not be appointed.
15. A total of 2 Scheme member representatives shall be appointed as follows:-
 - (a) 1 Scheme member representative shall be nominated by the trade union with the largest number of Lewisham Scheme members in its membership.
 - (b) 1 Scheme member representative shall be nominated by a transparent process open to all Fund members and approved by the Council.

Employer Representatives

16. Employer representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the London Borough of Lewisham who is responsible for the discharge of any function of the London Borough of Lewisham under the Regulations may serve as a member of the Board.
17. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
18. Substitutes shall not be appointed.

19. A total of 2 employer representatives shall be appointed to the Board by the Council where all employers have been asked to submit their interest in undertaking the role of employer representative on the Board.

Other Members

20. The independent member (Chair) shall be appointed to the Board by the agreement of the London Borough of Lewisham.
21. Other members (who are not scheme member nor employer representatives) do not have voting rights on the Board.

Appointment of Chair

- 22(a) Subject to the meeting arrangements in paragraphs 35 to 37 below a Chair shall be appointed for the Board using the processes listed below:
- 22(b) An independent chair is to be appointed by the London Borough of Lewisham but shall count as an 'other' member under paragraphs 20-21 above. In this respect the term independent means having no existing employment, financial or other material interest in either the London Borough of Lewisham or any scheme employer in the Fund and not being a member of the Fund. The appointment of the Chair shall be subject to the passing of a motion to confirm by a majority of the employer and member representatives of the Board.

Duties of Chair

23. The Chair of the Board:
- (a) Shall ensure the Board delivers its purpose as set out in these Rules of Procedure.
 - (b) Shall ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered, and
 - (c) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

Notification of appointments

24. When appointments to the Board have been made the London Borough of Lewisham shall publish the name of Board members, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

Term of Office

25. Board members shall normally be appointed at the first AGM following a local Council election and serve until the first AGM after the next local Council election. Extensions to terms of office may be made by the London Borough of Lewisham with the agreement of the Board.
26. Initially the Council will appoint:
 - (a) 1 employer representative and scheme member to serve until the Council's AGM in 2017
 - (b) 1 employer representative and scheme member representative to serve until the Council's AGM in 2018.
27. A Board member may be appointed for further terms of office using the methods set out in paragraphs 15 and 19.
28. Board membership may be terminated prior to the end of the term of office due to:
 - (a) A member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.
 - (b) A member representative no longer being a scheme member or a representative of the body on which their appointment relied.
 - (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
 - (d) A Board member no longer being able to demonstrate to the London Borough of Lewisham their capacity to attend and prepare for meetings or to participate in required training.
 - (e) The representative being withdrawn by the nominating body and a replacement identified.
 - (f) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
 - (g) A Board member who is an elected member becomes a member of the Committee.
 - (h) A Board member who is an officer of the London Borough of Lewisham becomes responsible for the discharge of any function of the London Borough of Lewisham under the Regulations.

Conflicts of interest

29. All members of the Board must declare to the London Borough of Lewisham on appointment and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Board.
30. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.
31. On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the London Borough of Lewisham shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

Knowledge and understanding (including Training)

32. Knowledge and understanding must be considered in light of the role of the Board to assist the London Borough of Lewisham in line with the requirements outlined in paragraph 6 above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.
33. Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy framework.
34. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Meetings

35. The Board shall as a minimum meet 1 time each year, but may determine to meet more regularly.
36. The Chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board, including telephone conferencing and emails.

Quorum

37. A meeting is only quorate when at least 50% of both scheme member and employer representatives are present.
38. A meeting that becomes inquorate may continue but any decisions will be non-binding.

Board administration

39. The agenda and supporting papers will be issued at least 5 working days (where practicable) in advance of the meeting except in the case of matters of urgency.
40. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.
41. The minutes may with the agreement of the Board, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.
42. Officers shall arrange such advice as is required by the Board subject to such conditions as are listed in these Terms of Reference for the use of the budget set for the Board.
43. Officers shall ensure an attendance record is maintained along with advising the London Borough of Lewisham on allowances and expenses to be paid under these terms.

Public access to Board meetings and information

44. Generally the public will be given access to Board meetings, if they would be entitled to access to its meeting if it were established as a formal Council Committee.
45. Observers are welcome to record any part of any board meeting that is open to the public. The Council cannot guarantee that anyone present at a board meeting will not be filmed or recorded by anyone who may then use the image or sound recording.
46. The following will be entitled to attend Board meetings in an observer capacity:

- (a) Members of the Pensions Investment Committee;
- (b) Any person requested to attend by the Board.

Any such attendees will be permitted to speak at the discretion of the Chair.

47. In accordance with the Act the London Borough of Lewisham shall publish information about the Board to include:
- (a) The names of Board members and their contact details.
 - (b) The representation of employers and scheme members on the Board.
 - (c) The role of the Board.
 - (d) These Terms of Reference.
48. The London Borough of Lewisham shall also publish other information about the Board including:
- (a) Agendas and minutes
 - (b) Training and attendance logs
 - (c) An annual report on the work of the Board to be included in the Fund's own annual report.
49. All or some of this information may be published using the following means or other means as considered appropriate from time to time:
- (a) On the Fund's website.
 - (b) As part of the Fund's Annual Report.
 - (c) As part of the Governance Compliance Statement.
50. Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

Expenses and allowances

51. The London Borough of Lewisham will reimburse the reasonable travel expenses of Board members in line with the London Borough of Lewisham's policy on expenses as set out in the Council's Constitution.
52. The London Borough of Lewisham shall pay allowances to Board members equivalent to the allowance paid to a co-opted member. In 2015/16 this is £600 per annum.

Budget

53. The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund. The full

Council will approve its budget on an annual basis. The budget will be managed by and at the discretion of the Board.

Core functions

54. The first core function of the Board is to assist the London Borough of Lewisham in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme.
55. The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme.
56. In support of its core functions the Board may make a request for information to the Committee or Council officers with regard to any aspect of the London Borough of Lewisham's function. Any such request should be reasonably complied with in both scope and timing subject to data protection.
57. In support of its core functions the Board may make recommendations to the Committee or Council officers which should be considered and a response made to the Board on the outcome within a reasonable period of time.

Reporting

58. The Board should in the first instance report its requests, recommendations or concerns to the Committee or Council officers. In support of this any member of the Board may attend a Committee meeting as an observer.
59. Requests and recommendations should be reported under the provisions of paragraphs 57 and 58 above.
60. The Board should report any concerns over a decision made by the Committee to the Committee subject to the agreement of at least 50% of voting Board members provided that all voting members are present. If not all voting members are present then the agreement should be of all voting members who are present, where the meeting remains quorate.
61. On receipt of a report under paragraph 60 above the Committee should within a reasonable period, consider and respond to the Board.

- 62. Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website and in the Fund's annual report.
- 63. Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee under paragraph 60 and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.
- 64. The appropriate internal route for escalation is to the Monitoring Officer.
- 65. The Board may report concerns to the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.
- 66. Board members are also subject to the requirements to report breaches of law under the Act and the Code [and the whistleblowing provisions set out in the London Borough of Lewisham's whistleblowing policy].

Review of terms of reference

- 67. These Terms of Reference shall be reviewed on each material change to those part of the Regulations covering local pension boards and at least every 12 months.
- 68. These Terms of Reference were adopted on [INSERT DATE]

.....
Signed on behalf of the London Borough of Lewisham
Kath Nicholson, Monitoring Officer

.....
Signed on behalf of the Board

COUNCIL		
Report Title	Motion in the name of Councillor Egan to be seconded by Councillor Handley	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 25 2015

"The Council notes that:

i) The Local Government Association (LGA) has recently highlighted the importance of affordable homes in meeting the housing aspirations of Lewisham residents;

ii) The SHOUT campaign (Social Housing Under Threat) was launched in June 2014 by housing professionals to promote the importance of social rented housing as a major part of solving the national housing crisis;

iii) Our ability to provide affordable housing for our people has been restricted by welfare cuts, the 'bedroom tax' and homes lost through Right to Buy.

The Council therefore resolves:

i) To support the SHOUT campaign and their aim to have 'a genuinely affordable, flourishing and fair social housing sector';

ii) To ask the Chief Executive and other officers of the Council to continue working to maximise the supply of affordable housing, including social rented housing where appropriate, and to use housing supply to stimulate economic growth and jobs."

Agenda Item 13

COUNCIL		
Report Title	Motion in the name of Councillor Reid to be seconded by Councillor Daby	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 25 2015

Motion – Ending Female Genital Mutilation (FGM)

“FGM is defined by the World Health Organisation as "all procedures that involve partial or total removal of the external female genitalia, or other injury to the female genital organs for non-medical reasons". There is no cultural or religious justification for FGM and it has been illegal in this country since 1985. If it is performed on a British citizen in the UK or overseas it is a crime.

FGM can leave women and girls traumatised as well as in severe pain, with medical difficulties, cause difficulties in child birth, and in some rare cases it can lead to death. Current prevalence studies estimate that as many as 60,000 women and girls in the UK could be at risk of FGM, and over 125,000 may already be living with the consequences (Equality Now and City University July 2014).

This motion calls on Lewisham Council to work towards ending FGM, by exercising its statutory duty to safeguard children and protect and promote the welfare of all women and girls. For the council to raise awareness in Primary and Secondary Schools, to work with Health Partners, Police and other Statutory Agencies including Children Services and Community Safety Services to stop the practice of FGM. Additionally, to work with other relevant partners, as well as with appropriate local community groups and both parents to support the long term abandonment of the practice. Support is needed to those women and girls who suffer from the long term effects of FGM.

The motion recognizes that FGM is part of the Councils Safer Lewisham Partnership Strategy to prevent Violence Against Women and Girls (VAWG), but calls on the council to be more proactive with preventative work and partnership work to rule out FGM in Lewisham.”

COUNCIL		
Report Title	Motion 3 in the name of the Mayor to be seconded by Councillor Hall	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: February 25 2015

Modern Charter for Local Freedom

“The United Kingdom is one of the most centralised states in the world. Compared to other democracies, local government is relatively weak, lacking the means to raise sufficient income to meet local needs and sufficient and effective powers over services such as health, the police and education.

Instead of being a relationship of equals, local government is the junior partner, reliant on central government for most of its funding, and subject to numerous restrictions and diktats. As the vast majority of council funding comes from central government, local councils often have to make cuts imposed by central government.

Since 2010, local government funding has been allocated more on population and less on need, a cynical move by the Tory-Lib Dem Coalition to shift funding away from areas of greatest need to the wealthier areas. As a result, deeply regressive cuts of 38.2% have since hit the poorest areas hardest, and now Central government cuts will force Lewisham Council into making a further £85m of savings over the next three years.

To address these issues, Lewisham Council affirms its commitment to the overarching principle of achieving a fairer distribution of resources among all regions and localities, with the objective of reducing inequalities. We therefore call for greater freedoms to raise income locally that will better enable us to protect our community from the ravages of austerity enforced by the Coalition while at the same time calling for the retention of some centrally-allocated funding based on the restoration of a needs-based formula to support boroughs such as Lewisham that have the greatest needs.

The Modern Charter for Local Freedom, produced by the Core Cities group, is a bold call for greater devolution and localism. It demands that local areas be given the freedom to decide, the freedom to invest and the freedom to deliver. It demands that local government be given the ability to raise a greater proportion of its income, and to play a greater role in taking decisions and overseeing local services. In return, local areas will commit to creating stronger local economies, investing more in local infrastructure, improving local services, and devolving decision-making further down to local communities, neighbourhoods and individuals.

Lewisham Council therefore resolves to:

- Sign the Core Cities' Modern Charter for Local Freedom
- Campaign for further devolution and greater localism
- Support a fairer distribution of resources based on the restoration of needs-based central funding.”