

Public Accounts Select Committee Agenda

Tuesday, 10 March 2015

7.00 pm

Committee Room 2
Civic Suite
Lewisham Town Hall
London SE6 4RU

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This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed except for item number 11 which is on a separate Part 2 Agenda. For legal reasons, this item will be considered in private with the press and public excluded.

Part 1

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Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Tuesday, 10 March 2015.

Barry Quirk, Chief Executive
Thursday, 26 February 2015

Councillor Jamie Milne (Chair)	
Councillor Mark Ingleby (Vice-Chair)	
Councillor Abdeslam Amrani	
Councillor Chris Barnham	
Councillor Ami Ibitson	
Councillor Roy Kennedy	
Councillor Helen Klier	
Councillor Jim Mallory	
Councillor John Muldoon	
Councillor Crada Onuegbu	
Councillor Alan Hall (ex-Officio)	
Councillor Gareth Siddorn (ex-Officio)	

MINUTES OF THE Public Accounts Select Committee Thursday, 5 February 2015 at 7.30pm

PRESENT: Councillors Jamie Milne (Chair), Abdeslam Amrani, Chris Barnham, Ami Ibitson, Mark Ingleby (Vice Chair), Roy Kennedy, Helen Klier, Jim Mallory, John Muldoon, Crada Onuegbu and Alan Hall

APOLOGIES: None.

ALSO PRESENT: David Austin (Head of Corporate Resources), Councillor Kevin Bonavia (Cabinet Member Resources), Aileen Buckton (Executive Director for Community Services), Sir Steve Bullock (Mayor), Charlotte Dale (Overview and Scrutiny Manager), Alan Docksey (Head of Resources & Performance, CYP), Rob Holmans (Director of Regeneration and Asset Management), Mark Humphreys (Group Finance Manager, Customer Services), Genevieve Macklin (Head of Strategic Housing), Barrie Neal (Head of Corporate Policy and Governance), Georgina Nunney (Principal Lawyer), Roger Raymond (Scrutiny Manager), Justine Roberts (Change and Innovation Manager), Janet Senior (Executive Director for Resources & Regeneration), Kevin Sheehan (Executive Director for Customer Services), Ian Smith (Director Children's Social Care) (Directorate for Children & Young People, LBL), Selwyn Thompson (Group Finance Manager – Budget), Warwick Tomsett (Head of Commissioning Strategy & Performance, Resources, CYP), Katie Wood (Scrutiny Manager).

1. Minutes of the meeting held on 10 December 2014

- 1.1 RESOLVED: That the minutes of the meeting held on 10 December 2014 be signed as an accurate record of the meeting.

2. Declarations of Interest

- 2.1 The following non-pecuniary declarations of interest were declared:

Councillor Muldoon - lead governor of SLAM NHS Foundation Trust & member of Labour's Finance and Industry Group.

Councillor Alan Hall - Phoenix Community Housing Board Member.

Councillor Onuegbu - SLAM NHS Foundation Trust Board Member.

Councillor Ingleby – Chair of the Friends of Grove Park Nature Reserve.

3. 2015/16 Budget Report

- 3.1 Sir Steve Bullock (Mayor of Lewisham) addressed the Committee, highlighting the following key points:

- The overall gap between available resources and required expenditure is £39m.
- There are £28m of savings earmarked for next year, with £1.5m of those a carry-over from last year.
- Some of the required expenditure will be covered by using the Council's reserves.
- Some of the overspend over the past year is due to unforeseen demand-driven expenditure during the year, such as the increase in those who have declared themselves homeless and in temporary accommodation.

3.2 Councillor Kevin Bonavia (Cabinet Member Resources) addressed the Committee, highlighting the following key points:

- The Council would still need to look at further budget savings in later years due to the cuts in Government grant.
- The Coalition Government's policy in areas such as No Recourse to Public Funds and Welfare Reform is causing some of the budgetary pressures.
- There is a danger that some of the budgetary pressures could become structural.

3.3 Cllr Alan Hall (Chair of Overview & Scrutiny) spoke to the Committee, highlighting the following key points:

- The budgetary process that Lewisham has embarked on has never occurred in Lewisham's history, with the Government grant being cut by a third, causing significant savings to be made.
- The downward trajectory of spending is a result of the politics of 'austerity' by the Coalition Government.
- The budgetary process is unique to Lewisham, with extensive pre-decision scrutiny of the proposed budget.
- Staff should be thanked for their work in co-ordinating such a difficult process.
- Budget savings updates need to be considered by the relevant Select Committees.
- Staff needed to be supported through the changes and concerns raised about the changes needed to be addressed.
- The Budget process needed to be evaluated to see what went well; and learn lessons from what could have been done better.

3.4 David Austin (Head of Corporate Resources) introduced the budget element of the report, highlighting the following key points:

- 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 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 £245.5m. This is made up of provisional Settlement Funding from government of £159.3m (grant and business rates), forecast Council

Tax receipts, and a surplus on collection of Council Tax in previous years from the Collection Fund.

Reports of the Youth Service and Public Health Working Groups

- 3.5 Councillor Johnston-Franklin addressed the Committee in relation to the Youth Service Working Group. The key points to note were:
- Base savings of £1.4m were proposed for the Youth Service with further savings programmed for future years (for which there were a number of options, including setting up an Employee Led Mutual).
 - The Working Group was set up to look at these proposals and their implications in more depth.
 - The Working Group came up with a number of recommendations including ensuing further scrutiny of the detailed business plan that would be drawn up in relation to the potential mutualisation of the Youth Service.
 - It was important that, should the Employee Led Mutual not be viable, other options for the future of the Youth Service would remain on the table.
- 3.6 It was noted that the Children and Young People Select Committee had met last night and recommended that, in relation to Recommendation 1 in the Youth Service Working Group report, all councillors should be kept updated on progress, and not just the ward members for Ladywell and Perry Vale.
- 3.7 Councillor Muldoon addressed the Committee in relation to the Public Health Working Group, spoke about the breadth of services encompassed by public health and about the views of Clinical Commissioning Group in relation to the savings proposals.
- 3.8 The following was noted:
- The Chair thanked the Working Groups for Public Health and Youth Service for the work they have done.
 - Members of the Committee agreed that all councillors should be updated on progress in terms of finding alternative providers for youth provision at Ladywell Youth Village and Rockbourne Youth Centre, not just the ward members for Ladywell and Perry Vale.

Sustainable Development and Safer, Stronger Communities Select Committees Referrals

- 3.9 The following was noted:
- Savings Proposal N1: Councillors were concerned about the expertise within, and capacity of, the park user groups and whether the proposed changes could therefore be delivered. The Mayor commented that it would not be unreasonable to delay the part of the savings proposal relating to engaging user groups and generating income and implement these in-year once further, more detailed information was available.
 - The Committee endorsed the Sustainable Development Select Committee referral and recommended that Mayor and Cabinet should take the

concerns of the Sustainable Development Select Committee into consideration before making their decision.

- Savings Proposal G1c: Councillors requested clarification on the administrative costs to the Council in relation to the Blue Badge scheme.

Budget Saving L3:

3.10 Aileen Buckton (Executive Director for Community Services), introduced the report. The key points to note were:

- The Arts Development budget is to be reduced by £40,000. This funding is currently unallocated and would have been used for development projects. The service will retain the Festival Fund and funding for Black History Month.
- Glass Mill car park income – there is a £35,000 new income target for the Glass Mill Car Park which is now operational (the council holds the freehold and is entitled to a percentage of the income).

3.11 The following was noted:

- The Committee commended the proposal to retain the Festival Fund and funding for Black History Month.
- The Council would be able to be creative with the Arts Development budget to use in the necessary areas, even though it is being reduced by £40,000.

Budget Saving L4:

3.12 Aileen Buckton (Executive Director for Community Services), introduced the report. The key points to note were:

- The proposal is to significantly reduce the operating period of the theatre. This is driven partly by the need to deliver savings but also by concerns over the ability to safely manage the scale of operations currently provided at the theatre given the building's limitations.
- The theatre will operate for two focussed programmes during the year rather than a year round provision. This will enable the theatre to continue operating with a focus on community programming such as pensioner events, local showcases etc. whilst the longer term solution for the building is developed as part of the Catford Regeneration.
- All efforts would be made to retain the pantomime season.

3.13 The following was noted:

- The Committee were concerned with the reduction in use of the Broadway Theatre, and the long-term implications this may have for its viability in the future.
- The Council should look at innovative ways to attract smaller productions to use the Broadway Theatre.
- The venue is an important venue for Black and Ethnic Minority productions and this should continue to be the case in the future.

“A” savings

3.14 The following was noted:

- The Committee were concerned about the cumulative effects of all the changes to adult social care on individuals and noted that individual service reviews would address this.

Q1: Improving Triage for Children’s Social Care Services and Redesigning the Children’s Centre and Early Intervention Offer

3.15 The following was noted:

- There will be services running from all the centres, although only four will be officially designated as Children’s Centres and retain the full range of OFSTED-inspected services.
- There will be full consultation on the proposals. Consultation is required for the deregistration of any Children’s Centres.
- This proposal was also discussed at the Children and Young People Select Committee on 4 February 2015.

3.16 The following points were made about other savings proposals:

- The Committee raised some concerns about savings proposal O1: End of the discretionary freedom pass scheme and how it would impact on those affected.
- The Committee suggested that the Mayor consider the appendix 8b before making a decision on savings proposal B1: Reduction and remodelling of supporting people service.

3.17 David Austin (Head of Corporate Resources) introduced the budget element of the report and, with respect to the treasury strategy, reported that there had been a breach in how protocols were applied.

3.18 The Committee: RESOLVED to refer the following comments to Mayor and Cabinet:

- a) The Committee noted the referrals made by the Sustainable Development and Safer, Stronger Communities Select Committees (attached at Appendix A) and the final reports of the Public Health and Youth Service Working Groups (attached at Appendix B) and asked that the Mayor takes these referrals and reports into account alongside officer reports when taking a decision on the 2015/16 Budget Report. In relation to the final report of the Youth Service Working Group, the Committee noted that, at the meeting of the Children and Young People Select Committee held on 4 February 2015, it was recommended that, in relation to Recommendation 1 of the Working Group report, *all councillors* should be kept updated on progress, and not just the ward members for Ladywell and Perry Vale.

- b) The Committee discussed and endorsed both the Working Group reports.
- c) The Committee endorsed the Sustainable Development Select Committee referral and recommended that Mayor and Cabinet should take the concerns of the Sustainable Development Select Committee into consideration.
- d) The Committee noted the Safer, Stronger Communities referral and, in relation to savings proposal G1c: Blue Badge Administration Fee, asked for a definitive note to be drawn up and circulated on the costs of producing blue badges, including the costs of administering the scheme, before Mayor and Cabinet makes a decision on this matter.
- e) The Committee would like Mayor and Cabinet to consider savings proposal L4: Broadway Theatre further, in light of the comments made by Members, including:
 - Making more innovative bookings (which require less technical support and backstage facilities)
 - Looking at external funding options
 - Preserving the Pantomime season if possible
 - Ensuring that BME productions will still have access to the theatre.
- f) In relation to the “A” savings (smarter and deeper integration of social care and health) the Committee recommended that Mayor and Cabinet pay particular attention to the cumulative impact of the proposals and the method by which this will be addressed (individual service reviews for each user).
- g) The Committee would like the Mayor to consider savings proposal Q1: Improving Triage for Children’s Social Care Services and Redesigning the Children’s Centre and Early Intervention Offer further; to ensure that vital early years services are not unnecessarily damaged.
- h) The Committee recommends that the equalities impact in respect of savings proposal O1: End of the discretionary freedom pass scheme is particularly taken into account when making a decision on this proposal.
- i) In relation to savings proposal B1: Reduction and remodelling of supporting people service, the Mayor is asked to consider the appendix 8b before making a decision on this proposal.

4. Housing pressures and the use of nightly paid accommodation

4.1 Genevieve Macklin (Head of Strategic Housing), made a presentation to the Committee. The key points to note were:

- The level of usage of “bed and breakfast” accommodation –short term emergency accommodation paid for on a nightly basis - has been increasing since 2012/13.
- As a result of the massive increase in demand for nightly paid accommodation the total annual expenditure level has increased more than sevenfold in three years. The main financial impact for the Council is

the limit set by Government on the proportion of that expenditure which can be reclaimed by the Council.

- There are a number of factors driving this increase, and despite these broadly being beyond the control of the Council, nevertheless the Council retains a statutory duty to respond to the problem and also bears the financial pressure associated with it. They include:
 - property price inflation which continues to hugely out-strip other measures of inflation, and which in turn provides incentives for landlords to seek higher rents than can be afforded by the Council or otherwise to sell their properties and cash out of the housing market while prices are high
 - on-going shortfalls in the new supply of all forms of housing and in particular affordable housing and by a general fall in the movement of current tenants within and out of existing stock.

- In response to this crisis the Council has initiated a wide ranging and assertive programme of interventions in the local housing economy, including:
 - the construction of new homes
 - the acquisition of properties for temporary accommodation purposes which provide a more sustainable and better quality alternative to bed and breakfast
 - piloting innovative methods of construction to provide more homes more quickly
 - reducing costs by negotiating with providers of emergency accommodation and landlords and procuring properties at lower cost
 - working across London on a sub-regional basis and with all London Councils on the Inter Borough Temporary Accommodation Agreement to agree rates with providers to keep costs down
 - managing demand by working more intensively to prevent homelessness
 - working on a range of policy changes order to manage demand to address this crisis

4.2 In response to questions from the Committee, the following was noted:

- The two large properties acquired by the Council to be converted into hostels in the short term in order to provide the Council with access to additional short term accommodation are Hamilton Lodge and a building on Canonbie Road.
- The purchases would be self-financing, officers would make sure that the capital cost could be covered by the rent achieved.
- The Committee commended the work of officers in attempting to tackle the issues in relation to homelessness and temporary accommodation.

4.3 RESOLVED: That the report be noted.

5. No Recourse to Public Funds Review - Final report

5.1 The Chair circulated some suggested recommendations to the Committee.

5.2 In response to questions from the Committee, and comments from Justine Roberts (Change and Innovation Manager), the following was noted:

- The Committee was given reassurances by officers that the new approach would lead to the savings predicted.
- Some 'back up' funding was being held in the corporate centre in case some individuals do not move onto benefits as quickly as anticipated.
- A Home Office officer has been embedded into the team, to help localise decision-making and aid speedy resolutions.
- The Committee commended officers for the work they have undertaken in this area.

5.3 RESOLVED: That the report be noted and the following recommendations agreed:

The Committee recommends:

- Exerting pressure on central government around NRPF in order to highlight the considerable additional pressure that local authority finances have been put under. To lobby for funding to match the costs passed to local authorities and to pursue the possibility of legal action in cases where Home Office mismanagement leave local authorities with longstanding and costly unresolved cases.
- That the Mayor makes an urgent request of the Home Secretary to explain why Local Authorities should shoulder the cost for cases lost in the Home Office's backlog.
- Supporting the robust front-door approach that has been taken by the NRPF pilot project and recommending that the pilot approach is mainstreamed and made a permanent approach.
- Building on the good work of the pilot by investigating current high-cost NRPF cases and endeavouring to bring the cost of cases down as far as practicable.
- Placing existing cases under irregular, unannounced rolling review to identify if claimants still meet criteria for support.
- Taking action to drive down the housing costs associated with those with NRPF through further improved procurement of private sector housing and seeking more sustainable long term housing solutions for those with NRPF by exploring all available housing options.
- Actively pursuing a shared service around NRPF in as wide an area in London as possible in order to better deal with the problem of NRPF.

- Immediate referral to Mayor & Cabinet at the turn of a new financial year in all cases where an area of spending doubles in the space of one financial year. In 2012 spending on people with NRPF stood at £2.2m 2012 and by 2013 had more than doubled to £5.3m. For similar cases in the future there must be a greater sense of urgency as well as more democratic control and oversight.

6. Select Committee Work Programme

6.1 The work programme was noted and Members were asked for ideas for future scrutiny to include in the Committee's 2015-16 work programme. Shared Services was suggested as one potential future scrutiny item.

6.2 RESOLVED: That the work programme be noted.

7. Items to be referred to Mayor and Cabinet

7.1 A referral to Mayor and Cabinet was made in relation to item 3 (the budget) and item 5 (NRPF Final Report).

The meeting ended at 10.05pm

Chair:

Date:

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Agenda Item 2

Committee	Public Accounts Select Committee	Item No.	2
Title	Declarations of Interest		
Wards			
Contributors	Chief Executive		
Class	Part 1	Date	10 March 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 member's participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the

meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in consideration of the matter and vote on it unless paragraph (c) below applies.

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

(6) Sensitive information

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

(7) Exempt categories

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

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

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PUBLIC ACCOUNTS SELECT COMMITTEE			
REPORT TITLE	Financial Forecasts 2014/15 as at 31 January 2015		
KEY DECISION	No	Item No.	3
WARD	N/A		
CONTRIBUTORS	Executive Director for Resources and Regeneration		
CLASS	Part 1	Date	10 March 2015

1 EXECUTIVE SUMMARY

1.1 This report sets out the financial forecasts for 2014/15 as at 31 January 2015. The key areas to note are as follows:

- A projected year-end overspend of £9.1m against the directorates' net general fund revenue budget is forecast. This is a £0.4m net reduction from the position reported to the end of December 2014 which was presented in the Budget Report 2015. This report had shown a projected year-end overspend of £9.5m reported for the period to 31 December 2014. The projections exclude the costs for staff redundancy associated with the 2015/16 budget savings process and the recently conducted voluntary severance scheme.
- The revised budget for the capital programme for the year is £139.8m and the current forecast expenditure at the year-end is £136.9m. As at 31 January 2015, some 63% of the forecast had been spent (£86.7m) which is below the figure expected on an even monthly profile if the capital programme is to be delivered in full. The comparable figure at this point last year was 69% of the forecast expenditure, with the final outturn being 96% of the revised budget.
- The Housing Revenue Account (HRA) is forecasting a surplus of £0.8m, an increase of £0.4m from the figure reported last month of £0.4m.
- The Dedicated Schools Grant (DSG) is forecast to spend to budget.
- As at 31st January 2015, council tax collection is 1.1% lower than the profiled collection rate of 84.1%, based on the higher collection rate of 96%.
- Business rates collection is 0.4% lower than the same period last year and 1.1% lower than the monthly percentage profile which is required to achieve the overall target of 99% for the year.

2 PURPOSE

2.1 To set out the Council's financial forecasts for 2014/15.

3 RECOMMENDATION

The Public Accounts Select Committee is asked to:

3.1 note the financial forecasts for the year ended 31 March 2015 and the continuing action being taken by the Executive Directors to manage down the forecasted year-end overspend.

4 POLICY CONTEXT

- 4.1 Reporting financial results in a clear and meaningful format contributes directly to the Council's tenth corporate priority which is 'inspiring efficiency, effectiveness and equity'.

5 OVERALL DIRECTORATE OUTTURN

- 5.1 The forecasts against the directorates' net general fund revenue budgets are shown in the Table 1 below. In summary, this is projecting a year-end overspend of £9.1m as at the end of January 2015, which is a reduction of £0.4m on the £9.5m overspend projected at the end of December 2014. At the same time last year an underspend of £0.3m was forecast.

Table 1 – Overall Directorate position for 2014/15

Directorate	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/ (under) spend Jan 2015	Forecast over/ (under) spend Dec 2014
	£m	£m	£m	£m	£m
Children & Young People	74.3	(20.4)	53.9	8.1	8.5
Community Services	168.0	(58.0)	110.0	(1.3)	(0.8)
Customer Services	100.9	(63.1)	37.8	3.1	2.6
Resources & Regeneration	44.5	(12.2)	32.3	(0.8)	(0.8)
Directorate Totals	387.7	(153.7)	234.0	9.1	9.5
Corporate Items	34.1	0.0	34.1	0.0	0.0
Overall Total	421.8	(153.7)	268.1	9.1	9.5

(1) – gross figures exclude £268m Dedicated Schools' Grant (DSG) expenditure and matching grant income

(2) – gross figures exclude approximately £225m matching income and expenditure for housing benefits. This figure is lower than last year due to the implementation of the Council Tax Reduction Scheme (CTRS), an effect of which is to replace benefits paid out with discounts at source

- 5.2 A sum of £3.9m was set aside in setting the 2014/15 Budget and is being held corporately for managing 'risks and other budget pressures'. These are for such items which although difficult to quantify with absolute certainty, could prove significant should they materialise over the course of the coming weeks as the year-end approaches. The Executive Director for Resources and Regeneration advises that the overall net forecast overspend position of £9.1m could in part be alleviated by the entire use of this corporately held balance, thereby bringing the overall projection down to below £5.2m.
- 5.3 The operation of the Corporate Expenditure Panel (CEP) came into effect on 23 October 2014. The establishment of the CEP has provided an additional layer of scrutiny and challenge to the existing Directorate Expenditure Panels (DEPs) and has sent the organisation a clear message of the serious financial difficulties the Council finds itself in at the current time. The avoidance of unnecessary spend has been essential for the operation of the CEP to have had any beneficial impact on bringing spend more back into line with budget by the year-end.

6 CHILDREN & YOUNG PEOPLE

- 6.1 The directorate is forecasting a year-end overspend of £8.1m. This has been set out in Table 2 and is £0.4m lower than at the end of December 2014. There was an

overspend of £3.6m being forecast at this time last year, resulting in a year-end overspend of £4.1m.

Table 2 – Children & Young People Directorate

Service Area	Gross budgeted spend	Gross budgeted income – grants*	Gross budgeted income - other	Net budget	Forecast over / (under) spend
	£m	£m	£m	£m	£m
Children's Social Care	45.9	(1.9)	(0.6)	43.4	2.7
No Recourse to Public Funds	0.7	(0.0)	(0.0)	0.7	5.8
Standards & Achievements	4.2	(0.2)	(2.2)	1.8	(0.1)
Education Infrastructure	1.4	(0.0)	(0.0)	1.4	(0.2)
Targeted Services and Joint Commissioning	13.2	(1.1)	(2.2)	9.9	0.5
Resources & Performance	8.9	(0.0)	(10.9)	(2.0)	(0.6)
Schools	0.0	(0.0)	(1.3)	(1.3)	0.0
Total	74.3	(3.2)	(17.2)	53.9	8.1

*The Government grants include the Adoption Reform Grant, SEND reform grant, Troubled Families grant and Music grant

6.2 The most significant cost pressures for the directorate fall within the children's social care service area and amount to £8.5m. These are in the following three services areas.

6.2.1 *Clients with no recourse to public funds* continue to create a significant cost pressure which now stands at £5.8m. These are families who seek support from the local authority under section 17 of the Children's Act because they claim to have no financial means of supporting themselves whilst they are in the process of attempting to regularise their stay in the UK with the Home Office. The financial forecasting system which links subsistence and rent payment to specific clients was introduced earlier in the year. However, rent payments are invoiced with the address of the property as the identifier rather than the client residing in it which makes it difficult to match rent payments to individuals.

6.2.2 There have been significant variations over the last year in overall forecasts for spend for people with no recourse to public funds. This is caused by both the complexity involved in identifying these cases and the reliability of data held in the Controc system. A detailed analysis has recently been completed which has reconciled actual spend to Controc and ICS client data. Although there is still work to be done to improve the data held in this system, officers now have a much more reliable picture of spend in this area.

6.2.3 The corporate team who remain responsible for assessing all new cases presenting to the local authority, have now transferred over all the existing cases from the CYP directorate. The current cases have been split into four different areas. The cost pressure is therefore now identified to be £5.8m for the 243 clients with no recourse to public funds being managed by the corporate team. This includes spend being incurred by the housing procurement team on behalf of no recourse clients which had not appeared in previous forecasts.

6.2.4 A total of 284 cases were transferred to the corporate team at the start of June 2014. Since this time a total of 24 clients have received assistance from the team with a

total of eight receiving more ongoing assistance following the completion of their assessment.

- 6.2.5 Active work commenced at the end of 2014 to start the process of closing cases for those identified as no longer eligible for support. This has resulted in 37 cases having local authority support terminated to date. Set against eight acceptances, this is a net reduction of 29 cases. It has not been possible at this stage to quantify the exact saving from these specific cases. However, based on an average cost of £22k per client, per annum, this would equate to a saving of some £638k.
- 6.2.6 The corporate team have been working with the Home Office to get code 1a (entitlement to mainstream benefits) granted for cases being supported by the local authority. In total, 72 have now been granted this status change. The full year impact, once all of these cases have been transitioned is £1.584m per annum.
- 6.2.7 The process for transitioning these cases has not been straightforward. Significant amendments have had to be made to assessments to ensure that the local authority is not subjected to challenge. Furthermore, the authority is seeking to introduce a comprehensive resettlement approach to the private rented sector to reduce the likelihood of representations back to our housing needs service.
- 6.2.8 There are a further 39 cases with no outstanding application with the Home Office. This could deliver savings of some £858k. However, these are likely to be more complex cases requiring the completion of human rights assessments, possible lengthy eviction proceedings and legal challenge.
- 6.2.9 The placement budget for *Looked After Children (LAC)* is currently forecast to overspend by £1.8m. This includes adoption and special guardianship orders. The numbers of LAC at the end of January is 477, which is an increase of one since the end of December 2014.
- 6.2.10 An increasing number of young people requiring support and national changes in housing benefit has created pressure on the *Children Leaving Care* budget. Also, delays in finding appropriate accommodation for some of the young people results in them remaining in expensive provision. The average caseload for the year so far is 70 against a budget assumption of 23. The budget is currently projected to overspend by £1.2m.
- 6.2.11 Close control of spending across the Social Care Division has allowed £0.3m of the supplies and services budget to be offset against the spending pressures.
- 6.3 At the end of last year, the *School Transport* budget was overspent by £0.7m. A saving was also agreed of £0.5m which was to be achieved by increasing independent travel by students and reducing the unit costs of taxis. The current forecast is an overspend of £0.9m.
- 6.4 It should be noted that the last tendering round for taxi provision resulted in some reduced costs in line with the budget proposal. There has been some progress on the increased use of independent travel, but the financial impact in the current year will be minimal. However, the underlying pressure remains and work on reducing the costs of travel assistance for 2015/16 continues to ensure the original budget saving proposal from 2014/15 can be achieved. The plans which are in place are expected to deliver an annual saving of £1m, although the pressure of pupil numbers remains.

- 6.5 There are other budget pressures within the directorate, particularly around legal fees as the family courts have once again begun seeking expert reports to support their decision making. This would create a budget pressure of £0.2m if it continues. Discussions are planned to take place with the judges to address this issue and if the outcome of these discussions is successful, then this should relieve the pressure.
- 6.6 The key unit costs and activity levels within children's social care are summarised in Table 3 below.

Table 3 – Average weekly unit costs

	Average weekly unit costs		Client numbers
	January 2014 (£)	January 2015 (£)	January 2015
Local authority fostering	357	377	205
Agency fostering	877	887	188
Residential homes	2,900	3,166	52*

* This includes 7 clients who are in residential schools

- 6.7 These weekly unit costs demonstrate the importance of the directorate's strategy for shifting the balance of provision towards fostering, as well as trying to bear down on costs. For example, every client moving from agency to local authority fostering results in a saving of around £26k per annum and around £121k for every movement from a residential placement to agency fostering.

7 COMMUNITY SERVICES

- 7.1 The directorate is forecasting an underspend of £1.3m at year end, an improvement of £0.5m on the position at the end of December 2014. At the same time last year, an underspend of £4.4m was projected with the actual results last year being an underspend of £5.1m.

Table 4 – Community Services

Service Area	Gross budgeted expenditure	Gross budgeted income	Net budget	Forecast over/ (under) spend
	£m	£m	£m	£m
Adult Services Division	106.9	(28.0)	78.9	1.7
Cultural & Community Development	22.5	(7.3)	15.3	(1.2)
Public Health	15.0	(15.0)	0.0	(1.2)
Crime Reduction & Supporting People	22.6	(8.8)	13.8	(0.3)
Strategy, Improvements & Partnerships	2.3	(0.2)	2.0	(0.3)
Total	169.3	(59.3)	110.0	(1.3)

*The net budget for Community Services has seen an in-year increase of £1.6m due to the transfer of the line management responsibility for licensing, trading standards & environmental health services. There are no significant variances being reported for these budgets.

- 7.2 The *Adult Services* division is forecast to overspend by £1.7m. This assumes achievement later in the year of savings of £0.2m in addition to savings already achieved. At the end of the last financial year, adult services underspent by £2.1m.
- 7.3 There are a number of over and underspends forecast against individual services within adult social care. The key issues to note are as follows:
- i. Social work staffing budgets are predicted to underspend by £0.1m, as at December 2014. This is net of £0.4m winter pressures funding, which will be non-recurrent. There is still a pressure due to the increased costs associated with Deprivation of Liberty Safeguards (DOLS) cases where activity has increased significantly in recent months following the recent Cheshire West court case although the projected cost in this area has reduced. The full restructure of the social work service took effect in mid-December. For the first ten months of the year, costs were higher than budgeted and this contributes to the overspend.
 - ii. The in-house day care service is forecast to underspend by £0.8m. This reflects the reduced use of the centres as more service users receive non-building based services.
 - iii. The largest overspends are on budgets for packages and placements where current forecasts are for an overspend of up to £3.1m, a reduction of £0.2m caused by review of projected spend on mental health supported accommodation. Part of this overspend is attributable to demographic factors with increasing numbers of very frail elderly, older people with dementia and younger physically disabled people. This pressure was estimated during the budget process at approximately £1m.
 - iv. A further part of the overspend matches the reduced use of in-house day care, where the realignment of budgets will reduce overspends in one area and underspends in the other.
 - v. Monitoring reports earlier in the year identified the cost pressure resulting from a lower than normal number of deaths over the winter. The pressure on older adults' budgets has continued over recent months with net increases in home care numbers increasing by 10 to 20 per month, much higher than normal at this time of year. There is evidence of increased activity from the hospital with more people being discharged who require intensive care packages. This has added to social care costs. Officers are working to analyse the cost increase in this area and will seek some additional funding from health. Local plans for use of winter pressures funding, paid by the Department of Health have included £0.3m for care packages. This has reduced, but not eliminated this cost pressure. The overspend on packages and placements also includes care provided to adults with no recourse to public funds.
- 7.4 The 2014/15 budget assumes savings of £7.2m for adult social care. As at the end of January 2015, savings of £4.9m had already been delivered. Delivery of a further £0.2m is expected in-year and is assumed in the figures in this report. Achievement of the remaining savings is not certain in this financial year. However, work is ongoing to progress these and to identify other areas where spend can be contained to offset any potential non-achievement.
- 7.5 An underspend of £0.3m is forecast for *crime reduction and supporting people*, compared to an underspend of £1.4m in 2013/14 and a projected underspend of

£0.3m as at the end of December 2014. There is a projected underspend of £0.1m on staffing in the core neighbourhood community safety team and a projected underspend of £0.1m on the crime reduction budget for once off projects following the decision to freeze uncommitted budgets. The supporting people budget is projected to underspend by £0.1m which is a result of the early achievement of part of the 2015/16 savings target. Additionally, the drug & alcohol service is now expecting an underspend of £0.1m resulting from the early achievement of 2015/16 savings.

- 7.6 In 2013/14, there was an overspend within the *youth offending service* of £0.3m as a result of the changes to the financing of secure remand and youth detention, meaning that local authorities now bear the full financial risk associated with this provision. The current year has seen a change in the balance between young people placed in secure children's homes/training centres and the less expensive young offenders' institutes. This switch has stemmed in part from a change in the way officers have assessed the young persons' vulnerability criteria. The overall number of placements has also been unusually low in the first part of the year compared with 2013/14, but this remains a volatile area of spend which is not entirely controllable in that costs are driven by the number of local young people ordered into secure remand by the courts, the severity of their offences and hence how long they are held pending the court process. There is currently a small overspend of £0.05m projected for the current year.
- 7.7 The figures for crime reduction and supporting people exclude the impact of the potential redundancy costs resulting from the reorganisation of the enforcement and regulatory service to deliver a future year budget saving of £0.8m. The early retirement/voluntary retirement (ER/VR) panel has agreed the cost of the proposed restructure pending a final decision by Mayor & Cabinet and subject to any statutory redundancy cost being funded by the service. The maximum statutory redundancy costs resulting from the reorganisation are estimated at £0.25m and this would be an additional 2014/15 budget pressure for the service.
- 7.8 From April 2013, responsibility for local public health functions transferred to local authorities. Resources to fund these new functions were transferred in the form of a specific grant of £20.2m in 2014/15. This includes £4.9m relating to drug & alcohol funding that has been managed by the council locally, so only the balance of £15.3m is managed by public health.
- 7.9 There are currently commitments against this budget totalling £14.1m. At this stage, it is assumed that none of this will be committed on new activity, but that it will be used to support eligible base budget activity. This will result in an underspend of £1.2m. This is an increase of £0.3m from last month following a review of contractual commitments and identification of an over-accrual at the end of last financial year.
- 7.10 The *cultural and community services division* is forecasting an underspend of £1.2m an increase of £0.2m against last month. This compares to an underspend of £1.0m last year. The *community sector grants* service is forecasting an underspend of £0.4m which relates primarily to a reduced contribution to the London Boroughs' Grants Scheme and a planned underspend of £0.3m against the budget for the community sector investment fund. An underspend of £0.1m is expected on the libraries budget due to management action to freeze uncommitted budgets. The leisure management budget is expected to underspend by £0.6m which is an increase of £0.1m against last month. This underspend has resulted from a

combination of factors: a managed underspend on the leisure centre-lifecycle and dilapidations budget; Downham-PFI contract reimbursements relating to events in previous years; and a VAT adjustment relating to 2013/14 energy costs for the Glass Mill Leisure Centre.

- 7.11 There is a £0.1m overspend forecast on the Deptford Lounge budget due to low levels of income generated from third party room hire which continues to be significantly lower than both the budgeted figure and income levels assumed in the original projections for the Deptford Lounge complex. The Broadway Theatre budget is forecasted to overspend by £0.1m due to slippage against delivery of 2014/15 savings.
- 7.12 An underspend of £0.1m is now projected on the Local Assemblies Fund devolved budget which has resulted from the late allocation of 2014/15 funding by some of the wards. It will not be possible to fully release all the agreed funding by 31 March 2015 and therefore, there is likely to be a request to carry forward the unspent portion of each assembly budget as an earmarked reserve.
- 7.13 Finally, a small overspend is projected on Community Education Lewisham following a 1% pay award for lecturers backdated to April 2013.
- 7.14 The *strategy, improvements and partnerships division* is projecting an underspend on staffing of £0.3m which predominantly relates to the directorate management team budget. This is a reduction on last month following allocation of the non-pay contingency that was previously held in this division.

8 CUSTOMER SERVICES

- 8.1 The directorate is forecasting a year-end overspend of £3.1m. This compares to an overspend £2.6m reported as at the end of December 2014. The projection for the same period last year was £1.9m.

Table 5 – Customer Services

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/ (under) spend
	£m	£m	£m	£m
Strategic Housing and Regulatory services	12.9	(9.9)	3.0	2.1
Environment	38.7	(19.2)	19.5	0.6
Public Services*	38.6	(32.6)	6.0	0.2
Strategy & Performance (including IM&T)	10.7	(1.4)	9.3	0.2
Total	100.9	(63.1)	37.8	3.1

* excludes £225m of matching income and expenditure in respect of housing benefits

- 8.2 The strategic housing and regulatory services is forecasting an overspend of £2.1m, an increase of £0.3 on last month's projection.
- 8.3 The number of bed & breakfast tenancies as at end of January 2015 was 602, compared to a figure of 603 reported in December 2014. This compares to 284 at the same time last year and is an increase of 352 on the figure as at the end of 2013/14. At this level, the overspend is expected to be in the region of £2.8m. The increase reflects an increase in the level of bad debt provision required in respect of tenants not entitled to benefits.

- 8.4 Mayor & Cabinet recently agreed a proposal to transfer commercial assets and garages from the Housing Revenue Account (HRA) to the General Fund in 2014/15, The net effect on the General Fund is an increased income of £0.7m which partly offsets the overspend reported in paragraph 8.3.
- 8.5 Officers have been modelling the potential longer term effects of the higher numbers in bed and breakfast, new supply expected to come on-line over the next year and the anticipated impact of measures in place to manage demand. Current indications arising from this exercise suggest that the pressure is likely to continue throughout 2015/16 although at a lower level of around £2m.
- 8.6 The supply measures mentioned above will impact on the private sector leasing (PSL) budget in the short term, where a higher turnover will increase the loss of income due to increased void rates. Increased turnover will also impact on repairs and maintenance costs. This will be met from balances held in reserves for this purpose.
- 8.7 There is a projected £0.3m overspend due to the delayed implementation of proposed savings in *housing needs* and *housing partnership and development*. This is to be met from the redirection of unspent grant funding following a review of commitments.
- 8.8 The *environment division* is forecasting an overspend of £0.6m, an increase of £0.6m. This increase is in respect of recycling costs arising from a new disposal contract. The balance of the overspend relates in part to *bereavement services* where a combination of increased coroner's court and mercury abatement costs combined with a small income shortfall have resulted in a projected overspend of £0.1m. *Street management* is also reporting an overspend of £0.1m relating to an income shortfall in the lumber service and an overspend on staffing in street cleansing. The balance of the overspend relates to minor staffing overspends across the division.
- 8.9 The *public services division* is projecting an overspend of £0.2m due to a small shortfall in parking income. This is an increase of £0.1m compared to the report as at the end of December 2014.
- 8.10 A forecast overspend of £0.2m remains for the Information Management and Technology (IMT) budget, mainly as a result of a delay in restructuring.

9. RESOURCES AND REGENERATION

- 9.1 The directorate is forecasting an underspend of £0.8m. This compares to a forecast underspend of £0.8m at the end of December 2014. At this point last year, an underspend of £1.3m. The table below sets out this year's forecast by service division.

Table 6 – Resources & Regeneration

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/(under) spend
	£m	£m	£m	£m
Audit & Risk	5.5	(2.6)	2.9	0.0

Corporate Policy & Governance	3.4	0	3.4	(0.3)
Financial Services	5.5	(1.2)	4.3	(0.4)
Executive Office	0.2	0	0.2	0.0
Personnel & Development	3.0	(0.3)	2.7	(0.1)
Legal Services	2.8	(0.4)	2.4	(0.1)
Strategy	2.5	(0.4)	2.1	(0.2)
Planning & Economic Development	3.6	(1.6)	2.0	(0.4)
Regeneration & Asset Management	18.0	(5.7)	12.3	0.7
Total	44.5	(12.2)	32.3	(0.8)

- 9.2 The *audit & risk division* is forecasting a nil variance on its budget although there are balancing over and underspends within the division. The insurance budget is forecasting to have a £0.1m variance subject to the calculation of year-end transfers to provisions and reserves in line with the actuary's report. There is a £0.1m overspend forecast on the internal audit budget where the staff reorganisation and contract end costs have created a budget pressure. These overspends are offset by underspends in health and safety, procurement and the anti-fraud and corruption teams.
- 9.3 The *corporate policy & governance division* is forecasting an underspend of £0.3m. This is mainly in respect of staffing costs where several posts are being held vacant, though it also includes a series of smaller underspends across various supplies and services budgets.
- 9.4 The *finance division* is forecast to underspend by £0.4m, most of which relates to the contingency for the directorate that is held within this division.
- 9.5 The *personnel & development division* is forecasting a £0.1m underspend mainly due to staffing and training underspends offset by an overspend on occupational health.
- 9.6 The *legal services division* is forecasting an underspend of £0.1m due to increased income generally and also the reimbursement of costs in relation to Lewisham Hospital.
- 9.7 The *strategy division* is forecasting an underspend of £0.2m which is mainly due to delayed recruitment of apprentices.
- 9.8 The *planning division* is forecasting an underspend of £0.4m which is due to forecast increased land charge income.
- 9.9 The *regeneration & asset management division* is forecasting an overspend of £0.7m. This is mainly due to staffing costs pending a re-organisation later in the financial year. However, there are other significant overspends including building cleaning, repairs & maintenance and the letting of the Town Hall as well as a reduction in income arising from permit fees and charges for overruns in relation to utility companies' road works. All of these are offset by the street lighting PFI budget headroom and other minor miscellaneous underspends.

10 CORPORATE PROVISIONS AND TREASURY MANAGEMENT

- 10.1 The corporate financial provisions include working balances, Capital Expenditure charged to the Revenue Account (CERA), and interest on revenue balances. These

provisions are not expected to overspend although with the impact of continued reductions in service budgets, there is ever greater pressure on working balances. Final outturn figures are being formulated now and will be reported at the end of the financial year.

11 DEDICATED SCHOOLS' GRANT

- 11.1 The Dedicated Schools Grants (DSG) settlement stands at £269.3m and is set out in Table 7. This compares with the figure of £267.7m stated in the Budget 2014 report to the full Council in February last year. There will be further adjustments to the level of the DSG during the year, particularly on the early years' numbers when the forecast are revised to actual numbers.

Table 7 – DSG Settlement for 2014/15

	Before Academy Recoupment	After Academy recoupment
	£m	£m
2014/15 Schools Block	201.4	182.5
2014/15 Early Years Block	17.0	17.0
2014/15 High Needs Block	44.1	43.0
2014/15 Total additions and deductions for non-block funding	6.8	6.8
2014/15 total DSG allocation	269.3	249.3

- 11.2 The current forecast indicates the High Needs block will be overspent by £1.9m at the year end. This is partly due to the overspend from last year (£0.8m) being inherent in the current years spend. Additional costs have been incurred on the SEN matrix and the special schools budget. The number of children with statements is growing by an average of six per month. The special schools budget has required extra resources as both the number of pupils have increased as well as the complexities of the needs of children within our schools. There has also been an increase in the number of pupils within the independent schools and other local authority schools causing an increase in the forecast this month as well as the finalising of the Independent Sector invoice charges. The forecast could change once health and social care recharges are confirmed.
- 11.3 The impact for next year and allowing for an increase in the pupil population is an overspend of £2.1m. The Schools Forum has agreed the funding for matrix pupils will be reduced by £4,800 per pupil next year. This would yield a saving of £1.8m and the remainder will be found by reducing the collaborative funding for low needs SEN.
- 11.4 For the current year, the overspend can be met from the carry forward from the two year olds underspend last year. There is also likely to be an underspend on the two year olds this year which will be in the order of £2m as the take up of places continues to be lower than expected. The funding system will change in 2015/16 and Lewisham will be funded on the basis of participation. No future savings will be made in this area.

12. HOUSING REVENUE ACCOUNT

- 12.1 The Housing Revenue Account (HRA) is projecting a surplus of £0.8m. This is a £0.4m increase on last month.

Table 8 – Housing Revenue Account

	Expend Budget	Income Budget	2014/15 budget	Variance
	£000's	£000's	£000's	£000's
Customer Services - Housing	12.1	-2.9	9.2	0
Lewisham Homes & R&M	36.1	0	36.1	0
Resources	2.0	0	2.0	0
Centrally Managed Budgets	84.5	131.8	-47.3	-0.8
Total	134.7	-134.7	0	-0.8

12.2 The surplus is as a result of increased income in respect of tenants' rents, leaseholder service charges and major works income totalling approximately £1.8m. The transfer of garage and commercial income of £700k mentioned in 8.4 above.

13. COLLECTION FUND

13.1 As at 31 January 2015, £88.4m of council tax had been collected, which is 83.05% of the total amount due for the year of £106.4m. This is 1.1% lower than the profiled collection rate of 84.1% if the overall target for the year of 96% is to be met. At the same time last year, the collection rate to date was 83%, some 0.05% lower than this year.

13.2 Business rates collection is at 92.9% which is a decrease of 0.4% compared to the same period last year and 1.1% lower than the profiled collection rate if the overall target rate for the year of 99% is to be achieved. This is at a similar level to improvement on the figure reported to the end of December 2014.

14. CAPITAL EXPENDITURE

14.1 The capital expenditure to 31 January 2015 is £86.7m which is 62% of the revised budget. The following table gives a breakdown of the budget and forecast spend. The revised budget includes carry forward amounts from the previous year as agreed at Mayor & Cabinet on 16 July 2014.

Table 9 – Capital Programme

2014/15 Capital Programme	Revised Budget	2014/15 Forecast	Spend to 31 Jan 14	Spend to 31 Dec 14	Spend to Date (On Rev Budget)
	£m	£m	£m	£m	%
Community Services	1.5	1.8	1.2	1.2	82
Resources & Regeneration	12.9	13.1	6.1	4.8	47
CYP	59.2	55.8	38	32.2	64
Customer Services	1.3	1.2	1.1	0.9	86
Housing (Gen Fund)	12.4	12.6	7.3	6.6	59
Total General Fund	87.3	84.5	53.7	45.7	62
HRA - Council	5.5	5.4	2.0	1.7	36
HRA - Lewisham Homes	47.0	47.0	31.0	26.5	66
Total HRA	52.5	52.4	33	28.2	63
Grand Total	139.8	136.9	86.7	73.9	62

- 14.2 The table below shows the current position on the major projects in the 2014/15 General Fund capital programme (i.e. those over £1m in 2014/15).

Table 10 – Summary of Major Capital Schemes

2014/15 Capital Programme	Revised Budget	2014/15 Forecast	Spend to 31 Jan 14	Spend to 31 Dec 14	Spend to Date (On Rev Budget)
	£m	£m	£m	£m	%
Housing Regeneration Schemes (Kender, Excalibur, Heathside and Lethbridge)	5.0	4.9	2.4	2.2	48
Primary Places Programme	25.5	25.5	19.3	16.7	76
BSF - Sydenham	11.9	11.9	10.9	9.4	92
BSF – Brent Knoll	6.8	6.8	3.8	2.5	56
Other Schools Capital Works	13.4	9.3	4.3	3.8	32
Acquisition & Conversion of properties	3.3	3.1	2.8	2.8	84
Disabled Facilities / Private Sector Grants	1.8	1.8	0.7	06	39
Catford Broadway & Town Centre Regeneration	0.6	0.6	0.3	0.1	48
Asset Management Programme	2.4	2.4	1.6	1.4	67
Highways and Bridges (TfL)	2.8	2.8	1.2	1.0	43
Highways and Bridges (LBL)	3.9	3.9	1.7	1.2	44
Acquisition – Hostels Programme	1.3	1.5	0.6	05	48
Other Schemes less than £1m	8.6	10.0	4.1	3.5	48
Grand Total	87.3	84.5	53.7	45.7	62

- 14.3 The main sources of financing the programme are grants, contributions, and capital receipts from the sale of property assets. So far this year, £12.7m of usable receipts have been received comprising £3.1m in respect of previous year's Housing stock transfers, £7.9m (net) from Housing Right to Buy sales and £1.7m from other sales.

15 FINANCIAL IMPLICATIONS

- 15.1 This report concerns the financial forecasts for the 2014/15 financial year.

16 LEGAL IMPLICATIONS

- 16.1 The council must act prudently in relation to the stewardship of council taxpayers' funds. The council must set and maintain a balanced budget.

17 CRIME AND DISORDER ACT IMPLICATIONS

- 17.1 There are no crime and disorder implications directly arising from this report.

18 EQUALITIES IMPLICATIONS

- 18.1 There are no equalities implications directly arising from this report.

19 ENVIRONMENTAL IMPLICATIONS

19.1 There are no environmental implications directly arising from this report.

20. CONCLUSION

- 20.1 The current projected year-end overspend for the year is £9.1m and although this represents a reduction from the projected year end overspend reported to the end of December 2014, it still represents and a major concern for the council.
- 20.2 Since the start of the financial year and the first public report of the financial forecast position to Mayor & Cabinet in July 2014, the Executive Directors have continued to put in place a number of measures designed to alleviate the council's overall budget pressures to help bring spending back into line with budget. These measures include the strengthening of local controls on particular areas of expenditure in the short term. In addition to this and with regards to the most significant budget pressure which the council faces in 'no recourse to public funds' which is currently £5.8m, the corporate team which is responsible for assessing all new cases presenting to the council continues to show the signs of limiting the increase of the overall budget pressure in this area.
- 20.3 Notwithstanding the pressure on 'no recourse to public funds', there still remains a significant budget pressures in other areas across the council, totalling £3.3m overall. In the main, these include pressures for service areas such as looked after children, adult social care and temporary bed and breakfast accommodation. At the current level of £3.3m, these pressures alone would still represent the most significant level of reported budget pressures for the council of any financial year in recent years.
- 20.4 As the year end is nearing, 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.

21. BACKGROUND PAPERS AND APPENDICES

None

For further information on this report, please contact:

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Public Accounts Select Committee			
Report Title	Parking Contract Performance		
Key Decision	Yes	Item No.	5
Ward	All		
Contributors	Executive Director for Customer Services & Head of Public Services		
Class	Part 1	Date:	10 th March 2015

1 Summary

- 1.1 This report provides the background and performance update in relation to the Council's Parking Enforcement and Associated Services contract.

2 Purpose

- 2.1 To inform the Public Accounts Select Committee of current performance and costs associated with the parking contract.

3 Policy Context

- 3.1 Parking regulation is governed by the Road Traffic Regulation Act 1984. The Council's local transport and parking policy objectives comply with this legislation and are set out in the Local Implementation Plan (LIP). The goals, objectives, and outcomes for the LIP have been developed within the framework provided by the Mayor of London's Transport Strategy, but they also reflect local policies and priorities and as such are aligned with the Council's Corporate Priorities and the Sustainable Community Strategy.

- 3.2 The new parking policy is placed within this broader policy framework. Parking has a borough-wide impact, and has particular relevance to the many economic, environmental and social objectives of a modern transport system. To varying degrees, parking impacts on all 8 of the objectives in the Council's LIP:

- Reduce the number of road traffic collisions and improve safety and security on the public transport network;
- Enhance Lewisham's natural environment and open spaces;
- Create a low emissions transport system and a resilient transport network;
- Support and promote healthier and more physically active lifestyles;
- Improve the quality and connectivity in and around town centres;
- Reduce congestion and maximise efficiency of the transport network;
- Improve access to jobs, training and services, regardless of social background and physical and mental health;
- Improve the urban environment, including the design and condition of highways and footways.

4 Background

- 4.1 A parking report is presented annually to Mayor and Cabinet and the Sustainable Development & Scrutiny Committee. The report provides an annual update on parking policy, the CPZ programme and contract performance. There is a statutory requirement to report on parking income and expenditure each year and this information is also included in the annual parking report.
- 4.2 The parking contract was awarded to NSL and started in August 2013. The contract term is for a 6 year period with a 4 year extension option. The contract is based on the British Parking Association's model contract that encourages an ethos of service quality and is endorsed by the Government's Transport Select Committee. A number of Key Performance Indicators are used in contract measurement to assist in effective contract monitoring and management. A full list of the contractual KPIs applied to this contract are attached in Appendix A.
- 4.3 The contract provides a number of services split into 4 broad areas:
- Parking Enforcement
 - Penalty Charge Notice Processing & IT provision
 - Permits
 - Pay & Display
- 4.4 The Council identified efficiency savings of £500k to be delivered as part of the new contract and a number of services changes were agreed. These were:
- Closure of the parking shop to make way for the introduction of on-line services.
 - The removal of the pay & display machines from which the cash collection and maintenance costs could be removed.
 - Changes to the Holbeach car park entry and exit barrier system.
- 4.5 A new paperless permitting system was introduced allowing customers the flexibility of purchasing permits from the comfort of their own home. Throughout the year a number of system development changes were introduced using customer feedback to improve user navigation of this on-line service.
- 4.6 The Council's client team accepts/rejects formal representations and appeals against parking penalties. The team monitors the contract against the KPIs and works closely with the service provider to improve services, managed through monthly contract meetings.

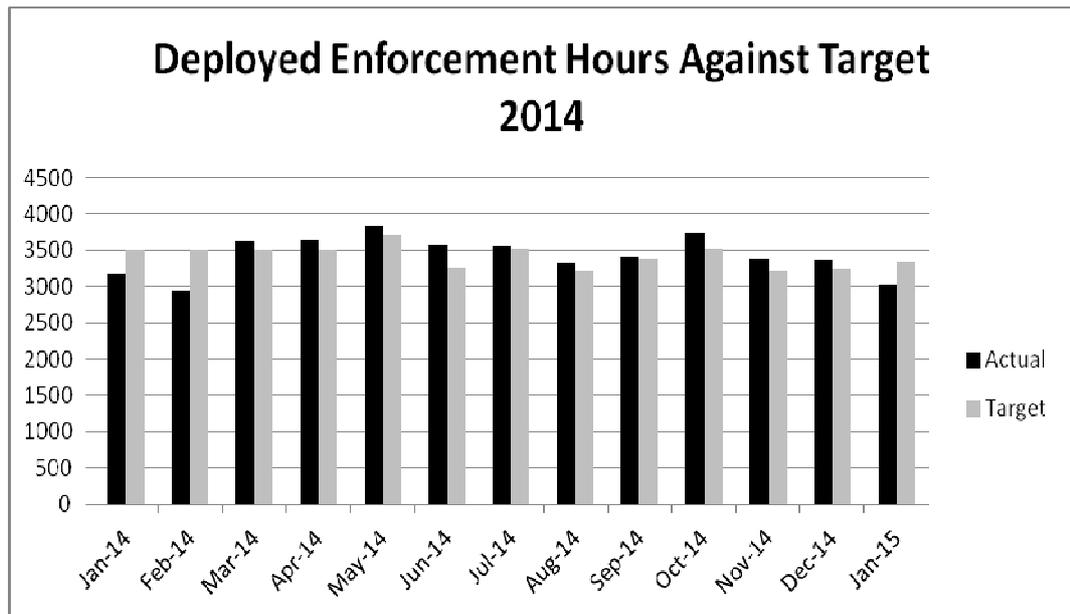
5 Contract Performance to Date

- 5.1 This contract is monitored using a number of key performance indicators (KPIs). The full set of indicators for information is contained in **Appendix A**. To give the committee an overview of the contractor's performance this report is focused on the 4 main elements indicated below:
- KPI 1: Effective Parking Enforcement
 - KPI 2: Good Quality, Motivated & informed staff
 - KPI 3: Good Quality Penalty Charge Notice (PCNs)

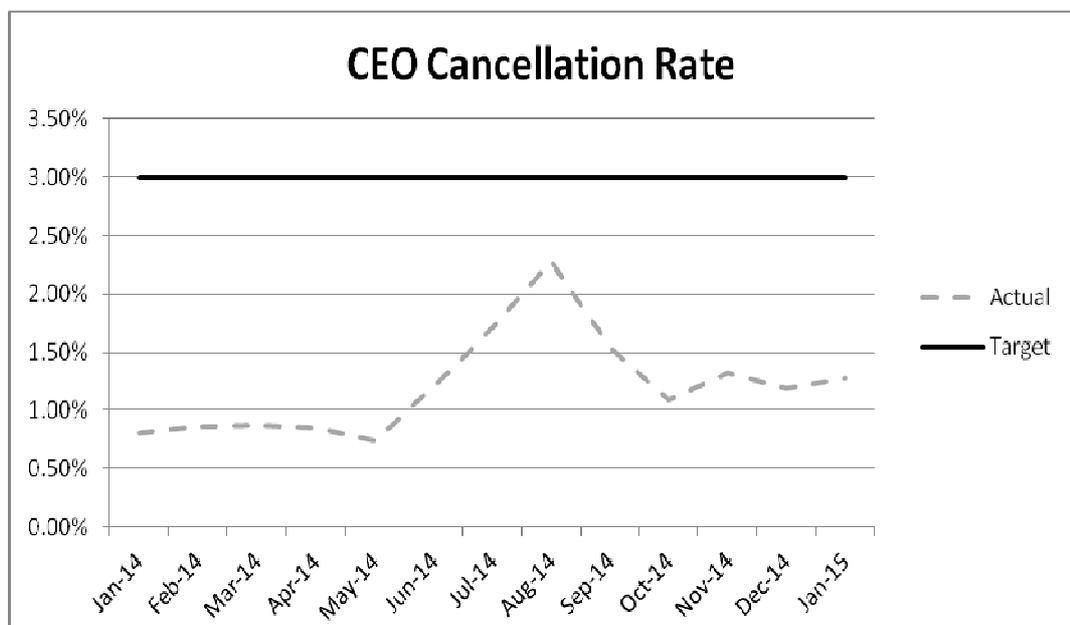
- KPI 4: Other Services

5.2 Parking Enforcement

- 5.3 Staff turnover in the parking industry can be high due to the very nature of the work involved. It is essential therefore that staff are adequately trained to handle the complexities of parking legislation and to deal confidently and effectively with customers.
- 5.4 Contract enforcement resources are essential to ensure delivery of the Council's policy objectives and to improve compliance against parking contraventions. Increased compliance across the borough is necessary for the safe and expedient movement of pedestrians and vehicular traffic.
- 5.5 Staff retention is essential to a stable service especially when valuable investment has been made in staff training. The Council has ensured that the service provider has implemented strategies and processes to assist in staff retention and to ensure staff turnover remains below the industry 'norm'. The contract measurement is set against an annual turnover target of 20%. This level is below the industry norm of 26.1% and is measured annually against leavers with a +5% tolerance level. Currently the service provider is showing an annual staff turnover of 23.53%.
- 5.6 The parking industry has identified City & Guilds training standards required to undertake this type of work and is a requirement of the contract for enforcement and Notice Processing staff. A training matrix forms part of the contractual requirement and includes all members of the service provider staff. All staff have a 3 month lead time to achieve the training requirements for the relevant post. The key performance measurement in relation to training has a zero tolerance for this indicator. All current NSL staff are undertaking, or have completed the appropriate training course.
- 5.7 The schedule of enforcement patrols is identified through the Deployment Plan agreed between the Council and the Service Provider prior to contract commencement. The Deployment Plan forms the basis of measurement that incorporates the level of resources required to enforce the borough effectively. The deployment plan may vary over time with the agreement of both parties to take advantage of a changing environment and compliance levels. There is a tolerance of +/- 10% which is likely to be adjusted as the contract matures. Performance at the beginning of the year fell short of the target. This was attributed to staff recruitment and the time lapse between recruitment and qualification to commence on-street enforcement activities. Since the recruitment drive resource levels have been consistent throughout the year with the exception of January 15. This was attributed to staff sickness & holiday.



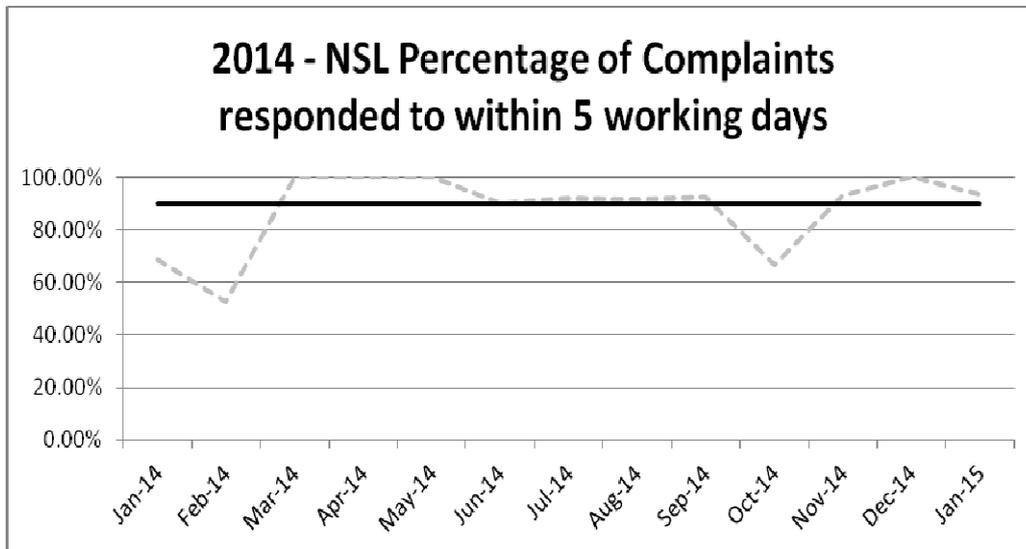
5.8 As well as an effective deployment plan the Civil Enforcement Officers (CEO) should be adequately trained to ensure they have the ability to handle themselves confidently and mistakes are minimised. The parking service naturally receives high volumes of correspondence due to the nature of the work. We aim to reduce the 'justified' complaints. This is achieved by industry standard training and experience. The CEO cancellation rate is used as a measurement of Penalty Charge Notice (PCN) quality. The KPI is measured using a 3% tolerance. The graph below indicates NSL's good performance against this KPI. It is likely that the tolerance level for this KPI will be reduced at the contract's annual review. This is to ensure the service provider is working towards continued improvement to contract performance. See graph below for the current CEO cancellation rate.



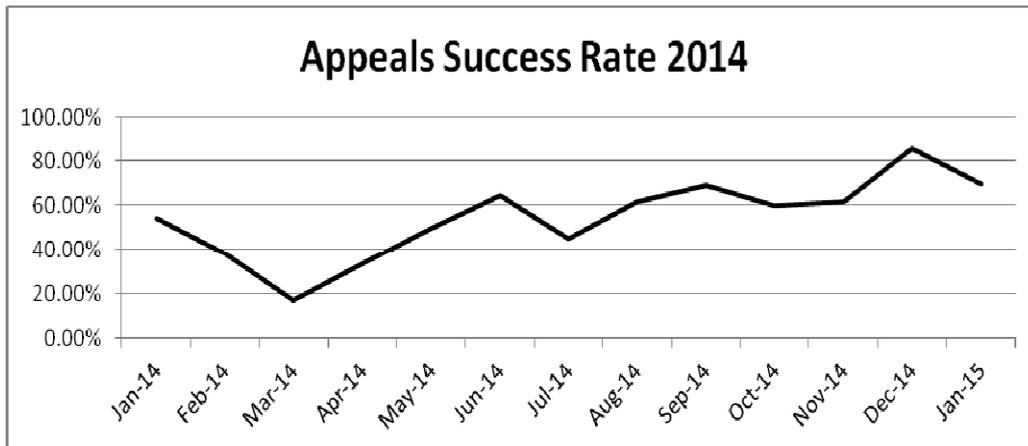
6. Penalty Charge Notice Processing & IT Provision

6.1 The Council's responses to formal representations and appeals are prepared by the service provider but are authorised by Council staff. NSL's back office function provides the first stage responses to all correspondence received.

6.2 The council expects the service provider to respond to customer complaints within 5 working days. NSL's performance over the last year is mixed with two clear dips in performance (see graph below). In Jan & Feb this was attributed to workflow management. IT processes were implemented to channel the workflow items into appropriate work folders. The workflow is streamlined using priority parameters that have either contractual or statutory timescales. These processes were introduced to enable NSL to prioritise the workload. These workflows are now appropriately channelled and managed accordingly. During the October period, NSL implemented an upgrade to their IT infrastructure to allow easy access to systems via web based cloud functionality. The downtime period exceeded expectation and staff were unable to access systems to clear the workflow items. The volume of correspondence impacts on performance if IT access is restricted for even a short space of time. The failure has been dealt with in the monthly monitoring and contract meetings.

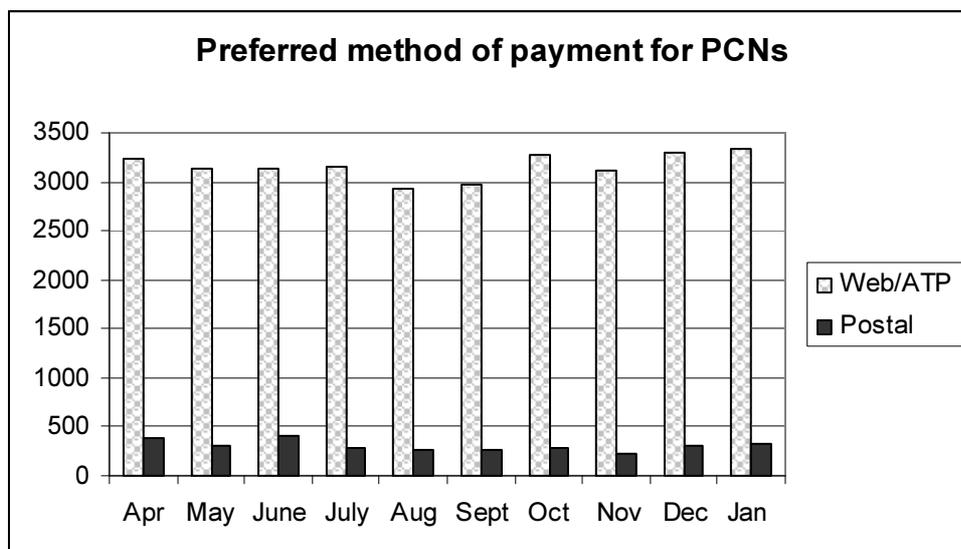


6.3 The process for lodging a formal appeal against the issue of a Penalty Charge Notice (PCN) is administered by the independent Parking & Traffic Appeals service (PATAS). The contract is measured by the overall appeals success rate which is varied. The council has no influence over appeal decisions made by PATAS. What we aim to achieve is to reduce the number of justifiably upheld appeals. (Decisions that identify a service failure.) The year to date figure for justifiably upheld appeals is 3%.



6.4 The service provider is responsible for providing the IT infrastructure and software for the delivery of services. The provision of IT and the on line services is a main functionality of this contract. All the data held on these IT systems is the property of the council. Council staff have full access through web based applications to all these systems from an operational and reporting perspective. This enables council officers to analyse performance and income recovery for all elements of this contract without relying on the contractor to supply the information.

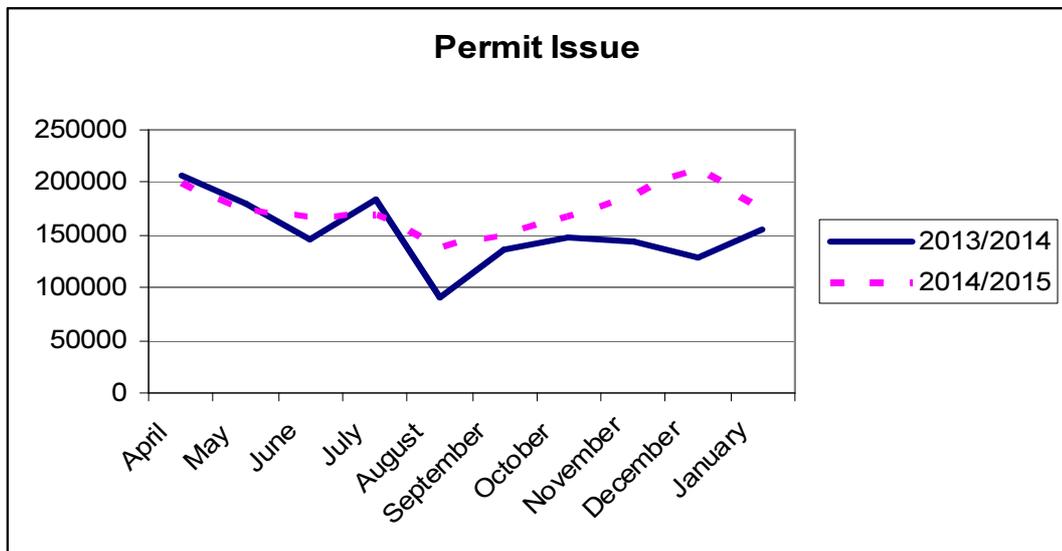
6.5 In relation to the payment of parking penalties (PCNs) 90% of payments are made via the web or automated telephone payment system. The total sums are paid directly into the Authority's bank account. See graph below that tracks the monthly volumes and payment method. The current PCN recovery rate is 69.95% the contractual expectation is 70% with no tolerance level.



7. Permits

7.1 The introduction of the virtual permitting system for the issue of permits across the borough was a major transition for this service. Virtual permitting is new to the industry and one which has realised efficiency savings with the closure of the parking shop. In reality there were lessons learnt from a service delivery perspective. We have worked with the service provider, using customer feedback to improve the virtual on line service, especially in relation to system navigation. All of the permit information is now held on the virtual system and all our resident and business permits are handled on line.

7.2 The number of permits issued across the borough's controlled parking zones has increased over the same period last year.



8. Pay & Display & Cashless Parking

- 8.1 As part of the Council's overall budget savings proposals £200k was identified in removing all the boroughs' pay & display machines to be replaced with a cashless parking option.
- 8.2 As part of that strategy, the Council ran a pilot that offered a cashless only option in Holbeach car park. The pilot ran for 6 months and the Council realised that there were some customers that were unable to access the cashless system. The results of which identified a need to keep pay & display machines across the borough in the short term.
- 8.3 Alongside the existing pay and display machines, the facility to pay for parking sessions through the cashless system currently provided by 'RingGo' will be rolled out across the borough in the Spring 2015.
- 8.4 The roll out of the cashless parking system will give the Council the opportunity to analyse cashless parking usage. Once established, the Council will have the opportunity to rationalise the number of pay & display machines on the street. This in turn will reduce machine maintenance and cash collection costs.

9. Contract Payments

- 9.1. See Separate Addendum

10. Financial implications

- 10.1. The purpose of this report is to provide an overview of the parking contract performance. As such there are no financial implications arising from this report.

11. Legal Implications

- 11.1. Section 45(1) Road Traffic Regulation Act 1984 (RTRA) allows Councils to designate parking places on the highway and to charge for the use of them. Section 45(2) provides for the issuing of permits for which an authority may charge. The procedure requires consultation and a designation order.
- 11.2. Section 122 RTRA imposes a general duty on authorities to exercise functions under the Act (so far as practicable having regard to the matters set out at para 13.3 below) to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway.
- 11.3. In fulfilling the general duty imposed by Section 122 RTRA, the matters referred to above are as follows:-
 - (a) The desirability of securing and maintaining reasonable access to premises;
 - (b) The effect on the amenities of any locality and the importance of regulating and restricting the use of roads by heavy commercial vehicles so as to preserve or improve the amenities of the areas through which the roads run;

(bb) the national air quality strategy

(c) the importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles; and

(d) any other matters appearing to the Council to be relevant.

12.4 Section 55 RTRA provides for the establishment of a separate account into which monies raised through the operation of on street parking must be paid. The Act requires an enforcement authority, (of which Lewisham is one), to keep an account of:-

- their income and expenditure in respect of designated parking places;
- their income and expenditure as an enforcement authority in relation to parking contraventions within paragraph 2 of Schedule 7 to the 2004 Act (parking places); and
- their income and expenditure as an enforcement authority in relation to parking contraventions within paragraph 3 of that Schedule (other parking matters).

12.5 It also deals with shortfalls and surpluses. Shortfalls must be made good from the General Fund, and subject to carry forward provisions, any surplus must be applied for the following purposes:-

(a) the making good of shortfalls in the last 4 years

(b) the provision and maintenance of off street parking by the council or others

(c) if further off street parking appears unnecessary or undesirable then

- i) meeting the cost of provision, operation or facilities for public transport services; and
- (ii) highway or road improvement projects in the area.

12.6 There are also provisions for carry forward. Every London Borough also has to report to the Mayor for London at the end of every financial year on any action taken in relation to any deficit or surplus on their account. It is clear from this report that surpluses made on this special account in 2013/14 have been applied for permitted purposes.

- 12.7 The Local Authorities' Traffic Orders (Exemptions for Disabled Persons) (England) Regulations require traffic regulation orders to include an exemption from waiting prohibitions in certain circumstances, and from charges and time-limits at places where vehicles may park or wait, in respect of vehicles displaying a disabled person's badge.
- 12.8 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new Public Sector Equality Duty (the duty), replacing the separate duties relating to race, disability and gender equality.
- 12.9 The duty consists of the 'general equality duty' which is the overarching requirement or substance of the duty, and the 'specific duties' which are intended to help performance of the general equality duty.
- 12.10 The duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 12.11 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.
- 12.12 These are often referred to as the three aims of the general equality duty.
- 12.13 The duty is 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.
- 12.14 The Equality and Human Rights Commission (EHRC) have issued technical guidance for public authorities in England on the Public Sector Equality Duty. The guidance can be found at <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>. This Guidance provides practical approaches to complying with the Public Sector Equality Duty. The EHRC technical guidance is not a statutory Code, but may be used as evidence in legal proceedings to demonstrate compliance with the Public Sector Equality Duty.

13 Crime and Disorder Implications

- 13.1 There are no direct crime and disorder implications arising from this report.

14 Equalities Implications

- 14.1 There are no equalities implications arising from this report.

15 Environmental Implications

15.1 There are no direct implications arising from this report.

16 Background Documents and report author

16.1 Parking Policy Review: [Mayor and Cabinet 10 April 2013](#)

16.2 Parking Contract Award: [Mayor and Cabinet 1 May 2013](#)

16.3 Parking Policy: Monitoring and Update:
[Sustainable Development Select Committee 11 July 2013](#)

16.4 Annual Parking Report – 2013 /14
<http://www.lewisham.gov.uk/myservices/parking/Documents/Annual%20Parking%20Report%202013-14.pdf>

16.5 Parking Policy Document 2014
<http://www.lewisham.gov.uk/myservices/parking/Documents/ParkingPolicyOctober2014.pdf>

Document	Link
Parking Policy Review:	Mayor and Cabinet 10 April 2013
Parking Contract Award:	Mayor and Cabinet 1 May 2013
Parking Policy: Monitoring and Update:	Sustainable Development Select Committee 11 July 2013
Annual Parking Report – 2013 /14	Mayor and Cabinet 3rd December 2014
Parking Policy Document 2014	Mayor and Cabinet 5th December 2013

16.6 If you require any further information about this report please contact Lesley Brooks Service Group Manager Parking on 020 8314 2126.

Appendix A: Contract Key Performance Indicators

1. KPI Introduction

1.1 There are four main KPIs used to measure contract performance. Each KPI is split into elements of measurement under the separate headings. These are provided in the KPI Table below:

1.2 It is the Council's intention to achieve realistic and workable KPI's, all of which can be measured properly and accurately. The Service Provider will be expected to determine how each KPI is to be achieved and to propose the tolerance levels for those KPIs where a tolerance level is accepted.

KPI 1. Effective Parking Enforcement

Measurement Summary	Summary	Information Sources
<p>a) Coverage of Patrol requirements and responsiveness to enforcement requests</p> <p>The Schedule of Enforcement Patrols (Deployment Plan) will be agreed between the Service Provider and the Council prior to contract commencement and may be subject to variation from time to time.</p> <p>There is a tolerance level of +/- 10%, which is likely to be adjusted during the life of the Contract.</p> <p>The Service Provider should note that the Council may limit any perceived levels of over-patrolling, e.g. to compensate for under-patrolling.</p>	<p>The Schedule of Enforcement Patrols will be agreed between the Service Provider and the Council. The Service Provider will be expected to meet 90% of the scheduled patrols for each individual road, unless previously agreed with the Council.</p> <p>The Service Provider will carry out all patrols according to the Specification (Schedule 2) and check all vehicles in the road, identifying contraventions and issuing PCNs according to Council Guidelines.</p> <p>The Service Provider will self-assess their performance and report to the Council who will then inspect and verify the information.</p> <p>Note – visits to streets that are broken by detours into adjoining streets count as one visit. There must be a distinct time difference between visits. In cases where two or more CEOs are present in one street,</p>	<ul style="list-style-type: none"> • The Service Provider will self-monitor and provide the Council with a report of the patrols met. • The Council will access information from the I.T. system to verify the Service Provider's report. • GPS tracking facilities will be used to collate information and confirm that the logged patrols agree with the actual patrols performed.

	<p>this will count as one visit.</p> <p>It is acknowledged that CEOs will walk through part of beats that are not allocated to them when travelling to their allocated beats and they must enforce on those beats against any vehicles that are found in contravention. However, merely walking through such a beat does not constitute a visit to that beat for statistical purposes.</p> <p>Enforcement requests sent to the Service Provider will be recorded by the Council. The Service Provider will keep records of deployment requests and response times.</p>	
<p>b) The minimum number of deployed CEOs</p> <p>The Service Provider should note that the Council may limit any perceived levels of over-deployment, e.g. to compensate for under-deployment.</p> <p>There is a tolerance level of +/- 5% which is likely to be adjusted during the life of the Contract.</p>	<p>The minimum number of effectively deployed CEOs and the percentage of deployed/employed hours will be as set out in the Contract Plan included in the Service Provider's tender submission. To satisfy the KPI the ratio between the deployed and employed hours must be as set out in the Contract Plan. The Service Provider will self-assess their performance and report to the Council who will then verify the information.</p> <p>Effectiveness will be assessed by activity levels to include:</p> <ul style="list-style-type: none"> • Street Visits • Vehicles logs • PCNs issued • Fault reports • Abandoned and nuisance vehicle reports <p>The Service Provider will be expected to meet 95% of</p>	<ul style="list-style-type: none"> • The Service Provider will self-monitor and provide the Council with a report of the number of CEOs deployed. This must also include the percentage of deployed hours against employed hours and the amount of overtime worked by individual CEOs. • The number of deployed CEOs will be obtained from the IT system based on the number of CEOs who have logged into a hand held computer and completed a full shift. This information will be used to verify the Service Provider's report, in addition to

	the agreed activity levels.	details recorded in CEO's electronic notes reporting.
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KPI 2. Good Quality, Motivated and Informed CEO's

Measurement Summary	Process	Information Sources
<p>a) Initial training and accreditation (BPA/City & Guilds certificate)</p> <p>There is a zero tolerance level associated with this KPI.</p>	<p>This element of the KPI is considered achieved when all CEOs, processing and other staff meet the training requirements (as per the specification, including training in local modules). The Service Provider shall provide copies of all training related certificates to the Council.</p> <p>The certificate shall confirm that a module has been completed in providing information on the Council's policies.</p> <p>No member of the Service Provider's staff shall commence work duties until the training has been certified.</p>	<ul style="list-style-type: none"> • The Service Provider shall provide copies of all training related certificates to the Council and a monthly update of staff who have been accredited during that month. • Additionally, the Service Provider will provide an electronic training matrix to include job related training certificates. • No member of the Service Provider's staff shall commence work duties until the training has been certified and agreed with the Council's Representative.
<p>b) Regular assessments and delivery of on-going training</p> <p>There is a zero tolerance level associated with this KPI.</p>	<p>Training & Development details are to be included within the Service Provider's tender submission and will be agreed with the Council. An individual assessment format shall be agreed between the Service Provider and the Council. This KPI will be considered met once all staff have received the assessments in the agreed format and timescale and have received the required ongoing training.</p>	<ul style="list-style-type: none"> • The Service Provider shall provide copies of all training related certificates and assessments to the Council upon request. The assessments shall be evaluated against the agreed format and all certificates shall be checked to substantiate they are to the required standard.

	<p>At the request of the Council details of staff assessments and training shall be provided by the Service Provider.</p>	<ul style="list-style-type: none"> • Additionally, the Service Provider will provide an electronic training matrix to include job related training certificates.
<p>c) Staff Retention and employment</p> <p>Tenderers are invited to propose a tolerance level for this indicator (which may be different for different types of staff).</p>	<p>The level of staff turnover will be measured. This will include all staff employed on the contract including CEOs, processing and administrative staff and the Contract Manager.</p> <p>The Service Provider will ensure that provisions relating to the employment of local staff and to apprenticeships are as outlined in the Tender Submission are being met (note – this will be measured on an annual basis, not a monthly basis).</p>	<ul style="list-style-type: none"> • The Service Provider will submit reports showing the employees in post at the end of each month and the level of staff turnover. • The Service Provider will submit on an annual basis, details of how the provision of staff includes local employment and apprenticeships.
<p>d) The standard of staff appearance, courtesy & helpfulness</p> <p>This indicator is to be measured at least on a monthly basis and there is a tolerance of 5%. In its monthly report the Service Provider must outline any remedial action taken to address failures for individual members of staff.</p>	<p>The Service Provider will ensure that all CEOs are presented to a high standard and trained to offer advice to the public.</p> <p>A checklist will be agreed between the Service Provider and the Council containing approximately 10 items which the CEOs will be assessed on.</p> <p>A similar checklist is to be in place for all processing staff, with the appropriate criteria for assessment (e.g. telephone handling, accuracy, quality of letter replies etc).</p> <p>This part of the KPI will be considered met if an average score of not less than 95% is achieved each month.</p>	<ul style="list-style-type: none"> • Items to be included within the checklist shall be agreed between the Council and Service Provider. For CEOs these items will relate to appearance, helpfulness and conduct in general. • For other staff, the items must relate to their individual job requirements. • Feedback received from members of the public and information from client observations will be included into the assessment.

<p>e) The level of complaints & complaints handling</p> <p>Tenderers are invited to suggest an acceptable level of complaints and a percentage tolerance level.</p> <p>An acceptable level of complaints will be agreed between the Service Provider and the Council's Representative and the Council will expect this level to remain within an agreed percentage tolerance during the life of the contract. The Council will expect resolution to be achieved using the 'right first time' methodology.</p>	<p>Any written complaints received by the Service Provider about a CEO or enforcement activity must be copied to the Council's Representative. Any written complaint about a CEO received by the Council will be forwarded to the Service Provider for response.</p> <p>In addition to the above, a customer complaint is defined as a complaint by a customer regarding an aspect of the Service Provider's performance where there is evidence of one of the following:</p> <ul style="list-style-type: none"> • the provision of incorrect information; or • failures to take account of relevant matters in coming to a decision; or • offensive/insensitive behaviour; or • failure to respond to the customer, by the Service Provider or its Personnel, where the Customer has made a complaint to the Council, the Service Provider, their local ward Councillor or the Local Government Ombudsman (stage 2 complaint), because the Service Provider has not responded appropriately to the Customer under the terms of the Council's complaints procedure for the Schemes. <p>The Service Provider must respond to all complaints within 5 working days unless otherwise agreed and a copy of the response</p>	<ul style="list-style-type: none"> • The Service Provider shall keep records of all complaints received and provide the Council with copies of all written complaints and responses received. • The Service Provider shall also keep an electronic complaints tracking system which will be made available to the Council's Representative. This should enable reports to be produce on complaints types, speed of response and outcomes.

	must be provided to the Council's Representative.	
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KPI 3. Issue of Good Quality PCNs

The definition of a good quality PCN is one which has not been cancelled for any one of the reasons listed below.

Measurement Summary	Process	Information Sources
<p>a) PCNs cancelled due to CEO Error</p> <p>Tenderers are invited to submit suggested tolerance levels for this KPI.</p> <p>The Service Provider will be required to ensure that PCNs cancelled as a result of a CEO error are minimised and actively work towards decreasing this value annually.</p>	<ul style="list-style-type: none"> • Incorrect factual information (e.g. street name/location error, no record of VRM or VEL) • Input error on handheld computer (HHC) or electronic notes • Use of abbreviations in electronic notes other than those agreed with the Service Provider prior to contract commencement. • Error recording (inputting/writing) abbreviations • Failure to provide appropriate diagrams (where applicable) • Illegible or poor quality supplementary evidence (including use of correct English). • Failure to record/provide adequate and sufficient supporting notes in HHC/Pocketbook (e.g. notes of conversation with driver) • Failure to complete notes in accordance with agreed procedures • Failure to provide 	<p>The Service Provider will provide the Council with performance information. This information will be compared with data sourced from the IT system.</p>

	<p>relevant quality digital images of a vehicle following the issue of a Penalty Charge Notice, or failure to provide sufficient images.</p> <ul style="list-style-type: none"> • PCN cancelled as a result of CEO misconduct • Failure to void PCN as appropriate including failure to void or void request to the Council within 24 hours of date of issue. • Incorrect issue of PCN, i.e failure to issue according to Council guidelines. • Penalty Charge Notice cancelled as a result of proven/upheld complaint against a CEO (does not include benefit of doubt cases). 	
<p>b) Void Tickets</p> <p>Tenderers are invited to submit suggested tolerance levels for this KPI.</p> <p>The Service Provider will be required to ensure that voided PCNs are minimised and actively work towards decreasing this value annually.</p>	<ul style="list-style-type: none"> • PCNs voided due to CEO action or request after printing. • A PCN will not be classified as a void if the CEO issues a substitute PCN. 	<ul style="list-style-type: none"> • The Service Provider will provide the Council with performance information. This information will be compared with data sourced from the IT system.

KPI 4. Other Services.

The measurements listed below relate to the provision of efficient and effective customer services and PCN processing.

Measurement Summary	Process	Information Sources
<p>a) IT</p>	<p>Failure to meet any of the service requirements of section 38.2 of the Specification.</p>	<p>Performance information will be provided by Service Provider.</p>
<p>b) Customer and Processing Services</p> <p>Tenderers are invited to suggest tolerance levels if they consider these applicable.</p>	<ul style="list-style-type: none"> • Failure to log, scan, process or correctly allocate any item of post to the PCN within the required timescales. • Failure to provide the required level of telephone call handling. • Failure to issue postal PCNs within the required timescales. • The conversion of captured contraventions from the CCTV system must be maintained at a capture rate of approximately 90%. If the Service Provider determines that compliance has resulted in a decrease in incident capture and the resulting PCNs, this must be flagged at the monthly meetings so that the conversion rate could be adjusted or the Council may seek to relocate the relevant camera. • Failure to process PCNs (including service of statutory documentation) within the required time-scales. • Failure to take the 	<p>Performance information will be provided by Service Provider.</p>

	<p>required action to update the IT system as required, or to record case details correctly, within the appropriate timescales.</p> <ul style="list-style-type: none"> • The question of whether a Penalty Charge cancellation is due to "Service Provider Error" shall be determined by reference to a list of reason codes for Penalty Charge cancellation corresponding to the reasons set out but not be limited to below, and as may be further determined by the Council from time to time. • Failure to respond to both statutory and non statutory correspondence within specified timescales. • Failure to respond accurately and fully to challenges and other non-statutory correspondence within the required timescales. • Failure to process Representations and Appeals within required timescales or accurately, including failure to prevent any backlogs. • Appeals non-contested or refused due to poor or incorrect Representation response; or • Failure on the 	
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	<p>Service Provider and their subcontractors to deliver a compliant statutory and customer service to the PCN recipient.</p> <ul style="list-style-type: none"> • The Service Provider will be expected to meet a standard such that no more than 1% of all PCNs issued are cancelled as a result of an error made by the Service Provider. • Failure to issue a permit correctly (e.g. issued for wrong zone, to a non-resident, wrong type of permit). • Failure to ensure adequate stocks of pay and display tickets in all machines. • Failure to maintain the stocks and security of all controlled stationery. 	
<p>c) Banking and Financial</p> <p>There are no tolerance levels for this indicator (except the last item where a tolerance level may be agreed) although individual failures may be considered on their own merits.</p>	<ul style="list-style-type: none"> • The Service Provider will be expected to maintain the Council's current average percentage for the recovery of a PCN at 70% and work to increase this recovery rate for the duration of this contract. This element of the KPI will be considered met if monthly revenue summary information demonstrates that agreed activity levels are being met 	<p>Performance information will be provided by Service Provider. The Council's Representative will also monitor this indicator using the IT system and the Council's internal systems as appropriate.</p> <p>Note – notwithstanding the requirements of this KPI, where any errors in banking have incurred a financial loss to the Council, the amount lost will be deducted from the performance payment.</p>

	<p>across all work streams.</p> <ul style="list-style-type: none"> • Failure to provide all staff with adequate working procedures that comply with financial regulations. • Failure to account for all monies taken on behalf of the Council (e.g. in respect of permits, PCNs, bailiff payments, cash collections and suspensions). • Failure to carry out cash collections as agreed. • Late/delayed banking of monies unless otherwise agreed with the Council's Representative. • Failure to carry out adequate reconciliation of monies and/or numerous errors in banking and accounting processes, e.g. inadequate checks on credit/debit cards. (Tenderers are invited to suggest a tolerance level for this item). 	
<p>d) Suspensions</p> <p>There are no tolerance levels for this indicator although individual failures may be considered on their own merits.</p>	<ul style="list-style-type: none"> • Failure to implement suspensions in the required time frame. • Failure to accurately describe the suspension on the suspension sign and general accuracy of suspension implementation. • Failure to provide an accurate written or electronic summary log for each 	<p>Performance information will be provided by Service Provider in the form of access to the suspension module reports that will include up to date suspension information.</p> <p>Prior to implementation the Council's representative will agree with the Service Provider a checklist of points to be covered. These will include timeliness of</p>

	<p>suspension completed and signed off by CEO/Supervisor with satisfactory evidence to prove any contravention.</p> <ul style="list-style-type: none"> • Failure to remove the suspension within the agreed time frame • Failure to accurately record vehicles parked prior to suspension being implemented 	<p>suspension implementation, accuracy of information on signs describing suspension and advance warning notices. Performance will be measured against this agreed checklist.</p>
<p>e) Lines and signs maintenance</p>	<ul style="list-style-type: none"> • Failure to report defects or to attend to any reported defect and effect the necessary repair within the required timescales. 	<p>Performance information will be provided by Service Provider, in the form of access to the signs and lines maintenance reports that will include up to date implementation and rectification information. The Council may verify this information from its own observations, representations and appeals data. The Council will also use information provided at the monthly meetings to confirm whether remedial work has taken place against all instances of repair requests and/or identification.</p>
<p>f) Other Legislative requirements</p> <p>There is no tolerance level for this indicator</p>	<ul style="list-style-type: none"> • Failure to provide information required to deal with FOI requests within an agreed timescale. • Breaches of the Data Protection Act by the Service Provider or a member of the Service Provider's staff. • Compliance with Health & Safety legislation, Council policies and procedures. 	<p>This indicator will be monitored by the Service Provider through quality checks and by the Council through monitoring of complaints.</p> <p>The Service provider will also be required to provide such relevant information that may be required at the monthly meetings as agreed with the Council.</p>

	<ul style="list-style-type: none"> • Compliance with the Equalities Act 	
<p>g) Cashless parking service</p> <p>There is a tolerance of 5% on elements of this service <u>not</u> associated with financial management and service availability.</p>	<ul style="list-style-type: none"> • Payments taken on behalf of the Council must be banked within 48 hours in a format agreed with the Council. • The Service Provider will provide or give access to reports to the Council on a weekly basis in a format agreed with the Council. This will include but is not limited to the number of transactions, charges related to additional services, VAT (including VAT on services) and service availability. • The Service Provider will ensure that service information is available to service users in a manner that complies with relevant legislation and the Council's policies. 	<p>This indicator will be monitored by the Service Provider through quality checks and by the Council through weekly monitoring of reports provided by the Service Provider.</p> <p>The Council will require access to any relevant reporting system to verify such reports from the Service Provider and to undertake any additional reporting that may be required to monitor this contract.</p> <p>The Council will also undertake associated risk audit activity to verify transaction data.</p>

Public Accounts Select Committee		
Report Title	Report on the work of the Audit Panel	
Key Decision	No	Item No. 6
Ward	None	
Contributors	Chair of the Audit Panel	
Class	Part 1	Date: 10 March 2015

1. Purpose of the Report

- 1.1. The purpose of this report is to update the members of the Public Accounts Select Committee (PASC) on the work of the Audit Panel at their March, June, September and November 2014 meetings.

2. Recommendations

- 2.1. It is recommended that the PASC note the contents of this report.

3. Background

- 3.1. Under the Terms of Reference (ToR) in the Council's Constitution as at September 2014, the Audit Panel is required to report to the Public Accounts Select Committee (PASC) where appropriate.
- 3.2. Audit Panel review and advise the Council on the Internal Audit function, Control Environment, External Audit and the Council's final accounts, Risk and Anti-fraud policies and procedures. The Audit Panel is also required to review the Council's Constitution in respect of audit procedure rules, contract procedure rules, and financial regulations.
- 3.3. PASC are required to scrutinise the effectiveness of the Audit Panel.
- 3.4. The link below takes you to the Council's constitution, which contains the Terms of reference for both Audit Panel and PASC.
<http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/Documents/TheConstitutionSeptember2014.pdf>
- 3.5. Since May 2014, the Audit Panel consists of six non-executive councillors, one of whom is the Chair (currently Councillor Helen Klier), and three independent members (although it can contain up to four independent members).

4. External Audit and the Council's Final Accounts

- 4.1. The external audit work follows a cycle through the year. This covers interim and planning work in the Spring, draft final accounts in the Summer, audit findings and opinion in the Autumn, and Whole of Government Accounts and grant certification work in the Winter.

March 2014

- 4.2. At the March meeting under the previous administration the Audit Panel received an update on the interim external audit work of the Council's appointed auditors Grant Thornton.

June 2014

- 4.3. In June the Panel received and noted the draft financial statements and accompanying policies and notes and agreed these be submitted for audit.

September 2014

- 4.4. In September the Panel received the results of Grant Thornton's audit work on the financial statements. Although not requiring adjustment or qualification, the key areas highlighted by the external auditors were:

- on the final accounts, that improvements were required to the process in respect of the valuation of non-current assets and the timely completion of financial reconciliations, and
- on the value for money statement, that the use of once off resources to set a balanced budget and level of future savings required in coming years meant this was a key area of risk for the Council going forward.

- 4.5. Accepting the above and noting officers planned actions, the Panel noted the unqualified opinions for both the financial statements and value for money work from Grant Thornton and thanked them for their work.

November 2014

- 4.6. In November the Panel received the conclusions of Grant Thornton's audit work on the Council's submission for the HM Treasury Whole of Government Accounts and grant claims audit work. The external auditors noted that the Council's preparation of these returns this year was an improvement on the previous year. However, in respect of the certification of grant claims there were again some issues with the completeness and accuracy of supporting working papers that resulted in additional audit work and delayed the completion of this work.

- 4.7. The Chair of the Audit Panel met with the external auditors independently ahead of the meeting. No issues arising from this discussion required tabling at the subsequent meeting. In line with recognised good governance practice, these meetings will continue on an annual basis.

5. Internal Audit Service

- 5.1. At each meeting the Panel reviewed the update report for those audits completed in line with the plan, the assurance opinions provided, and the progress made on implementation of the High and Medium recommendations.

March 2014

- 5.2. The Head of Corporate Resources presented the Internal Audit plan for 2014/15. Having considered the plan against the corporate risks Members queried the timing and reason for some of the audits in the plan. The explanations provided by officers were accepted and the plan agreed.

- 5.3. The Audit Panel were concerned with the reduction in audit days as a consequence of agreed savings. The Audit Panel were informed that, by mutual

consent, the contract for internal audit services from Baker Tilly would cease at the end of June 2014. The Audit Panel requested that the Head of Corporate Resources provide an update on the strategy for the service at a future meeting,

- 5.4. The Audit Panel reviewed the Internal Audit charter, which has replaced the strategy and Terms of reference for Internal Audit. Members suggested improvements, which included that the charter:
- contain reference to officers attending the Audit Panel where concerns on the progress with implementing internal audit recommendations were raised.
 - be made more transparent by including a structure chart, a fuller introduction, and be written in plain English rather than as a technical document.
- 5.5. The Head of Corporate Resources confirmed that these changes would be made and the charter updated for 2015/16.

June 2014

- 5.6. In June, the new Chair and Vice Chair were elected and the Audit Panel were presented with the Annual Assurance Report (for 2013/14).
- 5.7. The Head of Corporate Resources opinion on the adequacy and effectiveness of internal controls of the Council was Satisfactory. This opinion was qualified, and the Panel noted the following:
- Only 74% of the audit plan had been completed to final report stage by the end of May.
 - The 'No Assurance' opinion for one school review reflected local circumstances and was not indicative of a lack of controls in all schools.
 - There was a rise in recommendations being re-opened or delayed.
 - The number of changes to the audit plan was higher than usual reflecting the pace of change within the Council, which is expected to continue.
- 5.8. The Audit Panel queried why there was a delay in IT responding to their recommendations. It was noted that resources had been diverted to ensure the Council complied with Public Sector Network requirements now being enforced. The Audit Panel requested an update from the Head of Technology at a future meeting.
- 5.9. Concerns were raised on the consultancy review of reconciliations in finance which had two high recommendations. Members noted that timely and accurate reconciliations are critical for financial control, all the more so with the new finance system coming in and in the present financial climate. The Head of Corporate Resources said that in terms of follow up reconciliations are looked at annually through the key systems work by both internal audit and external audit.

September 2014

- 5.10. Members noted that the Internal Audit service is still going through a restructure. The Head of Corporate Resources confirmed arrangements are in place to ensure that core financial internal audits (by Mazars – Croydon Framework); IT system audits (independent IT auditor), and school audits (Royal Borough of Greenwich) will be completed on time.
- 5.11. The Head of Corporate Resources was asked to clarify the restructure. The intention over the next three years is to transition to a mainly in-house service with

qualified experienced auditors supported by finance trainee accountant / auditors. And that this core resource would be supplemented by bringing in specialist support for key risks or targeted pieces of assurance work on an as needed basis.

- 5.12. At the recommendation of the Internal Control Board, it was agreed to change the internal audit year has to July to June, from April to March, to better align with the annual reporting cycle and ease pressure on finance teams around the March year end close.

November 2014

- 5.13. An improvement in the timely implementation of internal audit recommendations by management was noted.

- 5.14. The new Head of Change and Transformation attended and provided the Audit Panel with a verbal update on the development of the IT strategy, changes in the IT service, and progress with the implementation of internal audit recommendations.

6. Counter Fraud Arrangements

- 6.1. At each meeting the Panel reviewed the update report for investigations completed and in progress in the three key areas of special investigations (including employment matters), benefits, and housing.

March 2014

- 6.2. The National Fraud Initiative benchmarking report was received with Lewisham ranked fourth in terms of number of cases detected but lower by value of fraud.

- 6.3. The Panel also noted the likely impact of agreed savings on benefit investigations for 2014/15 ahead of the transfer of this service to the Department for Work and Pensions (DWP).

June 2014

- 6.4. Officers introduced the work of the Counter Fraud team to the new members of the Panel and this was discussed with the points that the service continues to have the support of a seconded Police Officer and work is largely reactive.

September 2014

- 6.5. The Panel received an update on DWP's national Single Fraud Investigation Service hosted and the confirmed date of 1 April for the transfer of benefit investigators from the Council to DWP.

- 6.6. The Panel also noted the continuing good results from partnership working to identify housing fraud and recover sub-let properties. And the impact from obtaining these nomination rights has on available social housing for the Council.

November 2014

- 6.7. The fall in concluded special investigation work was discussed with the lower number of employee cases welcomed. The work to support review of 'no recourse to public funds' cases was noted in the context of the financial pressures arising from these cases for the Council in 2014/15.

7. Financial Regulations and Contract Procedure Rules

- 7.1. The Head of Corporate Resources is responsible for maintaining the Finance Regulations, Scheme of Delegation, and Contract Procedure Rules. These were reviewed and updated in June 2014 and submitted to the Constitution Working Party to be approved.
- 7.2. A similar annual review will happen again in June 2015. New for 2015/16 will be the changes resulting from the new European Procurement regulations. An update of the key changes will be provided to the Audit Panel for comment.

8. Statement of Internal Control (SIC) / Annual Governance Statement

- 8.1. The statement of internal control now forms part of the wider Annual Governance Statement (AGS) published each year as part of the Council's financial statements.
- 8.2. The draft AGS relating to 2013/14 was reviewed at the June Audit Panel meeting and agreed as final at the September meeting when the accounts were approved. The AGS took a new format this year – being much more concise – in line with the external audit recommendation of the previous year. The Panel welcomed this change as the statement is now clearer and the key messages more accessible.
- 8.3. The AGS for 2014/15 will be reviewed at the June and September meetings of the Audit Panel.

9. Other Business

- 9.1. Nothing further to report at this time.

10. Legal Implications

- 10.1. There are no legal implications arising directly from this report.

11. Financial Implications

- 11.1. There are no financial implications arising directly from this report.

12. Equalities Implications

- 12.1. There are no Equalities implications arising directly from this report.

13. Crime and Disorder Implications

- 13.1. There are no crime and disorder implications arising directly from this report.

14. Environmental Implications

- 14.1. There are no legal implications arising directly from this report.

15. Background Papers

15.1. There are no background papers. If there are any queries on this report, please contact Selwyn Thompson, Head of Financial Services on 020 8314 6932 or David Austin, Head of Corporate Resources on 020 8314 9114.

Public Accounts Select Committee			
Title	Income Generation Review: Scoping Paper	Item No	7
Contributors	Scrutiny Manager		
Class	Part 1	Date	10 March 2015

1. Purpose of paper

- 1.1 As part of its work programme the Committee has agreed to undertake an in-depth review into income generation.
- 1.2 This paper sets out the rationale for the review, provides some background information on the work that has already been carried out in relation to this topic within Lewisham and sets out proposed terms of reference for discussion and agreement by the Committee.
- 1.3 The in-depth review process is outlined at Appendix A.

2. Recommendations

The Select Committee is asked to:

- note the content of the report
- consider and agree the proposed key lines of enquiry for the review, outlined in section 7 and the timetable, outlined in section 8.

3. Policy context

- 3.1 The Council's ten corporate priorities and the overarching Sustainable Community Strategy drive budgetary decisions. Lewisham's corporate priorities were agreed by full Council and they remain the principal mechanism through which the Council's performance is reported and through which the impact of saving and spending decisions are assessed.
- 3.2 The Council's current financial situation is exceptionally challenging. The funding available to local authorities has fallen sharply in recent years, with councils just over half way through a scheduled 40 per cent cut in funding from central government. Having delivered £10 billion of savings in the three years from 2011/12, local authorities have to find the same savings again by the end of 2015/16¹. London, in particular, has been hit hard, taking a 33 per cent real terms cut in funding for service provision from central government between 2009/10 and 2013/14² with further cuts in funding expected until at

¹ LGA (2014), *Under Pressure, how councils are planning for future cuts*, p3

² A Fitzgerald, R Lupton, R Smyth, P Vizard (2013), *Hard Times, New Directions? The Impact of the Local Government Spending Cuts in London*, P4

least 2018. Although councils across the country have seen substantial cuts to their budgets, the situation is particularly acute in London due to the rapidly rising population, demographic complexity, rising housing costs and the disproportionate impact of welfare reforms. Boroughs have tried to make the large savings required without cutting front line services, focussing on achieving efficiencies; withdrawing or reducing discretionary services; paring back how statutory services are provided, targeting those most in need; and looking to maximise income.

- 3.3 The Council has made savings of £93m to meet its revenue budget requirements since May 2010. The Medium Term Financial Strategy, reported to Mayor & Cabinet in July 2014, estimated that £85m of savings were still required over the period 2015/16 to 2017/18. As a result, very severe financial constraints will continue to be imposed on Council services, with cuts to be made year on year. The Lewisham Future Programme Board was established to progress cross-cutting and thematic reviews to deliver required savings and one of these reviews is focussed on income generation.
- 3.4 The recent Local Government Association (LGA) report *Under Pressure* suggests that one of the most common budget strategies being followed by local authorities for 2015/16 is maximising income from investments, fees and charges³. The report states that some of the strategies being adopted include:
- Ensuring investments generate the maximum possible income.
 - Changing fee charging structures to ensure that, while remaining equitable, service charges move closer to recovering the full costs of providing those services.
 - Maximising the income generated by assets.

4. The Lewisham Future Programme and the Income Strategy

- 4.1 A number of proposals are being pursued by the Council as part of the Lewisham Future Programme income generation review. All proposals being taken forward are felt by officers to be realistic, deliverable and sustainable into the medium term. Current proposals include:
- Increasing the amount of Council tax collected
 - Generating more income from School SLAs
 - Maximising investment income
 - Increasing income from advertising
 - Reviewing fees and charges with a view to increasing income.
- 4.2 In addition to working up specific proposals, the review has resulted in the development of a comprehensive draft income strategy that will be provided to the Committee for pre-decision scrutiny at the first evidence session, prior to consideration by Mayor and Cabinet. The strategy is intended to ensure that the management of the fees and charges levied by the Council, and other sources of income that the Council receives, is consistent and guided by

³ LGA (2014), *Under Pressure, how councils are planning for future cuts*, p9

agreed principles. If approved, the strategy will mean that the Council will adhere to the following principles when setting or introducing fees and charges:

- **Full Cost** – Any fees and charges should cover, at a minimum, the full costs of the service (including capital and revenue investment and overheads) unless there are contrary policies, strategy, legal or contractual reasons.
- **Market Rates** – Where fees and charges are in place they should reflect market rates subject to meeting full cost. Any charges that are significantly lower than the market rate must be agreed by the Fees and Charges Working Group.
- **Inflation Rise** – All fees and charges will rise in line with inflation in order to avoid sharp increases in prices.
- **Benchmarking** – All fees and charges should be benchmarked with neighbouring local authorities and the voluntary and private sector delivering similar services. Charges should not be significantly below comparator councils.
- **Agreeing Subsidy** – The Fees and Charges Working Group must agree any decision to subsidise a service through lower fees. A business case must be presented setting out the rationale behind the subsidy and the full costs of the subsidy (including annual and whole life revenue, overheads and capital costs).
- **Understanding Demand** – Demand analysis must be undertaken to understand the impact of fees and charges on service and non-service users. This should include the elasticity of demand.
- **Concessions** – Any concessionary scheme should be based on ability to pay or promote a strategic objective and be applied in a consistent and transparent way across all council services.
- **Collection** – All fees and charges should be collected in the most efficient form. All fees and charges should be collected through automated electronic means and prior to the service being delivered.
- **Targeting Charges** – Managers should actively consider the use of alternative pricing structures to take advantage of opportunities to segment markets, and to target and promote take-up of services to specific target groups as appropriate to strategy objectives.

Key activity

Fees and charges

- 4.3 In accordance with the principle of ensuring that all fees and charges cover, *at a minimum*, the full costs of providing the service; officers are being encouraged to review their fees and charges regularly to ensure that they are (a) accurately capturing the full costs associated with the delivery of the service being provided; and (b) reflecting these costs in the fees and charges being levied. However, it is important that any increase in fees and charges takes into consideration the ability of service users to pay. Increases to fees and charges might eventually reduce, rather than increase, the income generated, if the maximum amount affordable by residents is surpassed and increases lead to a reduction in demand. A further difficulty with increasing fees and charges is regulation. Even if it is determined, for example, that an increase in fees and charges above the costs of providing the service would not reduce demand, many fees and charges (such as those levied by Highways and Building Control) are heavily regulated and can only be charged on the basis of cost recovery, offering no scope for generating a profit.

Assets

- 4.4 Over the last few years significant work has been undertaken to review the use of assets across the corporate estate and a new Asset Management System has been created. The operational estate has been undergoing a rationalisation programme for the last four years to reduce the number of sites from which the Council operates. This will continue for a further four years, although the focus will shift from simply reducing the number of sites to targeting the least efficient. This may lead to some inefficient sites being converted from operational to commercial sites to generate income.
- 4.5 In parallel to the review of the operational estate, the commercial estate is also being reviewed to ensure that income is maximised. A key element of this is the establishment of truly commercial leases with appropriate safeguards for the Council, with rents set at market levels and with regular reviews and increases.

Debt collection

- 4.6 The Council operates a centralised Debtors function. Whilst this produces savings due to economies of scale, it also means that individual services do not oversee the collection of their fees and charges or control how debts are pursued. Services therefore work closely with the Debtors service to ensure that debt is collected in an appropriate manner and crucially, to ensure that the information passed to the Debtors function is accurate. A number of services, including the Asset Management Service, provide debt information to the Debtors function electronically and the use of mandatory field

completion helps ensures accuracy. In addition, more services are introducing direct debit options (e.g. for rental incomes on new/renewed leases) which reduces the level of non-payment.

Investments

- 4.7 A change to the Council's balance of investments has recently been agreed in order to achieve a projected additional annual investment income of £250,000 above current performance. The change will maximise the return from investing the Council's financial assets but within the security and liquidity risk constraints set by the Council in its Treasury Strategy. The balance of investments will be shifted towards longer (but still less than one year) investments and care will be taken to ensure that at least £50m is available or returning in any one month to meet ongoing commitments. The increase in income of £250,000 is based on the following assumptions:
- 25% of funds are held on call or due to mature within the month to ensure cash flow is sufficient to meet ongoing resource demands
 - Annualised returns are assumed to remain the same (from the current historically low base) as this proposal is not dependent on interest rate rises
 - The average level of available investment income falls by £15m as the Council draws on reserves to meet current funding pressures
 - Suitable counter parties can be identified to spread the longer term investments in a prudent manner in line with the Council's investment strategy.

5. Strategies being followed by other councils

- 5.1 The following paragraphs offer some brief information on a selection of the strategies being pursued by other Councils to generate more income:

London Boroughs

- 5.2 ***Croydon*** – The Council is following a new income policy based on moving away from the use of historical prices to inform fees and charges, to understanding the true cost of providing or commissioning services and pricing accordingly, whilst recognising the service user's need for the services being charged for and their ability to pay⁴. As part of this, Croydon is striving to develop a more commercial / entrepreneurial culture within the Council. The review of fees and charges is projected to result in an increase in income generation in 2014/15 of £1.162m.
- 5.3 ***Camden*** – Camden is generating income from providing a Wi-Fi network in areas of high footfall⁵. Residents, businesses and visitors get 30 minutes of free internet access every day, but once users have taken advantage of the

⁴ For further information see: <https://www.croydon.gov.uk/democracy/budgets/2014-15>

⁵ For further information see: <http://www.camden.gov.uk/ccm/content/council-and-democracy/plans-and-policies/camden-strategies-&-partnerships/free-public-wi-fi-service/>

30 minutes of free time, they are invited to purchase extra time at a rate of £5 per day, £10 per week or £30 per month. The Council is anticipating receiving a multi-million income over the 10 year term of the contract they have signed with Arqiva.

- 5.4 **Brent** – The Council is looking to gain “Approved Inspection” status for its Building Regulation team to enable them to undertake work throughout England without needing to obtain the host local authority’s agreement to work within their area⁶. This ability will allow Brent to market their building regulation services in the same way as private sector companies.
- 5.5 **Hammersmith and Fulham** – The Council is taking a strategic approach to commercialisation, developing a greater understanding of the profit and loss made by each service and encouraging staff to be more commercially minded. A number of services now have a comprehensive sales and marketing plan and an external income target. The importance of engaging with heads of services rather than just the finance team, as traditionally the case with income generation work, has been a key lesson learnt by the Council⁷.

Outside London

- 5.6 **Birmingham** – Birmingham is one of the founding members of the Council Advertising Network⁸ and is generating significant digital advertising income⁹. With channel shift driving more people to access council services online, Birmingham is using advertising to effectively generate income, without detracting from the user experience and whilst ensuring that every advert is appropriate for a public service website. As part of a consortium of councils, the network can command the attention of big advertisers and gain access to advertising campaigns offering premium rates because the advertisers are willing to pay for large but relevant and segmented audiences.
- 5.7 **Powys County Council** – The Council took over the regulation of Britain's estate agents from the Office of Fair Trading (OFT) in April 2014¹⁰. Powys won the competitive bidding process to deliver the service in place of the Office for Fair Trading and will receive £170,000 a year for three years for providing the National Trading Standards Estate Agency Team. Three new jobs have been created as a result and Powys aims to become a centre of excellence for the UK on estate agency enforcement matters and generate further income by doing so.

6. Meeting the criteria for a review

- 6.1 A review into income generation meets the criteria for carrying out a scrutiny review, because:

⁶ For further information see: <http://brent.gov.uk/media/12103610/5-APPENDIX-1-Budget-Savings.pdf>

⁷ For further information see: <http://www.local.gov.uk/documents/10180/5785771/Income+Generation+Case+Study+-+Hammersmith+and+Fulham.pdf/cae580eb-0fa6-461a-a4cf-191fb0ff2aa3>

⁸ For further information see: <http://capacitygrid.com/services-2/council-advertising-network/>

⁹ For further information see: <http://birmingham.gov.uk/advertising>

¹⁰ For further information see: <http://www.powys.gov.uk/index.php?id=17020&L=0>

- it is a strategic and significant issue
- scrutiny can add value in this area
- a scrutiny review would be timely as it could link into the current Lewisham Future Programme work.

7. Key lines of enquiry (KLOE)

7.1 It is suggested that the review covers the following key lines of enquiry:

7.2 Fees and charges

- What is the role of the Fees and Charges Working Group?
- How regularly are regulated and non-regulated fees and charges (including parking fines and charges for road closures) reviewed?
- What steps is the Council taking to improve customer insight and use relevant information and data to understand demand and its drivers and set fees and charges accordingly?
- How is the non-payment of fines, fees and charges dealt with?
- What steps are being taken to improve the way services work with the central Debtors team?

7.3 Assets

- What methodology has been followed in relation to the rationalisation of the operational estate?
- Is the Council realising the full rental value of its commercial assets? What are the constraints?
- How is the non-payment of rent dealt with?

7.4 Investment income

- How successful have the changes made to the balance of investments been?
- Is the balance of investments right or is there any scope to change it further?

7.5 Other proposals and workforce development

- What other work is taking place across the Council, beyond the key work around fees and charges; assets and investments?
- Are any steps being taken to assess and develop the commercial expertise of Council staff?

7.6 Good practice

- What are other councils doing to maximise the generation of income and would any of these initiatives be suitable for implementation in Lewisham?

8. Timetable

8.1 The Committee is asked to consider the outline timetable for the review set out below. It is suggested that two evidence sessions are held, one focussing on the work already being carried out in Lewisham and how this might be

improved; and one focussing on good practice elsewhere and the feasibility of doing similar things in Lewisham.

First evidence-taking session (April 2015)

What is Lewisham doing?

- Receiving a written report addressing the KLOE outlined at paragraph 7.2, 7.3, 7.4 and 7.5 and appending the draft income strategy.
- Questioning officers on the written report.

Second evidence-taking session (May 2015)

What are other councils doing?

To address the KLOE outlined at paragraph 7.6 above by:

- Receiving a written report providing information on the approaches being taken by other councils to maximising the generation of income.
- Questioning external witnesses on the written report.

Recommendations and final report (July 2015)

- Considering a final report presenting all the evidence taken and agreeing recommendations for submission to Mayor & Cabinet.

9. Further implications

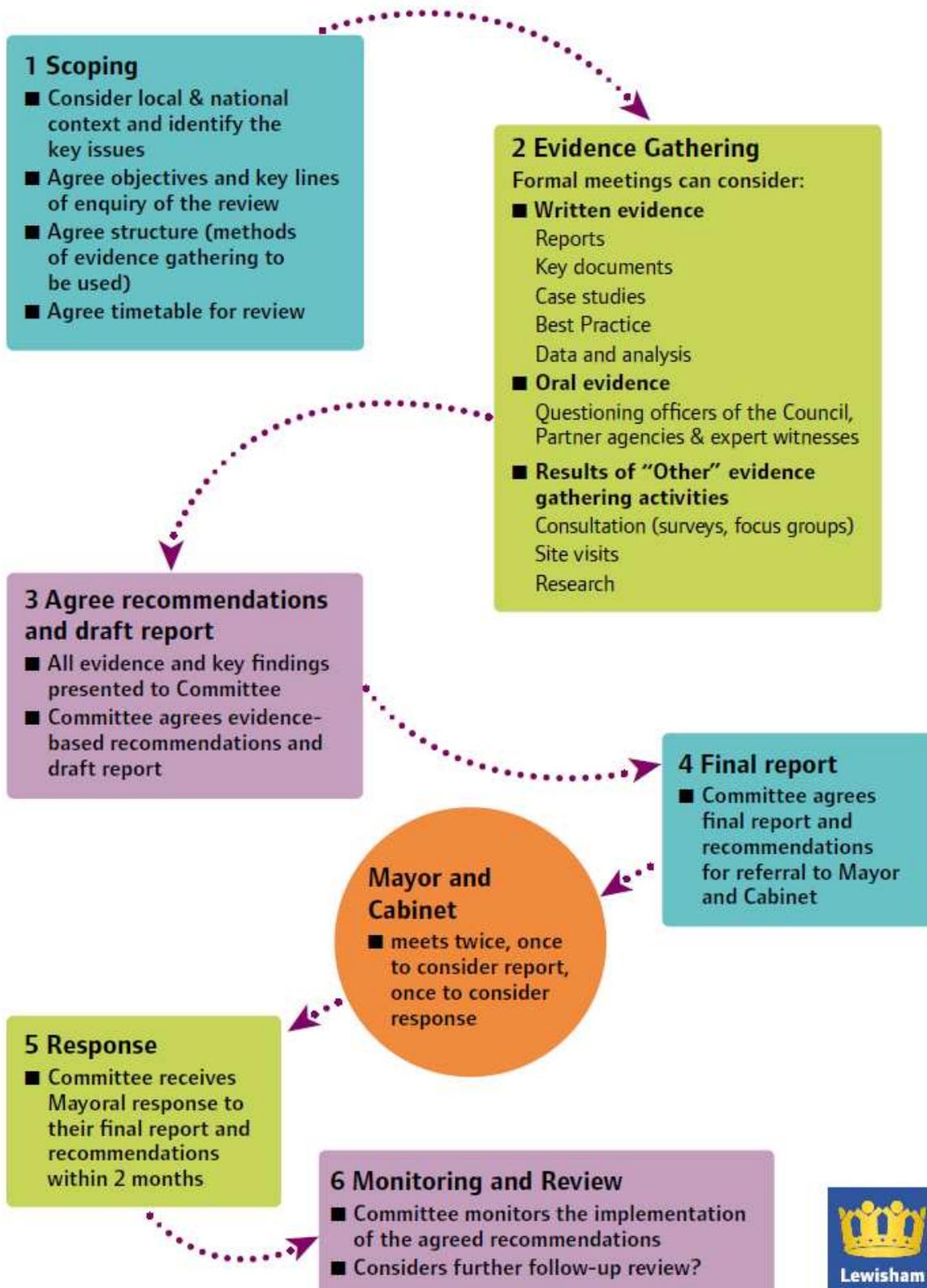
At this stage there are no specific financial, legal, environmental or equalities implications to consider. However, each will be addressed as part of the review.

Background Papers

- [Medium Term Financial Strategy](#), Report to Mayor and Cabinet (July 2014)
- [Hard Times, New Directions? The Impact of the Local Government Spending Cuts in London](#) produced by [the Centre for Analysis of Social Exclusion](#) at the London School of Economics, A Fitzgerald, R Lupton, R Smyth, P Vizard (2013)
- [Coping with the cuts? Local government and poorer communities](#) commissioned by the Joseph Rowntree Foundation, A Hastings, N Bailey, K Besemer, G Bramley, M Gannon and D Watkins (2013)
- The Local State We're In: PWC's Annual Local Government Survey [2013](#) and [2014](#)
- [Doing more with less: how London boroughs are using new powers to navigate budget straits and deliver local service](#), a Future of London report, J Wilson (2013)
- [Under Pressure, how councils are planning for future cuts](#), commissioned by the LGA, (2014)

For further information please contact Charlotte Dale, Interim Overview and Scrutiny Manager on 020-8314-9534

How to carry out an in-depth review



Public Accounts Select Committee		
Title	Select Committee Work Programme	
Contributor	Scrutiny Manager	Item 8
Class	Part 1 (open)	10 March 2015

1. Purpose

- 1.1 To provide Members of the Select Committee with an overview of the work programme for 2014-15 and to advise the Committee about the process for agreeing the 2015-16 work programme.

2. Summary

- 2.1 At the beginning of the municipal year each select committee is required to draw up a work programme for submission to the Overview and Scrutiny Business Panel. The Panel considers the suggested work programmes and coordinates activities between select committees in order to maximise the use of scrutiny resources and avoid duplication.
- 2.2 The meeting on 10 March 2015 is the last scheduled meeting of the Public Accounts Select Committee in the 2014-15 municipal year. This report provides a list of the issues considered in 2014-15 (the completed work programme) and asks the Committee to put forward suggestions for the 2015-16 work programme.

3. Recommendations

- 3.1 The Select Committee is asked to:
- note the completed work programme attached at **Appendix B**;
 - review the issues covered in 2014-15 municipal year;
 - take note of the notice of key decisions attached at **Appendix C**;
 - consider any matters arising that it may wish to suggest for future scrutiny.

4. Public Accounts Select Committee 2014-2015

- 4.1 The Public Accounts Select Committee had six meetings in the 2014-15 year:
- 9 July 2014
 - 22 Sep 2014
 - 5 Nov 2014
 - 10 Dec 2014
 - 5 Feb 2015
 - 10 Mar 2015
- 4.2 Along with all other select committees, the Public Accounts Select Committee has devoted considerable attention to the proposals put forward as part of the

development and delivery of the Lewisham Future Programme. It is anticipated that all overview and scrutiny committees will be tasked with reviewing further Lewisham Future Programme proposals in the 2015-16 municipal year.

4.3 The Committee's completed work programme is attached at **Appendix B**.

5. Planning for 2015-16

5.1 Eight meetings will be scheduled for 2015-16 municipal year. A work programme report will be put forward at the first Public Accounts Select Committee meeting of the 2015-16 year for members to review, revise and agree. The report will take account of the Committee's previous work and may incorporate:

- issues arising as a result of previous scrutiny
- issues that the Committee is required to consider by virtue of its terms of reference
- items requiring follow up from Committee reviews and recommendations
- issues suggested by members of the public
- petitions
- standard reviews of policy implementation or performance, which is based on a regular schedule
- suggestions from officers
- decisions due to be made by Mayor and Cabinet.

Issues arising from the 2014/15 work programme

5.2 The Committee has already indicated that it would like to carry out an in-depth review into income generation in the next municipal year. It has also indicated that, alongside the standard reports considered every year, there are some other matters it feels should be considered for further scrutiny:

- ICT Strategy
- Asset Management
- Shared Services
- NRPF Review – implementation of any agreed recommendations.

In addition, Business Panel, at its meeting on 27 January 2015, suggested that the committee might want to consider the implementation of savings proposal O3 (creating an internal enforcement agency) later in the year.

Public Accounts Select Committee terms of reference

5.3 The Committee's terms of reference are included at **Appendix A**.

5.4 The Council's constitution sets out the Committee's powers. The Select Committee's role is to examine issues relating to the Council's finances and to make recommendations for best financial practice across the authority, including improving procurement practice.

5.5 The Committee is also tasked with consulting and commenting on the actual and proposed contents of the Council's budget.

5.6 The Committee has a specific role in relation to the Audit Panel, whose effectiveness it is responsible for scrutinising.

6. Financial implications

6.1 There are no financial implications arising from the implementation of the recommendations in this report. There will be financial implications arising from items on the agenda; these will need to be considered, as necessary.

7. Legal implications

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

8. Equalities implications

8.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.2 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.

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

Background documents

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

Appendix A

Public Accounts Select Committee specific terms of reference

- To make reports and recommendations to the Council or the Executive which promote the better custodianship of the Council's finances and to make recommendations for best financial practice across the authority.
- To investigate the possibilities for improving the Council's financial management practice and to make reports and recommendations to Executive or Council as appropriate.
- To encourage the highest standards of financial custodianship where necessary overseeing training activity for all members in this area.
- To consult on and to comment on and make recommendations to the Executive in respect of the actual and proposed contents of the Council's budget and without limiting the general remit of the committee, to hold the Executive to account for its performance in respect of all budgetary matters.
- To receive reports as appropriate from the Audit Panel in respect of their overview of contract procedure rules and financial regulations.
- To make recommendations and reports for consideration by the Executive or Council to improve procurement practice.
- To scrutinise the effectiveness of the Audit Panel.

Work Item	Type of review	Priority	Strategic Priority	Delivery deadline	09-Jul	22-Sep	05-Nov	10-Dec	05-Feb	10-Mar
Lewisham Future Programme	TBC	High	CP10	TBC						
Financial forecasts 2014/15	Performance monitoring	Medium	CP10	March						
Management report	Performance monitoring	Low	CP10	March						
Financial outturn 2013/14	Performance monitoring	Medium	CP10	July						
Impact of people with no recourse to public funds in the borough	In-depth review	High	CP10	December		Scope	Evidence	Evidence	Report	
In-depth review (income generation)	Rapid review	Medium	CP10	March						Scope
Collection and usage of Section 106 funds	Standard item	Medium	CP10	September						
Council ICT	Standard item	High	CP10	September						
Mid-year Treasury Management Review	Performance monitoring	Medium	CP10	November						
Annual complaints report	Performance monitoring	Medium	CP10	December						
Asset management update	Standard item	Medium	CP10	December						
Update on Funding and Financial Management of Adult Social Care Review	Information item	Low	CP10	December						
Cost of Bed & Breakfast provision	Standard item	High	CP10	December						
Annual Budget 2015/16 (incl. Lewisham Future Programme)	Standard item	High	CP10	February						
Contract monitoring - street lighting and parking	Performance monitoring	Medium	CP10	March						
Audit Panel update	Constitutional Requirement	Medium	CP10	March						

	Item completed
	Item ongoing
	Item outstanding
	Proposed timeframe

Meeting dates 2014/15			
1)	09/07/2014	4)	10/12/2014
2)	22/09/2014	5)	05/02/2015
3)	05/11/2014	6)	10/03/2015

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FORWARD PLAN OF KEY DECISIONS

Forward Plan February 2015 - June 2015

This Forward Plan sets out the key decisions the Council expects to take during the next four months.

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin, the Local Democracy Officer, at the Council Offices or kevin.flaherty@lewisham.gov.uk. However the deadline will be 4pm on the working day prior to the meeting.

A "key decision"* means an executive decision which is likely to:

- (a) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
- (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards.

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
December 2014	Acquisition of Property Lee Green	Wednesday, 11/02/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
November 2014	Budget 2015-16	Wednesday, 11/02/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
December 2014	Day Care Services	Wednesday, 11/02/15 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
January 2015	Local Government Association Peer Challenge	Wednesday, 11/02/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Joe Dromey, Cabinet Member Policy & Performance		
December 2014	Phoenix Community Housing Board	Wednesday, 11/02/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
December 2014	Re-configuring Community Based Healthy Eating	Wednesday, 11/02/15	Aileen Buckton, Executive Director for		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
	Initiatives	Mayor and Cabinet	Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
March 2014	Review of Blackheath Events Policy 2011	Wednesday, 11/02/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
November 2014	Prevention and Inclusion Team Contract	Wednesday, 11/02/15 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
November 2014	Procurement of the School Catering Contract service	Wednesday, 11/02/15 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2014	Savings Proposals Delegated to Executive Directors for Community Services, Customer Services and Resources and Regeneration	Tuesday, 17/02/15 Overview and Scrutiny Business Panel	Janet Senior, Executive Director for Resources & Regeneration, Aileen Buckton, Executive Director for Community Services, Kevin Sheehan, Executive Director for Customer Services and		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Councillor Kevin Bonavia, Cabinet Member Resources		
February 2015	Adult Social Care - Independent Mental Capacity Advocacy Service	Tuesday, 17/02/15 Overview and Scrutiny Business Panel	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
January 2015	Healthwatch Contract Tender Award	Not before 17/02/15 Overview and Scrutiny Business Panel	and		
February 2015	Contract Award for Works at Beecroft Primary School	Tuesday, 17/02/15 Overview and Scrutiny Education Business Panel	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2014	Award of contract for works at Kender Primary School	Tuesday, 17/02/15 Overview and Scrutiny Education Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2014	Savings Proposals Delegated to Executive Director CYP	Tuesday, 17/02/15 Overview and Scrutiny Education	Frankie Sulke, Executive Director for Children and Young People and		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
		Business Panel	Councillor Paul Maslin, Cabinet Member for Children and Young People		
November 2014	Budget Update 2015-16	Wednesday, 18/02/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
January 2015	Community Infrastructure Levy Adoption version	Wednesday, 25/02/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
January 2015	Planning Obligations SPD	Wednesday, 25/02/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
November 2014	2015/16 Budget Report	Wednesday, 25/02/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
January 2015	Lewisham River Corridors Improvement Plan SPD	Wednesday, 25/02/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
December 2014	Asset Management Strategy (Highways)	Wednesday, 04/03/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
December 2014	Catford Town Centre CRPL Business Plan 2015/16	Wednesday, 04/03/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	Church Grove Custom Build	Wednesday, 04/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
June 2014	Housing Strategy 2015 - 2020	Wednesday, 04/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
February 2015	Local Development Framework Revised Local Development Scheme	Wednesday, 04/03/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
November 2014	Pay Policy Statement	Wednesday, 04/03/15 Mayor and Cabinet	Andreas Ghosh, Head of Personnel & Development and Councillor Kevin Bonavia, Cabinet Member		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Resources		
February 2015	Phase 1 & Phase 2 Excalibur Estate	Wednesday, 04/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	Strategic Asset Management Plan 2015-2020	Wednesday, 04/03/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
January 2015	London Councils and POPLA Contract	Wednesday, 04/03/15 Mayor and Cabinet	and		
September 2014	Award of Street Advertising and Bus Shelter Contract	Wednesday, 04/03/15 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	Prevention and Inclusion Contract Extension and Commissioning Recommendation	Wednesday, 04/03/15 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
September 2014	Prevention and Inclusion Framework Contract Award	Wednesday, 04/03/15 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best,		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Cabinet Member for Health, Wellbeing and Older People		
February 2015	Re-procurement of Adult Social Care System	Tuesday, 17/03/15 Overview and Scrutiny Business Panel	Aileen Buckton, Executive Director for Community Services and		
February 2015	Re-procurement of Children's Social Care System	Tuesday, 17/03/15 Overview and Scrutiny Business Panel	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2014	Annual Lettings Plan	Wednesday, 25/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	Deptford Southern Sites Regeneration Project	Wednesday, 25/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
February 2015	Local Support Scheme Update	Wednesday, 25/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
November 2014	School Admissions 2015-16	Wednesday, 25/03/15 Mayor and Cabinet	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
January 2015	Waste Strategy Consultation	Wednesday, 25/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
June 2014	Surrey Canal Triangle - Compulsory Purchase Order Resolution	Wednesday, 25/03/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
November 2014	Award of Highways Public Realm Contract Coulgate Street	Wednesday, 25/03/15 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
November 2014	Award of Design and Build Contract Phase 1 Grove Park Public Realm Project	Wednesday, 25/03/15 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
November 2014	Procurement of the School Kitchen Maintenance Contract	Wednesday, 25/03/15 Mayor and Cabinet	Frankie Sulke, Executive Director for Children and Young People and		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
		(Contracts)	Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2014	Catford Town Centre CRPL Business Plan 2015/16	Thursday, 26/03/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
December 2014	Pay Policy	Thursday, 26/03/15 Council	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
December 2014	Contract Award Launcelot Primary school	Wednesday, 08/04/15 Overview and Scrutiny Education Business Panel	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
February 2015	Voluntary Sector Accommodation	Wednesday, 22/04/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Joan Millbank, Cabinet Member Third Sector & Community		
February 2015	Award of Design and Build Contract Phase 1 Grove Park Public Realm Project	Wednesday, 22/04/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
		(Contracts)	Councillor Rachel Onikosi, Cabinet Member Public Realm		
February 2015	Local Development Framework: Revised Local Development Scheme (version 7)	Wednesday, 24/06/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		

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Public Accounts Select Committee		
Report Title	Exclusion of the Press and Public	
Key Decision	No	Item No. 10
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: 10 March 2015

Recommendation

It is recommended that under section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting during discussion of the following items because it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act as set out below and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Items

11. Contract Monitoring (Part 2)

- Parking
- Street lighting

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