

# Public Document Pack

## Lewisham Council Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 24 February 2016.



Barry Quirk, Chief Executive  
February 16 2016

<p>Councillor Obajimi Adefiranye Councillor Abdeslam Amrani Councillor Chris Barnham Councillor Paul Bell Councillor Peter Bernards Councillor Chris Best Councillor Kevin Bonavia Councillor Andre Bourne Councillor David Britton Councillor Bill Brown Mayor Sir Steve Bullock Councillor Suzannah Clarke Councillor John Coughlin Councillor Liam Curran Councillor Janet Daby Councillor Brenda Dacres Councillor Amanda De Ryk Councillor Joe Dromey Councillor Damien Egan Councillor Colin Elliott Councillor Alan Hall Councillor Carl Handley Councillor Maja Hilton Councillor Simon Hooks Councillor Ami Ibitson Councillor Mark Ingleby Councillor Stella Jeffrey Councillor Liz Johnston-Franklin Councillor Alicia Kennedy Councillor Roy Kennedy Councillor Helen Klier Councillor Jim Mallory Councillor Paul Maslin</p>	
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

Councillor David Michael Councillor Joan Millbank Councillor Jamie Milne Councillor Hilary Moore Councillor Pauline Morrison Councillor John Muldoon Councillor Olurotimi Ogunbadewa Councillor Rachel Onikosi Councillor Crada Onuegbu Councillor Jacq Paschoud Councillor John Paschoud Councillor Pat Raven Councillor Joan Reid Councillor Gareth Siddorn Councillor Jonathan Slater Councillor Alan Smith Councillor Luke Sorba Councillor Eva Stamirowski Councillor Alan Till Councillor Paul Upex Councillor James-J Walsh Councillor Susan Wise	
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--



# Council Agenda

Wednesday, 24 February 2016

**7.30 pm,**

Civic Suite

Lewisham Town Hall

London SE6 4RU

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

## Part 1

<b>Item</b>		<b>Pages</b>
1.	Declaration of Interests	1 - 3
2.	Minutes	4
3.	Petitions	5
4.	Announcements or Communications	6 - 7
5.	Public Questions	8 - 38
6.	Member questions	39 - 45
7.	Council Budget 2016-17	46 - 147
8.	Gambling Act Policy 2016-2019	148 - 200
9.	Gypsy and Traveller Local Plan Early Public Consultation	201 - 283
10.	Appointments of Independent Members to the Standards Committee	284 - 287
11.	Joint Health Overview & Scrutiny Committee	288 - 297

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

# Agenda Item 1

COUNCIL		
<b>Report Title</b>	Declarations of Interests	
<b>Key Decision</b>		Item No. 1
<b>Ward</b>		
<b>Contributors</b>	Chief Executive	
<b>Class</b>	Part 1	Date: February 24 2016

## Declaration of interests

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

### 1 Personal interests

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

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

### 2 Disclosable pecuniary interests are defined by regulation as:-

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

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

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

### (3) Other registerable interests

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

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

### (4) Non registerable interests

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

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

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

### **of up to £5000**

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

### **(6) Sensitive information**

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

### **(7) Exempt categories**

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

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

# Agenda Item 2

COUNCIL		
<b>Report Title</b>	Minutes	
<b>Key Decision</b>		Item No.2
<b>Ward</b>		
<b>Contributors</b>	Chief Executive	
<b>Class</b>	Part 1	Date: February 24 2016

## Recommendation

It is recommended that the minutes of the meeting of the Council which was open to the press and public, held on January 20 2016 be confirmed and signed (copy previously circulated).

# Agenda Item 3

COUNCIL		
<b>Report Title</b>	Petitions	
<b>Key Decision</b>	no	Item No.
<b>Ward</b>	n/a	
<b>Contributors</b>	Chief Executive (Head of Business & Committee)	
<b>Class</b>	Part 1	Date: February 24 2016

1. The Council is invited to receive petitions (if any) from members of the Council or the public. There is no requirement for Councillors to give prior notice of any petitions that might be presented.
2. The Council welcomes petitions from the public and recognises that petitions are one way in which people can let us know their concerns. All petitions sent or presented to the Council will receive an acknowledgement from the Council within 14 days of receipt. This acknowledgement will set out what we plan to do with the petition.
3. Paper petitions can be sent to :-  
  
Governance Support, Town Hall, Catford, SE6 4RU  
  
Or be created, signed and submitted on line by following this link:  
  
[www.lewisham.gov.uk/petitions](http://www.lewisham.gov.uk/petitions)
4. Petitions can also be presented to a meeting of the Council. Anyone who would like to present a petition at a Council meeting, or would like a Councillor to present it on their behalf, should contact the Governance Support Unit on 0208 3149327 at least 5 working days before the meeting.
5. Public petitions that meet the conditions described in the Council's published petitions scheme and which have been notified in advance, will be accepted and may be presented from the public gallery at the meeting.

# Agenda Item 4

COUNCIL		
<b>Report Title</b>	Announcements or Communications	
<b>Key Decision</b>		Item No.
<b>Ward</b>		
<b>Contributors</b>	Chief Executive	
<b>Class</b>	Part 1	Date: February 24 2016

## **Recommendation**

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

## **Former Councillor Barrie Anderson RIP**

The death has been reported of former Councillor Barrie Anderson at the age of 74. Barrie Anderson was Chair of the Council from 2006 to 2010 and had previously served as Leader of the Conservative Group and as a Cabinet member.

He was a Councillor from 1998 until 2010 and represented the Grove Park ward where he lived.

He was a key figure in the Grove Park local community, at the Ringway Centre and the Lewisham Environment Trust. He was also a celebrated author, with one of his novels "Not the Day Job" set in the mythical London Borough of Merbourne bearing an uncanny resemblance to events and personalities in Lewisham during his time on the Council.

## **Former Councillor Ron Pepper RIP**

The death has been reported of former Councillor Ron Pepper

He was first elected to the old Metropolitan Council of Lewisham in 1962 and remained until 1968, when the Conservatives held power for three years before he was elected again in 1971 and was subsequently re-elected at each local election until he stood down in 1990.

For many of these years he was Deputy Leader to Council Leader, Andy Hawkins, and was also Chair of the Housing Committee for a long period of time, and in the late 1980's he chaired the Council's new Education Committee to smooth the transition of the Education responsibility from ILEA to London boroughs.

He served as ward Councillor for Lewisham Park, which then became Hither Green ward and is now known as Lewisham Central.

Following his departure from Lewisham he moved to Canterbury and became a Councillor on the City Council serving as leader of the Labour group and deputy leader of the Council.

His humanist funeral will take place on Tuesday 23 February at 2.40p.m. at Barham Crematorium, Canterbury Road, Barham, Kent CT4 6QU.

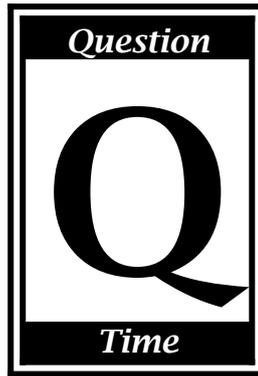
# Agenda Item 5

COUNCIL		
<b>Report Title</b>	Public Questions	
<b>Key Decision</b>		Item No.
<b>Ward</b>		
<b>Contributors</b>	Chief Executive (Head of Business & Committee)	
<b>Class</b>	Part 1	Date: February 24 2016

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

**Question**      **Questioner**

1.	Keme Nzeren
2.	Patricia Richardson
3.	Scott Barkwith
4.	Peter Richardson
5.	John Hamilton
6.	Emma Bushell
7.	Carolina Ocares
8.	Moira Kerrane
9.	Pat Richardson
10.	Peter Richardson
11.	Scott Barkwith
12.	Moira Kerrane
13.	John Hamilton
14.	Patricia Richardson



**PUBLIC QUESTION NO 1.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Keme Nzerem

Member to reply: Councillor Maslin

**Question**

The official government population projections show Telegraph Hill Ward is expected to lose nearly 300 Primary School age children (under 11s) by 2025. The same data shows Central Lewisham is to gain nearly 1000.

<http://data.london.gov.uk/dataset/2014-round-population-projections/resource/07a22673-64ae-4456-8f73-39ddb593b6e1>

Across 'planning area 3' the only other ward to show a projected increase in under 11s is Brockley - with less than 100 extra. Crofton Park and Ladywell both show a decrease, of nearly 400 combined. Do you agree that the clear need for additional Primary School Places in planning area 3 is in Central Lewisham, where significant new housing has been approved and built? Can the council detail all steps taken to increase Primary school provision in Central Lewisham to cater for the new housing over the last and next decade up to 2025, and explain in full detail why sufficient capacity has not been provided?

Please explain in your wider analysis why Prendergast Vale is only 1 form entry? Why was it not expanded to accommodate the obvious need right on its doorstep?

Can the Council name the officials who were in charge of the strategy that has manifestly failed to provide Primary School places where they are needed in Central Lewisham?

### **Reply**

It is very difficult to forecast population numbers precisely. The issues involve, among several other things, the interplay between dynamic birth rates and dynamic migration numbers; as well as the short to medium term impact of housing developments. The overall long range forecast (for Lewisham's population) by the Greater London Authority (GLA) differs markedly from that produced by the Office for National Statistics (ONS). This is because of different underlying assumptions used in migration patterns. Planning school places therefore involves more than simply identifying where new housing developments are happening and applying some ratio for the numbers of young children who will move there or be born there.

Lewisham Council uses the available demographic forecasts (from ONS and the GLA) for planning services at the borough level. Obviously, for planning, some services smaller spatial scales are required. The issue for many services is the degree of reliability of forecasts at lower spatial scales than at the borough level. Our planning for primary school places takes account of forecasts at a level below the borough but above wards (there are six school planning areas but 18 electoral wards in Lewisham). At this school planning area level we are able to supplement and refine the straightforward population forecasts with known changes in housing developments so as to generate projections of future demand for school places across Lewisham. In each school planning area there will, of course, be a mix of size of school and faith/community places.

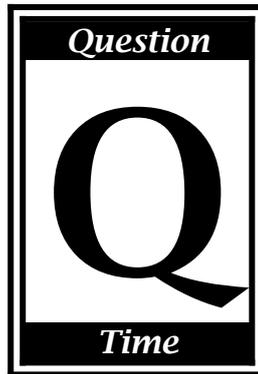
Demand for primary places has risen over the last decade. The Council has taken appropriate measures to meet its statutory duty to ensure that a school place is available for all children whose families request one. These measures have included temporary enlargements, permanent expansions and new provision, and have ensured that all children care offered a place.

The presentation to the Children and Young People Select Committee (January 12<sup>th</sup> 2016), which is available through the Lewisham Council website, shows the areas of future projected demand for primary places. These include Primary Place Planning Locality 3, (Brockley, Central Lewisham and Telegraph Hill). The following table sets out how schools in the locality have been enlarged to meet this demand since 2008 when the first additional places were required.

	School	Year(s)
<b>Temporary Enlargements</b>	Ashmead Beecroft Gardens Brindishe Green Edmund Waller Holbeach Lucas Vale Myatt Garden Prendergast Vale St Stephen's, Turnham	2010,2012 2008,2014 2016 2010,2015 2008, 2009 2012, 2014 2012 2013 2012 2011, 2012
<b>Permanent enlargements</b>	Beecroft Gardens, Gordonbrock, Holbeach, John Stainer, Turnham	+1FE, 2012 +0.5FE 2012 +1FE 2015 +1FE 2013 +1FE 2015
<b>New provision through the conversion of secondary schools into all-through schools</b>	Prendergast Primary,	2FE 2014
<b>No expansion possible because of site constraints</b>	St Mary Magdalen, St Mary's Lewisham, St Saviour's,	

The Council continues to work actively to identify opportunities to meet future demand and has plans to meet that demand up to the end of the decade and beyond. The opportunities include expansion on current school sites and working with the Education Funding Agency to commission new provision on vacant sites. Proposals will be taken to Mayor & Cabinet at the appropriate times. There is no intention to increase provision permanently at Prendergast Vale, which has no site capacity for expansion. In addition to 1FE primary, Prendergast Vale provides 4FE secondary places per year. This central Lewisham site was developed in 2012 in response to an identified need for secondary places accessible for families living in the centre of the borough.

'Shaping Our Future: Lewisham's Sustainable Community Strategy' expresses the Council's commitment to "ensuring efficiency, effectiveness and equity in the delivery of excellent services to meet the needs of the community". Lewisham's Children and Young People's Plan includes a commitment to ensuring that places are available for all families who request a place for their child/children. Planning provision on the basis of localities enables the Council to make a timely response to local fluctuations in demand whilst planning ahead to make effective use of all resources.



**PUBLIC QUESTION NO 2.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Patricia Richardson

Member to reply: Chair of Council

**Question**

At the 25th November 2015 full Council meeting there were 63 public questions to Council. At the 20th January 2016 full Council meeting there were 68 public questions. In the event all questioners on 25th November 2015 had the opportunity to put a supplementary question. However, on 20th January 2016 the Chair ruled that the half hour allocated to public questions had expired. Therefore, anyone after question 41 was denied the opportunity of asking a supplementary question, if they were present. Is there any way of working around such an issue so that the proper procedure is met? For example, when there are few councillors' questions could not that time be allotted to the public? Or, could some system of pre-booking a supplementary question be organised.

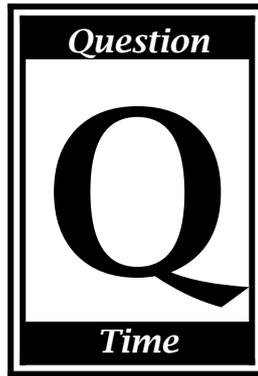
**Reply**

In November, few of the questioners wished to ask supplementary questions but in January a greater number of people attended and raised secondary questions thereby utilising the time allowed. I am happy to confirm that everyone who

submitted a question in January did have the opportunity to raise at least one supplementary question.

Our question time procedures are reviewed from time to time by the Constitution Working Party. I can confirm both the November and January meetings correctly followed the procedure currently laid down in the Constitution.

Suggestions from the public as to how we can improve transparency and democratic engagement are always welcome and I will ensure your suggestions are considered whenever the next review of question time procedures takes place.



**PUBLIC QUESTION NO 3.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Scott Barkwith

Member to reply: Councillor Onikosi

**Question**

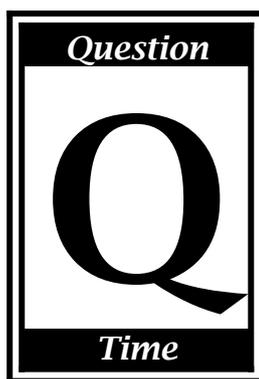
I have been unable to find any documentation on the issue of legacy funding for Skate Park at Folkestone Gardens. How are repairs and maintenance for this amenity to be funded given LBL's claims that there is not enough money in the budget for basic services and local amenities such as the children's playground planned alongside the skate park? How will ongoing maintenance and supervision be funded and for how long?

Which councillors were involved in the planning, location, design and funding (with s106 monies) of Folkestone Gardens Skate and Play.

**Reply**

On completion the new skate park will be included in the Green Space Contract for parks managed by Glendale through to March 2020. Glendale currently manages the three existing skate parks across the borough.

Officers, together with members of the local youth group, presented proposals for the new skate park to the Evelyn ward assembly. The ward assembly was kept updated as to progress.



**PUBLIC QUESTION NO 4.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Peter Richardson

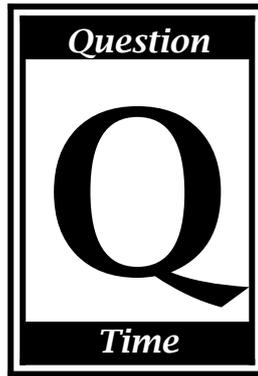
Member to reply: Councillor Best

**Question**

The London Borough of Lewisham recently commissioned Pinnacle ESP Consulting Engineers, to obtain technical and strategic information on the existing mechanical, electrical and building fabric services at the Manor House Library, Old Road, London SE13 and provide a 10 year life cycle cost plan. The Consultancy duly provided a comprehensive 28-page report. How much did this cost and on which Council department budget did this fall?

**Reply**

The Council commissioned Pinnacle ESP Consulting Engineers to produce condition surveys for three library buildings, namely Forest Hill, Manor House, and Torridon Road. The surveys were funded from the Library and Information Service budget and cost £3,400, £3,400, and £2,400 respectively.



**PUBLIC QUESTION NO 5.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: John Hamilton

Member to reply: The Mayor

**Question**

I would like to know what steps the Council is taking to oppose the Housing and Planning Bill and to inform the residents of Lewisham of the consequences of the Bill. If nothing has so far been planned, will you place a banner on the Council website and an article in the next issue of Lewisham Life.

I would like to ask if the Mayor, Cabinet and Councillors will join housing activists, tenants, trade unionist and local councillors across London and further afield on the third demonstration against the Bill which will take place on Sunday 13th March, starting at Lincolns Inn Fields WC2A 3TL at 12 noon.

**Reply**

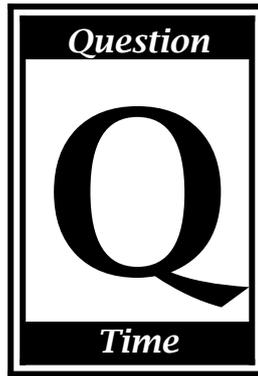
The Housing and Planning Bill is a very wide ranging piece of legislation. It contains some provisions which have been welcomed, such as those relating to "Rogue Landlords" but it is the sections dealing with high value Council Stock Sales, the voluntary Right to Buy scheme for Housing Association properties and "Pay to Stay" that have raised particular concerns. It also gives the Secretary of State a great degree of discretion not least in relation to the allocation of funds raised by the forced social housing.

The Local Government Association (LGA) has been active in briefing parliamentarians about the Bill and the problems with it generally while London Councils have focussed on the specific implications for London not least the risk of resources being lost from London. I have been directly involved in the shaping of both organisation's response and have taken part in briefing events in connection with this. Information setting out our concerns in detail can be found on both organisation's web sites.

I am aware that some political parties, including the one that I am a member of, have been campaigning against this Bill and raising awareness of the implications it may have for London and it is being opposed by all our local MPs. Labour is seeking to amend the bill in ways which significantly improve it and I am pleased to say that Cllr Lord Kennedy is most ably leading this work in the Lords as a member of the Labour Front Bench.

The bill will have far reaching consequences for many residents and once it becomes law the Council will need to fully understand these and make sure that affected residents are given information as quickly as possible.

I cannot answer for Councillors with regard to the demonstration against the Bill and whether or not they may wish to take part. Unfortunately I have a personal commitment which will prevent me joining the march but I will keep my diary under review.



**PUBLIC QUESTION NO 6.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Emma Bushell

Member to reply: Councillor Onikosi

**Question**

The 'Skate and Play' project is currently under construction in Folkestone Gardens. The consultation and the posters that went up in the park a week before construction started, clearly stated there would be a new play area. Is it true that there is to be no new playground as there is no funding available? Skate parks are a sub regional amenity while children's playgrounds are a local amenity. The purpose of Section 106 funding is to support local community assets. Why has the 'play' element been removed from this project with the reason that there is "no funding available" when £230,000 of Section 106 funding has been used for the skate park?

Existing play equipment has been relocated onto a smaller footprint. All SEN equipment has been removed. How does creating play spaces only for young people without mobility issues and who can afford specialist equipment, fit with local authority disability and financial inclusion policies?

As an amenity that will attract people from all over the borough and neighbouring boroughs why are there no other facilities to support this. The nearest public toilets in Deptford Park are not open regularly and there are no restaurants or pubs or any other toilets nearby. Where will the skate park users go to the toilet?

Are you aware that there is no park keeper and no plan made with the Safer Neighbourhoods team regarding this amenity? Building has commenced and the site is not secure. There are groups of 15 to 30 people currently using the unfinished skate park at evenings and weekends. These people (not small children) are also hanging off and messing about with the relocated playground equipment. Is there any plan in place to protect the space from ASB and other nuisance issues?

Please address with regard to Skate & Play:

- Removal of the "play" element of this project to the detriment of a local playground.
- Inclusion
- Toilets
- ASB and Supervision

Which councillors were involved in the planning, location and design of the "Skate & Play"?

### Reply

Some 2 years ago, officers were approached by a local youth group, based at the Salvation Army meeting rooms in Deptford, who were keen to see the limited skate facilities improved. The youth group presented their case which included their own consultation with their peers living in the Folkestone Gardens and Deptford area. Officers agreed to support their project and a bid to the London Marathon Charitable trust was successful. Additional section 106 funding was secured to make the project viable.

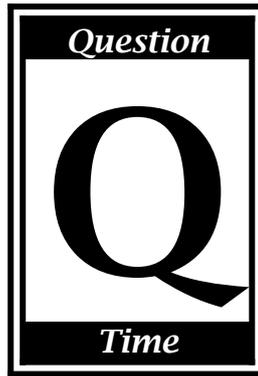
Officers and members of the youth group (both boys and girls), attended the Evelyn Ward assembly in the summer of 2014 to present the project which was favourably received. Further consultation was carried out with the youth group and members of the public.

With regards to children's play it is hoped, subject to funding, that a phase 2 of the project can take place, following the completion of the skate park, in order to re-new the playground equipment. Consultation will take place with users who, once the new café is in place, may wish to re-site the under 5's play nearer the café, as was done at Ladywell Fields.

The café lessee has attended the new Deptford Folk user group and indicated that café toilets will be available to park users. It should be noted that this area of the borough has many wonderful parks which have new play equipment. Deptford Park is only 400 meters away and has facilities for the under 5's and under 12's as does the nearby Fordham Park. In addition a brand new park is due to be constructed this year at Amersham Grove, only 400 meters from Folkestone, and this will also have new play equipment for the under 5's and under 12's.

With reference to anti-social behaviour and supervision, the Councils parks contractor Glendale will be responsible for managing the space following handover from the contractor. Works are due for completion at the end of February and officers have spoken with the contractor with regards to securing the site outside of working hours.

Two additional projects are also taking place, helping to make improvements to the park. In addition to the new café and toilets the new quietway cycle route will see improved cycle routes with lighting, improved sightlines to make the park safer and to improve links to Surrey Canal Road, Deptford Park and Fordham Park.



**PUBLIC QUESTION NO 7.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Carolina Ocares

Member to reply: Councillor Onikosi

**Question**

The consultation exercise for the Folkestone Gardens 'Skate & Play' was not available on the Lewisham consultation portal. The consultation document was at the bottom of the park user group web page where it is still available and open for comment.

1. Why was there no proper public consultation via the planning portal as would be usual for this kind of scheme and as there was for other Skate Parks in the borough?
2. Did it not raise an issue when there were no responses whatsoever to the consultation online which was only available via the park user group web page?
3. The plan for 'Skate & Play' has changed considerably to not include any new playground facilities. This should have resulted in a new consultation to ensure local people would be happy to lose over half of their local playground to a sub-regional amenity. Why was there no second consultation on the revised plan?
4. Do you agree that at no stage in the presentation was it disclosed that £230k of Section 106 funding would be used to fund the Skate Park. Some local young people raised £50k via the London Marathon Charitable Trust and some local residents

were told the council was "match funding" this. Why was the council not open and honest about how this sub-regional amenity would be funded?

5. Which councillors were involved in the planning, location and design of the Folkestone Gardens Skate & Play?

### **Reply**

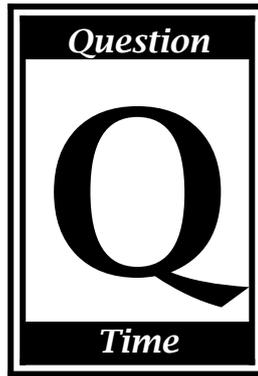
Officers have attended the newly formed DeptfordFolk user group and have apologised for any perceived lack of consultation regarding the play equipment. Some 2 years ago, officers were approached by a local youth group, based at the Salvation Army meeting rooms in Deptford who were keen to see the limited skate facilities improved. The youth group presented their case which included their own consultation with their peers living in the Folkestone Gardens and Deptford area. Officers agreed to support their project and a bid to the London Marathon Charitable trust was successful. Additional section 106 funding was secured to make the project viable.

Officers and members of the youth group (both boys and girls), attended the Evelyn ward assembly in the summer of 2014 to present the project, which was favourably received. Further consultation was carried out with the youth group and members of the public.

It is important to note, that the Skate park development was very much a local youth group initiative with funding secured following their support and commitment to the project.

Officers would have liked to have been able to renew the children's play equipment as part of the project however, at this stage the design of the skate park took precedent. It is hoped, subject to funding, that a phase 2 of the project can take place, following the completion of the skate park, in order to re-new the playground equipment. Consultation will take place with users who, once the new café is in place, may wish to move the under 5's play nearer the café, as was done at Ladywell Fields.

It should be noted that this area of the borough has many wonderful parks which have new play equipment. Deptford Park is only 400 meters away and has facilities for the under 5's and under 12's as does the nearby Fordham park. In addition a brand new park is due constructed next year at Amersham Grove, close to Folkestone, and this will also have new play equipment for the under 5's and under 12's.



**PUBLIC QUESTION NO 8.**

**Priority 1**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Moira Kerrane

Member to reply: Deputy Mayor

**Question**

Please give a breakdown of Section 106 and or Community Infrastructure Levy monies for education purposes that the Council has negotiated from Trundleys Road both developments, Neptune Wharf, Marine Wharf East and West, The Timberyard, Deptford (formally The Wharves) and any other known developments in Evelyn Ward for which education income is or will be payable to Lewisham Council under those agreements- the totals received and to be received with dates please.

Can the council also show how they calculate/d educational purposes for the above s106 / Cil agreements.

**Reply**

<b>PLANNING PERMISSION REFERENCE</b>	<b>DEVELOPMENT</b>	<b>CONTRIBUTION TYPE</b>	<b>S106 CONTRIBUTION AMOUNT</b>	<b>S106 MONIES RECEIVED (Incl. tax)</b>	<b>DATE S106 MONIES RECEIVED</b>
DC/08/68523	Cannon Wharf Business Centre, 35 Evelyn Street	Education Contribution	975,000.00	1,088,372.03	04/11/2014
DC/08/68523	Cannon Wharf Business Centre, 35 Evelyn Street	Education Contribution	325,000.00	0.00	

<b>PLANNING PERMISSION REFERENCE</b>	<b>DEVELOPMENT</b>	<b>CONTRIBUTION TYPE</b>	<b>S106 CONTRIBUTION AMOUNT</b>	<b>S106 MONIES RECEIVED (Incl. tax)</b>	<b>DATE S106 MONIES RECEIVED</b>
DC/09/73189	Oxestalls Road (Deptford Wharves)	Education Contribution	2,100,000.00	0.00	
DC/10/73437	MARINE WHARF WEST, PLOUGH WAY, LONDON, SE16 7UE	Education Contribution	200,000.00	218,181.82	23/10/2014
DC/10/73437	MARINE WHARF WEST, PLOUGH WAY, LONDON, SE16 7UE	Education Contribution	550,000.00	588,615.85	18/12/2015
DC/10/73437	MARINE WHARF WEST, PLOUGH WAY, LONDON, SE16 7UE	Education Contribution	330,000.00	0.00	
DC/10/75331	Site of Parkside House buildings and adj yard, Grinstead Rd (Neptune Wharf)	Education Contribution	92,260.00	0.00	
DC/10/75331	Site of Parkside House buildings and adj yard, Grinstead Rd (Neptune Wharf)	Education Contribution	247,735.00	0.00	
DC/11/77408	7-17 Yeoman Street	Education Contribution	76,090.52	80,278.89	09/12/2013
DC/13/83358	Convoys Wharf, Prince Street, London, SE8 3JH	Education Contribution	6,900,786.00	0.00	
DC/13/83358	Convoys Wharf, Prince Street, London, SE8 3JH	Education Contribution	440,000.00	0.00	
DC/13/85917	MARINE WHARF EAST, LAND ON THE SOUTH SIDE OF, PLOUGH WAY, LONDON	Education Contribution	347,324.00	0.00	
DC/13/85917	MARINE WHARF EAST, LAND ON THE SOUTH SIDE OF, PLOUGH WAY, LONDON	Education Contribution	200,000.00	0.00	
DC/14/86930	Childers Street, London SE8 (S R House)	Education Contribution	117,320.00	0.00	

DC/14/88613	VACANT LAND TO THE NORTH AND, 54B TRUNDLEY'S ROAD, LONDON, SE8 5JG	Education Contribution	104,664.00	104,664.00	05/12/2014
DC/14/89985	Thames Tunnel	St Josephs RC School	3,000.00	3,014.16	20/03/2015
DC/14/89985	Thames Tunnel	St Josephs RC School	6,500.00	0.00	
DC/14/89985	Thames Tunnel	St Josephs RC School	6,500.00	0.00	
DC/14/89985	Thames Tunnel	St Josephs RC School	6,500.00	0.00	
DC/14/89985	Thames Tunnel	St Josephs RC School	6,500.00	0.00	
DC/14/89985	Thames Tunnel	St Josephs RC School	6,500.00	0.00	
DC/14/89985	Thames Tunnel	St Josephs RC School	6,500.00	0.00	
DC/14/89985	Thames Tunnel	St Josephs RC School	169,000.00	169,797.68	20/03/2015
DC/14/89985	Thames Tunnel	St Josephs RC School	80,000.00	80,377.60	20/03/2015
DC/14/89985	Thames Tunnel	St Josephs RC School	6,500.00	6,530.68	20/03/2015
DC/14/89985	Thames Tunnel	St Josephs RC School	24,000.00	24,113.30	20/03/2015
DC/95/38679	Evelyn Estate and New Deptford Green Site, Arklow Road/Edward Street	Education Contribution	318,500.00	318,500.00	07/06/1994

NOTE: Multiple contributions for sites are either multiple payments at different phases of the development or in the case of St Josephs RC School & Thames Tunnel it is for specific impacts of the Thames Tunnel development on the school

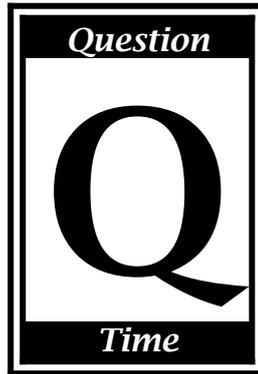
The Council cannot provide anticipated dates for monies yet to be received, as there are various requirements to be fulfilled and payment triggers to be enacted before payment is due – if the development goes forward.

The Council has not yet allocated any CIL funds to any purposes. Again there are procedures to be followed for the payment of CIL. The Council is still determining its procedures for allocation of CIL monies to infrastructure/Capital projects.

The Timberyard (Deptford Wharves) development will fall under CIL – so there are no S106 obligations relating to education contributions for this development (the S106 obligation that is listed in the table above is for the original planning permission that the Council understands will not be built out).

The Council calculated the S106 contributions following the guidance with the Planning Obligations Supplementary Planning Document (SPD) in combination with the Planning Obligations Calculator as a basis for negotiations based on the development proposals.

These documents are available on the Council's website.



**PUBLIC QUESTION NO 9.**

**Priority 2**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Patricia Richardson

Member to reply: Councillor Egan

**Question**

It appears that the London borough of Greenwich has completed its required quota of new housing units. If this setting of a quota is the case what was required of the London Borough of Lewisham since 2005? Is more new build required to complete the quota, if so how many new housing units are still required and by when do they need to be completed? Who sets the quota?

**Reply**

In answering this question, “quota” has been interpreted to mean the London Plan annual housing target.

The London Plan is the regional spatial strategy, prepared by the Greater London Authority. The Council is required to take its policies into account in plan making. The London Plan sets out minimum annual average housing targets and requires all London Boroughs to achieve and exceed them. Column 2 of the table below shows that for the London Borough of Lewisham the London Plan target has increased over the last 10 years from 870 units to 1,105 units. Column 3 shows housing completions

delivered to date and column 4 shows the number of housing units that have been completed above or below the London Plan target.

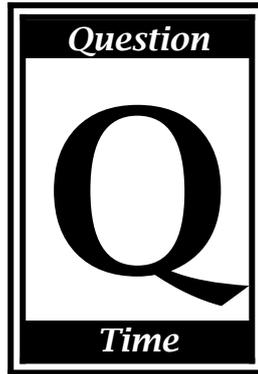
<b>Year</b>	<b>London Plan target for the London Borough of Lewisham</b>	<b>Net housing completions plus long term vacants brought back into use</b>	<b>Number of housing units above or below the London Plan target</b>
2005/06	870	1,197	+327
2006/07	975	628	-347
2007/08	975	1,278	+303
2008/09	975	1,223	+248
2009/10	975	1,179	+204
2010/11	975	1,096	+121
2011/12	1,105	1,653	+548
2012/13	1,105	1,972	+867
2013/14	1,105	928	-177
2014/15	1,105	1,776	+671
<b>Cumulative total</b>	<b>10,165</b>	<b>12,930</b>	<b>+2,765</b>

The table shows that housing completions fluctuate annually but in general, the London Borough of Lewisham has performed well. Only two out of the last 10 years experienced a shortfall and the remaining eight years experienced significant surplus housing completions compared to the London Plan target. Cumulatively there has been a significant over-supply (2,765 housing units) compared to the cumulative London Plan target.

Current predictions show that there are sufficient housing sites up till 2021. However, more new housing is required in the future. Additional sites will need to be found in order to meet the current London Plan target, which has been increased to 1,385 from 2015/16 onwards. A Strategic Housing Land Availability Assessment is currently being prepared to identify additional housing capacity to meet this target.

The Planning Service Annual Monitoring Report (AMR) monitors house building progress against the London Plan target on an annual basis. The AMR can be found on the Council's website:

<http://www.lewisham.gov.uk/myservices/planning/policy/LDF/Pages/Annual-monitoring-report.aspx>.



**PUBLIC QUESTION NO 10.**

**Priority 2**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Peter Richardson

Member to reply: Councillor Onikosi

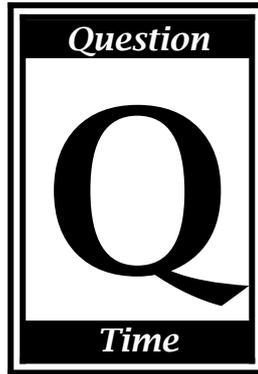
**Question**

In early 2015, the company Ralph Scaffolding destroyed an Ornamental Pear street tree situated in the middle of Manor Lane Terrace, SE13, when the lorry the company owned drove over the specimen.

Subsequent to a report by local residents, the Council contacted the Ralph Scaffolding who accepted responsibility and agreed to fund its replacement. The tree was one of three, purchased with funds from the Lee Green Local Assembly, following a bid by the residents of Manor Lane Terrace. An impressive replacement specimen was planted in January 2016 on the site of the original. Has Ralph Scaffolding followed through and paid for its replacement, including the planting costs?

**Reply**

I can confirm that the skip company responsible for damaging the tree funded by the Lee Green Local Assembly will receive an invoice for the full cost recovery for the replacement tree in Manor Lane Terrace.



**PUBLIC QUESTION NO 11.**

**Priority 2**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Scott Barkwith

Member to reply: Deputy Mayor

**Question**

According to the S106/CIL project spend report for the Evelyn Ward, £241,898 of funding was allocated to the Local Labour and Business Scheme. It is unclear what this scheme has given back to the Evelyn community. Please can you answer the following questions:

1. How many Evelyn Ward residents have benefited from the Local Labour Business Scheme in to date?
2. What community involvement activities have been conducted in the Evelyn Ward to date?
3. How have residents of the Evelyn Ward been made aware of the scheme?
4. What local businesses have been awarded funding for the scheme and how has their success been measured?
5. How was S106 funding agreed to finance this scheme and which councillors were involved?
6. How are councillors monitoring whether the targets of the scheme are met, how the funds have been allocated and the long term legacy of such a scheme?

## Reply

The Sustainable Development Select Committee (SDSC) report titled Collection and Use of S106 Funds and Community Infrastructure Levy 2015 Update dated 22<sup>nd</sup> October 2015 shows an allocation of S106 funds in the sum of £241,898 to the Local Labour and Business Scheme 2015 – 2016 (LLBS).

£176,898 of the total sum was allocated to the delivery of the LLBS with £65,000 allocated to the Business Advisory Service (BAS) contract.

The £241,898 S106 allocation is not restricted to use in the Evelyn ward, it is used to benefit residents and businesses throughout Lewisham.

The outputs supplied in this response are approximate outputs achieved to date and relate to all Lewisham residents and businesses, the final verified outputs for 2015/2016 will be available April/May 2016.

### **1. How many Evelyn Ward residents have benefited from the Local Labour Business Scheme in to date?**

In 2015/2016, 26 Lewisham residents secured work, 12 apprenticeships have been safeguarded/continued and 2 completed. 1 graduate was employed, 9 work experience placements have been provided and 52 residents have completed accredited training. In addition to this, over £700,000 worth of contracts were awarded to Lewisham businesses.

### **2. What community involvement activities have been conducted in the Evelyn Ward to date?**

A two day council led job fair took place in June along with a Dragon's Den event delivered by Berkeley Homes. Lakehouse also participated in school employability days and an apprenticeship week event.

### **3. How have residents of the Evelyn Ward been made aware of the scheme?**

General marketing of the LLBS offer is borough wide, specifically through the Lewisham website, Lewisham Life, E-Lewisham Life and the job alerts database.

### **4. What local businesses have been awarded funding for the scheme and how has their success been measured?**

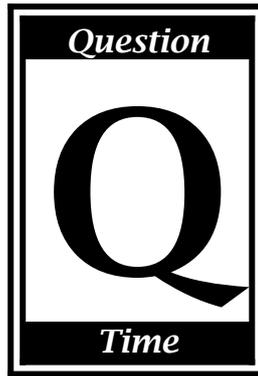
Businesses are all small business based in Lewisham. The funding is used to pay for workshops, advice and mentoring support. Businesses are supported to access government backed loans to help them to start up or grow. The service is monitored against set outputs. This includes evidence that businesses have registered and started training, and evidence to verify businesses have accessed finance or increased turnover and profit as a result of support. The outputs for 2015 /16 will be available in April 2016.

### **5. How was S106 funding agreed to finance this scheme and which councillors were involved?**

The Head of Planning approves all S106 funded projects up to £250,000.

**6. How are councillors monitoring whether the targets of the scheme are met, how the funds have been allocated and the long term legacy of such a scheme?**

Councillors monitor S106 projects and funding allocations through Sustainable Development Select Committee S106/CIL reports and updates.



**PUBLIC QUESTION NO 12.**

**Priority 2**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Moira Kerrone

Member to reply: Deputy Mayor

**Question**

How many days since 23 December has there been no access to view and comment on planning applications due to a Server Error.

Why is this happening and can the planning applications be extended by the amount of the days it was not accessible?

**Reply**

**Number of days to be input**

We estimate that the number of days the system was unavailable for either the whole or part of a day since December 23<sup>rd</sup> was 22 (out of 54).

If the system fails between Monday to Friday, we are able to quickly alert our IT department and they will bring the system back up within a couple of hours of being notified. If the system becomes unavailable over the weekend, then it will not normally be restarted until Monday. Usually, if the system is unavailable on a working day it will only be out for a short period. However, over the Christmas and

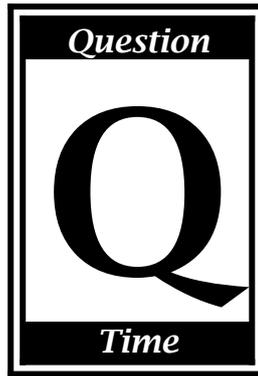
New Year the planning system experienced severe problems and was not available every day.

The cause of the problem has been identified and our engineers, and those of the software company that supplies our planning IT systems, are working on a solution. However, Lewisham Council is currently in the process of up-grading their IT systems and infrastructure and the planning IT issues are unlikely to be fully resolved until the move to the new IT platform is completed.

Whenever the public facing planning web software is unavailable for a period of time, we always consider its effect on the consultation period of planning applications. We do this on a case by case basis. We also make arrangements for paper copies of the planning file to be available in our Planning Information Office in Catford library and we email out documents to individuals where necessary.

We have a statutory consultation period of 21 days, after which the planning application could be decided. In practice, due to the extremely high level of planning applications currently being submitted to Lewisham, we usually issue a decision several weeks after the start of the consultation period. We accept representations right up to the point when a decision is issued.

Any major application or those of significance that were consulted on over the Christmas period, would have been advertised with extended consultation periods regardless of whether the public access system was available or not, due to the public holidays.



**PUBLIC QUESTION NO 13.**

**Priority 2**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: John Hamilton

Member to reply: The Mayor

**Question**

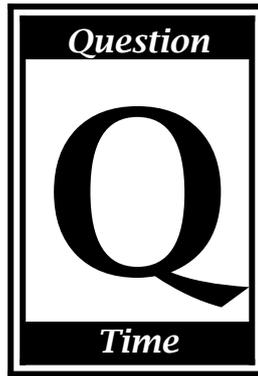
Following the Council's excellent lead in passing a motion condemning the Transatlantic Trade and Investment Partnership last June, I would like if you will consider fulfilling the part of the motion which calls on you to publicise the Council's concerns about TTIP by publishing an article explaining the issue in a forthcoming edition of Lewisham Life.

Are you willing to add the caption to the existing "Welcome to Lewisham" signs as shown in the photo of Queens Road in Telegraph Hill ward, if Lewisham Stop TTIP pays for the signs to be produced and organises their placement in consultation with the appropriate council department?



### Reply

I have asked officers to consider how the Council's concerns about TTIP might best be reflected in a future edition of Lewisham Life. I do not regard it appropriate to use Welcome to Lewisham signs for any purpose other than that which they are expressly for – to welcome all-comers to our borough.



**PUBLIC QUESTION NO 14.**

**Priority 3**

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

Question asked by: Patricia Richardson

Member to reply: Deputy Mayor

**Question**

A recent development of residential property has gone ahead on the site off Old Road, between Manor House Gardens and Aislibie Road, backing on to the private gardens of the latter.

When the planning application was made, was notification of the application sent to interested parties, apart from the residents? The site is immediately adjacent to Manor House Gardens. Were the Friends of Manor House Gardens informed? The site is on the boundary of the Lee Manor Society area. Was the Society notified? Were any other local groups, associations or societies notified?

**Reply**

This development is DC/14/87793 – 36 Old Road, SE13 5SR “Construction of 9 x 3 storey, 4 bedroom houses with 12 parking spaces, cycle and bin storage.

For this application we are required by law to undertake the following consultation:

- “(a) displaying on site notice in at least one place on or near the land to which the application relates for not less than 21 days; or
- (b) by notification letter to any adjoining owner or occupier.”

We are also required to publish the application on our website.

Also in accordance with our published Statement of Community Involvement (SCI), we are required to notify the following:

Occupiers of properties immediately adjoining the subject site

Occupiers of other properties if warranted, as determined by the Council.

Consult with any other Consultees where the Council has agreed in advance to do so

We consulted the following groups and individuals:

*Internal council consultees:* Environmental Sustainability, Highways, Conservation Officers, Ecological Regeneration Manager, Parks Manager and Lewisham Central Residents Association.

*External consultees:* Lee Manor Society and 34 x neighbouring residents were sent a consultation letter

In addition the following public publicity was undertaken:

Sites notices in place (resident and public notices)

As the site adjoined a conservation area, the application was considered by the Amenity Society Panel which consists of members from the various amenity societies and their comments fed back to the case officer.

The application was advertised in the New Shopper on 16/7/15.

The Council complied with our statutory requirements and the local requirements as set out in our SCI.

We did not consult the Friends of Manor House Gardens, as they are a local interest group rather than one of our formal consultees. However, the group are free to comment on any planning proposals should they wish. We did not receive any comments from them.

# Agenda Item 6

COUNCIL		
<b>Report Title</b>	Member Questions	
<b>Key Decision</b>		Item No.
<b>Ward</b>		
<b>Contributors</b>	Chief Executive (Head of Business & Committee)	
<b>Class</b>	Part 1	Date: February 24 2016

## 7. Questions from Members of the Council

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

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

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

**Question**

The Mayor of London and the Greater London Authority are key to the London Borough of Lewisham's future. What work does the Mayor undertake with them?

**Reply**

The relationships between the Mayor, GLA and London Boroughs are complex but divide into two broad aspects. The London Boroughs collectively work with the Mayor primarily through the Congress of Leaders with more detailed work being undertaken through a variety of formal and informal channels on particular issues. For the Boroughs, this work is led by the relevant Executive member. For example as the London Councils Executive lead for Housing, I meet formally with the Deputy Mayor for Housing through the Homes for London Board. However there are many informal meetings and exchanges between myself, London Councils officials and GLA officials on Housing matters, sometimes on a daily basis.

Turning to the second aspect of the relationship this is between individual boroughs and the Mayor and GLA. This can range from the political, for example letters written by myself to the Mayor informing him of the views on the Council, to the routine where information is provided on a regular basis by the boroughs for monitoring purposes.

Most day to day communication takes place at officer level but from time to time there will be a need to hold member level meetings. This includes the Mayor and his deputies but also extends to those bodies that are accountable to the Mayor such as the Metropolitan Police and Transport for London. I have not researched this but it is likely that the most frequent contacts are with the Metropolitan Police with whom the Council works in close partnership.

The occasions when it is appropriate for me to take part personally depend on judgements about the significance of the particular engagement, although as a matter of courtesy I would always try to meet the Mayor of London in person when he visits Lewisham. Examples of the issues where I would expect to be directly involved would include matters on which there is a strong Lewisham lobbying position e.g. the Bakerloo line extension or where we feel that an intervention by City Hall is unhelpful such as was the case with the call in of the Convoys Wharf planning application.

A brief look at my diary revealed that I alone have had to visit City Hall on 7 occasions since the turn of the year and additional meetings involving colleagues from City Hall have taken place at other locations. I look forward to increasing the frequency of my visits after the election of a new London Mayor in May who I hope and believe will be Sadiq Khan.

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

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

**Question**

Some time ago, the local community was consulted on proposals to improve the 'Brockley Corridor' (B218) in order to address concerns about air quality, traffic, and streetscape. Crofton Park was identified as a priority for action. Could the Deputy Mayor please provide an update on progress and a timescale for decision and action?

**Reply**

Following the consultation in April and May 2015, the Council allocated Local Implementation Plans (LIP) funding in September 2015 to develop the Crofton Park scheme in 2016/17. We have just commissioned the next stage of design (preliminary design) and this will include another public consultation. The design stage will take place over the next 6 months, following which we will finalise the detailed design and deliver the works. We expect the scheme to be on site during 2017/18.

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

**Question by Councillor Milne**  
**of the Cabinet Member for Housing**

**Question**

Can the cabinet member for housing confirm that the UK's first pop-up village will be ready for occupation by May this year?

**Reply**

Yes, I can confirm that the UK's first pop-village will be ready by May in Ladywell. This will provide high quality temporary accommodation for 24 homeless families alongside community space and work space.

Last month I visited the factory in Derbyshire where the residential units were being finished off and saw the homes we are building for myself. I think this is an exciting development and something as a borough we are going to be very proud of.

**LONDON BOROUGH OF LEWISHAM**

**COUNCIL MEETING**

**24 February 2016**

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

**Question**

What independent advocacy provisions are there in Lewisham for parents and pupils facing challenges with impending or confirmed school exclusions, especially in cases where communication may have broken down with the head teacher/ school, parent and pupil concerned?

**Reply**

Parents of children who are issued with a fixed term or permanent exclusion are signposted to the following independent agencies for advice in relation to exclusions:

- Government statutory guidance on exclusions  
<http://www.education.gov.uk/schools/pupilsupport/behaviour/exclusion/g00210521/statutory-guidance-regs-2012>
- Coram Children's Legal Centre Tel: 08088 020 008 or on  
<http://www.childrenslegalcentre.com/> They aim to provide free legal advice and information to parents on state education matters. The advice line is open from 8am to 8pm Monday to Friday.
- Advisory Centre for Education  
<http://www.ace.ed.org.uk/>  
Provide free and independent advice to parents in relation to school exclusions.

The above organisations are identified on letters sent to parents in the event of a fixed term or permanent exclusion as well as on the Lewisham website under advice on exclusions.

- Communities Empowerment Network  
<http://www.cenlive.org>  
CEN provides advice and advocacy for parents in respect of exclusions and in particular where the relationship between the school and the parent has broken down. CEN also provides a representative at Governor Discipline Committee (GDC) and Independent Review Panel (IRP) in respect of a permanent exclusion.

In the event of the exclusion or issue relating to a child with special needs the parents are advised to contact:

- First-tier Tribunal (Special Educational Needs and Disability), Mowden Hall, Staindrop Road, Darlington DL3 9BG. Tel: 0870 606 5750 (should you consider the exclusion relates to a disability).

Parents are signposted to CEN by the LA Inclusion & Reintegration Officer or through other contacts, such as 'word of mouth' or the internet.

Council officers work with schools to try to prevent permanent exclusions and to ensure that schools are meeting all legal requirements.

The CYP Directorate is undertaking, with school input, a review of alternative education provision which aims to improve preventative pathways and reduce the level of pupil exclusion in Lewisham. This will make recommendation for change in April 2016.

# Agenda Item 7

<b>COUNCIL</b>			
<b>REPORT TITLE</b>	2016/17 Budget		
<b>KEY DECISION</b>	Yes	<b>Item No.</b>	
<b>WARD</b>	All		
<b>CONTRIBUTORS</b>	Executive Director for Resources & Regeneration		
<b>CLASS</b>	Part 1	<b>Date</b>	24 February 2016

## 1. EXECUTIVE SUMMARY

1.1 This report sets out the range of budget assumptions which Council is required to agree to enable it to set a balanced budget for 2016/17. These include the following:

- The proposed Capital Programme (General Fund and Housing Revenue Account) budget for 2016/17 to 2019/20 of £337.2m, of which £129.2m is for 2016/17;
- The proposed rent decrease of 1.0% (an average of £0.99 per week) in respect of dwelling rents, 1.0% (average £0.39 per week) in respect of hostels, and a range of other proposed changes to service charges. The proposed annual expenditure for the Housing Revenue Account is £167.6m, including the capital and new build programme, for 2016/17;
- The provisional Dedicated Schools Grant allocation of £283.5m and a separate Pupil Premium allocation expected to be £18.0m for 2016/17.
- In respect of the General Fund, the assumed net revenue expenditure budget of £236.218m. This is made up of Settlement Funding from government of £146.691m (grant and business rates), forecast Council Tax receipts including an increase in Council Tax of 3.99% (based on the government's assumption for calculating local government resources that authorities will use their tax raising potential to the full), and a surplus from growth in the Council Tax base and on collection of Council Tax in previous years from the Collection Fund.
- The changes to the prior year General Fund position to meet the 2016/17 net revenue budget of £236.218m are proposed on the basis of the following assumptions:
  - £6.462m of revenue budget savings have been previously agreed for 2016/17;
  - £10.752m of revenue budget savings are proposed for 2016/17;
  - £1.000m of savings in calculation of Minimum Revenue Provision (MRP) and from debt restructuring measures;
  - £7.500m is provided for budget pressures in 2016/17 of which it is being recommended that £3.750m of specific identified budget pressures be funded now and £3.750m be set aside for identified, but as yet un-quantified risks;

- £5.0m use of the New Homes Bonus reserve for revenue purposes for one year with the position to be reviewed for 2017/18;
- An assumed 3.99% increase in Band D Council Tax for Lewisham's services for 2016/17; including the 2% increase announced in the Local Government Finance Settlement for Social Care, along with the withdrawal of the Government's freeze grant of £1.0m; and
- Once-off reserves are used to fund the current savings shortfall of £5.942m for 2016/17 to balance the budget, pending further proposals from the Lewisham Future Programme in 2016/17 to make this up.

1.2 The report also looks to the medium term financial outlook and notes the prospects for the budget in 2017/18, savings required, and the continued work of the Lewisham Future Programme to meet identified potential budget shortfalls in future years. These are estimated at circa £15m for each of the three years 2017/18 to 2019/20.

1.3 The report updates the Council's Treasury Management strategy for both borrowing and investments. The proposed approach and levels of risk the Council takes in its treasury functions remain broadly the same. However, there are proposed changes to amend the Minimum Revenue Provision Policy, continue to explore the opportunity and timing to undertake debt restructuring to reduce balance sheet risk, and explore the business case for investing for more than one year in pooled funds with a view to increasing return on investments.

## **2. PURPOSE**

2.1 The purpose of this report is to set out the overall financial position of the Council in relation to 2015/16 and to set the Budget for 2016/17. This report allows for the Council Tax to be agreed and housing rents to be set for 2016/17. It sets the Capital Programme for the next four years and the Council's Treasury Strategy for 2016/17.

2.2 The report also provides summary information on the revenue budget savings proposals that were presented at Mayor & Cabinet on 30 September 2015. The approval and successful delivery of these savings are required in order to help balance the budget for 2016/17 and to address the budget requirement for 2017/18.

## **3. RECOMMENDATIONS**

3.1 That Council approves the recommendations shown below in respect of the 2016/17 Budget. This is subject to any amendments which the Mayor may make when considering the 2016/17 Budget update report to be presented to Mayor & Cabinet on 17 February 2016.

3.2 Council is asked to:

### **Capital Programme**

3.3 note the 2015/16 Quarter 3 Capital Programme monitoring position as set out in section 5 of this report;

3.4 approve the 2016/17 to 2019/20 Capital Programme of £337.2m, as set out in section 5 of this report and attached at Appendices W1 and W2;

## Housing Revenue Account

- 3.5 note the consultation report on service charges to tenants' and leaseholders in the Brockley area, presented to area panel members on 17<sup>th</sup> December 2015, and subsequent postal consultation, as attached at Appendix X2;
- 3.6 note the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 17<sup>th</sup> December 2015, as attached at Appendix X3;
- 3.7 set a decrease in dwelling rents of 1.0% (an average of £0.99 per week) – as per the requirements from government as presented in section 6 of this report;
- 3.8 set a decrease in the hostels accommodation charge by 1.0% (or £0.39 per week), in accordance with Government requirements;
- 3.9 approve the following average weekly increases for dwellings for:
- 3.9.1 service charges to non-Lewisham Homes managed dwellings (Brockley);
- caretaking 1.80% (£0.06)
  - grounds 1.80% (£0.03)
  - communal lighting 1.80% (£0.01)
  - bulk waste collection 1.80% (£0.02)
  - window cleaning 1.80% (£0.09)
  - tenants' levy -30.0% (-£0.03)
- 3.9.2 service charges to Lewisham Homes managed dwellings:
- caretaking 1.20% (£0.07)
  - grounds 68.0% (£0.66)
  - window cleaning No increase
  - communal lighting -10.7% (-£0.13)
  - block pest control -4.3% (-£0.07)
  - waste collection No change
  - heating & hot water 23.1% (£1.85)
  - tenants' levy -30.0% (-£0.03)
  - bulk waste disposal new service (£0.81)
  - sheltered housing new service (£23.62)
- 3.10 approve the following average weekly percentage changes for hostels and shared temporary units for;
- service charges (hostels) – caretaking etc.; 2.90% (£2.09)
  - no energy cost increases for heat, light & power; 0.0% (£0.00)
  - water charges decrease; -5.26% (-£0.01)

- 3.11 approve an increase in garage rents by Retail Price Inflation (RPI) of 0.80% (£0.09 per week) for Brockley residents and 0.80% (£0.09 per week) for Lewisham Homes residents;
- 3.12 note that the budgeted expenditure for the Housing Revenue Account (HRA) for 2016/17 is £167.6m which includes the capital and new build programmes;
- 3.13 endorse the HRA budget strategy savings proposals in order to achieve a balanced budget in 2016/17, as attached at Appendix X1;

### **Dedicated Schools Grant and Pupil Premium**

- 3.14 agree, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £283.5m be the Schools' Budget for 2016/17; and
- note the consultation with schools on the changes to the funding arrangements for High Needs Pupils as set out in paragraph 7.12;
  - note the level of pupil premium anticipated for 2016/17 of £18.0m

### **General Fund Revenue Budget**

- 3.15 note the projected overall variance against the agreed 2015/16 revenue budget of £6.9m as set out in section 8 of this report and that any year-end overspend will have to be met from reserves;
- 3.16 endorse the previously approved revenue budget savings of £6.462m for 2016/17 and budget savings proposals of £10.752m as per the Mayor and Cabinet meeting of the 30 September 2015, as set out in section 8 of the report and summarised in Appendix Y1 and Y2;
- 3.17 agree the transfer of £5.0m in 2016/17 from the New Homes Bonus reserve to the General Fund for one year to meet funding shortfalls and that the position be reviewed again for 2017/18;
- 3.18 agree the use of £5.942m reserves to meet the budget gap in 2016/17;
- 3.19 agree to fund budget pressures in the sum of £3.750m in 2016/17;
- 3.20 agree to create a fund in respect of as yet un-quantified revenue budget risks in the sum of £3.750m in 2016/17, allowing the Executive Director for Resources & Regeneration to hold these resources corporately in case these pressures emerge during the year, and authorises the Executive Director for Resources and Regeneration to allocate these funds to meet such pressures when satisfied that those pressures cannot be contained within the Directorates' cash limits;
- 3.21 agree that a General Fund Budget Requirement of £236.218m for 2016/17 be approved, based on a 3.99% increase in Lewisham's Council Tax element. This will result in a Band D equivalent Council Tax level of £1,102.66 for Lewisham's services and £1,378.66 overall. This represents an overall increase in Council Tax for 2016/17 of 1.72% and is subject to the GLA precept for 2016/17 being reduced by 6.44% from its existing level, in line with the GLA's draft proposal;

- 3.22 note the Council Tax Ready Reckoner which for illustrative purposes sets out the Band D equivalent Council Tax at various levels of increase. This is explained in section 8 of the report and set out in more detail in Appendix Y3;
- 3.23 ask that the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2016/17 Revenue Budget is agreed;
- 3.24 note the Chief Financial Officer's Section 25 Statement, as attached at Appendix Y4;
- 3.25 agree the draft statutory calculations for 2016/17 as set out at Appendix Y5;
- 3.26 note the prospects for the revenue budget for 2017/18 and future years as set out in section 9;
- 3.27 agree that officers continue to develop firm proposals as part of the Lewisham Future Programme to help meet the forecast budget shortfalls;

#### **Other Grants (within the General Fund)**

- 3.28 note the adjustments to and impact of various specific grants for 2016/17 on the General Fund as set out in section 8 of this report;

#### **Treasury Management Strategy**

- 3.29 approve the prudential indicators and treasury limits, as set out in section 10 of this report;
- 3.30 approve the 2016/17 treasury strategy, including; the potential for debt restructuring and opportunity to invest for longer than one year in pooled property funds, along with the investment strategy and the credit worthiness policy, as set out at Appendix Z3;
- 3.31 approve the revised Minimum Revenue Provision (MRP) policy as set out in section 10 of this report.
- 3.32 agree to delegate to the Executive Director for Resources & Regeneration authority during 2016/17 to make amendments to borrowing and investment limits provided they are consistent with the strategy and there is no change to the Council's authorised limit for borrowing;
- 3.33 approve the credit and counterparty risk management criteria, as set out at Appendix Z3, the proposed countries for investment at Appendix Z4, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration; and
- 3.34 approve a minimum sovereign rating of AA- ;
- 3.35 approve a change to the yellow and purple durational investment bands from 1 to 2 years in the credit worthiness policy.

#### **4. STRUCTURE OF THE REPORT, POLICY CONTEXT, AND BACKGROUND**

- 4.1 The 2016/17 Budget Report is structured as follows:  
Section 1 Executive Summary

Section 2	Purpose
Section 3	Recommendations
Section 4	Structure of the Report, Policy Context, and Background
Section 5	Capital Programme
Section 6	Housing Revenue Account
Section 7	Dedicated Schools Grant and Pupil Premium
Section 8	General Fund Revenue Budget, Savings, and Council Tax
Section 9	Other Grants and Future Years' Budget Strategy
Section 10	Treasury Management Strategy
Section 11	Consultation on the Budget
Section 12	Financial Implications
Section 13	Legal Implications
Section 14	Human Resources Implications
Section 15	Crime and Disorder Implications
Section 16	Equalities Implications
Section 17	Environmental Implications
Section 18	Conclusion
Section 19	Background Documents and Further Information
Section 20	Appendices

## **POLICY CONTEXT**

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

### Sustainable Community Strategy

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

## Corporate Priorities

The Council's ten 'enduring' priorities were agreed by full Council and are the principal mechanism through which the Council's performance is reported and through which the impact of saving and spending decisions are assessed. The Council's priorities also describe the Council's contribution to the delivery of Lewisham's Sustainable Community Strategy priorities.

- **Community Leadership and Empowerment:** developing opportunities for the active participation and engagement of people in the life of the community.
- **Young people's achievement and involvement:** raising educational attainment and improving facilities for young people through partnership working.
- **Clean, green, and liveable:** improving environmental management, the cleanliness and care for roads and pavements, and promoting a sustainable environment.
- **Safety, security, and a visible presence:** partnership working with the police and others to further reduce crime levels and using Council powers to combat anti-social behaviour.
- **Strengthening the local economy:** gaining resources to regenerate key localities strengthen employment skills and promote public transport.
- **Decent Homes for all:** investment in social and affordable housing to achieve the decent homes standard, tackle homelessness, and supply key worker housing.
- **Protection of children:** better safeguarding and joined up services for children at risk.
- **Caring for adults and older people:** working with health services to support older people and adults in need of care.
- **Active, healthy citizens:** leisure, sporting, learning, and creative activities for everyone.
- **Inspiring efficiency, effectiveness, and equity:** ensuring efficiency and equity in the delivery of excellent services to meet the needs of the community.

## Values

- 4.2 Values are critical to the Council's role as an employer, regulator, securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In taking forward the Council's Budget Strategy, we are guided by the Council's four core values:
- We put service to the public first.
  - We respect all people and all communities.
  - We invest in employees.
  - We are open, honest, and fair in all we do.
- 4.3 A strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This has meant, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone. This joint endeavour continues to secure investment in the

borough: new homes, school improvements, regenerating town centres, new and renewed leisure opportunities and improvement in the wider environment, including award winning work on our river corridors. This work has done much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. And there is still much more that can be done to realise our ambitions for the future of the borough, ranging from our work to bring the Bakerloo Line extension here, with other transport improvements through to our nationally recognised programmes of care and support to some of our most vulnerable and troubled families.

- 4.4 However, it is clear that the Council cannot do all that it once did, nor meet all those expectations that might once have been met, for we are in a very different financial position than just a few years ago. Very severe financial constraints have been imposed on Council services with cuts to be made year on year on year, and this on-going pressure is addressed here in this report, incorporating further budget savings for 2016/17.

## **BACKGROUND**

- 4.5 The requirement to rebalance the public finances and the financial outlook for the Council and the public sector as a whole remains extremely challenging.
- 4.6 The Office for Budget Responsibility (OBR) provides independent analysis of the UK's public finances. The most recent forecasts, released in November 2015, are for the period to 2020/21. The forecast growth in Gross Domestic Product (GDP) has remained unchanged from earlier in the year at 2.4% for 2015, with a slight increase to 2.4% from 2.3% in 2016, and from 2.4% to 2.5% in 2017. The average forecast for Consumer Price Index (CPI) inflation in the fourth quarter of 2015 has fallen in recent months, mainly reflecting falls in commodity prices. CPI inflation is forecast to be below target in 2015 and to remain below the 2% inflation target before returning gradually to 2.0% in 2019.
- 4.7 The OBR expect Public Sector net borrowing to fall by 1.3% of GDP in 2015/16, and 1.4% in 2016/17, reaching 2.5% of GDP. Looking further ahead, the OBR expects the deficit to fall each year and to reach a small surplus by 2019/20, (2018/19 previously).
- 4.8 In the Autumn Statement, the Chancellor of the Exchequer announced further efficiency savings of £21.5bn for the public sector from unprotected departments over the four year period to 2019/20. It is expected that this will have a further detrimental effect on the Council's funding in the years to come.
- 4.9 The Department for Communities and Local Government announced the final Local Government Finance Settlement on 8 February 2016, and there was no change to the provisional settlement announced in December 2015. The Secretary of State announced in his speech to the House of Commons, that no council will receive less funding in 2016-17 than outlined in the provisional settlement. He also announced that Councils will have until 14 October 2016 to agree funding allocations for the remaining years of the Spending Review period (2017/18 to 2019/20).
- 4.10 The Settlement figures were higher than anticipated in the earlier years but reductions still apply over the period to 2019/20.
- 4.11 In the November 2015 Spending Review, the Government announced the creation of a social care precept to give local authorities who are responsible for social care the ability to raise new funding to spend exclusively on Social Care. The precept will work by

giving local authorities the flexibility to raise council tax in their area by up to 2% above the existing threshold. For Lewisham this will provide additional funding of £1.66m in 2016/17 for Social care.

- 4.12 In the provisional local government finance settlement assumptions of December 2015, the government has assumed that Councils will use their tax raising powers to raise a further 1.75% in addition to the social care precept to help meet funding pressures. In this context, an increase in Council Tax (additional to the social care precept) of 1.75% will provide funding of £1.46m in 2016/17.
- 4.13 The Finance Settlement also confirmed the withdrawal of the Council Tax freeze grant which contributed to Lewisham freezing its Council tax over the last five years. The freeze grant received for all these years, with the exception of 2012/13, has been rolled into the Settlement Funding Assessment. The 2012/13 freeze grant was a one-off grant in that year only and no longer features. For 2016/17 this represents a loss of £1m.
- 4.14 There were also a number of other changes announced to the finance regime for local government that will impact, subject to consultation, in future years. In particular, the introduction of a new definition for 'core spending power' based on different assumptions for allocating resources to tiers of council services impacting how Revenue Support Grant will be phased out, changes to the Business Rates regime in anticipation of this being 100% devolved to local government by 2020, sharpening of New Homes Bonus arrangements and incentives, a new element of Better Care Fund for local government to support integration work, use of capital receipts to fund revenue costs of transforming services, and the expectation that local government will take on new responsibilities going forward (e.g. pensioner housing benefit, attendance allowance). The Government will also consult on allowing well-performing planning departments to increase their fees in line with inflation.
- 4.15 These changes to the local government finance arrangements are intended make authorities more self-sufficient and less reliant on central government resources. At the same time they introduce new risks for authorities to manage in their financial planning. Officers will monitor this and keep members informed as part of preparing the medium term financial strategy for future years.
- 4.16 Leaving all other previous assumptions (from the July 2015 Medium Term Financial Strategy) unchanged, the provisional estimate is that the forecast savings required in 2016/17 is now at £29.2m (before measures).
- 4.17 The Medium Term Financial Strategy was reported to Mayor and Cabinet in July 2015. This set out that an estimated £83m worth of savings was required from 2016/17 to 2019/20. After the Settlement announcement in December 2015, this was revised to £76m.
- 4.18 The Lewisham Future Programme Board was established to determine and progress cross-cutting and thematic reviews to deliver the savings required. The Council has already made savings of £121.2m to meet its revenue budget requirements since May 2010 and is proposing further savings of £17.2m (£10.7m of new proposals and £6.5m of previously agreed savings) in 2016/17.
- 4.19 The total savings package proposed for 2016/17 to 2017/18 so far is £34.2m. A £1m saving from a review of MRP (minimum revenue provision) and debt is also proposed in 2016/17.

4.20 Assuming the measures proposed and the 2016/17 budget as set out in this report are agreed, it is expected that the Council will need to identify further savings of circa £15m for the following three years 2017/18 to 2019/20.

4.21 This report sets out the position of the financial settlements as they impact on the Council's overall resources:

- Capital Programme for 2016/17 to 2019/20;
- Housing Revenue Account and level of rents for 2016/17;
- Dedicated Schools Grant for 2016/17;
- General Fund Revenue Budget for 2016/17;
- Other Grants for 2016/17;
- Council Tax level for 2016/17; and
- Treasury Management Strategy for 2016/17.

## **5 CAPITAL PROGRAMME**

5.1 In considering the Council's overall financial position, the Capital Programme is considered first. This is to ensure that any revenue implications of capital decisions are taken into account. The Capital Programme budget for 2016/17 to 2019/20 is proposed at £337.2m, of which £129.2m is for 2016/17.

5.2 This section of the report is structured as follows:

- Update on 2015/16 Capital Programme
- Proposed Capital Programme 2016/17 to 2019/20

### **Update on 2015/16 Capital Programme**

5.3 Progress in delivering the 2015/16 Capital Programme has been reported to Mayor & Cabinet and the Public Accounts Select Committee regularly throughout the year. The latest forecast projection was that the revised budget allocated for the year of £116.2m, and reported to Mayor and Cabinet on 11<sup>th</sup> November 2015, would be delivered this year. However, at this stage, the revised budget shows a slight increase of £1.9m to the last reported budget figure, mainly due to the inclusion of the 2016 Schools Minor Works Programme and re-profiling of budgets on major schemes such as the Primary Places Programme and the Lewisham Homes – Property acquisition Project.

5.4 The capital programme for 2015/16 has seen a number of schemes progress well with the main areas of capital spend involving the provision of school places and housing.

### **Proposed Capital Programme 2016/17 to 2019/20**

5.5 The Council's proposed Capital Programme for 2016/17 to 2019/20 is currently £337.2m, as set out in Table A1:

**Table A1: Proposed Capital Programme for 2016/17 to 2019/20**

	15/16	16/17	17/18	18/19	19/20	4 Year Total
	£m	£m	£m	£m	£m	£m
<b>General Fund</b>						
Building Schools for the Future	8.6	1.2	0.0	0.0	0.0	<b>1.2</b>
Schools – Primary Places and other Capital Works	36.8	7.4	1.2	1.2	1.2	<b>11.0</b>
Highways, Footways and Bridges	7.4	6.0	3.5	3.5	3.5	<b>16.5</b>
Major Regeneration Schemes	10.6	11.7	6.1	0.0	9.0	<b>26.8</b>
Town Centres and High Street Improvements	0.5	3.6	0.0	0.0	0.0	<b>3.6</b>
Asset Management Programme	1.1	3.1	3.0	3.0	0.0	<b>9.1</b>
Other Schemes	14.3	10.1	2.4	2.4	2.3	<b>17.2</b>
	<b>79.3</b>	<b>43.1</b>	<b>16.2</b>	<b>10.1</b>	<b>16.0</b>	<b>85.4</b>
<b>Housing Revenue Account</b>	<b>38.8</b>	<b>86.1</b>	<b>89.6</b>	<b>37.6</b>	<b>38.5</b>	<b>251.8</b>
<b>Total Programme</b>	<b>118.1</b>	<b>129.2</b>	<b>105.8</b>	<b>47.7</b>	<b>54.5</b>	<b>337.2</b>

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

**Table A2: Proposed Capital Programme Resources for 2016/17 to 2019/20**

	15/16	16/17	17/18	18/19	19/20	4 Year Total
	£m	£m	£m	£m	£m	£m
<b>General Fund</b>						
Prudential Borrowing	10.5	14.7	0.0	0.0	9.0	<b>23.7</b>
Grants and Contributions	46.4	11.0	0.6	0.6	0.0	<b>12.2</b>
Specific Capital Receipts	6.3	4.4	6.1	0.0	2.3	<b>12.8</b>
General Capital Receipts / Reserves / Revenue	16.1	13.0	9.5	9.5	4.7	<b>36.7</b>
	<b>79.3</b>	<b>43.1</b>	<b>16.2</b>	<b>10.1</b>	<b>16.0</b>	<b>85.4</b>
<b>Housing Revenue Account</b>						
Prudential Borrowing	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
Grants	0.0	2.1	2.0	0.0	0.0	<b>4.1</b>
Specific Capital Receipts	6.3	48.7	27.2	0.0	0.0	<b>75.9</b>
Reserves / Revenue	32.5	35.3	60.4	37.6	38.5	<b>171.8</b>
	<b>38.8</b>	<b>86.1</b>	<b>89.6</b>	<b>37.6</b>	<b>38.5</b>	<b>251.8</b>
<b>Total Resources</b>	<b>118.1</b>	<b>129.2</b>	<b>105.8</b>	<b>47.7</b>	<b>54.5</b>	<b>337.2</b>

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

### Summary

- 5.11 The proposed 2016/17 to 2019/20 Capital Programme totals £337.2m (General Fund £85.4m and HRA £251.8m) and includes all the Council's capital projects. It sets out the key priorities for the Council over the four year period and will be reviewed regularly. The Capital Programme is set out in more detail in Appendices W1 and W2.

## **6. HOUSING REVENUE ACCOUNT**

- 6.1 This section of the report considers the Housing Revenue Account (HRA). The budgeted expenditure for the HRA in 2016/17 is £167.6m, including the capital and new build programme.
- 6.2 It is structured as follows:
- Update on the HRA financial position for 2015/16
  - Update on the HRA Business Plan
  - Future Years' Forecast

### **Update on the HRA financial position for 2015/16**

- 6.3 The HRA is budgeted to spend over £100.0m in 2015/16. The latest forecast on the HRA for 2015/16, is that net expenditure can be contained within budget by the year end. There are currently minimal reported pressures, which can, if necessary, be mitigated by the use of once off contingencies, reserves and revenue working balances. Expenditure against repairs & maintenance budgets is expected to be contained within the sums allocated.

## Update on the HRA Business Plan

- 6.4 The Housing self-financing system was implemented on 1 April 2012 when the HRA subsidy scheme was abolished. A 30 year financial model has been developed based on current management arrangements & rental income estimates, updated for efficiency savings, and cost pressures. In addition, policy objectives such as sheltered housing and new build plans are incorporated into the modelling.
- 6.5 The plan is currently undergoing a major revision following the Government's intention, announced in the July 2015 budget statement, to legislate for a 1% reduction in social rents to be applied each year for the next four years from 2016/17. This is expected to be passed within legislation within the next few months.
- 6.6 The impact of the change in policy is a total reduction of forecast rental income within the business plan of £1.90m for 2016/17. The expected cumulative rent reduction over the next four years is £25.0m, with £374.0m being lost over the life of the 30 year business plan.
- 6.7 As the Government's proposals are to be enacted by legislation, the authority has no choice other than to implement the rent reduction. In order to protect the business plan to provide the same level of investment and services, the reduction in income will need to be off-set though increased efficiencies and reprioritisation of investment requirements.
- 6.8 A review of current investment needs and priorities is being undertaken, based on updated surveys and inflation estimates. This includes assumptions on future liabilities, programmes, savings, and other requirements. These assumptions will be used to inform the resource need and identify potential gaps in funding and opportunities for additional income and grants.
- 6.9 The plan also contains costs associated with new build units and a target of 500 additional units by the end of the Mayor's current term. Table B1 provides an illustration of the expected HRA budget for the next 5 years, which includes the current 1% rent reduction estimates.

**Table B1: HRA Income and Expenditure Estimates**

HRA Income & Expenditure Estimates - 5 year Forecast	2016/17	2017/18	2018/19	2019/20	2020/21
	£M's	£M's	£M's	£M's	£M's
<b>Income</b>					
Rental income	-71.7	-69.9	-68.7	-69.8	-71.1
Tenants service charge income	-5.9	-6.0	-6.0	-6.1	-6.2
Leasehold service charge income	-4.0	-4.1	-4.2	-4.3	-4.4
Hostel charges and grant income	-1.3	-1.3	-1.4	-1.4	-1.4
Major Works recoveries	-5.3	-5.6	-5.8	-6.0	-7.4
Other income	-2.0	-2.0	-2.1	-2.1	-2.0
Interest earned on balances	-0.7	-0.5	-0.4	-0.3	-0.3
<b>Total Income</b>	<b>-90.9</b>	<b>-89.4</b>	<b>-88.6</b>	<b>-90.0</b>	<b>-92.8</b>
<b>Expenditure</b>					
Management costs	34.9	35.3	35.6	35.9	36.2
Repairs & maintenance	15.3	15.4	15.6	15.9	16.0

<b>HRA Income &amp; Expenditure Estimates - 5 year Forecast</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£M's</b>	<b>£M's</b>	<b>£M's</b>	<b>£M's</b>	<b>£M's</b>
PFI Costs	5.6	6.1	6.5	7.1	7.5
Interest & other finance costs	4.3	3.9	3.8	3.8	4.1
Depreciation	30.4	30.8	31.2	31.6	32.0
Revenue Contribution to Capital	6.1	1.5	6.4	6.5	-3.1
<b>Total Expenditure</b>	<b>96.6</b>	<b>93.0</b>	<b>99.1</b>	<b>100.8</b>	<b>92.7</b>
<b>Surplus/(deficit)</b>	<b>-5.7</b>	<b>-3.6</b>	<b>-10.5</b>	<b>-10.8</b>	<b>0.1</b>
Opening HRA reserves	32.3	26.6	23.0	12.5	1.9
Drawdown from reserves	-5.7	-3.6	-10.5	-10.6	0.1
<b>Closing HRA Reserves</b>	<b>26.6</b>	<b>23.0</b>	<b>12.5</b>	<b>1.9</b>	<b>2.0</b>
<b>Forecast Capital Programme &amp; Funding</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£M's</b>	<b>£M's</b>	<b>£M's</b>	<b>£M's</b>	<b>£M's</b>
Capital programme (including decent Homes)	35.2	36.8	37.5	38.0	39.8
New Build construction & on-going costs	35.8	-4.5	0.1	0.5	0.5
<b>Total Capital Expenditure</b>	<b>71.0</b>	<b>32.3</b>	<b>37.6</b>	<b>38.5</b>	<b>40.3</b>
<b>Capital Programme Funded By:</b>					
MRR Opening Balance	-34.5	0.0	0.0	0.0	0.0
Revenue Contribution to Capital	-6.1	-1.5	-6.4	-6.5	3.1
Depreciation	-30.4	-30.8	-31.2	-31.6	-32.0
Borrowing	0.0	0.0	0.0	-0.4	-11.4
<b>Total Capital Funding</b>	<b>-71.0</b>	<b>-32.3</b>	<b>-37.6</b>	<b>-38.5</b>	<b>-40.3</b>
<b>Capital shortfall</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
HRA - Actual Debt Level (Forecast)	74.8	74.8	74.8	75.2	86.6
HRA Self-financing Settlement Debt Level	127.3	127.3	127.3	127.3	127.3

- 6.10 As can be seen from the above table, the expected total expenditure, before financing, for the HRA in 2016/17 is £167.6m, comprising £96.6m operational costs & £71.0m capital and new build costs.
- 6.11 The Council continually considers how best to respond to the challenges and opportunities of the HRA self-financing system. The combination of the new system and the significant housing pressures may, in due course, cause the Council to adopt new management arrangements in order to optimise delivery of policy objectives.

### **Future Years' Forecast**

- 6.12 The key purpose of the proposed HRA budget is to ensure that there are sufficient resources to support lifecycle works, such as; repairs and maintenance, the Decent Homes programme and delivery of new homes in the borough.
- 6.13 The HRA is budgeted to spend £167.7m in 2016/17. Officers have examined budgets to identify savings opportunities to deliver services for improved value for money. These savings are included in the proposed budget for 2016/17. Overall Savings of £1.0m in

Repairs & Maintenance budgets for 2016/17 were identified and put before Tenants Panels in December 2015. An explanation of the savings is set out in more detail in Appendix X1. Should all of these proposals be agreed for 2016/17, they could be used for investment needs currently identified by the HRA Business Plan, or to partly off-set reductions in rental income following the government's announcement to reduce rents by 1% for each of the next four financial years.

- 6.14 Separate reports which set out in detail the proposals relating to service charges for Brockley and Lewisham Homes residents are attached at Appendix X2 and Appendix X3, respectively.

#### Rental Income and allowances

- 6.15 The average weekly rent is currently £98.42 in 2015/16.
- 6.16 Due to the requirements to comply with Government legislation, rents are expected to reduce by 1% each year for the next 4 years.
- 6.17 A 1% reduction in average rents for 2016/17 will equate to an average decrease of £0.99 over a 52 week period. This will reduce the full year average dwelling rent for the London Borough of Lewisham from £98.42 to £97.43pw. The proposed decrease will result in a loss of £0.743m of rental income to the HRA against 2015/16 income levels.
- 6.18 The decrease was not anticipated within the HRA financial modelling, which assumed an increase in line with estimated September CPI + 1.0% (forecast CPI @ 2.0%). Therefore the total reduction of forecast rental income within the business plan for 2016/17 is £1.90m. The expected rent loss due to this initiative over the next 4 years is £25.0m, with £374.0m being lost over the life of the 30 year business plan.
- 6.19 Table B2 below illustrates the impact the 4 year rent reduction has on the HRA account.

**Table B2: Impact the 4 year rent reduction**

	2015/16	2016/17	2017/18	2018/19	2019/20
*Original Business Plan Forecast Rental Income	£73.3m	£73.4m	£74.6m	£76.0m	£77.4m
Revised Business Plan Forecast Rental Income	£73.3m	£71.5m	£69.8m	£68.3m	£66.8m
Change	-	£-1.9m	£-4.8m	£-7.7m	£-10.6m
Revised Forecast Average rent	£98.42	£97.43	£96.46	£95.50	£94.55
Change in average Rent	-	£-0.99	£-0.97	£-0.96	£-0.95

\* The original business plan forecast for rental increases was based on CPI @ 2.0% + 1.0% as per government guidelines issued in May 2014.

- 6.20 It is not yet clear what rent regime will be in place once the rental contraction requirements have been completed. However, for the purpose of business and financial planning, it is assumed that rental charges will be increased in line with prior Government guidance of CPI + 1%. Any variation to this could put additional pressure on the financial forecasts for the HRA.
- 6.21 A rent rise higher than the limit rent calculation, set by Government, will result in additional recharges to the HRA via the Housing Benefit (HB) subsidy limitation charges. Any rise above this level will be lost through additional limitation recharges and therefore result in no benefit to the HRA.
- 6.22 Tenants were asked to provide comments and feedback on the proposed rent changes and illustration for inclusion in the Mayor & Cabinet budget report at meetings held with Brockley PFI and Lewisham Homes tenants.
- 6.23 The main concern raised by tenants at the Lewisham Homes meeting in respect of the rent reduction was the likelihood of a period of “catch-up” to make up for the loss of income after the 4 years period was over. It was explained that, whilst it is not possible to predict what the Government’s position would be at this time, a period of catch up was unlikely.
- 6.24 Tenants also raised concerns about the level of charges for repairs and maintenance, communal heating and the new grounds maintenance and lumber collection services. It was explained that the charges quoted are an overall average charge based on estimated costs and that tenants would get charged actual costs for services that they used.
- 6.25 Poor attendance at the Brockley meeting resulted in a written consultation taking place. No comments were received from tenants by the end of the consultation period.
- 6.26 No comments were received from tenants in hostels or from the Excalibur TMO.
- 6.27 Details of the options for the rent & service charge changes for 2016/17 were presented to the Housing Select Committee on 1 December 2015. Members expressed concern about the loss of revenue for the Council to build affordable homes due to the Government’s policies.
- 6.28 Having regard to the consultation held in December 2015, the Mayor is asked to make a recommendation to full Council that a rent decrease be agreed to accord with Government requirements. The new average rent for 2016/17 is likely to be in the region of £97.43pw, a reduction of approximately £0.99pw from 2015/16 levels.

#### Other Associated Charges

- 6.29 There are a range of other associated charges. These include: garage rents, tenants levy, hostels, Linkline, private sector leasing, heating and hot water. These charges and any proposed changes to them for 2016/17 are set out in detail in Appendix X4.

#### Summary

- 6.30 The gross budgeted expenditure for the HRA in 2016/17 is £167.6m. Council is asked to approve a rent decrease having considered Government requirements and tenant’s feedback following consultation held in December 2015. The current average weekly rent is £98.42 in 2015/16. This will reduce to £97.43pw in 2016/17.

## **7. DEDICATED SCHOOLS GRANT AND PUPIL PREMIUM**

7.1 This section of the report considers the Dedicated Schools' Grant (DSG) and level of Pupil Premium for 2016/17. This grant is formula based, calculated by the Government with the Council passing it onto schools. The respective budgets for 2016/17 are £283.5m and £18.0m.

7.2 It is structured as follows:

- Update on 2015/16 Dedicated Schools' Grant
- Dedicated Schools' Grant for 2016/17
- Pupil Premium

### **Update on 2015/16 Dedicated Schools' Grant**

7.3 The level of the Dedicated Schools' Grant (DSG) for 2015/16 is £279.4m. This will be revised later to take account of the pupil count which for early years children is undertaken in January 2016.

7.4 The only current budget pressure in the DSG arises from children with Special Educational Needs (SEN) statements / Education, Care and Health plans within the High Needs block of the grant, which is forecast to overspend by £2.9m. This can be met from a previous year carry forward put aside for this purpose and the contingency held by the Schools Forum. With these measures the grant is expected to be balanced at the year end.

### **Dedicated Schools' Grant for 2016/17**

7.5 The DSG for 2016/17 has provisionally been set by the Department for Education (DfE) at £283.5m, although this will change during the year to reflect updated pupil numbers. The DSG is now £47m (or 20%) larger than the Council's Net General Fund budget.

7.6 In comparison with last year, there is a £4.1m increase (1.5%) in the DSG. This increase is due to the following:

- An increase of £3.6m driven by the estimated increase in pupil numbers, largely in the primary age group, while the amount per pupil has been frozen in cash terms.
- Nationally an extra amount of £92.5m has been added to the High Needs Block. Lewisham will receive an extra £0.5m or 1.1% of this extra amount.

7.7 Once inflation including the cost pressures on salaries and wages budget of 2.8% for the year is taken into account, this funding represents a real terms reduction of 1.3%. It will be for individual schools to manage their budgets in line with this reduced level of funding.

7.8 Individual Schools' Budgets (ISBs) vary year on year mainly due to changes to pupil numbers. The DfE's schools' Minimum Funding Guarantee (MFG) has been set at a negative figure of minus 1.5%, which relates to the funding level per pupil (i.e. the per-pupil funding in a school cannot fall by more than 1.5%).

7.9 Under the regulations the Schools Forum decides:

- Whether some elements of funding given to schools should no longer be delegated but instead managed centrally. This includes contingency funds, the administration of free meals, supply cover, and insurance.
  - The budget level of central spend which includes growth funds, early years expenditure, admissions, and capital expenditure from revenue. The budget of the latter, under the funding regulations, is capped at the 2015/16 level.
- 7.10 The Council has to consult the Schools Forum on arrangements for SEN children. The Forum's powers extend to giving a view but the final decision lies with the Council.
- 7.11 The projection for 2016/17 is an overspend of £4.1m on the High Needs Block if no action is taken.
- 7.12 The Schools Forum set up a task group to review the High Needs Pupils costs in 2013. This group made a number of recommendations to the Forum which met on the 10 December 2015 to consider them. The Forum agreed savings of £2.0m but asked officers to consult schools on a number of possible ways to manage the shortfall of £2.1m.
- 7.13 Since the Schools Forum meeting in December the DfE has sent Local Authorities the data they must use to calculate each school's funding allocation. This is a national requirement and the Schools Forum cannot change the data but it can set the funding rates to apply to the data in order to calculate the ISBs.
- 7.14 The funding Lewisham receives for the schools block within the DSG is based on pupil numbers only. Lewisham receives £5,966 per pupil. There are 36,579 pupils which equates to schools block funding of £218.237m. The changes in the data such as free meals and the Income Deprivation Affecting Children Index (IDACI) does not influence the funding we receive. It does however alter the funding a school receives in its funding allocation through the formula. If the number of free meals decreases then the amount Schools Forum allocates to schools decreases but the level of the DSG stays the same. There has been a significant drop in the deprivation led data which means that for 2016/17 the funding formula will allocate £1.2m less to schools than in 2015/16. It is proposed to move this undistributed resource to the High Needs block to fund that spending pressure.
- 7.15 The consultation with schools ended on 15 January and was reported back to the Forum on the 19 January 2016. The proposals considered were:
- i) That the additional funding of £0.5m for high needs block and the reduced deprivation allocation of £1.2m, are applied to the high needs block;
  - ii) That a £0.2m reduction in National Non Domestic Rates (NNDR) as a result of the change in status of two schools be applied to fund the high needs block;
  - iii) That £0.2m of the collaborative funding is applied to the high needs block to secure a balance of funding and projected pressures in 2016/17;
  - iv) That the balance of collaborative funding is applied to the ISB formula funding of schools – a sum of £1.8m – on the same basis as the current calculation where possible to offset the fall in the deprivation data.
  - v) To increase the lump sum for all schools to £0.14m

- 7.16 The proposals in i), ii), and iii) above increase the High Needs Block by £2.1m and reduce the schools block by £1.2m. The proposal in iv) transfers the collaborative funding to the schools block.
- 7.17 The responses to the consultation were largely positive and, having considered them on the 19 January, the Schools Forum concluded they were sufficient for them to agree the proposals as the basis for setting the DSG budget for 2016/17.

### **Pupil Premium**

- 7.18 In addition to the DSG, schools will continue to receive the pupil premium. The pupil premium in 2015/16 was allocated to schools on the basis of the number of children who were entitled to a free school meal in the past six years to January 2016.
- 7.19 In 2016/17 the rate of funding is set at the same level as 2015/16. This is £1,320 per primary child, £935 per secondary child and £1,900 per child in Looked After Care. The DfE no longer provide forecasts of the total pupil premium. Officer's calculations are for £18.0m for 2016/17, which compares with the current forecast for 2015/16 of £18.2m.

## **8 GENERAL FUND REVENUE BUDGET AND COUNCIL TAX**

- 8.1 This section considers the General Fund revenue budget and Council Tax. The General Fund budget for 2016/17, assuming a Council Tax increase of 3.99%, is £236.218m. Details of the savings anticipated for 2016/17 are provided at Appendices Y1 and Y2.
- 8.2 It is structured as follows:
- Update on 2015/16 Revenue Budget
  - The Budget Model
  - Saving proposals
  - Council Tax for 2016/17
  - Overall Budget Position for 2016/17.

### **Update on 2015/16 Revenue Budget**

- 8.3 The Council's revenue budget for 2015/16 was agreed at Council on 25 February 2015. The general fund budget requirement was set at £246.224m.
- 8.4 During the financial year, monthly monitoring is undertaken by officers and these monitoring reports have been presented quarterly to Mayor and Cabinet and scrutinised by the Public Accounts Select Committee. Significant attention continues to be directed towards volatile budget areas. These are those areas where small changes in activity levels can drive large cost implications. These include, for example: Looked After Children, No Recourse to Public Funds; Nightly Paid Accommodation; and Adult Social Care. These areas of activity are also informed by risk assessments which are continually reviewed.
- 8.5 Budget holders have been challenged to maintain tight control on spending throughout the year through the continuation and strengthening of Directorate Expenditure Panels (DEPs). In addition to this, a Corporate Expenditure Panel (CEP) was introduced in late October 2014. The Chief Executive and the Executive Director for Resources and

Regeneration sit on this panel and it has served to provide an additional layer of scrutiny and challenge to existing DEPs.

- 8.6 An initial projected overspend of £8.6m was reported at the end of May 2015. Since this position was first reported, to avoid a Directorate overspend of the scale experienced for the first time in many years in 2014/15, significant management attention has been given to containing costs and, where possible, accelerating service changes to reduce costs. A series of measures and management actions have been employed over the course of the financial year and this has helped to alleviate some of the pressure with the latest projected forecast of £6.9m being reported to the end of November 2015. This is still a significant overspending projection, although there are signs the various management actions continue to help bring the projected overspend down.

#### Directorates

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

**Table C1: Forecast outturn for 2015/16 as at end of November 2015**

Directorate	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/ (under) spend November 2015
	£m	£m	£m	£m
Children & Young People	68.9	(17.8)	51.1	6.9
Community Services	172.1	(75.3)	96.7	(1.2)
Customer Services	91.8	(48.2)	43.6	3.6
Resources & Regeneration	43.4	(13.8)	29.6	(2.4)
<b>Directorate Totals</b>	<b>376.2</b>	<b>(155.2)</b>	<b>221.0</b>	<b>6.9</b>
Corporate Items	25.2	0.0	25.2	0.0
<b>Net Revenue Budget</b>	<b>401.4</b>	<b>(155.2)</b>	<b>246.2</b>	<b>6.9</b>

#### Corporate Financial Provisions

- 8.8 Corporate Financial Provisions are budgets that are held centrally for corporate purposes, which do not form part of the controllable expenditure of the service directorates. They include Capital Expenditure charged to the Revenue Account (CERA), Treasury Management budgets such as Interest on Revenue Balances (IRB) and Debt Charges, Corporate Working Balances and various provisions for items such as early retirement and voluntary severance. The spend on Corporate Financial Provisions is expected to be contained within budget by the year-end.
- 8.9 Consideration is now being given to employing the use of corporate measures to balance the budget at year end. It is proposed to meet any 2015/16 budget overspend from reserves.

## **The Budget Model**

- 8.10 This section of the report sets out the construction of the 2016/17 base budget. This section is structured as follows:
- Budget assumptions, including: Savings, Council Tax, and Inflation
  - New Homes Bonus
  - Budget pressures to be funded
  - Risks and other potential budget pressures to be managed

### Budget assumptions, including: Savings, Council Tax, and Inflation

- 8.11 The Council has made substantial reductions to its expenditure over the last four years. On all credible economic forecasts, it will continue to need to make further reductions for at least the next four to five years. This section of the report summarises a series of proposals that would enable the Council to set a balanced budget for 2016/17 as part of a sustainable financial strategy to 2019/20.

### Council Tax

- 8.12 The assumption used in the model for preparing the 2016/17 budget, subject to confirmation by Council, is for the maximum 3.99% Council Tax increase (a 2% for the new social care precept and a 1.99% increase under the referendum principle) and no receipt of the Council Tax freeze grant from Government. This is consistent with the government's financial models for local government funding to 2019/20.
- 8.13 If Council choose to set a different Council Tax increase they will need to be mindful that any increase below this recommendation will result in additional budget pressures, resulting in a higher savings requirement. And any increase above this recommendation would require support in a local referendum due to the limit set by the Secretary of State. Further information on the options for Council when setting the Council Tax is set out in more detail towards the end of this section.

### Inflation

- 8.14 The Government's inflation target for the United Kingdom is defined in terms of the Consumer Price Index (CPI) measure of inflation which excludes mortgage interest payments. Since April 2011, the CPI has also been used for the indexation of benefits, tax credits, and public service pensions.
- 8.15 On 23 December 2015, the Office for National Statistics (ONS) reported that the rate of Gross Domestic Product (GDP) growth in the economy was greater than 2% with CPI inflation in the UK at 0.1% for the year to November. The November Office of Budget Responsibility forecasts for inflation are a rise from 0.1% in 2015 to 1.0% in 2016 and before returning to near the UK target of 2% annually thereafter with GDP growth remaining above 2% throughout this period.
- 8.16 For financial planning purposes, the Council has previously assumed an average pay inflation of 1% per annum, which equates to approximately £1.1m. In December 2015, a final offer was made to the unions of a 1% pay award for 2016/17 and 2017/18 by the National Joint Council (NJC) for Local Government Services, with staff on very low pay being offered increases that will bring them up to the new National Living Wage (NLW) introduced by the government in 2015. The NLW is currently set at £7.20/hr from April

2016. Lewisham's lowest pay band well exceeds this amount and therefore a provision of 1% per annum for the next two years has been made.

- 8.17 The Council currently applies a non-pay inflation rate of 2.5% per annum. This is close to the growth rate of the economy and better reflects underlying commitments in Council contracts. This equates to approximately £2.5m per annum (net). This figure was put forward as an efficiency saving for three years starting from 2015/16.

#### New Homes Bonus

- 8.18 The New Homes Bonus (NHB) sits alongside the Council's planning system and is designed to create a fiscal incentive to encourage housing growth. The Department for Communities and Local Government (DCLG) is paying the NHB as an un-ringfenced grant to enable local authorities to decide how to spend the funding. The scheme design sets some guidance about the priorities that spend should be focused on, in that it is being provided to 'help deliver the vision and objectives of the community and the spatial strategy for the area and in line with local community wishes'.
- 8.19 The NHB is paid each year for six years. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.
- 8.20 The allocation for 2016/17 in Lewisham, including on-going payments, is £9.731m with the allocation for Year 6 (2016/17) delivery being £1.889m.
- 8.21 The cumulative nature of the NHB is set out in summary in Table C6 below.

**Table C6 – New Homes Bonus Allocation Profile**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Yr 1	0.706	0.706	0.706	0.706	0.706	0.706
Yr 2		0.958	0.958	0.958	0.958	0.958
Yr 3			2.150	2.150	2.150	2.150
Yr 4				2.629	2.629	2.629
Yr 5					1.399	1.399
Yr 6						1.889
<b>Total Allocation</b>	<b>0.706</b>	<b>1.664</b>	<b>3.814</b>	<b>6.443</b>	<b>7.842</b>	<b>9.731</b>
<b>Less London LEP Top slice</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2.218</b>	<b>0</b>
<b>Lewisham Total</b>	<b>0.706</b>	<b>1.664</b>	<b>3.814</b>	<b>6.443</b>	<b>5.624</b>	<b>9.731</b>

- 8.22 The government launched a consultation on refining the scheme from 2017/18 with views being sought on the following options:
- proposals for reductions in the number of years for which the Bonus is paid from the current six years to four years
  - withholding the Bonus from areas where an authority does not have a Local Plan in place;
  - abating the Bonus in circumstances where planning permission for a new development has only been granted on appeal; and
  - adjusting the Bonus to reflect estimates of deadweight.

- 8.23 The impact of the government's preferred options for NHB outlined in the consultation is estimated to reduce the NHB received by the Council per property by at least one third.
- 8.24 As set out in the annual Council Tax Base report, officers are focused on bringing empty homes back into use and reducing the number of long term empty properties in the Borough. In recent years the number of empty properties in the borough has fallen. The number brought back in to use in 2013/14 and 2014/15 was 176 and 435 respectively.
- 8.25 The Council produces an Annual Monitoring Report (AMR) which assesses the level of development which has taken place and reviews the performance on plan making and related steps being undertaken to progress the regeneration of the borough.
- 8.26 A significant amount of planned growth for the borough is yet to come. The AMR provides an update on the progress of strategic sites within the regeneration and growth areas, including Deptford and New Cross, Lewisham Town Centre and Catford Town Centre. Overall, strategic sites are progressing well and are generally being constructed within anticipated timescales, with no significant barriers or major blockages to delay the development of these sites in the future. The AMR also provides a housing trajectory and identifies the anticipated amount of residential development over the coming years.
- 8.27 In view of the planned growth in housing and associated infrastructure in the borough in future years it was agreed to commit £0.65m of the NHB allocation per annum to provide delivery support for this. This represents a year-on-year commitment for the Council. Given the planned growth in the Lewisham over the coming years, the funding would be used to improve the borough's town centres, increase the number of jobs in the borough, provide improved transport links to the rest of London, and build upon the necessary infrastructure such as schools, health facilities, and open spaces.
- 8.28 While initially being held with a view to funding future capital works, a review of the NHB has been conducted consistent with the government's commitment that NHB will continue (albeit at a reduced level) for the remainder of the parliament and the expectation that councils use their reserves. Given the pressures on the overall budget, and as in 2015/16, it is now proposed to use some of the NHB for revenue funding shortfalls. This will be effected by releasing £5.0m of the accumulated reserve balance from the NHB scheme to the General Fund for 2016/17 only.

#### Budget Pressures to be funded

##### 2015/16

- 8.29 As in previous years, £7.5m of funds are set aside in the budget model to meet specific identified budget pressures and identified potential budget risks. Of this £7.5m in the 2015/16 budget £4.3m was allocated to services to fund quantified pressures, leaving £3.2m unallocated and held by the Executive Director for Resources and Regeneration against identified risks.
- 8.30 In respect of the £3.2m unallocated, it is evident from the financial monitoring reported to members through 2015/16 that despite the measures taken by officers there remain two areas of persistent budget pressure – No Recourse to Public Funds and Temporary Accommodation. It is therefore proposed to adjust the base budgets for these two areas for 2016/17 using the unallocated corporate funds held back in 2015/16. This will be done by allocating £1.2m to the No Recourse to Public Funds and £2.0m to the Temporary Accommodation budget.

8.31 In addition, an element of the £4.3m allocated to pressures in 2015/16 included £2.2m provided to Community Services to cover the anticipated costs of sector wide practice changes for travel time and to pay the London Living Wage. In the event, following the retendering of the relevant care contracts in 2015/16 not all of these costs arose. The £0.5m in respect of travel time did arise. The additional £1.7m of Living Wage costs did not but is expected to do so in future years. It is therefore proposed to transfer £1.7m from Community Services back to the corporate funds in 2015/16.

2016/17

8.32 The budget pressures anticipated in 2016/17 have been reviewed by the Executive Director for Resources & Regeneration and it is recommended that a number of these specific identified pressures are funded now.

8.33 In terms of accounting for these, it is proposed that the Executive Director for Resources & Regeneration allocate these to corporate provisions and the relevant Directorates when determining the cash limits.

8.34 Table C2 provides a summary of the budget pressures that are being recommended to be funded.

**Table C2: Summary of 2016/17 budget pressures to be funded**

Description	£m	£m
Pressures to be set against 2016/17 risk budget		
• Actuarial Valuation	1.00	
• Changes to National Insurance Contributions	2.00	
• Highways and footways pressure	0.35	
• New Licensing Arrangements	0.20	
• Concessionary Fares	0.20	
<b>Total - pressures recommended to be funded</b>		<b>3.75</b>

Actuarial Valuation – £1.00m

8.35 An actuarial valuation of the Pension Fund was carried out as at 31 March 2013. This calculated the funding level at 71.4% and set employer’s contribution rates until 31 March 2017. This represented a deterioration of 4.0% from the position at the 2010 valuation which assessed the funding level at 75.4%. The deterioration is attributable to changes in the Fund's portfolio along with other financial and demographic changes.

8.36 The actuary has applied a stabilisation mechanism which restricts movements in employer’s contributions within a 1% increase and 2% decrease range to recognise both affordability issues and the potential improvement in investment returns in the inter-valuation period from 2014 to 2017. In line with the actuary’s recommendations, additional stabilisation funding of £1.0m will be provided for 2016/17.

Changes in the Employer’s National Insurance Contributions - £2m

8.37 The State Pension is changing for people who reach State Pension age on or after 6 April 2016. These changes will help people clearly understand what they will get from their State Pension so they can plan for retirement.

- 8.38 As Lewisham sponsors a salary related workplace pension, employees are “contracted-out” of the additional State Pension. As a result both Lewisham and its employees may pay National Insurance contributions at a lower rate because of a National Insurance rebate. Three-quarters of people reaching State Pension age in the first two decades of the new State Pension will have been contracted-out at some point. The new State Pension will replace the existing basic and additional State Pension and end contracting-out and the National Insurance rebate.
- 8.39 From April 2016, both the Council and its employees will pay the standard rate of National Insurance contributions instead of the contracted-out rate.
- 8.40 For employers, the standard rate of National Insurance is 13.8% of all earnings above the secondary threshold for all employees, Lewisham will no longer get the 3.4% National Insurance rebate (on a proportion of earnings). This is estimated to cost the £2m in 2016/17.

Highways and Footways pressure – £0.35m

- 8.41 The ten year investment programme for the resurfacing of highways and footways in the Borough came to an end in 2013/14 and future funding arrangements had to be established. In 2014/15 it was agreed that an ongoing highways resurfacing budget of £3.0m be established over a ten year period. In the first year, this was funded by a combination of pressures funding, reserves, and the release of existing prudential borrowing budgets as debt was repaid.
- 8.42 Corporate funding of £0.3m for 2016/17 will be provided with an additional £0.3m being added to the budget until 2020/21 and a balance of £0.1m in 2021/22. Therefore, the total allocation over the period is £2.2m, although this will eventually be offset by £0.8m of released budget arising from repaid prudential borrowing over the period 2024/25 to 2033/34.
- 8.43 It was also agreed in 2014/15 to create an ongoing budget of £0.5m for the replacement of footways over a ten year period 2014/15 until 2023/24. For 2016/17, a budget allocation of £0.05m will be needed with an additional £0.05m being added to the budget for each of the years to 2023/24.

Additional Licensing Scheme £0.20m

- 8.44 On 15 July 2015 Mayor and Cabinet received a detailed report on the business case for introducing an “additional” licensing scheme in Lewisham, to improve conditions of private rented flats above commercial premises (primarily over shops) across the borough. This proposal was supported by the Housing Select Committee at its meeting on 19 May 2015.
- 8.45 The in-principle case for introducing “additional licensing” of private rented flats above commercial premises was accepted and officers were asked to undertake statutory public consultation on the proposals as presented, in line with the current statutory requirements and to report back the findings of the consultation later in the year.
- 8.46 The Mayor received the full report on the 13 January 2016 with the results of the consultation and approved the recommendation at a cost of £1.0m over five years.

### Concessionary Fares – £0.20m

- 8.47 London Councils have advised of Lewisham's Freedom Pass costs for 2016/17. The figure is £0.2m higher than 2015/16.

### Risks and other potential budget pressures to be managed

- 8.48 Following the review of budget pressures within Directorates, there are a number of other risks and issues which, although difficult to quantify with absolute certainty, could prove significant should they materialise.
- 8.49 Officers continue to undertake work to fully assess and monitor these risks. These risks and other potential budget pressures are discussed in more detail below:
- Demographic Pressures
  - Looked After Children
  - Business Rate appeals
  - Child Sexual Exploitation
  - National / London Living Wage
  - Redundancy
  - Unachieved savings

### Demographic pressures

- 8.50 The population of the Borough is forecast to increase by a net 3,000 annually for the foreseeable future. This is driving the need for additional school places and housing with all the associated services (environment, health and care) such growth brings.
- 8.51 For example, there is an increase in the transfer of high cost packages and placements for young people with a learning disability from the Children & Young People's directorate to Adult Social Care. Increases in other client groups are lower but the number of the most elderly in the borough appears to be increasing too, along with their needs. Additional provision also has to be made for a few new physical disability placements a year (brain injuries and other accidents).

### Looked After Children

- 8.52 The Looked After Children service provides social work support to all the children who are looked after by the London Borough of Lewisham. It performs all the statutory functions, including care planning and ensuring that their health and education needs are met. At the start of 2010, the number of Looked After Children peaked and then they started to decline. This continued until the summer of 2011 from when numbers were fairly stable. However, the numbers started to rise again in April 2013. Even though the budget pressure is being managed down in 2014/15 through effective and economic placement decisions, overall spend on these services remains a risk.
- 8.53 The current demographics indicate that the pupil population is growing by 2.5% which, all other things being equal, roughly projects to an increase in the Looked After Children of one a month creating a potential budget pressure.

### Business Rate appeals

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

### Child Sexual Exploitation

- 8.55 This is a risk area across London which may, if the number of cases locally grows significantly, become a pressure in the future. At present the service is managing this risk by refocusing existing resources within their current budget and expects to be able to do through 2016/17. Given these uncertainties it is not possible to fully evaluate the risk at this time.

### National / London Living Wage

- 8.56 In 2015 the Chancellor announced the obligation for all employers to pay at least a national living wage. The Council has for some years now ensured it pays the London Living Wage to staff and contractors where this has been possible to contract for. However, there have remained some areas where this has not always been possible – for example; sub-contractors on some facilities contracts and contracting for some care services. New European procurement rules and the introduction of the national living wage go some way to closing this remaining gap to ensure all employees are paid a fair wage.
- 8.57 The budget impact of these changes is a risk of additional costs to the Council. These will vary according to the contract and areas of spend depending on past practice and how suppliers elect to pass on some or all of these costs. The risk cannot therefore be easily quantified at this time.

### Redundancy

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

### Unachieved savings

- 8.59 For those savings agreed there is a risk, as the detailed work to implement them progresses, of delay or changes to the proposals in response to consultations or other factors. These changes may impact the value of the saving that can be achieved, either in total or more often in terms of achieving a full year's financial impact.
- 8.60 Such pressures cannot be easily quantified at this stage, although it is estimated that it could be up to £1.7m or 10% on the current proposals of £17.2m for 2016/17. Should these pressures arise in the year and not be able to be contained with Directorate budgets, they could be met from the risk fund or become an additional call on reserves.

## Summary of Budget Pressures

- 8.61 In conclusion, it is a matter of good budgeting to make a general allowance for risk and uncertainty, particularly at such a time of rapid change in the local government sector.
- 8.62 There are some pressures to be funded, which can be quantified within a reasonable range. There are also a number of other risks and potential budget pressures to consider which are less easy to quantify with any certainty.
- 8.63 After allowing for allocations of £7.5m, as summarised in Table C2 above, an unallocated balance of £3.75m would remain. It is proposed that the Executive Director for Resources & Regeneration hold this fund corporately. This fund would be used to allocate resources to fund emergent budget pressures during the year, which at this moment in time, cannot be quantified with certainty.

## **Saving proposals**

- 8.64 On the 30 September the Mayor:
- Endorsed previously agreed savings proposals from the 2015/16 budget of £6.46m for 2016/17;
  - Delegated £11.07m of savings proposals, of which £6.01m relates to 2016/17, to Executive Directors to consult on if necessary, agree and implement;
  - Declined for 2016/17 a proposed reduction in the road sweeping budget of £1.00m, and a 2017/18 saving of £1.20m relating to a reduction in the supporting people budget. Officers to revisit in future years;
  - Rejected the saving proposal for the reduction of the freedom pass budget of £0.20m in 2016/17 and the alternative proposal of a reduction of £0.02m in each year of 2016/17 and 2017/18.
  - Requested that £6.96m savings, of which £2.91m related to 2016/17, be re-submitted to Scrutiny with the further information requested and then back to Mayor and Cabinet if there were any referrals;
  - Agreed for consultation and further work to proceed on £5.39m of savings proposals, of which £1.84m are for 2016/17. The results of this work, as was the case for the libraries consultation in December 2015, will be presented in separate savings reports in due course, for the Mayor's decision.
- 8.65 As anticipated in the Medium Term Financial Strategy (July 2015) and following the provisional Local Government Finance Settlement in December 2015, the Executive Director for Resources & Regeneration has been considering options to bridge a budget shortfall in order to balance the budget for 2016/17. The options involve using of a mixture of on-going and once-off resources. These include:
- Use, as was done in 2015/16, of £5.0m of the New Homes Bonus reserve in 2016/17.
  - Updating the assumptions for accounting for property, plant and equipment and the associated financing of these to better reflect how they are used via the Minimum Revenue Provision policy and related prudential borrowing calculations.
- 8.66 In total, and assuming all the savings proposals for 2016/17 are delivered, the above means a shortfall of £5.94m of once-off resources is required to balance the 2016/17 budget. This will be a call on the Council's reserves for 2016/17.

- 8.67 Estimates for Revenue Support Grant in 2017/18 to 2019/20 have been provided by the Government which has offered to provide a four year settlement on Revenue Support Grant up to 2019/20. This offer comes with caveats and the government has yet to set out the full terms (benefits and risks) for authorities to take such a four year settlement. What is known is that it will relate to Revenue Support Grant only (but not the firm amounts yet), will be subject to the government approving a four year efficiency plan (probably for the whole budget not just Revenue Support Grant) for each authority, and require to be confirmed annually following the usual consultation as part of setting the other elements of the local government finance settlement. For 2016/17 authorities have until the 14 October 2016 to confirm their acceptance of this four year offer. The prospects for future years' budgets based on the provisional settlement figures are set out in more detail in section 9 of this report.

### **Council Tax for 2016/17**

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

#### Collection Fund

- 8.69 Collection Fund surpluses or deficits reflect whether the Council over or under achieves its Council Tax collection targets. Therefore, this requires a calculation to be made of how much the Council has already received for the Council Tax in the current and past years and how much of the outstanding debt it expects to collect.
- 8.70 The statutory calculation was carried out for the 15 January (date prescribed by the relevant statutory instrument). This calculation showed there is an estimated surplus on the Collection Fund in respect of Council Tax, for the years 1994/95 to 2015/16 of £3.754m.
- 8.71 This surplus is shared with the precepting authority, the Greater London Authority (GLA), in proportion to relative shares of budgeted Council Tax income in the current financial year. This means that £2.937m of the £3.754m surplus has to be included in the calculation of Lewisham's Council Tax. The remaining balance of £0.817m will be allocated to the GLA.
- 8.72 Members should note that the Council agreed on the 20 January 2016 to pass on 3% of the percentage reduction in 2016/17 settlement funding assessment, use the small anticipated in-year surplus from 2015/16 and reduce the Council Tax Reduction Scheme (CTRS) accordingly.

#### Council Tax Levels

- 8.73 The current position is still that Council Tax may not be increased by 2% or more (inclusive of levies) without a referendum. In addition, there is also the opportunity to increase Council Tax by up to a further 2% under the new social care precept introduced for 2016/17. As noted above the government's assumptions in the local government financial settlement to 2019/20 include the raising of both Council Tax and the social care precept in each and every year to meet the recognised funding pressures faced by the sector.
- 8.74 In the November 2015 Spending Review, the Government announced the creation of a social care precept to give local authorities who are responsible for social care the ability

to raise new funding to spend exclusively on social care. The precept will work by giving local authorities the flexibility to raise council tax in their area by up to 2% above the existing referendum threshold. In Lewisham this will provide additional funding of £1.665m ring fenced for adult social care spend in 2016/17. If implemented this charge has to be identified on the face of the Council Tax bill and made clear in the accompanying guidance for rate payers.

- 8.75 At the same time a general increase in Council Tax of 1.99% (i.e. within the limit of the 2% referendum threshold) would also provide additional funding of £1.657m.
- 8.76 In considering savings proposals and the level of Council Tax, Members make political judgements, balancing these with their specific legal responsibilities to set a balanced budget for 2016/17 and their general responsibilities to steward the Council's finances over the medium term.
- 8.77 In 2015/16, the Band D Council Tax in Lewisham is £1,355.35 on a base of 75,526 Band D equivalent properties. Of this, £295 relates to the activities of the GLA which the Council pays over to them on collection.
- 8.78 The GLA is consulting on a precept of £276 for 2016/17, a reduction of £19, or approximately 6.4% and a final decision is expected from them on or before the 24 February 2016. The majority of this reduction reflects the removal of a significant proportion of the £20 Olympic charge.
- 8.79 Table C3 below shows, for illustrative purposes, the Council Tax payable by a resident in a Band D property in 2016/17 under a range of possible Council Tax increases, and the financial implications of this for the Council. A full Council Tax Ready Reckoner is attached at Appendix Y3.
- 8.80 The starting point is for an assumed 3.99% increase in Council for 2016/17. Any reduction from this level of increase will reduce the level of income the Council collects and will increase the draw on reserves for 2016/17 and the savings gap in future years.

**Table C3 – Band D Council Tax Levels for 2016/17**

Change in Council Tax	Amounts payable by residents – Band D			Lewisham	
	Lewisham element	GLA element	Total	Change in total	Annual income forgone
	£	£	£	%	£m
3.99% increase	1,102.66	276.00	1,378.66	+1.72%	0.00
3.50% increase	1,097.46	276.00	1,373.46	+1.34%	-0.41
3.00% increase	1,092.16	276.00	1,368.16	+0.95%	-0.82
2.50% increase	1,086.86	276.00	1,362.86	+0.55%	-1.24
2.00% increase	1,081.56	276.00	1,357.56	+0.16%	-1.65
1.50% increase	1,076.26	276.00	1,352.26	-0.23%	-2.07
1.00% increase	1,070.95	276.00	1,346.95	-0.62%	-2.49
Council Tax Freeze	1,060.35	276.00	1,336.35	-1.40%	-3.32

- 8.81 Were Council to agree a Council Tax freeze, the Council will not get the freeze grant of approximately £1.0m in 2016/17 as the government has withdrawn this grant.

## Overall Budget Position for 2016/17

8.82 For 2016/17, the overall budget position for the Council is an assumed General Fund Budget Requirement of £236.218m, as set out in Table C4 below.

**Table C4 - Overall Budget Position for 2016/17**

Detail	Expenditure/ (Income) £m	Expenditure/ (Income) £m
Settlement Funding Assessment (SFA) for 2016/17	(146.691)	
Council Tax 2016/17 at 3.99% increase	(86.590)	
Surplus on Collection Fund	(2.937)	
<b>Assumed Budget Requirement for 2016/17</b>		<b>(236.218)</b>
<b>Total Resources available for 2016/17</b>		
Base Budget for 2015/16	246.224	
<b>Plus:</b> Reversal of reserves drawn in 15/16 (once off)	6.959	
<b>Plus:</b> additional Pay inflation	0.623	
<b>Plus:</b> Non-pay Inflation	2.663	
<b>Plus:</b> Grant adjustments for changes 15/16 to 16/17	1.405	
<b>Plus:</b> Budget pressures to be funded from 16/17 fund	3.750	
<b>Plus:</b> Risks and other potential budget pressures	3.750	
<b>Less:</b> MRP and debt adjustment measures	(1.000)	
<b>Less:</b> Previously agreed savings for 2016/17	(6.462)	
<b>Less:</b> New savings for 2015/16	(10.752)	
<b>Less:</b> Use of New Homes Bonus reserve	(5.000)	
<b>Less:</b> Once off use of provisions and reserves	(5.942)	
<b>Total</b>		<b>236.218</b>

### Use of Provisions and Reserves

8.83 Should all the above proposals be agreed, then this would leave a remaining gap of some £5.942m to be funded by the once off use of reserves in 2016/17. This has been set out in the Table C4 above.

8.84 If the need should arise to balance the budget for any in-year pressures using reserves, the Executive Director for Resources & Regeneration advises that on going measures should be identified to rectify this position as quickly as possible and in any event, by the following year. The use of once off resources is therefore just delaying the need to make an equivalent level of saving in the following year.

## 9 OTHER GRANTS AND FUTURE YEARS' BUDGET STRATEGY

9.1 This section of the report considers three other funding streams which the Council currently receives and implications for future years. These other funding streams are Public Health, Better Care Fund, and various other grants.

9.2 This section of the report is structured as follows:

- Better Care Fund 2016/17
- Public Health Grant 2016/17
- Various other grants 2016/17 – reduced with net impact £1.4m

- Future Years' Budget Strategy 2016/17 onwards

### **Better Care Fund**

- 9.3 The national Better Care Fund (BCF) was announced by the Government in the June 2013 Spending Round, to support transformation and integration of health and social care services to ensure local people receive better care. The BCF is a pooled budget that shifts resources into social care and community services for the benefit of the NHS and local government. The Better Care Fund does not represent an increase in funding but rather a realignment of existing funding streams with new conditions attached.
- 9.4 For Lewisham the value in 2015/16 is £21.842m out of a national total of £3.8bn. The local plan was approved by NHS England and the 2016/17 plan is currently being developed. In particular, the 2016/17 plan will take into account those service areas where spend has been lower than expected in 2015/16, with funds redirected to areas of greater need. Individual allocations have not yet been announced but as the national total, £3.9bn, is little different from last year's only a small local increase is expected.
- 9.5 The Fund must be used in accordance with our final approved plan and through a section 75 pooled fund agreement which is approved annually by Mayor and Cabinet in May 2015 (with final details delegated to officers). The full value of the element of the Fund linked to non-elective admissions reduction target is to be paid over to Lewisham Clinical Commissioning Group (CCG) at the start of the financial year. However, the CCG may only release the full value of this funding into the pool if the proposed admissions reduction target is met. If the target is not met, the CCG may only release into the pool a part of that funding proportionate to the partial achievement of the target. Any part of this funding that is not released into the pool due to the target not being met must be dealt with in accordance with NHS England requirements. Contingency arrangements to address this risk were put in place for 2015/16 and will be continued into 2016/17.
- 9.6 The Government will consult on a proposed new methodology allocation of the improved Better Care Fund from 2017/18.

### **Public Health Grant**

- 9.7 At the start of 2015/16, the Council was awarded a £20.1m Public Health Grant. This was subject to an in-year reduction of £1.5m during the current financial year. During the year current financial year responsibility and an annual budget of £7.6m for health visiting was also transferred to local government as part of public health funding. The 2016/17 allocations were announced on the 11 February, with Lewisham being awarded £25.6m (including the health visiting budget).
- 9.8 The grant remains ring-fenced and the agreed commitment of these funds will therefore need to be reviewed annually and rebalanced to ensure the reductions are met and funds are directed to those services and activities with the greatest public health benefit.

### **Other Grants and Levies**

- 9.9 Certain specific grants have been reduced or stopped in 2016/17 reducing funding by approximately £1.405m. The main change is in respect of the Council Tax Freeze Grant of approx. £1m. The Education Support Grant has been reduced by 9.4% to £3.5m for 2016/17 and is expected to be phased out over the following three years. The Lead

Local Flood grant £0.078m has been rolled in to the Settlement Funding Assessment (SFA) from 2016/17.

- 9.10 The government has also rolled in to the SFA funding for the Care Act, which previously had a net nil effect on the budget. This funding totals £1.5m in 2016/17, rising to £2.4m by 2019/20 in their projections.
- 9.11 It is expected that, as the funding on specific grants reduces, the related cost of service provision will also reduce as the Directorates manage their activities within the available resources.
- 9.12 The Council is also required to levy monies totalling in the region of £1.6m for other bodies, in addition to the Council Tax collected on behalf of the GLA (see Collection Fund). These bodies are the London Pension Fund Agency, Lee Valley Regional Park, and Environment Agency. The final amounts for 2016/17 are set out in Appendix Y5.

### **Future Years' Budget Strategy 2016/17 onwards**

#### Revenue Budget

- 9.13 The Medium Term Financial Strategy was reported to Mayor & Cabinet in July 2015. This set out that an estimated £72m of savings required from 2016/17 to 2019/20 over and above £11m savings already agreed at that time. This position has been superseded by the savings proposals submitted to Mayor and Cabinet in September and the provisional local government finance settlement announced in December 2015.
- 9.14 The revised profile for savings required is now broadly;
- £29m for 2016/17 (of which £17m has been identified with the balance being met from once off resources),
  - £22m for 2017/18 (of which £17m has been identified)
  - £13m for 2018/19, and
  - £12m for 2019/20
- 9.15 If the budget for 2016/17 as set out in this report is agreed the expected additional savings required are circa £15m per year for each of the three years 2017/18 to 2019/20. The Lewisham Future Programme (LFP) was established to carry out cross-cutting and thematic reviews to deliver these savings. The savings report received by the Mayor in September 2015 alongside this budget report presents the LFP work to date. This continues and further savings proposals will be brought forward in 2016/17 to close the budget gaps identified above.

#### Other Potential Revenue Budget Impacts

- 9.16 The Government will consult and on allowing well-performing planning departments to increase their fees in line with inflation.
- 9.17 A number of NHS hospitals have applied to be considered as charities for business rate purposes and that this be backdated for six years. If accepted, this would reduce their business rates by 80%. For Lewisham the impact would be a backdated payment in the region of £8m and an ongoing loss of business rates of approximately £1.5m. Guidance is being sought by the local government sector nationally as this could be expensive to the public purse if challenged and only serve to move money within the public sector.

Officers will monitor the situation and keep members informed as part of preparing the medium term financial strategy for future years.

## 10. TREASURY MANAGEMENT STRATEGY

10.1 This section sets out the Council's Treasury Management Strategy for 2016/17 and is structured as follows:

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

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

### Capital Investment Plans

10.3 The Treasury Management Strategy for 2016/17 incorporates the capital plans of the Council, as set out in section 5 of this report.

10.4 The Council's cash position is organised in accordance with the relevant professional codes to ensure that sufficient funds are available to meet its obligations. This involves both the organisation of the cash flow and, where capital plans require, the arrangement of appropriate borrowing facilities.

10.5 The Council's expected treasury portfolio position at 31 March 2016, with forward projections is summarised below. Table D1 compares the actual external debt against the Capital Financing Requirement (CFR) which is the underlying capital borrowing need. This table illustrates over/(under) borrowing.

**Table D1 – External Debt Projections**

	2014/15 Actual £m	2015/16 Expected £m	2016/17 Forecast £m	2017/18 Forecast £m	2018/19 Forecast £m
External Debt at 1 April	195.4	190.4	191.3	190.9	191.9
Change in External Debt	(5.0)	0.9	(0.4)	1.0	(9.0)
Other Long-Term Liabilities	247.8	245.0	241.9	236.3	228.3
<b>Gross Debt at 31 March</b>	<b>438.1</b>	<b>436.3</b>	<b>432.8</b>	<b>428.2</b>	<b>411.2</b>

	2014/15 Actual £m	2015/16 Expected £m	2016/17 Forecast £m	2017/18 Forecast £m	2018/19 Forecast £m
<b>Capital Financing Requirement at 31 March*</b>	<b>478.5</b>	<b>483.0</b>	<b>484.0</b>	<b>476.0</b>	<b>465.6</b>
<b>Borrowing – over / (under)</b>	<b>(40.4)</b>	<b>(46.7)</b>	<b>(51.2)</b>	<b>(47.8)</b>	<b>(54.4)</b>

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

### Prudential Indicators

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

#### The Operational Boundary for External debt

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

**Table D2: Operational Boundary**

	2015/16 Expected £m	2016/17 Forecast £m	2017/18 Forecast £m	2018/19 Forecast £m
Maximum External Debt at 31 March	200.1	209.8	214.0	208.0
Other Long-Term Liabilities	245.0	241.9	236.3	228.3
<b>Operational Boundary for Year</b>	<b>445.1</b>	<b>451.7</b>	<b>450.3</b>	<b>436.3</b>

#### The Authorised Limit for External Debt

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

**Table D3 – Authorised Limits**

	2015/16 Expected £m	2016/17 Forecast £m	2017/18 Forecast £m	2018/19 Forecast £m
<b>Operational Boundary for Year</b>	<b>445.1</b>	<b>451.7</b>	<b>450.3</b>	<b>436.3</b>
Provision for Non Receipt of Expected Income	56.0	56.0	56.0	56.0
<b>Authorised Limit for Year</b>	<b>501.1</b>	<b>507.7</b>	<b>506.3</b>	<b>492.3</b>

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

**Table D4 – HRA Debt Limit**

	2015/16 Expected £m	2016/17 Forecast £m	2017/18 Forecast £m	2018/19 Forecast £m
HRA Debt “Cap” (Statutory)	127.3	127.3	127.3	127.3
HRA Debt (CFR) at 31 March	(74.8)	(74.8)	(74.8)	(74.8)
HRA Borrowing “Headroom”	52.5	52.5	52.5	52.5

**Minimum Revenue Provision (MRP) Policy**

10.12 A proportion of the Council’s capital expenditure is not immediately financed from its own resources. This results in a debt liability which must be charged to the Council Tax over a period of time. This repayment, the Minimum Revenue Provision (MRP) must be determined by the Council as being a prudent provision having regard to the CIPFA Prudential Code for Capital Finance.

10.13 The MRP is the amount the Council charges to the revenue account and does not correspond to the actual amount of debt repaid, which is determined by treasury related issues. Historically the Council has applied a consistent MRP policy which comprised prudential borrowing being repaid over the useful life of the asset concerned and previous borrowing being repaid at the rate of 4% (equivalent to 25 years) of the outstanding balance.

10.14 For 2016/17 it is proposed to change this policy to reflect the useful lives of the specific asset classes on the Council’s balance sheet. It is proposed to move to:

- A straight line MRP of 14% equivalent to seven years for plant and equipment (such as IT and vehicles).
- A straight line MRP of 2.5% equivalent to forty years for property (such as land and buildings).

10.15 As the majority by value of the Council’s assets is property, the impact of these changes, subject to agreement with the Council’s external auditors, will be a reduction in the annual debt servicing charge to the general fund. As part of this exercise the assumed prudential borrowing attached to these assets will also be reviewed. While these changes are not expected to breach the levels as currently set, once completed, an updated CFR will be prepared and reported to members in the next Treasury update.

## **Borrowing Strategy (including Treasury Indicators)**

- 10.16 The Council's external debt as at 31 March 2016, gross borrowing plus long term liabilities, is expected to be £436m. The Council's borrowing strategy is consistent with last year's strategy. The Council is currently maintaining an under-borrowed position in that the CFR is not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as an alternative funding measure. In the current economic climate, this strategy is considered prudent while investment returns are low, counterparty risk is higher than historic averages, and borrowing rates are still relatively high.
- 10.17 The Executive Director for Resources and Regeneration will continue to monitor interest rates in the financial markets and adopt a pragmatic and cautious approach to changing circumstances. For instance, if it was felt that there was a significant risk of a sharp fall in medium to long-term interest rates (e.g. due to a marked increase of risks around a relapse into recession or risks of deflation in the economy), then long term borrowings will be postponed and potential rescheduling from fixed rate funding into short-term borrowing considered. Any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.
- 10.18 Alternatively, if it was felt that there was a significant risk of a sharp rise in medium to long-term interest rates than currently forecast (perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases or in world economic activity driving inflation up), then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn, whilst interest rates are still lower than forecast. Once again, any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.
- 10.19 Members should note that the Council's policy is not to borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

### **Treasury Indicators**

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

10.22 Council is asked to approve the following treasury indicators and limits:

**Table D5: Treasury Indicators and Limits**

<b>Interest rate exposures</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates:</b>			
• Debt only	100%	100%	100%
• Investments only	80%	80%	80%
<b>Limits on variable interest rates</b>			
• Debt only	15%	15%	15%
• Investments only	75%	75%	75%
<b>Maturity structure of fixed interest rate borrowing 2016/17</b>			
		<b>Lower</b>	<b>Upper</b>
Under 12 months		0%	1%
12 months to 2 years		0%	0%
2 years to 5 years		0%	6%
5 years to 10 years		0%	4%
10 years to 20 years		0%	13%
20 years to 30 years		0%	5%
30 years to 40 years		0%	20%
40 years to 50 years		0%	51%
<b>Maturity structure of variable interest rate borrowing 2016/17</b>			
		<b>Lower</b>	<b>Upper</b>
30 years to 40 years		0%	60%
40 years to 50 years		0%	40%

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

### **Debt Rescheduling**

- 10.23 In the current economic environment and for the foreseeable future, shorter term borrowing rates are expected to be lower than longer term fixed interest rates. As a result, there may be potential opportunities to generate savings by switching debt from long term to shorter term (principally by using internal balances). However, any such savings need to be considered in the light of the current treasury position and the cost of debt repayment.
- 10.24 The Council has £112 m of LOBO loans (Lender's Option Borrower's Option) of which £53m will be in their call period in 2016/17. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also the option of repayment of the loan without penalty.
- 10.25 The Council currently holds balances which are invested, and has borrowing for capital purposes. The Council continuously reviews the debt position to optimise its cashflow. Consideration is therefore being given to rescheduling of debt which will be reported to

Mayor & Cabinet and subsequently to Council at the earliest meeting following its action.

## **Annual Investment Strategy**

### **Introduction: changes to credit rating methodology**

- 10.26 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.
- 10.27 In keeping with the agencies' new methodologies, the rating element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
- 10.28 The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. This authority understands the changes that have taken place, and is now proposing to specify a minimum sovereign rating of AA- (previously AA). This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background no longer has as significant an influence on the ratings of a financial institution.
- 10.29 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

- 10.30 The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, and then return. Investment instruments identified for use in the financial year are listed in Appendix Z3, under the 'specified' and 'non-specified' investments categories. The proposed counterparty limits for 2016/17 are presented to Council for approval in this same appendix.
- 10.31 In accordance with guidance from the Department for Communities and Local Government and CIPFA, and in order to minimise the risk to investments, officers have clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. This has been set out at Appendix Z3. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published information by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency.
- 10.32 Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes
- 10.33 Furthermore, officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. Officers continue to engage with the Council's treasury management advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors in producing its colour codings which show the varying degrees of suggested institution creditworthiness. This has been set out in more detail at Appendix Z3.
- 10.34 Other information sources used include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 10.35 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoid a concentration of risk.

### **Credit Worthiness policy**

- 10.36 The Council's Treasury Management Team applies the creditworthiness service provided by its treasury management advisors Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies, Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies;
  - CDS spreads to give early warning of likely changes in credit ratings;

- sovereign ratings to select counterparties from only the most creditworthy countries.

10.37 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 2 years \*
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

*\*for UK Government debt, or its equivalent, constant net asset value money market funds and collateralised deposits where the collateral is UK Government debt*

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

#### Country limits

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

#### Part nationalised banks

10.39 In the 2013/14 mid year strategy it was agreed that the maximum deposit limits with part nationalised banks be increased to £65m from £50m. This was reduced to £40m from April 2015 as the government began reducing their support for these banks.

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

- The results of the 2014 Bank of England (BoE) Stress tests
- The Government's intention to complete the sale of its shareholdings in Lloyds Banking Group and extend the reduction of their stage in the Royal Bank of Scotland (RBS) Group.

In the 2015 Summer Budget the Chancellor confirmed this process will continue.

#### Investment Policy

10.41 Investments will be made with reference to the core balances and cashflow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 24 months). In order to maintain sufficient liquidity, the Council will seek to utilise its instant access call accounts, money market funds and short-dated deposits (overnight

to three months) in order to benefit from the compounding of interest. The remainder of its investments will be placed in fixed term deposits of up to 24 (previously 12 months) months to generate maximum return. The Council will not invest in any fixed term deposit facility exceeding 2 years.

- 10.42 This increase from 1 to 2 years is as a result of improved bank regulation and stability following stronger recent UK and European stress testing which the banks have passed.
- 10.43 In the light of the continued predictions for low savings rates for sometime to come, the Council, with support from its advisors, is assessing the potential risk and return offered by investing for longer (five or more years) in pooled asset funds. This policy is set with regard to the Council's liquidity requirements and to reduce the risk of a forced sub-optimal early sale of an investment.
- 10.44 The Treasury Policy is therefore amended to enable this type of investment to be entered into if, within the forecast cashflow for the Council, it would meet the objectives of the policy for security, liquidity and return.

### **Prospects for Investment Returns**

- 10.45 The Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:
- 2016/17 1.00%
  - 2017/18 1.75%
  - 2018/19 2.00%
- 10.46 The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:
- 2016/17 0.90%
  - 2017/18 1.50%
  - 2018/19 2.00%
  - 2019/20 2.25%
  - 2020/21 2.50%
  - 2021/22 3.00%
  - 2022/23 3.00%
  - Later years 3.00%
- 10.47 The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk. A more extensive table of interest rate forecasts for 2016/19, including Public Works Loan Board (PWLB) borrowing rate forecasts is set out in Appendix Z1.

### Summary

- 10.48 This section, in accordance with statutory requirements, sets out the Council's Treasury Management Strategy for 2016/17. The approach remains broadly the same with the

following changes proposed:

- A change to the MRP policy to split property and plant & equipment assets and apply a straightline percentage of 2.5% and 14.3% respectively to each and a review of the levels of associated prudential borrowing.
- Note the proposed consideration of the opportunity for reducing risk and making savings in the short term (the next five years) by running down investment balances by repaying some of the PWLB debt prematurely.
- Change the minimum sovereign rating to AA-.
- Increase the yellow and purple durational bands from 1 to 2 years.
- Inclusion of the option to invest for more than one year in pooled property asset funds in the future.

10.49 At the end of the financial year, the officers will report to the Council on investment activity for the year as part of its Annual Treasury Report (included in the Council's outturn report).

## **11 CONSULTATION ON THE BUDGET**

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

### Rent Setting and Housing Panel

11.2 As in previous years, tenants' consultation was in line with Residents' Compact arrangements. This provided tenant representatives of Lewisham Homes with an opportunity in December 2015 at the joint Housing Panel meeting to consider the positions and to feedback any views to Mayor & Cabinet. Tenant representative of Brockley convened their Brockley Residents' Board in December 2015 to hear the proposals and fed back.

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

### Business Ratepayers

11.4 Representatives of business ratepayers are being consulted online on Council's outline budget between 21 January and 4 February 2016. No responses to this consultation were received.

## **12. FINANCIAL IMPLICATIONS**

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

## **13. LEGAL IMPLICATIONS**

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

## Capital Programme

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

## Housing Revenue Account

- 13.5 Section 24 of the Housing Act 1985 provides that a local authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Council must review rents from time to time and make such charges as circumstances require.
- 13.6 Under the Local Government and Housing Act 1989, the Council is obliged to maintain a separate HRA (Section 74) and by Section 76 must prevent a debit balance on that account. Rents must therefore be set to avoid such a debit.
- 13.7 By Schedule 4 of the same Act where benefits or amenities arising out of a housing authority functions are provided for persons housed by the authority but are shared by the community, the Authority must make such contribution to the HRA from their other revenues to properly reflect the community's share of the benefits/amenities.
- 13.8 The process for varying the terms of a secure tenancy is set out in Sections 102 and 103 of the Housing Act 1985. It requires the Council to serve notice of variation at least four weeks before the effective date; the provision of sufficient information to explain the variation; and an opportunity for the tenant to serve a Notice to Quit ending their tenancy.
- 13.9 Where the outcome of the rent setting process involves significant changes to housing management practice or policy, further consultation may be required with the tenants' affected in accordance with section 105 of the Housing Act 1985.
- 13.10 Part 7 of the Localism Act 2011 abolished HRA subsidy and moved to a system of self financing in which Councils are allowed to keep the rents received locally to support

their housing stock. Section 174 of the same Act provides for agreements between the Secretary of State and Councils to allow Councils not to have to pay a proportion of their capital receipts to the Secretary of State if he/she approves the purpose to which it would be put.

### Balanced Budget

- 13.11 Members have a duty to ensure that the Council acts lawfully. It must set and maintain a balanced budget each year. The Council must take steps to deal with any projected overspends and identify savings or other measures to bring the budget under control. If the Capital Programme is overspending, this may be brought back into line through savings, slippage, or contributions from revenue. The proposals in this report are designed to produce a balanced budget in 2016/17.
- 13.12 In this context, Members are reminded of their fiduciary duty to the Council Tax payer, effectively to act as trustee of the Council's resources and to ensure proper custodianship of Council funds.

### An annual budget

- 13.13 By law, the setting of the Council's budget is an annual process. However, to enable meaningful planning, a number of savings proposals for 2016/17 were anticipated in the course of the budget process. They were the subject of full report at that time and they are now listed in Appendix Y1 and Appendix Y2. Members are asked now to approve and endorse those reductions for this year. This report is predicated on taking all of the agreed and proposed savings. If not, any shortfall will have to be met through adjustments to the annual budget in this report.
- 13.14 The body of the report refers to the various consultation exercises (for example with tenants' and business) which the Council has carried out/is carrying out in accordance with statutory requirements relating to this budget process. The Mayor must consider the outcome of that consultation with an open mind before reaching a decision about his final proposals to Council.

### Referendum

- 13.15 Sections 72 of the Localism Act 2011 and Schedules 5 to 7 amended the provisions governing the calculation of Council Tax. They provide that if a Council seeks to impose a Council Tax increase in excess of limits fixed by the Secretary of State, then a Council Tax referendum must be held, the results of which are binding. The Council may not implement an increase which exceeds the Secretary of State's limits without holding the referendum. Were the Council to seek to exceed the threshold, substitute calculations which do not exceed the threshold would also have to be drawn up. These would apply in the event that the result of the referendum is not to approve the "excessive" rise in Council Tax. Attention is drawn to the statement of the Secretary of State that the Council may impose a precept of 2% on the Council Tax, ring-fenced for social care provision, and may impose an additional increase of less than 2% without the need for a referendum. The maximum proposed Council Tax increase is 3.99% and therefore below the combined limit.
- 13.16 In relation to each year the Council, as billing authority, must calculate the Council Tax requirement and basic amount of tax as set out in Section 31A and 31B of the Local Government Finance Act 1992. These statutory calculations appear Appendix Y5.

### Robustness of estimates and adequacy of reserves

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

### Treasury Strategy

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

### Constitutional provisions

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

the proposals in this report has involved the Council's select committees and the Public Accounts Select Committee in particular, thereby complying with the statutory guidance.

#### Statutory duties and powers

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

#### Reasonableness and proper process

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

#### Staff consultation

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

#### Best Value

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

#### Integration with health

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

## **14 HUMAN RESOURCES IMPLICATIONS**

- 14.1. There are no specific human resources implications arising from this report. Any such implications were considered as part of the revenue budget savings proposals presented to Mayor & Cabinet on 30 September 2015. A summary of the savings proposals are attached at Appendix Y2 to this report.

## **15. CRIME AND DISORDER**

- 15.1. Section 17 of the Crime and Disorder Act 1998 requires the Council when it exercises its functions to have regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.
- 15.2. There are no specific crime and disorder implications arising from this report.

## **16. EQUALITIES**

- 16.1. The Equality Act 2010 (the Act) introduced the public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 16.2. 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.
- 16.3. The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which the Council can demonstrate that they have had ‘due regard’.
- 16.4. The Equality and Human Rights Commission issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with services and public functions. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 16.5. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty
  4. Equality objectives and the equality duty
  5. Equality information and the equality duty

- 16.6. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties, and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>
- 16.7. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix Y6 and attention is drawn to its contents.
- 16.8. Assessing impact on equality is not an end to itself and it should be tailored to, and be proportionate to, the decision being made. Whether it is proportionate for the Council to conduct an Equalities Analysis Assessment of the impact on equality of a financial decision or not depends on its relevance to the Authority’s particular function and its likely impact on people from protected groups, including staff.
- 16.9. Where savings proposals are anticipated to have an impact on staffing levels, it will be subject to consultation as stipulated within the Council’s Employment/Change Management policies, and services will be required to undertake an Equalities Analysis Assessment (EAA) as part of their restructuring process.
- 16.10. It is also important to note that the Council is subject to the Human Rights Act, and should therefore, also consider the potential impact their particular decisions could have on human rights. Where particular savings have such implications, they are dealt with in relation to those particular reports.

#### Council Tax increases

- 16.11. The Council is proposing to increase Council Tax by 1.99% within the referendum limit and a further 2% as a social care precept. In proposing to increase Council Tax in 2016/17, the Council must have regard to the equalities implications of so doing, both in terms of raising and then spending this additional money. This has been done as described below. Overall there will be a positive equalities impact for the elderly and disabled in Lewisham as a consequence of these proposals.
- 16.12. In respect of raising additional Council Tax on an expanded base there are no new equality impacts for any of the identified characteristics because Council Tax is raised from all households in line with existing national arrangements. There are also no new equality impacts for any of the identified characteristics from the 1.99% increase as the £1.65m will be spent on the Council's general services for the benefit of the population as a whole.
- 16.13. There are positive equality impacts for some of the identified characteristics from the 2% social care increase as this £1.67m will be ring fenced for spending on those in receipt of adult social care. In particular, by definition, the characteristics of age and disability.
- 16.14. To put this in context; Lewisham's population was identified as being 276,000 (census 2011) of whom 9.5% were 65 years or older and 14.5% were living with a long term condition (a proxy for disability).
- 16.15. In terms of adult social care in 2014/15 (the latest annual figures available) the Council supported the following:

- 1,713 Carers needs were considered or reviewed
- 1,510 Peoples needs were assessed and 629 new assessments undertaken
- 1,000 People were in receipt of Direct Payments and 100 Carers received a Direct Payment
- 2,240 People were in receipt of a Personal Budget
- 900 People were placed in permanent residential placements
- 180 People were admitted to nursing care.

spending £81.5m on adult social care services, directed as follows:

- Mental Health - 5%
- Physical Disability - 9%
- Other Services - 18%
- Learning Disability - 33%
- Older People - 35%.

## **17. ENVIRONMENTAL IMPLICATIONS**

17.1. Section 40 of the Natural Environment and Rural Communities Act 2006 states that: 'every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity'. No such implications have been identified in relation to the reductions proposals.

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

## **18. CONCLUSION**

18.1. This report sets out the information necessary for the Council to set the 2016/17 budget. Updates may be made to this report after Mayor & Cabinet on 17 February 2016.

## **19. BACKGROUND DOCUMENTS AND FURTHER INFORMATION**

<b>Short Title of</b>	<b>Date</b>	<b>Location</b>	<b>Contact</b>
Medium Term Financial Strategy	14 July 2015 (M&C)	5th Floor Laurence House	David Austin
Savings Proposals for 2015/16	30 September (M&C) 9 December 2015 (M&C)	5th Floor Laurence House	David Austin
Setting the Council Tax Base & Discounts for Second Homes and Empty Properties	20 January 2016 (Council)	5th Floor Laurence House	David Austin

**For further information on this report, please contact:**

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

David Austin  
**Head of Corporate Resources on 020 8314 9114**

Shola Ojo  
**Principal Accountant, Strategic Finance on 020 8314 7778**

**20. APPENDICES**

**Capital Programme**

W1 2015/16 to 2019/20 Capital Programme – Major Projects  
W2 Proposed Capital Programme – Original to latest Budget

**Housing Revenue Account**

X1 Proposed Housing Revenue Account Savings 2016/17  
X2 Leasehold and Tenants charges consultation 2016/17  
X3 Leasehold and Tenants charges and Lewisham Homes Budget Strategy 2016/17  
X4 Other associated housing charges for 2016/17

**General Fund**

Y1 Summary of previously agreed budget savings for 2016/17 and 2017/18  
Y2 Summary of Proposed Revenue Budget savings 2016/17 and 2017/18  
Y3 Ready Reckoner for Council Tax 2016/17  
Y4 Chief Financial Officer's Section 25 Statement  
Y5 Council Tax and Statutory Calculations  
Y6 Making Fair Financial Decisions

**Treasury Management**

Z1 Interest Rate Forecasts 2016 – 2019  
Z2 Economic Background  
Z3 Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) –  
Credit and Counterparty Risk Management)  
Z4 Approved countries for investments  
Z5 Requirement of the CIPFA Management Code of Practice

**APPENDIX W1: 2015/16 to 2019/20 Capital Programme – Major Projects**

**APPENDIX W1**

**2015/2016 TO 2019/2020 CAPITAL PROGRAMME - MAJOR PROJECTS**

Major Projects over £2m	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m	£m
<b>GENERAL FUND</b>						
BSF - Sydenham (D&B)	4.9	1.2				6.1
Schools - Primary Places Programme	28.2	6.0				34.2
Schools - Other Capital Works	8.6	1.4	1.2	1.2	1.2	13.6
Highways & Bridges - TfL	3.9	2.0				5.9
Highways & Bridges - LBL	3.5	4.0	3.5	3.5	3.5	18.0
Catford TC (inc Broadway & Milford Towers) Regeneration	0.4	8.5				8.9
Asset Management Programme - Non Schools	1.1	3.1	3.0	3.0		10.2
Kender and Excalibur Regeneration	2.6	0.6	1.1		1.5	5.8
Heathside & Lethbridge Regeneration	0.3	2.3	5.0			7.6
Lewisham Homes – Property Acquisition	7.0	4.0			9.0	20.0
Ladywell Pop-Up Village	2.8	1.5			.8	5.1
Disabled Facilities Grant	0.7	0.7	0.7	0.7		2.8
Private Sector Grants and Loans	0.6	0.6	0.6	0.6		2.4
Other Schemes	14.7	7.2	1.1	1.1		24.1
	<b>79.3</b>	<b>43.1</b>	<b>16.2</b>	<b>10.1</b>	<b>16.0</b>	<b>164.7</b>
<b>HOUSING REVENUE ACCOUNT</b>						
Customer Services	6.8	51.3	53.2	.4	.5	112.2
Lewisham Homes	32.0	34.8	36.4	37.2	38.0	178.4
	<b>38.8</b>	<b>86.1</b>	<b>89.6</b>	<b>37.6</b>	<b>38.5</b>	<b>290.6</b>
<b>TOTAL PROGRAMME</b>	<b>118.1</b>	<b>129.2</b>	<b>105.8</b>	<b>47.7</b>	<b>54.5</b>	<b>455.3</b>

**APPENDIX W2: Proposed Capital Programme – Original to latest Budget**

**APPENDIX W2**

**PROPOSED CAPITAL PROGRAMME - ORIGINAL TO LATEST BUDGET**

	<b>Total £000</b>	<b>Total £000</b>
<b>GENERAL FUND</b>		
<b>Original Budget (Feb 2015)</b>		<b>120,619</b>
<b>New Schemes during the year</b>		
2016 Schools Minor Works Programme	2,750	
Grove Park Streetscape Improvements	1,223	
Loan to CRPL ( Brookdale)	1,175	
Catford Enterprise Hubs and Creative Workshop Centre	546	
CRM Upgrade ( ICT Roadmap Programme)	350	
Thurston Road Industrial Estate – Bust Stop Accessibility & Footway Imp.	223	
Church Grove Group Self –Build Housing	125	
Borough Wide 20 MPH Zone	110	
New Homes , Better Place – Besson Street Development	75	
Deptford Southern Sites Regeneration	75	
Reintegration & Aftercare Lewisham ( REAL) Service	51	
Bus Stop Accessibility – Heathside & Lethbridge Estate	24	
Bus Stop Accessibility – Conington Road	21	
	<hr/>	6,748
<b>19/20 Rolling Programmes</b>		
LBL Highways	3,500	
Schools AMP	1,200	
	<hr/>	4,700
<b>19/20 New Scheme</b>		
Kender New Build Grant: Phase 3 South (NDC)-		1,485
<b>Approved variations on existing schemes</b>		
14/15 Underspends on various schemes	14,900	
Primary Places Programme – Additional funding	5,983	
Ladywell Pop-up Village – Transferred from HRA	2,460	
TfL Highways programme – Additional Grant	2,192	

Heathside & Lethbridge - Partnership Works (Phase 6) - Additional funding	1,087	
Surrey Canal – NLL ( S106 Funded) – Additional Grant	976	
Ladywell Pop-up Village – Additional Budget	800	
Heathside & Lethbridge - Partnership Works (Phase 5) - Additional funding	797	
Cycle Quietway 1 ( S 106 Funded) - Additional Grant	482	
Tackling Empty Homes – Rounds 1& 2 – Additional Grant	324	
Drumbeat 6 <sup>th</sup> Form School ( Brockley Site) – Phase 3 – Additional funding	220	
Sydenham Park Footbridge – Additional funding	150	
Monson (HTG) School - Additional funding	100	
Folkestone Garden Improvements – Additional Grant	76	
Deptford High Street Major Scheme – Additional Grant	57	
Other variations	504	31,108

<b>Latest Budget</b>		<b><u>164,660</u></b>
----------------------	--	-----------------------

#### HOUSING REVENUE ACCOUNT

<b>Original Budget (Feb 2015)</b>		<b>303,670</b>
-----------------------------------	--	----------------

Re-phasing Budgets and addition of 19/20 Budgets		
- LH Underspend	2,466	
- Lewisham Homes	6,387	
- Other HRA schemes including Housing Matters Programme	<u>-19,370</u>	-10,517
Ladywell Pop-Up Village – Transferred to GF		-2,460

<b>Latest Budget</b>		<b><u>290,693</u></b>
----------------------	--	-----------------------

<b>Overall Budget</b>		<b><u>455,353</u></b>
-----------------------	--	-----------------------

## **APPENDIX X1: Proposed Housing Revenue Account Savings 2016/17**

- X1.1 The HRA strategy and self-financing assessments are continually updated and developed with the view to ensuring resources are available to meet costs and investment needs and are funded for 2016/17 and future years.
- X1.2 Savings and efficiencies delivered in the 2016/17 budget can be re-invested to off-set constrained rent rises or to help bridge any investment gap identified. As a prudent measure the original financial model was developed with no savings identified. Subsequently, discussions have taken place regarding appropriate savings and 'target' management and maintenance costs per unit. For example, there is already an assumed reduction in the Lewisham Homes fee in 2016/17 to reflect stock losses through Right to Buy Sales. The savings and growth below are part of the process to reduce costs to enable reinvestment in priority areas. The package of savings proposed by way of this report can mostly be delivered through efficiencies in back office services.
- X1.3 Officers, together with Lewisham Homes, have already identified a saving of £1m arising from a reduction in Repairs and Maintenance allocations. This budget has under spent by at least this amount in the last financial year and is expected to do so again in the current year. This is as a result of the Decent Homes improvements carried out over the last four years.
- X1.4 Further savings are expected once a review of other asset investment priorities is completed in January 2016.
- X1.5 An update of the HRA Strategy, Savings Proposals, proposed rent & service charge increases and comments from consultation with tenant representatives will be reported to Mayor & Cabinet as part of the HRA Rents and budget strategy report. Mayor & Cabinet will make the final budget decisions in the new year.

## APPENDIX X2: Leasehold and Tenants Charges Consultation 2016/17

Committee	<b>Brockley Residents Board</b>	Item No	
Report Title	<b>Leasehold and Tenant Charges Consultation</b>		
Contributor	<b>Regenter Brockley Operations Manager</b>		
Class	<b>Decision</b>	Date	<b>December 2015</b>

### 1 Summary

- 1.1 The report sets out proposals to increase service charges to ensure full cost recovery in line with Lewisham Council's budget strategy.
- 1.2 The report requests Brockley Residents Panel members to consider the proposals to increase service charges based on an uplift of 1.8% for 2016/17 on specific elements. This is based on full cost recovery in line with previous years' proposals.

### 2 Policy Context

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

### 3. Recommendations

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

### 4. Purpose

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

## **5. Housing Revenue Account Charges**

- 5.1 There are a number of charges made to residents which are not covered through rents. These charges are principally:
- Leasehold Service Charges
  - Tenant Service Charges
- 5.2 A service charge levy is applied to Tenants for caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning. Tenants also pay a Tenants Fund Levy which is passed onto the Tenants Fund as a grant.
- 5.3 The key principles that should be considered when setting service charges are that:
- The charge should be fair and be no more or less than the cost of providing the service
  - The charge can be easily explained
  - The charge represents value for money
  - The charging basis allocates costs fairly amongst those receiving the service
  - The charge to all residents living in a block will be the same
- 5.4 The principle of full cost recovery ensures that residents pay for services consumed and minimises any pressures in the Housing Revenue Account in providing these services. This is in line with the current budget strategy.
- 5.5 In the current economic environment it must however be recognised that for some residents this may represent a significant financial strain. Those in receipt of housing benefit will receive housing benefit on increased service charges. Approximately 50% of council tenants are in receipt of housing benefit.

## **6. Analysis of full cost recovery**

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

### **Leasehold service charges**

- 6.2 The basis of the leasehold management charge has been reviewed and externally audited this summer to reflect the actual cost of the service. In line with best practice in the sector this is now a fixed cost rather than a variable cost. The management charge is £53.00 for street properties and £145.31 for blocks.

- 6.3 The uplift in leaseholder charges should reflect full cost recovery for the type of service undertaken. It is proposed that any uplift is applied at 1.8% (RPI (September 2015) +1%).
- 6.4 The following table sets out the average weekly increase for the current services provided by Regenter Brockley:

<b>Service</b>	<b>Leasehold No.</b>	<b>Current Weekly Charge</b>	<b>New Weekly</b>	<b>Weekly Increase</b>	<b>% Increase</b>
Caretaking	371	£3.55	£3.61	£0.06	1.80%
Grounds Maintenance	368	£2.00	£2.04	£0.04	1.80%
Lighting	389	£0.74	£0.75	£0.01	1.80%
Bulk Waste	362	£1.21	£1.23	£0.02	1.80%
Window Cleaning	221	£0.09	£0.09	£0.00	0.00%
Resident Involvement	532	£0.24	£0.24	£0.00	0.00%
Customer Services	532	£0.35	£0.35	£0.00	0.00%
Ground Rent	532	£0.19	£0.19	£0.00	0.00%
General Repairs	237	£0.54	£0.55	£0.01	1.80%
Technical Repairs	400	£0.32	£0.33	£0.01	1.80%
Entry Phone	139	£0.05	£0.05	£0.00	0.00%
Lift	235	£0.30	£0.30	£0.00	0.00%
Management Fee	532	£1.65	£1.65	£0.00	0.00%
<b>Total</b>		<b>£11.22</b>	<b>11.38</b>	<b>0.15</b>	<b>1.80%</b>

## Tenant service charges

- 6.5 Tenant service charges were separated out from rent (unpooled) in 2003/04, and have been increased by inflation since then. RB3 took over the provision of the caretaking and grounds maintenance services in 2007/08. Both tenants and leaseholders pay caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning service charges.
- 6.6 In addition, tenants pay a contribution of £0.13pw to the Lewisham Tenants Fund. At present there are no plans to increase the Tenants Fund charges.
- 6.7 In order to ensure full cost recovery, tenant's service charges for caretaking, grounds maintenance and other services should be increased in line with the percentage increase applied to leaseholder service charges. Overall, charges are suggested to be increased by an average of £0.78pw which would move the current average weekly charge from £7.72 to £8.50.
- 6.8 The effect of increases in tenant service charges to a level that covers the full cost of providing the service is set out in the table below.

<b>Service</b>	<b>Current Weekly Charge</b>	<b>New Weekly Charge</b>	<b>Weekly Increase</b>	<b>% increase</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Caretaking	3.55	4.18	0.63	1.80
Grounds Maintenance	2.00	2.03	0.03	1.80
Communal Lighting	0.74	0.75	0.01	1.80
Bulk Waste	1.21	1.23	0.02	1.80
Window Cleaning	0.09	0.18	0.09	1.80
Tenants fund	0.13	0.13	0.00	0.00
<b>Total</b>	<b>7.72</b>	<b>8.5</b>	<b>0.78</b>	<b>1.80</b>

- 6.13 The RB3 Board is asked for their views on these charges from April 2016 to March 17. Results of the consultation will be presented to Mayor and Cabinet for approval in February 2016

## **7. Financial implications**

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

## **8. Legal implications**

- 8.1. Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Authority must review rents from time to time and make such changes as circumstances require. Within this discretion there is no one lawful option and any reasonable option may be looked at. The consequences of each option must be explained fully so that Members understand the implications of their decisions.
- 8.2 Section 76 of the Local Government and Housing Act 1989 provides that local housing authorities are under a duty to prevent a debit balance in the HRA. Rents must therefore be set to avoid such a debit.
- 8.3 Section 103 of the Housing Act 1985 sets out the terms under which secure tenancies may be varied. This requires –
- the Council to serve a Notice of Variation at least 4 weeks before the effective date;
  - the provision of sufficient information to explain the variation;
  - an opportunity for the tenant to serve a Notice to Quit terminating their tenancy.
- 8.4 The timetable for the consideration of the 2016/17 rent levels provides an adequate period to ensure that legislative requirements are met.
- 8.5 Part III of Schedule 4 of the Local Government and Housing Act 1989 provides that where benefits or amenities arising out of the exercise of a Housing Authority's functions, are provided for persons housed by the authority, but are shared by the community as a whole, the authority shall make such contribution to their HRA from their other revenue accounts to properly reflect the community's share of the benefits or amenities.
- 8.6 Where as an outcome of the rent setting process, there are to be significant changes in housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.

**9. Crime and disorder implications**

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

**10. Equalities implications**

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

**11. Environmental implications**

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

**12. Conclusion**

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

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

If you require any further information on this report please contact

**Maxeene McFarlane on 0207 635 1208 or**

**[Maxeene.mcfarlane@pinnacle-psg.com](mailto:Maxeene.mcfarlane@pinnacle-psg.com)**

**APPENDIX X3: Leasehold and Tenants Charges and Lewisham Homes  
Budget Strategy 2016/17**

Meeting	Area Panel		Item No.	
Report Title	Leasehold and Tenant Charges 2016/17			
Report Of	Director of Resources – Adam Barrett			
Class	Decision	Date	17 <sup>th</sup> December 2015	

**1. Purpose of the Report**

This report sets out proposals for residents service charges in 2016/17.

**2. Recommendations**

That the Area Panel:

- 2.1 Comment on the proposed service charges for 2016/17.
- 2.2 Note the average increase in weekly tenant service charge from £7.71 in 2015/16 to £8.75 for 2016/17.
- 2.3 Note the average increase in weekly leasehold service charge from £13.80 in 2015/16 to £14.76 for 2016/17.
- 2.4 Note that Lewisham’s average tenant service charges at £8.75 per week for 2016/17 remain below the estimated average charge for London Boroughs (£9.30).

**3. Background of the Report**

- 3.1 One of Lewisham Homes core objectives is sustainability and this includes ensuring that there is a focus on providing improved services to tenants that are affordable without compromising quality.
- 3.2 The Lewisham Homes budget process has identified net efficiency savings of £326,000, and these have been passed on to residents and contributed to the proposed 2016/17 charges.
- 3.3 Lewisham Homes has now taken over responsibility for grounds maintenance. We have invested in new equipment and launched the

improved service which, alongside our continued investment in residents' properties, will improve the look, feel and quality of our neighbourhoods.

- 3.4 The Council's Housing Revenue Account is a ring-fenced account. The account can only contain those charges directly related to the management of the Council's housing stock. By implication leaseholders must be charged the true cost of maintaining their properties, where the provision of their lease allows. This prevents tenants subsidising the cost to leaseholders, who have purchased their properties.

#### 4 Tenant and Leasehold service charges 2016/17

The table below sets out the proposed 2016/17 charges as compared with 2015/16.

**Table 1**

Services	Tenant (T)/ Leaseholders (LH)	Estimate (per week charge)		Change (Inc/- Dec)
		2015/16	2016/17	
		£	£	£
Caretaking	T & LH	5.82	5.89	0.07
Ground Maintenance	T & LH	0.97	1.63	0.66
Repairs and Maintenance - Building	LH	1.56	2.67	1.11
Repairs and Maintenance Technical	LH	1.06	1.12	0.06
Lifts	LH	2.65	2.62	-0.03
Entry Phone	LH	0.27	0.65	0.38
Block Pest Control	T & LH	1.63	1.56	-0.07
Ground Rent	LH	0.19	0.19	0.00
Sweeping	LH	0.88	0.77	-0.11
Management	LH	3.34	2.89	-0.45
Window Cleaning	T & LH	0.06	0.06	0.00
Bulky House Hold Waste Collection Service	T & LH	0.48	0.48	0.00
Bulk Waste Disposal	T & LH	0.00	0.81	0.81
Insurance	LH	0.87	1.16	0.29
<b>Total excluding energy charges</b>		<b>19.78</b>	<b>22.50</b>	<b>2.72</b>
Communal Lighting	T & LH	1.21	1.08	-0.13
Communal Heating and Hot Water	T & LH	8.01	9.86	1.85
<b>Total energy charges</b>		<b>9.22</b>	<b>10.94</b>	<b>1.72</b>
<b>Grand Total</b>		<b>29.00</b>	<b>33.44</b>	<b>4.44</b>

T & LH – Service Charges to Tenants and Leaseholders

LH – Service Charges to Leaseholders only

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

5.1 There is an overall increase of £1.04 for the average tenant service charges from £7.71 to £8.75 per week.

This increase is largely as a result of changed/additional services:-

Grounds Maintenance - enhanced service: £0.51 (average)

New charge - Bulk Waste disposal: £0.60 (average)

5.2 Other charges reflect the estimated actual costs of services, such as energy costs, and will vary year on year according to consumption and price fluctuations.

5.5 Table 2, below sets out the impact of the propose charges for Tenants. 75% of tenants will receive an increase of between £0 and £2.00 in 2016/17.

**Table 2**

<b>Bands of Decrease/Increase</b>	<b>Number of Tenants</b>	<b>% of Total Income 16-17</b>	
Dec - 3.00 plus	126	1%	14,470
Dec - £2.01 to £3.00	11	0%	1,800
Dec - £1.01 to £2.00	35	0%	9,786
Dec - 0 to 1.00	315	2%	177,624
Inc - 0 to 1.00	4,306	33%	840,640
Inc - £1.01 to £2.00	5,544	42%	2,847,530
Inc - £2.01 to £3.00	1,494	11%	994,010
Inc - 3.00 plus	1,369	10%	1,062,730
<b>Grand Total</b>	<b>13,200</b>	<b>100%</b>	<b>5,948,589</b>

## 6.0 Analysis of Impact due to changes in Service Charges for Leaseholders

6.1 There is an overall increase of 96p for the average leasehold service charges from £13.80 to £14.76 per week. The increase is largely as a result of the enhanced Grounds Maintenance charge (51p average) and the new charge for Bulk Waste disposal (60p average).

- 6.2 Table 3 below sets out the impact of the changes for leaseholders with 23% of leaseholders receiving an increase of over £3.00 per week for 2016/17.

**Table 3**

<b>Bands of Decrease/Increase</b>	<b>Number of Leaseholders</b>	<b>% of Total</b>	<b>Income 16-17</b>
Dec - 3.00 plus	207	4%	112,980
Dec - £2.01 to £3.00	167	4%	116,110
Dec - £1.01 to £2.00	324	7%	208,440
Dec - 0 to 1.00	948	20%	557,620
Inc - 0 to 1.00	826	17%	587,700
Inc - £1.01 to £2.00	735	15%	611,840
Inc - £2.01 to £3.00	470	10%	424,281
Inc - 3.00 plus	1,083	23%	1,147,260
<b>Grand Total</b>	<b>4,760</b>	<b>100%</b>	<b>3,766,231</b>

## **7. Tenant Service Charge Benchmarking**

- 7.1 Accurate service charge benchmarking data is not currently available as it is no longer published by CIPFA until later in the year.
- 7.2 Using prior years charges as an estimate, the average London Boroughs' tenant charge is £9.30 per week compared with Lewisham Homes proposed 2016/17 charge of £8.75 per week.

**If you require further information on this report please contact Adam Barrett on 020 8613 7697 or email [adam.barrett@lewishamhomes.org.uk](mailto:adam.barrett@lewishamhomes.org.uk)**

## **APPENDIX X4: Other Associated Housing Charges for 2016/17**

### **Garage Rents**

1. Allowance has been made for a 0.80% inflationary increase to all garage rents across all managed areas, based on the RPI rate at September 2015. This equates to an average increase of £0.09 per week and raises the average basic charge from £11.56 to £11.65 per week.
2. Garage rents for the Brockley PFI managed area will therefore increase from an average of £8.89 per week to £8.96 per week. This is a change of £0.07 per week.
3. Garage rents for the Lewisham Homes managed area will therefore increase from an average of £11.93 per week to £12.03 per week. This equates to an increase of £0.10 per week.
4. The authority will be commissioning a review into rental values across the garage stock, with a view to reporting to Mayor & Cabinet sometime in the next year recommending rental values to take forward in the longer term. Any changes are likely to be consulted on and implemented for financial year 2017/18 onwards

### **Tenants Levy**

5. As part of the budget and rent setting proposals for 2005/6, a sum of £0.13 per week was 'unpooled' from rent as a tenants service charge in respect of the Lewisham Tenants Fund. There was no increase in charges for the period 2009/10 to 2013/14 following consultation with Housing Panels.
6. Lewisham Tenants Fund (LTF) put forward proposals to reduce the levy from £0.13 for 2015/16 to £0.10pw for 2016/17. These were submitted to Housing Panels and agreed. Therefore, the levy for 2016/17 will reduce by £0.03pw to £0.10 per property per week.

### **Hostel charges**

7. Hostel accommodation charges are set based on current Government requirements and will reduce by around 1.0% (£0.39 per week).
8. Hostel services charges are set to achieve full cost recovery, following the implementation of self-financing. For 2016/17, the charge for Caretaking/management and Grounds Maintenance are proposed to be increase by 2.90% or £2.09 per week to reflect inflationary increases. This will move the average charge from £72.99 per unit per week to £75.08 per unit per week.

9. In addition, the charge levied for Heat, Light & Power (Energy) and Water Charges will not be increased due to further analysis on consumption patterns and communal area assumptions, which is now included within the service charge value noted in item 6 above. The charge for Heat, Light & Power will therefore remain the same at £5.24pw. Water charges will decrease from £0.19 to £0.18 a decrease £0.01pw. The charge for Council Tax will be based on the total recharged received from Council Tax section. All charges will be based on the total number of hostel units after being reconfigured resulting in a small increase in the total number of units.
10. Hostel residents were consulted on these proposals via individual letters. Officers also invited hostel residents to meet them to discuss the changes and how these may affect them. However, no comments or representations were received.
11. Lewisham Homes will be introducing an enhanced sheltered housing management service in April 2016 for residents in the councils sheltered housing schemes. Extensive consultation has been undertaken with the residents affected, in order to keep residents fully informed and to shape the service going forward. The new service be introduced at a cost of £23.62 per week, which will be service charged and is eligible to be covered by Housing Benefits. Consequently, the current support charges will be removed and replaced by this new service charge.

### **Linkline Charges**

10. It is proposed to increase Linkline charges for 2016/17 by 2.5%, based on information received from the service provider. Charges will therefore increase from its current level of £5.29 per week to £5.42 per week, an increase of £0.13 per week. There are no proposals to increase the maintenance charge, which will remain at £0.94 per week.

### **Private Sector Leasing (PSL)**

11. Rent income for properties used in the Private Sector Leasing (PSL) scheme is a General Fund resource. Following consultation, the Department for Work and Pensions (DWP) announced that the threshold for 2016/17 for housing benefits subsidy allowances will be based on the January 2011 Local Housing Allowance, less 10%, plus a management fee of £40 per property, subject to a maximum capped amount of £500 per week. It is recommended that rents for private sector leased properties are kept within the 2011/12 weekly threshold, as set out in Table B3 below.

**Table B3 - Local Housing Allowances for 2016/17 (used for PSL purposes)**

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

### **Heating & Hot Water Charges**

12. As part of last year's rent setting process the Mayor agreed to continue with the current formula methodology for calculating increases in Heating & Hot Water charges to tenants and leaseholders. This formula was originally approved by Mayor & Cabinet in December 2004.
13. The current charging methodology allows a limited inflationary price increase plus a maximum of £2 per week per property increase on the previous years charge. Consumption levels are also updated and included in the formula calculation.
14. A new corporate contract for the supply of electricity and gas was re-let on 1st January 2014. This was a fixed price contract for a 3 year term. Consumption patterns remain under review and form part of the variable element of the contract.
15. The proposal for 2016/17 is for an increase of 23.10% or £1.85 per week for energy usage for communal heating. The increase is a result of a updated energy consumption/usage rates and current purchase prices. This will move the current average charge from £8.01pw to £9.86pw.
16. The proposal for communal lighting is a decrease of 10.75% or £0.13 per week. This will move the current average charge from £1.21pw to £1.08pw. The decrease is due stable energy prices and updated consumption rates. Officers will review the costs and actual energy usage in 2015/16 as part of the monitoring regime for 2016/17 financial year and recommendations brought forward as part of the 2017/18

**APPENDIX Y1: Previously agreed budget savings for 2016/17 and 2017/18**

Ref	Lewisham Future Work Strand	Amount £'000	
		16/17	17/18
B1	Supporting People	1,174	
D1	Efficiency Review	2,500	2,500
E2	Asset Optimisation	305	670
E3	Asset Optimisation		200
E4	Asset Optimisation	445	100
E5	Asset Optimisation	10	15
F1	Centralisation of business support services		1,000
K1	Crime Reduction	30	
L1	Culture and Community	375	
M1	Non housing stock transfer from the HRA to GF	200	100
O3	Public Services	200	
Q1	Safeguarding and Early Intervention	255	
Q1	Safeguarding and Early Intervention	968	
Q1	Other CSC Budgets		111
	<b>Total proposed savings towards 16/17 General Fund budget requirement</b>	<b>6,462</b>	<b>4,696</b>

**APPENDIX Y2: Proposed revenue budget savings 2016/17 and 2017/18**

**Saving Proposals delegated on 30 September 2015 - Summary by Thematic Review**

Ref	Description	Amount £'000	
		16/17	17/18
A12	Reducing costs of staff management, assessment and care planning	500	200
A16	Prescribed Medication	130	
A16	Dental Public Health	20	
A16	Health Protection		23
A16	Obesity/Physical Activity	232	
A16	Health Inequalities	100	
A16	Workforce development	25	
A16	Redesign through collaboration		580
A17	Sexual Health Transformation		500
F2a	Improve our online offer, starting with environmental services.	148	
F2b	Pushing customers to self-serve online wherever possible.		52
F3	Customer Service Centre reorganisation.	130	43
G2a	Commercial Opportunities: Increase advertising income	300	
G2b	Wireless Concessions: Explore potential to install wireless connections in street furniture using a concession licence in exchange for income.	200	
G2c	Review of regulatory restrictions for the HRA, DSG and Capital Programme and review of treasury management	300	
G2d	Increase sundry debt collection.	250	
I2a	Policy, performance, service redesign and intelligence		180
I2b	Senior management executive support	100	
I2c	Governance		75
I4a	Review of Programmes in Strategy and Mayor and Cabinet Office	150	
I4b	Restructure of Communications after voluntary redundancies	60	
I5	Commissioning and Procurement: undertake base lining of current	500	500

	activity and focus time only on value add activities.		
I6	Insurance and Risk: review liabilities and re-charge premiums to ensure they are contributing for the whole risk, not just direct costs.	300	
I7	Finance non-salary budget and vacancies review	100	150
I8	Minor reorganisation of Legal Services to incorporate Procurement function	50	
I9a	HR support	20	200
I9c	Graduate Schemes	40	
I9d	Social Care Training		100
I10a	Revising infrastructure support arrangements and Contract, systems and supplies review	1,000	1,000
J2c	Schools Infrastructure: Schools Strategic IT support to be traded or withdrawn.	60	58
J2d	Educational Psychologists: Service reorganisation and further trading where possible.	5	
J2e	Estates Management: Service re-organisation, improved coordination with property services, and reduced provision for property consultancy services.	220	
J2f	Free School Meals Eligibility: Service transfer to Customer Services financial assessments team.	17	
J2g	Management Restructure of the Standards and Achievement team.	50	
K4	Reducing the length of time that methadone (Heroin substitute) is prescribed, re-procurement of the main drug and alcohol service, and greater use of community rehabilitation	50	340
M2a	Review of funding streams across housing strategy, development and partnership functions	140	
M2b	Reduction in premises costs	60	
N6	To develop our Trade Waste customer base, improve efficiency and increase income. To negotiate an increased share of income from Parks Events.	250	250
O4	Financial Assessments: Introduce standardisation and efficiencies in	100	

	approach to financial assessments.		
P2a	Restructure of Development Management team and restructure and amalgamation of the Conservation, Urban Design and Planning Policy teams.	185	
P2b	Substitution of part of base budget by alternative funding sources (S.106 and fee income).	45	
P2c	Further increase in charges and changes to funding coupled with savings achievable from a corporate approach to and restructure of employment services.		305
P2d	Review of Statement of Community Involvement (SCI) on the way in which the service consults on planning applications. Efficiency savings based on paper, printing and postage costs.		20
Q3d	Occupational Therapy – management reorganisation	50	
Q3f	Review of MAPP portage with increased health contribution.	120	
Q3g	Joint commissioning with efficiencies through reorganisation and better planning of work.	50	
Q4a	Social care supplies and services reduced spend.	130	240
Q4b	Social care financial management through continued cost control on all areas of spend.	50	50
Q4c	Placements: continuing strategy to use local authority foster placements where possible.		200
	<b>Total proposed savings towards 16/17 General Fund budget requirement</b>	<b>6,005</b>	<b>5,066</b>

## Saving Proposals returning to Mayor & Cabinet following 30 September 2015 - Summary by Thematic Review

Ref	Description	Amount £'000	
		16/17	17/18
A11	Managing and improving transition plans	200	300
A13	Alternative Delivery Models for the provision of care and support services, including mental health	1,100	700
A14	Achieving best value in care packages	600	500
A15	New delivery models for extra care – Provision of Contracts	100	900
A16	Obesity/Physical Activity (Part of L7)	232	
G2e	Parking: Review service level arrangements.		250
H2	Further reductions in Crime, Enforcement and Regulation and Environmental Health		1,200
I3	Reorganisation of how Complaints are managed across the Council.	50	
I9b	TU Secondments	40	
I9e	Realign Schools HR Recharge	100	
I10b	Committee Papers: move to digital access only	100	
J2a	Schools SLA: Apply an above inflation 2.5% increase to schools SLAs.	100	
J2b	Attendance and Welfare: We currently deliver our core statutory offer plus some traded services within this area. A further restructure and increase in traded services could result in further savings.	150	
L5	Reduce the level of grant funding to the voluntary sector by £1,000,000 from 1 April 2017/18. This is the final year of the current main grants programme and will require the reduction/removal of funding from a range of organisations currently receiving funding.		1,000
L6	Library and Information Service: 1. Creation of three Hub Libraries – Deptford Lounge, Lewisham and Downham Health & Leisure Centre – which will carry an enhanced role for face to face contact between the Local Authority and the public to support the digital by default agenda.	400	600

Ref	Description	Amount £'000	
		16/17	17/18
	<p>2. The extension of the Lewisham Community Library Model to Forest Hill, Torridon, and Manor House, in partnership with other council services and community organisations. And the integration of the library provision into the repurposed ground floor space within the Catford complex (Laurence House).</p> <p>3. The regrading of front line staff to include new functions through the re-training and enhancement of front line roles.</p>		
L7	Change in contractual arrangements relating the leisure services		1,000
N3	Review of Lewisham's Waste Services (Doorstep collection & disposal) Transfer of estates Bulky Waste disposal costs to Lewisham Homes	600	500
N5	Review of Lewisham's Passenger Transport Service.	500	500
Q3a & b	Sensory Teachers (a and b)	250	
Q3c	Educational Psychologists: Further reduction in staffing through not replacing staff	35	
Q3e	Reduce Carers funding	40	
Q5	Youth Service: accelerate tapering of support to Youth Service to statutory minimum (will follow decision on creation of a mutual).	150	150
	<b>Total proposed savings towards 16/17 General Fund budget requirement</b>	<b>4,747</b>	<b>7,600</b>

**Summary of Saving Proposals contributing to the General Fund Budget**

Ref	Description	Amount £'000	
		16/17	17/18
All	Previously agreed for 2016/17	6,462	4,696
	<b>Sub Total</b>	<b>6,462</b>	<b>4,696</b>
All	Delegated to officers on 30 September 2015	6,005	5,066
All	Returning to M&C in due course for decision	4,747	7,600
	<b>Sub Total</b>	<b>10,752</b>	<b>12,666</b>
	<b>Total proposed savings towards 16/17 General Fund budget requirement</b>	<b>17,214</b>	<b>17,362</b>

APPENDIX Y3: Ready Reckoner for Council Tax 2016/17

<b>Ready Reckoner for Council Tax 2016/17</b>						
	<b>Budget Requirement</b>	<b>Council Tax (Band D)</b>	<b>Increase / (Decrease)</b>	<b>GLA Precept (Band D)</b>	<b>Total Council Tax (Band D)</b>	<b>Increase / (Decrease)</b>
	£'M	£	%	£	£	%
2015/16	246.224	1,060.35		295.00	1,355.35	
<b>Recommended</b>	<b>236.218</b>	<b>1,102.66</b>	<b>3.99%</b>	276.00	<b>1,378.66</b>	<b>1.72%</b>
	235.810	1097.46	3.50%	276.00	1373.46	1.34%
	235.394	1092.16	3.00%	276.00	1,368.16	0.95%
	234.977	1086.86	2.50%	276.00	1362.86	0.55%
	234.561	1081.56	2.00%	276.00	1,357.56	0.16%
	234.145	1076.26	1.50%	276.00	1352.26	(0.23%)
	233.728	1070.95	1.00%	276.00	1346.95	(0.62%)
	232.896	1,060.35	0.00%	276.00	1,336.35	(1.40%)

## **APPENDIX Y4: Chief Financial Officer's Section 25 Statement**

1. This statement makes reference to the 2016/17 Budget Report to Mayor & Cabinet circulated to all Members.
2. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to an authority when it is making the statutory calculations required to determine its Council Tax. The Authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates, included in the budget and the adequacy of the reserves, for which the budget provides. This Statement also reflects the requirements of CIPFA's current Local Authority Accounting Panel (LAAP) Bulletin 77 on 'Local Authority Reserves and Balances'.
3. Section 114 of the Local Government Act 1988, requires the Chief Financial Officer (CFO) to issue a report to all the Local Authority members to be made by that officer, in consultation with the monitoring officer and head of paid service, if there is or is likely to be unlawful expenditure or an unbalanced budget.

### **Generally**

4. The Council has already made savings from its revenue budget of £121m since May 2010. The Medium Term Financial Strategy was reported to Mayor & Cabinet in July 2015. This set out that an estimated £83m of savings is required from 2016/17 to 2019/20. Based on the local government finance settlement, including maximum Council Tax increases for each of the next four years, and using largely the same assumptions as set out in the Medium Term Financial Strategy this estimate reduces to £75m. To date proposals for £33m have been presented for scrutiny and to Mayor & Cabinet.
5. The final Local Government Finance Settlement on 8 February 2016 announced a one year settlement for 2016/17. This confirmed the need for £29.2m of savings in 2016/17. The estimates for 2017/18 to 2019/20 may vary depending on future year settlements and the outcomes to consultations due for a number of areas impacting local government finance. Current forecasts expect the Council to need to find in the region of a further £45m of savings for the four years to 2019/20.
6. The Council continues to take a prudent approach towards financial planning. During these times, the Council will need to weigh up the need to hold reserves and balances whilst going through this period of increased risk to the delivery of the budget versus the need to use reserves and balances when considering the need to set a balanced budget. This is even more important for 2016/17 as, following the government's Comprehensive Spending Review and Local Government Finance Settlement in 2015, a number of fundamental changes are proposed to the way in which local government will be financed. The emphasis of these changes is focused on local authorities becoming more self-sufficient and less reliant on central government grant.

## Pressures on the Council's Revenue Budget in 2016/17

7. During 2015/16 there have been a number of pressures which have crystallised due to increasing demographics and legislative changes. Namely; individuals presenting with no recourse to public funds, looked after children, and demand for temporary accommodation. Consideration is given in the report to the management and funding of these risks.
8. In setting this budget, the Council will maintain a level of corporate balances and reserves which should be adequate to deal with any risk associated with the delivery of this budget. That said there are still considerable risks associated with delivering the scale of savings required. The Chief Financial Officer recommends that the un-earmarked reserves are held at the current level of £13.0m. Should the need arise to call upon these reserves during the year, consideration should be given to replenish them as soon as possible.
9. In addition, the Council held Specific Earmarked Reserves which total £69m at the 31 March 2015. These funds are earmarked for various future planned spending and to undertake one-off projects or work that does not happen every year. Examples include, the transitional fund, redundancy provisions, elections, replacement of obsolete equipment and contractual claims that may become due (e.g. dilapidations that may become payable on properties we lease from the private sector to provide housing).
10. The 2016/17 budget pressures have been outlined in the main budget report. These include a range of pressures, some of which cannot be quantified at this stage, and include: demographic pressures for children and adult services; redundancy and further potential changes to funding as a result of government legislation and reform. These funds will either be transferred to the Directorate budgets where quantifiable and not thought to be directly controllable at the start of the year or held corporately until such time as the pressure emerges during the year.

### **Budget assumptions**

#### Inflation

11. For financial planning purposes, the Council continues to anticipate the environment of public sector pay restraint to continue and assume an average pay inflation of 1% per annum, which equates to approximately £1.1m. Negotiations in 2015 confirmed a pay offer of 1.0% from the 1 April 2016. While not yet formerly agreed, funding for this increase is provided within the budget.
12. The Council applies a notional non-pay inflation level of 2.5% per annum which equates to approximately £2.7m on net non-pay expenditure.
13. Moving forward, officers will need to closely monitor inflationary pressure on contracts, which in many cases, continue to outstrip the current level of

Consumer Prices Index (CPI) inflation. In particular, this applies to those areas which are viewed as being particularly sensitive to contract price changes, such as Adult Social Care, or with long term fixed rate contracts, such as the range of PFI contracts which the Council is currently engaged with.

## **Budget Risks**

### Capital Programme

14. The risks related to the Capital Programme are managed programme-wide and scheme by scheme. Officers review anticipated capital receipts quarterly, the last review was carried out in January 2016. Projections are updated and reported on regularly to Mayor & Cabinet.

### Service volume pressure

15. The Council continues to maintain a medium term financial strategy and corporate budget model by which it attempts to identify and anticipate financial pressures.
16. With regards to the overall financial standing of the authority, issues concerning the level of borrowing and debt outstanding are considered in section ten of the 2016/17 Budget Report.

### Business Rates Retention

17. This is the fourth local government finance settlement under the new 'business rate retention' funding system. There is now an increased emphasis on local authorities to grow their business activities locally. Councils retain 30% of locally collected business rates, but have no discretion to vary the rateable value or 'multiplier', (i.e. the pound charged per rateable value). This element makes up 17% of the total baseline funding received by Lewisham in respect of business rates in the financial settlement.
18. Each local authority is given an indicative target of business rates yield against which growth will be judged. Councils will be able to retain a share of any growth in business rate income and therefore have a direct financial incentive to promote growth in their local economies. Conversely, any decline in business rates will also be borne by the authority and will negatively impact upon income levels.

### Savings

#### *Identifying savings*

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

20. The Programme comprises a mixture of thematic and cross-cutting reviews. Some examples of these include: smarter assessment arrangements and deeper integration of social & health care, including public health; approach to safeguarding and early intervention services; opportunities for asset rationalisation; a strategic review of income generation and the drive to make further reductions in management and corporate overheads.
21. The 2014/15 and 2015/16 budgets were supported by the use of reserves. The 2016/17 budget makes use of once off resources from New Homes Bonus of £5.0m and £5.9m of earmarked reserves. Going forward, ongoing measures will need to be put in place to ensure the sustainability of the budget.

#### *Implementing savings*

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

#### Control

23. Going forward into 2016/17 the Council will continue to maintain its strong systems for monitoring expenditure and controlling expenditure through Directorate cash limits.
24. During 2015/16 instructions to budget managers were re-affirmed to ensure tight spending on budgets and focus on ensuring the Council's budget position remains within budget at the year-end. However, throughout the year the Council has forecast a persistent overspending position. While this has been reduced, the forecast outturn position for the year at the December 2015 was an overspend of £6.9m. This will likely reduce further with the application of the unallocated element of the risk and pressures monies in the 2015/16 budget. Any overspend at the end of the financial year will have to be met from once off resources.
25. For 2016/17, the budget holders within Directorates are again being requested to endorse their cash limits before the start of the financial year and provide confirmation of an ability to deliver their services within the agreed allocated resources. At this stage it is expected that the Departmental Expenditure Panels and the Corporate Expenditure Panel will continue into 2016/17 and this will be kept under review.
26. Given the forecast outturn position in 2015/16, the level of savings required for 2016/17 and the anticipated significant level of savings/cuts required in the years beyond; it remains critically important to monitor the progress being made in implementing these savings throughout the year.

## Conclusion

27. The Council has a robust and sophisticated approach for producing and maintaining its annual budget. Its financial plans and strategies have contributed to the achievement of the Council's corporate objectives to date.
28. The Council has drawn on once-off resources in 2014/15, 2015/16, and will do so again in 2016/17. This approach has been used to allow the Council to identify and implement cost reduction and transformational changes in a measured way. However, it does need to be recognised that this is not sustainable over the long term as continued use of reserves, if unplanned, could reduce the resilience of the Council to respond flexibly to unforeseen expenditure or continued resource reduction.
29. 2015/16 was the sixth consecutive year the Council has made sustained budget reductions and with the local finance settlement for 2016/17 we know this will continue for at least a further four years. The measures taken to date have, in the main, been successful. However, the identification and implementation of savings is becoming more challenging and taking longer to achieve. This pressure is expected to continue and tight control will need to be exercised over the budget for 2016/17 given the level of risk the Council faces. As well as managing within budget, attention also needs to continue to be focussed on identifying the savings necessary to achieve a balanced budget in future years.
30. The use of once off resources on a continuous basis to balance the annual budget is not sustainable and could quickly lead to the depletion of reserves. Should the Council find itself in a position where it does not have the resources to meet expenditure this would lead to the consideration of a Section 114 notice. Whilst the Council does currently have adequate reserves and a robust financial management regime, the budget preparation for both the short and medium term must remain a priority.

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

**February 2016**

## APPENDIX Y5: Council Tax and statutory calculations

### Council Tax Calculation

As part of the Localism Act 2011, Council Tax may not be increased by 2% or more (inclusive of levies) without triggering an automatic referendum of all registered electors in the borough. In addition, there is also the opportunity to increase Council Tax by up to a further 2% under the new social care precept introduced for 2016/17. This means, for 2016/17, an automatic referendum will now be triggered when the Council Tax increase is 4% or above. The statutory calculation for whether the Council is required to hold a referendum is based upon the 'relevant basic' amount of Council Tax, which under accounting regulations, includes levies. Any final recommendations on Council Tax levels will need to meet statutory requirements.

To date, Lewisham has received all three formal notifications from its levy bodies for 2016/17 – the Environment Agency, the LPFA and the Lee Valley Regional Park.

### Council Tax and Levies

<b>'Relevant Basic' Amount of Council Tax</b>	<b>2015/16</b>	<b>2016/17</b>
Council Tax Base	75,526.1	78,528.58
Council Tax Requirement with Levy (£)	80,084,100	86,590,324
Basic Amount of Council Tax (£)	1,060.35	1,102.66
<b>Increase in basic amount of Council Tax (%)</b>		<b>3.99%</b>

<b>Levy bodies for Lewisham</b>	<b>2015/16 £</b>	<b>2016/17 £</b>	<b>Change £</b>
LPFA	1,231,690	1,229,939	-1,751
Lee Valley Regional Park	226,676	224,364	-2,312
Environment Agency	172,889	178,500	5,611
<b>Total Levies</b>	<b>1,631,255</b>	<b>1,632,803</b>	<b>1,548</b>

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

## **Statutory Calculations**

1) It be noted that at its meeting on 20 January 2016, the Council calculated the number of **78,528.58** as its Council Tax base for 2016/17 in accordance with the Local Authorities (Calculation of Taxbase) Regulations;

2) The following amounts be now calculated by the Council for the year 2016/17 in accordance with the Local Government Finance Act 1992:

a. **£977,472,136** being the aggregate of the amounts which the Council estimates for gross expenditure, calculated in accordance with Section 32(2)A of the Act;

b. **£741,254,007** being the aggregate of the amounts which the Council estimates for income, calculated in accordance with Section 32(3)A of the Act;

c. **£236,218,129** being the amount by which the aggregate of 2(a) above exceeds the aggregate of 2(b) above, calculated by the Council, in accordance with Section 32A(4) of the Act, as its General Fund budget requirement for the year;

d. **£146,690,805** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of the Settlement Funding Assessment.

e. **£89,527,324** being the residual amount required to be collected from Council Tax payers. This includes the surplus on the Council's Collection Fund of **£2,937,000**.

f. **£1,102.66** being the residual sum at (e) above (less the surplus on the Collection Fund), divided by the Council Tax base of **78,528.58** which is Lewisham's precept on the Collection Fund for 2016/17 at the level of Band D;

<b>Band</b>	<b>Council Tax (LBL)</b>
	<b>£</b>
A	735.11
B	857.62
C	980.14
<b>D</b>	<b>1,102.66</b>
E	1,347.69
F	1,592.73
G	1,837.76
H	2,205.32

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

3) It be noted that for the year 2016/17, the Greater London Authority is currently consulting on the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 (as amended), for each of the categories of dwellings shown below:-

<b>Band</b>	<b>GLA Precept £</b>
A	184.00
B	214.67
C	245.33
<b>D</b>	<b>276.00</b>
E	337.33
F	398.67
G	460.00
H	552.00

4) Having calculated the estimated aggregate amount in each case of the amounts at 2) (f) and 3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, assumed the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below:-

<b>Band</b>	<b>Total Council Tax (LBL &amp; GLA) £</b>
A	919.11
B	1,072.29
C	1,225.47
<b>D</b>	<b>1,378.66</b>
E	1,685.02
F	1,991.40
G	2,297.76
H	2,757.32



# **Making fair financial decisions**

## **Guidance for decision-makers**

3<sup>rd</sup> edition, January 2015

## **B Introduction**

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

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

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

### **1B What the law requires**

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

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

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

It is also important to note that public authorities subject to the equality duty are also likely to be subject to the Human Rights Act 1998. We would therefore recommend that public authorities consider the potential impact their decisions could have on human rights.

## 2B Aim of this guide

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

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

We have also produced detailed guidance for those responsible for assessing the impact on equality of their policies, which is available on our website at [www.equalityhumanrights.com](http://www.equalityhumanrights.com)

## 3B The benefits of assessing the impact on equality

By law, your assessments of impact on equality must:

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

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

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

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

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

- **Ensure you have a written record of the equality considerations** you have taken into account.
- **Ensure that your decision includes a consideration of the actions that would help to avoid or mitigate any impacts on particular protected characteristics.** Individual decisions should also be informed by the wider context of decisions in your own and other relevant public authorities, so that people with particular protected characteristics are not unduly affected by the cumulative effects of different decisions.
- **Make your decisions based on evidence:** a decision which is informed by relevant local and national information about equality is a better quality decision.

Assessments of impact on equality provide a clear and systematic way to collect, assess and put forward relevant evidence.

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

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

#### **4B When should your assessments be carried out?**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**• Are there plans to alleviate any negative impacts?**

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

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

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

**• Are there plans to monitor the actual impact of the proposal?**

Although assessments of impact on equality will help to anticipate a proposal's likely effect on different communities and groups, in reality the full impact of a decision will only be known once it is introduced. It is therefore important to set out arrangements for reviewing the actual impact of the proposals once they have been implemented.

**6B What happens if you don't properly assess the impact on equality of relevant decisions?**

If you have not carried out an assessment of impact on equality of the proposal, or have not done so thoroughly, you risk leaving yourself open to legal challenges, which are both costly and time-consuming. Legal cases have shown what can happen when authorities do not consider their equality duties when making decisions.

**Example:** A court overturned a decision by Haringey Council to consent to a large-scale building redevelopment in Wards Corner in Tottenham, on the basis that the council had not considered the impact of the proposal on different racial groups before granting planning permission.

However, the result can often be far more fundamental than a legal challenge. If people feel that an authority is acting high-handedly or without properly involving its service users or employees, or listening to their concerns, they are likely to be become disillusioned with you.

Above all, authorities which fail to carry out robust assessments of the impact on equality risk making poor and unfair decisions that could discriminate against people with particular protected characteristics and perpetuate or worsen inequality.

As part of its regulatory role to ensure compliance with the equality duty, the Commission monitors financial decisions with a view to ensuring that these are taken in compliance with the equality duty and have taken into account the need to mitigate negative impacts, where possible.

## APPENDIX Z1: Interest Rate Forecasts 2016 - 2019

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Capita's central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2016	0.50	2.00	3.40	3.20
Jun 2016	0.50	2.10	3.40	3.20
Sep 2016	0.50	2.20	3.50	3.30
Dec 2016	0.75	2.30	3.60	3.40
Mar 2017	0.75	2.40	3.70	3.50
Jun 2017	1.00	2.50	3.70	3.60
Sep 2017	1.00	2.60	3.80	3.70
Dec 2017	1.25	2.70	3.90	3.80
Mar 2018	1.25	2.80	4.00	3.90
Jun 2018	1.50	2.90	4.00	3.90
Sep 2018	1.50	3.00	4.10	4.00
Dec 2018	1.75	3.10	4.10	4.00
Mar 2019	1.75	3.20	4.10	4.00

## **APPENDIX Z2: Economic Background**

### **The UK. Economy**

#### Growth Performance

UK GDP growth rates of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2.2%. Quarter 1 of 2015 was weak at +0.4%, although there was a slight increase in quarter 2 to +0.5% before weakening again to +0.4% (+2.1% y/y) in quarter 3 and then picking up to +0.5% (2.2%) in quarter 4. The Bank of England's February Inflation Report included a forecast for growth to remain around 2.2% – 2.4% over the next three years. These forecasts are approximately 0.2% lower than in the November Inflation Report. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure.

The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back and the markets are currently betting on a mid 2017 increase.

#### Employment and wages

The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.1%. The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% y/y.

The start of the national living wage in April 2016 (and further staged increases until 2020), will raise wage inflation; however, it could also result in a decrease in employment so the overall inflationary impact may be muted. For now, the Bank of England is forecasting further falls in unemployment to circa 4.8%.

## Inflation

Since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK. Bank of England Governor Mark Carney has set three criteria that need to be met before he would consider making a start on increasing Bank Rate. These criteria are patently not being met at the current time, (as he confirmed in a speech on 19 January):

- Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in Q2 2015, but Q3 came up short and Q4 looks likely to also fall short.
- Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 @ 1.2%. December 2015 saw a slight increase to 1.4%.
- Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.

There is considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but only to be followed by a second, subsequent round of falls in fuel and commodity prices which will delay a significant tick up in inflation from around zero. According to the February Inflation Report, CPI inflation is now expected to get back to around 1% by the end of 2016 but not get near to 2% until the latter part of 2017. However, with the price of oil having fallen further in January 2016, and with sanctions having been lifted on Iran, enabling it to sell oil freely into international markets, there could well be some further falls still to come in 2016. The price of other commodities exported by emerging countries could also have downside risk and several have seen their currencies already fall by 20-30%, (or more), over the last year. These developments have led to the Bank of England lowering the pace of increases in inflation in its February 2016 Inflation Report.

There is also the uncertain impact of the EU referendum which may take place as early as June 2016. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. The

increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. There are, therefore, arguments that they need to raise rates sooner, rather than later, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

## **The Eurozone**

### Growth and inflation

In the Eurozone, in January 2015 the ECB unleashed a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

### Greece

During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

## **USA**

The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3 and retreated to +0.7% in quarter 4. The downbeat news in late August and in September about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision at its September meeting to pull back from a first rate increase. However, the nonfarm payrolls figure for growth in

employment in October was very strong and, together with a likely perception by the Fed. that concerns on the international scene have subsided, has now firmly opened up the possibility of a first rate rise in December.

## **China**

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market during the summer. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of the bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, concerns about whether the Chinese economy could be heading for a hard landing, and the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September, remain a concern.

## **Japan**

Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.3% after a short burst of strong growth of 1.0% during Q1. Japan has been hit hard by the downturn in China during 2015. This does not bode well for Japan as the Abe government has already fired its first two arrows to try to stimulate recovery and a rise in inflation from near zero, but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

### **Capita Asset Services Forward View**

Economic forecasting remains difficult with so many external influences weighing on the UK. Capita Asset Services undertook its last review of interest rate forecasts on 19 January 2016. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 4 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. At some future point in time, an increase in investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently to the downside, given the number of potential headwinds that could be growing on both the international and UK scene. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

## **APPENDIX Z3: Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)**

**Annual investment strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

**Specified investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating (AAA) by a credit rating agency.
5. A body that is considered of a high credit quality (such as a bank or building society)

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is as described below.

**Non-Specified Investments:** These are any investments which do not meet the specified investment criteria. The Council does not currently invest in non-specified investments. However, in the light of the continued predictions for low savings rates for some time to come, the Council is considering investing in pooled asset funds for periods of over one year. The Council will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

These factors are weighted and combined with an overlay of Credit Default Swap CDS spreads. The end product is a series of ratings (colour coded) to indicate the relative creditworthiness of counterparties. These ratings are used by the Council to determine the suggested duration for investments.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	<b>Minimum credit criteria / colour band</b>	<b>Max % of total investments/ £ limit per institution</b>	<b>Max. maturity period</b>
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	UK sovereign rating	£20m	1 year
UK Government Treasury bills	UK sovereign rating	£60m	6 months
Money market funds	AAA	£30m	Liquid
Local authorities	N/A	£10m	1 year
Term deposits with banks and building societies	Yellow*	£30m	Up to 2 years
	Purple	£25m	Up to 2 years
	Blue	£40m	Up to 1 year
	Orange	£20m	Up to 1 year
	Red	£15m	Up to 6 Months
	Green	£10m	Up to 100 days
	No Colour	0	Not for use
CDs or corporate bonds with banks and building societies	Blue	£40m	Up to 1 year
	Orange	£20m	Up to 1 year
	Red	£15m	Up to 6 Months
	Green	£10m	Up to 100 days
	No Colour	0	Not for use

Call accounts and notice accounts	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £20m £15m £10m 0	Liquid
Pooled asset funds		£50m	At least 5 years

*\*for UK Government debt, or its equivalent, constant net asset value money market funds and collateralised deposits where the collateral is UK Government debt*

**The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Resources and Regeneration, and if required new counterparties which meet the criteria will be added to the list. Any fixed term investment held at the time of the downgrade will be left to mature as such investments cannot be broken mid term.

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

## **APPENDIX Z4: Approved countries for investments**

This list is based on those countries which have sovereign ratings of AA- or higher and also, (except - at the time of writing - for Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Capita Asset Services credit worthiness service.

### AAA

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

### AA+

- Finland
- U.K.
- U.S.A.

### AA

- Abu Dhabi (UAE)
- France
- Qatar

### AA-

- Belgium

## **APPENDIX Z5: Requirement of the CIPFA Management Code of Practice**

### **Treasury management scheme of delegation**

#### **(i) Full Council**

- budget consideration and approval;
- approval of annual strategy.
- approval of/amendments to the organisation's treasury management policy statement

#### **(ii) Public Accounts Committee**

- receiving and reviewing reports on treasury management policies, practices and activities;

### **The treasury management role of the section 151 officer**

#### **The S151 (responsible) officer**

- recommending treasury management policy for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- approval of the division of responsibilities;
- approving the organisation's treasury management practices;

# Agenda Item 8

COUNCIL		
<b>Report Title</b>	Gambling Act Policy 2016-2019	
<b>Key Decision</b>	Yes	<b>Item No.</b>
<b>Ward</b>	All	
<b>Contributors</b>	Executive Director for Community Services, Executive Director for Resources and Regeneration, Head of Law	
<b>Class</b>	Part 1	<b>Date:</b> 24 February 2016

## 1. Purpose of Report

- 1.1 The Gambling Act 2005 provides Local Authorities with a duty to review its statement of licensing principles for premises licensed for gambling every three years. The Lewisham Gambling Policy was last reviewed in 2012.
- 1.2 The London Borough of Lewisham's ('the Licensing Authority') Statement of Licensing Policy for premises licensed for gambling sets out the issues which the Licensing Authority will take into consideration when determining Premises Licences and covers licensed premises throughout the Borough. When drawing up the Policy, the Licensing Authority has considered the wide range of premises that will be licensed, including casinos, amusement arcades, bingo halls, betting offices and alcohol-licensed premises.
- 1.3 The statement of licensing principles for premises licensed for gambling has been subject to necessary statutory public consultation during 2015 in preparation for the revised policy to be published by the end of January 2016, thereby fulfilling the three years maximum lifespan.
- 1.4 Under the Gambling Act 2005, the Council has a duty to publish the policy it will adopt when it considers licensing applications from businesses that:
  - Require a premises licence to authorise the provision of gambling facilities
  - Require authorisation other than a premises licence including unlicensed Family Entertainment Centres, Gaming machines on alcohol licensed premises, Prize Gaming, Club Gaming and Club Gaming Machines
- 1.5 Whilst the licensing authority are permitted to authorise the provision of premises licences in relation to gambling premises, the Gambling

Commission are responsible for the issuing of both the operators licence and the personal management licence.

- 1.6 The attached draft Gambling Policy sets out the way in which Lewisham will consider applications for such licences.

## **2. Recommendation**

- 2.1 It is recommended that Council agrees that the Gambling Act Policy for 2016-2019 should be formally determined and published.

## **3. Policy Context**

- 3.1 The Gambling Act Policy assists the Council in meeting its priorities set within the Sustainable Community Strategy 2008-2020:

- making the borough 'safer' and taking actions to meet the Safer Lewisham Partnership Priorities.
- Healthy, active and enjoyable and taking actions to meet the Health and Wellbeing Board Priorities.
- Dynamic and Prosperous to increase and improve the vitality and quality of town centres and localities.

- 3.2 This Gambling Act Policy also specifically supports the following Council's Corporate Priorities:

- *Safety, Security & Visible Presence* – Improving partnership working with the police and others and using the Council's powers to combat crime, the fear of crime and anti-social behaviour
- *Strengthening The Local Economy* – Gaining resources to regenerate key localities, strengthen employment skills and promote public transport

- 3.3 Paragraph 4.2 (a) of Article 4 of the Council's Constitution confirms that the Licensing Statement (Gambling) is a policy which, when adopted by members at Full Council, will make up the Council's policy framework.

## **4. Key changes in this Policy**

- 4.1 The key changes to this revised policy include:

- A requirement for licensees to formulate local risk assessments for each of its premises.
- Providing local authorities with the option of establishing local area profiles.
- Placing a greater emphasis on the social responsibility of retailers whilst exploring area based vulnerability to gambling related harm.

- Encouraging information sharing with both the Gambling Commission and operators to ensure that a local area profile is timely and reflective of challenges faced in the local community (underage gambling, problem gambling and vulnerability).

## **5. Purpose of the Policy**

5.1 This policy has five main objectives:

1. To reinforce to elected Members on the Licensing Committee the powers and constraints placed upon the local authority as licensing authority by the Gambling Act 2005.
2. To set out, for the benefit of prospective applicants, responsible authorities, local residents and premises licensed for gambling, the parameters under which this authority will make its licensing decisions.
3. To inform prospective licensees of premises licensed for gambling how a licensed premises is likely to be able to operate within an area.
4. To inform local residents and licensees of premises licensed for gambling how their needs will be addressed.
5. To minimise the number of licensing decisions that may be challenged in a court of law.

## **5.2 Scope of the Policy**

5.2.1 The Gambling Act 2005 regulates the following activities:

- Adult Gaming Centres (for Category B3, B4, C and D machines)
- Family Entertainment Centres (for Category C and D machines). The Licensing Authority may also issue Family Entertainment Centres Gaming Machine Permits that authorise the use of Category D machines only.
- Casino Premises
- Bingo Premises
- Betting Premises, including race tracks used by betting intermediaries

5.2.2 Forms of authorisations other than Premises Licenses are as follows:

- Unlicensed Family Entertainment Centres
- Gaming machines on alcohol-licensed premises
- Prize Gaming
- Club Gaming
- Club Gaming Machines

5.2.3 Key Principles of the Policy:

- The policy recognises the increasing awareness within gambling facilities to promote social responsibility as a means of challenging problem gambling which in turn reduces the likelihood of crime and disorder in the premises and within the locality of the premises.
- The policy provides a regulatory framework for gambling, which reflects the needs of our local communities and empowers local authorities to make and enforce decisions about the most appropriate licensing strategies for their local area.
- The policy encourages greater community involvement in licensing decisions and gives local residents the opportunity to have their say regarding licensing decisions that may affect them.
- Each licence application will be considered on its own merits in the context of the three licensing objectives set out below paragraph 5.4 in addition to the operators ability to satisfy identified local risks via the production of a local risk assessment.

### 5.3 Types of Authorisation

5.3.1 The types of authorisation that can be applied for are:

- **Premises licences:** to use a premises for the provision of gambling
- **Unlicensed Family Entertainment Centre gaming machine permits:** Where a premises does not hold a premises licence but wishes to provide gaming machines it must apply to the local authority for this permit.
- **(Alcohol) Licensed premises gaming machine permits:** Licensed premises selling alcohol for consumption on the premises can automatically have 2 gaming machines of category C and or D
- Prize Gaming Permits
- **Club Gaming and Club Machines Permits:** Provide three gaming machines (B, C or D) equal chance gaming or games of chance.
- **Temporary Use Notices:** Use of the premises for gambling where there is no premises licence but the gambling operator wishes to use the premises temporarily to provide facilities for gambling
- **Occasional Use Notices:** Authorised to carry out for eight days in a calendar year.

### 5.4 The Licensing Objectives

5.4.1 In carrying out its licensing functions, the Council will promote the three licensing objectives set out in the Gambling Act 2005. They are:

- To prevent gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- To ensuring that gambling is conducted in a fair and open way
- To protect children and other vulnerable persons from being harmed or exploited by gambling

5.4.2 Unlike the Licensing Act 2003, whereby equal importance is given to all four of its licensing objectives, the Gambling Commission has advised that licensing authorities are best placed to protect children and other vulnerable persons from being harmed or exploited by gambling.

5.4.3 The licensing authority has noted the Gambling Commission's Guidance that this objective means preventing children from taking part in gambling (as well as the restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children).

## **6. Financial Implications**

6.1 The delivery of a comprehensive Gambling Act policy and service is critical to businesses and residents. Costs incurred through enforcement activity and court action is necessary on occasion and decisions will be taken in line with the Council agreed Enforcement policy. The Service budgets for this action, but there may be occasions where legal costs will be greater than predicted and decisions will be taken as appropriate on a case by case basis.

## **7. Legal & Human Rights Implications**

7.1 Section 349 of the Gambling Act 2005 requires the Licensing Authority to prepare and publish a Statement of Gambling Licensing Policy every 3 years. The next Statement must be published by 31 January 2016.

7.2 Licensing Section 25 of the Gambling Act 2005 requires the Authority to have regard to the Gambling Commission's Guidance when preparing its Policy.

7.3 Any other legal implications relating to the Statement of Gambling Licensing Policy are detailed within the 2005 Act.

7.4 Part 1A of the Local Government Act 2000, provides that the functions of a local authority in England operating executive functions (in the form of an elected mayor and cabinet) must be discharged by the executive unless those functions are specified not to be the responsibility of the authority's executive by virtue of regulations. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000, as amended by 2004 Regulations (2004/2748), provide that the power to determine and publish a licensing authority statement of policy is not an executive function, but is instead a matter only for the Council.

- 7.5 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.6 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 7.7 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 7.8 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 7.9 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty
  4. Equality objectives and the equality duty
  5. Equality information and the equality duty
- 7.10 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and

who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

- 7.11 Licensing Authorities, as defined by the Licensing Act 2003, s.3 (1) are public authorities for the purposes of the Human Rights Act 1998. Accordingly, they are under a duty to act compatibly with Convention rights in the exercise of their functions.
- 7.13 The current draft Statement of Gambling Licensing Policy has been considered by external Counsel to ensure that it fulfils the licensing authority's statutory obligations.

## **8. Equalities Implications**

- 8.1 Developing safe and secure communities is central to the work of the Council as a whole. Reducing and preventing crime, reducing fear of crime and supporting vulnerable communities is critical to the well-being of all our citizens, alongside fair and proportionate approach with businesses.

## **9. Crime and Disorder Implications**

- 9.1 Section 17 Crime and Disorder Act 1998 places a duty on partners to do all they can to reasonably prevent crime and disorder in their area. The level of crime and its impact is influenced by the decisions and activities taken in the day-to-day of local bodies and organisations. The responsible authorities are required to provide a range of services in their community from policing, fire protection, planning, consumer and environmental protection, transport and highways. They each have a key statutory role in providing these services and, in carrying out their core activities, can significantly contribute to reducing crime and improving the quality of life in their area.

## **10. Environmental Implications**

- 10.1 The Council's lead officer for environmental matters is an advisor to the Safer Lewisham Partnership and makes representations as appropriate in relation to impact. Environmental services are consulted about all agreed activity before proceeding.

## **Background Papers**

Gambling Act Policy 2016-2019

**If there are any queries on this report, please contact Gary Connors,  
Strategic Community Safety Services Manager on 020 8314 9773.**



# Statement of Principles for Premises Licensed for Gambling London Borough of Lewisham

Statement of Principles 2016 -19

Gambling Act 2005

Published xxxxx

(Coming into force xxxxx )

**DRAFT VERSION**

Licensing Authority  
Crime, Enforcement & Regulation Service  
Laurence House  
1 Catford Road  
London  
SE6 4RU

**Statement of Licensing Principles for  
Premises Licensed for Gambling  
London Borough of Lewisham**

<b>Item</b>	<b>Page</b>
<b>Part A</b>	
1. Introduction	2
2. The licensing objectives	3
3. Characteristics of the Borough	3
4. Consultation	4
5. Declaration	5
6. Responsible Authorities	5
7. Interested parties	6
8. Local Risk Assessments	8
9. Local Area Profiles	8
10. Exchange of information	9
11. Enforcement	11
12. Licensing authority functions	12
<b>Part B - Premises licences</b>	
1. General Principles	13
2. Adult Gaming Centres	19
3. (Licensed) Family Entertainment Centres	20
4. Casinos	20
5. Bingo	21
6. Betting premises	22
7. Tracks	22
8. Travelling fairs	22
9. Provisional Statements	23
10. Reviews	23
11. Appeals	24
<b>Part C – Permits / Temporary and Occasional Use Notices</b>	
1. Unlicensed Family Entertainment Centre gaming machine permits	25
2. (Alcohol) Licensed premises gaming machine permits	25
3. Prize Gaming Permits	26
4. Club Gaming and Club Machines Permits	27
5. Temporary Use Notices	28
6. Occasional Use Notices	28
<b>Part D – Applications / Register / Delegation</b>	
Applications	29
Register	29
Delegation of Functions	29
<b>Consultation list</b>	32

This statement of Licensing Principles was approved by London Borough of Lewisham on xxxxxxxx  
All references to the Guidance refer to the Gambling Commission's Guidance to Licensing  
Authorities, 5<sup>th</sup> Edition, published September 2015.

## **PART A**

### **1. Introduction**

The London Borough of Lewisham's ('the Licensing Authority') Statement of Licensing Policy for premises licensed for gambling sets out the issues which the Licensing Authority will take into consideration when determining Premises Licenses and covers licensed premises throughout the Borough. When drawing up the Policy, the Licensing Authority has considered the wide range of premises that will be licensed, including casinos, amusement arcades, bingo halls, betting offices and alcohol-licensed premises.

This Policy will set out the general approach the Council will take when it considers applications for licenses. It will not undermine the right of any individual to apply for a variety of permissions and to have any such application considered on its individual merits. Nor will it override the right of any "interested party" or responsible authority to make representations on an application or seek a review of a licence where provision has been made to do so in the Act. However, the Council will disregard any representations, which are regarded as irrelevant, frivolous and/or vexatious.

This Policy has been prepared to assist the Council in reaching a decision on applications, setting out those matters that will normally be taken into account. However each case will be decided on its merits.

This Policy also seeks to provide clarity for applicants, objectors, residents and other occupiers of property.

The Licensing Authority recognises the potential impact of gambling on the community within the Borough of Lewisham. In adopting this Policy, the Licensing Authority will seek to address the needs of residents to ensure a safe and healthy environment in which to live and work, together with safe and well-run entertainment premises that will benefit the local economy. In drafting this Policy, the Licensing Authority has sought to achieve a proper balance between implementing a responsible and consistent standard of regulation with minimizing the impact of regulation on businesses.

The Gambling Act 2005 (also referred to as "The Act") seeks to strengthen consumer protection and modernise the old gambling legislation. The Licensing Authority has prepared the Gambling Licensing Policy with this in mind.

In preparing this Licensing Policy Statement, the Licensing Authority has followed the procedure set out within the Act and has no discretion to grant Premises Licenses in circumstances where that would mean departing from the Gambling Commission Guidance and Codes of Practice and the Licensing Authority's own Licensing Policy Statement.

## 2. The Licensing Objectives

In exercising most of their functions under the Gambling Act 2005 Licensing Authorities must have regard to the licensing objectives as set out in section 1 of the Act. The aim of the Policy is to secure the three fundamental licensing objectives, which are:

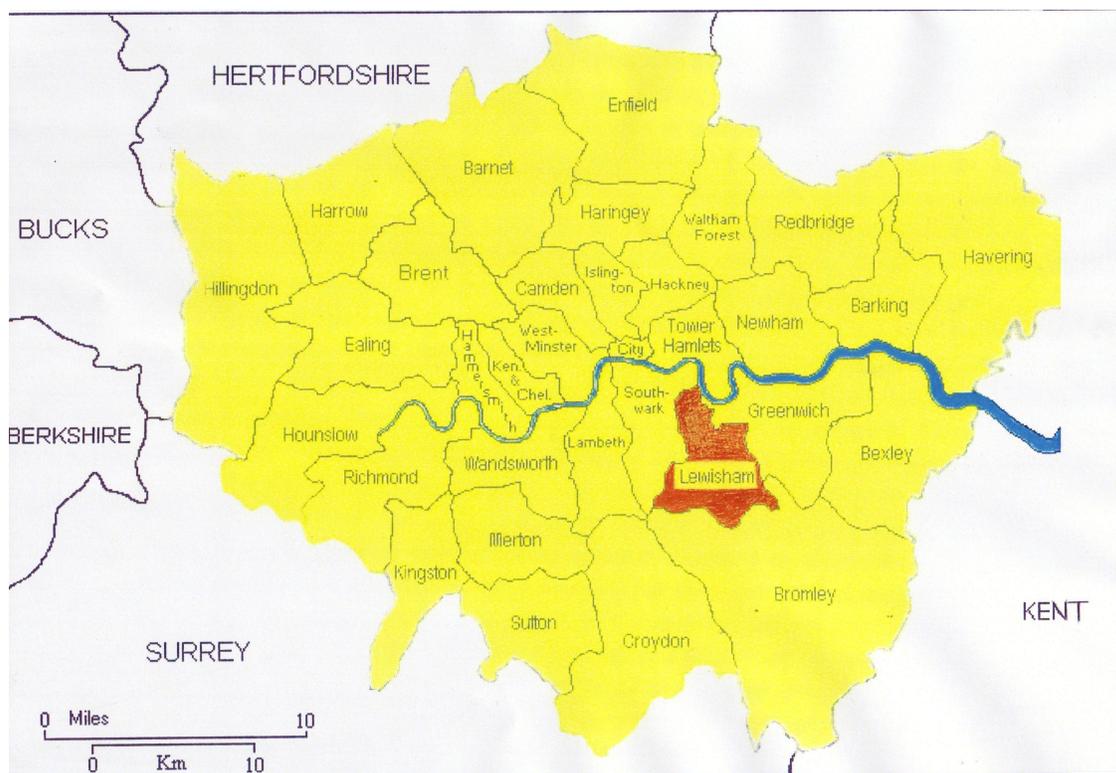
- To prevent gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- To ensuring that gambling is conducted in a fair and open way
- To protect children and other vulnerable persons from being harmed or exploited by gambling

It should be noted that the Gambling Commission has stated that: “The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling”.

## 3. Characteristics of the Borough

The London Borough of Lewisham is an Inner South East London Borough covering an area of 13.4 square miles. The population is 286,000. The Borough consists of 18 wards. An elected mayor with a cabinet of elected councillors selected by the mayor governs the business of the Council.

The northern part of the Borough contains most of the industrial and commercial areas although in general terms commercial and residential properties co-exist.





#### **4. Consultation**

Licensing Authorities are required by the Gambling Act 2005 to publish a statement of the principles, which they propose to apply when exercising their functions. This statement must be published at least every three years. The statement may also be reviewed from time to time and any amended parts re-consulted upon. The statement must be then re-published.

In preparing this Policy (or any revision thereafter), the Licensing Authority has (and will) consult with persons representing the interests of persons carrying on gambling businesses within the borough and with interested parties who represent the interest of persons who are likely to be affected by gambling.

Lewisham Council consulted widely upon this policy statement before finalising and publishing. A list of the persons we consulted is provided at the end of this policy.

The Gambling Act requires that the following parties be consulted by Licensing Authorities:

- The Chief Officer of Police
- One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area
- One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Gambling Act 2005

Our consultation took place between 9<sup>th</sup> July 2015 and 9<sup>th</sup> October 2015 and we followed the HM Government Code of Practice on Consultation (published July 2008), which is available at <http://www.berr.gov.uk/files/file47158.pdf>

The full list of comments made and the consideration by the Council of those comments is available by request to: Licensing Services Laurence House 1 Catford Rd SE6 4RU or via the Council's website at: [www.lewisham.gov.uk](http://www.lewisham.gov.uk)

The Policy was approved at a meeting of the Full Council on xxxxxxx and is available on our website. Copies are placed in the public libraries of the area as well as being available in the Town Hall.

## **5. Declaration**

In determining the final licensing policy, the Licensing Authority will take into account the licensing objectives of the Gambling Act 2005, the contents of the Gambling Commission's Guidance and will give appropriate weight to the views of those it has consulted. The Licensing Authority will ensure that it considers the consultees' views carefully.

## **6. Responsible Authorities**

The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the Authority about the protection of children from harm. The principles are:

- The need for the body to be responsible for an area covering the whole of the licensing authority's area
- The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group etc
- That this body is experienced in dealing with the protection of children.

In accordance with the Gambling Commission's Guidance for local authorities this Authority designates:

Childrens Services  
London Borough of Lewisham  
Laurence House  
1 Catford Rd  
SE6 4RU

For this purpose, this agency is considered appropriate as its objective is to co-ordinate and ensures the effectiveness of their member agencies in safeguarding the welfare of children.

The other responsible Authorities are:

The Gambling Commission  
Chief Officer of Police for the area in which the premises is wholly are partly situated  
The Fire and rescue authority for the same area  
The local planning authority  
Environmental Protection (local authority)  
HM Revenue and Customs

It is worth noting that the requirement for operators to implement local risk assessments as a means of safeguarding the above specified licensing objectives and ensuring that operators acknowledge and subsequently mitigate risks identified by the licensing authority suggests that Public Health will be considered to have a greater input as a Responsible Authority. S.157(g) of the Gambling Act 2005 identifies the following as a responsible authority:

*“an authority which has functions by virtue of an enactment in respect of minimising or preventing the risk of pollution of the environment or of harm to human health in an area in which the premises are wholly or partly situated”*

Whilst the authority responsible for minimising or preventing the risk of pollution of the environment has been highlighted above as the local authority’s Environmental Protection department, with regard to harm to human health in an area this would translate as the local public health authority.

The contact details of all the Responsible Bodies under the Gambling Act 2005 are available via the Council’s website at: [www.lewisham.gov.uk](http://www.lewisham.gov.uk)

## **7. Interested parties**

Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005.

A person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the Licensing Authority which issues the licence or to which the application is made, the person-

- 1) Lives sufficiently close to premises to be likely to be affected by the authorised activities; or
- 2) Has business interests that might be affected by the authorised activities; or
- 3) Represent persons in either of the above two groups.

The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under the Gambling Act 2005 to determine whether a person is an interested party. There are five guiding principles as to the Authority's approach:

- i) Each case will be decided upon its merits.
- ii) This Authority will not apply a rigid rule to its decision-making.
- iii) This Authority will consider the examples of considerations provided in the Gambling Commission's Guidance to local authorities at 8.11 to 8.18.
- iv) Although the Gambling Commission has recommended that Licensing Authorities states that interested parties will include trade associations and trade unions, and residents' and tenants' associations; this Authority has decided that it will not generally view these bodies as interested parties unless they have a member who can be classed as such under the terms of the Gambling Act 2005 e.g. lives sufficiently close to the premises to be likely to be affected by the activities being applied for.
- v) Interested parties can be persons who are democratically elected such as Councillors and MPs. Other than these persons, this Authority will require written evidence that a person represents someone who either lives sufficiently close to the premises to be likely to be affected by the activities and/or business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

If individuals wish to approach Councillors to ask them to represent their views then care should be taken to ensure that the Councillors are not part of the Licensing Committee dealing with the licence application. If there are any doubts then please contact the Licensing Authority.

#### Factors to be considered

The Licensing Authority will take into account the following factors when interpreting 'sufficiently close':

- Size of the premises
- Nature of the premises
- Distance of the premises from the location of the person making the representation
- Potential impact of the premises, i.e. number of customers, routes likely to be taken by those visiting the establishment; and
- Circumstances of the complainant, i.e. interests

The Licensing Authority recognizes that the phrase 'sufficiently close to be likely to be affected' could have a different meaning for, for instance, a private resident, a residential school for children with problems and a residential hostel for vulnerable adults and will therefore deal with each representation on its own merit.

The Licensing Authority will take into account the following factors when determining whether an individual is a person with a 'business interest that might be affected':

- Size of the premises.

- The 'catchment' area of the premises (i.e. how far people travel to visit); and
- Whether the person making the representation has business interests in that catchment area that might be affected.
- Whether or not the representation is purely based on 'competition' as the Licensing Authority does not consider this to be a relevant representation.

This list is not exhaustive.

With regard to persons representing persons living sufficiently close and persons having business interests that may be affected, the Licensing Authority will take into account trade associations, trade unions, residents and tenants' associations. The Licensing Authority will not, however, generally view these bodies as interested parties unless they have a member who can be classed as an interested person under the terms of the Gambling Act 2005, i.e. lives sufficiently close to the premises to be likely to be affected by the activities being applied for.

## **8. Local Risk Assessments**

The Gambling Commission's Licence Conditions and Codes of Practice (LCCP) were revised and published in February 2015 formalising a need for all non-remote licensees' to consider local risks. The production of local risk assessments assessing risks potentially undermining the adherence of the licensing objectives specified within the Gambling Act 2005 are required to take into account matters identified in the licensing authority's statement of policy or via a separate local area profile. The Social Responsibility Code 10.1.1 requires that from 6<sup>th</sup> April 2016 each premises providing gambling facilities (both existing premises and new premises) must devise an assessment, which mitigates the risks posed within the licensing authorities local area profile. This new requirement is a social responsibility code provision and therefore constitutes a mandatory requirement for licensees

Licensees are required to undertake a local risk assessment when applying for a new premises licence, ordinary code provision 10.12 comes into force in April 2016 and ensures that licensees should share their risk assessment when applying for a premises licence or applying for a variation to an existing licensed premises. Their risk assessment must also be updated:

- To take account of significant changes in local circumstances, including those identified in a licensing authority's statement of policy
- When there are significant changes at a licensee's premises that may affect their mitigation of local risks.

## **9. Local Area Profile**

The Commission's guidance to local authorities has recently referred to licensing authorities formulating local area profiles as a means of mapping out key characteristics of the local area (as defined in 6.47), which can be reviewed and updated to reflect changes to the local landscape, this in turn will shape the formation of operators risk assessments as a means of ensuring that key licensing objectives are safeguarded and continue to be complied with.

However, it is for the Licensing Authority to determine whether a local area profile is included within the body of the statement of policy or elsewhere. It has been agreed that in order to appropriately

assess area based vulnerability to gambling related harm and to ensure the adherence of key licensing objectives, the Authority's area profile will be located separately from the statement of policy. Additionally the Authority seeks to make reference to the local area profile in order for the profile to be reviewed and updated without the need for full consultation.

Nonetheless, the profile will include reference to:

- Schools, sixth form colleges, youth centres etc, with reference to the potential risk of under age gambling
- Hostels or support services for vulnerable people, such as those with addiction issues or who are homeless, given the greater risk of problem gambling among those groups
- Religious buildings
- Any known information about issues with problem gambling
- The surrounding night time economy and possible interaction with gambling premises
- Patterns of crime or anti social behaviour in the area, specifically linked to gambling premises
- The socio-economic makeup of the area
- The density of different types of gambling premises in certain locations
- Specific types of gambling premises in the local area

However, whilst Part 6 of the Guidance to Local Authorities specifies that there is no mandatory requirement for a local authority to have a local area profile it is evident that there are clear advantages in establishing such a procedure:

- It enables licensing authorities to better serve their local community, by better reflecting the community and the risks within it
- Greater clarity for operators as to the relevant factors in licensing authority decision making, will lead to improved premises licence applications, with the operator already incorporating controls and measures to mitigate risk in their application
- It enables licensing authorities to make robust but fair decisions, based on a clear, published set of factors and risks, which are therefore less susceptible to challenge
- It encourages a proactive approach to risk that is likely to result in reduced compliance and enforcement action.

## **10. Exchange of information**

Licensing Authorities are required to include in their policy statement, the principles to be applied by the Authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission and the functions under section 350 of the Act with the respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

For the purposes of the first licensing policy statement, this Licensing Authority confirms that it will act in accordance with the relevant legislation and guidance from the Commission and will adopt the principles of better regulation. The Licensing Authority will have a key role in providing

information to the Gambling Commission and will provide information to the Commission to assist it in carrying out its functions. The Licensing Authority recognises the need to work closely with the Gambling Commission in exchanging information as and when required.

The principle that this Licensing Authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the Data Protection Act 1998 will not be contravened. This Licensing Authority will also have regard to any Guidance issued by the Gambling Commission to local authorities on this matter when it is published, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005. Also considerations referred to within the Freedom of Information Act and Data Protection Act.

<http://www.lewisham.gov.uk/CouncilAndDemocracy/DataProtectionAndFreedomOfInformation/FreedomOfInformationAct.htm>

This may include seeking information about numbers of self excluded gamblers to help the authority develop understanding about the risk of problem gambling within the borough as a means of assessing area based vulnerability to gambling related harm and to ensure the authority's local profile is updated and reflective to changes to the local environment.

Where possible as a means of targeting enforcement activity and resources the local authority where possible and subject to the terms of primary authority agreements and where further guidance is provided by the commission seek to exchange information regarding test purchasing results and sporadic incidents that have occurred within licensed premises which have subsequently been reported to head office.

## **11. Enforcement**

In respect of compliance the Licensing Authority will take the lead in ensuring compliance with the licence and any relevant Codes of Practice. The Gambling Commission will be the enforcement body for the Operator and Personal Licenses and illegal gambling. Concerns about manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority but information will be passed on to the Gambling Commission where such concerns are found.

Licensing Authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the Authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

In considering enforcement action, the Licensing Authority will bear in mind the Human Rights Act, in particular:

- i) Article 1, Protocol 1 – peaceful enjoyment of possessions.
- ii) Article 6 – right to a fair hearing
- iii) Article 8 – respect for private and family life
- iv) Article 10 – right to freedom of expression

Any decision to instigate legal proceedings and the subsequent management of our criminal cases will take account of the criteria set down in the Code for Crown Prosecutors and Attorney General Guidelines.

This Licensing Authority's principles are that:

It will be guided by the Gambling Commission's Guidance for local authorities and therefore will endeavour to be:

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects

As per the Gambling Commission's Guidance for local authorities this Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

This Licensing Authority will also, as recommended by the Gambling Commission's Guidance for local authorities, adopt a risk-based inspection programme. This assessment will be made in consultation with the responsible authorities and will include such factors as size and location of premises along with the type of activities offered and level of complaints or representations received.

The main enforcement and compliance role for this Licensing Authority in terms of the Gambling Act 2005 will be to ensure compliance with the Premises Licences and other permissions which is authorised. The Gambling Commission is the enforcement body for the Operator and Personal Licenses. It is also worth noting that concerns about manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority but will be notified to the Gambling Commission. This Authority also understands that the Gambling Commission will be responsible for compliance as regards unlicensed premises.

The authority recognises that certain bookmakers have a number of premises within its area. In order to ensure that any compliance issues are recognised and resolved at the earliest stage, operators are requested to give the authority a single named point of contact, who should be a senior individual and whom the authority will contact first should any compliance queries or issues arise'

This licensing authority also keeps itself informed of developments as regards the work of the Better Regulation executive in its consideration of the regulatory functions of local authorities.

The authority recognises that the formation of a local risk assessment mitigating potential measures the authority has identified as possibly undermining key licensing objectives may simultaneously diminish the likelihood of the authority having to seek reviews or seek the addition of further conditions to a premises licence.

With regard to anti social behaviour, licensing authorities have the option under the Act to review, vary or impose conditions on a premises licence, nonetheless, in practice tools specifically designed to reduce anti social behaviour such as Community Protection Notices, Civil Injunctions, Dispersal Powers and in less circumstances the Public Space Protection Orders may have more of an impact and may be used in the first instance as a means of working alongside operators to reduce the impact of crime and disorder.

## **12. Licensing Authority functions**

Licensing Authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences
- Issue Provisional Statements
- Regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue Club Machine Permits to Commercial Clubs
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of two or fewer gaming machines
- Grant Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where more than two machines are required
- Register small society lotteries below prescribed thresholds
- Issue Prize Gaming Permits
- Receive and Endorse Temporary Use Notices
- Receive Occasional Use Notices
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange')
- Maintain registers of the permits and licences that are issued under these functions

It should be noted that local licensing authorities will not be involved in licensing remote gambling at all. This will fall to the Gambling Commission via Operator Licences.

## **PART B**

### **PREMISES LICENCES**

#### **1. General Principles**

Premises Licences authorise the provision of gambling facilities on the following:

- Adult Gaming Centres (for Category B3, B4, C and D machines)
- Family Entertainment Centres (for Category C and D machines). The Licensing Authority may also issue Family Entertainment Centres Gaming Machine Permits that authorise the use of Category D machines only).
- Casino Premises
- Bingo Premises
- Betting Premises, including race tracks used by betting intermediaries

Except in the case of Tracks (where the occupier may not be the person offering gambling), Premises Licences will only be issued to people with the relevant Operating Licences.

Premises Licences will be subject to the permissions/restrictions set out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions, which will be detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

The Licensing Authority when considering applications will not take into account whether or not there is an unfulfilled demand for gambling facilities within the borough of Lewisham. Every application for a Premises Licence to the Licensing Authority will be considered on its merits and will be treated fairly and objectively in accordance with the three Licensing Objectives. The Licensing Authority will consult with responsible authorities on all applications.

In considering applications and in making any decisions, the Licensing Authority will take into account the Human Rights Act, in particular Articles 1, 6, 8 and 10.

The Licensing Authority recognises that the responsibility for an individual's gambling is his or her own and that the responsibility to exercise a duty of care is that of the Site Operator. However, the Licensing Authority recommend applicants for Adult Gaming and Family Entertainment Centres to consider adopting BACTA's Code of Social Responsibility and Good Practice and where gaming machines are concerned, applicants are recommended to adopt BACTA's Code of Practice for AWP's in Family Entertainment Centres and Adult Gaming Centres. These codes can be obtained at [www.bacta.org.uk](http://www.bacta.org.uk). The Licensing Authority will welcome and support the development of a unified Code of Practice.

The Licensing Authority will not consider representations that amount to moral objections to gambling per se, because such representations do not relate to the three Licensing Objectives and are therefore not valid reasons for rejecting applications. Where the Licensing Authority rejects an application for a Premises Licence it will rely on reasons that demonstrate that the Licensing

Objectives are not being met. The Gambling Commission's Guidance to Local Authorities also states that "moral objections to gambling are not a valid reason to reject applications for premises licenses"

This Licensing Authority is aware that in making decisions about premises licenses it should aim to permit the use of premises for gambling in so far as it thinks it:

- in accordance with any relevant code of practice issued by the Gambling Commission
- in accordance with any relevant guidance issued by the Gambling Commission
- reasonably consistent with the licensing objectives and
- in accordance with the authority's statement of licensing policy

Where there are age restrictions on entry to certain premises, the Licensing Authority recommends applicants consider and adopt BACTA's and GamCare's joint training initiative on a Site Age-of-Entry Control Policy.

The Licensing Authority recognises that most customers are able to enjoy and control their gambling, however, where there are those who are unable to control gambling, the Licensing Authority recommends that applicants adopt BACTA's and GamCare's Site Self-Exclusion Policy for those particular clients to request their exclusion for a fixed period.

Premises are defined in the Act as "any place". It is for the Licensing Authority to decide whether different parts of a building can be properly regarded as being separate premises and as the Gambling Commission states in its Guidance for local authorities, it "will always be a question of fact in the circumstances." The Gambling Commission states in the fifth edition of its Guidance to Licensing Authorities that "In most cases the expectation is that a single building/plot will be the subject of an application for a licence, but that does not mean that the single building/plot cannot be the subject of separate premises licenses for the basement and ground floor if they are configured acceptably. Whether different parts of the building can be properly regarded as being separate premises will depend on the circumstances. The Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises.

This Licensing Authority takes particular note of the Gambling Commission's Guidance for local authorities which states that in considering applications for multiple licenses for a building or those for a specific part of the building to be licensed, "entrances and exits from parts of a building covered by one or more licenses should be separate and identifiable so that the separation of different premises is not compromised and that people do not 'drift' into a gambling area."

The Guidance also gives a list of factors which the licensing authority should be aware of, which may include

- Do the premises have a separate registration for business rates
- Is the premises' neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

This Licensing Authority will pay particular attention to applications where access to the licensed premises is through other premises (which themselves may be licensed or unlicensed).”

The Gambling Commission’s relevant access provisions for each premises type are reproduced below:

#### Casinos

- The principal entrance to the premises must be from a street (as defined at 19.13 of the Guidance)
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons
- No customer must be able to enter a casino directly from any other premises which holds a gambling premises licence

#### Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensed gambling premises

#### Betting Shops

- Access must be from a street (as per para 19.13 Guidance to Licensing Authorities) or from another premises with a betting premises licence
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

#### Tracks

- No customer should be able to access the premises directly from:
  - a casino
  - an adult gaming centre

#### Bingo premises

- No customer must be able to access the premise directly from
  - a casino
  - an adult gaming centre
  - a betting premises, other than a track

#### Family Entertainment Centre

- No customer must be able to access the premises directly from
  - a casino
  - an adult gaming centre
  - a betting premises, other than a track

Part 9 of the Gambling Commission’s Guidance to Licensing Authorities contains further Guidance on this issue, which this Authority will also take into account in its decision-making.

The Guidance states that a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of the building or alterations required before the premises are brought into use.

If the construction of the premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.

In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process, firstly whether the premises sought to be permitted to be used for gambling, and secondly whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state which they ought to be before gambling takes place.

This Licensing Authority is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives can. As per the Gambling Commission's Guidance for local authorities, this authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.

This Licensing Authority will seek to avoid any duplication with statutory / regulatory systems, where possible, that already place obligations on employers and operators, for example, the Disability Discrimination legislation, Health and Safety at Work, etc. Act 1974, The Environmental Protection Act 1990 and the Fire Safety Regulatory Reform Order 2005. However, the Licensing Authority would require that prior to submission of a premises licence application (except in the case of tracks), the appropriate operator's licence be obtained. This Licensing Authority will also seek to avoid any duplication with planning laws. However section 210 of the 2005 Act prevents Licensing Authorities having regard to whether or not a proposal by the applicant is likely to be permitted in accordance with the law relating to planning or building, when considering a premises licence application. Equally the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building. However, it will listen to, and consider carefully, any concerns about conditions, which are not able to be met by licensees due to planning restrictions, should such a situation arise.

### **Consideration of applications**

When determining the location of proposed gambling facilities, the Licensing Authority in appropriate circumstances, will consider very carefully the following factors when considering applications for Premises Licences, permits and other permissions:

- Proximity of premises to local schools
- Proximity of premises to centres that pose a high risk to vulnerable and young persons
- Proximity of premises to residential areas where there is a high concentration of children and young people
- Proximity of premises to places of worship, particularly where Sunday Schools are in operation
- Mitigating measures contained within the applicants risk assessment

This list is not exhaustive and each case will be determined on its merits, if an applicant can show that they can overcome licensing objective concerns this must be taken into account

Premises licenses granted must be reasonably consistent with the licensing objectives. With regard to these objectives, this Licensing Authority has considered the Gambling Commission's Guidance to Local Authorities.

**Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime**

It should be noted that the Gambling Act does not include a specific licensing objective as the prevention of public nuisance. This Licensing Authority is aware of the distinction between disorder and nuisance and will consider factors such as whether police or ambulance assistance was required and how threatening the behaviour was to those who could see it or hear it. Crime is considered as being serious organised crime with relation to the premises. Concerns with regard to the integrity or criminal activities of an operator would be a matter for the Gambling Commission with regard to the personal and operators licenses..

**Ensuring gambling is conducted in a fair and open way**

This Licensing Authority has noted that the Gambling Commission in its Guidance for Local Authorities has stated that "Generally the Commission would not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be a matter for either the management of the gambling business, and therefore subject to the operating licence, or will be in relation to the suitability and actions of an individual and therefore subject to the personal licence.

**Protecting children and other vulnerable persons from being harmed or exploited by gambling**

This Licensing Authority has noted the Gambling Commission Guidance to Local Authorities states that: "The objective talks of protecting children from being harmed or exploited by gambling, but in practice that often means preventing them from taking part in or being in close proximity to gambling".

This Licensing Authority will pay particular attention to any Codes of Practice which the Gambling Commission issues regarding this licensing objective in relation to specific premises such as casinos. It is understood that a Code for casinos must:

- specify steps that the premises licence-holder must take to ensure that children and young persons (that is those under the age of 18) do not enter casino premises, or in the case of the regional casino do not enter the gambling area;
- amongst those specified steps, ensure that each entrance to the casino or gambling area is supervised by at least one person ("the supervisor") who is responsible for compliance with the code of practice; and
- require that, unless the supervisor is certain that a person seeking admittance is an adult, evidence of age must be required of all those seeking to enter the casino or gambling area.

The Licensing Authority will consider whether or not specific measures are needed to protect children and vulnerable persons at particular premises. Such measures may include:

- requirements to provide supervision at entrances;
- steps taken to segregate gambling from non-gambling areas frequented by children;
- the supervision of gaming machines in non adult gambling specific premises;
- appropriate signage;
- location of machines;
- numbers of staff on duty.

These measures will be particularly relevant on mixed use premises, tracks where children have freedom of movement in betting areas on race days and in particular to the non-gambling areas of casinos.

Where there are age restrictions on entry to certain premises, the Licensing Authority recommends applicants consider and adopt BACTA's and GamCare's joint training initiative on a Site Age-of-Entry Control Policy.

Restrictions may also be necessary in relation to advertising gambling products that are aimed at children or advertised in such a way that makes them attractive to children.

As regards the term "vulnerable persons" it is noted that the Gambling Commission is not seeking to offer a definition but states that "it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who are gambling beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs." This Licensing Authority will consider this licensing objective on a case by case basis. Should a practical definition prove possible in future then this policy statement will be updated with it, by way of a revision.

Any conditions attached to licenses will be proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility
- directly related to the premises and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises: and
- reasonable in all other respects.

Decisions upon individual conditions will be made on a case by case basis, although there will be a number of control measures this Licensing Authority will consider utilising should there be a perceived need, such as the use of door supervisors, supervision of adult gaming machines, appropriate signage for adult only areas etc. There are specific comments made in this regard under each of the licence types below. This Licensing Authority will also expect the licence applicant to offer his/her own suggestions as to way in which the licensing objectives can be met effectively.

There is no evidence that the operation of betting offices has required door supervisors for the protection of the public. The authority will make door supervision requirement only if there is clear evidence from the history of trading at the premises that the premises cannot be adequately supervised from the counter and that door supervision is both necessary and proportionate'

It is noted that there are conditions, which the Licensing Authority cannot attach to premises licenses which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated and
- conditions in relation to stakes, fees, winning or prizes

The Gambling Commission advises in its Guidance for Local Authorities that licensing authorities may consider whether there is a need for door supervisors in terms of the licensing objectives of protection of children and vulnerable persons from being harmed or exploited by gambling, and also in terms of preventing premises becoming a source of crime. It is noted though that the Gambling Act 2005 has amended the Security Industry Act and that door supervisors at casinos or bingo premises need not be licensed by the Security Industry Authority, However if this Licensing Authority deem it appropriate to impose a condition requiring door supervision for casinos or bingo premises then they may do so and require door supervisors to have undergone similar accredited training to that required by the Security Industry Authority. This is in recognition of the nature of the work in terms of searching individuals, dealing with potentially aggressive persons, etc.

## **2. Adult Gaming Centres**

This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the premises. Appropriate licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Door supervisors
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self – exclusion schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare

This list is not exhaustive.

As regards the protection of vulnerable persons, this Licensing Authority will consider measures such as the use of provision of information leaflets / helpline numbers for organisations such as GamCare.

### **3. (Licensed) Family Entertainment Centres:**

This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas. Appropriate licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Door supervisors
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self – exclusion schemes
- Provision of information leaflets/ helpline numbers for organisations such as GamCare
- Measure/training for staff on how to deal with suspected truant school children on the premises

This list is not exhaustive.

This Licensing Authority will, as per the Gambling Commission's guidance, refer to the Commission's website to see any conditions that apply to operator licenses covering the way in which the area containing the category C machines should be delineated. This Licensing Authority will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.

### **4. Casinos**

This Licensing Authority has not passed a 'no casino' resolution under Section 166 of the Gambling Act 2005, but is aware that it has the power to do so. Should this Licensing Authority decide in the future to pass such a resolution, it will update this policy statement with details of that resolution. Any such decision will be made by Full Council.

This Licensing Authority is aware that, as explained in the Gambling Commission's Guidance for local authorities: Section 181 contains an express power for licensing authorities to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching a licence condition to a betting premises licence or to a casino premises licence (where betting is permitted in the casino). When considering whether to impose a condition to restrict the number of betting machines in particular premises, the licensing authority, amongst other things, should take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable persons."

This Licensing Authority has noted that the Gambling Commission has stated in its Guidance for Local Authorities that “section 177 does not prevent the licensee from permitting the installation of cash dispensers (ATMs) on the premises. Such machines may accept credit cards (and debit cards) and the arrangement is subject to a requirement that the licensee has no other commercial connection in relation to gambling (aside from the agreement to site the machines) with the service-provider and does not profit from the arrangement, not make any payment in connection with the machines. All premises licences also include a mandatory condition which requires that any ATM made available for use on a premises must be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.

## **5. Bingo premises**

This Licensing Authority notes that the Gambling Commission’s Guidance states:

18.4 Licensing Authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas.

This authority also notes the Guidance at paragraph 18.8 regarding the unusual circumstances in which the splitting of a pre-existing premises into two adjacent premises might be permitted. The percentage of category B machines must not exceed 20% of the total number of gaming machines in each licensed area

18.7 Children and young people are allowed into bingo premises; however they are not permitted to participate in the bingo and if Category B or C machines are made available for use, these must be separated from areas where children and young people are allowed.

It has also been noted that the Gambling Commission Guidance states: section 177 does not prevent the licensee from permitting the installation of cash dispensers (ATMs) on the premises. Such machines may accept credit cards (and debit cards) and the arrangement is subject to a requirement that the licensee has no other commercial connection in relation to gambling (aside from the agreement to site the machines) with the service-provider and does not profit from the arrangement, nor make any payment in connection with the machines. All premises licences also include a mandatory condition which requires that any ATM made available for use on a premises must be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.

It is also understood that the Gambling Commission will be placing restrictions and requirements on Operating Licences for betting premises as regards credit and this Licensing Authority will consider the guidance when it is available.

## **6. Betting premises**

It is noted that the Gambling Commission’s Guidance for Local Authorities states: Section 181 contains an express power for licensing authorities to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching a licence condition to a betting premises licence or to a casino premises licence (where betting is permitted in the

casino). When considering whether to impose a condition to restrict the number of betting machines in particular premises, the Licensing Authority, amongst other things, should take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable persons. While the authority has discretion as to the number, nature and circumstances of use of betting machines, there is no evidence that such machines give rise to regulatory concerns. This authority will consider limiting the number of machines only where there is clear evidence that such machines have been or are likely to be used in breach of the licensing objectives. Where there is such evidence, this authority may consider, when reviewing the licence, the ability of staff to monitor the use of such machines from the counter'

## **7. Tracks**

The London Borough of Lewisham currently has no racetracks, however Millwall FC do hold a 'betting track licence'. We have taken note of the Guidance from the Gambling Commission which highlights that tracks are different from other premises in that there may be more than one premises licence in effect and that the track operator may not be required to hold an operator licence as there may be several premises licence holders at the track which will need to hold their own operator licences.

There may be some specific considerations with regard to the protection of children and vulnerable persons from being harmed or exploited by gambling and this authority would expect the premises licence applicants to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, although they are still prevented from entering areas where gaming machines (other than category D machines) are provided. As regards betting machines, this Licensing Authority will take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons, or vulnerable people when considering the proposals of the operator.

## **8. Travelling Fairs**

It will fall to this Licensing Authority to decide whether, where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

The Licensing Authority will also consider whether the applicant falls within the statutory definition of a travelling fair.

It has been noted that the 27-day statutory maximum for the land being used as a fair, is per calendar year and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This Licensing Authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

## **9. Provisional Statements**

This Licensing Authority notes the Guidance for the Gambling Commission which states that It is a question of fact and degree whether premises are finished to a degree that they can be considered for a premises licence” and that “Requiring the building to be complete ensures that the authority can inspect it fully”.

In terms of representations about premises licence applications, following the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant’s circumstances. In addition, the Authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- (a) which could not have been raised by objectors at the provisional licence stage; or
- (b) which is in the authority’s opinion reflect a change in the operator’s circumstances.

This Authority has noted the Gambling Commission’s Guidance that “A Licensing Authority must not have regard to whether or not a proposal by the applicant is likely to be permitted in accordance with planning or building law.”

The Licensing Authority will only take into account relevant representations related to gambling and the three Licensing Objectives. The obtaining of planning permission and building regulation approval is considered irrelevant these matters should be dealt with under planning control and building regulation powers.

However, an applicant can only obtain a full Premises Licence to offer gambling once the building has been constructed and is ready to be used for gambling thus enabling the Licensing Authority to inspect the premises fully to ensure compliance of legal requirements.

## **10. Reviews:**

Interested parties or responsible authorities can both make requests for a review of a premises licence, however, it is for the Licensing Authority to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is relevant to the matters listed below, as well as consideration as to whether the request is frivolous, vexatious, will certainly not cause this authority to alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review.

- in accordance with any relevant code of practice issued by the Gambling Commission
- in accordance with any relevant guidance issued by the Gambling Commission
- reasonably consistent with the licensing objectives and
- in accordance with the Authority’s Statement of Licensing Policy

The Licensing Authority can also initiate a review of a licence on the basis of any reason which it thinks is appropriate.

The purpose of the review will be to determine whether the licensing authority should take any action in relation to the licence. If action is justified, the options open to the licensing authority are:

- A. Add, remove or amend a licence condition imposed by the licensing authority
- B. Exclude a default condition imposed by the Secretary of State or Scottish Ministers (eg. opening hours) or remove such an exclusion
- C. Suspend the premises licence for a period not exceeding three months; and
- D. Revoke the premises licence

In determining what action, if any, should be taken following a review, the licensing authority must have regard to the principles set out in s.153 of the Act, as well as any relevant representations.

### **11. Appeals**

There is a right of appeal by the applicant, should the Licensing Authority reject an application, similarly there is a right of appeal by a person who made representations or the applicant should the authority grant an application This appeal must be lodged within a period of 21 days from the day on which the applicant was notified by the Licensing Authority of the decision and must be made to the Magistrates' Court.

The Magistrates' Court will take into account the Licensing Authority's Licensing Policy, Gambling Commission's Guidance, any relevant Codes of Practice and the Licensing Objectives.

**PART C**  
**Permits / Temporary & Occasional Use Notice**

Forms of authorisations other than Premises Licenses are as follows:

Unlicensed Family Entertainment Centres  
Gaming machines on alcohol-licensed premises  
Prize Gaming  
Club Gaming  
Club Gaming Machines

**1. Unlicensed Family Entertainment Centre gaming machine permits (Statement of Principles on Permits – Schedule 10 Para 7)**

Where a premise does not hold a Premises Licence but wishes to provide gaming machines, it may apply to the Licensing Authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (Section 238).

The Gambling Act 2005 states that a Licensing Authority may prepare a statement of principles that they propose to consider in determining the suitability of an applicant for a permit and in preparing this statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25. The Gambling Commission's Guidance for local authorities also states: "In their three year Licensing Policy Statement, Licensing Authorities may include a statement of principles that they propose to apply when exercising their functions in considering applications for permits. Licensing Authorities will want to give weight to child protection issues. The principles will be as to whether the applicant is considered by this authority to be 'Fit and Proper' to carry on such a business. Factors such as a history of poor management or lack of control in such premises will be considered.

The Guidance also states that an application for a permit may be granted only if the Licensing Authority is satisfied that the premises will be used as an unlicensed FEC, and if the Chief Officer of Police has been consulted on the application. Relevant considerations to take into account would be the applicant's suitability, such as any convictions that they may have that would make them unsuitable to operate a family entertainment centre and the suitability of the premises in relation to their location and issues about disorder.

It should be noted that a Licensing Authority cannot attach conditions to this type of permit and that the statement of principles only applies to initial applications and not to renewals (paragraph 18(4)).

**2. (Alcohol) Licensed premises gaming machine permits – (Schedule 13 Para 4(1))**

There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the Licensing Authority. The Licensing Authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with)
- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises

If a premises wishes to have more than 2 machines, then it needs to apply for a permit. There would be an assumption to grant if the application was in accordance with the Gambling Commission Code of Practice, however the Licensing Authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and “*such matters as they think relevant.*” This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the Authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be **required**. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.

It is recognised that some alcohol-licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would need to be applied for, and dealt with as an Adult Entertainment Centre premises licence.

It should be noted that the Licensing Authority can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

### **3. Prize Gaming Permits – (Statement of Principles on Permits - Schedule 14 Para 8 (3))**

The Gambling Act 2005 states that a Licensing Authority may “prepare a statement of principles that they propose to apply in exercising their functions under this Schedule” which “may, in particular, specify matters that the Licensing Authority propose to consider in determining the suitability of the applicant for a permit”.

This Licensing Authority has not prepared such a statement of principles. Should it decide to do so it will include details in a revised version of the policy statement.

In making its decision on an application for this permit the Licensing Authority does not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance.

It should be noted that there are conditions in the Gambling Act 2005 by which the permit holder must comply, but that the Licensing Authority cannot attach conditions. The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

#### **4. Club Gaming and Club Machines Permits**

Members Clubs and Miners' welfare institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Gaming machines permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set out in forthcoming regulations. A Club Gaming machine permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).

Gambling Commission Guidance for local authorities states: "Members clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations."

The Guidance also makes it clear that before granting the permit the Authority will need to satisfy itself that the premises meet the requirements of a members' club and may grant the permit if the majority of members are over 18.

This Licensing Authority is aware that they may only refuse an application on the grounds that:

- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
- (b) the applicant's premises are used wholly or mainly by children and/or young persons;
- (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- (d) a permit held by the applicant has been cancelled in the previous ten years; or
- (e) an objection has been lodged by the Commission or the police.

It should be noted that there is a 'fast-track' procedure available for premises which hold a Club Premises Certificate under the Licensing Act 2003. As the Gambling Commission's Guidance for local authorities states: "Under the fast-track procedure there is no opportunity for objections to be

made by the Commission or the police, and the grounds upon which the Authority can refuse a permit are reduced and the grounds on which an application under the process may be refused are:

- (a) that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.”

### **5. Temporary Use Notices**

Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. The Licensing Authority can only grant them to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.

The Gambling Act 2005 (Temporary Use Notices) Regulations 2007 state that Temporary Use Notices can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.

There are a number of statutory limits as regards Temporary Use Notices. It is noted that it falls to the Licensing Authority to decide what constitutes a set of premises where Temporary Use Notices are received relating to the same building / site.

### **6. Occasional Use Notices:**

The London Borough of Lewisham currently has no racetracks, however The Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Licensing Authority will need to consider the definition of a track and whether the applicant is permitted to avail him/herself of the notice.

Provided that the notice will not result in betting facilities being available for more than 8 days in a calendar year there is no provision for counter notices or objections to be submitted ‘

**PART D**  
**Applications / Register / Delegations**

Premises licence fees will be set via a series of bands, with a prescribed maximum in each band. The authority will select precise fees from within the bands, limited to cost recovery.

**Applications**

Applications must be made in the prescribed form as laid out in Regulations. They should be made with all prescribed documents and fee to Licencing Authority, Crime, Enforcement & Regulation Service, Laurence House, 1 Catford Road, SE6 4RU. Tel No 020 8314 6400 All the responsible authorities must receive copies at the same time. Application and guidance packs are available from the above address.

**Register** to be maintained in the prescribed form

**Delegation**

The Council is involved in a wide range of licensing decisions and functions and has established a Licensing Committee to administer them. The powers under the Act also allow for delegation of power/functions to Licensing Sub-Committees or to one or more officers.

Appreciating the need to provide a speedy, efficient and cost effective service to all parties involved in the licensing process, the Council has taken advantage of these powers and has established a Licensing Committee/Sub-Committees.

Many of the decisions and functions are largely administrative in nature such as the grant of non-contentious applications, including for example those licenses and certificates where no representations have been made. These will be delegated to Council officers. All such matters dealt with by officers will be reported for information to the next Licensing Committee meeting. Applications where there are relevant representations will be dealt with by the Licensing Committee/Sub-Committee, unless such representations are considered irrelevant, frivolous or vexatious or unless the Council, the applicant and everyone who has made representations agree that a hearing is not necessary (usually after successful mediation).

The agreed delegation of decisions and functions of the Licensing Committee, Sub-Committees and officers are as follows. The various delegations include delegation to impose appropriate conditions.

## Delegation of Functions

Matter to be dealt with	Full Council	Licensing Committee	Officers
Full approval of three year licensing policy	All cases		
Policy not to permit casinos	All cases		
Fee setting (when appropriate)		Within Statutory brackets	
Application for premises licence		Where a relevant representation has been made and not withdrawn	If no relevant representations made / or have been withdrawn
Application for a variation to a Licence		Where a relevant representation has been made and not withdrawn	If no relevant representations made / or have been withdrawn
Application for transfer of a Licence		Where representations have been received from the Commission	Where no representations have been received from the Commission
Application for a provisional statement		Where representations have been received from the Commission	Where no representations have been received from the Commission
Review of premises licence		All cases	
Application for club gaming / club machine permits		Where representations have been received from the Commission	Where no representations have been received from the Commission
Cancellation of club gaming / club machine permits		All cases	
Application for other permits			All cases
Cancellation of licensed premises gaming machine permits			All cases
Consideration of Temporary Use Notice			All cases
Decision to give counter notice to a Temporary Use Notice		All cases	

This scheme of delegations is without prejudice to the right of relevant parties to refer an application to a Licensing Sub-Committee or the full Licensing Committee if considers appropriate in the circumstances of any particular case.

Unless there are compelling reasons to the contrary, the Council will require the Licensing Committee or any of its Sub-Committees to meet in public, although Members can retire into private session to consider their decision.

List of Consultees

Borough Commander  
Lewisham Police Station  
43 Lewisham High Street  
London  
SE13 5JZ

Inspector (Licensing)  
Lewisham Police Station  
43 Lewisham High Street  
London  
SE13 5JZ

Fire Safety Regulation: South East 3  
London Fire Brigade  
169 Union Street  
London  
SE1 0LL

Association Of British Bookmakers  
Regency House  
1-4 Warwick Street  
London  
W1B 5LT

Poppleston Allen  
37 Stoney Street  
The Lace Market  
Nottingham  
NG1 1LS

The Blackheath Society  
Chapman House  
10 Blackheath Village  
London  
SE3 9LE

Glebe Residents Association  
9 The Glebe  
London  
SE3 9TQ

Adelaide Avenue Action Group  
81 Adelaide Avenue  
Brockley  
SE4 1JY

Blackheath Village Traders  
23 Tranquil Vale  
London  
SE3 0BU

Brockley Cross Action Group  
66 Geoffrey Road  
London  
SE4 1NT

Honor Oak Neighbourhood Association  
50 Turnham Road  
London  
SE4

Culverley Green & Penderley Cross Residents  
Association  
52 Bargery Road  
London  
SE6

Goldsmiths Community Association  
Castillion Road  
Catford  
London  
SE6

Lewisham & Deptford Trade Council  
20 Holbeach Road  
London  
SE6 4QX

Alliance Tenants Association  
48 Albury Street  
Deptford  
London  
SE8

Gosterwood Residents & Tenants  
24 Citrus House  
Alverton St  
London  
SE8 5NP

Baring Community Group  
72 Ronver Road  
London  
SE12

Grove Park Community Group  
306 Baring Road  
Grove Park  
SE12

Leegate Trading Tenants Association  
7 Leegate Centre  
London  
SE12 8SS

Hither Green Residents Group  
22 Littlewood  
Hither Green  
SE13

Community Project  
170 New Cross Road  
London  
SE14 5AA

Lewisham Business Association  
Suite 101 Astra House  
Arklow Rd  
SE14 6EB

Forest Hill Steering Group  
1 Sydenham Park Road  
Sydenham  
SE26 4DY

Perry Fields Residents Association  
1 Perry Rise  
SE23 2QX

Forest Hill Traders Association  
31 Brampton Road  
London  
SE23 2BG

Sydenham Park Residents Association  
20 Sydenham Park  
London  
SE26

Sydenham Traders Association  
People & Planet  
80 Sydenham Road  
SE26 5JX

Downham Estate Tenants & Residents  
Association  
Downham Estate Community Centre  
50 Shoffold Street  
BR1 5PE

Aim For Business  
5 Oakridge Road  
Downham  
BR1

Whitefoot Lane Ratepayers Association  
304 Whitefoot Lane  
BR1 5SG

Ladbrokes Betting & Gaming Ltd  
Imperial House  
Imperial Drive Raynors Lane  
Harrow  
Middlesex  
HA2 7JW

John Humphreys Ltd  
87 High Street  
Orpington  
BR6 2RA

Cashino Gaming Limited  
Scala House  
122 Abbey Street  
Nuneaton  
CV11 5BZ

RAL Ltd  
Silbury Court  
368 Silbury Boulevard  
MK9 2AF

Connaught Leisure  
Connaught House  
32-34 Marine Parade  
BN11 3QA

Blackheath Leisure  
Silbury Court  
368 Silbury Boulevard  
MK9 2AF

Roger Etchells & Co  
The Old Bank  
Kilwardby Street  
Ashby-de-la-Zouch  
LE65 2FR

Gamestec Leisure Ltd  
Low Lane  
Horsforth  
LS18 4ER

Leisure Link  
3 The Maltings  
Wetmore Road  
Burton - On – Trent  
DE14 1SE

Kossway  
8 The Ridgeway  
Iver  
SL0 9HJ

TGC Acquisitions Ltd  
Regus House  
Windmill Hill Business Park  
Whitehall Way  
Swindon  
SN5 6QR

Catford Crime Prevention Panel  
Bonus Pastor School  
Winlaton Road  
Bromley

Family Welfare Association  
219 Stanstead Road  
Forest Hill  
SE23 1HU

NSPCC South London  
44 High Street  
Penge  
SE20 7HB

Rob Holmans  
Director of Regeneration & Asset Management

John Miller  
Head of Planning

Brian Regan  
Planning Policy Manager

Genevieve Macklin  
Head Of Strategic Housing & Regulatory Services

Kath Nicholson  
Head of Law

Head of Adult Assessment & Care Management

Janet Senior  
Executive Director Of Resources &Regeneration

Kevin Sheehan  
Executive Director for Customer Services

Liz Dart  
Head of Community & Neighbourhood  
Development

Sara Williams  
Executive Director Of Children & Young People

Barry Quirke  
Chief Executive

Jennifer Taylor  
Senior Town Centre Manager

Aileen Buckton  
Executive Director of Community Services

Geeta Subramaniam  
Head of Crime Reduction

Ian Smith  
Director for Children's Social Care

Petra Der Mann  
Legal Services

Information and Governance Office

Lewisham Asian Association  
75 Jerningham Road  
London  
SE14 1YA

West Indian and African Community Association  
C/o North Lewisham Project  
144 Evelyn Street  
SE8

Lewisham Gay Alliance  
C/o Voluntary Action Lewisham  
120 Rushey Green  
SE6

Indian Cultural Society  
140 Eltham Road  
London  
SE12

Crofton Turkish Cultural Group  
Newstead Road Community Centre  
2 Birch Grove  
SE12

Lewisham Disability Coalition  
Tony Urquart  
2 Catford Broadway  
London  
SE6 4SP

South East London SCOPE  
12 Broadfield Road  
London  
SE6

Disabled Living Foundation  
380-384 Harrow Road  
W9 2NU

Deptford Action For the Elderly  
71 Deptford High Street  
London  
SE8 4AA

The Chief Executive  
LB Bromley  
Bromley Civic Centre  
Stockwell Close  
Bromley  
BR1 3UH

The Chief Executive  
LB Southwark  
Town Hall  
Peckham Road  
SE5 8BU

The Chief Executive  
LB Greenwich  
Town Hall  
Wellington Street  
Woolwich  
SE18 6PW

Samaritans Lewisham  
362 New Cross Road  
London  
SE14

St Andrews Youth Club  
St Andrews Community Centre  
Wickham Road  
London  
SE4 2SA

Wesley Halls Downham Community Association  
2 Shroffold Road  
Bromley  
BR1 5PD

Youth Aid  
17 Brownhill Road  
London  
SE6 2HG

Rev William Fransch  
Brockley Baptist Church  
60 Upper Brockley Road  
Brockley  
London  
SE4 1LY

The Chief Executive  
LB Croydon  
Taverna House  
Park Lane  
Croydon  
CR9 3JS

South East London Bangladesh Workers  
St. Mary's Centre  
Ladywell Road  
London  
SE13 7HU

Turkish Community Project  
44 Campshill Road  
London  
SE13 6QT

Wesley Hall Sydenham Youth Community  
211-213 Sydenham Road  
London  
SE26 5HF

Mr Temba Nguta  
Assemblies Of God Full Gospel Church  
1a Ringstead Road  
Catford  
London  
SE6 1HW

Mr Matt Hebditch  
Catford Community Church  
58 Montacute Road  
London  
SE6 4JX

Rev. Dr Amit  
Catford & Bromley Synagogue  
6 Crantock Road  
Catford  
London  
SE6

Pastor Sam Ansah-Okyei  
Christian Life Fellowship  
8 Larch Close  
London  
SE8 5HT

Rev Chris Connor  
Church Of Saint Saviour & St John the Baptist  
R.C  
175 Lewisham High Street  
London  
SE13 6AA

Rev. Dr Amit  
Catford & Bromley Synagogue  
6 Crantock Road  
Catford  
London  
SE6

Rev Steve Paige  
Emmanuel Pentecostal Church  
374-376 Lee High Road  
London  
SE12 8RS

Mrs Patricia Van Graanbrun  
Forest Hill Society of Friends  
34 Sunderland Road  
London  
SE23 2QA

Major Mary Scott  
Catford Salvation Army  
23-25 Brownhill Road  
London  
SE6

Rev Patrick Aikens  
Church Of St William Of York R.C  
4 Brockley Park  
Forest Hill  
London  
SE23 1PS

Rev Carol Bostridge  
Crofton Park Baptist Church  
12 Amyruth Road  
Crofton Park  
London  
SE4 1HQ

Rev David Ashby  
Deptford Methodist Mission  
1 Creek Road  
London  
SE8 3BT

Rev Fred Esiri  
Elim Pentecostal Church  
8- 10 Allerford Road  
London  
SE6

Rev J Phillips  
Grace Temple  
Castillion Road  
London  
SE6

Rev Isaac Imhangbe  
Healing House Assemblies of God  
2 Brockley Cross  
London  
SE4 1BE

Mr Sellapa Yogarajah  
Hindu Group  
14 Gillian Street  
Ladywell  
London  
SE13

The Minster  
Ichthus Forest Hill  
Greenwich Quay  
Clarence Road  
London  
SE8 3EY

Mr Steve Tibbert  
Kings Church  
Catford Hill  
London  
SE6 4PS

Imam Shakeel Begg  
Lewisham & Kent Islamic Centre  
363-365 Lewisham High Street  
London  
SE13 6EZ

Rev A. Wesley Cooke  
Lewisham Methodist Church  
The Manse  
44 Westmont Road  
London  
SE9 1JE

Rev Ashley Hills  
Lewisham Unitarians  
41 Bromley Road  
London  
SE13 5HA

Rev David Hope  
Living Water Ministries  
7 Mahoney House  
Heald Street  
London  
SE14 6TX

The Minister  
New Covenant Church  
4 Deptford Bridge  
London  
SE8 4HH

Rev Deverton Douglas  
New Testament church of God  
Bawtree Road  
London  
SE14 6ET

Mr George Maslin  
Shaftsbury Christian Centre  
27 Henryson Road  
London  
SE4 1HL

Rev Barry Carter  
St Andrews United Reformed Church  
63 Gordonbrock Road  
London  
SE4 1JA

Rev Corrinne Tourney  
St Peter Church  
St Peters Vicarage  
Wickham Road  
London  
SE4 1TL

James Jane Lane Group Ltd  
Greenside House  
50 Station Road  
London  
N22 4TP

James Lane Bookmaker  
Stanley House  
151 dale Street  
Liverpool  
L2 2JW

Tote Bookmakers Ltd  
Tote House  
74 Upper Richmond Road  
London  
SW15 2SU

Power Leisure Bookmakers  
5<sup>th</sup> Floor Crowne House  
56/58 Southwark Street  
London  
SE1 1UN

Done Brothers  
Spectrum  
56-58 Benson Road  
Birchwood  
Warrington  
WA3 7PQ

College Racing Ltd  
301 Upper Elmers End Road  
Beckenham  
Kent  
BR3 3QP

Coral Racing Ltd  
Glebe House  
Vicarage Drive  
Barking  
Essex  
IG11 7NS

E Coomes (Holdings) Ltd  
Watercombe House  
100 Anchor & Hope Lane  
London  
SE7 7SS

William Hill Organisation Ltd  
Greenside House  
50 Station Road  
London  
N22 4TP

Power Leisure Bookmakers  
17 City Business Centre  
Lower Road  
SE16 2KB

Coral Racing  
46 Station Road  
Aldershot  
Hants  
GU11 1HT

Sports Bookmakers  
23 Woodhall Parade  
Welwyn Garden City  
Herts  
AL7 3PP

James Bertram McDonnell  
14 The Glebe  
Blackheath  
SE3 9TG

Falconforce Trading Ltd  
2 The Green  
Hersham  
Walton- On – Thames  
KT12 4HW

CL Jennings Ltd  
218b High Street  
Epping  
CM16 4BG

170 Community Project  
170 New Cross Road  
London  
SE14 5AA

2000 Community Action Centre  
199 – 201 Grove Street  
London  
SE8 3PG

Ackroyd Community Association  
4 Ackroyd Road  
London  
SE23 1DL

Adventurous Gems Youth Project  
Granville Youth Centre  
Granville Park  
London  
SE13

Age Concern Lewisham  
10 Catford Broadway  
London  
SE6 4SP

Forest Hill Youth Project/Platform  
2 Devonshire Road  
London  
SE23 3TJ

Grove Park Community Group  
Ringway Centre  
268 Gillian Court  
267 Baring Road  
London  
SE12 0DS

Lewisham Action on Meditation Project  
Old Fire Station  
340 Lewisham High Street  
London  
SE13 6LE

Citizens Advice Bureau  
Lewisham CAB Service Ltd  
Deptford Business Park, 8 Evelyn Court  
Grinstead Road  
London  
SE8 5AD

Lewisham Disability Coalition  
2 Catford Broadway  
London  
SE6 4SP

Lewisham Irish Community Centre  
2a Davenport Road  
London  
SE6 2AY

Lewisham Pensioners Forum/Voluntary Action  
Lewisham  
120 Rushey Green  
Catford  
London  
SE6 4HQ

Lewisham Victim Support Scheme  
300 Sangley Road  
London  
SE6 2JT

Lewisham Young Women's Resources  
308 Brownhill Road  
London  
SE6 1AU

Refuge  
2-8 Maltravers Street  
London  
WC2E 3EE

Rockbourne Youth Club  
41a Rockbourne Road  
London  
SE23 2DA

Blackheath Bookmakers Ltd  
175 Deptford High Street  
London  
SE8 3NU

Mr Rajas Rajasekar  
96 Bellingham Road  
London  
SE6 2PR

Betting Shop Services Ltd  
4 Simon Campion Court  
232-234 High Street  
Epping  
Essex  
CM16 4AU

Joe Jennings Bookmakers Ltd  
59/60 The Stow  
Harlow  
Essex  
CM20 3AH

Mecca Bingo Ltd  
Statesman House  
Stafferton Way  
Maidenhead  
Berks  
SL6 1AY

Millwall Football Club  
The Den  
Zampa Road  
London  
SE16 3LN

NCIF  
Carlyle House  
235-237 Vauxhall Bridge Road  
London  
SW1V 1EJ

Let's Be Fair  
c/o Regus House  
Herald Way  
Pegasus Business Park  
Castle Donington  
Derbyshire, DE74 2TZ

GAMCARE  
2<sup>nd</sup> Floor  
7-11 St John's Hill  
London  
SW11 1TR

Daniel Ruta  
Director of Public Health

Martyn Grover  
Business Crime Reduction Partnership Manager  
Safer Lewisham Business Partnership  
33a Molesworth Street  
Lewisham  
SE13 7HB

Betfred Limited  
The Spectrum, 56-58 Benson Road, Birchwood,  
Warrington, WA3 7PQ

Afghanistan and Central Asian Association  
Ground Floor  
24 Deptford Broadway  
London  
SE8 4PA

# Agenda Item 9

COUNCIL		
<b>Report Title</b>	Consultation on the Gypsy & Traveller Site(s) Local Plan	
<b>Key Decision</b>	Yes	Item No.
<b>Ward</b>	All	
<b>Contributors</b>	Executive Director of Resources and Regeneration	
<b>Class</b>	Part 1	Date:24 February 2016

## 1. Purpose

- 1.1 This report seeks the Council's formal resolution to agree public consultation on the Gypsy & Traveller Site(s) Local Plan (GTLP).

## 2. Summary

- 2.1 The Planning Service is undertaking a first round of public consultation on the production of a new Gypsy and Traveller Site(s) Local Plan (GTLP).
- 2.2 There are statutory requirements which specify the process for adopting a Local Plan. These involve an initial round of consultation to notify the public and specified bodies about the Council's intention to prepare a plan, identify the main issues to be addressed in the plan and invite representations on these issues.
- 2.3 This round of consultation seeks to meet the requirements for initial consultation by consulting relevant parties about the methodology the council will apply to find a site or sites for travellers. As part of the development plan process the Council's Constitution requires the consultation document be approved by Full Council.

## 3. Recommendations

- 3.1 The Council is recommended to:
- 3.2 Approve the consultation on the preparation of Gypsy & Traveller Site(s) Local Plan (including the scoping and search parameters, site selection criteria and timetable for identifying a site (or sites) as set out in the Regulation 18 Consultation Report (Appendix 1) together with the consultation on the associated Sustainability Appraisal Scoping Report (Appendix 2) and
- 3.3 Delegate all necessary authority to the Executive Director of Resources and Regeneration to make any minor alterations to the consultation document prior to the start of the formal consultation.

#### **4. Policy context**

- 4.1 The contents of this report are consistent with the Council's policy framework. When adopted the GTLP will become part of the Council's policy framework and will contribute to the implementation of each of the Council's ten priorities.
- 4.2 The GTLP will help give a spatial expression to the Sustainable Community Strategy (Shaping Our Future) (SCS), which was prepared by the Local Strategic Partnership and adopted by the Council in May 2008. The Plan will also play a role in the implementation of the SCS vision '*Together we will make Lewisham the best place to live, work and learn*' and all of the six strategic priorities.

#### **5. Background & Purpose**

- 5.1 The full background, policy context and details of the GTLP Regulation 18 consultation is set out in the report to Mayor and Cabinet dated 13<sup>th</sup> January 2016 which is included as Appendix 3 to this report.
- 5.2 The Housing Act 2004 requires authorities to assess the need for Gypsy and Traveller accommodation in their areas when they assess their overall housing requirements. In accordance with the Housing Act authorities must develop a strategy which addresses the need arising from the accommodation assessment, through public or private provision.
- 5.3 London Plan Policy 3.8 (Housing choice) calls on boroughs to work with the Mayor of London and local communities to identify the range of needs likely to arise within their areas and to ensure (amongst other things) that the accommodation requirements of gypsies and travellers (including travelling show people) are identified in line with national policy, in coordination with neighbouring boroughs and districts as appropriate.
- 5.4 Lewisham Council Core Strategy Policy 2 envisages that an additional gypsy and traveller site would be identified through the Sites Allocation Local Plan (SALP), which was adopted in June 2013. However, in the event it was not possible to include a site or sites in the SALP and accordingly the Council decided that a site or sites would be identified in a separate Local Plan.
- 5.5 The Council consulted on a previous Regulation 18 consultation document for a GTLP in March 2013, with the intention of preparing a plan by January 2015. However, other pressing priorities meant that things did not progress in accordance with the timescale as originally planned and preparation on a plan was subsequently halted.
- 5.6 The Lewisham Council Gypsy and Traveller Accommodation Needs Assessment (GTANA) (June 2015) found that the provision needed to 2030 in Lewisham is for six additional pitches.
- 5.7 Since the publication of the GTANA, the Government published its revised policy on planning for Gypsy and Traveller sites (August 2015). This includes a

new definition of 'gypsy and travellers' for planning policy purposes which excludes those who have permanently ceased from travelling. To ensure a robust assessment of need, the GTANA is being checked to see if it needs to be revised to take account of the current definition. This review is not likely to be complete until Spring 2016.

- 5.8 The purpose of the GTLP is to allocate a site or sites to meet the identified local accommodation needs of Gypsy and Traveller communities in the borough.

## **6. Lewisham Council Gypsy and Traveller Local Plan – First Stage Public Consultation**

- 6.1 As indicated above, the Regulations require an early round of consultation with the public and other stakeholders, This initial round of consultation must notify interested people about the intention to produce a GTLP and identify the main issues. Officers propose to meet this statutory requirement by consulting on the proposed scope of the Plan and search parameters and site selection criteria to be used to identify a site or sites to meet the identified need.

## **7. Sustainability Appraisal**

- 7.1 Local plans must by law be informed and supported by an appraisal of the sustainability of the proposals. Sustainability Appraisal is an integral part of the plan preparation process and helps the Council assess how the plan will contribute to the achievement of sustainable development.
- 7.2 It is proposed to consult on the Sustainability Appraisal Scoping Report (Appendix 2) at the same time as consulting on the Regulation 18 Consultation Report.

## **8. Financial Implications**

- 8.1 There are no direct financial implications arising from this report. The consultation will be delivered within the agreed Planning Service budget.

## **9. Legal Implications**

- 9.1 The procedures which the Council is required to follow when producing a new local plan derive from the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012.
- 9.2 This report seeks authority to consult on the Council's proposed intention to create a new Gypsy and Traveller Local Plan,.

## **10. Equalities Implications**

- 10.1 The Council's Comprehensive Equality Scheme for 2012-16 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010. The proposals set out in this report accord with the Council's Comprehensive Equalities Scheme; particularly as they relate to: 'increasing participation and engagement'.

10.2 The process of producing the new GTLP will include an equalities appraisal to identify equalities impacts and implications of emerging policy options.

## 11. Environmental Implications

11.1 There are no direct environmental impacts arising from this report.

## 12. Conclusion

12.1 The Planning Service will be consulting on the first stage of preparing a new GTLP. This early round of consultation is intended to notify the public and other specified bodies about the Council's intention to produce a Plan, identify the scope of the proposed Plan and set out the proposed search parameters and site selection criteria. There are formal regulations that specify what consultation must take place and as a minimum these will be met.

### Background documents

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
<a href="#">Planning &amp; Compulsory Purchases Act 2004 (as amended)</a>	2004	Laurence House	Planning Policy	Brian Regan	No
<a href="#">National Planning Policy Framework</a>	2012	Laurence House	Planning Policy	Brian Regan	No
<a href="#">Planning Policy for Traveller Sites</a>	2015	Laurence House	Planning Policy	Brian Regan	No

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

**Appendix 1: Gypsy and Traveller Site(s) Local Plan: Regulation 18 Consultation Report.**

**Appendix 2: Sustainability Appraisal Scoping Report**

**Appendix 3: Report to Mayor and Cabinet 13<sup>th</sup> January 2016 on Gypsy and Traveller Local Plan**

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=3864>



# Gypsy and Traveller Site(s) Local Plan

Intention to prepare a Local Plan:  
Regulation 18 Consultation Report

**DRAFT**

**March 2016**

Copy for public consultation

How do I comment?	X
1. Introduction	X
2. Purpose of the Gypsy & Traveller Site(s) Local Plan	X
3. How the Plan will fit in with Lewisham's planning framework	X
4. Process for preparation	X
5. Proposed Search Parameters and Selection Criteria	X
6. Timetable for preparation of the GTLP	X

### **How do I comment?**

The Council is inviting comments on the Gypsy and Traveller Site(s) Local Plan – Regulation 18 Consultation Report as part of a formal public consultation.

This consultation runs for 6 weeks from **XX** to **XX** 2016.

You can respond in the following ways:

- **On-line:** [https://lewisham-consult.objective.co.uk/portal/planning\\_policy](https://lewisham-consult.objective.co.uk/portal/planning_policy)
- **E-mail:** [planning.policy@lewisham.gov.uk](mailto:planning.policy@lewisham.gov.uk)
- **Post:** Planning Policy, London Borough of Lewisham, 3rd Floor, Laurence House, 1 Catford Road, SE6 4RU

You can also respond by completing a questionnaire which can be filled out:

- On-line [https://lewisham-consult.objective.co.uk/portal/planning\\_policy](https://lewisham-consult.objective.co.uk/portal/planning_policy)

Or the questionnaire can be downloaded from our website:

- At [www.lewisham.gov.uk/myservices/planning/policy/Pages/default.aspx](http://www.lewisham.gov.uk/myservices/planning/policy/Pages/default.aspx)

Copies of the document can be viewed on:

- the Council's website  
[www.lewisham.gov.uk/myservices/planning/policy/Pages/default.aspx](http://www.lewisham.gov.uk/myservices/planning/policy/Pages/default.aspx)
- inspected at all borough libraries and Council's AccessPoint, Ground Floor, Laurence House, Catford, SE6 4RU and obtained by contacting the Planning Policy Team on 020 8314 7400 who will also be happy to answer any questions you may have.

## **1. Introduction**

- 1.1. The Housing Act 2004 requires authorities to assess the need for Gypsy and Traveller accommodation in their areas when they assess their overall housing requirements. In accordance with the Housing Act authorities must then develop a strategy which addresses the need arising from the accommodation assessment, through public or private provision.
- 1.2. London Plan Policy 3.8 (Housing choice) calls on boroughs to work with the Mayor of London and local communities to identify the range of needs likely to arise within their areas and to ensure (amongst other things) that the accommodation requirements of gypsies and travellers (including travelling show people) are identified in line with national policy, in coordination with neighbouring boroughs and districts as appropriate.
- 1.3. Lewisham Core Strategy Policy 2 envisages that an additional gypsy and traveller site would be identified through the Sites Allocation Local Plan (SALP). However, it did not prove possible to include a site or sites in the SALP and the Council decided that a site or sites are identified in a Gypsy and Traveller Site(s) Local Plan (GTLP).
- 1.4. The Council consulted on a previous Regulation 18 consultation document for a GTLP in March 2013. However, other priorities meant that things did not progress as planned and preparation on a plan halted. This document supersedes the previous Regulation 18 document.
- 1.5. The Lewisham Gypsy and Traveller Accommodation Needs Assessment (GTANA) (June 2015) found that the provision needed to 2030 in Lewisham is for 6 additional pitches. Since the publication of the GTANA, the Government published its revised policy on planning for traveller sites (August 2015). This includes a new definition of 'gypsy and travellers' for planning policy purposes. To ensure a robust assessment of need, the GTANA was revised to take account of the current definition. The revised GTANA (February 2016) identifies a need for **TO BE ADDED** additional pitches up to 2030.

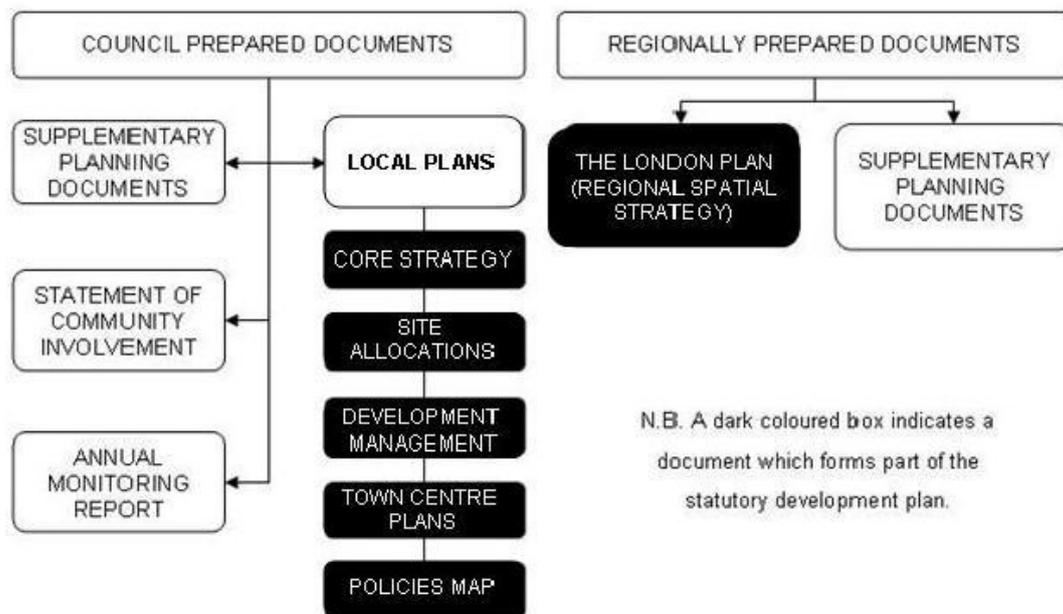
## **2. Purpose of the Gypsy and Traveller Local Plan (GTLP)**

- 2.1. The GTLP is being prepared as a single-issue Local Plan in order to allocate a site or sites to meet the identified local accommodation needs of Gypsy and Traveller communities in the borough.

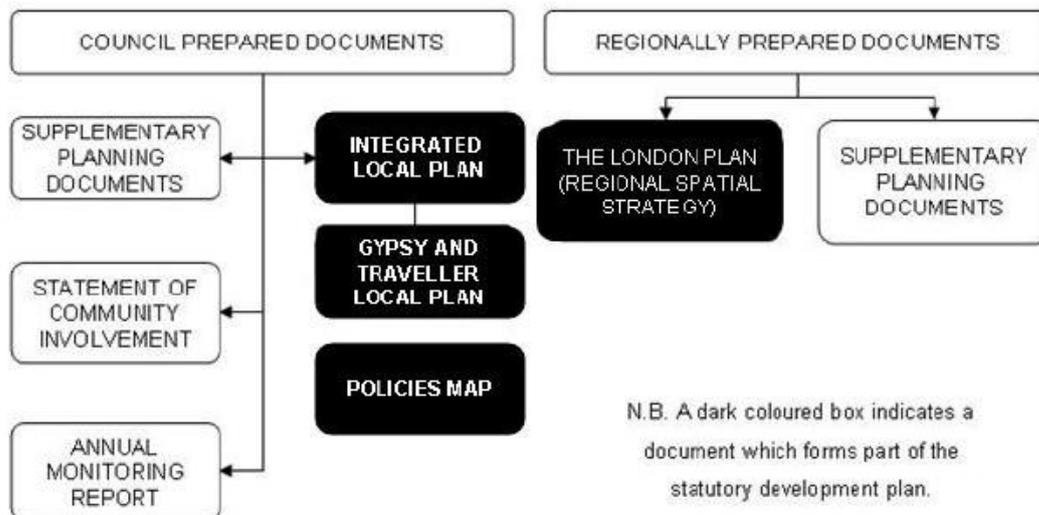
### 3. How the GTLP will fit in with Lewisham’s planning framework

- 3.1. Lewisham’s existing planning framework comprises the adopted Core Strategy (June 2011), Site Allocations Local Plan (June 2013), Lewisham Town Centre Local Plan (February 2014) and Development Management Local Plan (November 2014) and supporting Supplementary Planning Documents.
- 3.2. The Council is in the process of preparing a new integrated Local Plan which will eventually replace the existing Core Strategy, Site Allocations, Lewisham Town Centre and Development Management Local Plans. The GTLP will sit alongside the integrated Local Plan.
- 3.3. The existing and proposed Lewisham planning frameworks are summarised in Figures 3.1 and 3.2 below.

**Figure 3.1: Existing Lewisham planning framework**



**Figure 3.2: Proposed Lewisham planning framework**



#### 4.0 Process for preparation

4.1. The process for preparing statutory Local Plans, including the GTLP, is set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. Regulation 18 represents the first (statutory) stage in the process of preparing the GTLP. This specifically represents the “scoping” stage of the Local Plan preparation process, where Lewisham Council is asking key stakeholders what they think the GTLP should contain.

4.2. This report sets out the proposed scope of the GLTP (in 2.1 above), the proposed Search Parameters and Selection Criteria to be used to identify a site or sites (in Section 5 below) and the proposed timetable for preparing the Plan. Its purpose is to invite representations from organisations and local residents and businesses about all of these issues.

4.3. The Council will take into account any representations made in response to this consultation when preparing the Local Plan.

#### **Evidence Base**

4.4. A robust evidence base is required to inform and support Local Plans. The following relevant evidence base documents have been completed or are underway:

- Lewisham Gypsy and Traveller Accommodation Needs Assessment (GTANA) (June 2015) as revised February 2016;
- Lewisham Infrastructure Delivery Plan (2010) – under review with an IDP Framework Document being prepared in October 2015;
- Strategic Flood Risk Assessment Update 2015;

- CLG Designing Gypsy & Traveller Sites Good Practice Guidance (May 2008); and
- London Gypsy & Traveller Sites Working Paper on Net Density and Gypsy and Traveller Sites (July 2009).

### **Sustainability Appraisal**

- 4.5. The GTLP will be subject to a Sustainability Appraisal (SA) which is an integral part of the plan preparation process. An SA involves identifying and evaluating a plan's impacts and assessing the social, environmental and economic impacts to help ensure that the plan accords with sustainable development principles. The Council is consulting on an SA Scoping Report at the same time as consulting on this document. You can see and comment on the SA Scoping Report by [ADD LINK & DETAILS](#).

### **Localism and the Duty to Co-operate**

- 4.6. The Localism Act (2011) introduced a Duty to Co-operate which requires planning authorities and other public bodies to actively engage and work jointly on strategic matters. The Council will explore constructive approaches to the identification of a Gypsy and Traveller site or sites with neighbouring authorities and other public bodies to ensure that strategic priorities are reflected and, where appropriate, addressed in the Local Plan.

## **5.0 Proposed Search Parameters and Selection Criteria**

### **Proposed Search Parameters**

- 5.1 Set out below is a discussion of the proposed parameters for searching for a suitable site or sites.
- 5.2 Council-owned housing land. Land held by the Council for housing purposes is clearly suitable, in principle, as a gypsy and traveller site, which is a form of housing. As such, LBL Housing land is to be included in the search.
- 5.3 Council-owned non-housing land. Land held by the Council for non-housing purposes may be suitable as a gypsy and traveller site, and as such, LBL non-housing land is to be included in the search.
- 5.4 Private and other publicly owned land. The Government's policy on gypsy and travellers (August 2015) seeks to promote more private traveller sites. However, the housing market in Lewisham and London is currently very buoyant, and some sources suggest that values are likely to increase by about 20% over the next five years.

- 5.5 Given this and recent Government initiatives to encourage additional housing, it is considered very unlikely that private or other public landowners would choose to bring forward and manage a gypsy and traveller site. In any event, the Council does not have resources available to buy additional land for the purposes of developing a gypsy and traveller site.
- 5.6 For these reasons, it is proposed to focus on Council owned property, other than, possibly, adjacent land in other ownerships that may be necessary to develop a Council asset.
- 5.7 One or more sites? The GTANA (June 2015), identified a need for 6 pitches over the period to 2030. This is a relatively small number and for practical considerations of site management and economic considerations the Council consider this need should be met on a single site.
- 5.8 Type of site. The intention is to consider the full range of potential sites, including vacant open land, open land that is in use, vacant and occupied buildings and any combination.
- 5.9 Size of site. The findings of the 'Net Density and Gypsy & Traveller Sites' working paper, prepared by the London Gypsy & Traveller Unit in (July 2009), suggest that for a new site in Inner London, the density should be within the range of 14 to 25 pitches per hectare (between 400 and 714sqm per pitch). Taking account of this and other advice in this working paper, the requirements set out in the CLG 'Designing Gypsy & Traveller Sites' Good Practice Guidance (May 2008), the Government's PPTS (August 2015) and the need to optimise the use of scarce urban land, it is proposed to base a search for sites on 400sqm per pitch. For a site of 6 pitches this equates to 2,400sqm (0.24ha) or greater.
- 5.10 Location of site. There are no known particular locational needs for gypsy and travellers who may wish to live on a site in Lewisham and given the difficulties in identifying a site, it is not proposed that any geographical preferences are identified (other than those in the selection criteria).
- 5.11 Whilst previous searches have sought to identify potential sites outside of the borough but close to its boundary, for practical and deliverability considerations, it is proposed to limit the search to land within the LB Lewisham.

#### **Proposed Selection Criteria**

- 5.12 Set out below is a discussion of the proposed criteria for selecting suitable site or sites.
- 5.13 Effective & efficient use of public assets. The LB Lewisham is a single authority with a wide range of different duties and discretionary powers. The Council has in place a Strategic Asset Management Plan (SAMP) 2015-2020 to ensure an integrated and overarching approach to land and property that it owns. This sets four interlinked objectives. These are:
- Compliance with regulation and responsiveness to risk;
  - Improving the quality of services delivered by the corporate asset function;
  - Reducing expenditure associated with the Council's assets; and
  - Increasing the level of income generated by the Council's assets.
- 5.14 The identification of a Council owned site or sites to provide gypsy and traveller pitches must reflect the objectives of the SAMP and the need for the effective and efficient use of publicly owned urban land during a period of unprecedented public sector cuts.
- 5.15 Core Strategy criteria. Core Strategy Policy 2 sets out the following 6 specific criteria for proposals for additional and alternative gypsy and traveller sites:
- They have reasonable access to local shops, services and community facilities in particular schools and health services.
  - They are safe and have reasonably convenient access to the road network.
  - They have provision for parking, turning, service and emergency vehicles.
  - Any business activities do not have unacceptable adverse impacts on the safety and amenity of occupants and their children and neighbouring residents particularly in terms of noise and overlooking, and other disturbance from the movement of vehicles to and from the site.
  - They have a supply of essential services such as water, sewerage and drainage and waste disposal.
  - They are designed and landscaped to a high standard which facilitates the integration of the site with the surrounding environment and amenity of the occupiers adjoining the site.
- 5.16 It is proposed that all of these are incorporated in to the site selection criteria. However, in the absence of any site-specific proposal, some of these criteria need to be adjusted so that the

judgement to be made is whether the potential site is capable of meeting the criteria following detailed design and the establishment of appropriate management arrangements.

- 5.17 Healthy lifestyles. Policy H in the PPTS includes the need for LPAs when determining future planning applications to attach weight to (amongst other things) promoting opportunities for healthy lifestyles, such as ensuring adequate landscaping and play areas for children. The assumed average pitch size of 400sqm should allow for the incorporation of some landscaping and communal play space. However, it is proposed that the Core Strategy criteria are augmented by a criterion of promoting healthy lifestyles.
- 5.18 Local environmental quality. There is the need to augment the Core Strategy criteria with one that ensures an acceptable environment for residential use in terms of noise, air quality, flood risk and land contamination.
- 5.19 Spatial planning & development management considerations. There is the need to take account of planning policy considerations by reviewing policies in the adopted and emerging Local Plan, published London Plan and emerging Local and any Neighbourhood Plans. There is also the need to take account of key relevant planning guidance and the planning history of sites.
- 5.20 Deliverability. The PPTS defines sites that are ‘deliverable’ as follows: “Sites should be available now, offer a suitable location for development, and be achievable with a realistic prospect that development will be delivered on the site within five years.”
- 5.21 It is proposed that this definition of deliverability is used for site selection; otherwise the risk is that site selection is little more than a paper exercise with no realistic prospect of a site being delivered.

**Application of proposed selection criteria**

- 5.22 Table 5.1 below sets out the proposed criteria and how it is intended that they will be applied.

**Table 5.1 Proposed Site Selection Criteria**

Site Selection Criteria	Explanation and application
1. Effective and efficient use of public assets.	(a) Effective use of public assets – Judgement, taking account of existing service commitments and use, running costs, investment requirements, reasonable alternative use(s) for the provision of other services and the SAMP.  (b) Efficient use of public assets– Judgement, taking

Site Selection Criteria	Explanation and application
	account of reasonable alternative use(s) and the Council's need to minimise opportunity costs and optimise capital receipts.
2. Reasonable access to local shops, services and community facilities in particular schools and health services.	(a) Site within 800m of bus stop and/or station. (b) The following services within 1,500m: (i) Local shop; (ii) Primary School; and (iii) Health facility.
3. Safe and reasonably convenient access to the road network.	(a) Safe vehicular access or capable of creating safe vehicular access for 15m long caravan to/off a public highway. (b) Access for emergency services. (c) Clearance height of 3.7m.
4. Capable of satisfactory provision for parking, turning, service and emergency vehicles.	(a) Judgement (size and shape of site). (b) Infrequent access needed for 15m long caravan.
5. Mixed residential and business use opportunities.	(a) Mixed-use residential and business use acceptable in principle (b) Any likely adverse impacts are acceptable (assuming appropriate licensing and planning conditions manage activities that could be carried out).
6. Supply of essential services such as water, sewerage and drainage and waste disposal.	Assume all sites have access to all essential services or are capable of being connected (NB cost of doing so may vary and affect deliverability). N.B. All sites to be given a score of 'Average' for this criterion.
7. Scope for healthy lifestyles and integration.	(a) Opportunities for healthy lifestyles such as adequate landscaping & play areas - Judgement (size and shape of site). (b) High standard design and landscaped which facilitates the integration of the site with the surrounding environment and amenity of the occupiers adjoining the site - Judgement (size and shape of site).
8. Local environmental quality	(a) Contamination – Free from significant contamination or able to be cleaned up (consult LBL Environmental Health) ((NB cost of doing so may vary and affect deliverability). (b) Noise – Acceptable internal noise environment (consult LBL Environmental Health) (c) Air quality – Acceptable air quality (consult LBL Environmental Health) (d) Flooding – Reasonable prospect of sequential test and exceptions tests being met(See below)
9. Spatial planning & development management considerations.	(a) Key relevant site specific development plan policies – both for the site itself and adjoining land (b) Key relevant general policies (c) Key relevant policies in emerging Local Plan and any emerging Neighbourhood Plan

<b>Site Selection Criteria</b>	<b>Explanation and application</b>
	(d) Key relevant planning guidance (e) Planning history – identification of any key relevant planning history. (f) Summary – overall conclusion, taking account of the above.
10. Deliverability.	Taking account of all of the previous criteria, sites should be: (a) Available now; (b) Offer a suitable location for development; and (c) Be achievable with a realistic prospect that development will be delivered on the site within five years.

## **6 Timetable for preparation of the Local Plan**

- 6.1. It is hoped that a GTLP will be adopted by January 2018. Before submitting a Plan to the Government for examination, it is proposed that there is one round of public consultation on a preferred site or sites. The expected timing is set out in Table 6.1 below.

**Table 6.1 Proposed Timetable**

<b>Stage</b>	<b>Expected timing</b>
<b>Consultation on scope, search parameters and selection criteria</b>	This consultation – February/March 2016
<b>Consultation on scope of Sustainability Appraisal</b>	February/March 2016
<b>Consultation on a preferred site or sites</b>	September/October 2016
<b>Submission to the Government</b>	April 2017
<b>Examination</b>	August 2017
<b>Adoption</b>	January 2018

## Contents

	<b>Page</b>
1.0 Introduction	1
2.0 Background	2
3.0 Plans, Policies and Programmes	6
4.0 Baseline	10
5.0 Sustainability Requirements, Issues and Trends	11
6.0 Sustainability Appraisal Framework	15
7.0 Methodology	21
8.0 Next Steps and Consultation	24

### **Appendices**

Appendix A: Plans, Policies and Programmes

Appendix B: Baseline Information

Appendix C: Sustainability Objectives, Indicators, Targets and Monitoring

Appendix D: Decision Aiding Questions

### **Glossary**

SA – Sustainability Appraisal

LGTSLP – Lewisham Gypsy & Traveller Sites Local Plan

LDS – Local Development Scheme

SCI – Statement of Community Involvement

AMR – Annual Monitoring Report

LCS – Lewisham Core Strategy

LSALP – Lewisham Site Allocations Local Plan

LDMLP – Lewisham

CS – Consultation Strategy

CTCLP – Catford Town Centre Local Plan

LTCLP – Lewisham Town Centre Local Plan

SPD – Supplementary Planning Document

LGANA – Lewisham Gypsy and Traveller Accommodation Needs Assessment

PPG – Planning Policy Guidance

SEA – Strategic Environmental Assessment

## 1.0 Introduction

- 1.1 Lewisham Borough Council commissioned Pro Vision Planning and Design in October 2015 to prepare a Sustainability Appraisal (SA) of the Lewisham Gypsy and Traveller Sites Local Plan (LGTSLP). This Scoping Report has been prepared to establish the context, objectives, baseline and inform the scope of the SA for the GTSLP.
- 1.2 Scoping forms the initial stage of the SA process, incorporating the collection of baseline data and information that could influence the preparation of the LGTSLP. The collection of baseline data and information will allow for the identification of key sustainability issues, objectives and targets. This information will then be used to inform the preparation of the SA framework.
- 1.3 Section 2 of this Scoping Report provides a detailed description of the background to the SA. The plans, policies and programmes that are of relevance to the SA of the LGTSLP are set out in Section 3. The baseline data is reviewed in Section 4 and the sustainability requirements, issues and trends are discussed in Section 5. The SA framework is presented in Section 6. Section 7 describes the next steps and the consultation process.

## 2.0 Background

### ***London Borough of Lewisham Local Plan***

- 2.1 The Local Plan represents a series of planning documents, which collectively outline planning strategy and policies for the London Borough of Lewisham. Local Plan documents can be procedural or policy based.
- 2.2 The following procedural documents have been approved or adopted by the London Borough of Lewisham:
- Local Development Scheme (LDS) – the LDS sets out an outline of the documents Lewisham propose to prepare and the timetable for the preparation of the various documents;
  - Statement of Community Involvement (SCI) – the SCI aims to ensure that local communities know when, how and for what reason a consultation is to happen. The SCI sets out the type, extent and timing of consultation in relation to planning matters in the borough;
  - Annual Monitoring Report (AMR) – the AMR sets out information on whether the Council is meeting, or on track to meet, the key dates for Local Plan preparation and whether the policies in the development plan are achieving what they set out to achieve.
- 2.3 Policy based documents and their status are described below:
- Lewisham Core Strategy (LCS) – the principal and overarching Local Plan document, adopted in June 2011;
  - Lewisham Site Allocations Local Plan (LSALP) – identifies, designates and safeguards land for a particular use, adopted in June 2013;
  - Lewisham Development Management Local Plan (LDMLP) – sets out additional planning policies to guide decisions on planning applications, adopted in November 2014;
  - Lewisham Gypsy and Traveller Sites Local Plan (LGTSLP) – will allocate a site or sites to accommodate Gypsies and Travellers in the borough, initial consultation on the LGTSLP - Stage One: Scope, Search Parameters and Selection Criteria, Consultation Strategy (CS) is to be published early 2016;
  - Catford Town Centre Local Plan (CTCP) – planning strategy to guide where and how development should take place in Catford over the next 10 years, this was withdrawn from examination on Thursday 19 December 2013;
  - Lewisham Town Centre Local Plan (LTCLP) – policies and proposals for development in Lewisham town centre, SA of main modifications underway, this was adopted on 26 February 2014;
  - Supplementary Planning Documents (SPD's) – advice and guidance on policies and proposals contained in the development plan; and
  - Neighbourhood Plans – the vision and policy for how local people would like their area to develop. None as yet, although a number of groups have expressed an interest in preparing a neighbourhood plan.

### ***Lewisham Gypsy and Traveller Sites Local Plan***

- 2.4 The Lewisham Gypsy and Traveller Sites Local Plan (LGTSLP) is being prepared to allocate a site, or sites, to accommodate Gypsies and Travellers in the London Borough of Lewisham, as specified in adopted Core Strategy Policy 2: Gypsies and Travellers.
- 2.5 The Lewisham Gypsy and Traveller Accommodation Needs Assessment (LGTANA) (2015) found that the provision needed to 2030 in Lewisham is for six additional pitches. Since the publication of the GTANA, the Government published its revised policy on planning for traveler sites (2015). This includes a new definition of 'gypsy and travellers' for planning policy purposes. To ensure a robust assessment of need, the GTANA (2016) identifies a need for 6 additional pitches up to 2030.
- 2.6 The Local Plan will provide site and development information, and guidance for the allocated site or sites, expanding on the criteria set out in adopted Core Strategy Policy 2.
- 2.7 The Council intends to consult on this draft SA Scoping Report at the same time as consulting on a Regulation 18 Consultation Report, setting out the proposed scope, search parameters, site selection criteria and timetable for identifying a Gypsy and Traveller site or sites.

### ***Sustainability Appraisal***

- 2.8 The purpose of SA is to promote sustainable development through the integration of social, environmental and economic considerations into the preparation of development plans. The UK Government Sustainable Development Strategy 2005 defines sustainable development as follows:
- Social progress which meets the needs of everyone;
  - Effective protection of the environment;
  - Prudent use of natural resources; and
  - Maintenance of high and stable levels of economic growth and employment.
- 2.9 The SA of the LGTSLP will ensure that the principles of sustainability are embedded into the plan-making process, forming an integral part of plan preparation. The SA will take a long-term view, reflecting global, national, regional and local issues. The SA will identify opportunities to enhance positive performance and to address negative impacts from an early stage in the process of policy formulation. An audit trail of how the plan has been revised to take account of the findings of the SA is provided.
- 2.10 The stages which the SA will follow are based on the Government's Planning Practice Guidance (PPG). The Scoping Report is Stage A of the SA process. The SA Scoping Report covers the tasks outlined under Stage A, focusing on identifying the significant wider and local issues relevant to the Local Plan and setting out how the issues will form the basis of the SA framework to compare options, including discounted options, and support monitoring and implementation.

**Table 2.1: Stages of SA**

Gypsy and Traveller Sites Local Plan Stage 1: Pre-production – Evidence Gathering
SA Stages and Tasks
Stage A: Setting the context and objectives, establishing the baseline and deciding on scope A1: Identifying other relevant policies, plans and programmes A2: Collecting baseline information A3: Identifying sustainability issues and problems A4: Developing the SA framework A5: Consulting on the scope of the SA
Gypsy and Traveller Sites Local Plan Stage 2: Production
SA Stages and Tasks
Stage B: Developing and refining options and assessing effects B1: Testing the Local Plan objectives against the SA objectives B2: Developing the Local Plan options B3: Predicting the effects of the Local Plan, including options B4: Evaluating the effects of the Local Plan, including options B5: Considering ways of mitigating adverse effects and maximising beneficial effects B6: Proposing measures to monitor the sustainability effects of Local Plan implementation
Stage C: Preparing the SA Report C1: Preparing the Publication Report SA
Stage D: Consulting on the Local Plan and SA Report D1: Consulting on the Local Plan Publication Report and Publication Report SA
Gypsy and Traveller Sites Local Plan Stage 3: Examination
SA Stages and Tasks
D2: Assessing significant changes D2(i): Preparing the Submission Report SA D2(ii): Appraising significant changes arising from the Local Plan Examination in Public
Gypsy and Traveller Sites Local Plan Stage 4: Adoption and Monitoring
SA Stages and Tasks
D3: Decision making and providing information, including preparation of a SA adoption statement E1: Developing aims and methods of monitoring E2: Responding to adverse effects

### ***Strategic Environmental Assessment***

- 2.11 SAs must, where appropriate, incorporate the requirements of the Strategic Environmental Assessment (SEA) Directive (2001/42/EC). The SEA Directive requires that a formal assessment is undertaken of plans and programmes which are likely to have significant effects on the environment. The Directive has been transferred into UK law through the SEA Regulations (July 2004).
- 2.12 The SEA Directive focusses exclusively on environmental issues, whilst SA also encompasses social and economic concerns. Government guidance on SA has been prepared to meet the requirements of the SEA Directive. Consistent with this approach, the SA of the emerging Gypsy and Traveller Sites Local Plan will address the requirements of the SEA Directive.

### ***Equalities Analysis Assessment***

- 2.13 Equalities Analysis Assessment (EAA) is the process of systematically analysing a proposed or existing policy to identify the likely affect from the implementation of the policy on different groups in the community. EAA seeks to ensure that, as far as possible, any negative consequences for a particular group or sector of the community are eliminated, minimised or counterbalanced by other measures. Local Authorities have a duty to complete an EAA of relevant plans. The SA of the LGTSLP will encompass the requirements for EAA. The diverse needs of the Lewisham community will be considered during the production of the SA. The methodology and the approach set out within the London Borough of Lewisham's EAA toolkit will be followed in the preparation of the SA.

### 3.0 Plans, Policies and Programmes

3.1 The process of identifying relevant plans, policies and programmes is Task A1, set out in Table 2.1, above. Plans, policies and programmes have been examined to guide the objectives within the SA Framework. The SA of the LGTSLP will reflect the aims of relevant plans, policies and programmes. Potential synergies will be exploited and inconsistencies and constraints addressed.

3.2 Those plans, policies and programmes relevant to the allocation of sites for Gypsies and Travellers in the London Borough of Lewisham are outlined in Table 3.1. International, European, National, London wide and Lewisham based plans and strategies are considered. The objectives and implications for these are detailed in Appendix A.

**Table 3.1: Plans, policies and programmes**

<b>Plans, Policies and Programmes</b>	
<b>International</b>	
	<ul style="list-style-type: none"> <li>• The Johannesburg Declaration on Sustainable Development (2002)</li> <li>• The Kyoto Agreement (1997)</li> <li>• Convention concerning the Protection of the World Cultural and Natural Heritage (1972) (UNESCO)</li> <li>• Agenda 21 Declaration, UNCED Rio de Janerio (1992)</li> <li>• Convention on Biological Diversity, Rio de Janerio (1992)</li> </ul>
<b>European</b>	
	<ul style="list-style-type: none"> <li>• SEA Directive 2001/42/EC</li> <li>• European Sustainable Development Strategy (2001) (Reviewed in 2009)</li> <li>• European Spatial Declaration on Sustainable Development (1999)</li> <li>• European Spatial Development Perspective (1999)</li> <li>• European Directive 92/43/EEC (&amp; 97/62/EC) on the conservation of natural habitats and of wild fauna and flora</li> <li>• European Directive on Conservation of Wild Birds 2009 (2009/147/EC)</li> <li>• European Directive 2002/49/EC (Noise)</li> <li>• European Directive on Ambient Air Quality Assessment and Management (96/62/EC) and daughter directives</li> <li>• European Directive 2000/60/EC (Water Framework Directive)</li> <li>• EU Community Biodiversity Strategy 2012-2020</li> <li>• EU Landfill Directive (99/31/EC)</li> <li>• European Waste Framework Directive (75/442/EEC, as amended in 1991)</li> <li>• Directive 2003/87/EC (establishing a scheme for greenhouse gas emission allowance trading)</li> <li>• EU Seventh Environmental Action Plan 2013-2020</li> </ul>

## National

- National Planning Policy Framework (2012)
- National Policy on Planning for Traveller Sites (2015)
- National Planning Practice Guidance (2014)
- Environmental Assessment of Plans & Programmes Regulations (2004)
- Planning and Compulsory Purchase Act (2004)
- Town and Country Planning Act (1990)
- Housing Act (2004)
- Planning and Energy Act (2008)
- Climate Change Act (2008)
- Noise Policy Statement for England (2010)
- UK Air Quality Strategy 'Working together for clean air' (Defra 2007)
- Energy White Paper 2003 'Our energy, our future, creating a low carbon economy'
- Environment Agency, Creating a better place strategy 2010-2015
- Thames Catchment Flood Management Plan and TE2100 Plan 2012
- Thames River Basin Management Plan (2009)
- Climate Change and the Historic Environment (English Heritage, 2007)
- Building in Context (English Heritage, CABE 2007)
- Seeing History in the View (English Heritage 2010)
- Streets for All (English Heritage, 2006)
- Strategic Environmental Assessment, Sustainability Appraisal and the Historic Environment (Historic England, 2013)
- UK Climate Change Risk Assessment : Government Report (Defra, 2012)
- National Adaption Programme – Making the country resilient to a changing climate (Defra, 2013)
- Working with Natural Processes to Manage Flood and Coastal Erosion Risk (EA, 2010)
- National Flood Emergency Framework for England (Defra, 2011)
- Greater working with Natural Processes to Manage Flood and Coastal Erosion Risk (EA, 2012)
- Our River Habitats – River Habitats in the Thames River Basin District: Current State and Character (EA, 2010)
- Designing Gypsy and Traveller Sites: Good Practice Guide (2008)
- Strategic Environmental Assessment and the Historic Environment (English Heritage)
- Gypsy and Traveller Accommodation Needs and Assessment: Guidance (2007)
- Local Authorities and Gypsies and Travellers: A Guide to Responsibilities and Powers (2008)

## London

- The London Plan (consolidated with alterations since 2011) (2015)
- London Boroughs' Gypsy and Traveller Accommodation Needs Assessment (2008)
- The Mayor's Air Quality Strategy (2010)
- The Mayor's Economic Development Strategy (2010)
- The Mayor's Biodiversity Action Plan 2010-2015
- The Mayor's Cultural Strategy (2010)
- London Climate Change Adaptation Strategy (2011)
- The Mayor's Transport Strategy (2010)
- Mayor of London's Municipal Waste Management Strategy (2008)
- Mayor's Ambient Noise Strategy (2004)
- London Housing Strategy (2010)
- London Tree and Woodland Framework (2005)
- Revised London View Management Framework SPG (2010)
- The London Rivers Action Plan (2009)
- Mayor's Best Practice Guidance on Health Issues in Planning (2007)
- Mayor's Supplementary Guidance Sustainable Design and Construction (2014)
- Mayor's Supplementary Guidance Accessible London: Achieving an inclusive environment (2014)
- Mayor's Supplementary Guidance Providing for Children and Young People's Play and Informal Recreation (2012)
- Shaping Neighbourhoods: Character and Context (2014)
- London Planning Statement (2014)
- Housing in London (2014)
- All London Green Grid (2012)
- London's Foundations (2012)

## Lewisham

- Lewisham Gypsy and Traveller Accommodation Needs Assessment (2015)
- Lewisham Unitary Development Plan Saved Policies (2004)
- Lewisham Sustainable Community Strategy 2008-2020
- Lewisham Core Strategy (2011)
- Community Safety Strategy 2012-2017
- Safer Lewisham Plan 2013–2014
- Corporate Plan 2008-2011
- Lewisham Regeneration Strategy 2008-2020
- Lewisham Housing Strategy 2009 -2014
- Lewisham Municipal Waste Strategy
- Lewisham Children and Young People's Plan 2012-2015
- Lewisham Carbon Reduction and Climate Change Strategy (2008)

- Social Inclusion Strategy 2005-13
- Healthier Communities – A health and well-being framework for Lewisham (2007-2010)
- Lewisham Leisure and Open Space Study (2010)
- Local Biodiversity Action Plan – A Natural Renaissance For Lewisham 2006-2011
- Better futures: Lewisham’s Homelessness Prevention Strategy 2009-2014
- Lewisham Borough Sports Plan 2010-13
- Lewisham Local Air Quality Action Plan (2008)
- Lewisham Strategic Flood Risk Assessment (2014)
- Lewisham Flood Risk and Development Sequential Test (2009)
- Lewisham Local Implementation Plan (Transport) 2010) (LIP)
- Lewisham Strategic Housing Market Assessment 2008 and the South East London Sub-regional SHMA (2009)
- Health, Well-Being and Care – Lewisham Joint Strategic Needs Assessment (JSNA) (2009)
- Lewisham Conservation Area Management Plans
- Lewisham Borough Wide Character Study (2010)
- Control of Pollution and Noise from Demolition and Construction Sites Code of Practice May (2008)
- Healthy Weight Healthy Lives (PCT with LB Lewisham) (2009)
- Creative Lewisham – Lewisham Cultural and Urban Development Commission 2009-2013
- Control of Pollution and Noise from Demolition Construction Sites Code of Practice May (2008)
- Healthy Weight Healthy Lives (PCT with LB Lewisham) (2009)
- Creative Lewisham – Lewisham Cultural and Urban Development Commission 2009-2013
- Control of Pollution and Noise from Demolition Construction Sites Code of Practice May (2008)
- Lewisham River Corridor Improvement Plan (2015)
- Lewisham Planning Obligations SPD (2011)
- Lewisham Bromley Road Supplementary Planning Document (2009)

## 4.0 Baseline

### ***Baseline data collection***

- 4.1 The collection of baseline data is task A2, set out in Table 2.1, above. The baseline identifies the current environmental level across the borough. The baseline provides a set of values that will serve as a control for comparison and monitoring any impacts arising from the LGTSLP. Baseline preparation also supports the identification of sustainability issues across the borough of relevance to the LGTSLP.
- 4.2 See Appendix B for the full baseline assessment. Baseline data is presented in line accordance with themes set out in Annex 1 (f) of the SEA Directive, as follows:
- Climate;
  - Air;
  - Biodiversity, flora and fauna;
  - Soil;
  - Water;
  - Population and human health;
  - Material assets;
  - Cultural heritage;
  - Landscape; and
  - Waste.

### ***Limitations and assumptions***

- 4.3 Data relates to the London borough of Lewisham as a whole. The following gaps in available baseline data have been identified:
- Number of developments granted planning permission incorporating renewable energy solutions;
  - Total energy used in the borough from renewable schemes;
  - Number and location of healthcare facilities;
  - New affordable housing as a % of all new housing;
  - Tenure mix of affordable housing;
  - Number of bedrooms in new dwellings;
  - Planning applications obtaining new open space or public access linkages per year;
  - Number of planning applications approved with waste management/recycling facilities incorporated; and
  - Specific data covering public rights of way, cycle parking and lighting.
- 4.4 Gaps in baseline data will be addressed through the ongoing monitoring processes of the Council's Annual Monitoring Report.

## 5.0 Sustainability Requirements, Issues and Trends

- 5.1 Task A3, set out within Table 2.1, above, is the identification of key sustainability requirements, issues and trends of relevance to the formulation of the LGTSLP. Identified issues represent areas the SA will need to address. The baseline data and policy context have been used to identify relevant requirements, current issues and likely future trends in the London Borough of Lewisham.
- 5.2 General sustainability issues of relevance to the LGTSLP have been identified and are presented under broad themes in Table 5.1, below:

**Table 5.1: Sustainability Requirements, Issues and Trends**

Key issues	Source
<b>Social Progress that meets the needs of Everyone</b>	
<p>The population, including the Gypsy and Traveller population, is expected to rise. Lewisham must make provision for additional pitches to accommodate Gypsies and Travellers.</p> <p>The demand for affordable housing in Lewisham is very high.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>Housing Act (2004)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>London Boroughs' Gypsy and Traveller Accommodation Needs Assessment (2008)</p> <p>London Housing Strategy (2010)</p> <p>Housing in London (2012)</p> <p>Lewisham Core Strategy (2011)</p> <p>Lewisham Housing Strategy 2009 -2014</p> <p>Lewisham Gypsy and Traveller Accommodation Needs Assessment (2015)</p>
<p>The health of the Gypsy and Traveller population is an essential consideration, including access to healthcare and opportunities for healthy lifestyles.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>Healthier Communities – A health and well-being framework for Lewisham (2007-2010)</p>
<p>There are areas with high levels of poverty and social deprivation in the London Borough of Lewisham.</p>	<p>Mayor's Supplementary Guidance</p> <p>Accessible London: Achieving an inclusive environment</p> <p>Social Inclusion Strategy 2005-13</p>
<p>Gypsy and Traveller sites must be located where there is good access to leisure facilities, community infrastructure and key local services.</p> <p>The environment should encourage walking and cycling.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>Lewisham Core Strategy (2011)</p>

<p>Crime, antisocial behavior and fear of crime are important considerations.</p> <p>A safe environment should be created, with high quality, people friendly spaces.</p> <p>Pedestrian movements, lighting and improvements to unsafe areas should be considered.</p>	<p>Lewisham Sustainable Community Strategy 2008-2020</p> <p>Community Safety Strategy 2008-2011</p> <p>Safer Lewisham Plan 2013-2014</p>
<p>Lewisham is the 15<sup>th</sup> most ethnically diverse local authority in England and 130 different languages are spoken.</p>	<p>Lewisham Regeneration Strategy 2008-2020</p>
<p><b>Effective protection of the Environment and prudent use of resources</b></p>	
<p>Gypsy and Traveller sites should be located in areas with good access to sustainable transport.</p> <p>Public transport needs to be made more appealing and car movements and car parking better managed.</p> <p>With predicted population growth there is a current and future need to increase the use of sustainable modes of transport and reduce carbon emissions.</p> <p>There is a need to reduce pollution from transport, particularly private cars.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>The Mayor's Transport Strategy (2010)</p> <p>Lewisham Core Strategy (2011)</p> <p>Lewisham Local Implementation Plan (Transport) (2010) (LIP)</p>
<p>Climatic change due to greenhouse gas emissions from fossil fuel use is likely to affect the natural environment.</p> <p>Viable decentralised renewable energy networks should be developed where applicable to supply energy to Gypsy and Traveller sites. There is a need to increase the proportion of energy used from renewable resources.</p> <p>Climate change may result in increased frequency of flooding. Damage to rural roads and overloading of sewers may become more commonplace.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>Planning and Energy Act (2008)</p> <p>Climate Change Act (2008)</p> <p>Energy White Paper (2003)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>London Climate Change Adaptation Strategy (2008)</p> <p>Lewisham Carbon Reduction and Climate Change Strategy (2008)</p> <p>Department for Energy and Climate Change</p>

<p>Water efficiency initiatives are needed to reduce daily water use and maintain the supply-demand balance.</p> <p>The Air Quality Strategy objectives should be adhered to, particularly within the London Borough of Lewisham's five Air Quality Management Areas.</p> <p>The relationship between high noise sources and Gypsy and Traveller sites should be considered.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>Noise Policy Statement for England (2010)</p> <p>UK Air Quality Strategy (DEFRA 2007)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>The Mayor's Air Quality Strategy (2010)</p> <p>Mayor's Ambient Noise Strategy</p> <p>Thames Water Resources Management Plan</p> <p>Lewisham Local Air Quality Action Plan (2008)</p> <p>Lewisham Assessment of Air Quality (2009)</p> <p>Lewisham Strategic Flood Risk Assessment (2008)</p>
<p>Gypsy and Traveller sites should be provided at locations with good access to open space. The adequacy and quality of open space should be considered.</p> <p>The provision of Gypsy and Traveller sites should be balanced with the protection of designated nature conservation sites, biodiversity, flora and fauna.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>The Mayor's Biodiversity Action Plan 2010-2015</p> <p>Lewisham Core Strategy (2011)</p> <p>Local Biodiversity Action Plan – A Natural Renaissance For Lewisham 2006-2011</p> <p>Lewisham Leisure and Open Space Study (2010)</p>
<p>Gypsy and Traveller sites should be allocated avoiding areas at risk of flooding.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>Thames Catchment Flood Management Plan</p> <p>Thames River Basin Management Plan (2009)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p>
<p>There are areas of Lewisham which require an improved image, in terms of design and the built form.</p> <p>The design of the natural environment requires consideration in terms of open space.</p> <p>Spaces and places need to be of high design quality, respecting historical features and promoting local distinctiveness, providing access for all.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>Designing Gypsy and Traveller Sites: Good Practice Guide (2008)</p> <p>The London Plan (consolidated with alterations since 2011) (2015)</p> <p>Mayor's Supplementary Guidance Sustainable Design and Construction</p> <p>Lewisham Core Strategy (2011)</p>

There is a need to address linkages between design and achieving objectives for the delivery of Gypsy and Traveller sites.	
The provision of Gypsy and Traveller sites should be balanced with the need to protect Listed Buildings, Conservation Areas and other heritage assets, respecting the architectural identity and character of the Borough.	National Planning Policy Framework (2012) National Policy on Planning for Traveller Sites (2015) English Heritage documents The London Plan (consolidated with alterations since 2011) (2015) London's Foundations (2012) Lewisham Core Strategy (2011)
Waste generation should be reduced and recycling rates should be improved.	Mayor of London's Municipal Waste Management Strategy (2008) Lewisham Municipal Waste Strategy
<b>Maintenance of high and stable levels of economic growth</b>	
Sustained economic growth is essential as Lewisham's underlying economy is one of the smallest in London. The provision of Gypsy and Traveller sites should be balanced with the provision of employment land, particularly for small and medium size enterprises.	National Planning Policy Framework (2012) National Policy on Planning for Traveller Sites (2015) The London Plan (consolidated with alterations since 2011) (2015) The Mayor's Economic Development Strategy (2010) Lewisham Core Strategy (2011)
Access to education, skills and training is vital, as 25% of the population of Lewisham has no qualifications. A linkage with apprentice schemes needs to be considered.	The Mayor's Economic Development Strategy (2010)
Gypsy and Traveller sites should be provided at locations with good access to employment.	National Planning Policy Framework (2012) National Policy on Planning for Traveller Sites (2015) The London Plan (consolidated with alterations since 2011) (2015) The Mayor's Economic Development Strategy (2010) Lewisham Core Strategy (2011)

## 6.0 SA Framework

- 6.1 Task A4, as described in Table 1, above, is developing the SA framework. The formulation of the SA framework includes setting the measurable objectives, using identified indicators, to appraise the LGTSLP. The results of tasks A1, A2 and A3 of this Scoping Report have informed the development of the following objectives. Sustainability requirements, issues and trends have informed the scope of this SA framework.
- 6.2 The objectives are supported by specific, measurable, achievable, realistic and time-related (SMART) indicators. The objectives and indicators facilitate the comparison of options, the prediction and assessment of impacts and monitoring. The SA framework focuses on areas where significant effects are likely.
- 6.3 The sustainability objectives and indicators are presented in Table 6.1, below. The relevant targets and measures for monitoring are set out in Appendix C.

**Table 6.1: SA Objectives and Indicators**

SA Objective	Indicator
<b>Social</b>	
1. To provide sufficient housing and the opportunity to live in a decent home	Number of housing completions Gypsy and Traveller pitches Number of affordable housing completions (by tenure type) Mix of housing tenure Mix in dwelling sizes Provision of student/other specialist housing
2. To improve the health of the population	Households with limiting long-term illness Mortality rate from circulatory diseases at age under 75 Mortality rate from all cancers at age 75 of under Health life expectancy at age 65 Number of people taking part in activities that improve physical and mental health in the borough
3. To reduce poverty and social exclusion	Number of recorded racial incidents Indices of Multiple Deprivation
4. To improve accessibility to leisure facilities, community infrastructure and key local services	Gain/loss of community/recreational facilities Delivery of identified social infrastructure Funding for community facility improvements secured

<p>5. To reduce crime, antisocial behavior and the fear of crime</p>	<p>Number of schemes incorporating 'secured by design'</p> <p>Number of offences per 1,000 population</p> <p>Detailed indicators for the following:</p> <ul style="list-style-type: none"> <li>• Violence against the person</li> <li>• Burglaries</li> <li>• Robberies</li> <li>• Violent crime</li> <li>• Sexual offences</li> </ul>
<p><b>Environmental</b></p>	
<p>6. To reduce car travel and improve accessibility by sustainable modes of transport</p>	<p>Number of car parking spaces delivered in new development</p> <p>Number of completed car limited developments</p> <p>Number of car clubs and parking bays</p> <p>% of permitted major developments with a travel plan</p> <p>Proportion of journeys made on foot and by bicycle</p> <p>Number of electric car charging points</p> <p>Improvements to legibility and signage</p> <p>Improved pedestrian and cycle routes and crossings</p> <p>Number of cycle parking spaces provided for each new home or other development and public realm</p> <p>Improved lighting and natural surveillance on pedestrian and cycle paths</p> <p>Number of road accident casualties per 1,000 population serious or fatal</p> <p>Public transport accessibility levels</p>
<p>7. To mitigate and adapt to the impact of climate change</p>	<p>Number of homes achieving Code for Sustainable Homes level 4 or above granted/completed</p> <p>Number of BREEAM buildings granted/completed</p> <p>Number and capacity of decentralised energy granted/completed</p> <p>Number, type and capacity of renewable energy granted/completed</p> <p>Number and size of living roofs granted/completed</p>

	<p>Number of new developments incorporating water efficiency measures</p>
<p>8. To improve air quality and water quality, manage water resources and reduce noise and vibration</p>	<p>Water pollution incidents</p> <p>Change in chemical river quality</p> <p>Number of developments approved against the recommendation of the statutory water/sewerage undertaker on low pressure/flooding grounds</p> <p>LLSOA Electricity and Gas consumption</p> <p>Per capita reductions in CO2</p> <p>Levels exceeding Main Air Pollutant Quality Standards</p> <p>Levels of NO2 and PM10</p> <p>Number of complaints related to noise from roads, construction, maintenance, noisy neighbours and/or other.</p> <p>Number of Considerate Constructors schemes registered with new developments and refurbishments</p>
<p>9. To increase, maintain and enhance open space, biodiversity, flora and fauna</p>	<p>Area of designated habitats</p> <p>Number and size of biodiverse brown living roofs granted/completed</p> <p>Number of bat and other bird boxes delivered as part of new developments</p> <p>Number of applications granted or refused on designated open space and within SINCS</p> <p>Amount of new or improved open space provided, including that which provides a net gain for biodiversity and accessible natural greenspace</p> <p>Number of new allotments and community gardens</p> <p>Funding secured for open space improvements</p>
<p>10. To mitigate flood risk</p>	<p>Number of planning permissions granted contrary to the advice of the Environment Agency on either flood defense grounds or water quality</p> <p>Number of SUDS granted and delivered</p>
<p>11. To maintain and enhance landscapes and townscapes</p>	<p>Number of key views maintained and enhanced</p> <p>Pre applications and applications considered by the design review panel</p> <p>Number of interventions aimed at improving streetscapes</p>

<p>12. To conserve and where appropriate enhance the historic environment</p>	<p>Number of designated heritage assets (including listed buildings and conservation areas)</p> <p>Number of undesignated heritage assets (locally listed buildings, areas of archaeological significance)</p> <p>% of applications where archaeological strategies were developed and implemented</p> <p>Number of applications that have considered views of strategic importance</p> <p>Condition of designated and undesignated heritage assets</p>
<p>13. To minimise the production of waste and increase waste recovery and recycling</p>	<p>% of waste recycled, reused or composted</p> <p>Tonnes of waste sent to landfill per year</p> <p>Residual household waste per year</p> <p>Amount of waste recycled on site by residents and employment industries</p>
<p><b>Economic</b></p>	
<p>14. To encourage sustained economic growth</p>	<p>Area of employment land with mixed use employment location (MEL) and local employment location (LEL)</p> <p>Size and type of employment floorspace</p> <p>Amount of vacant employment floorspace</p> <p>Amount of new completed employment floor space</p> <p>New business registration rate</p> <p>Rent levels of employment accommodation</p>
<p>15. To promote access to employment, education, skills and training</p>	<p>Employee numbers in Lewisham</p> <p>% of businesses in the area showing employment growth</p> <p>Job density in Lewisham</p> <p>Number of employed and unemployed living in the area</p> <p>Numbers of employees and business owners who are BME</p> <p>% of population of working age who claim unemployment benefit</p> <p>Number of pupils achieving 5 or more GCSE's at grades A* to C or equivalent</p> <p>People aged 16-74 with no qualifications</p> <p>Number of full and part time courses provided</p>

	<p>Number of full and part time people participating in educational courses/events in the area</p> <p>Funding secured for improvements in the quality and level of education infrastructure</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- 6.4 The sustainability objectives are supported by decision aiding questions to aid the appraisal of the LGTSLP text elaborating on Lewisham Core Strategy Policy 2. The decision aiding questions are presented in Appendix D.
- 6.5 The SA and SEA of the London Borough of Lewisham’s Core Strategy included an assessment of Core Strategy Policy 2. The allocation of sites for Gypsies and Travellers was deemed to have a positive sustainability impact on meeting housing need. Impacts dependent on implementation include access to public transport and facilities, respecting the amenity of neighbouring properties and protecting existing habitats and biodiversity.
- 6.6 The objectives of the LGTSLP are yet to be developed. The sustainability objectives will guide the Local Plan objectives as these are formulated.
- 6.7 Table 6.2 below, presents an assessment of the internal consistency of the SA Objectives.

**Table 6.2: Compatibility of SA Objectives**

1	√															
2	√	√														
3	√	√	√													
4	√	√	√	√												
5	√	√	√	√	√											
6	√	√	√	√	√	√										
7	√	√	√	√	√	√	√									
8	?	√	√	√	√	√	√	√								
9	?	√	√	√	√	√	√	√	√							
10	?	√	√	√	√	√	√	√	√	√						
11	?	√	√	√	√	√	√	√	√	√	√					
12	√	√	√	√	√	√	√	√	√	√	√	√				
13	?	√	√	√	√	√	√	√	√	√	√	√	√			
14	√	√	√	√	√	?	?	?	?	√	√	√	√	√		
15	√	√	√	√	√	?	?	?	?	√	√	√	√	√	√	√
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	

Compatible:	√
Incompatible:	x
Uncertain:	?

## 7.0 Methodology

### ***Lewisham Local Plan Regulation 18 Consultation***

Plan-makers should assess the policies in a draft Local Plan, and the reasonable alternatives, to identify the likely significant effects of the available options (Stage B). Forecasting and evaluation of the significant effects should help to develop and refine the proposals in the Gypsy and Traveller Local Plan document.

Reasonable alternatives should be identified and considered at an early stage in the plan making process, as the assessment of these should inform the local planning authority in choosing its preferred approach (when developing alternatives, paragraph 152 of the National Planning Policy Framework should be referred to).

Stage B should also involve considering ways of mitigating any adverse effects, maximising beneficial effects and ways of monitoring likely significant effects.

The sustainability appraisal needs to compare all reasonable alternatives including the preferred approach and assess these against the baseline environmental, economic and social characteristics of the area and the likely situation if the Local Plan were not to be adopted.

The sustainability appraisal should predict and evaluate the effects of the preferred approach and reasonable alternatives and should clearly identify the significant positive and negative effects of each alternative.

The sustainability appraisal should identify, describe and evaluate the likely significant effects on environmental, economic and social factors using the evidence base. Criteria for determining the likely significance of effects on the environment are set out in Schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004.

The sustainability appraisal should identify any likely significant adverse effects and measures envisaged to prevent, reduce and, as fully as possible, offset them. The sustainability appraisal must consider all reasonable alternatives and assess them in the same level of detail as the option the plan-maker proposes to take forward in the Gypsy and Traveller Local Plan (the preferred approach).

Reasonable alternatives are the different realistic options considered by the plan-maker in developing the policies in its plan. They must be sufficiently distinct to highlight the different sustainability implications of each so that meaningful comparisons can be made. The alternatives must be realistic and deliverable.

The sustainability appraisal should outline the reasons the alternatives were selected, the reasons the rejected options were not taken forward and the reasons for selecting the preferred approach in light of the alternatives. It should provide conclusions on the overall sustainability of the different alternatives, including those selected as the preferred approach in the Gypsy and Traveller Local Plan. Any assumptions used in assessing the significance of effects of the Local Plan should be documented.

The development and appraisal of proposals in LGTSLP documents should be an iterative process, with the proposals being revised to take account of the appraisal findings. This should inform the selection, refinement and publication of proposals (when preparing a Local Plan, paragraph 152 of the National Planning Policy Framework should be considered).

### ***Prepare the publication version of Lewisham Local Plan***

Regulation 12 of the Environmental Assessment of Plans and Programmes Regulations 2004 sets out the formal requirements of an 'environmental report', which should form an integral part of the sustainability appraisal report and is a core output of any strategic environmental assessment. An environmental report for the purpose of the regulations must identify, describe and evaluate the likely significant effects on the environment of implementing LGTSLP policies and of the reasonable alternatives taking into account the objectives and geographical scope of the LGTSLP. The sustainability appraisal report must clearly show how these requirements have been met as well as recording the wider assessment of social and economic effects.

The sustainability appraisal must include a non-technical summary of the information within the main report. The summary should be prepared with a range of readers in mind, and provide a clear, accessible overview of the process and findings.

### ***Seek representations on the publication Local Plan (regulation 19)***

The local planning authority must consult the consultation bodies and other parties who, in its opinion, are affected or likely to be affected by, or have an interest in, the decisions involved in the assessment and adoption or making of the plan. Further details on consultation procedures are set out in regulation 13 of the Environmental Assessment of Plans and Programmes Regulations 2004.

The local planning authority may also want to consult those they are inviting representations from, as part of the development of the Local Plan itself. The sustainability appraisal report, including the non-technical summary, must be published alongside the draft Local Plan for a minimum of six weeks.

The sustainability appraisal report will not necessarily have to be amended if the LGTSLP is modified following responses to consultations. Modifications to the sustainability appraisal should be considered only where appropriate and proportionate to the level of change being made to the LGTSLP. A change is likely to be significant if it substantially alters the Plan and/ or is likely to give to significant effects.

Further assessment may be required if the changes have not previously been assessed and are likely to give rise to significant effects. A further round of consultation on the sustainability appraisal may also be required in such circumstances but this should only be undertaken where necessary. Changes to the Local Plan that are not significant will not require further sustainability appraisal work.

### ***Lewisham Local Plan Examination***

The sustainability appraisal report should be submitted with the LGTSLP to the Secretary of State for independent examination. The sustainability appraisal report will be examined as part of the evidence base for the LGTSLP.

The sustainability appraisal report should help integrate different areas of evidence and demonstrate why the proposals in the Local Plan are the most appropriate.

It is up to the local planning authority to decide whether the sustainability appraisal report should be amended following proposed changes to an emerging plan. A local planning authority can ask the Inspector to recommend changes to the submission Local Plan to make it sound or they can propose their own changes.

If the local planning authority assesses that necessary changes are significant, and were not previously subject to sustainability appraisal, then further sustainability appraisal may be required and the sustainability appraisal report should be updated and amended accordingly.

### ***Lewisham Local Plan Adoption and Monitoring***

Regulation 16 of the Environmental Assessment of Plans and Programmes Regulations 2004 sets out the post-adoption requirements of the local planning authority.

Local planning authorities should monitor the significant environmental effects of implementing the Local Plan (as required by Regulation 17 of the Environmental Assessment of Plans and Programmes Regulations 2004). This will enable local planning authorities to identify unforeseen adverse effects at an early stage and to enable appropriate remedial actions.

Details of monitoring arrangements must be included in the sustainability appraisal report, the post-adoption statement or in the Local Plan itself. The monitoring results should be reported in the local planning authority's Monitoring Report.

## 8.0 Next steps and consultation

### ***Next steps***

8.1 The SA will inform the preparation of the publication version of the LGTSLP. The SA is an iterative process which will follow the stages set out below:

- Scoping Report;
- Draft SA;
- Final (adoption) SA;
- Adoption Statement; and
- Monitoring and Review.

### ***Consultation***

8.2 The Council is seeking comments on the information and proposals set out in the Scoping Report in order to ensure that all aspects of sustainability are considered as part of the appraisal process and in the formulation of the LGTSLP.

8.3 The following questions are intended to guide consultation responses:

- Question 1: Have the relevant plans, policies and programmes been considered? Should any further plans, policies or programmes be included?
- Question 2: Does the baseline information reflect the current situation in the London Borough of Lewisham? Is there additional social, environmental or economic data which should be considered?
- Question 3: Do the issues identified in this report cover all the sustainability matters relevant to the allocation of Gypsy and Traveller Sites in the London Borough of Lewisham?
- Question 4: Are the sustainability objectives, indicators and targets suitable? Should additional objectives, indicators or targets be included?

8.4 Please forward any comments by \_\_\_\_\_ to:

Online: [http://lewisham-consult.objective.co.uk/portal/planning\\_policy/](http://lewisham-consult.objective.co.uk/portal/planning_policy/)

Email: [planning.policy@lewisham.gov.uk](mailto:planning.policy@lewisham.gov.uk)

with 'Lewisham Gypsy and Traveller Sites Local Plan Scoping Report' as the subject heading

Post: Planning Policy  
Planning Service  
London Borough of Lewisham  
5<sup>th</sup> Floor Laurence House  
1 Catford Road, Catford  
London SE6 4RU

**Appendix A**  
**Plans, Policies and Programmes**

Plans, Policies and Programmes	Relevant objectives	Implications for the Gypsy and Traveller Sites Local Plan and SA
<b>International – All info apart from the National Section is taken from the 2005 Scoping Report</b>		
<b>The Johannesburg Declaration on Sustainable Development 2002</b>	Commitment to sustainability principles and the sustainable development agenda agreed at Rio de Janeiro Earth Summit in 1992.	The definition of sustainable development 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'.
<b>The Kyoto Agreement 1997</b>	The key aim is to limit and/or reduce the emissions of greenhouse gases.	Reducing greenhouse gas emissions.
<b>Convention concerning the Protection of the World Cultural and Natural Heritage 1972 (UNESCO)</b>	Article 5 – To ensure that effective and active measures are taken for the protection, conservation and presentation of cultural and natural heritage and to adopt a general policy which aims to give the cultural and natural heritage a function in the life of the community and to integrate the protection of that heritage into comprehensive planning programmes.	The protection of Lewisham's cultural and natural heritage.
<b>Agenda 21 Declaration Rio de Janeiro 1992</b>	Committed countries to the principles of sustainable development. The Convention came into force on 29 December 1993. It has three main objectives: <ul style="list-style-type: none"> <li>• Conserve biological diversity;</li> <li>• Sustainable use of biological diversity;</li> <li>• Fair and equitable sharing of the benefits of biological diversity.</li> </ul>	The integration and balancing of economic, environmental and social objectives. Ensure the protection and enhancement of the area's biodiversity.
<b>Convention on Biological Diversity, Rio de Janeiro 1992</b>	The Convention outlines three main goals for the conservation, protection and enhancement of biological diversity; the conservation of biological diversity, its sustainable use, and the equitable sharing of benefits associated with genetic resources. National strategies and action plans must be implemented by Contracting Parties to achieve these goals.	Minimise impacts on biodiversity. View ecosystems holistically, rather than focussing on islands of protected species.
<b>European</b>		
<b>SEA Directive 2001/42/EC</b>	Requires an assessment of the effects of certain plans and programmes on the environment and prescribes the environmental issues to assess.	Ensure key environmental issues are assessed and considered.

<p><b>European Sustainable Development Strategy 2001</b> (Reviewed in 2009)</p>	<p>Environmental objectives and priorities derived from the EU Sixth Environmental Action Programme focus on:</p> <ul style="list-style-type: none"> <li>• limiting climate change and increasing the use of clean energy;</li> <li>• addressing threats to public health (e.g. hazardous chemicals, food safety);</li> <li>• combating poverty and exclusion;</li> <li>• dealing with the economic and social implications of an ageing society;</li> <li>• managing natural resources more responsibly (including biodiversity and waste generation);</li> <li>• improving the transport system and land use management.</li> </ul>	<p>The integration and balancing of economic, environmental and social objectives.</p>
<p><b>European Spatial Declaration on Sustainable Development, EU 1999</b></p>	<p>The aim is to work towards a balanced and sustainable development of the territory of the European Union.</p>	<p>The integration and balancing of economic, environmental and social objectives.</p>
<p><b>European Spatial Development Perspective 1999</b></p>	<p>ESDP aims to ensure that the three fundamental goals of European policy are achieved equally in all the regions of EU:</p> <ul style="list-style-type: none"> <li>• economic and social cohesion;</li> <li>• conservation and management of natural resources and the cultural heritage;</li> <li>• more balanced competitiveness of the European territory.</li> </ul>	<p>Economic and social cohesion, protecting and enhancing historic and cultural heritage, and reducing greenhouse gas emissions.</p>
<p><b>European Directive 92/43/EEC (&amp; 97/62/EC) on the conservation of natural habitats and of wild fauna and flora</b></p>	<p>Promote the maintenance of biodiversity by requiring member states to introduce robust protection measures to maintain or restore natural habitats and wild species.</p>	<p>Minimise the impact on natural habitats.</p>
<p><b>European Directive on Conservation of Wild Birds 2009 (2009/147/EC)</b></p>	<p>The maintenance of the favourable conservation status of all wild bird species across their distributional range.</p>	<p>Preserve habitats for birds.</p>

<b>European Directive 2002/49/EC (Noise)</b>	The Environmental Noise Directive aims to “define a common approach intended to avoid, prevent or reduce on a prioritised basis the harmful effects, including annoyance, due to the exposure to environmental noise”. It aims at providing a basis for developing EU measures to reduce noise emitted by major sources, in particular road and rail vehicles and infrastructure, aircraft, outdoor and industrial equipment and mobile machinery.	Mitigation of adverse impacts on health and well-being from temporary and permanent noise nuisance.
<b>European Directive on Ambient Air Quality Assessment and Management (96/62/EC) and daughter directives</b>	The Directives aim to reduce specified air pollutants. Limits have been translated into UK law in Air Quality Regulations.	Monitor progress in relation to air quality.
<b>European Directive 2000/60/EC (Water Framework Directive)</b>	To establish a framework to address pollution of waterways from urban wastewater and agriculture and to improve Europe’s waterways. Target: Member States to produce River Basin Management Plans by 2009 and to achieve the environmental objectives of the Plans by 2016.	Protection of ground and surface water from incidental, as well as accidental pollution.
<b>EU Community Biodiversity Strategy 2012-2020</b>	Seeks the conservation and sustainable use of biological diversity (ecosystems in their natural surroundings).	Protection and enhancement of biodiversity.
<b>EU Landfill Directive (99/31/EC)</b>	To prevent or reduce as far as possible negative effects on the environment, in particular the pollution of surface water, ground water, soil and air, and on the global environment, including the greenhouse effect, as well as any resulting risk to human health, from the land-filling of waste, during the whole life-cycle of the landfill.	Minimise waste generation and maximise sustainable waste management.
<b>European Waste Framework Directive (75/442/EEC, as amended in 1991)</b>	The Directive seeks to reduce the quantity of waste going to landfill and introduces the waste hierarchy of prevention, reuse, recycle, recovery, and disposal.	Reduce the amount of waste requiring final disposal. Monitor the proportion of waste reduced/recycled/recovered.
<b>Directive 2003/87/EC (establishing a scheme for greenhouse gas emission allowance trading)</b>	Introduces a European wide emissions trading scheme.	Reduce greenhouse gas emissions and overall carbon footprint. Reflect carbon reduction targets.

<b>EU Seventh Environmental Action Plan 2013 - 2020</b>	Seeks a high level of protection of the environment and human health and for general improvements in the environment and quality of life.	Protect and enhance overall environmental quality.
<b>National</b>		
<b>National Planning Policy Framework 2012</b>	The National Planning Policy Framework includes a presumption in favour of sustainable development and sets out the social, economic and environmental roles of the planning system.	A presumption in favour of sustainable development, considering the social, economic and environmental roles of the planning system.
National Policy on Planning for Traveller Sites (2015)	Sets out the Government's planning policy for traveller sites. The government's overarching aim is to ensure fair and equal treatment for travellers, in a way that facilitates the traditional and nomadic way of live of travellers while respecting the interests of the settled community.	<p>The Government's aims in respect of traveller sites are:</p> <ul style="list-style-type: none"> <li>a) that local planning authorities should make their own assessment of need for the purposes of planning.</li> <li>b) To ensure that local planning authorities, working collaboratively, develop fair and effective strategies to meet need through the identification of land for sites.</li> <li>c) To encourage local planning authorities to plan for sites over a reasonable timescale.</li> <li>d) That plan-making and decision-taking should protect Green Belt from inappropriate development.</li> <li>e) To promote more private traveller site provision while recognising that there will always be those travellers who cannot provide their own sites.</li> <li>f) That plan-making and decision-taking should aim to reduce the number of unauthorised developments and encampments and make enforcement more effective.</li> <li>g) For local planning authorities to ensure that their Local Plan includes fair, realistic and inclusive policies.</li> </ul>

		<ul style="list-style-type: none"> <li>h) To increase the number of traveller sites in appropriate locations with planning permission, to address under provision and maintain an appropriate level of supply.</li> <li>i) To reduce tensions between settled and traveller communities in plan-making and planning decisions.</li> <li>j) To enable provision of suitable accommodation from which travellers can access education, health, welfare and employment infrastructure.</li> <li>k) For local planning authorities to have due regard to the protection of local amenity and local environment.</li> </ul>
<b>Environmental Assessment of Plans &amp; Programmes Regulations 2004</b>	Transposes the SEA directive into UK law.	Reflect the regulations and associated guidance note.
<b>Planning and Compulsory Purchase Act 2004</b>	The Act provides the statutory planning framework for England.	Comply with legislation.
<b>Town and Country Planning Act 1990</b>	Sets out the procedures for the preparation, approval and adoption of Local Plans.	Comply with legislation.
<b>Housing Act 2004</b>	Requires Local Planning Authorities to complete an accommodation assessment and consider how to meet Gypsy and Traveller accommodation needs as part of their housing and planning requirements.	Comply with legislation.
<b>Planning and Energy Act 2008</b>	An Act to enable Local Planning Authorities to set requirements for energy use and energy efficiency in Local Plans.	Energy efficiency to reduce greenhouse gas emissions.
<b>Climate Change Act 2008</b>	The Act creates a new approach to managing and responding to climate change in the UK.	Consideration of impacts on Climate Change.
<b>Noise Policy Statement for England 2010</b>	The Noise Policy Statement for England aims to provide the necessary clarity and direction to enable decisions to be made regarding what is an acceptable noise burden to place on society.	Avoid noise impacts. Mitigation of adverse impacts on health and well-being from noise.

	To avoid significant adverse impacts on health and quality of life; mitigate and minimise adverse impacts on health and quality of life; and where possible, contribute to their improvement.	
<b>UK Air Quality Strategy 'Working together for clean air'</b>	Everyone can enjoy a level of ambient air quality in public places which poses no significant risk to health or quality of life.	Improve Air Quality. Encourage reduction or mitigation of air polluting land uses.
<b>Energy White Paper 2003: Our energy, our future, creating a low carbon economy</b>	The Strategy seeks to: <ul style="list-style-type: none"> <li>• Reduce waste by making products with fewer natural resources;</li> <li>• Break the link between economic growth and waste growth;</li> <li>• Most products should be used or their materials recycled;</li> <li>• Recover energy from other wastes.</li> </ul>	Waste hierarchy – reduce, reuse, recycle.
<b>Environment Agency, Creating a better place strategy 2010-2015</b>	The strategy shows how the EA will work in specific areas to achieve its aims relating to biodiversity, climate change, flood risk, creating sustainable places and waste management.	Biodiversity, climate change, flood risk, and waste management.
<b>Thames Catchment Flood Management Plan and TE2100 Plan November 2012</b>	Provides an overview of flood risk in the Thames catchment and sets out the EAs preferred plan for sustainable flood risk management over the next 50 to 100 years.	Manage flood risk.
<b>Thames River Basin Management Plan 2009</b>	Pressures facing the water environment in this river basin district, and the actions that will address them.	Protection of water quality.
<b>Climate Change and the Historic Environment (English Heritage, 2007)</b>	Provides an overview of climate change impacts on the historic environment and of the impacts associated with responses to climate change.	Impacts on heritage assets and the wider historic environment.
<b>Building in Context (English Heritage, CABE 2007)</b>	Provides case-study examples of how new development can respond well to historic character in terms of design.	Impacts on heritage assets and the wider historic environment.
<b>Seeing History in the View (English Heritage 2010)</b>	Explains how the heritage significance of views can be assessed in a systematic and consistent way however these views have come into being.	Impacts on heritage assets and the wider historic environment.

<b>Streets for All (English Heritage, 2006)</b>	Shows how public realm upgrades can be designed to be appropriate to and enhance the historic environment.	Impacts on heritage assets and the wider historic environment.
<b>Designing Gypsy and Traveller Sites: Good Practice Guide 2008</b>	To familiarise developers with the key elements necessary to design a successful site and to identify good practice using case study examples to illustrate different approaches towards Gypsy and Traveller site provision.	Design of Gypsy and Traveller sites.
<b>Gypsy and Traveller Accommodation Needs and Assessment: Guidance 2007</b>	Guidance which aims to provide advice on carrying out an assessment of accommodation needs of Gypsies and Travellers.	Needs of Gypsies and Travellers.
<b>Local Authorities and Gypsies and Travellers: A Guide to Responsibilities and Powers 2008</b>	Guidance towards all aspects associated with Gypsy/Traveller developments.	Responsibilities associated with Gypsies and Travellers.
<b>London</b>		
<b>The London Plan (consolidated with alterations since 2011) (2015)</b>	Strategic policies for spatial planning and development across London to ensure the city develops in a sustainable manner.	General conformity with the London Plan.
<b>London Boroughs' Gypsy and Traveller Accommodation Needs Assessment</b>	Responds to the requirement placed on Local Authorities under the Housing Act 2004	Comply with legislation
<b>The Mayor's Air Quality Strategy 2010</b>	Concentrates on policies to promote healthy living and sets out measures to tackle London's air quality problem.	Improve air quality.
<b>The Mayor's Economic Development Strategy 2010</b>	Sets out to encourage the expansion of opportunities for all its people and enterprises, achieving the highest environmental standards and quality of life.	Encourage sustainable economic growth.
<b>The Mayor's Biodiversity Action Plan 2002</b>	Sets policies and proposals to protect and care for London's biodiversity by encouraging the greening of the built environment and the use of open spaces in ecologically sensitive ways.	Protect and enhance biodiversity.
<b>The Mayor's Cultural Strategy 2010</b>	Sets out the Mayor's proposals for developing and promoting cultural life in London.	Ensure the enhancement of cultural and social growth.
<b>London Climate Change Adaptation Strategy 2008</b>	Presents adaptation measures to address climate change within London.	Reducing the impacts and adapting to the effects of climate change.

<b>The Mayor's Transport Strategy 2010</b>	Details priority areas for transport that directly or indirectly benefit the environment and the London community.	Reduce the need for car travel and encourage sustainable modes of transport.
<b>Mayor of London's Municipal Waste Management Strategy 2008</b>	Reduce London's waste generation by 2020 and sustainably manage the waste created.	Reduce waste generation.
<b>Mayor's Ambient Noise Strategy</b>	Minimise the adverse impacts of noise on people living, working and visiting London, using the best available practises and technology.	Mitigation or avoidance of noise impacts.
<b>London Housing Strategy 2010</b>	Raise aspirations and promote opportunity: by producing affordable homes, particularly for families, and by increasing opportunities for home ownership; Improve homes and transform neighbourhoods: by improving design quality, by greening homes, by promoting successful, strong and mixed communities and by tackling empty homes.	Quality and affordability of housing supply.
<b>London Tree and Woodland Framework</b>	Plant the right trees in the right places to enhance the environment and quality of life.	Protect and enhance trees.
<b>Revised London View Management Framework SPG 2010</b>	New development needs to comply with appropriate viewing corridors that are located both within and across the borough.	Maintain and enhance the quality of the townscape.
<b>The London Rivers Action Plan</b>	Restoration of rivers and implementation of London Plan Blue Ribbon policies.	River restoration, access to rivers, acknowledgement of the positive role rivers and river restoration play in biodiversity, climate change and flood risk management.
<b>Mayor's Best Practice Guidance on Health Issues in Planning</b>	BPG promotes the Mayor's statutory duty to promote the health of Londoners. The guide helps boroughs tackle health inequalities and promote healthy developments. Helps Local Authorities to meet their obligations to promote wellbeing in their boroughs.	Appraise health and seek to reduce health inequalities.
<b>Mayor's Supplementary Guidance Sustainable Design and Construction</b>	The SPG seeks to ensure future developments meet the highest standards of sustainable design and construction.	The sustainable use of natural resources and reduced impact of climate change through energy efficient design and construction.
<b>Mayor's Supplementary Guidance Accessible London: Achieving an inclusive environment</b>	The SPG seeks to ensure the promotion of an inclusive accessible environment	Accessibility for all and inclusivity.

<b>Mayor's Supplementary Guidance Providing for Children and Young People's Play and Informal Recreation</b>	The SPG seeks to ensure the provision for children of free and accessible spaces offering high quality play opportunities.	Accessible open space and access for all.
<b>Shaping Neighbourhoods: Character and Context 2014</b>	The Mayor has published for public consultation draft Supplementary Planning Guidance on 'Shaping Neighbourhoods: Character and Context' to help with the implementation of policies in Chapter 7 of the 2011 London Plan, particularly Policies 7.4 on Local Character and 7.1 on Building London's Neighbourhoods and Communities.	Understand character and local context to identify how a place should develop.
<b>London Planning Statement 2014</b>	The Mayor has published for public consultation a draft 'London Planning Statement' as proposed London Plan Supplementary Planning Guidance. This is intended to fill the gap left by the Government's revocation of the former Government Office for London Circular 1/2008 by pulling together information about the Mayor's role in the London Planning system.	Propriety (in compliance with legal requirements regarding procedural fairness and propriety, and ensuring that decisions are properly based on relevant planning considerations); Promoting Sustainable Growth; and Viability (of development).
<b>Housing in London 2014</b>	Housing in London is the evidence base for the Mayor's London Housing Strategy. The Mayor formally adopted his London Housing Strategy in February 2010 and in December 2011 he consulted on proposals for a new Strategy.	Demographic pressures, housing affordability, the housing market, mobility and housing need, housing supply, decent housing, energy efficiency and fuel poverty.
<b>All London Green Grid 2012</b>	The All London Green Grid takes the principles of the East London Green Grid and applies them across London.	Integrated network of green and open spaces together with the Blue Ribbon Network of rivers and waterways.
<b>London's Foundations 2012</b>	Sets out London's geological heritage, explaining the process for identifying sites of national, regional and local geological importance, identifying important geological sites for protection and advising boroughs on how to promote as well as protect geodiversity.	Impacts on heritage assets and the wider historic environment.

<b>Lewisham</b>		
<b>Lewisham Unitary Development Plan Saved Policies 2004</b>	Sets out the Council's statutory saved planning policies.	SA objectives should be used to appraise all Local Plan policies that can lead to saved UDP policies being included in the LDF.
<b>Lewisham Sustainable Community Strategy (SCS) 2008 -2028</b>	The SCS sets out the vision for the borough up until 2020 and includes objectives to improve social, environmental and economic outcomes for the borough.	Improve social, environmental and economic outcomes for the borough.
<b>Lewisham Core Strategy 2011</b>	The Core Strategy provides the spatial planning framework for the borough and is underpinned by five strategic objectives: <ul style="list-style-type: none"> <li>• Regeneration and growth areas;</li> <li>• Providing new homes;</li> <li>• Growing the local economy;</li> <li>• Environmental management;</li> <li>• Building a sustainable community.</li> </ul>	Avoid, and secondarily minimise and compensate for, any significant negative effects on the community, in social and economic terms, or the environment.
<b>Community Safety Strategy 2012-2017 (SCS), Safer Lewisham Plan 2013-14</b>	Sets out the results of the Strategic Assessment which identifies the key crime and disorder issues that face the borough, and the multi-agency actions that will be deployed to address them.	Reduce crime and the fear of crime.
<b>Corporate Plan 2008-2011</b>	The purpose of the Corporate Plan is to: <ul style="list-style-type: none"> <li>• set out the Council's vision, values, strategic direction and key priorities for action up to 2009 and beyond;</li> <li>• outline the Council's contribution to the delivery of the SCS.</li> </ul>	Improve social, environmental and economic outcomes for the borough.
<b>Lewisham Regeneration Strategy 2008-2020</b>	The strategy details twelve objectives that relate to three broad themes - people, prosperity and place. The strategy complements the SCS.	Ensure the sustainable development of the borough.
<b>Lewisham Housing Strategy 2009 -2014</b>	Focuses on delivering the right housing mix to meet the housing needs and aspirations of all the borough's residents and achieving the wider goals expressed within the SCS.	Provide sufficient housing of appropriate quality, mix and tenure.

<b>Lewisham Municipal Waste Strategy</b>	The Strategy aims to minimise Lewisham’s annual growth in waste.	Minimise growth in waste.
<b>Lewisham Children and Young People’s Plan 2012 - 2015</b>	The Plan focuses on implementing actions to improve a number of key outcomes for children and young people which will improve their lives and life chances.	Improve life outcomes for residents –promotion of education, employment, housing and leisure and community facilities.
<b>Lewisham Carbon Reduction and Climate Change Strategy 2008</b>	The Strategy is based on achieving a lasting and sustained decrease in emissions of CO2 working with strategic partners and with citizens to: <ul style="list-style-type: none"> <li>• reduce demand for energy;</li> <li>• increase energy efficiency;</li> <li>• increase the use of renewable energy;</li> <li>• tackle fuel poverty.</li> </ul>	Reduce the borough’s carbon footprint.
<b>Social Inclusion Strategy 2005-13</b>	This strategy centres around five broad themes. It identifies the links between the council’s existing strategies and services to enable more joined-up working.	Promote social inclusion, improve urban design, transport and education, and promote health and well-being in the borough.
<b>Healthier Communities – A health and well-being framework for Lewisham (Draft 2007 – 2010)</b>	The Strategy seeks to improve the health outcomes for Lewisham residents by adopting preventative measures and other innovative approaches.	Enhance the health levels in the borough.
<b>Lewisham Leisure and Open Space Study 2010</b>	This strategy aims to provide: <ul style="list-style-type: none"> <li>• A review of outdoor sport and recreation;</li> <li>• a borough playing pitch strategy;</li> <li>• an implementation plan and prioritised investment;</li> <li>• Plan for the Playing Pitch Strategy.</li> </ul>	Protect and maintain open spaces and biodiversity across the borough.
<b>Local Biodiversity Action Plan – A Natural Renaissance For Lewisham 2006 -2011</b>	The key objective is the protection and enhancement of areas suitable for wildlife in the borough and to increase citizens’ access to nature, even in urban areas.	Primarily avoid, and secondarily minimise and compensate for, any significant negative effects upon biodiversity.

<b>Better futures: Lewisham's Homelessness Prevention Strategy 2009-2014</b>	The Strategy complements the objectives of the Lewisham Housing Strategy and seeks to prevent homelessness by providing long term and sustainable housing and promoting opportunities and independence for people in housing need by improving access to childcare, health, education, training and employment.	Ensure measures providing sufficient housing of appropriate quality, mix and tenure and improve access to, and opportunities for, childcare, health, education, training and employment are integrated.
<b>Lewisham Borough Sports Plan 2010-13</b>	The Strategy provides a vision for sport to increase opportunities to participate in sport at all levels and for all ages	Enhancing the health wellbeing levels in the borough.
<b>Lewisham Local Air Quality Action Plan 2008</b>	The key aim is to bring about change to reduce emissions (NO2 and PM10) from main source of pollution (road transport) in a cost-effective and proportionate way through Area Quality Management Areas (AQMA) with designated geographical boundaries.	Improve air quality. Promote land uses and activities with minimal impacts on air quality.
<b>Lewisham Strategic Flood Risk Assessment 2008</b>	The study identifies and provides advice to the Council on the suitability of development in areas at varying risks of flooding across the borough.	Minimise and mitigate the risk of flooding in the borough.
<b>Lewisham Strategic Flood Risk Assessment Update (2015)</b>	Updates previous study.	Updates previous study.
<b>Lewisham Flood Risk and Development Sequential Test 2009</b>	The sequential test identifies potential development sites and steers development to areas at lowest flood risk. Where there are no reasonable alternative sites in an area of lower flood risk, authorities must ensure that measures are incorporated that render the proposed development's vulnerability to flooding appropriate to the probability of flooding in the area.	Minimise and mitigate the risk of flooding in the borough.
<b>Lewisham Local Implementation Plan (Transport) 2010 (LIP)</b>	The LIP is a statutory plan to implement the London Mayor's Transport Strategy.	Seek a reduction car travel and increase sustainable transport.

<b>Lewisham Strategic Housing Market Assessment 2008 and the South East London Sub-regional SHMA 2009</b>	The SHMA assesses housing provision and need within the borough and the five south east London boroughs. It outlines recommendations for the level of affordable housing and tenure mix, and identifies areas as well as specific groups within the borough and sub-region who may have different housing requirements.	Seek to facilitate housing provision, including its mix and tenure, and to ensure decent homes for all.
<b>Health, Well-Being and Care – Lewisham Joint Strategic Needs Assessment (JSNA) 2009</b>	A joint collaboration between the Council and Lewisham Primary Care Trust (PCT). The JSNA identifies key themes for action aimed at improving long-term health and influence the long-term commissioning priorities of health infrastructure providers in the borough.	Seek to improve the health and well-being of the borough's residents.
<b>Lewisham Conservation Area Management Plans</b>	Provides guidance for the management of the borough's conservation areas.	Impacts on heritage assets and the wider historic environment.
<b>Lewisham Borough Wide Character Study 2010</b>	The character study provides a description of the physical form of the borough, its origins, places, streets and buildings to provide an understanding of the particular attributes of the London Borough of Lewisham.	Impacts on the character of the borough.
<b>Healthy Weight Healthy Lives (PCT with LB Lewisham) 2009</b>	The strategy is linked in to the Children and Young People's plan and is a partnership strategy to promote healthy weight and lives in children, young people and their families.	Improve the health and wellbeing of the population and reduce inequalities in health.
<b>Creative Lewisham – Lewisham Cultural and Urban Development Commission 2009 - 2013</b>	Vision of Lewisham as a visually exciting, creative and imaginative hub, with a synthesis between urban design, arts, culture and the economy.	Promote a vibrant and dynamic borough.

**Appendix B**  
**Baseline Information**

## 1. Climate

### *Carbon emissions and energy consumption*

There is a consensus among experts that human activities are contributing to climate change through the release of greenhouse gases into the atmosphere. This has implications for the way we use and manage resources, particularly the future supply, availability and use of energy. The built environment, and the way people use their environment, contributes to greenhouse gas emissions and therefore sustainable development plays a critical role in tackling climate change. The full effects of climate change are unknown but climate risks which are expected to intensify in London over the coming decades include flooding, higher and unseasonal temperatures, urban heat island effect and limited water resources including drought, all impacting our quality of life.<sup>1</sup>

A significant contributor to climate change is the concentration of carbon dioxide (CO<sub>2</sub>) in the atmosphere. According to the Department for Energy and Climate Change (2011) the total CO<sub>2</sub> emissions for Lewisham between 2005 and 2009 are reducing annually and the per capita reduction rate is at 17.4% since 2005. This is shown on Table A1. The figure exceeds the target of 8.5% set by the Council. The total CO<sub>2</sub> emission in Lewisham is 998,000 tonnes and contributed 2.35% of London's total CO<sub>2</sub> emissions. The largest source of emissions is from the domestic sector followed by road transport. At just 3.8 tonnes per person, Lewisham has the lowest per capita carbon emissions in inner London, the second lowest in the capital as a whole (after Redbridge) and the fourth lowest in the UK. There has been a decrease in London's per capita emissions falling by 12.7% from 6.3 tonnes person to 5.5 tonnes.

Annual CO<sub>2</sub> emissions (tonnes) in Lewisham 2005 to 2009

Lewisham	Industry and commercial	Domestic	Road Transport	Total	Population ('000s, mid-year estimate)	Per capita emissions (t)	Per capita reduction since 2005 (%)
2005	315	581	282	1,180	254	4.6	17.4
2006	316	572	277	1,166	257	4.5	
2007	306	556	278	1,141	259	4.4	
2008	264	556	267	1,088	262	4.2	
2009	239	500	258	998	265	3.8	

Source: DECC, 2011

Annual CO<sub>2</sub> emissions (tonnes) in Greater London 2005 to 2009

Greater London	Industry and commercial	Domestic	Road transport	Total	Population ('000s, mid-year estimate)	Per capita emissions (t)	Per capita reduction since 2005 (%)
2005	20,389	17,291	9,239	46,966	7,485	6.3	12.7
2006	21,738	17,193	9,114	48,089	7,547	6.4	
2007	20,977	16,807	9,050	46,876	7,602	6.2	
2008	21,157	16,865	8,664	46,726	7,668	6.1	
2009	18,752	15,232	8,419	42,441	7,753	5.5	

Source: DECC, 2011

<sup>1</sup> Where temperatures in urban areas, particularly at night are warmer than non-urban areas

The GLA notes that by far the largest contributor to domestic emissions is space heating and cooling, which produce three times as many emissions as either water heating or appliances, and ten times as many as lighting.<sup>2</sup> It also notes that the domestic sector could contribute 39% of the total savings of 20 million tonnes of CO<sub>2</sub> identified in the London Climate Change Adaptation Strategy. Improving housing standards, insulation and energy efficiency, and providing sustainable decentralised energy can all contribute to reducing emission levels.

The emissions for Lewisham reflect its small industrial and commercial base and predominantly residential character with older properties, and its limited Underground services. It also notes that the domestic sector could contribute 39% of the total savings of 20 million tonnes of CO<sub>2</sub> identified in the London Climate Change Adaptation Strategy. Improving housing standards, insulation and energy efficiency, and providing sustainable decentralised energy can all contribute to reducing emission levels. The percentage of homes that do not meet decent homes standards in the borough is reducing; however there is still a need to improve this.

The Council is proactively working to address climate change issues. The borough was awarded Beacon Status in 2005/06 for work on sustainable energy and has a wide variety of programmes aimed at energy efficiency and reducing CO<sub>2</sub> emissions. To implement its goals the Council has a Corporate Sustainability Board and in July 2008 published a Carbon Reduction and Climate Change Strategy to ensure it leads by example on energy efficiency. The Council's ambition is for Lewisham to play a leading role in responding to climate change locally, regionally and nationally with the aim of achieving the lowest amount per capita CO<sub>2</sub> emissions in London. Any future residential development will need to meet Code for Sustainable Homes Level 4 or higher. Level 4 will provide greater energy efficiency (heating and cooling) as well as water efficiency features to improve biodiversity such as a green/living roof.

Section 3.4 of the London Borough of Lewisham Renewable Evidence Base Study<sup>3</sup> states the existing renewable energy capacity in Lewisham. A review of the Ofgem Renewables and CHP Register<sup>4</sup> showed that out of over 2000 facilities for renewable energy none of them are located in the London Borough of Lewisham. Although there are no major renewable energy facilities currently in the borough there may be some standalone renewable installations that provide renewable energy on a small scale.

## **2. Air**

There are five air quality management areas (AQMAs) in the borough, located where the level of pollutants is higher than the acceptable threshold. National Air Quality Objective (NAQO) for nitrogen dioxide (NO<sub>2</sub>) is set at 40µg/m<sup>3</sup> as an annual average. In urban areas, this is the most difficult target to meet. Road traffic is the main source of air pollution in the borough. Excessive road traffic, which affects areas of poor air quality, is considered to be one of the main modern 'environmental stress' factors.

---

<sup>2</sup> Housing in London: The Evidence Base for the Mayor's Housing Strategy, September 2014

<sup>3</sup> London Borough of Lewisham Renewable Evidence Base Study 2010

<sup>4</sup> Ofgem, "Ofgem Renewables and CHP Register",

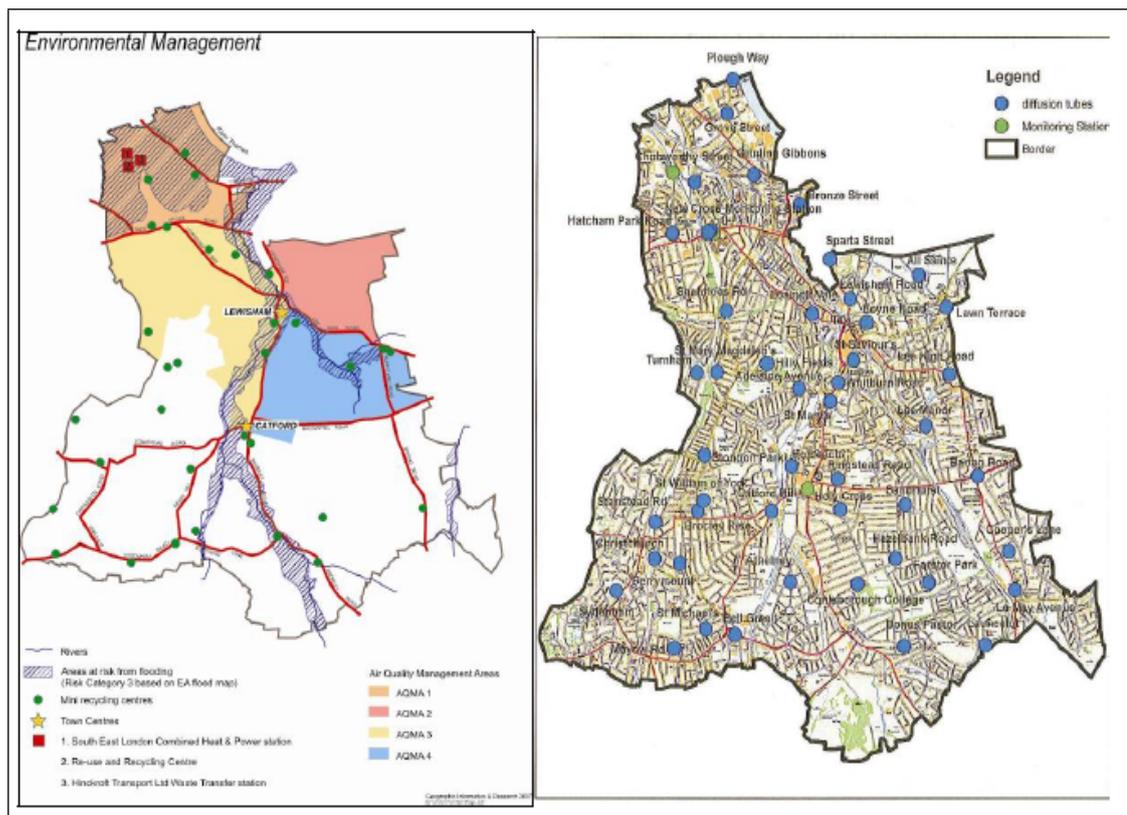
<http://www.ofgem.gov.uk/Sustainability/Environment/RCHPreg/Pages/RCHPreg.aspx>

Exposure to higher levels than 40µg/m<sup>3</sup> is most likely to affect those who have a pre-existing respiratory illness as it causes irritation of the nose, throat and airways. However, the objectives do not necessarily represent 'safe' levels and it is agreed that authorities should continue to work to improve air quality and not just aim to meet the targets.

The borough's air quality will remain an important issue that needs to be addressed. The Council adopted an Air Quality Action Plan in 2008. The focus of which is mainly concerned with reducing emissions from road transport, with an emphasis on balancing supply side measures, such as improved walking, cycling and public transport, and demand side management, such as traffic restraint and regulation. The implementation of the London Low Emission Zone is expected to have the highest benefit in improving air quality within Lewisham AQMAs.

The Council's fourth review and assessment (Updating and Screening Assessment) of air quality was conducted in June 2009. There is a risk of the annual mean objective being exceeded for nitrogen dioxide and for particles PM<sub>10</sub>. The Detailed Assessment concluded that the Council should maintain the designated AQMAs and continue the programme of monitoring which was expanded in 2010 to measure PM<sub>10</sub> in a location where fugitive sources were believed to be an issue.<sup>5</sup>

#### Air Quality Management Areas in Lewisham and Monitoring Stations



<sup>5</sup> Air Quality Action Plan 2008

### **3. Biodiversity, flora and fauna**

Lewisham's natural heritage has helped shape the borough's development and continues to be a reason why people choose to live and work here. Names such as Lee Green, Grove Park and Forest Hill give an idea of the landscape from which Lewisham developed. Today the borough is characterised by a wide variety of green spaces and natural features that provide places for people to enjoy, such as New Cross Gate Cutting, Blackheath, the River Ravensbourne, Beckenham Place Park and Hilly Fields.

Lewisham has more than 560 hectares of green space (about 14% of the area of the borough), with 46 public parks covering about 370 hectares of land. Lewisham is one of the greenest parts of south-east London with over a fifth of the borough being parkland or open space.<sup>6</sup> Areas of parkland and open space play an important environmental role, contributing to biodiversity within the borough.

The Stag Beetle is the largest beetle in the UK, is threatened at the global level and has undergone significant decline in the past 40 years. Recent surveys indicate south London is a national hotspot and in Lewisham they can be found throughout the borough. They require suitable dead wood for their survival and management of this resource is a key priority for land managers.

Within the borough of Lewisham there are 60 sites designated as Sites of Nature Conservation Importance (SNCI) including 19 Local Nature Reserves (LNR). In addition, the council has 21 nature conservation areas directly under ecological management, each with its own unique features.<sup>7</sup> The River Thames and other waterways, private garden areas, and railway line-sides also provide valuable habitats for wildlife in the borough.<sup>8</sup>

### **4. Soil**

The solid geology of Lewisham is predominantly marine London Clay in the central and southern sections of the borough, with a pocket of Lambeth Group clay in the south and a number of pockets in the north. Towards the north of the borough there are also pockets of chalk (Upper Chalk and Chalk Group) and sand (Thanet Sand Formation). In the north east and south / south eastern sections of the borough there are also pockets of Harwich Formation sand and gravels.<sup>9</sup>

The drift deposits are concentrated in the north and central sections of the borough, with alluvium in the vicinity of the River Thames and along the River Ravensbourne valley. Gravels of the Kempton Park Gravel Formation can generally be found adjacent to the alluvial deposits. In addition, there is a pocket of Langley Silt

---

<sup>6</sup> Lewisham Leisure and Open Space Study 2010

<sup>7</sup> Core Strategy 2011

<sup>8</sup> Core Strategy 2011

<sup>9</sup> London Borough of Lewisham, 2010: Contaminated Land Inspection Strategy, prepared by the Environmental Protection Group.

Formation deposits in the north west of the borough and pockets of Head (Clay) in the south of the borough.<sup>10</sup> The borough is characterised by slowly permeable soils which are seasonally wet and slightly acid but base rich loamy and clayey in texture. Along the river corridors, and specifically in the locality of Catford town centre, the soils are loamy with naturally high groundwater.<sup>11</sup>

There are currently no entries recorded in Lewisham's Contaminated Land Register.<sup>12</sup> This should not however, be interpreted that the land is necessarily free of contamination.

## **5. Water**

### ***Flood zones***

The London Borough of Lewisham has some land within flood zones 2 and 3. Flood zone 2 represents the 1 in 1000 year probability of flooding, and flood zone 3 represents the 1 in 100 year probability of flooding. The area of land within flood zones 2 and 3 is predominantly around in the North of the Borough, where the risk is tidal flooding from the Thames. Other areas include the land around the river Ravensbourne and river Pool, extending to the south of the Borough and the Quaggy, extending towards the east of the Borough. In Lewisham there are approximately 21,000 properties at risk of flooding from river and tidal sources. This equates to 16% of all properties in the Borough. For the properties at risk of flooding, 8% are classified as having a significant likelihood of flooding, compared to 83% which are classified as having a low likelihood of flooding. The remainder have a moderate likelihood of flooding. Potential risk of flooding from other (non river related) sources also exists including possible sewer surcharging and surface water flooding as a result of heavy rainfall and/or blocked gullies. With changing climate patterns, it is expected that intense storms will become increasingly common and those properties (and areas) that are currently at risk of flooding may be susceptible to more frequent, more severe flooding in future years.<sup>13</sup>

### ***Water Framework Directives***

The Water Framework Directive is European legislation designed to protect and enhance the quality of our rivers, lakes, streams, groundwater, estuaries and coastal waters, with a particular focus on ecology. The Environment Agency is the lead authority on the WFD in England and Wales. We are required to plan and deliver actions that will improve our water environment. There are three watercourses in Lewisham designated under the WFD, The River Pool, Quaggy and Ravensbourne. Under the WFD, these need to achieve good ecological potential by 2027. A programme of measures to improve the status is being developed. This will include a series of measures to address urban diffuse pollution in some parts of London, in order to achieve the 'good' ecological status required for the Directive.

---

<sup>10</sup> Contaminated Land Inspection Strategy, 2010.

<sup>11</sup> National Soil Resources Institute (NSRI) Soilscales website <http://www.cranfield.ac.uk/sas/nsri/>

<sup>12</sup> Lewisham Borough Council website: [www.lewisham.gov.uk](http://www.lewisham.gov.uk)

<sup>13</sup> SFRA 2008

### ***Water Quality: Chemical Water Quality***

The only watercourse in the Borough currently designated under the chemical General Quality Assessment (GQA) is the section of the River Ravensbourne between the River Pool and the Tideway. New chemical GQA calculations have been introduced under which biological oxygen demand has been removed as one of the parameters. This means the calculation is now based on ammonia and dissolved oxygen levels to grade each river reach. Using this method, the chemical quality has consistently been found to be very good, having achieved a grade A every year between 2000 and 2009. There has been a reduction in the size of the GQA network over the last few years. The River Quaggy and the River Pool were designated up until 2006. The quality of the River Quaggy was good, with the reach achieving a grade B on average. The quality of the River Pool was only fairly good, as it predominantly achieved a grade C.

The River Quaggy and River Ravensbourne merge in Lewisham town centre, and these rivers have quite similar catchments. Unusually there are no major point sources of pollution in these urban rivers, and water quality issues (principally related to nutrients) arise from diffuse urban sources such as road runoff and missed connections, where domestic sewerage is wrongly connected to pipes intended for surface water runoff. As a result, water quality is very variable, and can be good during periods of dry weather.

### ***Householder Water Use***

All of Lewisham falls in Thames Water's London resource zone, where average consumption in 2009-10 was 167 litres per person per day.<sup>14</sup> This compares to the five year average for the Borough of 160.4 litres consumed per person per day between 2005/06 and 2009/10. This water resource zone (WRZ) is seriously water stressed. The Government has set a target for households to achieve 130 litres per person per day, which will require changes to consumption patterns in order to meet it. Through the Code for Sustainable Homes, any future residential development in Lewisham will need to meet Code for Sustainable Homes Level 4. Level 4 will provide greater water efficiency features to encourage sustainable consumption of drinking water within buildings and external watering/irrigation.

---

<sup>14</sup> Thames Water, 2010. Thames Water revised Water Resources Management Plan. [online] (Updated 2010) Available at: <http://www.thameswater.co.uk/cps/rde/xchg/corp/hs.xsl/5392.htm>

## 6. Population and human health

### *Population*

The population of the London Borough of Lewisham was 275,885 at the 2011 census. The population of Lewisham grew by 3% between 2001 and 2011. It is forecast to increase by almost a quarter (64,300) between 2006 and 2031.<sup>15</sup> Children and young people (0 to 19 years) make up over a quarter of the population, one of the highest proportions in London.<sup>16</sup> Elderly residents (over 75 years) make up just 5%. The average age of our population is 34.7 years and is young when compared with other London boroughs. Population growth and an increase in the number of households is expected to be concentrated within the Evelyn, New Cross and Lewisham Central wards. This is due in part to the major development and regeneration plans such as Convoys Wharf and within the Lewisham Town Centre. In terms of life expectancy for the borough's population, between 2005 and 2007 the average life expectancy at birth for men in Lewisham was 76 years, compared with 77.3 years in England; and over the same period the life expectancy for women was 80.8 years in Lewisham compared with 81.5 years in England.<sup>17</sup> The population was more or less evenly split between males and females and these proportions are not expected to change in the period to 2014.<sup>18</sup>

There was a growth in all groups of the black and minority ethnic (BME) population between the 2001 and the 2011 Census. This has risen from 39% of households to 58.5%, who largely live in the northern and central parts of the borough.<sup>19</sup> The general level of health of people in Lewisham is significantly poorer than the health of people in the rest of England. Some indicators of poor health are specifically related to low income such as coronary heart disease, cancer and respiratory disease. Reducing premature mortality from circulatory diseases and cancer remain priorities for Lewisham.<sup>20</sup>

The Index of Deprivation 2015 ranked Lewisham as the 19<sup>th</sup> most deprived area in the UK that affects children and older people. It also states the population for Lewisham has increased since the census and is now 293,100<sup>21</sup>. Lewisham is within the 20% most deprived Local Authorities in the country. In 2010 Lewisham was ranked the 31<sup>st</sup> most deprived Local Authority. Although the recent ranking is lower than in the 2010 Index of Deprivation, a number of local authorities that were previously within the 20% most deprived nationally are no longer in existence. The Index of Deprivation looks at a range of indicators covering income, employment, health, education, training, skills, living conditions and access to services.

---

<sup>15</sup> Greater London Authority 2008 Round of Demographic Projections, RLP High

<sup>16</sup> Census 2011

<sup>17</sup> JSNA, NHS London

<sup>18</sup> Male 49% and female 51%.

<sup>19</sup> BME population estimated at 49.4% of households as evidenced through the Lewisham Household Survey 2007 for the Strategic Housing Market Assessment (SHMA)

<sup>20</sup> Joint Strategic Needs Assessment (JSNA), NHS Lewisham

<sup>21</sup> London Datastore <http://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html>

In the 2015 Index of Deprivation of Lewisham's 166 LSOAs 40% were in the 20% most deprived in England, compared with 38% in 2007. Only five of these LSOAs were within the worst 10% (this is the same as in the 2010 ID); they are dispersed across the wards of Bellingham, Evelyn, Lewisham Central, Rushey Green and Whitefoot. However, 58 of Lewisham's LSOAs were in the bottom 10-20% (up two from 2007); making a total of 63 LSOAs in the bottom 20%.

With nearly 40% of Lewisham's LSOAs in the bottom 20%, and almost all of the remaining LSOAs being in the bottom 50%, the ID results again suggest that Lewisham faces some significant challenges. Care must be taken not to assume that 'less deprived' means 'wealthier' as the indices measure only levels of deprivation, not affluence. In addition, it is important to recognise that even in LSOAs with little deprivation there may be individuals and families experiencing deprivation. These people will also need to access support and services aimed at tackling deprivation.

## **Health**

There are many healthcare facilities in Lewisham. There are a vast array of health services incorporating the needs of the population. The main health care services in Lewisham are community services as well as a university hospital and several mental health centres<sup>22</sup>.

The following list details these:

Southbrook Road Community Mental Health Centre – 1 Southbrook Road, Lee  
Speedwell Mental Health Centre – Speedwell Street  
Cygnet Lodge Lewisham – Lewisham Park  
University Hospital Lewisham – High Street, SE13 6LH  
Burgess Park – Unit 2, Burgess Park Industrial Estate, SE5 7TG  
Downham Health and Leisure Centre – 7-9 Moorside Road, Downham, BR1 5EP  
Primary Care Centre Hawstead Road - Primary Care Centre, Hawstead Road, Catford, SE6 4JH  
Honor Oak Health Centre - 20 Turnham Road, Honor Oak Rd, SE4 2HH  
Ivy House - Bradgate Road, Catford, SE6 4TT  
Kaleidoscope - 32 Rushey Green, Catford, SE6 4JF  
Jenner Health Centre - 201-3 Stanstead Road, Forest Hill, SE23 1HU  
Lee Health Centre - 2 Handen Road, Lee, SE12 8NP  
Marvels Lane Health Centre - 37 Marvels Lane, Grove Park, SE12 9PN  
South Lewisham Health Centre - 50 Conisborough Crescent, Bellingham, SE6 2SP  
Sydenham Green Health Centre - 26 Holmshaw Close, Sydenham, SE26 4TH  
Waldron Health Centre - Amersham Vale, New Cross, SE14 6LD

---

<sup>22</sup> <https://www.lewishamandgreenwich.nhs.uk/contact-community-sites-in-lewisham/>

## **7. Material assets**

### **Homes**

#### **Continuous growth in population and high demand for housing and affordability**

The population is forecast to rise. The Mayor of London requires 10,050 new residential units to be built in Lewisham by 2021. The average income of the majority of households is insufficient to buy a house. The SE London and Lewisham Strategic Housing Market Assessments highlight that access to affordable housing remains an issue throughout the borough. Based on the GLA Housing Price 2008 data, the housing price in Lewisham has increased steadily over the last five years. However, it is still lower than the London average price (£249,789 compared to £297,785).<sup>23</sup> This is particularly relevant given that the Lewisham Household Survey for the SHMA asked a question about household income. This included gross household income from all sources such as earnings, pensions, interest on savings, rent from property and state benefits. While just under a fifth of households have an income of over £40,000, however nearly half of all households have an income of less than £15,000.<sup>24</sup>

#### ***Existing dwelling stock***

Of the total dwelling stock, 54% of properties in Lewisham are flats of which nearly half are converted dwellings rather than purpose built. Of the remainder 34% are terraced houses and 12% are detached or semi-detached.<sup>25</sup> In terms of bedroom size, 27% of properties are 1 bedroom, 33% 2 bedroom and 30% 3 bedroom. This leaves 10% with 4 or more bedrooms.

A dramatic change has taken place in the tenure of property in the London borough of Lewisham in the past few years. This provides a roughly equal tenure split between private rent, social rent and private ownership. It is considered that the increase in the private rented sector is a result of the buy-to-let market in recent years. The amount of private rented properties has increased from 14.3% in 2001 to 24.3% in 2011. Conversely social rented properties have fallen from 35.6% in 2001 to 31.1% in 2011, while properties owned outright or with a mortgage have decreased from 50% in 2001 to 42.4% in 2011.<sup>26</sup>

A total of 33,922 households were assessed as living in unsuitable housing due to one or more factors.<sup>27</sup> The largest reason was overcrowding (11,482 households), and major disrepair or unfitness (10,641); followed by support needs, accommodation too expensive and sharing facilities (6,151, 5,263, and 4,487 respectively). Deptford is one area in the borough most likely to contain unsuitably housed households which corresponds to areas identified with higher levels of deprivation.<sup>28</sup>

#### ***Affordable Housing***

---

<sup>23</sup> Land Registry, March 2009

<sup>24</sup> 48%

<sup>25</sup> Lewisham Household Survey 2007, SHMA 2008

<sup>26</sup> Lewisham Household Survey 2007, SHMA 2008, 2011 Census

<sup>27</sup> Lewisham Household Survey 2007, SHMA 2009, 2011 Census

<sup>28</sup> Lewisham Household Survey 2007, SHMA 2009, 2011 Census

Lewisham's housing strategy, Homes for future<sup>29</sup>, states that the council aims to deliver 11,000 homes by 2020 of which up to 50% will be affordable housing with the aim to reduce homelessness and the number of households in temporary accommodation and also to enable people on low and modest incomes to afford their own home. The tenure mix of affordable housing is agreed on an individual basis, it takes into consideration the existing housing mix and character as well as the demand in the area for affordable housing.

## **8. Cultural heritage**

The complex historical development of the borough has left a legacy of distinctive neighbourhoods. In acknowledgement of this distinctive heritage a substantial portion of the borough is identified as an Archaeological Priority Area. An archaeological priority area is an area specified by Local Planning Authorities to help protect archaeological remains that might be affected by development. This means that any redevelopment in these areas that might reveal remains of interest will be required to undertake an assessment and preservation in accordance with advice from English Heritage.

Today the borough is characterised by a wide variety of green spaces and natural features that provide places for people to enjoy, such as New Cross Gate Cutting, Blackheath, the River Ravensbourne, Beckenham Place Park and Hilly Fields. These open spaces have historic significance and give the borough a distinct identity. They are an essential component of many heritage assets. For example, the open character of Blackheath is an integral element of the Blackheath Conservation Area and a supporting element to the outstanding universal value of the Maritime Greenwich World Heritage Site. The small area of open space within the Culverley Green Conservation Area provides a welcome element of informality to the grid pattern of tree lined streets.

Lewisham has around 27 conservation areas covering 707 ha of the borough, around 540 nationally-listed buildings, over 200 Locally Listed buildings, 2 Registered Parks and Gardens, 21 areas of Archaeological Priority and 1 Scheduled Ancient Monument. Lewisham's open spaces also have historic significance and give the borough a distinct identity. They are an essential component of many heritage assets.

## **9. Landscape**

The borough of Lewisham is primarily residential in nature, characterised by 20th century suburbs in the south to older Victorian neighbourhoods in the north. These extensive areas of housing are punctuated with a network of small and large town centres, local shopping parades, employment areas of varying quality and job density, many parks and green spaces, and railway corridors, and are overlaid by a range of heritage assets.

---

<sup>29</sup> 'Homes for the future: raising aspirations, creating choice and meeting need' Lewisham's Housing Strategy 2009-2014

The borough is characterised by a wide variety of green spaces and natural features that provide places for people to enjoy, such as New Cross Gate Cutting, Blackheath, the River Ravensbourne, Beckenham Place Park and Hilly Fields. In fact, Lewisham has more than 560 hectares of green space (about 14% of the area of the borough), with 46 public parks covering about 370 hectares of land. These areas play an important environmental and recreational role as well as defining and continuing to contribute to Lewisham's overall character.

Lewisham is located within the London Basin Natural Area<sup>30</sup> and is defined by an urban / suburban land use according to the Dudley Stamp Land Use inventory.<sup>31</sup> The landscape character of the borough is focused around the Ravensbourne, Quaggy and Pool rivers which flow into Deptford Creek. Elevated views play a significant role in the character of the area. There is a general gradient of development across the borough from oldest in the north to more modern in the south. As London has grown, the borough has seen successive rounds of urbanisation moving south across the borough.<sup>32</sup>

Lewisham also has 37 allotment sites which are very popular with local residents. Because of the current interest in healthy, outdoor living and organic food, all of the sites have waiting lists. No areas within the borough are designated as Greenbelt land. Of the 37 allotment sites within the borough, one relatively small allotment can be found in the Rushey Green ward at the Weavers Estate (0.42 ha).

Compared to a city average of 41%, only 23% of land in the borough of Lewisham is green space or water. Despite having 560 ha of green space, parts of the borough are considered to be deficient in open space, and with increasing pressures to build, the borough aspires to protect all its green space.<sup>33</sup>

## 10. Waste

Lewisham is a unitary waste authority. Over 80% of Lewisham's waste is diverted away from landfill by incinerating it as the South East London Combined Heat and Power Station (SELCHP), which recovers power to supply to the National Grid. Of the borough's total waste for 2010/11 only 6% was sent to landfill. The borough incinerates 76% of its household waste. Lewisham has on the other hand the lowest recycling and composting rate in London in 2009/10. The overall household recycling and composting rate in Lewisham has steadily between 2000/01 and 2007/08. However, the rate has since declined. The current recycling and composting rate is almost 15% lower than the London total rate of 31.8%.<sup>34</sup>

---

<sup>30</sup> English Nature, 1997: London Basin Natural Area Profile

<sup>31</sup> [www.magic.gov.uk](http://www.magic.gov.uk)

<sup>32</sup> Lewisham Borough Council, May 2011: Development Management Local Plan Sustainability Appraisal Scoping Report

<sup>33</sup> Lewisham Borough Council, May 2011: Development Management Local Plan Sustainability Appraisal Scoping Report

<sup>34</sup> Department for Environment, Food and Rural Affairs (Defra), 2013. Municipal Waste Management Statistics. [online] (Updated 07/02/2013) Available at: <http://www.defra.gov.uk/statistics/environment/>

The Council aims to increase household recycling / composting and in 2010/11 has set a target to recycle compost or reuse 25% of its household waste. Further, targets have been set to landfill 8% of municipal waste by 2010/11 and to reduce household waste per household to 716kg in 2010/11.<sup>35</sup> There is a projected waste growth of 3% per annum, which means that disposing of this increasing amount and variety of waste will become increasingly difficult. Every borough is allocated an apportionment of waste in the London Plan that they must dispose of using appropriate facilities. For Lewisham this equates to approximately 208,000 tonnes in 2010, increasing to 323,000 tonnes by 2020.<sup>36</sup> Provision in the borough exceeds this level with the South East London Combined Heat and Power Station (SELCHP) in Deptford capable of handling 488,000 tonnes alone. Further facilities in Lewisham are capable of dealing with over 200,000 tonnes and provide support to other boroughs in the south-east region of London.<sup>37</sup>

---

<sup>35</sup> Lewisham Municipal Waste Strategy 2008

<sup>36</sup> London Plan policy 4A.25 and Table 4A.6

<sup>37</sup> Southeast London Boroughs' Joint Waste Apportionment Technical Paper, 2009

## **Appendix C**

### **Sustainability Objectives, Indicators, Targets and Monitoring**

Sustainability Objective	Indicator	Target	Monitoring Year/Frequency	Data Source	Action
1. To provide sufficient housing and the opportunity to live in a decent home	Number of housing completions Gypsy and Traveller pitches Number of affordable housing completions (by tenure type) Mix of housing tenure Mix in dwelling sizes Provision of student/other specialist housing	50% affordable homes 70:30 split between social and intermediate housing At least 40% affordable homes to be 3 bedrooms or more	Annual	Annual Monitoring Report	Allocation of Gypsy and Traveller pitches Provision of housing, including affordable housing
2. To improve the health of the population	Households with limiting long-term illness Mortality rate from circulatory diseases at age under 75 Mortality rate from all cancers at age 75 of under Health life expectancy at age 65 Number of people taking part in activities that improve physical and mental health in the borough		Every 10 years	ONS	Encourage walking and cycling Maintain or improve access to healthcare
3. To reduce poverty and social exclusion	Number of recorded racial incidents Indices of Multiple Deprivation	Improve the London Borough of Lewisham's rank in the Indices of Multiple Deprivation	Every 3 years	CLG	Promote social cohesion and reduce poverty

4. To improve accessibility to leisure facilities, community infrastructure and key local services	<p>Gain/loss of community/recreational facilities</p> <p>Delivery of identified social infrastructure</p> <p>Funding for community facility improvements secured</p>	No net loss of recreational facilities	Annual	Annual Monitoring Report	Provision of leisure facilities, community infrastructure and key local services
5. To reduce crime, antisocial behavior and the fear of crime	<p>Number of schemes incorporating 'secured by design'</p> <p>Number of offences per 1,000 population</p> <p>Detailed indicators for the following:</p> <ul style="list-style-type: none"> <li>• Violence against the person</li> <li>• Burglaries</li> <li>• Robberies</li> <li>• Violent crime</li> <li>• Sexual offences</li> </ul>		Annual	Office of National Statistics Metropolitan Police Service	Promote safety of the environment and social cohesion
6. To reduce car travel and improve accessibility by sustainable modes of transport	<p>Number of car parking spaces delivered in new development</p> <p>Number of completed car limited developments</p> <p>Number of car clubs and parking bays</p> <p>% of permitted major developments with a travel plan</p> <p>Proportion of journeys made on foot and by bicycle</p>	<p>Higher density development to be located within areas with a higher PTAL</p> <p>11% of total trips made by cycle or foot by 2025</p> <p>Year on year increase in number of electric car charging points</p>	As reviewed by Transport for London	Transport for London Census Annual Monitoring Report	<p>Maximise accessibility of Gypsy and Traveller sites to services and public transport</p> <p>Enhance walking and cycling routes</p> <p>Reduce car ownership</p>

	<p>Number of electric car charging points</p> <p>Improvements to legibility and signage</p> <p>Improved pedestrian and cycle routes and crossings</p> <p>Number of cycle parking spaces provided for each new home or other development and public realm</p> <p>Improved lighting and natural surveillance on pedestrian and cycle paths</p> <p>Number of road accident casualties per 1,000 population serious or fatal</p> <p>Public transport accessibility levels</p>	<p>All major developments to have travel plans</p> <p>All development permitted to include cycle facilities</p>			
<p>7. To mitigate and adapt to the impact of climate change</p>	<p>Number of homes achieving Code for Sustainable Homes level 4 or above granted/completed</p> <p>Number of BREEAM buildings granted/completed</p> <p>Number and capacity of decentralised energy granted/completed</p> <p>Number, type and capacity of renewable energy granted/completed</p> <p>Number and size of living roofs granted/completed</p> <p>Number of new developments incorporating water efficiency measures</p>	<p>Maximise renewable energy by type</p> <p>Increase in the number of living roofs and walls</p> <p>Year on year reduction in the carbon footprint of Lewisham</p> <p>All houses built to Code for Sustainable Homes Level 4</p> <p>All non-residential development built to BREEAM excellent standard</p>	<p>Annual</p>	<p>Annual Monitoring Report</p> <p>EA and Stockholm Environment Institute</p>	<p>CO2 reduction and energy efficiency</p> <p>Efficient use of natural resources</p>

<p>8. To improve air quality and water quality, manage water resources and reduce noise and vibration</p>	<p>Water pollution incidents            Change in chemical river quality            Number of developments approved against the recommendation of the statutory water/sewerage undertaker on low pressure/flooding grounds            LLSOA Electricity and Gas consumption            Per capita reductions in CO2            Levels exceeding Main Air Pollutant Quality Standards            Levels of NO2 and PM10            Number of complaints related to noise from roads, construction, maintenance, noisy neighbours and/or other.            Number of Considerate Constructors schemes registered with new developments and refurbishments</p>	<p>National Air Quality Strategy standards            Reduction in noise complaints            No decrease in water quality</p>	<p>Annual</p>	<p>Annual Monitoring Report            London Air Quality Archive</p>	<p>Water management and SUDS implementation            Minimise air pollution            Reduce noise            Consider compatibility of land uses</p>
<p>9. To increase, maintain and enhance open space, biodiversity, flora and fauna</p>	<p>Area of designated habitats            Number and size of biodiverse brown living roofs granted/completed            Number of bat and other bird boxes delivered as part of new developments            Number of applications granted or refused on designated open space and within SINCS</p>	<p>Year on year reduction in the ecological footprint of Lewisham            Year on year increase in the number of bat and bird boxes provided with development            No net loss of open space</p>	<p>Annual</p>	<p>Annual Monitoring Report            EA and Stockholm Environment Institute</p>	<p>Efficient use of natural resources            Maintain or enhance biodiversity importance            Protect and enhance open space and linkages</p>

	<p>Amount of new or improved open space provided, including that which provides a net gain for biodiversity and accessible natural greenspace</p> <p>Number of new allotments and community gardens</p> <p>Funding secured for open space improvements</p>				
10. To mitigate flood risk	<p>Number of planning permissions granted contrary to the advice of the Environment Agency on either flood defense grounds or water quality</p> <p>Number of SUDS granted and delivered</p>	No applications granted contrary to Environment Agency advice	Annual	Environment Agency	<p>Work in partnership with the Environment Agency</p> <p>Flooding and water management</p>
11. To maintain and enhance landscapes and townscapes	<p>Number of key views maintained and enhanced</p> <p>Pre applications and applications considered by the design review panel</p> <p>Number of interventions aimed at improving streetscapes</p>	All major applications to be referred to the design review panel	Annual	Annual Monitoring Report	Protect landscape and townscape
12. To conserve and where appropriate enhance the historic environment	<p>Number of designated heritage assets (including listed buildings and conservation areas)</p> <p>Number of undesignated heritage assets (locally listed buildings, areas of archaeological significance)</p>		Annual	<p>Annual Monitoring Report</p> <p>English Heritage</p>	Protect heritage assets

	<p>% of applications where archaeological strategies were developed and implemented</p> <p>Number of applications that have considered views of strategic importance</p> <p>Condition of designated and undesignated heritage assets</p>				
<p>13. To minimise the production of waste and increase waste recovery and recycling</p>	<p>% of waste recycled, reused or composted</p> <p>Tonnes of waste sent to landfill per year</p> <p>Residual household waste per year</p> <p>Amount of waste recycled on site by residents and employment industries</p>	<p>Residual waste per household in Lewisham</p> <p>2011/2012 720kg</p> <p>2012/2013: 718kg</p> <p>2013/2014: 716kg</p> <p>% of household waste sent for reuse, recycling and composting in Lewisham</p> <p>2013/2014: 21% waste recycled</p>	<p>Annual</p>	<p>Strategic Waste and Management</p>	<p>Waste Management</p>

		<p>% household waste sent to landfill in Lewisham</p> <p>2011/2012: 7%</p> <p>2012/2013: 6.5%</p> <p>2013/2014: 6%</p>			
14. To encourage sustained economic growth	<p>Area of employment land with mixed use employment location (MEL) and local employment location (LEL)</p> <p>Size and type of employment floorspace</p> <p>Amount of vacant employment floorspace</p> <p>Amount of new completed employment floor space</p> <p>New business registration rate</p> <p>Rent levels of employment accommodation</p>	<p>No loss of employment land</p> <p>Minimise vacant employment land</p> <p>Annual completion no net loss</p>	Annual	<p>Lewisham ELS</p> <p>London Borough of Lewisham GIS</p> <p>Annual Monitoring Report</p>	<p>Protection of employment sites</p> <p>Maintain a supply of a variety of employment floorspace</p>
15. To promote access to employment, education, skills and training	<p>Employee numbers in Lewisham</p> <p>% of businesses in the area showing employment growth</p> <p>Job density in Lewisham</p> <p>Number of employed and unemployed living in the area</p> <p>Numbers of employees and business owners who are BME</p>	<p>Increase in jobs</p> <p>Increase in percentage of local residents employed for specific development projects, including apprenticeships</p> <p>No reduction in job density</p>	Annual	<p>National Annual Business Inquiry</p> <p>Office of National Statistics</p> <p>Official Labour Market Statistics</p>	<p>Maximise and provide a range of local employment opportunities</p> <p>Protection of employment sites to secure local job opportunities</p>

	<p>% of population of working age who claim unemployment benefit</p> <p>Number of pupils achieving 5 or more GCSE's at grades A* to C or equivalent</p> <p>People aged 16-74 with no qualifications</p> <p>Number of full and part time courses provided</p> <p>Number of full and part time people participating in educational courses/events in the area</p> <p>Funding secured for improvements in the quality and level of education infrastructure</p>	<p>Increase in employment rate</p> <p>Narrow gap to the GB average employment rate to no more than 3% points</p> <p>Year on year decrease in the number of people without qualifications in Lewisham</p>			<p>Local labour agreements</p>
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--------------------------------

**Appendix D**  
**Decision Aiding Questions**

SA Objective	Decision Aiding Questions
1. To provide sufficient housing and the opportunity to live in a decent home	<p>Additional housing?</p> <p>Increase the range and availability of housing?</p> <p>Reduce the number of unfit homes?</p>
2. To improve the health of the population	<p>Encourage healthy lifestyles?</p> <p>Improve qualifications and skills?</p> <p>Reduce health inequalities?</p>
3. To reduce poverty and social exclusion	<p>Reduce poverty and social exclusion?</p> <p>Encourage engagement in community activities?</p> <p>Increase the ability of people to influence decisions?</p> <p>Improve community relations?</p>
4. To improve accessibility to leisure facilities, community infrastructure and key local services	<p>Proximity to leisure facilities, community infrastructure and key local services?</p>
5. To reduce crime, antisocial behavior and the fear of crime	<p>Reduce actual levels of crime?</p> <p>Reduce the fear of crime?</p>
6. To reduce car travel and improve accessibility by sustainable modes of transport	<p>Reduce car use?</p> <p>Reduce vehicle movement?</p> <p>Proximity to public modes of transport?</p> <p>Encourage sustainable modes of transport?</p> <p>Increase/enhance walking/cycling routes?</p>
7. To mitigate and adapt to the impact of climate change	<p>Promote consumption of natural resources in a sustainable manner?</p> <p>Include sustainable design?</p> <p>Promote energy and water conservation?</p> <p>Reduce greenhouse gas emissions?</p> <p>Lead to an increased proportion of energy needs being met from renewable/decentralised sources?</p>
8. To improve air quality and water quality, manage water resources and reduce noise and vibration	<p>Improve the quality of river water or ground water?</p> <p>Conserve water?</p> <p>SUDS?</p> <p>Water and sewage infrastructure capacity?</p> <p>Improve air quality?</p>

	<p>Reduce noise?</p> <p>Reduce vibration?</p> <p>Proximity to public modes of transport?</p>
<p>9. To increase, maintain and enhance open space, biodiversity, flora and fauna</p>	<p>Conserve and enhance natural/semi-natural habitats?</p> <p>Conserve and enhance species diversity, and in particular avoid harm to protected species?</p> <p>Maintain and enhance sites designated for their nature conservation interest?</p> <p>Protection and improvement of existing open space?</p> <p>Provision and quality of open space?</p> <p>Improve accessibility and connectivity to open space?</p>
<p>10. To mitigate flood risk</p>	<p>Is there flood protection?</p> <p>SUDs?</p> <p>Decreasing run-off?</p>
<p>11. To maintain and enhance landscapes and townscapes</p>	<p>Loss or damage to significant landscape or townscape features?</p> <p>Improve the landscape and ecological quality and character?</p> <p>Improvement to streetscape/public realm?</p>
<p>12. To conserve and where appropriate enhance the historic environment</p>	<p>Conserve and enhance the historic built character of the borough, especially within designated conservation areas?</p> <p>Protect sites of archaeological and historic importance?</p> <p>Protects and enhances designated and undesignated assets?</p> <p>Responds to landscape assets and characteristics?</p>
<p>13. To minimise the production of waste and increase waste recovery and recycling</p>	<p>Lead to reduced consumption of materials and resources?</p> <p>Reduce household waste?</p> <p>Increase waste recovery and recycling?</p> <p>Reduce hazardous waste?</p>
<p>14. To encourage sustained economic growth</p>	<p>Improve business development and enhance competitiveness?</p>

	<p>Improve the resilience of business and the economy?</p> <p>Promote growth in key sectors and clusters?</p>
<p>15. To promote access to employment, education, skills and training</p>	<p>Reduce unemployment and long-term unemployment?</p> <p>Provide job opportunities for those in need of employment?</p> <p>Improve the quality and level of education infrastructure?</p>

# Agenda Item 10

COUNCIL		
<b>Report Title</b>	Appointment of Independent Members to the Standards Committee	
<b>Key Decision</b>	N/A	
<b>Ward</b>	All	
<b>Contributors</b>	Head of Law	
<b>Class</b>	Part 1	Date 24 February 2016

## 1. Summary

This report recommends the appointment of Joy Walton and Fasil Bhatti as independent members of the Council's Standards Committee.

## 2. Purpose

The purpose of this report is to restore the number of independent members on the Standards Committee to 6 in accordance with the Council's Constitution

## 3. Recommendation

To appoint Joy Walton and Fasil Bhatti as independent members of the Council's Standards Committee

## 4. Background

4.1 The Council has appointed a Standards Committee whose purpose is broadly twofold:-

- The promotion of the highest standards of behaviour by members; and
- The investigation of allegations of breach of the Member Code of Conduct.

4.2 The Constitution provides that the Standards Committee shall consist of 10 councillors (not more than one of whom may be a member of the Executive) and 6 non-voting co-opted independent members.

4.3 Four of the 6 independent member positions are currently filled as follows:-

- Gill Butler – a solicitor who worked in the local area for over 25 years
- David Roper-Newman – formerly a DWP auditor and investigator and now an information governance officer within a local authority who also acts as

an Independent Person advising a Standards Committee in another authority

- Cathy Sullivan – a senior social policy lecturer at the University of East London
- Lesley Thomas Q.C. – who lives locally and represented the families of the New Cross Fire victims at the second inquest, who specialises in coronial law and is currently representing the families of the victims of the Hillsborough disaster in that inquest

4.4 The remaining 2 places have recently become vacant and in accordance with usual procedure for filling such vacancies, the positions were advertised on the Council's website in December 2015. Interested people were required to submit a formal application form.

4.5 4 candidates were interviewed by the Chair of the Standards Committee on 21<sup>st</sup> January 2016 with the support of the Head of Law. Following formal interview, the Chair now recommends the appointment of Joy Walton and Fasil Bhatti to be appointed to the position of independent member of the Standards Committee. Brief details of those two candidates appear at Appendix 1.

## **5 Legal Implications**

5.1 The Localism Act 2011 requires the Council to have in place arrangements for investigating breaches of the Member Code of Conduct, though the way in which this duty is carried out is for the Council to determine, subject to the appointment of an Independent Person to advise it in relation to any allegation.

5.2 Because the Council has retained a Standards Committee as a formal committee of the Council, provisions in the Local Government Act 1972 prohibit independent members of the Committee from voting. Despite this, the views of the independent members of the Committee have to date been influential, and their arguments given serious weight by the councillor members. The appointment of independent members on the committee is intended to inspire public confidence in its fairness, objectivity and impartiality in so far as the law allows.

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

5.4 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.

5.5 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Council, 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.

5.6 The Equality and Human Rights Commission issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

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

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

5.8 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **6 Financial implications**

There are no financial implications

## **7 Crime and Disorder implications**

The whole ethical framework in Lewisham is designed to minimise the risk of wrongdoing and to embed a culture of probity by members. Were a breach

identified which amounted to a potential criminal act, the matter would be reported to the police.

## **8 Environmental implications**

There are none.

## **Appendix 1**

### **Joy Walton**

Now living in East London, Joy has a B.A. in European Studies and completed an M.Sc in Corporate Governance in 2015. She has 13 years experience as a Council officer having worked in Newham and Islington where she was Head of Policy and Performance. She also has 7 years experience in housing companies and associations.

### **Fasil Bhatti**

A native of South East London, Fasil has a B.Sc in Information Systems from Brunel and is a freelance consultant in Property and Digital Marketing. He has been a member of 4 independent fostering panels for 3 years and previously worked for Action for Employment advising a group of 18-25 year olds seeking full time employment.

# Agenda Item 11

COUNCIL		
<b>Report Title</b>	<b>Joint Health Overview &amp; Scrutiny Committee</b>	
<b>Key Decision</b>	<b>N/A</b>	
<b>Ward</b>	<b>All</b>	
<b>Contributors</b>	<b>Head of Law</b>	
<b>Class</b>	<b>Part 1</b>	<b>Date 24 February 2016</b>

## 1. Summary

This report proposes a small amendment to the agreed terms of reference of the Joint Health Overview and Scrutiny Committee (JHOSC) which were agreed on 25 November 2015 to reflect the wishes of the members of the constituent councils.

## 2. Purpose

To establish a JHOSC to respond to proposals from 6 clinical commissioning groups which are likely to involve significant service reconfiguration.

## 3. Recommendation

Council is asked to agree that the Terms of Reference of the JHOSC agreed on 25 November 2015 be amended to omit the following words from paragraph 13.

“However, as a general principle the Committee will not consider any written or verbal submissions from individual members of the public. It will however pass written submissions on to the OHSEL programme carrying out the consultation.”

## 4. Background

- 4.1 On 25 November 2015 the Council considered the report now appearing at Appendix 1 and agreed its recommendations. The Terms of Reference attached to that report were drafted to reflect instructions given to the Head of Law.
- 4.2 Since Council agreed that report; it has transpired that members from all constituent authorities are of the view that the JHOSC should be able to consider public representations itself, rather than simply forward them to the Clinical Commissioning Groups. A small amendment is therefore required to reflect this.

4.3 In all other respects, the implications set out in Appendix 1 to this report are unchanged, and members' attention is drawn to them.

<b>COUNCIL</b>		
<b>Report Title</b>	<b>Joint Health Overview &amp; Scrutiny Committee</b>	
<b>Key Decision</b>	<b>N/A</b>	
<b>Ward</b>	<b>All</b>	
<b>Contributors</b>	<b>Head of Law</b>	
<b>Class</b>	<b>Part 1</b>	<b>Date 25 November 2015</b>

## **1. Summary**

- 1.1 This report proposes the establishment of a Joint Health Overview and Scrutiny Committee (JHOSC) with Bexley, Bromley, Greenwich, Lambeth Lewisham and Southwark as the participant authorities. Its purpose will be to scrutinise proposals from the six clinical commissioning groups (CCGs) for those areas entitled “Our Healthier South East London” (OHSEL).
- 1.2 The report sets out the proposed terms of reference for the JHOSC and asks Council to appoint two members to it. Council is also asked to delegate to the JHOSC the power to make any referral to the Secretary of State in respect of OHSEL. Finally, Council is asked to agree that its Constitution be amended to provide that on all other matters, the power to make referrals to the Secretary of State in relation to health scrutiny matters is delegated to its Overview and Scrutiny Healthier Communities Select Committee.

## **2. Purpose**

- 2.1 The establishment of a JHOSC will enable the views of the affected local authorities about the proposals from the CCGs to be heard. There is also a legal requirement for the establishment of a JHOSC where the proposals would affect more than one council area.

## **3. Recommendations**

Council is asked to agree: –

- 3.1 To the establishment of a JHOSC with the participant authorities being Bexley, Bromley, Greenwich, Lambeth, Lewisham and Southwark, with the terms of reference set out in Appendix 1.
- 3.2 Subject to agreement of Recommendation 1 above:-
- (a) to appoint two councillors to sit on that JHOSC.

- (b) to agree that the councillors appointed to the JHOSC be able to nominate substitutes to attend meetings of the JHOSC in their place in the event that they are unable to attend.
- (c) to delegate to the JHOSC the power to make any referral to the Secretary of State in relation to the proposals from the CCGs for Bexley, Bromley, Greenwich, Lambeth, Lewisham and Southwark.
- (d) that, save where the Council agrees to the contrary in relation to a particular matter, all health scrutiny functions are delegated to the Council's Overview and Scrutiny Healthier Communities Select Committee and that its Constitution reflect that, by amending article 6.6 in accordance with Appendix 2 of this report.

#### **4. Background**

- 4.1 The six CCGs for Bexley, Bromley, Greenwich, Lambeth, Lewisham, and Southwark have developed proposals for a five year commissioning strategy for South East London. It is extremely likely that those proposals will amount to a significant service reconfiguration and so the CCGs will be bound to comply with provisions set out in legislation relating to consultation . Among these requirements are those set out in Section 244 NHS Act 2006 and Regulation 23 of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 (the Regulations). This requires a CCG to consult an affected authority when a substantial variation or substantial development of health services in the area is under consideration.
- 4.2 The Regulations also state that where proposals would affect more than one authority, those authorities must respond through one committee. This can be achieved by establishing a joint overview and scrutiny committee for the purposes of consultation.
- 4.3 The 6 Councils are legally compelled to establish the joint committee for the purposes of consultation on the current proposals by the CCGs and once established only it may:-
  - (a) Make comments on the proposals;
  - (b) Require the provision of information about the proposals; and/or
  - (c) Require the attendance of a member or officer of the CCGs to answer questions in connection with the consultation.
- 4.4 Authorities have the power to refer proposals for substantial variation of health services in the area to the Secretary of State if they consider:-
  - (a) The consultation has been inadequate
  - (b) Where there has been no consultation the CCG has not adequately explained the reason why it did not do so in terms of urgency relating to the safety or welfare of patients or staff .

- (c) A proposal would not be in the interests of the health service in the area.
- 4.5 It is possible in law for this power of referral to be retained by the constituent Councils. However given their inability to require information about the proposals, to do so may be unwise and officers do not recommend it.
- 4.6 The Council's Constitution currently provides for any decision to make a referral to the Secretary of State as set out in para 4.4 above is reserved to full Council. Under the Regulations, Councils now have the choice whether to allow the decision to be taken by its overview and scrutiny committee/joint committee or reserve it to Council. The requirement for a full Council decision has the potential for delay in making any referral to the Secretary of State and officers suggest that this requirement be removed as it is not a legal requirement as had previously anticipated. The proposed amendment is set out in Appendix 2 to this report.

## **5. Legal Implications**

- 5.1 The legal implications are reflected in the body of the report. In addition executive members are prohibited from membership of the JHOSC.
- 5.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 5.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 5.4 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 5.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are

legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

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

- The essential guide to the public sector equality duty
- Meeting the equality duty in policy and decision-making
- Engagement and the equality duty
- Equality objectives and the equality duty
- Equality information and the equality duty

5.7 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **6. Financial Implications**

There are no direct financial implications arising from this report in respect of the service areas concerned. As a scrutiny committee the newly created JHOSC will comment on the financial impact and implications of matters to be consulted on. Members will therefore have the support of officers in their respective boroughs to advise on these matters when they arise. In addition there will be a cost for the scrutiny functions in each borough to support the work of this new and additional committee.

**DRAFT**

Joint Health Overview and Scrutiny Committee

“Our Healthier South East London”

(Proposals for a five year commissioning strategy developed by 6 CCGs which aims to improve health, reduce health inequalities and ensure all health services in South East London meet safety and quality standards consistently and are sustainable in the longer term)

**TERMS OF REFERENCE**

The Joint Health Overview and Scrutiny Committee is constituted in accordance with the Local Authority Public Health, Health & Wellbeing Boards and Health Scrutiny Regulations 2013 (the “Regulations”) and Department of Health Guidance to respond to substantial reconfiguration proposals covering more than one Council area from the Our Healthier South East London programme (“OHSEL”). OHSEL is a proposal devised by the 6 CCGs covering the London Boroughs of Bexley, Bromley, Greenwich, Lambeth, Lewisham and Southwark. It proposes a five year commissioning strategy for the areas covered by the 6 London Boroughs represented on this joint overview and scrutiny committee. The CCGs state that the programme is developed to improve health, reduce health inequalities and ensure all health services in South East London meet safety and quality standards consistently and are sustainable in the longer term.

The Joint Committee’s terms of reference are:

1. To undertake all the functions of a statutory Joint Health Overview and Scrutiny Committee in accordance with the Regulations and Department of Health Guidance. This includes, but is not limited to the following:-
  - (a) To consider and respond to the proposals from the OHSEL for the reconfiguration of Health Services in South East London.
  - (b) To scrutinise any consultation process conducted by the 6 CCGs in relation to OHSEL, but not to replicate any consultation process.

This does not include the power to make any decision to make a referral to the Secretary of State in relation to the proposals from the CCGs for Bexley, Bromley, Greenwich, Lambeth, Lewisham and Southwark. However, any individual borough may make a specific delegation to the JHOSC in relation to their own power to make such a referral on their behalf.

**Membership**

Membership of the Committee will be two named Members from each of the following local authorities:-

London Borough of Bexley;  
London Borough of Bromley;  
London Borough of Greenwich;  
London Borough of Lambeth;  
London Borough of Lewisham;  
London Borough of Southwark.

Members must not be an Executive Member.

## **PROCEDURES**

### **Chair and Vice-Chair**

1. The Committee will appoint a Chair and Vice-Chair at its first meeting. The Chair and Vice-Chair should be members of different participating authorities.

### **Substitutions**

2. Substitutes may attend Committee meetings in lieu of nominated members. Continuity of attendance throughout the review is strongly encouraged however.
3. It will be the responsibility of individual committee members and their local authorities to arrange substitutions and to ensure that the lead authority is informed of any changes prior to the meeting.
4. Where a substitute is attending the meeting, it will be the responsibility of the nominated member to brief them in advance of the meeting

### **Quorum**

5. The quorum of the meeting of the Joint Committee will be 4 members, each of whom should be from a different participating authority.

### **Voting**

6. It is hoped that the Committee will be able to reach their decisions by consensus. However, in the event that a vote is required each member present will have one vote. In the event of there being an equality of votes, the Chair of the meeting will have the casting vote.
7. On completion of the scrutiny review by the Joint Committee, it shall produce a single final report, reflecting the views of all the local authorities involved.

### **Meetings**

8. Meetings of the Joint Committee will normally be held in public and will take place at venues within South East London. The normal access to information provisions applying to meetings of the Overview and Scrutiny committees will

apply. However, there may be occasions on which the Joint Committee may need to make visits outside of the formal Committee meeting setting.

9. Meetings shall last for up to two hours from the time the meeting is due to commence. The Joint Committee may resolve, by a simple majority, before the expiry of 2 hours from the start of the meeting to continue the meeting for a maximum further period of up to 30 minutes.

### **Local Overview and Scrutiny Committees**

10. The Joint Committee will encourage its Members to inform their local overview and scrutiny committees of the work of the Joint Committee and any proposals contained within the OHSEL programme.
11. The Joint Committee will invite its Members to represent to the Joint Committee the views of their local overview and scrutiny committees on the OHSEL programme and the Joint Committee's work.

### **Communication**

12. The Joint Committee will establish clear lines of communication between the NHS, participating local authorities and itself. All formal correspondence between the Committee, local authorities and the NHS on this matter will be administered by (*named officer/borough to be determined*) or (*other*) until such officer is appointed.

### **Representations**

13. The Joint Committee will identify and invite witnesses to address the committee and may wish to undertake consultation with a range of stakeholders. However as a general principle the committee will not consider any written or verbal submissions from individual members of the public. It will however pass written submissions on to the OHSEL programme carrying out the consultation.

### **Support**

14. Administrative and research support will be provided by the scrutiny teams of the 6 boroughs working together.

### **Assumptions**

15. The Joint Committee will be based on the following assumptions:-
  - (a) That the Joint Health Scrutiny Committee is constituted to respond to the work of the OHSEL Programme including any proposals it puts forward and any consultation it may carry out, as well as comment on the public and patient involvement activity in which the NHS has engaged in relation to this matter.

- (b) That the OHSEL Programme will permit the Joint Health Scrutiny Committee access to the outcome of any public consultation phase prior to the formulation and submission of the Joint Committee's response to such public consultations.

DRAFT