

Public Document Pack

Lewisham Council Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 21 September 2016.



Barry Quirk, Chief Executive
September 13 2016

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 Sue Hordijkeno Councillor Mark Ingleby Councillor Stella Jeffrey Councillor Liz Johnston-Franklin Councillor Roy Kennedy Councillor Helen Klier Councillor Jim Mallory Councillor Paul Maslin Councillor David Michael Councillor Joan Millbank	
--	--

Councillor Jamie Milne Councillor Hilary Moore Councillor Pauline Morrison Councillor John Muldoon Councillor Olurotimi Ogunbadewa Councillor Rachel Onikosi Councillor 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, 21 September 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

Item	Pages
1. Declaration of Interests	1 - 3
2. Minutes	4
3. Petitions	5
4. Announcements or Communications	6 - 7
5. Public Questions	8 - 30
6. Member questions	31 - 42
7. Syrian Refugees	43 - 54
8. Gypsy and Traveller Site Selection	55 - 121
9. Consultation Gypsy and Traveller Local Plan	122 - 223
10. LGO Report	224 - 239
11. Statement of Accounts 15-16	240 - 451
12. Youth First Board Appointment	452 - 454
13. Appointments	455 - 456
14. Motion No.1 Proposed Councillor Sorba Seconded Councillor Moore	457 - 458

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.

RECORDING AND USE OF SOCIAL MEDIA

You are welcome to record any part of any Council meeting that is open to the public.

The Council cannot guarantee that anyone present at a meeting will not be filmed or recorded by anyone who may then use your image or sound recording.

If you are intending to audio record or film this meeting, you must :

- tell the clerk to the meeting before the meeting starts
- only focus cameras/recordings on councillors, Council officers, and those members of the public who are participating in the conduct of the meeting and avoid other areas of the room, particularly where non-participating members of the public may be sitting.
- ensure that you never leave your recording equipment unattended in the meeting room.

If recording causes a disturbance or undermines the proper conduct of the meeting, then the Chair of the meeting may decide to stop the recording. In such circumstances, the decision of the Chair shall be final.

Agenda Item 1

COUNCIL		
Report Title	Declarations of Interests	
Key Decision		Item No. 1
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: September 21 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		
Report Title	Minutes	
Key Decision		Item No.2
Ward		
Contributors	Chief Executive	
Class	Part 1	Date: September 21 2016

Recommendation

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

Agenda Item 3

COUNCIL		
Report Title	Petitions	
Key Decision	no	Item No.
Ward	n/a	
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: September 21 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
4. Petitions can also be presented to a meeting of the Council. Anyone who would like to present a petition at a Council meeting, or would like a Councillor to present it on their behalf, should contact the Governance Support Unit on 0208 3149327 at least 5 working days before the meeting.
5. Public petitions that meet the conditions described in the Council's published petitions scheme and which have been notified in advance, will be accepted and may be presented from the public gallery at the meeting.

Agenda Item 4

COUNCIL			
Report Title	Announcements or Communications		
Key Decision			Item No.
Ward	n/a		
Contributors	Chief Executive		
Class	Part 1	Date: 21 September 2016	

Recommendation

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

1. Report of the Returning Officer

Following the resignation of Councillor Ami Ibitson, the Councillor elected for the London Borough of Lewisham at the by-election held on 21 July 2016 for a period of office expiring in May 2018 was as follows:-

<u>Ward</u>	<u>Surname</u>	<u>Other Names</u>	<u>Description</u>	<u>Home Address</u>
Bellingham	HORDIJENKO	Sue	The Labour Party Candidate	31 Rutland Walk, London, SE6 4LG

2. Councillor Crada Onuegbu RIP

With sadness we report the death in Kings Hospital on August 29 of serving Councillor Crada Onuegbu. Crada had been a member of the Council since 1998 representing Evelyn ward for this whole period. She first served in the then Executive Committee as Deputy for Social Inclusion from 1999-2000. She subsequently held the Cabinet portfolios of Community Safety and then Youth until 2014. She was Vice Chair of Council in 1998-1999 and held other positions on the Council and London bodies and Committees. She was also a prominent member of LAACSTA latterly becoming its Chair as well as, for a time, being Lewisham's representative on LFEPA and Chair of their Strategy Committee. She was a former Labour Party Parliamentary candidate, contesting the New Forest constituency.

3. Ken Hulbert RIP

The death of Ken Hulbert, consort to former Councillor Jackie Addison when she was Mayor from 1997-98 is reported. He helped and supported her in undertaking numerous civic duties including a grand afternoon tea dance party for many Lewisham couples who had married in the same year as Her Majesty the Queen.

Ken was also Chair of Governors of Stillness Road School and Crofton School and was dedicated to ensuring the best possible education for the borough's young people.

4. Councillor Alicia Kennedy

A letter of resignation from the Council submitted by Councillor Alicia Kennedy was received with effect from Monday September 5. A by-election will take place in the Brockley Ward to replace her.

5. Rio Olympic Games

The Council is asked to congratulate Daryll Saskia Neita on her magnificent achievement at the age of 19 of securing a Bronze Medal for Great Britain after running the anchor leg of the Women's 4x100 metres relay at the recent Olympic Games in Brazil. Daryll is a former pupil of Gordonbrock Primary and Prendergast Hilly Fields schools and a multiple award winner for Lewisham at the London Youth Games. She was trained at a young age by late local resident, Alan Pautard.

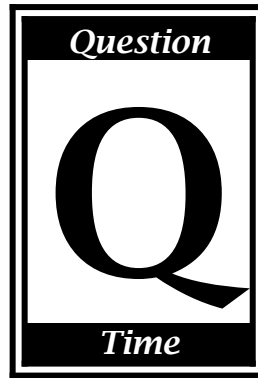
Agenda Item 5

COUNCIL		
Report Title	Public Questions	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: September 21 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.	Thom Townsend
2.	Andrea Carey-Fuller
3.	Patricia Richardson
4.	Mr Ambrose
5.	Cynthia Bailey
6.	Mr Maxton
7.	Kassim Hussain
8.	Peter Richardson
9.	Andrea Carey-Fuller
10.	Mr Maxton
11.	Kassim Hussain
12.	Patricia Richardson
13.	Peter Richardson
14.	Andrea Carey-Fuller
15.	Mr Maxton
16.	Patricia Richardson



PUBLIC QUESTION NO 1.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Thom Townsend

Member to reply: Deputy Mayor

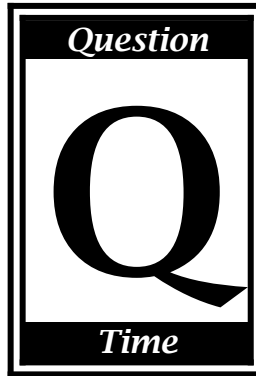
Question

The flight path below 3000ft for landing at London City Airport runway 09 sits right across the Borough and is particularly concentrated around Catford. What is the Council's view of the likely impact of the recently agreed expansion of City airport on aircraft noise and disturbance on the Borough?

Reply

In reviewing the London City Airports Noise Action Plan, Lewisham is well outside the stated modelled noise contour for 57dB LAeq, 16 hrs (which is an analysis that takes an average noise level over a period of 16 hours and maps the contours with the Decibel levels noted). Therefore the Council wouldn't be in a position to make representation about this.

Environmental Health do not have any powers that it can take in relation to aircraft noise and can only refer concerned residents to the Civil Aviation Authority to raise complaints with them or to go directly to London City Airport as individuals.



PUBLIC QUESTION NO 2.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Andrea Carey Fuller

Member to reply: Councillor Egan

Question

Does Lewisham Council plan to set up its own Housing Company in order to borrow money to build more social housing? (<http://www.insidehousing.co.uk/fifty-councils-look-to-housing-companies/7011130.article>)

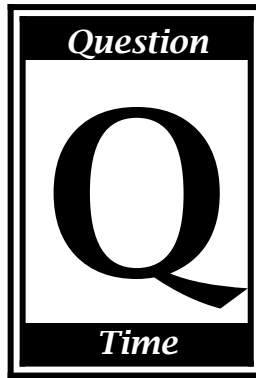
Reply

The Council has returned to the direct provision of new Council homes, in partnership with Lewisham Homes, which is a company and is wholly owned by the Council. This programme will start at least 500 new Council homes by 2018. In addition it has committed to working in partnership with Housing Associations and developers to deliver a further 1,500 additional affordable homes in the borough by 2018.

Beyond this programme the Council continues to consider a wide range of options to increase the supply of affordable housing in the borough. For example, the Council is currently looking at entering into a joint venture investment company to deliver a new type of development on a site in Besson Street, New Cross. The aim of this proposal is to improve conditions in and to help shape the standards of the private rented sector,

which now houses one in four Lewisham residents, sometimes in poor and insecure conditions.

All of these different approaches to delivering the new homes Lewisham needs are funded in different ways, and demonstrate the Council's willingness to use companies to enable new housing supply. The Council keeps all potential options for funding additional new homes, beyond those above, under review.



PUBLIC QUESTION NO 3.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mrs Richardson

Member to reply: Councillor Smith

Question

I note the Sustainable Development Select Committee referral to street lighting policy, Agenda item 1/6/2016 and Decision 2/6/2016 and the pilot governing the dimming of street lighting.

Where was this carried out? Was any member of the public made aware of this pilot programme? Were any members of the council made aware of this pilot? It seems nobody was to be influenced by knowing about this pilot so why was it done? Just to test whether money could be saved?

In addition it seems as if TFL has plans to introduce solar powered lighting across the capital. If this is adopted how will the PFI with Skanska, in conjunction with the LB of Croydon, continue to operate? How will the long term contract and the money committed to it be affected?

Reply

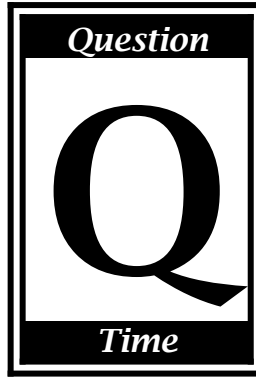
Following discussions at the Sustainable Development Select Committee officers set up a trial of dimming street lights in three streets per ward starting in November 2015. The list of streets included in the trial was provided to the chair of the Committee and included as an annex to a report to the Committee in May 2016

http://councilmeetings.lewisham.gov.uk/documents/s43494/3_SDSC_Streetlighting_12052016.pdf

The exercise was run as a trial of the dimming technology and was also an opportunity to identify any reaction to the lights being dimmed.

Any changes to the Transport for London street lighting stock will have no effect on the Lewisham and Croydon PFI Contract with Skanska. Lighting on Transport for London managed roads is independent from local authority lighting stock.

Lewisham and Croydon are currently in the final year of a five year implementation phase with new street lighting stock being installed across both boroughs. Following the end of the stock replacement phase Lewisham, Croydon and Skanska will be looking for opportunities to use improved technology and gain from the benefits this will bring. Changes to the payment model would be taken into account as part of any assessment of these new technologies.



PUBLIC QUESTION NO 4.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mr Ambrose

Member to reply: Councillor Smith

Question

Whose decision was it to install street lights that are 50% higher and 50% brighter than the ones that they replaced, that light up the bedrooms as per a continuous full Moon and if you had four of these together you could probably play floodlight 5 a side football, and why are the lights opposite the Manor House Library 50% smaller and 50% less brighter?

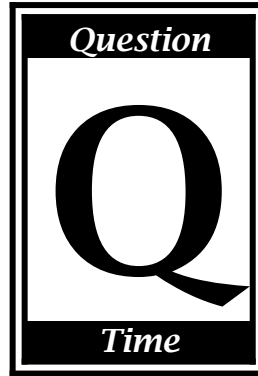
Reply

Lewisham entered into a 25 year PFI Contract with Skanska in 2011. During the first five years of this Contract the borough's street lighting stock has almost been completely replaced and undergone a street lighting re-design to ensure that the new lighting meets the specified British Standard.

The street lighting design for Old Road has gone through various stages of design with the Skanska Design Team and Council representatives in order to ensure the correct column positions and the required lighting levels are achieved.

Our designers look at each street individually and design the column positions to provide consistent lighting levels throughout the street. The original lighting in Old

Road consisted of 13 x 6 metre columns, that were replaced by 12 x 6 metre columns, with 90W lanterns. The old lighting outside the library were 55W lanterns so there will be a slight increase in lighting in this area which was necessary to meet the required British Standard.



PUBLIC QUESTION NO 5.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mrs Cynthia Bailey

Member to reply: Councillor Egan

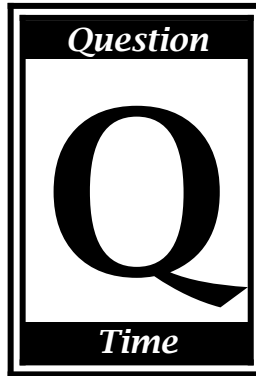
Question

What type of housing does the Council envisage for the Milford Towers site over the next five years and how much of it will be reserved for 'social/affordable' housing and what opportunities are the Council planning to give to people currently on Milford to be able to live there?

Reply

The Council expects that any future plans for the regeneration of Catford will provide housing of a range of tenures to meet a range of needs in line with the Council's planning, regeneration and affordable housing policies.

The Council has previously advised secure tenants and leaseholders that there will not be a direct offer of a property in any development. Officers have been actively rehousing secure tenants from Milford Towers and are working with the remaining secure tenants to find them new homes. The Council has also commenced the voluntary buy back of leasehold properties and officers are available to assist resident leaseholders with advice on affordable home ownership options available in the Borough.



PUBLIC QUESTION NO 6.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mr Maxton

Member to reply: Councillor Bonavia

Question

Laurence House has no noticeable letter- box and the Old Town Hall has now only an obscure one in The Broadway, the one at the building's main entrance now being sealed. Is the Council concerned with the arrangements for the hand delivery of letters and documents by local citizens at what are still its principle offices at Old Town Hall/Lawrence House or will it consider any of the following?

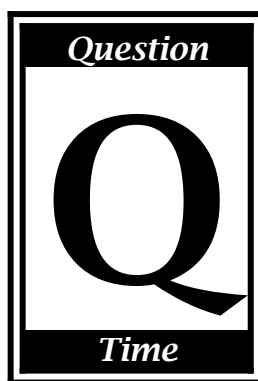
- a) creating a letter-box for Laurence House;
- b) establishing a stand-alone letter-box near to the Old Town Hall or;
- c) placing notices at these two buildings drawing attention to the letter-box that does exist

Reply

The occupation and use of both Laurence House and Old Town Hall are continuing to evolve as Council services transform and their locations change within current operational buildings in the Catford Complex. The Council is increasingly promoting

the use of online services but items delivered during normal opening hours, are passed through to the post room by security to be processed.

With the changes in service delivery already introduced and still planned in and around the Catford Complex, including the 'restacking' of Laurence House, this is an appropriate time to consider what, if any, letter box provision should be made to fully enable service provision and provide the public postal access out of normal working hours. Consideration will, therefore, be given to suggestions a, b and c above, with others if appropriate, and a full response provided to the Council as soon as all the options have been fully assessed in terms of viability, accessibility, security and cost etc.



PUBLIC QUESTION NO 7.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Kassim Hussain

Member to reply: Councillor Egan

Question

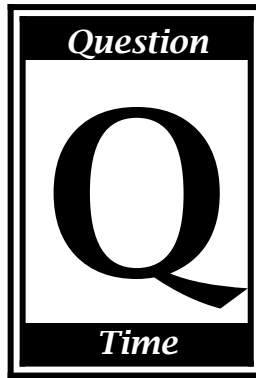
Does the Council plan for all leaseholders on Milford Estate, to be visited by Strut and Parker? Why have some not been contacted?

Reply

The Council is offering all leaseholders in Milford Towers the opportunity to sell their property back to the Council in preparation for the potential regeneration of Catford.

As part of this, the Council wrote to all leaseholders in November 2015 offering them the opportunity to have a valuation carried out on behalf of the Council by Strutt & Parker. Contact details and a brief description of the process were provided. All attempts at contact have been made using the information that is held on record. Where there has been no correspondence address for non-resident leaseholders, contact has been sent to the leasehold address.

If Mr Hussain or any other Milford Towers leaseholder would like to have a valuation carried out by Strutt & Parker, they can contact James Ringwood, Housing Delivery Manager on 020 8314 7944 or james.ringwood@lewisham.gov.uk who will assist with making the arrangements.



PUBLIC QUESTION NO 8.

Priority 1

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mr Richardson

Member to reply: Councillor Best

Question

It is understood that on October 17th 2016 Lewisham Library Service will cease to be responsible for Manor House Library building pending the fruition of a continued search for a potential host aided by a 'Head Hunter'.

This will mean the building will remain open, but on reduced hours, visited by peripatetic Library Staff with respect to the operation of the library service, whilst customers will be obliged to lend and return media items from the shelves by means of Self Issue Self Return machinery within the library spaces. Computer terminals may also be booked via these machines. Payment of fines for the return of overdue media items may also be performed via these machines and customers' debit cards. However, as the peripatetic staff visits are by definition intermittent, what arrangements are planned for the continuation of reading groups, children's activity sessions, literature-associated activities such as author visits et and the security of the computer terminals within the library spaces?

Furthermore, what arrangements are foreseen for the ability of the Community to continue to rent rooms within the building during this anticipated period, including its associated demand on personal liability insurance? Can the public be assured that the public space will be managed, secure and safe? Will equipment, stock and the building itself be secure and protected?

What plans does the Council have to maintain the confidence of the public?

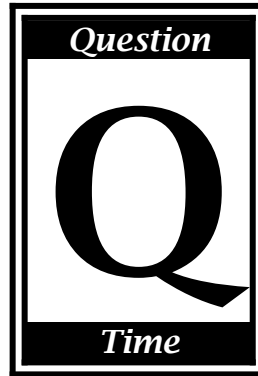
Reply

The building will be managed by security staff who will be responsible for the safety and security of visitors as well as the library stock and equipment. It is likely that the same security firm will be used that supports library buildings elsewhere because they are familiar with the building and understand both business and operations in the library.

While the core opening hours during the interim period will be 24 hours per week, it is possible for this total to be extended to support additional hiring where the hirer is generating income for the Service. Existing room bookings will be honoured.

The Library Service will support library operations in the building through the community engagement team. The recent reorganisation substantially increased the size of the Community Engagement Team that supports the current and future community library provision, growing from the current 2.5FTE to 21FTE. Members of this team will be working closely with the security staff at Manor House during the interim period.

The Council has recommenced its search for a partner organisation for Manor House library. It is hoped to bring a report to Mayor and Cabinet in January 2017 with a recommended partner identified. The Council has been in contact with local groups, updating residents and elected members throughout the process. The Community Library Model is a very well established model. The partners for the new community libraries in Forest Hill and Torridon Road are developing very encouraging plans for the buildings they are about to take over. Lee residents have every reason to be confident about the intentions and actions of the Council in relation to the Manor House building, and are invited to participate actively with ideas and constructive proposals during the interim phase, ahead of the appointment of a new partner.



PUBLIC QUESTION NO . 9

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Andrea Carey Fuller

Member to reply: Councillor Smith

Question

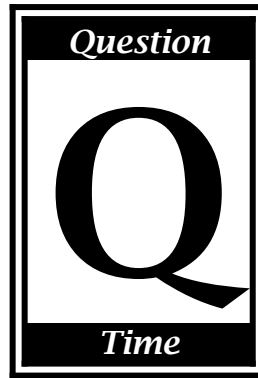
Do you agree that it is time to change the Planning rules in order to stop new properties being bought by investors and left empty simply to accumulate profit?

Has Lewisham looked into Islington's Planning Policy to stop flats being left empty? If so, when and what was the outcome?

Reply

The provision of housing is a key priority. The Planning Service is in the process of reviewing Lewisham's planning policies, including housing policies, to ensure that the new Local Plan responds to increases in local housing need and population growth.

As part of this review, a range of housing policy issues and approaches will be reviewed, including Islington's approach to "Preventing Wasted Housing Supply", as set out in their Supplementary Planning Document (2015).



PUBLIC QUESTION NO . 10
Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mr Maxton

Member to reply: Councillor Egan

Question

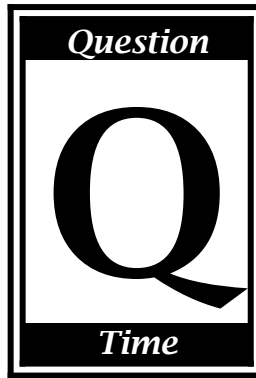
How many of the, just under, two dozen Milford Towers leaseholders live away from their properties, and what measures are the Council taking to ensure that the private tenants of such leaseholders are being kept entirely informed of the precariousness of their position as the estate is made ready for the dehousing or rehousing of its occupants?

Reply

The Council believes that just over half the leaseholders remaining on Milford Towers are non-resident leaseholders, which means that they are likely to have let the property on to a private tenant. At present there is no agreed plan to redevelop the Milford Towers estate, which means that there is no certainty over if and when these tenants are likely to need to move to alternative private accommodation.

As such it would be inappropriate at this stage to issue any information to, or to raise any concerns with these private tenants. The Council is however in contact with their landlords, with whom it does have a relationship.

If the redevelopment does become more certain, and once a likely date on which Milford Towers will need to be empty is agreed, the Council will of course take steps at that point to ensure that households living on the estate can start planning to make alternative living arrangements.



PUBLIC QUESTION NO . 11

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Kassim Hussain

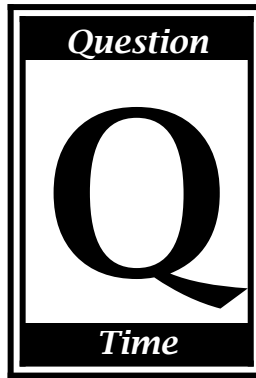
Member to reply: Deputy Mayor

Question

What is the latest news on finding a developer for Catford Centre?

Reply

The Council are working to provide clarity on a number of key requirements prior to engaging the development market. This includes updated work on the vision, office requirements and transport arrangements. A new programme for progressing the redevelopment of Catford town centre will be considered by Mayor and Cabinet in November.



PUBLIC QUESTION NO .12

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mrs Richardson

Member to reply: Councillor Best

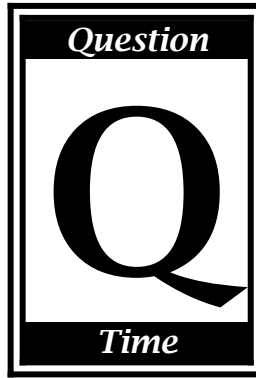
Question

The Department for Culture Media and Sport is working on a definitive list of libraries as there is no agreed list of libraries in the public domain. A definitive basic data set will then be published.

Will the Council make sure that this is fully complied with, in view of the different offers available in different areas of the borough with different provision and possibly different outcomes, depending on the scope and scale of information required?

Reply

The Library and Information Service provided the required information in July 2016 and has historically fully complied with the CIPFA requirements that include the full list of libraries in the borough.



PUBLIC QUESTION NO . 13

Priority 2

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mr Richardson

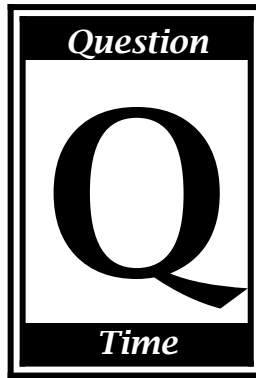
Member to reply: Councillor Onikosi

Question

In 2015 one of the three ornamental street trees in Manor Lane Terrace, purchased and planted with the aid of funds from Lee Green Local Assembly money, was destroyed by a scaffolding company. Was the Council reimbursed for the loss of this tree.

Reply

The Scaffolding Company concerned agreed to reimburse the Council for the £250 cost of replacing the damaged tree and were invoiced accordingly.



PUBLIC QUESTION NO. 14

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Andrea Carey Fuller

Member to reply: Councillor Egan

Question

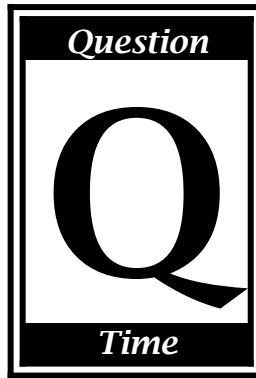
Has anyone done a survey of all the recent developments throughout Lewisham to establish how many of the new builds in blocks of 20 or more flats/apartments are still empty?

In addition to fining Landlords for keeping these type of properties empty, has the Council considered negotiating a contract with all developers that empty properties can be rented as social housing for an initial period of 6 months, renewable, if they remain empty after the first six months of going on sale, and then continue to remain unsold?

Reply

The Planning Service is in the process of reviewing Lewisham's planning policies, including housing policies, and as part of this will review whether vacant new build units or 'buy to leave' properties are a significant issue in the borough.

If evidence shows that 'buy to leave' properties are a significant issue, the Council will investigate what methods may be appropriate to address it.



PUBLIC QUESTION NO. 15

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mr Maxton

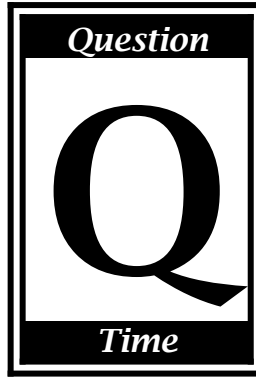
Member to reply: Councillor Dromey

Question

Will the Council ensure that as the novelty of websites begin to pall, all websites are both given a date as they are written and kept up to date and that 'undateable' abverbs and adverbial clauses- where there is no 'anchor' date are discouraged (eg currently, recently. next year) as epitomised in the anachronism in the Mayor's otherwise excellent biography whereby he was elected to the Council four years before arriving in London ?

Reply

The council website lewisham.gov.uk is an important front door for residents wanting to access council services. It also serves as a useful tool for communicating with the people of Lewisham. Sections of the website are managed by the communications team to ensure its content is clearly set out, consistent in its content and useful for site visitors. The volume of material that is published online does mean that small errors can occur, and I thank you for highlighting this particular one. We will continue to work to ensure that the website best meets the needs of our residents.



PUBLIC QUESTION NO. 16

Priority 3

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question asked by: Mrs Richardson

Member to reply: Councillor Best

Question

In view of the restructuring of the London Borough of Lewisham Library staff (front line and back office) how many fewer staff will there be after 17th October 2016? How many of these will be full time staff, front line and back office? How many will be part time, front line and back office? How many staff have taken retirement to comply with the restructuring? How many have opted for redundancy? How many have had to take redundancy? Were any staff reduced in ranking to stay with the library service, if so, how many? Were any staff transferred to another council department, if so, how many?

Reply

The reorganisation of the Library and Information Service is not complete and definitive figures will only be available once the process is concluded. No staff have been demoted as part of the process. A number of staff have in fact been employed on a higher grade as part of the restructuring.

Agenda Item 6

COUNCIL		
Report Title	Member Questions	
Key Decision		Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: September 21 2016

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

21 SEPTEMBER 2016

Question by Councillor Hall
of the Mayor

Question

With a new Prime Minister following the Brexit referendum what assessment has the Mayor made of the Lewisham Council's future direction?"

Reply

Post Brexit specifically, I worry about the loss to the council of things like the European Social Fund, which we currently invest in skills. This is a significant investment and there's no way we could replace that. I doubt very much that the UK's current contributions to the EU will somehow find their way back to us here at Lewisham.

Although there has been a Conservative Prime Minister since May 2010, (albeit part of the coalition), and following last year's general election, the arrival of Theresa May to Number 10 Downing Street does mean we are now dealing with a brand new government for the second time in the space of a year. This change in government has seen a substantial reshuffle of the cabinet, and changes to specific governmental ministerial teams, and we also have the addition of a brand new department responsible for managing the UK's exit from the EU, as well as the rebranding of others.

For the council, this means monitoring the announcements of the new government very closely indeed, particularly those that have a direct impact on the services that we as a local authority are responsible for such as housing, education, and social care. We also need to build effective working relationships with new ministers and civil servants in any relevant departments where there have been significant changes so that we can fight Lewisham's corner effectively. I am also doing this at a London-wide level in my role for London Councils.

The Prime Minister has indicated that she is unlikely to seek a new mandate from the country anytime soon, and we do not know the extent to which she will divert from the Conservative manifesto that was the basis for the 2015 election. Having said that I think we can expect that the Prime Minister will wish to show that this government is very much her own, and that will mean that as a council we will need to be politically nimble and prepared for any legislation that is proposed in the coming months.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 September 2016

Question by Councillor Walsh
of the Deputy Mayor

Question

With the development of the Night Tube, and the obvious benefits that this will have for Londoners and our night economy, we must make sure Lewisham and other areas of the South East do not face further transport inequality, and a widening of the gap in access and the economy between the North with its Tube, and the South without. As such will Mayor Bullock commit to further lobbying of the new Mayor of London and the GLA/TfL to:

- i. speed up the formal commitment to, and actual development of, the Bakerloo Extension, ensuring its operation is through the Borough to Catford and on to Bromley
- ii. identify ways Lewisham can ensure access and economic development growth to keep pace with better connected boroughs
- iii. model, analyse and debate the merits of moving the DLR to a 24/7 service from 1st April 2021, when current contracts expire.
- iv Report back on progress and achievement at the first Council meeting in 2017

Reply

The Council is committed to the continued development of major transport infrastructure in the borough and has already held high-level meetings with the new mayoral administration to discuss a wide range of transport issues. The Bakerloo Line Extension is at the forefront of the Council's priorities for transport, and following the positive discussions with GLA, the Council will continue to press for the development of the extension to be advanced. The next Lewisham Local Plan which is being prepared, will reflect the importance of infrastructure investment, including the Bakerloo line and an interim document to set out the existing planning policy support for the Bakerloo line in particular is currently being prepared.

In addition to the Bakerloo Line, there are a number of other emerging issues and strategic opportunities in rail planning, and the Council is undertaking a review in order to inform our lobbying position, which will include medium term improvements such as the wider roll-out of the Overground network. As part of this work, opportunities for enhancing the DLR will be considered.

In the shorter term, a pipeline of transport infrastructure improvements continue to support the significant levels of development and economic growth across the borough, including the Thameslink improvements, the new road layout at Lewisham Gateway, and strategic cycling infrastructure such as the new Quietway and the development of Cycle Superhighway 4.

An update on these issues can be provided to Council in 2017.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question by Councillor Coughlin
of the Cabinet Member for the Public Realm

Question

How much does Lewisham Council spend per annum on clearing, managing and preventing fly-tipping in the borough?

Reply

We spend £ 5.7 million of keeping the streets of Lewisham clean. This includes the removal of fly-tipping and other waste from the streets and a small enforcement team to pursue fly-tippers and other enviro-criminals. This figure does not include disposal costs.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question by Councillor Elliott
of the Cabinet Member for the Public Realm

Question

A recent freedom of information request has highlighted that the majority of material sent for recycling in England is actually contaminated, due to non-recyclable items being placed in the wrong bins.

Across England this was said to be up by 84%, with one council paying £50,000 a month in its efforts to remedy a 14% contamination rate.

How are we performing in this regard and to what extent is Lewisham's recycled waste contaminated?

Reply

Lewisham's recycling contamination rate for 2016-17 averaged 13.82%, with a monthly range of 11.59% - 17.16%. Our average contamination rate for the last year has not increased, so we haven't seen the same increase as others.

We have bin stickers to outline what can go into the recycling bin. Due to contractual changes however, we are currently updating the design as textiles are no longer accepted.

In the past few years, we have also raised awareness through other communications, such as:

- messages on refuse/recycling vehicles
- attending events and fayres to inform residents
- attending Ward meetings and community groups to inform residents
- personal invitation to known contaminators to attend focus groups to 1. Gain better insight into how to tackle the issue, 2. Have the opportunity to educate and persuade residents to recycling correctly
- use of social media/online (blogs, twitter, E-Lewisham Life, Council website)

- when budget or funding had allowed, we also door knocked offending households to talk through the issue with them

Throughout 2015 we installed new locks onto communal bins to prevent residents from opening them to dispose of bulky items/DIY and/or black sacks, (accompanied by working with housing providers and communications). We are currently in the process of investigating how to better tackle contamination issues on estate properties.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 SEPTEMBER 2016

Question by Councillor Ingleby
of the Cabinet Member for the Public Realm

Question

Does the Council support the Mayor of London's recently stated ambition to extend by 2020 the Ultra Low Emissions Zone beyond Central London to the South Circular (for motorcycles, cars and vans, and for lorries and buses London-wide? Are there ways in which the Council could support the signage of Low Emission Neighbourhoods?

Reply

The extension of the Ultra-Low Emission zone will assist the Council to meet its' air quality objectives, in reducing emissions of Nitrogen Dioxide within the area north of the South Circular, which has also been declared an Air Quality Management Area (AQMA). The Council would therefore in principle support this proposal. Further discussions would need to be had in relation to management of traffic so that it is done in a way where displacement issues are minimised and local businesses are consulted.

The Environmental Protection Team are currently consulting on a new Air Quality Action Plan (AQAP). The Greater London Authority is now responsible for managing the reporting by London Local Authorities on their Air Quality Actions, and has provided a matrix of expected actions that London Authorities should follow, which Lewisham has used in its draft AQAP. One of these actions is the introduction of Low Emission Neighbourhoods. Some London authorities have received funding from the London Mayor to introduce these within their borough. Lewisham was successful in its bid for £200,000 from the London Mayor's Air Quality Fund in developing a Zonal Construction Logistics Plan along the Evelyn Corridor. This will seek to control and manage movement of traffic in an area where a lot of strategic developments are being, or planning to be constructed and will bring measureable air quality benefits. This is a 3 year project and has been prioritised as a localised action within the Evelyn neighbourhood.

The TfL/GLA have defined a Low Emission Neighbourhood as:

‘A Low Emission Neighbourhood (LEN) is an area-based scheme that includes a package of measures focused on reducing emissions (and promoting sustainable living more generally). A LEN is delivered by a borough with support from Transport for London (TfL), the Greater London Authority (GLA) and the local community.’

‘LENs will be focused on areas of high exposure to high pollution which can be reduced through local measures, and locations with high trip generation and the potential to reduce emissions in the wider road network. They are less suited to areas where the high pollution levels are restricted to a single road, especially if through-traffic is a large source of emissions, as the package of measures would do little to address this source.’

The Council is happy to hear from and work with local communities where it can to improve localised air quality, and discussions about signage would form part of those discussions.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 September 2016

Question by Councillor Walsh
of the Deputy Mayor

Question

The Victorian Society have highlighted Ladywell Baths (aka Ladywell Play Tower) as amongst the **Top 10 most endangered Victorian & Edwardian buildings** in England & Wales. What is the Council doing to both protect this historical asset, and find an appropriate developer for the site?

Reply

The Council has worked to arrest the decline of the building until a new end use and comprehensive restoration can be carried out. In 2012 the Council, with grant support from English Heritage installed a completely new roof structure in order to ensure that damage being caused by water ingress was stopped. Following the Victorian Society highlighting the building's plight, the Council has received a significant number of approaches from different organisations and individuals keen to take on and re-use the building. The Council has also engaged the Heritage Lottery Fund to discuss the possibility of securing financial support towards the restoration. To capitalise on the interest that has been shown a competition to select a restoration partner will be launched this autumn.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 September 2016

Question by Councillor Ingleby
of the Deputy Mayor

Question

Is the Council able to provide general guidance to applicants for kerb drops that makes clear the cumulative and detrimental environmental effects that drive conversions cause to drainage in the borough, in line with advice that is given for back garden changes?

Are there any national planning guidelines or regulations on permeable surfaces and driveways which the Council can use?

Reply

Planning permission is needed if a homeowner wishes to lay a traditional impermeable driveway where its area is more than five square metres. The Council would seek to resist such applications and encourage homeowners to use more modern permeable driveway materials on the grounds of the cumulative impact on drainage.

In practice, we find that it is rare for a homeowner to seek permission for an impermeable driveway given the range of alternatives on the market, including gravel, permeable concrete block paving and porous asphalt. Guidance on paving front gardens can be found at:

<https://www.gov.uk/government/publications/permeable-surfacing-of-front-gardens-guidance>.

LONDON BOROUGH OF LEWISHAM

COUNCIL MEETING

21 September 2016

Question by Councillor Walsh
of the Mayor

Question

Will the Mayor, as a matter of urgency, bring to bear the full resource of the Council, to campaign and lobby against any loss of representation in Parliament of the peoples of Lewisham, as the formula used by the Boundary Commission uses an electoral register from 2015 that has since grown in number by 20%?

Reply

Representations have already been made on behalf of the Council to the Boundary Commission for England. Their response was that representations should be made again when the specific proposals are published.

The BCE proposals were published on Tuesday 13th September and show changes to all 3 of Lewisham's Parliamentary Constituencies.

The Council will continue to make the case that the use of the December 2015 register is inappropriate on the basis of the increase in registration between then and the EU referendum as well as on other grounds such as the scale of development ongoing and planned in Lewisham, for example in Lewisham and Catford Town Centres.

Council			
Title	Resettlement of Syrian Refugee Households		
Key decision	Yes	Item no	
Wards	All		
Contributors	Executive Director for Customer Services		
Class	Part 1	21 September 2016	

1 Summary

- 1.1 In 2015 the Government pledged to resettle 20,000 Syrian refugees in the UK over the course of this parliamentary period. Progress is being made nationally in meeting this target by the end of March 2016 2,400 Syrians had been resettled in the UK across 71 local authorities under the Home Office’s Syrian Vulnerable Persons Relocation Scheme (VPR), and to date 50 households have been resettled in London. It is currently estimated that pledges have been made nationwide to resettle 10,000 Syrian refugees.
- 1.2 In response to the Prime Minister’s announcement the Mayor of Lewisham published a statement confirming the council’s commitment to preparing for and receiving Syrian Refugees. Lewisham is an ethnically diverse borough and has experienced many waves of migration. Roughly half of Lewisham’s population is Black or Minority Ethnic making it a borough with experience of accommodating the cultural needs of diverse groups.
- 1.3 The Government has put in place a funding offer to local authorities that contributes towards the costs of delivering support and other services to refugee households. The Home Office have set standard financial support rates for each eligible beneficiary, funding is also available to cover the cost of educational needs of children and additional funding may be available for those with additional health, care and educational needs. All resettled refugees are granted five years Humanitarian Protection Status and have access to public funds and the labour market. The Government has indicated that at the end of the five years, households will be eligible to apply for permanent residence in the UK.
- 1.4 This report seeks approval for the resettlement of up to 10 Syrian refugee households initially in Lewisham and for coordination of tendering and appointing associated resettlement support services.

2 Purpose of Report

- 2.1 To inform Full Council of the resettlement of up to 10 Syrian refugee households

in Lewisham

2.2 To outline the proposed Lewisham Syrian Refugee Offer on resettlement and support

2.3 To recommend the tendering and appointment of resettlement and support services

3 Recommendation

It is recommended that Full Council

3.1 Notes that the Council is responding to the ongoing humanitarian crisis caused by conflict in Syria by resettling up to 10 Syrian refugee households in Lewisham.

3.2 Notes the outline timetable for receiving the first households and overall participation in the Syria Vulnerable Persons Relocation scheme.

3.3 Notes that the Lewisham Syrian Refugee Offer at Appendix 1 sets out that accommodation will be procured from the private rented sector, the local community and/or voluntary sector agencies to accommodate Syrian refugees.

3.4 Notes that the Lewisham Syrian Refugee Offer proposes the tendering and appointment of a support resettlement service.

3.5 Notes the approved the Syrian Refugee Offer attached at Appendix 1.

3.6 Notes the delegated responsibility to the Executive Director for Customer Services to enter into a formal agreement with the Home Office to resettle up to 10 Syrian refugee households in Lewisham

3.7 Notes the agreed budgetary provision of £50,000 for contingency costs and administration of the Lewisham Refugee Offer

4 Background

4.1 Conflict in Syria began over 5 years ago and continues today with no signs of imminent resolution. Since the conflict began in March 2011 more than 250,000 Syrian people, predominantly civilians have been killed. It is estimated that over 4.5 million Syrian people have fled the country since the start of the conflict, one of the largest refugee exoduses in recent history. In September 2015 the Prime Minister announced that the UK Government would resettle 20,000 Syrian refugees by 2020 under the Home Office's Syrian Vulnerable Persons Relocation scheme, known as the Syrian Resettlement Programme (SRP). As of March 2016 just over 2400 Syrian refugees have been resettled in the UK, and 50 of these households have been resettled in London.

4.2 The SRP involves central government working with United Nations Human Rights Council (UNHCR) to identify the most vulnerable Syrian refugees who have already fled Syria and sought temporary refuge in a neighbouring country. The SRP is based on a household's needs, and prioritises the resettlement of

those who cannot be supported effectively in their temporary host country and who are unable to return to Syria. The Home Office will carry out medical and security checks and then route cases to participating local authorities, to either accept or reject.

- 4.3 The Government has committed to provide funding to contribute towards covering the costs of resettling refugees in the UK from the international aid budget. At the 2015 spending review the Chancellor announced the provision of an estimated £460 million over the spending review period to cover the first 12 months' costs under the scheme. The Government has committed a further £129 million to assist with local authority costs over years 2-5 of the scheme. Further funding will be available for "extreme" high cost cases where there is a severe disability or care need. Syrian Refugees are given Humanitarian Protection status for 5 years under the SRP and are entitled to work and claim welfare benefits.
- 4.4 In order to ensure the effective integration of resettled Syrian refugees, local authorities wanting to participate in the SRP need to be able to meet the Home Office's Statement of Outcomes for the programme which includes:
- Meeting and greeting refugees as they arrive at airports, escorting them to properties and briefing them on the use of amenities
 - The provision of suitable, affordable and sustainable accommodation which meets the local authority's standards and is available for at least one year. Accommodation is to be basically furnished and supplied with essential white goods
 - Welcome packs on arrival including basic groceries, clothing and a £200 cash payment per eligible household member
 - The provision of a case work support service to signpost and coordinate education, welfare claims, employment and other integration services set out in individual "personalised support plans"
 - Access to ESOL courses and translation services

5 London Context

- 5.1 London Councils and the GLA have been in discussions with Government regarding concerns that the current funding settlement for the SRP will not meet the accommodation, support and living costs of resettled households in London despite recourse to public funds. There has been no confirmation to date of any additional funding for London.
- 5.2 London has a proud history of providing refuge to those seeking sanctuary but faces a unique set of challenges when considering resettling Syrian refugees. London is a multicultural city where cultural diversity thrives and would be able to meet the social and cultural needs of Syrian refugees; however, due to chronic shortages of housing, London boroughs already struggle to find affordable accommodation for those currently in housing need. 50,000 homeless households are currently living in temporary accommodation predominantly in the private rented sector (PRS) across London.
- 5.3 The Home Office has indicated that accommodation sought for Syrian refugees

should be at Local Housing Allowance (LHA) rates; in London the majority of PRS rents are above LHA. The number of 2 bedroom properties available to rent in Lewisham at LHA in the PRS decreased from 18 in November 2015 to 8 in May 2016, a pattern which is reflected across property sizes in the borough. In addition to the lack of affordable accommodation, caps to welfare benefits make it increasingly unaffordable for large families requiring 3 or more bedrooms to live in London. In response to this, the Home Office has agreed with the UNHCR to re-model the cohort profile of Syrian refugees so that London resettles smaller families and people with more complex needs.

- 5.4 The Home Office has suggested that 2,500 households are resettled in London. So far in London, 50 households have been resettled by the boroughs of Islington, Barnet, Kingston, Hackney, Lambeth, Camden and Kensington and Chelsea. Accommodation has been provided in the private rented sector with a growing number of properties offered through Citizens UK and other voluntary sector groups.

6 Lewisham’s Offer

Councillor Kevin Bonavia, Cabinet Member for Resources, has been given special responsibility to lead on the resettlement of Syrian refugees in Lewisham and has been liaising with Lewisham community groups in order to develop an achievable outcome. On 13 July 2016, the Council hosted an event for Lewisham community groups to address the issue of asylum seekers, refugees and migrants in Lewisham. The event looked at current practice in working with refugees in Lewisham and the experience of the London Boroughs of Islington and Tower Hamlets as well as the support available from the local voluntary and community sector. At the meeting it was agreed that a Lewisham Syrian Refugee Offer would be developed and that voluntary sector and community sector offers of support and sharing of information would be coordinated through the development of a Directory.

- 6.1 Lewisham would like to put in place arrangements to initially resettle up to 10 Syrian households. Lewisham will develop a Syrian Refugee Offer Policy in line with current guidance provided by the Government and will work in partnership with local community groups, the GLA and other London boroughs participating in the SRP. The detail of the outline offer is contained at Appendix 1.
- 6.2 The outline timetable for accepting and resettling cases is set out below. Once a household is accepted, then it is typically 6-8 weeks before their arrival. Coordination support and commissioned support services need to be in place ahead of arrival in the UK.

Time Table for Lewisham Syrian Refugee Resettlement	
Date	Activity
September 2016	<ul style="list-style-type: none"> • Enter into formal agreement with the Home Office post Full Council meeting • Establish a multi-agency support panel (including housing, health, DWP, education, resettlement, support service provider and other third sector agencies)

October – December 2016	<ul style="list-style-type: none"> • Procure resettlement services • Work with the Voluntary Sector, Landlords and agencies known to the Council to identify suitable accommodation at LHA rates
January – March 2017	<ul style="list-style-type: none"> • Agree households with the Home Office • Begin accepting Syrian refugee households

6.3 Accommodation

Accommodation for Syrian refugees in Lewisham will be sourced from the PRS and from offers of community support in line with the approach of other participating London boroughs. There are currently just under 1,800 homeless households in temporary accommodation in Lewisham, 400 of which are placed in accommodation outside of the borough. All London boroughs who have accepted Syrian refugees as part of the SRP to date have accommodated households in PRS accommodation rather than social housing. High demands on social housing from homeless families waiting in temporary accommodation for many years and the limited 5 year Humanitarian Protection Status awarded to Syrian refugees makes PRS the most appropriate offer of accommodation in London. For Syrian refugees resettled in London, PRS accommodation is likely to be their long term housing option if permanent residency is sought beyond their initial 5 year Humanitarian Protection Status. By placing Syrian households in the PRS from the onset, families will be better able to manage and sustain their accommodation independently in the long term.

6.4 There is a significant gap between the Local Housing Allowance (LHA) entitlement payable to welfare benefit claimants and the market rents charged in the PRS in Lewisham. Shortfalls in accommodation costs for Syrian refugees would need to either be paid for through the local authority settlement received for the household, reducing the amount available to spend on support, or through the council's existing DHP budget or general fund sources. The table below illustrates the difference between market rents and LHA in Lewisham.

	1 Bed	2 Bed	3 Bed	4 Bed
Median Weekly Rent - Lewisham	£252	£300	£386	£462
LHA Rate - Inner SE London	£204	£265	£331	£417
LHA Rate - Outer SE London	£161	£198	£242	£313

6.5 In addition to LHA restrictions from the 7th of November the benefit cap will be reduced to £442.31 per week for couples with children in London. LHA for a 4 bedroom property in parts of Lewisham in the Inner South East London area is £417 per week, making larger properties unaffordable for households dependant on welfare benefits. In order to access affordable PRS accommodation it is recommended that Lewisham council accommodate households with no more than a 3 bedroom need.

6.6 The Home Office has categorised households into needs groups and is asking local authorities to indicate the category of household they are able to accommodate in their borough. The categories of household are as follows:

Category	Household Type
1	Non-complex Case: those with no special needs or requirements
2A	Mobility Issues: people who are wheelchair users or who have other disabilities including missing limbs or those who have restricted movement
2B	Serious Medical: people who require surgery or ongoing medical treatment for life threatening conditions (e.g. cancer, dialysis)
2C	Psychological: people suffering from mental illness or those where a need for immediate psychological support is specified in the HAP
2D	Special Educational Needs: children with disabilities or learning difficulties
3	Large Families: family groups made up of 7 or more people

6.7 Dependant on the type of properties procured Lewisham is proposing to accommodate households in all categories except category 3 due to difficulties in procuring large family properties at LHA in the borough.

6.8 Lewisham's agreement with Government means the Council will be responsible for the resettlement of Syrian refugee households in the borough.

6.9 Issues of affordability of PRS accommodation in Lewisham mean that it is necessary to harness increased levels of community compassion when sourcing accommodation for Syrian refugee households. Offers of accommodation from the local voluntary and community sector have already been made to Lewisham and will be assessed for suitability. Any offer of accommodation from the local community needs to be independent, self-contained, available to rent at LHA or below and meet with the suitability standards of both the local authority and the Home Office.

6.10 Resettlement support

In order to meet the Government requirements for resettling Syrian refugees in Lewisham the Council must provide a meet-and-greet service for new refugees and ongoing integration, housing, care and educational support for a period of at least 12 months.. It is thought that initial intensive support will be required, but that support will taper as households become more integrated into the local community. In order to provide both initial and ongoing support to Syrian refugees, the Council will need to develop a service specification, put out to tender and commission support services. Additional resources may also be needed to ensure ESOL provision meets a household's integration needs.

6.11 Lewisham has an active and engaged voluntary and community sector willing to

support the integration of Syrian households resettled in Lewisham. A directory of support is being developed to manage offers of support and donations from the local community. The Council will be responsible for coordinating support from the local community and voluntary sector, ensuring that wherever possible additional resettlement needs are met through the local community. On the 19th July the Government launched a Community Sponsorship Scheme with a digital register for people who wish to offer donations such as cooking equipment or brown goods. This service may also help coordinate local community donations.

6.12 Beyond Year 5

Syrian Refugee households accommodated under the SRP will be granted Humanitarian Protection Status for 5 years, at the end of this period they will be entitled to apply for Indefinite Leave to Remain (IDLR). High needs households may be less likely to access the labour market and become self-sustaining in the 5 year period. If their application for IDLR is refused then there is a risk that households will have no recourse to public funds, resulting in additional costs to the council.

7 Equality Impact Analysis

- 7.1 The main impacts identified are that the SRP in Lewisham will have a positive equality impact primarily on BME communities, as all refugees being resettled will be from BME backgrounds. The SRP will offer those who are resettled the only chance of a durable solution to their protracted situation. Refugees may also have other protected characteristics, which may be relevant to their resettlement need, and this would be addressed as part of the individualised support they receive, for example, some of the refugees who are resettled may have suffered persecution on the basis of their sexuality or religion.

8 Financial Implications

- 8.1 The Government has set aside a basic amount of just over £20,000 in resettlement funding per household member across 5 years to be paid directly to local authorities. The following table shows the profile of the funding over the five years. Funding will be tapered from year one reducing to £1,000 in year 5 of the resettlement programme. Local authorities will be free to decide how best to use the funding in years 2-5.

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Funding Per Person	£8,520	£5,000	£3,700	£2,300	£1,000	£20,520

- 8.2 In year one, funding will be made to local authorities throughout the first 12 month period in arrears after a household has been accepted with 40% of expected yearly costs for each individual to be authorised on the day of arrival and paid to

the Council within 30 days. The remainder will be paid in arrears in two equal instalments at the end of the fourth and eighth month. This funding covers a range of expenditure including the following

- any shortfall between rent charged and Local Housing Allowance
- furniture, white goods, soft furnishings
- initial cash payment and grocery welcome pack
- Local authority coordination, finance and administration
- Caseworker
- English as a second language (ESOL) tuition/support costs

8.3 In addition to the basic amount of funding per individual household member, there will also be additional funding for education costs for children as set out in the following table. The funding is provided in the first year only for children aged between 5 and 18 years old (£4,500) and for children aged 3 to 4 years old (£2,250). This will be paid to the local authority and passed on to schools and is above the funding provided to schools per pupil by the Department of Education. Additional funding is also available for exceptional circumstances or “high cost cases” for educational purposes for children under the age of 18 on a case-by-case basis.

Syrian Resettlement Programme - Local Authority Settlement 2016/17					
Local Authority Costs	Adult Benefit Claimant	Other Adults	Children 5-18	Children 3-4	Children under 3
	£8,520	£8,520	£8,520	£8,520	£8,520
Education	£0.00	£0.00	£4,500	£2,250	£0.00
Total	£8,520	£8,520	£13,020	£10,770	£8,520

8.4 Funding for Social Care

The Home Office have advised that there is additional funding available for “high cost cases” where there are compelling circumstances that require additional social care costs. These costs can be requested on a case by case basis and will be assessed individually by the Home Office. Information on funding levels and demand for additional funding is not yet available. Individuals granted Humanitarian Protection Status are not able to claim Personal Independence Payment (PIP) or Disability benefits for the first two years of residency.

8.5 Funding for Primary and Secondary Medical Care

Funding for primary and secondary care will be paid directly to local CCG by the Government. CCG’s will need to apply for medical care costs per household and can claim £600 per person for primary medical care costs and £2000 per person for Secondary care costs.

8.6 Overall Funding

Initial modelling suggests that, with careful budgeting and control of costs, the

funding available may cover the indicative set-up costs of the families; however, the modelling is at a very early stage and so, in order to allow for some flexibility and ensure a successful start, a sum of £50,000 will be held in reserve as a contingency to cover additional costs should they arise.

9 Legal Implications

- 9.1 Participation in the Syrian Vulnerable Persons Relocation Scheme (SVPRS) is voluntary and is a matter for decision by each local authority. The Home Office has issued clear requirements of authorities which decide to contribute to the programme, and any Local Authority which agrees to resettle refugees under the SVPRS must satisfy the Home Office that they have the relevant services and infrastructure in place.
- 9.2 There is no statutory duty for the Council to participate in the resettlement programme although mandatory quotas could be introduced, for example through the Immigration Bill 2015/2016, in the event there are not enough places available nationally.
- 9.3 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.4 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.
- 9.5 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 9.6 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, 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/](http://www.equalityhumanrights.com/policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/)

9.7 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

9.8 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/>

10 Crime and Disorder Implications

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

11 Environmental Implications

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

12 Background documents and originator

12.1 Syrian Vulnerable Person Resettlement (VPR) Programme, Guidance for local authorities and partners, The Home Office, 28th October 2015
<http://www.homeless.org.uk/connect/blogs/2016/aug/22/call-for-evidence-homelessness-prevention>

12.2 Syrian Refugee Resettlement, A guide for local authorities, LGA & Migration Yorkshire, Spring 2016
http://www.local.gov.uk/documents/10180/7632544/1.11_resettlement_guide_08.pdf/cc6c7b51-23a8-4621-b95c-a30bc3da438e

12.3 If you would like any further information on this report please contact Genevieve Macklin (020 8314 6057) or Nicola Marven (020 8314 7227)

APPENDIX 1.

The Lewisham Offer for Syrian Refugee Resettlement

The London Borough of Lewisham will work with Government, the GLA, local authorities and a range of partners, voluntary sector agencies and the local community to resettle up to (at least initially) 10 Syrian refugee households.

In order to realise this outcome, Lewisham makes the following commitments by way of an offer to:

- (1) the Government for the purpose of seeking its agreement to the proposed resettlement of Syrian refugees in the borough; and
- (2) the community across the borough for the purpose of locating suitable accommodation for refugee households and support to integrate individual refugees into society.

Timescales

Lewisham aims to accept the first Syrian refugee households between January and March 2017 in accordance with the below outlined time table:

Time Table for Lewisham Syrian Refugee Resettlement	
Date	Activity
September 2016	<ul style="list-style-type: none">• Enter into formal agreement with the Home Office post Full Council meeting• Establish a multi-agency support panel (including housing, health, DWP, education, resettlement, support service provider and other third sector agencies)
October – December 2016	<ul style="list-style-type: none">• Procure resettlement services• Work with the Voluntary Sector, Landlords and agencies known to the Council to identify suitable accommodation at LHA rates
January – March 2017	<ul style="list-style-type: none">• Agree households with the Home Office• Begin accepting Syrian refugee households

Household categories

Lewisham will work with the Home Office to accommodate households in categories 1, 2A, 2B, 2C and 2D as outlined by the Home Office as follows:

Home Office Syrian Refugee Household Categories	
Category	Household Type
1	Non-complex Case: those with no special needs or requirements
2A	Mobility Issues: people who are wheelchair users or who have other disabilities including missing limbs or those who have restricted movement

2B	Serious Medical: people who require surgery or ongoing medical treatment for life threatening conditions (e.g. cancer, dialysis)
2C	Psychological: people suffering from mental illness or those where a need for immediate psychological support is specified in the HAP
2D	Special Educational Needs: children with disabilities or learning difficulties
3	Large Families: family groups made up of 7 or more people

Accommodation

Lewisham will procure 2 or 3 bed units of accommodation at LHA rate or lower from the private rented sector or as identified through the local community and voluntary sector.

Properties procured for the purpose of resettling Syrian refugee households will be appropriately furnished with essential items and white goods

Resettlement Support

Lewisham will commission meet and greet and ongoing integration casework and resettlement support. Support will be provided to households for a period of 12 months from arrival.

Education

Lewisham will ensure that school places are available at the time of refugee arrival, school places will be accessed via normal admissions processes and will be chosen in line with the proximity to sourced accommodation

Lewisham will ensure refugee households are assessed on their English language ability and that accredited English for Speakers of Other Languages (ESOL) courses are available

Health

Lewisham will ensure Syrian refugees are registered with local health services and facilitate access to specialist health services as required

Translation

Lewisham will ensure interpreting and translation services are available to Syrian Refugees

Community Integration Activities

Lewisham will work with the local voluntary sector and community to provide activities to Syrian refugee households that promote integration

Agenda Item 8

COUNCIL		
Report Title	Consultation on the Gypsy & Traveller Site(s) Local Plan	
Key Decision	Yes	Item No.
Ward	All	
Contributors	Executive Director of Resources and Regeneration	
Class	Part 1	Date:21 September 2016

1. Purpose

- 1.1 This report seeks the Council's formal resolution to agree the final search parameters and site selection criteria for the Gypsy & Traveller Site(s) Local Plan (GTSLP).

2. Summary

- 2.1 The Planning Service are preparing a new Gypsy and Traveller Site(s) Local Plan (GTSLP) which will allocate a site or site(s) for accommodation for Gypsies and Travellers.
- 2.2 In order to identify a suitable site or sites, a range of 'Search Parameters' and 'Selection Criteria' have been identified. At its meeting on 24 February 2016, the Council approved consultation arrangements on the preparation of a Gypsy and Traveller Site(s) Local Plan (GTSLP) (including scope, search parameters, site selection criteria and timetable for identifying a site or sites). It also approved consultation on the associated Sustainability Appraisal Scoping Report.
- 2.3 Following consultation carried out by the Planning Service in March and April, one of the site selection criteria was amended, and at its meeting on 13 July 2016, Mayor and Cabinet approved the final search parameters and site selection criteria. The Council are now asked to do the same.

3. Recommendation

- 3.1 The Council is recommended to:
- 3.2 Approve the final search parameters and site selection criteria (Appendix 1)

4. Policy context

- 4.1 The contents of this report are consistent with the Council's policy framework. When adopted the GTSLP 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 GTSLP 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 GTSLP consultation is set out in the report to Mayor and Cabinet dated 13 July 2016 which is included as Appendix 2 to this report.
- 5.2 As a local housing authority the Council is under a duty to consider housing conditions and the needs of its district with respect to the provision of further housing accommodation. This duty further includes a duty to consider the needs of people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed. Section 8(1) and 8(3)(a) of the Housing Act 1985 (as amended).
- 5.3 The GTSLP will form part of Lewisham's development plan and will identify and designate land in the borough to accommodate the identified need for gypsy and travellers, as defined in the National Planning Policy for Traveller Sites (August 2015).
- 5.4 Consultation on the proposed parameters, criteria, timetable and scope of the associated Sustainability Appraisal period ran from 3 March to 22 April 2016. In accordance with the Council's Statement of Community Involvement (SCI), the Regulation 18 consultation document and Sustainability Appraisal Scoping Report were posted on the Council's website and a number of organisations and individuals were sent letters or e-mailed a link to the documents and invited to comment.
- 5.5 A summary of the comments received and officers' responses are set out in Appendix 3. As a result, officers are recommending that *one* change be made to site selection criteria 5 in response to a comment by the Environment Agency.

6 Sustainability Appraisal

- 6.1 Local plans need to 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.

- 6.2 A number of comments were made on the draft Scoping Report, officers have considered the comments and the responses are set out in Appendix 3. The Sustainability Appraisal will be drafted taking these comments into account and will be consulted on alongside the consultation on a preferred site or sites in October/November 2016.

7 Financial Implications

- 7.1 There are no direct financial implications arising from this report. The consultation will be delivered within the agreed Planning Service budget.

8 Legal Implications

- 8.1 The Town and Country Planning (Local Planning) (England) Regulations 2012 sets out the main steps in the procedure for the production and adoption of planning documents, as explained in the report.
- 8.2 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.3 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.
- 8.4 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above.
- 8.5 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Decision Maker, bearing in mind the issues of relevance and proportionality. The Decision Maker must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 8.6 The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality

Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

- 8.7 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: A guide for public authorities
 - Objectives and the equality duty. A guide for public authorities
 - Equality Information and the Equality Duty: A Guide for Public Authorities

- 8.8 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:
<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

9 Equalities Implications

- 9.1 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 relating to: ‘increasing participation and engagement’.
- 9.2 The process of producing the new GTSLP will include an equalities appraisal to identify equalities impacts and implications of emerging policy options.

10 Environmental Implications

- 10.1 There are no direct environmental impacts arising from this report.

11 Conclusion

11.1 The Planning Service will be preparing a draft GTSLP in accordance with the final search parameters, site selection criteria and Sustainability Scoping Report. In accordance with the timetable set out in the Regulation 18 Consultation Report, and subject to further approval from Mayor and Cabinet and Full Council, officers intend to carry out consultation on a preferred site or sites in October/November 2016.

Background documents

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
Planning & Compulsory Purchases Act 2004 (as amended)	2004	Laurence House	Planning Policy	Claire Gray	No
National Planning Policy Framework	2012	Laurence House	Planning Policy	Claire Gray	No
Planning Policy for Traveller Sites	2015	Laurence House	Planning Policy	Claire Gray	No

If you have any queries on this report, please contact Claire Gray, Planning Policy, 3rd floor Laurence House, 1 Catford Road, Catford SE6 4RU – telephone 020 8314 7186.

Appendix 1: Search Parameters and search criteria

Appendix 2: Report to Mayor and Cabinet 13 July 2016 on Gypsy and Traveller Local Plan

This may be viewed at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=4248>

Appendix 3: GTSLP Consultation Statement 2016

1. Final Search Parameters

- 1.1 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.
- 1.2 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.
- 1.3 Private and other publicly owned land. 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.
- 1.4 For these reasons, it is proposed to focus on Council owned, other than, possibly, adjacent land in other ownerships that may be necessary to develop a Council asset.
- 1.5 One or more sites? Subject to the findings of a revised GTANA, the need for additional pitches in Lewisham is likely to be relatively small. If this is confirmed, it is proposed that a single site be identified as this would provide economies of scale in terms of design, development and future management costs.
- 1.6 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.
- 1.7 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 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.

1.8 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).

1.9 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.

2. Final Site Selection Criteria

Site Selection Criteria	Explanation and application
1. Effective and efficient use of public assets.	<p>(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.</p> <p>(b) Efficient use of public assets– Judgement, taking account of reasonable alternative use(s) and the Council’s need to minimise opportunity costs and optimise capital receipts.</p>
2. Reasonable access to local shops, services and community facilities in particular schools and health services.	<p>(a) Site within 800m of bus stop and/or station.</p> <p>(b) The following services within 1,500m:</p> <ul style="list-style-type: none"> (i) Local shop; (ii) Primary School; and (iii) Health facility.
3. Safe and reasonably convenient access to the road network.	<p>(a) Safe vehicular access or capable of creating safe vehicular access for 15m long caravan to/off a public highway.</p> <p>(b) Access for emergency services.</p> <p>(c) Clearance height of 3.7m.</p>
4. Capable of satisfactory provision for parking, turning, service and	<p>(a) Judgement (size and shape of site).</p> <p>(b) Infrequent access needed for 15m long caravan.</p>

Site Selection Criteria	Explanation and application
emergency vehicles.	
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 environmental permitting regulations, 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 (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

Site Selection Criteria	Explanation and application
	should be: <ul style="list-style-type: none">(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.



Gypsy and Traveller Site(s) Local Plan

Intention to prepare a Local Plan: Regulation 18 Consultation Report

Consultation Statement

Town and Country Planning (Local Planning) (England) Regulations 2012

August 2016

Contents

1.0 Introduction	3
2.0 Consultation Process	5
3.0 Consultees	7
4.0 Methods of Consultation	8
5.0 Methods of Response	9
6.0 Sustainability Scoping Report Consultation	10
7.0 Written Representations	11
8.0 Questionnaire Response	xx
9.0 Gypsy and Traveller Forum Meeting (24.02.2016)	xx
10.0 London Gypsy and Traveller Unit Meeting (14.04.2016)	xx
11.0 Sustainability Appraisal Scoping Report: Consultation Responses	xx
12.0 Conclusion and Statement of Compliance	xx
Appendix 1: Specific Consultation Bodies	xx
Appendix 2: General Consultation Bodies & Other Consultees	xx
Appendix 3: Notification of Public Consultation	xx
Appendix 4: Consultation on Sustainability Appraisal Scoping Report - Example of Letter Sent to Authorities with Environmental Responsibilities	xx
Appendix 5: Press Notice – South London Press, 1st March 2016	xx
Appendix 6: Table of Written Representations made on the GTSLP during public consultation	xx
Appendix 7: Questionnaire Response	xx

Tables and Figures

Figure 1: Key Stages in the Preparation of the GTSLP	5
Figure 2: Breakdown of Consultation Responses by Type of Respondent	11
Table 1: Regulation 18 Consultation Report: Written Representations - Summary of Main Issues	11
Table 2: Gypsy and Traveller Forum Meeting (24.02.2016) – Summary of Key Issues	16
Table 3: London Gypsy and Traveller Forum Meeting (14.04.2016) – Summary of Key Issues	17
Table 4: Sustainability Appraisal Scoping Report: Written Representations - Summary of Main Issues	19

1.0 Introduction

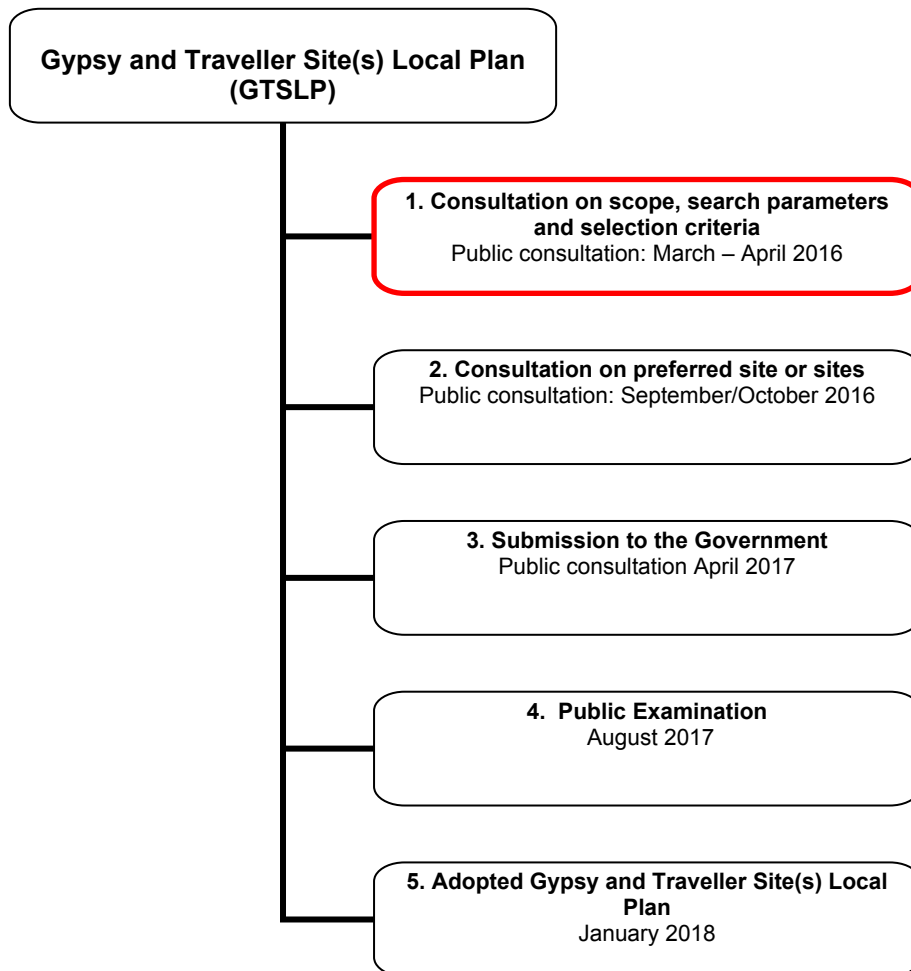
- 1.1 The Gypsy and Traveller Site(s) Local Plan (GTSLP) is being prepared as a single-issue Local Plan in order to allocate a site or sites to meet the identified local accommodation needs of Gypsy and Traveller communities in the borough. The legislative requirement for local authorities to assess the need for Gypsy and Traveller accommodation in their areas was outlined in the [Consultation Report](#). The GTSLP will set out how the Council will meet the needs of Gypsy and Traveller and Travelling Showpeople accommodation in Lewisham over the next 15 years.
- 1.2 The process for preparing statutory Local Plans is stipulated in the Town and Country Planning (Local Planning) (England) Regulations 2012. Regulation 18 establishes the consultation requirements for the preparation of a local plan and the need for local planning authorities to take into account the representations received. Lewisham's Statement of Community Involvement (adopted 2006) (SCI) defines the Council's standards in relation to involving the community in the preparation of all local development documents. The purpose of the SCI is to ensure that all sections of the community and other interested parties have a reasonable opportunity to get involved from the earliest stage of policy proposals.
- 1.3 With respect to the Regulation 18 Consultation Report and the accompanying Sustainability Appraisal Scoping Report this statement sets out the following:
- **Section 2:** the process of consultation in relation to the overall preparation of the plan
 - **Section 3:** which bodies and persons were invited to make representations under Regulation 18 (2012)
 - **Section 4:** how those bodies and persons were invited to make such representations
 - **Section 5:** the channels available for respondents to reply
 - **Section 6:** the process for consultation on the SA Scoping report
 - **Section 7:** a summary of the main issues raised by written representations on the Regulation 18 Consultation Report and the Council response to the issues raised.
 - **Section 8:** a summary of the main issues raised by questionnaire responses and the Council response to the issues raised.
 - **Section 9:** A summary of the issues raised in a meeting with Gypsy and Traveller Forum (24.02.2016) and the Council response to the issues raised.
 - **Section 10:** A summary of the issues raised in meeting with London Gypsy and Traveller Forum (LGTU) (14.04.2016) the Council response to the issues raised.

- **Section 11:** a summary of the main issues raised by the representations in response to the SA Scoping report and the Council's response to the issues raised.
- **Section 12:** the conclusions and a statement of compliance with the requirements of Regulation 18

2.0 Consultation Process

2.1 Regulation 18 represents the first (statutory) stage in the process of preparing the GTSLP.

Figure 1: Key stages in the preparation of the GTSLP



2.2 Stage One is the initial “scoping” phase of the plan preparation process and, in accordance with Regulation 18 (1), Lewisham Council asked key stakeholders and interested people about the intention to produce the Gypsy and Traveller Site(s) Local Plan and invited representations about they thought it should contain.

2.3 Specifically, representations were sought regarding:

- the scope of the plan (the preparation of the GTSLP as a single-issue Local Plan to allocate a site or sites to meet the identified local accommodation needs of Gypsy and Traveller communities in the borough)
- the proposed search parameters and selection criteria to be used to identify a site or sites
- the proposed timetable for preparing the plan

- 2.4 The official public consultation on the GTSLP – Stage One: Scope, Search Parameters and Selection Criteria Report, and Sustainability Scoping Report was originally advertised from 3rd March 2016 to 14 April 2016 which met the minimum six week time period set out in the Statement of Community Involvement (SCI) and the Planning Regulations 2012. The consultation period was subsequently extended for an additional week, to 22 April 2016. The methods of consultation used during this time are set out in section 4 of this report.

3.0 Consultees

- 3.1 The National Planning Policy Framework (NPPF) states that a wide section of the community should be engaged in the preparation of Local Plans so that, as far as possible, they reflect a set of agreed priorities for the sustainable development of the area (para. 155).
- 3.2 Regulation 18 (2) of the Town and Country Planning (Local Planning) (England) Regulations 2012 requires local planning authorities to consult any 'specific consultation bodies' such as national agencies and neighbouring planning authorities that they consider may have an interest in the subject of a proposed local plan. They are required to do the same for general consultation bodies, such as organizations that represent the interests of different ethnic groups, and finally, with respect to residents or other persons conducting business with the area from whom representations would also be pertinent.
- 3.3 The GTSLP will show how the Council will meet Gypsy and Traveller and Travelling Showpeople accommodation needs in Lewisham over the next 15 years and will therefore have an impact on residents across the borough. London Borough of Lewisham carried out early and meaning engagement and collaboration with neighbourhoods, local organisations and businesses, in line with paragraph 155 of the NPPF. Specifically, it was identified that the following stakeholders should be invited to make representations on the GTSLP: Stage One: Scope, Search Parameters and Selection Criteria Report:
- Existing residents and businesses within the borough
 - Representatives for and members of the Gypsy and Traveller and Travelling Showpeople community with the borough
 - Local service providers
 - Consultees listed on the planning policy database
 - Landowners
- 3.4 The contact list was taken from the planning consultation database, which has been compiled over a number of years, and is continuously amended and updated. A list of the specific consultation bodies that were consulted as required by the Regulations is provided in Appendix 1. A list of all the types general consultation groups consulted is in Appendix 2.

4.0 Methods of Consultation

4.1 Regulation 35 (Part 9) of the Town and Country Planning (Local Planning) Regulations 2012 specifies the minimum requirements for ensuring the availability of local plan consultation documents.

4.2 In addition, Lewisham's Statement of Community Involvement outlines a range of possible mechanisms to involve and engage the Lewisham's diverse population. These consultation methods were adapted to meet the requirements and needs of the GTSP: Stage One: Scope, Search Parameters and Selection Criteria Report and are listed below.

Public Display of Documents

4.3 In compliance with Regulation 35 (1a) hard copies of the documents were displayed at all the Borough libraries and the AccessPoint, at Laurence House, Catford for the duration of the consultation period.

Publish on Council Website & Consultation Portal

4.4 In compliance with Regulation 35 (1b), the plans were put on the [Council website](#) and the [Consultation Portal](#) from the start of the consultation period.

Press Notices

4.5 The SCI identifies the use of a press notice as one of the consultation tools at the disposal of Lewisham Borough Council with the potential to reach a borough-wide audience. Thus, a press notice was published in the local newspaper, the South London Press, on the 1st March 2016 for the start of the consultation period.

Mail-out to prescribed and non-statutory bodies in the planning policy consultation database

4.6 The planning policy database contains consultee addresses and is updated regularly. Letter and e-mails were used to notify consultees about the GTSLP – Stage One: Scope, Search Parameters and Selection Criteria Consultation Report.

Liaison with Neighbouring Boroughs

4.7 Neighbouring Boroughs (Greenwich, Southwark, Bromley and Tower Hamlets) were sent a letter inviting them to contact the Planning Policy Team in relation to the consultation.

Questionnaire

4.8 A questionnaire was developed and tailored to obtain feedback on the proposed search parameters to be used to identify a site or sites, and the proposed selection criteria to assess alternative sites.

Meetings with key stakeholders

4.9 Given the subject of the GTSLP it was considered appropriate to meet directly with members and representatives of the Gypsy and Traveller and Travelling showpeople Community. To this end meetings were held with the Lewisham Gypsy and Traveller Forum (24.02.16) and the London Gypsy and Traveller Unit (12.04.16) to obtain their views and discuss the subject of the consultation in detail.

Copies of documents

- 4.10 In addition, interested parties were able to obtain hard copies of the report by contacting the Planning Policy Team. The team were also available to answer questions.

5.0 Methods of Response

Communication Channels

5.1 Respondents were able to comment and made representations via the following communication channels:

Online via: https://lewisham-consult.objective.co.uk/portal/planning_policy

Email at: planning.policy@lewisham.gov.uk

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

Verbally Comments made by participants at meetings (see previous section) were taken down as notes.

6.0 Sustainability Appraisal Scoping Report Consultation

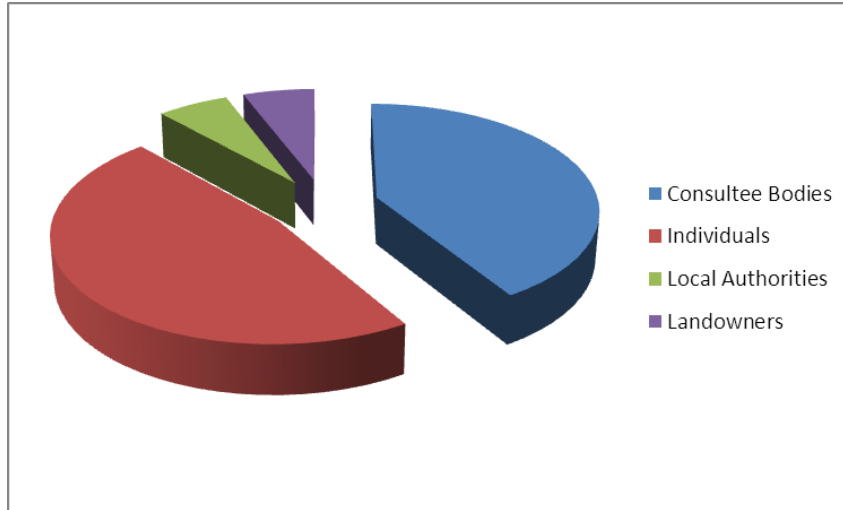
- 6.1 Section 19 of the Planning and Compulsory Purchase Act 2004 requires a local planning authority to carry out a Sustainability Appraisal (SA) of each of the proposals in a Local Plan during its preparation. The SA involves identifying and evaluating a plan's impacts and assessing the social, environmental and economic effects to help ensure that the plan accords with sustainable development principles. Scoping forms the initial stage of the SA process and incorporates the collection of baseline data and information on other plans, policies and programmes that can influence the preparation of the Gypsy & Traveller Site(s) Local Plan. The data presented in the [Sustainability Appraisal Scoping Report](#) identified key sustainability issues, objectives and targets.
- 6.2 The Council consulted on the SA Scoping Report at the same time as consulting on the Regulation 18 Consultation Report. It was, likewise, published on the website and the consultation portal, and copies were made available at all the borough libraries and the AccessPoint at the Council offices.
- 6.3 On 8th March 2016 the Council sent the 'Sustainability Appraisal Scoping Report' to the following authorities with environmental responsibilities:
- Natural England
 - Historic England
 - Sport England
 - The Environment Agency
 - Greater London Authority

A copy of the covering letter sent to these bodies, dated 8th March 2016, is contained in Appendix 4.

7.0 Written Representations

7.1 The Council received a total of 17 written representations during the public consultation process. In the chart below the written representations are broken down by type of respondent. As can be seen the responses are divided equally between consultee bodies/Local authorities and individuals/landowners.

Figure 2: Breakdown of Consultation Responses by Type of Respondent



7.2 Full details of all comments received during the consultation can be obtained from the Planning Service and Appendix 6 contains a summary and response to each respondent. However, the main issues raised in the responses are summarised in the table below. Regulation 18 (3) requires Local planning authorities to take into account the representations made to them in response to local plan preparation and, after each distinct issue raised by through the written representations, the Council has given its response.

Table 1: Written Representations - Summary of Main Issues

Flood Risk
<p><u>Comments:</u> The Environment Agency (EA) reiterated the national policy requirements for sequential testing and, where required, the application of the exception test for sites in flood risk locations, as well as emphasizing the vulnerability to flooding of this particular use.</p> <p>The Agency also highlighted the need for the Sustainability Appraisal and the GTSLP to be informed by updated flood modelling for the area and higher allowances for the potential impacts of climate change - indicating greater future flood impact. The EA expressed the desire to discuss how these issues would inform the preparation of the GTSLP.</p> <p><u>Council Response:</u> The Council will liaise closely with the Environment Agency to ensure the most up-to-date data on flood risk is taken account of within the plan</p>

preparation.

River Corridors and Biodiversity

Comments: The Environment Agency recommended that the following additional site selection criteria be included:

Any business activities follow regulations/ good practice and do not have a negative impact on the quality of the river corridor or on the biodiversity value of any neighbouring sites which support protected or priority habitats or species.

Council Response: The Council will consider the inclusion of this in the policies for the site or sites.

Comments: The Environment Agency requested that the explanation and application of Table 5.1 Proposed Site Selection Criteria point 5 (Mixed residential and business use opportunities) be amended as highlighted in bold below:

*(b) Any likely adverse impacts are acceptable (assuming **environmental permitting regulations**, licensing and planning conditions manage activities that could be carried out).*

Council Response: The text will be amended as proposed.

Land Contamination

Comments: The Environment Agency noted the potential beneficial effects of the return to use of brownfield land in terms of improvements to land and water quality. However, they stressed that the condition of the land could restrict the use of SUDS and engender additional costs through the need to address contamination.

Council Response: The Council will take this into account.

Impact on Local Community Services and Infrastructure

Comments: There were a number of comments from local residents regarding the potential impact on the surrounding people and local services and infrastructure caused by the introduction of this land use in an area. One specific suggestion put forward by a number of residents (3) was for the inclusion of criterion that a new site should not be located within a three mile radius of any existing Gypsy and Traveller sites.

Council Response: In accordance with the Government's *Planning Policy for traveller sites* (para.4.k) the evaluation of a site would have due regard to the protection of local amenity and the local environment and 'protect local amenity and environment' (para.10.e).

Given the size of the borough and the difficulties involved in locating a site for Gypsy and Traveller use, it is not proposed to apply an exclusion zone. Such a restriction

would be excessively restrictive in terms of site identification and the justification in terms of the impact on local services and resources unsubstantiated. It is not envisaged that the occupancy population generated by the provision of the site would be of a level that would significantly add to pressure on local services.

Integration with the existing communities in terms of the access of the site to services and community facilities, such as schools and health services, is set out in criterion 2 of the Proposed Site Selection Criteria and criteria 3, 6 and 7 satisfactorily deal with other aspects of local infrastructure. .

However, as stated in the Consultation Report, Lewisham will explore constructive approaches to the identification of a Gypsy and Traveller site or sites with neighbouring authorities and other public bodies.

Impact on Social Deprivation

Comments: One response from a local authority highlighted the need to consider the possible impact of the location of a Gypsy and Traveller site in an area where there is an existing a high level of social deprivation. The response called into question the siting of a new Gypsy and Traveller settlement in an area where services are already under pressure and suggested that this issue be incorporated amongst the criteria for site selection.

Council Response: Given the difficulties in identifying a site, it is not proposed to apply additional geographical constraints to the process of site selection. It is not envisaged that the occupancy population generated by the provision of the site will be of a level that will significantly add to pressure on local services. In addition, criterion 2 of the proposed site selection criteria will ensure any occupants of a proposed site or sites will have access to essential local services and community facilities. Criteria 3, 6 and 7 satisfactorily deal with other aspects of local infrastructure.

Accommodation Need

Comments: One respondent expressed their opposition to the provision of a Gypsy and Traveller site(s) due to the potential recipients currently already being adequately accommodated in permanent buildings in the form of houses and council flats.

Council Response: The Lewisham Gypsy and Traveller Accommodation Needs Assessment (GTANA) will be revised to take account of the new definition of “gypsies and travellers” set out in Annex 1 to the Government’s ‘Planning policy for traveller sites,’ and will consider whether Gypsies and Travellers have previously led a nomadic habit of life, the reasons for ceasing their nomadic habit of life, whether they intend to live a nomadic habit of life in the future, and if so, how soon, and in what circumstances.

Comments: The London Gypsy and Traveller Unit (LGTU) voiced their concern that a review of the Gypsy and Traveller Accommodation Needs Assessment might result in a

lower figure of accommodation need for two reasons. Firstly, due to difficulties in securing the same number of households for further interviews. Secondly, through the potential application of an incorrect interpretation of the planning definition of travellers which failed to take account of:

- the need to accommodate young Gypsy and Traveller families in the future
- the reasons why travellers have stopped travelling related to education, healthcare and access to employment opportunities, plus tenancy restrictions, as well as the lack of currently available site accommodation and limited possibilities to travel
- The diverse reasons for travelling, including cultural and traditional reasons such as visiting family, attending weddings and funerals, attending religious events and pilgrimages, and going to fairs.

Council Response: The Council notes these concerns.

Proposed Sites

Comments: A request, on behalf of the landowner, was made for land at Hither Green to the rear of St Mildred's Road and Rayford Avenue / Ronver Road. Oceanwave Estates Ltd. to be considered as a potential gypsy and traveller site.

Council Response: The Council has noted the information regarding this site and the agreed site selection criteria will be applied to assess its suitability.

Comments: One respondent suggested the Council consider locating a site on 'plot A Catford resi development by the station.'

Council Response: Planning permission was granted in 2014 for the redevelopment of the Catford Stadium site for 589 homes (DC/13/84895) and the scheme is currently being built-out. There is a current planning application (DC/15/94002) for the redevelopment of Plot A (to the north of the site, in between Catford and Catford Bridge Stations) for a part 18/part 19 residential tower.

Water Infrastructure

Comments: Extensive comments were provided by Thames Water regarding water supply, wastewater and sewerage infrastructure, including a recommendation for the content of a specific policy on these matters.

Council Response: Proposed Site Selection 6 satisfactorily deals with the supply of essential services (including water, sewerage and drainage). A detailed study may be necessary to support a planning application for a gypsy and traveller site.

Strategic Transport Infrastructure Plans

Comments: Transport for London stated that there was a need to have regard to the development of strategic infrastructure in the assessment of the location of sites for

Gypsy and Traveller accommodation and cited the example of the proposed Bakerloo line extension through to Lewisham.

Council Response: Criterion 9 of the Proposed Site Selection criteria satisfactorily addresses spatial planning and development management considerations. A reference to the constraints purposed the development of key strategic infrastructure *could* be included.

Application of Selection Criteria

Comments: The London Gypsy and Traveller Unit (LGTU) commented that the site selection criteria should not unduly hinder the selection of a site and that if a number of constraints were identified for the options resulting from the site search, the Council should demonstrate how these could be mitigated.

Council Response: The Council will take into account the potential for constraints to be mitigated in the development of a site for Gypsy and Traveller use.

Site Design

Comments:
The London Gypsy and Traveller Unit (LGTU) stated that the shape of the plot(s) and how the pitches can be accommodated on them needed to be evaluated in the assessment of the potential sites.

Council Response:
Criteria 4 and 7 of the Proposed Site Selection Criteria incorporate judgements about size and shape of potential sites with regards to for highways and parking issues (4) and as well as landscaping and play areas (7).

8.0 Questionnaire Response

- 8.1 The Council received 8 on-line questionnaire responses. The questionnaire comprised a series of 19 questions designed to obtain feedback on:
- proposed search parameters to be used to identify a site or sites
 - proposed selection criteria to assess alternative sites.
- 8.2 The main issues raised are summarised in the table below, together with the Council's consideration and response. The detailed responses are contained in Appendix 7.

Table 2: Questionnaire Response - Summary of Main Issues

Site Search Parameters
<p><u>Comments:</u> Three quarters of the respondents felt that Council-owned housing land was appropriate to consider and that private and other publicly owned land should not be included in the site search.</p> <p>A similar number of people felt that the Council should focus on Council owned property, as opposed to adjacent land in other ownerships that may be necessary to develop a Council asset. Reasons given were that non-council land is not affordable and that Council shouldn't be giving more taxpayer's money to the private sector.</p> <p>People were divided about whether Council-owned non-housing land should be included in the site search. Reasons for disagreeing with this parameter included that they felt that with limited space available in the borough and land shouldn't be allocated to travellers; that if other land is to be changed it should be for higher density housing to accommodate more housing units for more people; and, that changes of use should be for high density social housing and community infrastructure to cater for the majority of the local population, not a low density use.</p> <p><u>Council Response:</u> Local Authorities have a duty to consider the needs of people in their area with respect to the provision of sites on which caravans can be stationed. The Council is therefore seeking to identify and designate land in the borough to meet that need. The Council continues to provide for 'bricks and mortar' housing to meet the housing needs of the settled community and, in line with 'bricks and mortar' housing, the Council is keen to optimise the actual number of pitches provided on a chosen site. Given the difficulties in identifying a site for gypsy and traveller accommodation and the need for the efficient and effective use of publicly owned urban land all types of Council-owned land will be considered.</p>
One or more sites
<p><u>Comments:</u> Over half of the respondents disagreed that the Council should focus on providing a single site. Reasons for disagreeing were that the Council should consult on all suitable sites and if a site would be overcrowded more than one site should be used. Two of the people who agreed with this parameter did so on the proviso that it should not be located within 3 or 5 miles of an existing site, including in adjoining boroughs.</p>

Council Response:

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.

Given the size of the borough and the difficulties involved in locating a site, it is not proposed to apply constraints relating to distance from existing sites; such a radius (3 miles or 5 miles) would be excessively restrictive in terms of site identification and the justification in terms of the impact on local services and resources unsubstantiated. It is not envisaged that the occupancy population generated by the provision of the site will be of a level that will significantly add to pressure on local services.

Type of Site

Comments: The majority of respondents disagreed that the Council should consider the full range of potential sites, including vacant open land, open land that is in use, vacant and occupied buildings and a combination of these types of sites.

Reasons for disagreeing included that as long as the land being considered is uncontaminated, safe and away from pollution there should be no restrictions. If sites have high levels of natural fauna and flora these should not be destroyed if there is suitable brownfield space available. Half of the questionnaire respondents raised that potential sites should not be those that other people are currently using. It was highlighted that taking land used for other purposes will cause problems.

Council Response:

Given the difficulties in identifying a site for gypsy and traveller accommodation and the need for the efficient and effective use of publicly owned urban land all types of Council-owned land will be considered.

Criteria 7 and 8 of the Proposed Site Selection Criteria incorporate judgements about landscaping (7) and local environmental quality, including contamination, noise and air quality (8). In reviewing the options for potential sites, the assessment would take account of these issues.

Size of Site

Comments: Over half of the respondents disagreed that the Council should base a search for sites on an area of 400sqm per pitch. Reasons given for disagreeing included that 400sqm per pitch was at the lower end of the recommendations and that an average of the two limits should be used (557sqm), and that size should depend on the site including proximity to housing and amenities.

Council Response:

400sqm is based on the findings of the 'Net Density and Gypsy & Traveller Sites' working paper, prepared by the London Gypsy & Traveller Unit in (July 2009), which suggests 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.

Criteria 4 and 7 of the Proposed Site Selection Criteria incorporate judgements about size and shape of potential sites with regards to for highways and parking issues (4) and as well as landscaping and play areas (7). In reviewing the options for potential sites, the would take account of issues of size and configuration.

Location of Site

Comments: Almost three quarters of respondents felt that the Council should not exclude potential sites located outside the Borough. Reasons given were that Lewisham needs the land for Council housing, many councils are having to house people away from their borough and that there is limited space in London boroughs. It is noted that the Consultation Document didn't highlight any implications for costs associated with locating a site outside the borough and that the response was the opposite to that regarding whether private and other publicly owned land should be excluded.

Council Response:

Local Authorities have a duty to consider the needs of people in their area with respect to the provision of sites on which caravans can be stationed. The Council is therefore seeking to identify and designate land in the borough to meet that need. The Council continues to provide for 'bricks and mortar' housing to meet the housing needs of the settled community.

Site Selection Criteria

Comments: The majority of questionnaire respondents agreed with the following proposed selection criteria to be used to assess alternative sites: Access to the road network (Criteria 3), Parking, turning, service and emergency vehicles (Criteria 4), Mixed residential and business use opportunities (Criteria 5), Supply essential services (Criteria 6), Healthy lifestyles and integration (Criteria 7).

The majority of questionnaire respondents disagreed with the following proposed selection criteria to be used to assess alternative sites: Effective and efficient use of public assets (Criteria 1), Reasonable access to local shops, services and community facilities (Criteria 2); Spatial planning and development management considerations (Criteria 9) and Deliverability (Criteria 10).

Several questionnaire respondents expressed that a new site shouldn't be located within 3 miles or 5 miles of an existing site and that they should be spread to ensure an even distribution across London. One respondent disagreed with any land being allocated by the council for use by travellers. The reason given was that there is limited space in a central London borough. If the site must be located somewhere it should be in the green belt where there is lots more space.

Council Response:

Given the size of the borough and the difficulties involved in locating a site, it is not proposed to apply this constraint; such a radius (3 miles or 5 miles) would be excessively restrictive in terms of site identification and the justification in terms of the impact on local services and resources unsubstantiated. It is not envisaged that the occupancy population generated by the provision of the site will be of a level that will significantly add to pressure on local services.

However, as stated in the Consultation Report, Lewisham will explore constructive approaches to the identification of a Gypsy and Traveller site or sites with neighbouring authorities and other public bodies.

9.0 Gypsy and Traveller Forum Meeting (24.02.2016)

- 9.1 On the 24th February 2016 a Gypsy and Traveller Forum meeting was convened to discuss the consultation issues. The key issues identified are summarised in the table below.

Table 3: Gypsy and Traveller Forum Meeting (24.02.2016) – Summary of Key Issues

Accommodation Need
<p><u>Comments:</u> Concerns were expressed within the Gypsy and Traveller community that their needs had not been prioritised and that many of them had moved to surrounding boroughs to access housing, but wished to return. Moreover, it was stated that many members of the community had been living in temporary accommodation since a previous site closed in 2009.</p> <p><u>Council Response:</u> The purpose of the Gypsy and Traveller Site(s) Local Plan is to ensure identified need is provided for within the borough.</p>
Assessment of Need
<p><u>Comments:</u> Concern was expressed regarding the implications of the revised planning definition of Gypsies and Travellers in terms of identifying need for a new site within the borough.</p> <p><u>Council Response:</u> It was agreed that the needs assessment would need to be revisited in the light of the new definition.</p>
Site Requirements
<p><u>Comments:</u> Key requirements identified for a new site included children’s play provision and access to day-care facilities.</p> <p><u>Council Response:</u> Within the published Regulation 18 Consultation Report, site selection criterion 7 ‘Scope for healthy lifestyles and integration’ includes opportunities for the incorporation of adequate play areas. Criterion 2 specifies the need for the site to afford reasonable access to community facilities which includes day-case facilities.</p>
Site Design
<p><u>Comments:</u> The Coldharbour Lane site Maidstone, the proposed design for the Church Grove site, and the relocated Olympic site in Tower Hamlets were all identified as best practice examples of modern permanent Gypsy and Traveller sites.</p> <p><u>Council Response:</u> The Council notes the examples given.</p>

10.0 London Gypsy and Traveller Unit Meeting (LGTU) (14.04.2016)

- 10.1 On the 14th April 2016 representatives of the Council's planning team met with representatives of the London Gypsy and Traveller Unit (LGTU) to discuss the consultation issues. The key issues discussed are summarised in the table below.

Table 3: London Gypsy and Traveller Forum Meeting (14.04.2016) – Summary of Key Issues

Definition of Need
<p><u>Comments:</u> Concerns were expressed regarding the interpretation of the definition of Gypsies and Travellers. Members of the London Gypsy and Traveller Unit stated that they felt that had been inconsistencies with respect to the Consultants' application of the definition of need. They stated that the Consultants were employing a restrictive definition which was based solely on whether Gypsies and Travellers had travelled for work purposes in the last 12 months. The members of the London Gypsy and Traveller Unit stated that in other boroughs travelling for family reasons or access to fairs was encompassed in the needs assessments. They identified other Gypsy and Traveller studies for other London boroughs, undertaken by the same consultants commissioned for Lewisham, which had produced a zero figure for need.</p> <p><u>Council Response:</u> The Council acknowledges the concern expressed by the members of the LGTU. The methodology to be used to re-survey the community will seek to collect a range of information about the participants in order to obtain a full picture of their lifestyle as it relates to the definition of Gypsy and Traveller.</p>
Site Size and Layout
<p><u>Comments:</u> The representatives of the London Gypsy and Traveller Unit commented on the physical configuration of a site and any pitches to be provided. They commented that 400 sqm would be somewhat tight, if it included turning, and added that feasibility work would need to be done on the site layout.</p> <p><u>Council Response:</u> In reviewing the options for potential sites, the Council would take account of issues of size and configuration.</p>
Allocations/Waiting List Policy
<p><u>Comments</u> There was some discussion regarding an allocations policy and associated waiting list to decide on the occupants of any identified pitch provision. The London Gypsy and Traveller Unit representatives cited examples of the policies of other London boroughs and asked to be consulted on a draft allocations policy for Lewisham.</p>

Council Response:

The Council representatives responded that an allocations policy and associated waiting list would be produced. The Council's planning team representatives undertook to inform the Corporate Working Group that the LGTU wish to be consulted on the draft allocations policy.

11.0 SA Scoping Report Consultation Responses

- 11.1 Responses commenting on the Sustainable Appraisal Scoping Report were received from the Environment Agency and Natural England.

Table 4: SA Scoping Report: Written Representations - Summary of Main Issues

Environment Agency
<p><u>Comments:</u> The Environment Agency made a number of requests for additions and amendments to the pertinent plans, policies and programmes identified in Tables 3.1 and 5.1 and in Appendix A to the report. Full details of their comments are contained in Appendix 6. They also requested that the following be included as a key issue in table 5.1:</p> <p style="text-align: center;"><i>Spaces and places need to be of high design quality, respecting historical and natural features and promoting local distinctiveness, providing access for all.</i></p> <p><u>Council Response:</u> The London Borough of Lewisham will address the matters raised through the Sustainability Appraisal process, which will be documented in the Sustainability Appraisal Report.</p>
Natural England
<p><u>Comments:</u> Natural England stated that they were broadly supportive of the sustainability objectives, but recommended the inclusion of an objective relating to the creation, management and enhancement of green infrastructure. Natural England also suggested that it might be advantageous for the scoping report to look at greenspace provision to assist in the targeting of where new green infrastructure and greenspace provision, would have most benefits, particularly in relation to biodiversity, human wellbeing and health.</p> <p><u>Council Response:</u> The London Borough of Lewisham will address the matters raised through the Sustainability Appraisal process, which will be documented in the Sustainability Appraisal Report.</p>

12.0 Conclusions and Statement of Compliance

- 12.1 This Consultation Statement serves as a record of the consultation undertaken by the London Borough of Lewisham for Stage One: Scope, Search Parameters and Selection in the preparation of the Gypsy and Traveller Site (s) Local Plan (GTSLP). It demonstrates that public consultation undertaken by the Council on the Regulation 18 Consultation Report, between the 3rd March 2016 and 22nd April 2016, exceeded the minimum Government requirements for consultation on DPDS set out in Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012¹ and followed the Council's standards for community participation set out in the Statement of Community Involvement (SCI), adopted in 2006.
- 12.2 There was a modest response to the consultation. In general there was a mix of written representations from statutory organisations and the general public. The thoughts of Gypsies and Travellers were effectively captured via targeted meetings with members of this community.
- 12.3 The responses to the consultation will be used to shape and inform the next stage of the preparation of the GTSLP. The following are ways in which responses to this consultation may be taken account of:
- Where appropriate, emails will be exchanged with respondents to discuss the issues raised and share information to improve the quality of the emerging Gypsy and Traveller Site(s) Local Plan
 - Further meetings will be arranged to take the plan forward and deal with the issues raised
 - Work that has already been drafted is being reviewed and changes made where appropriate to address the issues that have been raised.
 - All comments submitted are being considered in the light of on-going work and our ability to address the issues raised
- 12.4 The Planning Policy team will work to ensure that the report on the preferred site or sites addresses the points raised before it is issued for consultation later this year.

Appendix 1: Specific Consultation Bodies

The Town and Country Planning (Local Planning) (England) Regulations 2012 define the following organisations as 'specific consultation bodies':

- The Coal Authority
- The Environment Agency
- Historic England
- Marine Management Organisation
- Natural England
- Network Rail Infrastructure Limited
- The Highways Agency
- Adjoining Local Planning Authorities
- Relevant telecommunications companies
- Lewisham Clinical Commissioning Group
- NHS England
- Relevant electricity and gas companies
- Thames Water
- The Mayor of London (including the designated housing function and TfL)

The Council consulted as a minimum the following bodies on the scope of the Sustainability Appraisal:

- Environment Agency
- Natural England
- Historic England
- Sport England

Local Policing Body

- The Mayor's Office for Policing and Crime

Appendix 2: General Consultation Bodies & Other Consultees

The Government has defined General Consultation Bodies as voluntary bodies some or all of whose activities benefit any part of the authority's area and other bodies who represent, in the authority's area, the interests of different racial, ethnic or national groups, different religious groups, disabled persons, and business interests.

The Lewisham Planning Policy database contains over 1,500 groups, organisations and companies from the following categories:

- Adjoining boroughs
- Advice and information groups
- Amenity groups 21
- Architects, planners and other professionals
- Black and Minority Ethnic Groups
- Builders
- Community groups
- Conservation and heritage groups
- Developers
- Disability groups
- Education/children/young people's groups
- Elderly groups
- Employment/business interests
- Environmental and ecology groups
- Faith groups
- Health organisations including NHS Trusts
- House builders
- Housing associations
- Landowners
- Police and other emergency services
- Political parties
- Regeneration groups and partnerships
- Rivers and riverside interest groups
- Shopkeepers
- Sport and leisure groups
- Statutory consultees
- Tenants and residents associations
- Town centre partnerships
- Transport groups
- Utility companies
- Women's groups
- Youth Groups

Appendix 3: Notification of Public Consultation



LONDON BOROUGH OF LEWISHAM
Planning and Compulsory Purchase Act 2004
Town and Country Planning (Local Planning) (England) Regulations 2012
Public participation on the preparation of a local plan

The Council intends to prepare a **Gypsy and Traveller Site(s) Local Plan (GTSLP)** which will allocate a site or sites to accommodate Gypsies and Travellers in the borough. The Council has identified issues the GTSLP is likely to include and would like to hear your views about the scope, search parameters and selection criteria.

The relevant documents will be available at the following locations and times: **Thursday 3rd March 2016 to Friday 22nd April 2016:**

- **On line** at <http://lewisham-consult.objective.co.uk/portal> or www.lewisham.gov.uk/myservices/planning/policy/LDF/Pages/Gypsy-and-Traveller-local-plan.aspx
- **London Borough of Lewisham** Ground Floor, Laurence House, 1 Catford Road, London, SE6 4RU (Monday to Friday 8.30am to 5pm).
- **All Public and Community Libraries** for details of locations and opening hours visit www.lewisham.gov.uk/libraries or telephone 020 8314 6399

Representations must be in writing (either online or by hand) and will need to arrive at the addresses specified below by **5pm, Friday 22nd April 2016**.

- Online at <http://lewisham-consult.objective.co.uk/portal>
- By e-mail to planning.policy@lewisham.gov.uk
- By post to Planning Service, London Borough of Lewisham, 3rd Floor Laurence House, 1 Catford Road, London, SE6 4RU

All representations received will be considered through the process of preparing the draft local plan.

If you have any queries please contact the Planning Service on 020 8314 7400.

M. KIELY
Head of Planning (acting)
Laurence House
1 Catford Road
SE6 4RU

Appendix 4: Consultation on Sustainability Appraisal Scoping Report - Example of Letter Sent to Authorities with Environmental Responsibilities



Department for Environment,
Food and Rural Affairs
Nobel House
17 Smith Square
SW1P 3JR

Brian Regan

planning.policy@lewisham.gov.uk
Tel: 020 8314 7400

Date: 8th March 2016

Dear Sir/Madam

Lewisham Gypsy & Traveller's Site Local Plan (GTSLP) – Consultation on Sustainability Appraisal Scoping Report

We are currently consulting on the Sustainability Appraisal Scoping Report for the Lewisham Gypsy & Traveller's Site Local Plan (GTSLP).

Scoping forms the initial stage of the Sustainability Appraisal (SA) process and incorporates the collection of baseline data and information on other plans, policies and programmes that can influence the preparation of the Gypsy & Traveller Sites Local Plan. The data presented in the Sustainability Appraisal Scoping Report identifies key sustainability issues, objectives and targets. The information contained within the report will be used to inform the SA framework.

We are consulting on the Sustainability Appraisal and Scoping Report for a period of 6 weeks between **Thursday 3rd March 2016 to Friday 22nd April 2016**. During the consultation period, we encourage comments to be submitted, where you can suggest improvements or point out if there is anything we have missed.

The relevant documents are available at the following locations:

- On our website at:
<https://www.lewisham.gov.uk/myservices/planning/policy/LDF/Pages/Gypsy-and-Traveller-local-plan.aspx>
- On our Objective portal at:
<http://lewisham-consult.objective.co.uk/portal>
- **London Borough of Lewisham** Ground Floor, Laurence House, 1 Catford Road, London, SE6 4RU (Monday to Friday 8.30am to 5pm).
- **All Public and Community Libraries** for details of locations and opening hours visit www.lewisham.gov.uk/libraries or telephone 020 8314 6399

Representations must be made in writing (including electronically) and will need to arrive at the addresses specified below by **5pm, Friday 22nd April 2016**.

- By e-mail to planning.policy@lewisham.gov.uk
- By post to Planning Service, London Borough of Lewisham, 3rd Floor Laurence House, 1 Catford Road, London, SE6 4RU

If you have any queries please contact the Planning Service on 020 8314 7400.

Yours Sincerely

Brian M Regan, Planning Policy Manager

Appendix 5: Press Notice - South London Press, 1st March 2016



**LONDON BOROUGH OF LEWISHAM
Planning and Compulsory Purchase Act 2004
Town and Country Planning (Local Planning)
(England) Regulations 2012
Public participation on the preparation of
a local plan**

The Council intends to prepare a **Gypsy and Traveller Site(s) Local Plan (GTLP)** which will allocate a site or sites to accommodate Gypsies and Travellers in the borough. The Council has identified issues the GTLP is likely to include and would like to hear your views about the scope, search parameters and selection criteria.

The relevant documents will be available at the following locations and times: **Thursday 3rd March 2016 to Thursday 14 April 2016:**

- **On line** at <http://lewisham-consult.objective.co.uk/portal> or www.lewisham.gov.uk/myservices/planning/policy/LDF/Pages/Gypsy-and-Traveller-local-plan.aspx
- **London Borough of Lewisham** Ground Floor, Laurence House, 1 Catford Road, London, SE6 4RU (Monday to Friday 8.30am to 5pm).
- **All Public and Community Libraries** for details of locations and opening hours visit www.lewisham.gov.uk/libraries or telephone 020 8314 6399

Representations must be in writing (including electronically) and will need to arrive at the addresses specified below by **5pm, Thursday 14th April 2016.**

- Online at <http://lewisham-consult.objective.co.uk/portal>
- By e-mail to planning.policy@lewisham.gov.uk
- By post to Planning Service, London Borough of Lewisham, 3rd Floor Laurence House, 1 Catford Road, London, SE6 4RU

All representations received will be considered through the process of preparing the draft local plan.

If you have any queries please contact the Planning Service on 020 8314 7400.

M. KIELY
Head of Planning (Acting)

Laurence House
1 Catford Road
SE6 4RU

Appendix 6: Table of Written Representations made on the GTSLP and Sustainability Appraisal Scoping Report during the Regulation 18 public consultation

There were 17 respondents to the consultation. Officers have reviewed the representations received and provided comments in response.

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
1	Miss Judith Cooke, Planning Advisor	Environment Agency (EA)	<p><u>Flood risk</u></p> <ul style="list-style-type: none"> Flood risks from all sources need to be included in the Sustainability Appraisal (SA). SA needs to demonstrate how sites in flood risk locations have been sequentially tested and that it will be feasible, in principle, to meet the requirements of the Exception Test where necessary. When assessing sites the council should be mindful of the highly vulnerable nature of this use to flooding identified within the supporting technical guidance to the National Planning Policy Framework. The SA appraisal needs to be informed by an up to date strategic flood risk assessment (SFRA). Since the publication of the council's latest version in 2015, The EA has completed updated flood modelling of the risk of flooding from the River Ravensbourne and its tributaries. This new information has not yet been transferred into the EA's published Flood Map for Planning. This is expected to be updated later this year. In the meantime it should be considered as the best available data and considered in the assessment of flood risk to the site allocations. New EA guidance issued on revised, higher allowances for the potential impacts of climate 	<ul style="list-style-type: none"> Noted. Noted The Council will work closely with the EA to ensure the new data is taken account of in the site selection process. The Council will work closely with the EA to ensure the new guidance is taken account of in the site selection process and the

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
			<p>https://www.gov.uk/guidance/flood-risk-assessments-climate-change-allowances) Allowances indicate greater future flood impact and need to be included. The EA would welcome the opportunity to discuss how this would inform the SFRA and the preparation of the GTLP.</p> <p><u>River corridors and biodiversity</u></p> <ul style="list-style-type: none"> EA agree there is a need to augment the Core Strategy criteria for Gypsy and Traveller to respond more robustly to local environmental quality issues EA Recommend that Core Strategy Policy 2 is amended to include the following additional specific selection criterion: <i>Any business activities follow regulations/ good practice and do not have a negative impact on the quality of the river corridor or on the biodiversity value of any neighbouring sites which support protected or priority habitats or species.</i> <ul style="list-style-type: none"> Request that the explanation and application of Table 5.1 Proposed Site Selection Criteria point 5 (Mixed residential and business use opportunities) be amended as highlighted in bold below <i>(b) Any likely adverse impacts are acceptable (assuming environmental permitting regulations, licensing and planning conditions manage activities that could be carried out).</i> <p><u>Land contamination</u></p> <ul style="list-style-type: none"> Pleased proposed site selection criteria will address the importance of considering the condition of 	<p>preparation of the GTLP.</p> <ul style="list-style-type: none"> Noted. The Council will consider the inclusion of this in the policies for the site or sites. Agree. Text will be amended. Noted

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
			<p>brownfield sites. The condition of the land could restrict the use of SUDS and could incur additional costs through the need to address contamination issues.</p> <ul style="list-style-type: none"> • Note potential beneficial effects of return to use of brownfield land in terms of improvements in land and water quality. • The Environment Agency also made comments on the Sustainability Appraisal Scoping Report. These will be addressed in a respond to that document. <p>Lewisham Gypsy & Traveller's Site Local Plan (GTSLP) – Consultation on Sustainability Appraisal Scoping Report</p> <p><u>Table 3.1 Plans, Policies and Programmes</u></p> <p>Please add the following to the National section:</p> <ul style="list-style-type: none"> • Natural Environment and Rural Communities (NERC) Act, 2006 • Wildlife and Countryside Act, 1981 (as amended) • Countryside and Rights of Way Act, 2000 • National Flood Risk Assessment, Environment Agency • Thames Flood Risk Management Plan, Environment Agency 2015 <p>and change:</p> <ul style="list-style-type: none"> • Environment Agency, Creating a better place strategy 2010-2015 <p>to</p> <ul style="list-style-type: none"> • Environment Agency Corporate Plan, Creating a 	<ul style="list-style-type: none"> • The London Borough of Lewisham will address the matters raised through the Sustainability Appraisal process, which will be documented in the Sustainability Appraisal Report.

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
			<p>better place 2014 to 2016.</p> <ul style="list-style-type: none"> • Thames River Basin Management Plan (2009) <p>to</p> <ul style="list-style-type: none"> • Thames River Basin Management Plan, December 2015. <p>Please add to the Lewisham section:</p> <ul style="list-style-type: none"> • Local Flood Risk Strategy, London Borough of Lewisham 2015 • Local Flood Risk Management Plan, London Borough of Lewisham 2015 (Objectives are published within the Environment Agency Thames Flood Risk Management Plan). <p><u>Table 5.1: Sustainability Requirements, Issues and Trends</u> Under Effective protection of the Environment and prudent use of resources, please add the following sources:</p> <ul style="list-style-type: none"> • Natural Environment and Rural Communities (NERC) Act, 2006, Sections 40 and 41 • Wildlife and Countryside Act, 1981 (as amended) • Countryside and Rights of Way Act, 2000 • Pollution Prevention Guidelines <p>to the list against the key issue, “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. The provision of Gypsy and Traveller sites should be balanced with the protection of designated nature conservation sites, biodiversity, flora and</p>	

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
Page 100			<p>fauna.”</p> <p>We ask that the following key issue be amended as highlighted below in bold:</p> <p style="padding-left: 40px;">“Spaces and places need to be of high design quality, respecting historical and natural features and promoting local distinctiveness, providing access for all.”</p> <p>and that the Lewisham River Corridor Improvement Plan (2015) be included with the corresponding policy context.</p> <p><u>Appendix A Plans, Policies and Programmes</u></p> <p>Please make the corresponding changes here that we have mentioned above for Table 3.1</p>	
2	Local Resident (Identify Confidential)	Individual	<ul style="list-style-type: none"> • Confidential - Comments omitted due to requirements of the Local Government (Access to Information) Act 1985 and the Equalities Act 2010. 	<ul style="list-style-type: none"> • The Local Government (Access to Information) Act 1985 requires any material which is defamatory or likely to incite racial hatred or contempt, to be marked 'confidential' and not disclosed to the public. The Equalities Act 2010 makes it unlawful for anyone to induce or attempt to induce another person to discriminate on the grounds of race.

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
3.	Stewart Murray, Assistant Director – Planning	Greater London Authority	<ul style="list-style-type: none"> No specific comments regarding the scope, search parameters and selection criteria. Borough needs to meet Government's Planning Policy for Traveller sites and London Plan policy including policy 3.8 	<ul style="list-style-type: none"> Agreed.
4.	Ian Duffy	Individual	<ul style="list-style-type: none"> Sensible Approach Request for clarification regarding 'relative weighting of judgement on impact on existing local users by the travellers versus impact of the local users on the travelling community.' 	<ul style="list-style-type: none"> In accordance with the Government's Planning Policy for traveller sites (para.4.k) the evaluation of a site would have due regard to the protection of local amenity and the local environment and 'protect local amenity and environment' (para.10.e).
5.	Lee Longhurst, Deputy team leader of Plan Making	Croydon Borough Council	<ul style="list-style-type: none"> Need to consider the possible impact of the location of sites in areas where there is already a high level of social deprivation. Where services are already under pressure it may not be advisable to compound this by siting a new gypsy and traveller site in such an area. Suggest consideration of above criterion for site selection. 	<ul style="list-style-type: none"> Given the difficulties in identifying a site, it is not proposed that additional geographical constraints are identified. It is not envisaged that the occupancy population generated by the provision of the site will be of a level that will significantly add to pressure on local services. In addition, criterion 2 of the proposed site selection criteria will ensure any occupants of a proposed site or sites will have access to essential local services and community facilities. Criteria 3, 6 and 7 satisfactorily deal with other aspects of local infrastructure.

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
6.	Respondent's name not given.	Marine Management Organisation (MMO)	<ul style="list-style-type: none"> No specific comments. General guidance for development outlined with respect to the areas covered by the MMO. 	<ul style="list-style-type: none"> Noted.
7. Page 102	Mats Staafgard	Individual	<ul style="list-style-type: none"> Request for clarification regarding the location of potential Ladywell site. Opposition to the provision of Traveller's sites due to potential recipients currently being already accommodated in permanent buildings in the form of houses and council flats. 	<ul style="list-style-type: none"> The public consultation on a preferred site or sites is scheduled for Autumn 2016. This will identify the location of the potential site or sites. The Lewisham Gypsy and Traveller Accommodation Needs Assessment (GTANA) will be revised to take account of the new definition of "gypsies and travellers" set out in Annex 1 to the Government's 'Planning policy for traveller sites,' and will consider whether Gypsies and Travellers have previously led a nomadic habit of life, the reasons for ceasing their nomadic habit of life, whether they intend to live a nomadic habit of life in the future, and if so, how soon and in what circumstances.

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
8.	Mrs Trang Dinh	Individual	<ul style="list-style-type: none"> Request to include reference to a sites not being located with a three mile radius of existing Gypsy and Traveller sites. <p>Proposed text: <i>New Gypsy & Traveller Sites should not be located within three miles of existing Gypsy & Traveller Sites whether in Lewisham or a neighbouring borough. This will ensure better integration of Gypsies & Travellers into existing communities and ensure there are enough resources to support Gypsies & Travellers locally.</i></p>	<ul style="list-style-type: none"> Given the size of the borough and the difficulties involved in locating a site, it is not proposed to apply this constraint; such a radius (3 miles/5 km) would be excessively restrictive in terms of site identification and the justification in terms of the impact on local services and resources unsubstantiated. It is not envisaged that the occupancy population generated by the provision of the site will be of a level that will significantly add to pressure on local services. <p>Integration with the existing communities in terms of the access of the site to services and community facilities such as schools and health services it is set out in criterion 2 of the Proposed Site Selection Criteria and criteria 3, 6 and 7 satisfactorily deal with other aspects of local infrastructure. .</p> <p>However, as stated in the Consultation Report, Lewisham will explore constructive approaches to the identification of a Gypsy and Traveller site or sites with neighbouring authorities and other public bodies.</p>
9.	Mr Jamie Melvin Planning Adviser West Anglia Team	Natural England	<p>Lewisham Gypsy & Traveller's Site Local Plan (GTSLP) – Consultation on Sustainability Appraisal Scoping Report</p> <ul style="list-style-type: none"> Natural England is broadly supportive of the Sustainability objectives, but would recommend that there is an objective relating to the creation, management and enhancement of green infrastructure. It may also be helpful for the scoping 	<ul style="list-style-type: none"> The London Borough of Lewisham will address the matters raised through the Sustainability Appraisal process, which will be documented in the Sustainability Appraisal Report.

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
10			<p>report to look at greenspace provision to assist in the targeting of where new green infrastructure and greenspace provision would have the most benefits, particularly in relation to biodiversity, human wellbeing and health.</p> <ul style="list-style-type: none"> The Gypsy and Traveller Local Plan appears to be of relatively low risk to the ecological assets which compose our statutory purpose. We therefore have no detailed comments to make on the document presented. 	
	<p>Claire Parker Assistant Planning Consultant for and on behalf of Cassidy + Ashton Group Ltd</p>	<p>Oceanwave Estates Ltd. (Owners of land at Hither Green to the rear of St Mildred's Road and Rayford Avenue / Ronver Road)</p>	<ul style="list-style-type: none"> Request for land at Hither Green to the rear of St Mildred's Road and Rayford Avenue / Ronver Road. Oceanwave Estates Ltd. to be considered as a potential gypsy and traveller site. 	<ul style="list-style-type: none"> The information regarding this site has been noted and the agreed site selection criteria will be applied to assess its suitability.
11.	Scott Barkwith	Individual	<ul style="list-style-type: none"> Request to include reference to a sites not being located with a three mile radius of existing Gypsy and Traveller sites to ensure that resources are available to support them and ensure better integration of this community. 	<ul style="list-style-type: none"> Given the size of the borough and the difficulties involved in locating a site, it is not proposed to apply this constraint; such a radius (3 miles/5 km) would be excessively restrictive in terms of site identification and the justification in terms of the impact on local services and resources unsubstantiated. It is not envisaged that the occupancy population generated by the provision of the site will be of a level that

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
Page 105 12				<p>will significantly add to pressure on local services.</p> <p>Integration with the existing communities in terms of the access of the site to services and community facilities such as schools and health services it is set out in criterion 2 of the Proposed Site Selection Criteria and criteria 3, 6 and 7 satisfactorily deal with other aspects of local infrastructure. .</p> <p>However, as stated in the Consultation Report, Lewisham will explore constructive approaches to the identification of a Gypsy and Traveller site or sites with neighbouring authorities and other public bodies.</p>
	Trina Lynskey	Individual	<ul style="list-style-type: none"> Request to include reference to a sites not being located with a three mile radius of existing Gypsy and Traveller sites to ensure that resources are available to support them and ensure better integration of this community. 	<ul style="list-style-type: none"> Given the size of the borough and the difficulties involved in locating a site, it is not proposed to apply this constraint; such a radius (3 miles/5 km) would be excessively restrictive in terms of site identification and the justification in terms of the impact on local services and resources unsubstantiated. It is not envisaged that the occupancy population generated by the provision of the site will be of a level that will significantly add to pressure on local services. <p>Integration with the existing communities in terms of the access of the site to services and community facilities such as schools and health services it is set out in criterion 2 of the Proposed Site Selection Criteria and</p>

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
				<p>criteria 3, 6 and 7 satisfactorily deal with other aspects of local infrastructure. .</p> <p>However, as stated in the Consultation Report, Lewisham will explore constructive approaches to the identification of a Gypsy and Traveller site or sites with neighbouring authorities and other public bodies.</p>
13. Page 106	Cameron Wallace Planner – Borough Planning	Transport for London	<ul style="list-style-type: none"> • Need to have regard to the development of strategic transport infrastructure in the assessment of specific sites for gypsy and traveller accommodation. For example, the proposed Bakerloo line extension to Lewisham. 	<ul style="list-style-type: none"> • Criterion 9 of the Proposed Site Selection Criteria satisfactorily addresses spatial planning and development management considerations.
14.	David Wilson BA (Hons), BTP, MRTPI Associate Director Planning, Savills	Thames Water	<ul style="list-style-type: none"> • To comment on the sewerage requirements an indication of the location and number of pitches being proposed would be necessary in order to model the impacts on the existing systems. • Noted: generally quicker to deliver infrastructure on a small number of clearly defined large sites than it is in a large number of less clearly defined small sites. • In the absence of sewers within the vicinity, the developer of the accommodation will be required to make provision for wastewater services either via connection to public sewerage network or on-site provision via, for example , a septic tank. • Recommend a specific Policy dealing with water and sewerage infrastructure along the lines of the 	<ul style="list-style-type: none"> • Noted. This will be forthcoming at the next stage of consultation. • Noted • Noted • Proposed Site Selection 6 satisfactorily

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
Page 107			<p>following:</p> <p><u>“Water Supply, Wastewater & Sewerage Infrastructure</u></p> <p><i>Developers will be required to demonstrate that there is adequate water supply, waste water capacity and surface water drainage both on and off the site to serve the development and that it would not lead to problems for existing or new users. In some circumstances it may be necessary for developers to fund studies to ascertain whether the proposed development will lead to overloading of existing water and/or waste water infrastructure.</i></p> <p><i>Drainage on the site must maintain separation of foul and surface flows.</i></p> <p><i>Where there is an infrastructure capacity constraint the Council will require the developer to set out what appropriate improvements are required and how they will be delivered.</i></p>	<p>deals with the supply of essential services (including water, sewerage and drainage). A detailed study may be necessary to support a planning application for a gypsy and traveller site.</p>
15.	Brenda Johnson	Individual	<ul style="list-style-type: none"> • Request for clarification regarding location of potential sites • Request for clarification regarding work schedule and timescales for plan production 	<ul style="list-style-type: none"> • The Consultation Report proposes a set of criteria to identify an appropriate site or sites. The identity and location of the preferred site or sites will be published at the next round of public consultation. • The proposed timescales for the plan are outlined in the Consultation Report (Table 6.1 Proposed Timetable, p12).

Number	Respondent's Name	Capacity of Response	Summary of representation	Officers' response
			<p>constraints are identified for the options resulting from the site search, the council should demonstrate how these could be mitigated.</p> <ul style="list-style-type: none"> • Site selection criteria: in assessment of potential sites the shape of the site, the shape of the pitches and what can fit on them need to be evaluated. • Need for a clear, transparent mechanism for establishing who will be a priority for accessing the pitch. 	<ul style="list-style-type: none"> • Criteria 4 and 7 of the Proposed Site Selection Criteria incorporate judgements about size and shape of potential sites with regards to for highways and parking issues (4) and as also landscaping and play areas (7). • Noted. The Director of Customer Services is intending to prepare a waiting list and allocations policy.

Appendix 7: Questionnaire Response

The Council received 8 on-line questionnaire responses. The questionnaire comprised a series of 19 questions designed to obtain feedback on:

- proposed search parameters to be used to identify a site or sites
- proposed selection criteria to assess alternative sites

Site Search Parameters

A series of 9 questions were used to obtain feedback on the proposed search parameters to be used to identify a site or sites. These are outlined below under the headings

Land ownership type

1. Do you think that **“Council-owned housing land”** is an appropriate parameter? (Please refer to Paragraph 5.2 of the Consultation Report.) Please explain your response below.
2. Do you think that **Council-owned non-housing land** is an appropriate criteria? (Please refer to Paragraph 5.3 of the Consultation Report.) Please explain your response below.
3. Do you think that **private and other publicly owned land** is an appropriate criteria? (Please refer to Paragraph 5.4 of the Consultation Report.) Please explain your response below.

Other parameters

4. Do you think that the Council should **focus on Council-owned property, as opposed to adjacent land in other ownerships that may be necessary to develop a Council asset?** (Please refer to Paragraph 5.6 of the Consultation Report.) Please explain your response below.
5. Do you think the Council should **focus on a single site?** (Please refer to Paragraph 5.7 of the Consultation Report.) Please explain your response below.
6. Do you think that the Council should **consider the full range of potential sites, including vacant open land, open land that is in use, vacant and occupied buildings and a combination of these types of sites?** (Please refer to Paragraph 5.9 of the Consultation Report.) Please explain your response below.
7. Do you think that the Council should **base a search for sites on an area of 400 sqm per pitch?** (Please refer to Paragraph 5.9 of the Consultation Report.) Please explain your response below.
8. Do you think that the Council should **exclude geographical preferences?** (Please refer to Paragraph 5.10 of the Consultation Report.) Please explain your response below.
9. Do you think that the Council should **exclude potential sites located outside the Borough?** (Please refer to Paragraph 5.11 of the Consultation Report.) Please explain your response below.

Site Selection Criteria

A series of 10 questions were used to obtain feedback on the 10 proposed selection criteria to assess alternative sites.

- Do you support Site Selection Criteria [...] as currently proposed? (Please refer to Table 5.1 of the Consultation Report.) Please explain your response below.

Summary of Key Findings

Search parameters to be used to identify a site or sites

The key findings of the questionnaire response are summarised below and the detailed response is presented in **Tables 1 to 4**.

The majority of questionnaire respondents agreed with the following parameters to be used to identify a site or sites:

- **Council-owned housing land** - 75% felt that Council-owned housing land was appropriate to consider. One person who disagreed explained that Council needed to clarify that is land that doesn't currently have housing on it.
- **Private and other publicly owned land** - 75% felt that private and other publicly owned land should not be included in the site search. Reasons given were that the council cannot afford to buy land for low density housing.
- **Focus for site search** - around 70% felt that the Council should focus on Council owned property, as opposed to adjacent land in other ownerships that may be necessary to develop a Council asset. Reasons given were that non-council land is not affordable and that Council shouldn't be giving more taxpayer's money to the private sector.
- **Geographical preferences** - 60% agreed that the Council should exclude geographical preferences.

There was a divided response to the following parameter:

- **Council-owned non-housing land** - Respondents were divided about whether Council-owned non-housing land should be included in the site search. One of the people who agreed with this parameter explained that it would be a quicker and less expensive option.

Three of the people who disagreed, explain that they felt that with limited space available in the borough, land shouldn't be allocated to travellers; that if other land is to be changed it should be for higher density housing to accommodate more housing units for more people; and, that changes of use should be for high density social housing and community infrastructure to cater for the majority of the local population, not a low density use.

The majority of questionnaire respondents disagreed with the following parameters to be used to identify a site or sites:

- **One or more sites** - Around 60% disagreed that the Council should focus on a single site. Reasons for disagreeing were that the Council should consult on all suitable sites and if a site would be overcrowded more than one site should be used. Two of the people who agreed with this parameter did so on the proviso that it should not be located within 3 or 5 miles of an existing site, including in adjoining boroughs.
- **Type of site** – Around 88% disagreed that the Council should consider the full range of potential sites, including vacant open land, open land that is in use, vacant and occupied buildings and a combination of these types of sites. Reasons for disagreeing included that as long as the land being considered is uncontaminated, safe and away from pollution there should be no restrictions. If sites have high levels of natural fauna and flora there should not be destroyed if there is suitable brownfield space available. Half of the questionnaire respondents raised that potential sites should not be those that other people are currently using. It was highlighted that taking land used for other purposes will cause problems.
- **Size of site** - Around 60% disagreed that the Council should base a search for sites on an area of 400sqm per pitch. Reasons given for disagreeing included that 400sqm per pitch was at the lower end of the recommendations and that an average of the two limits should be used (557sqm), and that size should depend on the site including proximity to housing and amenities.
- **Location of site** - Around 70% felt that the Council should not exclude potential sites located outside the Borough. Reasons given were that Lewisham needs the land for Council housing, many councils are having to house people away from their borough and

that there is limited space in London boroughs. It is noted that the Consultation Document didn't highlight any implications for costs associated with locating a site outside the borough and that the response was the opposite to question 3, where 75% felt that private and other publicly owned land should be excluded.

Site Selection Criteria

The key findings of the questionnaire response are summarised below and the detailed response is presented in **Table 5** and **Table 6**.

The majority of questionnaire respondents agreed with the following proposed selection criteria to be used to assess alternative sites. They are presented from the highest to lowest level of support.

- **Criteria 6 (Supply of essential services) – 86%** supported Criteria 6 relating to supply of essential services such as water, sewerage and drainage and waste disposal.
- **Criteria 8 (Local environmental quality) – 86%** supported Criteria 8 relating to contamination, noise, air quality and flooding.
- **Criteria 4 (Parking, turning, service and emergency vehicles) – 71%** supported Criteria 4 relating to the capability of satisfactory provision for parking, turning, service and emergency vehicles.
- **Criteria 7 (Healthy lifestyles and integration) – 67%** supported Criteria 7 relating to opportunities for health lifestyles such as adequate landscaping and play areas and a high standard of design and landscaping which facilitates the integration of the site with the surrounding environment and amenity of the occupiers adjoining the site. One participant raised that provision for site maintenance must be factored on and that it shouldn't be up to residents alone to maintain the site.
- **Criteria 5 (Mixed residential and business use opportunities) – 67%** supported Criteria 5 relating to mixed-use residential and business use being acceptable in principle and that any likely adverse impacts are acceptable. The meaning of this criteria may have been unclear to some respondents. One participant disagreed with this criteria on the basis that 'given the client group, unless the business use it tailored for them, it's going to be difficult to market and get people to work there.'
- **Criteria 3 (Access to the road network) – 57%** supported Criteria 3 relating to safe and reasonably convenient access to the road network. One respondent who disagreed with this criteria felt that it was a 'nice to have' rather than a necessity.

The majority of questionnaire respondents disagreed with the following proposed selection criteria to be used to assess alternative sites.

- **Criteria 2 (Reasonable access to local shops, services and community facilities in particular schools and health services) – 83%** didn't support Criteria 2 as currently proposed. Reasons given included that proximity to public transport wasn't necessary for a traveller site and that there are many places in Lewisham that don't meet this. It was therefore considered a 'nice to have' criteria rather than a necessity.
- **Criteria 9 (Spatial planning & development management considerations) – 80%** didn't support Criteria 9, relating to spatial planning and development management considerations, as currently proposed. The meaning of this criteria given in the explanation may have been unclear to some respondents. Reasons given for disagreeing with this criteria included that no site should be located within 3 to 5 miles of an existing gypsy and traveller site and that a no site should be located in a built up area like Lewisham.
- **Criteria 10 (Deliverability) – 71%** didn't support Criteria 2 as currently proposed. The explanation of the criteria given was that sites should be available now, offer a suitable location for development and be achievable with realistic prospect that development will be delivered on the site within five years. Reasons given for disagreeing with this criteria included that it may eliminate some sites that 'would do', that no site should be located within 3 to 5 miles of an existing gypsy and traveller site and that a no site should be located in a built up area like Lewisham.

- **Criteria 1 (Effective and efficient use of public assets) – 62%** didn't support Criteria 2 as currently proposed. Reasons given included that the distance from shops and health facilities is too far for those with mobility issues, and three respondents felt that gypsy and traveller sites shouldn't be concentrated in one area or neighbourhood.

Table 1: Quantitative Feedback – Site Search Parameters: Land Ownership Type

Do you think that “...” is an appropriate parameter/criteria?

Land Ownership Type	RESPONSE COUNT			No. of Responses
	Yes	No	No response	
Council-owned housing land	6 75%	2 25%	0	8 (100%)
Council-owned non-housing land	4 50%	4 50%	0	8 (100%)
Private and other publicly owned land	2 25%	6 75%	0	8 (100%)

Table 2: Qualitative Feedback – Site Search Parameters: Land Ownership Type

Do you think that “...” is an appropriate parameter/criteria? Please explain your response below.

Reason given for response	No. of Responses	YES	NO
Council-owned housing land	4	<ul style="list-style-type: none"> • It is land owned by the council. • Yes as owned by the council already 	<ul style="list-style-type: none"> • Need to clarify that this is land that doesn't currently have housing on it. • There is limited space in a central London borough. I do not believe land should be allocated by the local authority for use by travellers.
Council-owned non-housing land	4	<ul style="list-style-type: none"> • It is best to start with Council owned non-housing land if available and later consider further if necessary - this would be quicker and less expensive. 	<ul style="list-style-type: none"> • There is limited space in a central London borough. I do not believe land should be allocated by the local authority for use by travellers. • If the designation of other land is to be changed it should be for higher density housing to accommodate more housing units for more people to be housed. • Change of usage should be used for high density social housing and community infrastructure ie schools to cater for the majority of local population not for a low density house build which this would be.
Private and other publicly owned land	5	No reasons given.	<ul style="list-style-type: none"> • Someone owns the land. So you'd have to pay at least to compulsory purchase it. Resources are low enough as it is. • There is limited space in a London Boroughs. I do not believe land should be allocated in this way. • The council can not afford to buy land for low density housing. • Private land would be difficult to negotiate. • The council cannot afford local services so cannot spend money to buy land.

Table 3: Quantitative Feedback – Other Parameters

Do you think that the Council should.....?

Other Parameters	RESPONSE COUNT*			No. of Responses
	Yes	No	No response	
Focus on Council-owned property, as opposed to adjacent land in other ownerships that may be necessary to develop a Council asset	5 71.4%	2 28.6%	1	7 (87.5%)
Focus on a single site	3 37.5%	5 62.5%	0	8 (100%)
Consider the full range of potential sites, including vacant open land, open land that is in use, vacant and occupied buildings and a combination of these types of sites	1 12.5%	7 87.5%	0	8 (100%)
Base a search for sites on an area of 400sqm per pitch	3 37.5%	5 62.5%	0	8 (100%)
Exclude geographical preferences	3 60%	2 40%	3	5 (62.5%)
Exclude potential sites located outside the Borough	2 28.6%	5 71.4%	1	7 (87.5%)

Table 4: Qualitative Feedback – Site Search Parameters: Land Ownership Type

Do you think that the Council should.....? Please explain your response below.

Reason given for response	RESPONSE COUNT	YES	NO
Focus on Council-owned property, as opposed to adjacent land in other ownerships that may be necessary to develop a Council asset	3	<ul style="list-style-type: none"> Let's not give more taxpayers' money to the private sector Non council land is not affordable 	<ul style="list-style-type: none"> There is limited space in a London Boroughs. I do not believe land should be allocated in this way.
Focus on a single site	6	<ul style="list-style-type: none"> Yes and that it should be at least 3 miles from any existing sites including sites located on other boroughs to ensure there is an even distribution across London. I say 'yes' preferably but each case should be considered individually depending on local opinion, facilities available and the stress on the existing community in the area with regard to people density, traffic etc. Yes and it should ensure it is not within 5 miles of an existing site which may be on borders of other boroughs sites they should be spread to ensure even distribution across London. 	<ul style="list-style-type: none"> Start with all sites that are suitable, then consult on those - not least with the gypsies and travellers who will be living there. If it means a site would be overcrowded then more than one site should be used. There is no reason to penalise people for their chosen lifestyle. 1 space is unsuitable let alone 6. There is limited space in a London Boroughs. I do not believe land should be allocated in this way.
Consider the full range of potential sites, including vacant open land, open land that is in use, vacant and occupied buildings and a combination of these types of sites	6	No reasons given.	<ul style="list-style-type: none"> Potential sites should be limited to council-owned land that is not currently used for anything else. As long as the land being considered is uncontaminated, safe, and away from sources of pollution there should be no restrictions. If the land is not suitable for habitation then it should not be considered. Additionally, if any sites that contain high levels of natural flora and fauna these should not be destroyed to make space if suitable brownfield space is available. There is limited space in a London Boroughs. I do not believe land should be allocated in this way. The council are looking at a small number of housing units. The land chosen

Reason given for response	RESPONSE COUNT	YES	NO
			<p>should not be land other people are currently using. Taking land used for other purposes will cause problems. No land within 3 miles of an existing site including sites in other boroughs should be considered.</p> <ul style="list-style-type: none"> It is very difficult to give a 'yes' or 'no' on this - definitely not occupied buildings. This is for a small amount of housing units council should not take land where it is currently being used. Site should not be located within 5 miles of a neighbouring boroughs site located on Lewisham borders.
Base a search for sites on an area of 400sqm per pitch	5	<ul style="list-style-type: none"> That is the recommendation but all 6 pitches should be grouped together and the site should not be located within 3 miles of an existing site including those located in other boroughs. That is the recommendation all 6 pitches should be site together and not within a five mile radius of existing border borough G&T sites. 	<ul style="list-style-type: none"> 400sqm per pitch is at the lowest end of the recommendations set out by the Net Density and Gypsy & Traveller Sites' working paper. It would be better for those who live on the site if the council took an average of the two limits and go with that instead. $(400 + 714 / 2 = 557\text{sqm per pitch})$ There is limited space in a London Boroughs. I do not believe land should be allocated in this way. I say 'No' because size would depend on what was appropriate according to the site under consideration -proximity to nearby housing, amenities etc,
Exclude geographical preferences	4	<ul style="list-style-type: none"> As it has been noted, no geographical preferences have been identified. As such, no area should be excluded from the search, including more affluent areas of the borough. There is limited space in a London Boroughs. I do not believe land should be allocated in this way 	<ul style="list-style-type: none"> As long as it is not within 5 miles radius of another G&T site across border of neighbouring borough

Reason given for response	RESPONSE COUNT	YES	NO
Exclude potential sites located outside the Borough	7	<ul style="list-style-type: none"> • LBL is responsible for its part in finding suitable sites for LBL travellers. LBL should not encroach on sites other boroughs may wish to use to fulfill their commitments. 	<ul style="list-style-type: none"> • It would be much better to have sites outside Lewisham. Lewisham needs the land for Council housing. • Many councils are having to house people away from their borough; the nature of defining yourself as 'traveller' or 'gypsy' does mean 'not rooted in one place' • There is limited space in a London Boroughs. I do not believe land should be allocated in this way. If the site must be located somewhere it should be located somewhere in the green belt where there is lots more space. • Sites should be at least 3 miles apart both within the Borough and in relation to sites beyond Lewisham. • As long as the site is not within 5 mile radius of a neighbouring boroughs G&T provision for even distribution we should work with other boroughs to ensure this is a plan.

Table 4: Other Comments

These are comments where there was 'no response' to the Yes/No question but the explanation field had been completed.

Exclude geographical preferences

- No site should be located within 3 miles of an existing including sites located in another borough site to ensure an even spread of sites across London.

Exclude potential sites located outside the Borough

- As long as the sites are not located within 3 miles of an existing site including sites located in another borough.

Table 5: Quantitative Feedback – Site Selection Criteria

Do you support Site Selection Criteria [...] as currently proposed? (Please refer to Table 5.1 of the Consultation Report.) Please explain your response below.

Site Selection Criteria	RESPONSE COUNT*			No. of Responses
	Yes	No	No response	
1. Effective and efficient use of public assets.	3 37.5%	5 62.5%	0	100%
2. Reasonable access to local shops, services and community facilities in particular schools and health services.	1 16.7%%	5 83.3%	2	6 (75%)
3. Safe and reasonably convenient access to the road network.	4 57.1%	3 42.9%	1	7 (87.5%)
4. Capable of satisfactory provision for parking, turning, service and emergency vehicles.	5 71.4%	2 28.6%	1	7 (87.5%)
5. Mixed residential and business use opportunities.	4 66.7%	2 33.3%	2	6 (75%)
6. Supply of essential services such as water, sewerage and drainage and waste disposal.	6 85.7%	1 14.3%	1	7 (87.5%)
7. Scope for healthy lifestyles and integration.	4 66.7%	2 33.3%	2	6 (75%)
8. Local environmental quality.	6 85.7%	1 14.3%	1	7 (87.5%)
9. Spatial planning & development management considerations.	1 20%	4 80%	3	5 (62.5%)
10. Deliverability.	2 28.6%	5 71.4%	1	7 (87.5%)

Table 6: Qualitative Feedback – Site Selection Criteria

Do you support Site Selection Criteria [...] as currently proposed? (Please refer to Table 5.1 of the Consultation Report.) Please explain your response below.

Reason given for response	RESPONSE COUNT	YES	NO
1. Effective and efficient use of public assets.	5	<ul style="list-style-type: none"> Yes, as long as all areas are considered and travellers not marginalised to areas that already contain large numbers of people living in poverty. To do this will only increase social tensions and possibly result in higher costs of policing and other social services. 	<ul style="list-style-type: none"> There is limited space in a London Boroughs. I do not believe land should be allocated in this way. It should be specified that no site should be located within 3 miles of an existing site including sites located in another borough. This is to ensure an even spread of sites across London and not concentrated in one area and neighbourhood. I'm concerned that careful consideration is given to each individual possible site and that there be a 3 mile separation so that assimilation will be harmonious and facilities adequate for all. Sites to be distributed fairly and should not be located within 5 miles of an existing site on border of neighbouring boroughs
2. Reasonable access to local shops, services and community facilities in particular schools and health services.	5 (also see other comments below)	No reasons given.	<ul style="list-style-type: none"> The distances from shops and health facilities is too far. For anyone with mobility issues this could prove to be very limiting to their lifestyle. Under 800m would be best. I am sure there are lots of places in Lewisham that don't meet this. It's a nice to have, not a necessity. Why is locating a traveller camp near to public transport important? Travelers have their own mode of transport. Sites should be evenly distributed and not located within 5 miles of neighbouring boroughs G&T sites
3. Safe and reasonably convenient access to the road network.	4	<ul style="list-style-type: none"> Yes, as long as a clearance height of 3.7m is suitable for the majority of traveller vehicles. As long as sites should not be located within a 5 mile radius of a neighbouring boroughs site. 	<ul style="list-style-type: none"> As with 2 - it's a nice to have not a necessity There is limited space in a London Boroughs. I do not believe land should be allocated in this way.

Reason given for response	RESPONSE COUNT	YES	NO
4. Capable of satisfactory provision for parking, turning, service and emergency vehicles.	2	<ul style="list-style-type: none"> As long as site not be located within 5 mile radius of neighbouring borough G&T site. 	<ul style="list-style-type: none"> There is limited space in a London Boroughs. I do not believe land should be allocated in this way.
5. Mixed residential and business use opportunities.	3 (also see other comments below)	<ul style="list-style-type: none"> But site should not be located within 5 mile radius of neighbouring G&T site. 	<ul style="list-style-type: none"> Given the client group, unless the business use is tailored for them, it is going to be difficult to market and difficult to get people to work there.
6. Supply of essential services such as water, sewerage and drainage and waste disposal.	5	<ul style="list-style-type: none"> Absolutely Yes, all essential services must be provided however the term 'Average' is very vague. 'Acceptable' would be better. Water and Sewage should be supplied to a camp but the camp should not be located in a built up area like Lewisham. But site should not be located within 5 mile radius of existing neighbouring borough G&T site. 	<ul style="list-style-type: none"> It should be specified that no site should be located within 3 miles of an existing site including sites located in another borough. This will support local integration.
7. Scope for healthy lifestyles and integration.	4	<ul style="list-style-type: none"> Yes, though provision for site maintenance must be factored in. It should not be up to the residents alone to maintain this site themselves. Provision can be made for healthy lifestyles but a camp should not be located in a built up area like Lewisham. Site should not be located within 5 miles of neighbouring borough G&T site. 	<ul style="list-style-type: none"> Nice to have not essential.
8. Local environmental quality.	3	<ul style="list-style-type: none"> This is the sort of basic level we should all enjoy. The camp should not be located in a built up area like Lewisham but any camp that does get built should adhere to local 	

Reason given for response	RESPONSE COUNT	YES	NO
		environmental quality. <ul style="list-style-type: none"> Site should not be located within 5 mile radius of neighbouring boroughs site. 	
9. Spatial planning & development management considerations.	4 (also see other comments below)	No reasons given.	<ul style="list-style-type: none"> The camp should not be located in a built up area like Lewisham. It should be specified that no site should be located within 3 miles of an existing site including sites located in another borough. No site should be within 5 miles of neighbouring boroughs G&T site.
10. Deliverability.	5	<ul style="list-style-type: none"> A suitable location for development must include the possibility of more affluent areas being considered also. 	<ul style="list-style-type: none"> This may eliminate some sites that 'would do'. The camp should not be located in a built up area like Lewisham. It should be specified that no site should be located within 3 miles of an existing site including sites located in another borough. Sites should not be located within 5 miles of another neighbouring boroughs site.

Table 6: Other Comments:

These are comments where there was 'no response' to the Yes/No question but the explanation field had been completed.

Criteria 2

- It should be specified that no site should be located within 3 miles of an existing site including sites located in another borough

Criteria 5

- This really is inappropriate. How can you locate a traveller camp in the middle of a residential / business opportunity area?

Criteria 9

- Have absolutely no idea what you mean.

Agenda Item 9

COUNCIL		
Report Title	Consultation on the Gypsy & Traveller Site(s) Local Plan	
Key Decision	Yes	Item No.
Ward	All	
Contributors	Executive Director of Resources and Regeneration	
Class	Part 1	Date:21 September 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 (GTSLP).

2. Summary

- 2.1 The Planning Service wishes to undertake public consultation on the production of a new Gypsy and Traveller Site(s) Local Plan (GTSLP).
- 2.2 At its meeting on 7 September 2016, Mayor and Cabinet approved for public consultation the GTSLP 'Potential Sites' Report and the associated Integrated Assessment.

3. Recommendation

- 3.1 The Council is recommended to:
- 3.2 Approve the consultation on the preparation of Gypsy & Traveller Site(s) Local Plan as set out in the Regulation 18 (Stage 2) 'Potential Sites' Report (Appendix 1) together with the consultation on the associated Integrated Assessment Report (Appendix 2)
- 3.3 Delegate all necessary authority to the Executive Director of Resources and Regeneration to make any minor alterations to the consultation documents 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 GTSLP 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 GTSLP 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 GTSLP consultation is set out in the report to Mayor and Cabinet dated 7 September 2016 which is included as Appendix 3 to this report.
- 5.2 As a local housing authority the Council is under a duty to consider housing conditions and the needs of its district with respect to the provision of further housing accommodation. This duty further includes a duty to consider the needs of people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed. Section 8(1) and 8(3)(a) of the Housing Act 1985 (as amended).
- 5.3 The GTSLP will form part of Lewisham's development plan and will identify and designate land in the borough to accommodate the identified need for gypsy and travellers, as defined in the National Planning Policy for Traveller Sites (August 2015).
- 5.4 Lewisham's Gypsy and Traveller Accommodation Assessment Update (August 2016) establishes a need in the borough for 6 pitches up until 2031. The purpose of the GTSLP is to allocate a site or sites to meet these identified accommodation needs.

6. The Preferred Sites

- 6.1 The site selection process identified two sites that are considered suitable for permanent residential gypsy and traveller sites. These are:
C - New Cross Social Club & adjoining land, Hornshay Street, SE15;
E - Land at Pool Court, SE6
- 6.2 The two potential sites are alternative ways of providing a gypsy and traveller sites. In addition to identifying the sites as being suitable in principle, the Potential Site(s) Report also includes General and Site-specific Design Guidelines to help ensure that the chosen site meets the needs of the gypsy and traveller community, is of a high quality design, safeguards residential amenity and respects the environment.

7 Sustainability Appraisal

- 7.1 Local plans need to 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 Officers have chosen to commission an 'Integrated Impact Assessment' which comprises a Sustainability Appraisal, Strategic Environmental Assessment and an Equalities Analysis Assessment. This Report is attached as Appendix 2.

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 Town and Country Planning (Local Planning) (England) Regulations 2012 sets out the main steps in the procedure for the production and adoption of planning documents, as explained in the report.

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

- 9.3 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.

- 9.4 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above.

- 9.5 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Decision Maker, bearing in mind the issues of relevance and proportionality. The Decision Maker must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

- 9.6 The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it

relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

9.7 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: A guide for public authorities
- Objectives and the equality duty. A guide for public authorities
- Equality Information and the Equality Duty: A Guide for Public Authorities

9.8 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:

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

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 relating to: 'increasing participation and engagement'.

10.2 The Integrated Impact Assessment includes an equalities appraisal to identify equalities impacts and implications of emerging policy options. This is attached as Appendix 2.

11 Environmental Implications

11.1 There are no direct environmental impacts arising from this report.

12 Conclusion

12.1 The Planning Service have prepared a draft GTSLP in accordance with the final search parameters, site selection criteria and Integrated Assessment. Subject to approval from Full Council, officers intend to carry out consultation on the potential sites October/November 2016.

Background documents

Short Title Document	Date	File Location	File Reference	Contact Officer	Exempt
Planning & Compulsory Purchases Act 2004 (as amended)	2004	Laurence House	Planning Policy	Claire Gray	No
National Planning Policy Framework	2012	Laurence House	Planning Policy	Claire Gray	No
Planning Policy for Traveller Sites	2015	Laurence House	Planning Policy	Claire Gray	No

If you have any queries on this report, please contact Claire Gray, Planning Policy, 3rd floor Laurence House, 1 Catford Road, Catford SE6 4RU – telephone 020 8314 7186.

Appendix 1: Gypsy & Traveller Site(s) Local Plan Regulation 18 (Stage 2) 'Potential Sites' Report

Appendix 2: Integrated Assessment of the Gypsy and Traveller Site(s) Local Plan

Appendix 3: Report to Mayor and Cabinet 7 September 2016 on Gypsy and Traveller Local Plan

This may be viewed at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=4304>




Copy for public consultation
August 2016

Gypsy and Traveller Site(s) Local Plan

Potential Sites:

Regulation 18 (Stage 2) Consultation Report



How do I comment?	X
1. Introduction	X
2. How the GTSLP will fit in with Lewisham's planning framework	X
3. How the GTSLP has been prepared	X
4. Site selection process	X
5. Site Allocations	X
6. General Design Guidelines and Planning Application Requirements	X
7. Infrastructure	X
8. Delivery and Monitoring	X
9. Changes to existing allocations	X
Appendix 1: Approved Search Parameters and Site Selection Criteria	

How do I comment?

The Council is inviting comments on the Gypsy and Traveller Site(s) Local Plan – Potential Sites Report as part of a formal public consultation.

This consultation runs for X weeks from XX to XX 2016.

You can respond in the following ways:

- **On-line:** https://lewisham-consult.objective.co.uk/portal/planning_policy
- **E-mail:** 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

Or the questionnaire can be downloaded from our website:

- At www.lewisham.gov.uk/myservices/planning/policy/LDF/Pages/Gypsy-and-Traveller-local-plan.aspx

Copies of the document can be viewed on:

- the Council's website
www.lewisham.gov.uk/myservices/planning/policy/LDF/Pages/Gypsy-and-Traveller-local-plan.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.

1. Introduction

The Gypsy and Traveller Site(s) Local Plan

1.1. The Housing and Planning Act (2016) includes a duty (under Section 8 of the 1985 Housing Act) for local authorities to consider the needs of “people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed.”

1.2. The Gypsy and Traveller Site(s) Local Plan (GTSLP) will form part of Lewisham’s development plan and will identify and designate land in the borough to accommodate the identified need for gypsy and travellers, as defined in the National Planning Policy for Traveller Sites (August 2015).

1.3. Unless otherwise specified, “the Council” means the Council acting in its capacity as the Local Planning Authority.

Background

1.4. Following the closure in 2009 of a former site in Thurston Road, next to Lewisham Station, Lewisham does not have any existing sites for the gypsy and traveller community.

1.5. The Council did grant planning permission in 2008 for five pitches on a site in Church Grove, Ladywell. However, this permission was not acted upon, the planning permission has lapsed and this site is currently being developed for ‘bricks and mortar’ housing.

1.6. The Council adopted its Core Strategy in June 2011. Core Strategy Policy 2 identified criteria for selecting sites and envisaged that site(s) would be identified through a Sites Allocation DPD. However, it did not prove possible to include a site or sites in the Council’s Site Allocations Local Plan (SALP) when this was developed and adopted in June 2013. At the Examination in to the SALP, the Council confirmed its intention to bring forward a separate GTSLP by May 2014.

1.7. The Council began preparing a GTSLP in March 2013. However, other priorities meant that things did not progress as planned and preparation on the Local Plan halted.

1.8. The Council commissioned a Gypsy and Traveller Accommodation Assessment (published in June 2015) and began preparing a GTSLP again in January 2016. The 2015 Accommodation Assessment was updated in August 2016.

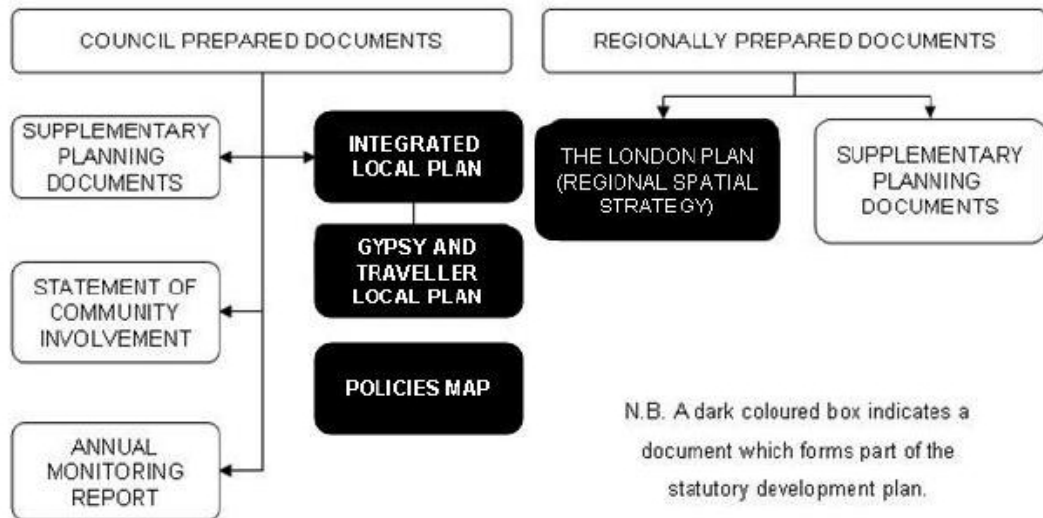
1.9. In parallel with developing a GTSLP, the Council (as Housing Authority) is developing a Gypsy and Traveller Pitch Allocation Scheme to, amongst other things, establish a fair, transparent and equitable system for the allocation of pitches on a Council managed site(s). This is to be the subject of separate consultation.

2. How the GTSLP will fit in with Lewisham’s planning framework

2.1. Lewisham’s existing planning framework comprises the adopted Core Strategy, Site Allocations Local Plan, Lewisham Town Centre Local Plan (February 2014) and Development Management Local Plan (November 2014) and supporting Supplementary Planning Documents.

2.2. 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 preparation of an integrated plan is a significant piece of work and has fallen behind schedule. Given the pressing need to provide traveller accommodation, the Council is continuing to develop a standalone GTSLP that will sit alongside the integrated Local Plan. The proposed Lewisham planning frameworks are summarised in Figure 1.

Figure 1: Proposed Lewisham planning framework



3. How the GTSLP has been prepared

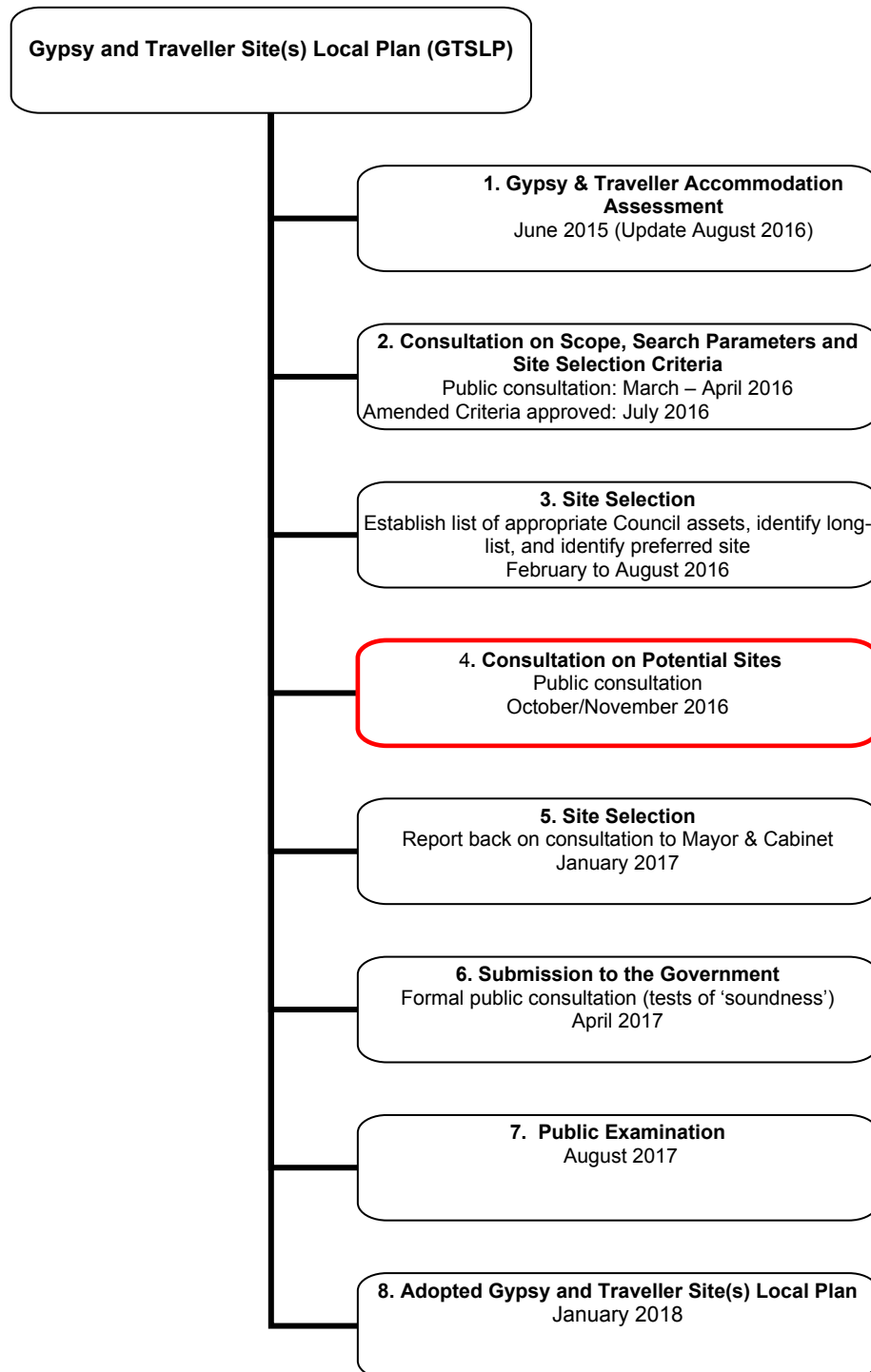
Regulations

3.1. The process for preparing Local Plans, including the GTSLP, is set out in the Town and Country Planning (Local Planning) (England) Regulations 2012.

Overall Process

3.2. The key stages in the preparation of the Plan are summarised in Figure 2 below. We are currently at Stage 4.

Figure 2: Key stages in preparing a GTSLP



Founding principles

3.3. The Plan has been founded on the following:

National and local policies, including:

- The National Planning Policy Framework (2012);
- The Government's Planning Policy for Traveller Sites (2015);
- National Planning Practice Guidance;
- The London Plan (2015);
- Lewisham's Core Strategy; and
- Other key relevant plans, policies and strategies.

Evidence base:

- Lewisham Gypsy and Traveller Needs Assessment (June 2015) as updated (July 2016).
- Other key relevant evidence.

Findings of the integrated appraisal:

- Sustainability Appraisal of the objectives, strategy and preferred site allocations to highlight potential conflicts or areas where there could be improvements and to ensure that the Plan accords with the principles of sustainable development.
- Equalities Analysis Assessment (EqAA) - an appraisal to identify equalities impacts and implications of emerging policy options.

Involvement of key stakeholders:

- Consultation on Scope, Search Parameters and Site Selection Criteria and Sustainability Appraisal Scoping Report;
- Consultation with officers across the Council, Lewisham Clinical Commissioning Group and the Metropolitan Police; and
- Co-operation with other public bodies.

National and local policies

National policy and guidance

3.4. The National Planning Policy Framework (NPPF) (March 2012) sets out the Government's planning policies for England. At the heart of the NPPF is a presumption in favour of sustainable development, which for plan-making means that:

- Local planning authorities should positively seek opportunities to meet the development needs of their area; and
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless (i) any adverse impacts of doing so would significantly and demonstrably outweigh the benefits; or (ii) specific NPPF policies indicate development should be restricted.

3.5 The NPPF is augmented by the National Planning Policy for Traveller Sites (PPTS) (August 2015). This sets out the Government's overarching aim as being to ensure fair and equal treatment for travellers, in a way that facilitates the traditional and nomadic way of life of travellers while respecting the interests of the settled community.

London Plan

3.6. The consolidated London Plan was published in March 2015. 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 are identified in line with national policy, in coordination with neighbouring boroughs and districts as appropriate.

Lewisham Core Strategy

3.7. The Core Strategy was adopted in June 2011. Core Strategy Policy 2 (Gypsies and travellers) is set out in full below.

1. The Council will continue to assess and provide for the identified needs of gypsies and travellers in appropriate locations. The Council is in the process of identifying a suitable site to meet the immediate need arising from the redevelopment of the Thurston Road site, which forms part of the approved Lewisham Gateway development. A site will be identified through the Site Allocations DPD.

2. Proposals for additional and alternative gypsy and traveller sites will be assessed having regard to the following criteria:

- (a) They have reasonable access to local shops, services and community facilities in particular schools and health services.*
- (b) They are safe and have reasonably convenient access to the road network.*
- (c) They have provision for parking, turning, service and emergency vehicles.*
- (d) 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.*
- (e) They have a supply of essential services such as water, sewerage and drainage and waste disposal.*
- (f) 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*

Other key relevant strategies/plans

3.8 The key relevant strategies/plans that have informed the preparation of the GTSLP include:

- Lewisham Sustainable Community Strategy 2008-2020;
- LB Lewisham's Strategic Asset Management Plan (SAMP) 2015-2020; and
- Lewisham River Corridor Improvement Plan 2015.

Evidence base

Gypsy and Traveller Accommodation Assessment

3.9. The Planning Policy for Travellers Sites makes clear that in producing their Local Plans, local planning authorities should, amongst other things:

- Identify and update annually, a supply of specific 'deliverable' sites sufficient to provide 5 years' worth of sites against their locally set targets; and
- Identify a supply of specific, 'developable' sites, or broad locations for growth, for years 6 to 10 and, where possible, for years 11-15.

3.10. The Accommodation Assessment (as updated in August 2016) found the need of the households in Lewisham that meet the new definition are for an additional 6 pitches. This is made up of three existing adult households and accounting for three new households, usually formed by adult children setting up their own households.

Figure 3: Additional need for 'travelling' households by 5 year periods

Years	0-5	6-10	11-15	
	2016-21	2021-26	2026-31	Total
Lewisham Travelling	3	2	1	6

Other key relevant evidence:

3.11. The other key relevant evidence that has informed the preparation of the Plan includes:

- Lewisham Infrastructure Delivery Plan (2010) – under review with an IDP Framework Document being prepared in October 2015;
- Strategic Flood Risk Assessment Update 2015; and
- London Gypsy & Traveller Sites Working Paper on Net Density and Gypsy and Traveller Sites (July 2009).

Findings of the integrated appraisal

3.12. The provision of gypsy and traveller pitches at New Cross Social Club, and the adjoining land, could have a detrimental effect on health,

social inclusion and accessibility to community infrastructure through the loss of a social club and a multi-use games area. The provision of gypsy and traveller pitches at Pool Court could have a negative effect on landscape, biodiversity, flora and fauna through the loss of open space.

Involvement of key stakeholders

Consultation on Scope, Search Parameters and Site Selection Criteria

3.13. Consultation on the intention to prepare a Local Plan, its proposed scope and proposed Search Parameters and Site Selection Criteria (in accordance with Regulation 18) was undertaken in March and April 2016. Consultation on a Sustainability Appraisal Scoping report took place at the same time.

3.14. Consultation was in accordance with the minimum requirements of the relevant Regulations and the Council's adopted Statement of Community Involvement and included:

- Public display of documents;
- Documents published on the Council website and Consultation Portal;
- Press Notice;
- Mail out to prescribed and non-statutory bodies;
- Liaison with neighbouring boroughs; and
- Meetings with the Lewisham Gypsy and Traveller Forum and London Gypsy and Traveller Unit.

3.15. Following consultation, in July 2016 the Council's Mayor and Cabinet approved the final Search Parameters and Site Selection Criteria. Comments received on the Sustainability Appraisal Scoping Report have also been taken in to account in developing the appraisal.

Assessment of potential sites

3.16. Officers across the Council (including School Places, Environmental Protection, Public Health and Housing), Lewisham Clinical Commissioning Group (CCG) and the Metropolitan Police were consulted on a list of potential sites. The Council also commissioned studies to assess the suitability of these sites in terms of vehicular access and movement and, where necessary, flood risk.

Duty to Co-operate

3.17. 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 PPTS encourages LPAs to consider production of joint development plans that set targets on a cross-

authority basis, to provide more flexibility in identifying sites, particularly if they have special or strict planning constraints across its area.

3.18. The South East London Planning Authorities (Lewisham, Bexley, Bromley, Greenwich and Southwark) hold quarterly meetings to facilitate joint working on strategic matters. The group have considered the provision of sites for Gypsy and Traveller accommodation across the subregion and have considered a joint approach to address this strategic issue. The boroughs have been progressing traveller pitch provision through different development plan documents which are at different stages in plan preparation, and have therefore not prepared a joint, subregional document to assess need or allocate site(s) for gypsy and traveller accommodation.

3.19 The boroughs have previously considered their joint approach to bricks and mortar housing through the joint production of a South East London Strategic Housing Market Assessment (2014) (SHMA) which looks at housing need across the subregion and provides an evidence base to inform plan making. This is to ensure that housing planning policies are consistent across the boroughs and are aligned towards the same objectives. This subregional work is ongoing and arrangements are in place to consider all housing issues at future South East London Planning Authorities Duty to Cooperate meetings.

4. Site selection process

4.1. The Council originally identified a seven-step site selection process, including 'long-list', 'short-list' and 'Preferred Site or Sites' steps. However, given the relatively small number of potential sites that emerged from Stage 3, the 'long-list' and 'short-list' steps were combined in to one. This resulted in the following six-step approach:

Step	Task
Step 1	<i>Consult on proposed scope of Plan, Search Parameters, Site Selection Criteria & Sustainability Appraisal Scoping Report.</i> This was undertaken in March and April 2016.
Step 2	<i>Establish a list of appropriate Council assets.</i> Officers identified a list of all Council assets (land and buildings) of 0.24ha in size and above based on 6 pitches with an average of 400sqm from Council ownership data by reviewing the Council's asset registers.
Step 3	<i>Identify a long-list of potential sites.</i> Officers applied Site Selection Criterion 1 (Effective and efficient use of public assets) and this resulted in 5 potential Council-owned sites being identified. A private landowner also put its site forward for consideration during Stage 1 and this was included on the following long-list of 6 sites:

Step	Task
	<p>A - Land on Westbourne Drive SE23; B - Land off Turnham Road, SE4 ; C - New Cross Social Club & adjoining land, Hornshay Street, SE15; D - Land at R/O 46-116 Baizdon Road SE3; E - Land at Pool Court, SE6; and F - Land at St Mildred's Road, Hither Green, SE12.</p>
Step 4	<p><i>Identify a preferred site or sites.</i> Officers apply Site Selection Criteria 2 to 10 to the long-list of sites resulting in the identification of the proposed preferred sites.</p> <p>Officers drew on the results of engagement with officers across the Council and the Clinical Commissioning Group and the Metropolitan Police, together with the findings of relevant studies (as discussed in Section 3.16 above) when applying Criteria 2 to 10 to the long-list of sites and assessing the appropriateness of potential sites.</p> <p>A site selection matrix was established so that each criterion for each site could be given a qualitative score (1 – Excellent, 2- Good, 3 – Average, 4 – Poor or 5 - Very poor). This in turn allowed for the six long-listed sites to be compared and the merits and shortcomings of each site to be considered in order that the most appropriate site or sites is allocated in the Plan.</p>
Step 5	<p><i>Publish a draft Local Plan that identifies a preferred site or sites.</i> Undertake appropriate consultation on the potential site or sites. This is the stage that the Plan is currently at.</p>
Step 6	<p><i>Select a site.</i> Take full account of the results of consultation and the integrated appraisal and choose a site for inclusion in a submission version of the GTSLP.</p> <p>The submission version of the GTSLP (Regulation 22) will be accompanied by supporting documents, including a Statement of Representations that sets out details of who was consulted when preparing the Plan and how the main issues raised have been addressed. This provides a formal opportunity for the local community and other interests to comment on the ‘soundness’ of the proposed site allocation(s).</p>

Site-selection background paper

4.2. The site selection assessment is set out in detail in a Site-selection Background Paper that is published alongside this report.

4.3. Having considered the results of the assessment process as a whole, two alternative sites have been considered suitable for meeting the identified need. These are:

- Site C - New Cross Social Club & adjoining land; and
- Site E - Land at Pool Court.

5. Site Allocations

Introduction

5.1. Government guidance is that where sites are proposed for allocation, sufficient detail should be given to provide clarity to developers, local communities and other interested parties about the nature and scale of development (addressing the ‘what, where, when and how’ questions).

What

5.2. The two preferred sites are alternative ways of providing a gypsy and traveller site. The Council will take full account of comments made in response to this consultation, the findings of the integrated appraisal and all other material considerations before deciding which of the two sites should be allocated for permanent residential pitches.

5.3. Both preferred sites are capable of accommodating more than the 6 pitches that are estimated to be needed in Lewisham up to 2031. In common with ‘bricks and mortar’ housing, the Council is keen to optimise the actual number of pitches that are provided on a chosen site. In the absence of detailed design, it is not possible at this stage to know what this would be. However, taking account of site characteristics and a site-specific average pitch size that reflects these, an indicative capacity is identified for both preferred sites.

5.4. A chosen site is likely to be designed and developed to accommodate pitches of varying sizes to meet the needs of those households that have the greatest housing need and are top of the Council’s waiting list for pitches. Pitches are likely to include a hardstanding area for a static caravan, touring caravan and parking space. Pitches are also expected to include a single-storey amenity building and some landscaping/open space. It is hoped that there would also be an area of communal play/open meeting space on the site.

Where

5.5. The two alternative preferred sites are identified below.

When

5.6. The Needs Assessment (as updated in August 2016) found that the minimum need for 6 pitches arises from people currently living in bricks and mortar homes, teenage children and household formation – with 3 pitches needed immediately (2016-21), 2 further pitches needed between 2021 and 2026 and 1 more needed between 2026 and 2031.

5.7. However, for practical and financial reasons, the Council expects to deliver all of the optimum number of pitches on a chosen site in one go and will allocate them according to its emerging Traveller Pitch Allocation Scheme.

How

5.8. The allocation of a site for use as a gypsy and traveller site in a GTSLP would provide a presumption in favour of the principle of this use and effectively safeguard the land for this purpose. However, full planning permission for the development and detailed design of the site would be required in the normal way.

5.9. The law requires that, to the extent that development plan policies are material to an application, the decision on planning applications must be taken in accordance with the development plan unless there are material considerations that indicate otherwise. Core Strategy Policy 2 (see Section 3.7) sets out criteria for assessing proposals for gypsy and traveller sites and these will form the basis for determining future planning applications. There are also a number of relevant policies in the Council's Development Management Local Plan (November 2014).

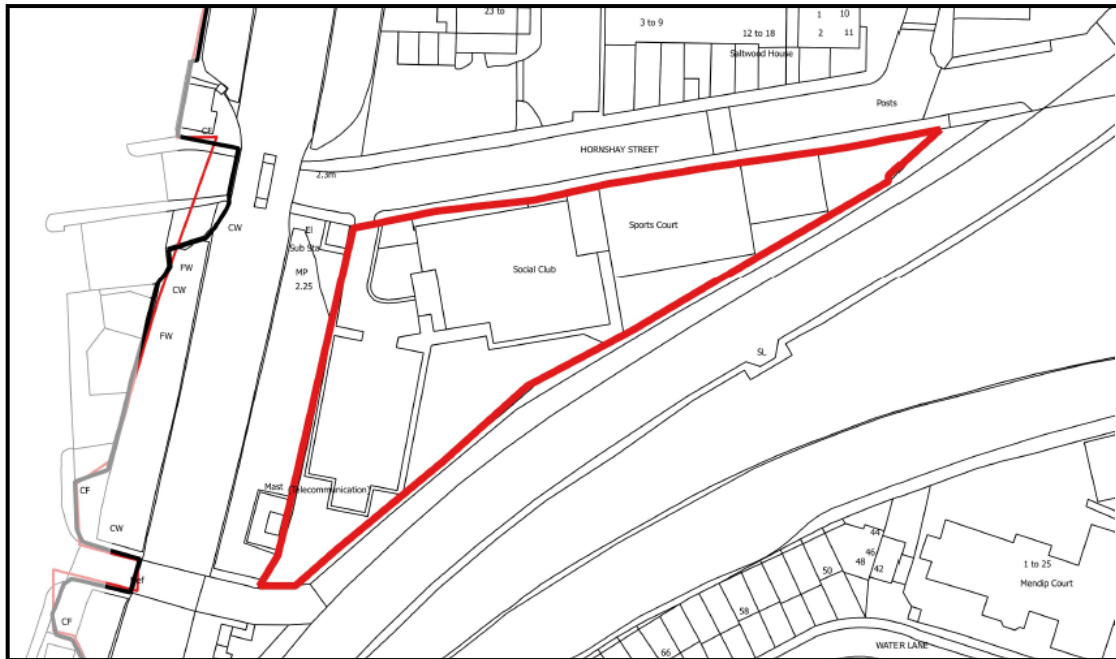
5.10. The Council would welcome pre-application discussions over the design and management of a site so that it can help shape proposals to ensure that they meet the needs of the gypsy and traveller community, represent high quality design, safeguard existing residential amenity and respect the environment. The Council will also want to ensure any permission is subject to appropriate planning conditions and that, together with necessary environmental permits and licensing arrangements, these effectively manage the use and operation of the site

5.11. The Council is expected to be the applicant and as such, any planning application will need to be dealt with in accordance with Regulation 3 of the Town and Country Planning General Regulations 1992 – which, in summary, means that no officer or councillor that has a role in asset management can have any role in assessing or determining the planning application.

5.12. The Council is expected to be responsible for managing a chosen site, either directly or indirectly via a third party, and appropriate management arrangements will be put in place in due course.

Potential Site C

5.13. Site Name/Address. New Cross Social Club and adjoining land.



5.14. Size. 0.31

5.15. Ownership: LB Lewisham

5.16. Current Use. Licensed bar and hall (also used for community events) and associated car parking and Multi Use Games Area (MUGA).

5.17. Site Characteristics. The part one/part two-storey building and car parking area and the fenced MUGA are on the south side of Hornshay Street, which connects Ilderton Road with the Lovelinch Close Estate. The site is relatively flat.

5.18. On the north side of the street, behind a brick wall, are the gardens of homes in Saltwood House, a four-storey block of flats, and a car parking area that serves this building and Upnall House. To the east, through an underpass, is Bridgehouse Meadows. The southern boundary is formed by a brick retaining wall and raised railway which forms part of the London Overground network and the western boundary is formed by a railway embankment.

5.19. Proposed Use and indicative capacity. Based on a site-specific average pitch size of 400sqm - permanent traveller site for at least 6 residential pitches.

5.20. Site-specific Development Guidelines:

(a) One or two vehicular access/exit points would be acceptable along the length of the Hornshay Street frontage (providing, if there are two, that there is a safe distance between them).

(b) The Hornshay Street boundary treatment and access should be designed to provide a safe and welcoming entrance to the site, protect the privacy of residents living on the site and provide an attractive street frontage (including some visual interaction between the street and the site).

(c) Trees should be planted along on site close to its boundary with Hornshay Street in order to provide visual interest and shade for future residents and improve the street scene.

(d) Any on-site external lighting should be carefully designed and specified so as not to cause disturbance to nearby residents.

(e) Mitigation for the loss of the existing MUGA by way of either improvements to an existing facility or facilities or a replacement facility.

Potential Site E

5.21. Site Name/Address. Land at Pool Court.



5.22. Size. 0.31ha

5.23. Ownership: LB Lewisham and Network Rail

5.24. Current Use. Vacant open land and scaffolding yard.

5.25. Site Characteristics. The site comprises two parcels of land either side of Pool Court road.

5.26. The western part of the site comprises vacant open land to the north of existing housing/car parking area. The land is currently fenced off and inaccessible and forms part of the designated Site of Importance for Nature Conservation (SINC), called Pool River Linear Park. The western boundary is formed of a railway embankment and the northern boundary is formed by the Pool River and other open land.

5.27. The eastern part of the site comprises an operational scaffolding yard that is accessed from Fordmill Road and open land, with additional open land to the north – leading up to the River. The eastern boundary is formed by a railway embankment, which also forms part of the Site of Importance for Nature Conservation.

5.28. Proposed Use and indicative capacity. Based on a site-specific average pitch size of 500sqm - permanent traveller site for at least 6 residential pitches.

5.29. Site-specific Development Guidelines.

(a) The site should be accessed and exited solely from the Fordmill Road frontage.

(b) The boundary treatment and access/exit along the Fordmill Road should be designed to provide a safe and welcoming entrance to the site, protect the privacy of residents living on the site and provide an attractive street frontage (including some visual interaction between the street and the site).

(c) The boundary treatment to the Pool Court road frontage and car parking area should safeguard the existing trees that are just outside of the site and safeguard the amenity of existing residents.

(d) All works carried out within 8m of the Pool River will require an environmental permit from the Environment Agency. Earth works, landscaping and other development in this part of the site should be designed and managed to enhance this part of the River and take account of guidance in the River Corridor Improvement Plan SPD (September 2015).

(e) As many existing trees and as much mature vegetation as possible should be retained and incorporated in to the landscape design and additional tree planting should be incorporated where possible along the boundaries with Pool Court.

(c) Any on-site external lighting should be carefully designed and specified so as not to cause disturbance to nearby residents or harm the biodiversity value of the site or adjoining land.

6. General Design Guidelines and Planning Application Requirements

General Design Guidelines

6.1. Whilst formally withdrawn in October 2015 following the publication of the National Planning Policy for Travellers, there is a lot of good general design guidance in the Department of Communities and Local Government's 'Good Practice Guide' (published in 2008). In the absence of any replacement guidance, reference should be made to this in the detailed design of a site and its individual pitches.

6.2. Applicants are encouraged to engage fully with the gypsy and traveller community, seek expert advice and draw on good practice from across London to ensure that a site:

- Meets the needs of the gypsy and traveller community;
- Is of a high quality design;
- Safeguards existing residential amenity; and
- Respects the environment.

Planning Application Requirements

6.3. A full planning application should include the following:

- Existing and proposed site levels;
- General site arrangement plan;
- Hard and soft landscaping drawings (including full details of road ways, paths, hardstanding areas, tree and other soft landscaping, Sustainable Urban Drainage features and boundary treatments, including between pitches);
- Floor plans, sections and elevations of permanent buildings;
- Full details of refuse collection and postal delivery arrangements;
- Full details of treatment of external boundaries;
- Full details of all external lighting;
- Flood Risk Assessment and Drainage;
- Transport Statement;
- Design and Access Statement; and
- Site Management Plan.

7. Infrastructure

7.1. The Council published an Infrastructure Delivery Plan (IDP) in August 2010. It has prepared an IDP Framework Document in (October 2015) and this is being used to prepare a revised IDP to support the delivery of the emerging Integrated Local Plan and the GTSLP.

7.2. The relatively small number of households that are expected to live on a chosen site are unlikely to give rise to the need for additional infrastructure.

7.3. Nevertheless, members of the gypsy and traveller community face particular challenges in accessing health, education and other services. The Council's School Places Manager and Lewisham Clinical Commissioning Group will continue to be involved once a site is selected and delivered, to help ensure that necessary adjustments to local service provision are made to cater for the particular needs of people living on a site.

8. Delivery and monitoring

8.1. The delivery of an allocated site is addressed in Section 5 above, under the 'How' heading. In the event that an allocated site should fail to deliver the number of pitches needed, Core Strategy Policy 2 (Gypsy and travellers) makes provision for any unmet need to be met through the planning application process only, stating as it does that:

"2. Proposals for additional and alternative gypsy and traveller sites will be assessed having regard to the following criteria" (Listed in Section 3.7 above):

8.2. The monitoring framework in the Core Strategy sets out indicators and targets for each of its strategic objectives. For Objectives 02 (Housing provision and distribution) and 03 (Local housing need), the following are identified in relation to Core Strategy Policy 2 (Gypsies and travellers):

- Indicators – Net additional pitches (gypsy and travellers); and
- Target – Net additional pitches.

8.3. The Council will be monitoring the delivery of pitches using the above indicator and target, or any relevant replacement ones that may be identified as part of preparing a unified Local Plan, and will use its Annual Monitoring Report (AMR) to record progress.

9. Changes to existing allocations

9.1. If Site E is chosen and allocated as a permanent gypsy and traveller site, the Council will need to de-allocate those parts of the Site of Importance for Nature Conservation called Pool River Linear Park.

Appendix 1: Approved Search Parameters and Site Selection Criteria

Search Parameters

The approved search parameters are as follows:

- Council-owned housing land.
- Council-owned non-housing land.
- Private and other publicly owned land – focus on Council owned land, other than, possibly, adjacent land in other ownerships that may be necessary to develop a Council asset.
- For practical considerations of site management and economic considerations the Council consider the need for 6 pitches should be met on a single site.
- Type of site - full range of potential sites, including vacant open land, open land that is in use, vacant and occupied buildings and any combination.
- Size of site - base a search for sites on 400sqm per pitch (average size).
- Location of site – whole borough.

Site Selection Criteria

The final Site Selection Criteria are as follows:

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 Strategic Asset Management Plan (SAMP). (b) Efficient use of public assets– Judgement, taking 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 environmental permitting regulations, appropriate licensing and planning conditions manage activities that could be carried out).
6. Supply of essential	Assume all sites have access to all essential services or are capable

Site Selection Criteria	Explanation and application
services such as water, sewerage and drainage and waste disposal.	of being connected (NB cost of doing so may vary and affect deliverability).
7. Scope for healthy lifestyles and integration.	<ul style="list-style-type: none"> (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	<ul style="list-style-type: none"> (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
9. Spatial planning & development management considerations.	<ul style="list-style-type: none"> (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 (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.	<p>Taking account of all of the previous criteria, sites should be:</p> <ul style="list-style-type: none"> (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.

INTEGRATED IMPACT ASSESSMENT

Gypsy and Traveller Site(s) Local Plan

Pro Vision Planning and Design

August 2016

Prepared on behalf of: The London Borough of Lewisham



GYPSY AND TRAVELLER SITE(S) LOCAL PLAN
SUSTAINABILITY APPRAISAL
PROJECT NO. 1403

PREPARED BY:
LAURA COX MRTPI MCIEEM
ASSOCIATE DIRECTOR

CHECKED BY:
JEREMY HIGGINS MRTPI
PLANNING DIRECTOR

DATE:
AUGUST 2016

PV PROJECTS LTD
GROSVENOR COURT
WINCHESTER ROAD
AMPFIELD
WINCHESTER
HAMPSHIRE
SO51 9BD

COPYRIGHT: The contents of this document must not be copied or reproduced in whole or in part without the prior written consent of PV Projects.

CONTENTS

Page

Non-technical summary

1.0	Introduction	1
2.0	Methodology	2
3.0	Context, Baseline and Objectives	9
4.0	Integrated Impact Assessment	23
5.0	Mitigation and Monitoring	28

Appendices

Appendix A: Plans, policies and programmes

Appendix B: Baseline information

Appendix C: Sustainability objectives, indicators, targets and monitoring

Non-technical summary

This document provides a report of the Sustainability Appraisal, Strategic Environmental Assessment and Equalities Analysis Assessment of the Lewisham Gypsy and Traveller Site(s) Local Plan. The purpose of the Integrated Impact Assessment is to promote sustainable development through the integration of social, environmental and economic considerations into the preparation of the Lewisham Gypsy and Traveller Site(s) Local Plan.

This report has been prepared considering the consultation responses to a Scoping Report which has determined the principal matters to be addressed by the Integrated Impact Assessment. The scoping process identified the following sustainability issues.

1. To provide sufficient housing and the opportunity to live in a decent home
2. To improve the health of the population
3. To reduce poverty and social exclusion
4. To improve accessibility to leisure facilities, community infrastructure and key local services
5. To reduce crime, antisocial behaviour and the fear of crime
6. To reduce car travel and improve accessibility by sustainable modes of transport
7. To mitigate and adapt to the impact of climate change
8. To improve air quality and water quality, manage water resources and reduce noise and vibration
9. To increase, maintain and enhance open space, biodiversity, flora and fauna
10. To mitigate flood risk
11. To maintain and enhance landscapes and townscapes
12. To conserve and where appropriate enhance the historic environment
13. To minimise the production of waste and increase waste recovery and recycling
14. To encourage sustained economic growth
15. To promote access to employment, education, skills and training

The Integrated Impact Assessment incorporates the requirements of the European Strategic Environmental Assessment Directive (2001/42/EC), which states that a formal assessment should be undertaken of plans and programmes that are likely to have significant effects on the environment. The Integrated Impact Assessment has been prepared taking into account the Council's obligations in relation to the Equalities Act 2010 and the Council's equalities objectives.

The Integrated Impact Assessment process is designed to ensure that planning decisions are made that accord with the principles of sustainable development. The timing of the Integrated Impact Assessment, from the initial stages of the plan-making process, aims to make sure that sustainability considerations are taken into account early in the formulation of policy documents, including the Lewisham Gypsy and Traveller Site(s) Local Plan.

The Integrated Impact Assessment starts with an evaluation of the existing situation and then assesses how the Lewisham Gypsy and Traveller Site(s) Local Plan would affect each aspect of sustainability identified through the scoping process. Impacts are positive, neutral, negative or uncertain.

The two preferred alternative sites for the 6 pitches required in the London Borough of Lewisham set out within the Lewisham Gypsy and Traveller Site(S) Local Plan are New Cross Social Club and the adjoining land, and land at Pool Court.

The provision of gypsy and traveller pitches at New Cross Social Club, and the adjoining land, could have a detrimental effect on health, social inclusion and accessibility to community infrastructure through the loss of a social club and a multi-use games area. The provision of gypsy and traveller pitches at Pool Court could have a negative effect on landscape, biodiversity, flora and fauna through the loss of open space.

Proposals for monitoring, to identify significant sustainability effects of implementing the Lewisham Gypsy and Traveller Site(s) Local Plan so that remedial action can be taken if required, are set out in this report.

1.0 Introduction

- 1.1 Pro Vision Planning and Design has been instructed by the London Borough of Lewisham to prepare an Integrated Impact Assessment, incorporating a Sustainability Appraisal, Strategic Environmental Assessment and Equalities Analysis Assessment, of the Lewisham Gypsy and Traveller Site(s) Local Plan.
- 1.2 SAs are intended to support the selection of options in the preparation of plans and to provide a mechanism for reviewing alternative options whilst assessing how the plan will contribute to the achievement of sustainable development. This IIA seeks to identify the economic, social and environmental impacts of the potential sites presented in the Lewisham Gypsy and Traveller Site(s) Local Plan. It includes discussion of the likely significant sustainability effects of its implementation and recommendations are made relating to the ways in which potential adverse effects can be reduced or beneficial effects can be enhanced. The report includes proposals for relevant environmental, social and economic indicators to monitor the effects of the implementation of the Lewisham Gypsy and Traveller Site(s) Local Plan.
- 1.3 SAs must incorporate the requirements of the Strategic Environmental Assessment (SEA) Directive to ensure that the significant environmental effects arising from policies, plans and programmes are identified, assessed, mitigated, communicated to decision makers, monitored and that opportunities for public involvement are provided. The SEA Directive requires that a formal assessment is undertaken of plans and programmes which are likely to have significant effects on the environment.
- 1.4 The IIA considers the London Borough of Lewisham's obligations in relation to the Equalities Act 2010 and the Council's equalities objectives. The assessment has due regard to the need to eliminate unlawful discrimination, to advance equality of opportunity and to foster good relations.
- 1.5 Assessing policies from a sustainability perspective (including environmental, social and economic sustainability) alongside an equalities perspective will enable an holistic assessment of the alternative sites for gypsy and traveller accommodation. There are overlaps in the above assessments and therefore an approach that addresses the statutory requirements for Sustainability Appraisal, Strategic Environmental Assessment and Equalities Impact Assessment into a single integrated assessment will be used.
- 1.6 The Scoping Report, the initial stage of the IIA process, consisted of the collection of baseline data and information on other plans, policies and programmes that could influence the preparation of the Lewisham Gypsy and Traveller Site(s) Local Plan. The data collected was used to identify the key sustainability issues, objectives and targets at multiple spatial scales.
- 1.7 The Gypsy and Traveller Site(s) Local Plan is currently at the Potential Site(s) Regulation 18 (stage 2) consultation stage. The Local Plan will identify and designate land in the borough to accommodate the identified need for sites for Gypsies and Travellers.
- 1.8 Section 2 of this IIA Report provides a detailed description of the methodology for the IIA. The context, baseline and objectives of the IIA are set out in Section 3. The IIA is presented and the significant effects are discussed in Section 4. Measures for mitigation and monitoring are considered in Section 5.

2.0 Methodology

SUSTAINABILITY APPRAISAL

- 2.1 The purpose of the IIA 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.
- 2.2 The IIA of the Lewisham Gypsy and Traveller Site(s) Local Plan aims to ensure that the principles of sustainability are embedded into the plan-making process, forming an integral part of plan preparation. The IIA takes a long-term view, reflecting global, national, regional and local issues. The IIA identifies opportunities to enhance positive performance and to address negative impacts from an early stage in the process of policy formulation.
- 2.3 The stages which the IIA will follow are based on the Government's Planning Practice Guidance. The Town and Country Planning (Local Planning) (England) Regulations 2012 and the Environmental Assessment of Plans and Programmes Regulations 2004 have also been used to inform the stages followed. These stages are set out in Table 2.1 below. Stage A of the IIA process is covered within the IIA Scoping Report. This IIA Report documents stages B, C and D. Stage E will be completed following the adoption of the Lewisham Gypsy and Traveller Site(s) Local Plan.

Table 2.1: Stages of IIA

Gypsy and Traveller Site(s) Local Plan: Evidence Gathering and Engagement
<p>IIA Stages and Tasks</p> <p>Stage A: Setting the context and objectives, establishing the baseline and deciding on the scope</p> <p>1: Identify other relevant policies, plans and programmes, and sustainability objectives</p> <p>2: Collect baseline information</p> <p>3: Identify sustainability issues and problems</p> <p>4: Develop the IIA framework</p> <p>5: Consult the consultation bodies on the scope of the IIA Report</p>
Gypsy and Traveller Site(s) Local Plan: Consult on Local Plan in preparation Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012
<p>IIA Stages and Tasks</p> <p>Stage B: Developing and refining alternatives and assessing effects</p> <p>1: Test the Local Plan objectives against the IIA framework</p> <p>2: Develop the Local Plan options including reasonable alternatives</p> <p>3. Evaluate the likely effects of the Local Plan and alternatives</p> <p>4: Consider ways of mitigating adverse effects and maximising beneficial effects</p> <p>5: Propose measures to monitor the significant effects of implementing the Local Plan</p>

Gypsy and Traveller Site(s) Local Plan: Prepare the publication version of the Local Plan
IIA Stages and Tasks Stage C: Prepare the IIA Report
Gypsy and Traveller Site(s) Local Plan: Seek representations on the publication Local Plan (Regulation 19) from consultation bodies and the public
IIA Stages and Tasks Stage D1: Seek representations on the sustainability appraisal report from consultation bodies and the public
Gypsy and Traveller Sites Local Plan: Submit draft Local Plan and supporting documents for independent examination Outcome of examination
IIA Stages and Tasks Stage D2: Consider implications of the outcome of the examination for IIA compliance
Gypsy and Traveller Sites Local Plan: Adoption and Monitoring
IIA Stages and Tasks Stage E: Post adoption reporting and monitoring 1: Prepare and publish post-adoption statement 2: Monitor significant effects of implementing the Local Plan 3: Respond to adverse effects

THE IIA PROCESS TO DATE

- 2.4 A Scoping Report was prepared by Pro Vision Planning and Design in January 2016, during the evidence gathering and engagement stage of the Lewisham Gypsy and Traveller Site(s) Local Plan. The Scoping Report identified the content and the level of detail of the information to be included in this IIA. The Scoping Report described the background and context, set out the relevant plans, policies and programmes, and established the baseline. This information was used to identify the sustainability requirements, issues and trends in the London Borough of Lewisham and to develop the IIA framework. Natural England, the Environment Agency, Historic England and the Greater London Authority were consulted on the scope of the IIA. Comments were received from Natural England, the Environment Agency and Historic England. These comments have been considered in the preparation of this IIA Report.

THE IIA APPROACH

Lewisham Local Plan Regulation 18 Consultation

- 2.5 The policies in the draft Local Plan have been assessed to identify the likely significant effects of the alternative sites (Stage B). Forecasting and evaluation of the significant effects has helped to develop and refine the proposals in the Lewisham Gypsy and Traveller Site(s) Local Plan.
- 2.6 Reasonable alternative sites were identified and considered at an early stage in the plan making process. The assessment of reasonable alternatives has informed the London Borough of Lewisham in choosing its preferred approach. Paragraph 152 of the National Planning Policy Framework was considered in the development of alternatives. Ways of mitigating any adverse effects, maximising beneficial effects and monitoring likely significant effects have been defined.
- 2.7 The IIA has compared the two preferred sites for delivering the 6 pitches that Lewisham needs, and has assessed 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.

- 2.8 The IIA has predicted and evaluated the effects of the two preferred sites and has clearly identified the significant positive and negative effects of each alternative. The IIA has identified, described and evaluated the likely significant effects on environmental, economic and social factors using the evidence base. The determination of the likely significant effects on the environment is in line with the criteria set out in Schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004.
- 2.9 The IIA has identified any likely significant adverse effects and measures envisaged to prevent, reduce and, as fully as possible, offset them. The IIA has considered all reasonable alternatives and has assessed the two preferred sites in the same level of detail.
- 2.10 The IIA outlines the reasons the preferred sites were selected, the reasons the rejected options were not taken forward and the reasons for selecting the preferred approach in light of the alternatives. The IIA provides conclusions on the overall sustainability of the preferred sites. The assumptions used in assessing the significance of effects of the Local Plan are documented.
- 2.11 The development and appraisal of the proposals set out in the Lewisham Gypsy and Traveller Site(s) Local Plan is an iterative process. The proposals will be revised to take account of the appraisal findings. This will inform the selection, refinement and publication of the Local Plan.

Prepare the publication version of Lewisham Local Plan

- 2.12 Regulation 12 of the Environmental Assessment of Plans and Programmes Regulations 2004 sets out the formal requirements of an 'environmental report', which forms an integral part of the IIA report and is a core output of the SEA. An environmental report for the purpose of the regulations must identify, describe and evaluate the likely significant effects on the environment of implementing Lewisham Gypsy and Traveller Site(s) Local Plan policies and of the reasonable alternatives taking into account the objectives and geographical scope of the Lewisham Gypsy and Traveller Site(s) Local Plan.
- 2.13 This IIA report clearly shows how these requirements have been met, in addition to recording the wider assessment of social and economic effects. The IIA includes a non-technical summary of the information within the main report. The summary has been prepared with a range of readers in mind and provides a clear, accessible overview of the process and findings.

Seek representations on the publication Local Plan (regulation 19)

- 2.14 The consultation bodies, and other parties who are affected, or likely to be affected by, or have an interest in the decisions involved in the assessment and adoption of the Lewisham Gypsy and Traveller Site(s) Local Plan will be consulted, in line with Regulation 13 of the Environmental Assessment of Plans and Programmes Regulations 2004. This IIA Report, including the non-technical summary, will be published alongside the Lewisham Gypsy and Traveller Site(s) Local Plan for a minimum of six weeks.
- 2.15 This IIA Report will not necessarily have to be amended if the Lewisham Gypsy and Traveller Site(s) Local Plan is modified following responses to consultation. Modifications to the IIA will be considered where appropriate and proportionate to the level of change being made to the Local Plan. A change is likely to be significant if it substantially alters the Local Plan and / or is likely to give rise to significant effects.
- 2.16 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 IIA may also be required in such circumstances, but this will only be undertaken where necessary. Changes to the Local Plan that are not significant will not result in further IIA work.

Lewisham Local Plan Examination

- 2.17 This IIA Report will be submitted with the Lewisham Gypsy and Traveller Site(s) Local Plan to the Secretary of State for independent examination. This IIA Report will be examined as part of the evidence base for the Lewisham Gypsy and Traveller Site(s) Local Plan. The IIA Report will help integrate the different areas of evidence and will demonstrate why the site in the Local Plan is the most appropriate. If the necessary changes to the Local Plan resulting from

Examination are significant, and were not previously subject to IIA, then further IIA may be required and the IIA Report will be updated and amended accordingly.

Lewisham Local Plan Adoption and Monitoring

- 2.18 Regulation 16 of the Environmental Assessment of Plans and Programmes Regulations 2004 sets out the relevant post-adoption requirements. The significant effects of implementing the Gypsy and Traveller Site(s) Local Plan will be monitored (as required by Regulation 17 of the Environmental Assessment of Plans and Programmes Regulations 2004). This will enable the London Borough of Lewisham to identify unforeseen adverse effects at an early stage and enable appropriate remedial actions.
- 2.19 Details of monitoring arrangements will be included in the post-adoption statement. The monitoring results will be reported in the London Borough of Lewisham's Annual Monitoring Report.

STRATEGIC ENVIRONMENTAL ASSESSMENT

- 2.20 This IIA has, where appropriate, incorporated 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).
- 2.21 The SEA Directive focusses exclusively on environmental issues, whilst IIA 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 IIA of the Gypsy and Traveller Sites Local Plan addresses the requirements of the SEA Directive.

Table 2.2 The requirements of the SEA Directive

SEA Directive Requirements	Where reported
Preparation of an environmental report in which the likely significant effects on the environment of implementing the plan or programme, and reasonable alternatives taking into account the objectives and geographical scope of the plan or programme, are identified, described and evaluated. The information to be given is: (Art. 5 and Annex I)	This IIA Report
a) An outline of the contents, main objectives of the plan or programme, and relationship with other relevant plans and programmes;	Scoping Report January 2016, Section 3 and Appendix A of this report
b) The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme;	Scoping Report January 2016, Section 3 and Appendix B of this report
c) The environmental characteristics of areas likely to be significantly affected;	Scoping Report January 2016, Section 3 and Appendix B of this report
d) Any existing environmental problems which are relevant to the plan programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC;	Scoping Report January 2016, Section 3 and Appendix B of this report

<p>e) The environmental protection objectives, established at international, Community or national level, which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during its preparation;</p>	<p>Scoping Report January 2016, Section 3, Section 4 and Appendix A of this report</p>
<p>f) The likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors. (Footnote: These effects should include secondary, cumulative, synergistic, short, medium and long-term permanent and temporary, positive and negative effects);</p>	<p>Section 4 of this report</p>
<p>g) The measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme;</p>	<p>Section 5 of this report</p>
<p>h) An outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information;</p>	<p>Sections 2 and 3 of this report</p>
<p>i) A description of measures envisaged concerning monitoring in accordance with Article 10;</p>	<p>Section 5 and Appendix C of this report</p>
<p>Consultation:</p> <p>Authorities with environmental responsibility, when deciding on the scope and level of detail of the information to be included in the environmental report (Art. 5.4).</p> <p>Authorities with environmental responsibility and the public shall be given an early and effective opportunity within appropriate time frames to express their opinion on the draft plan or programme and the accompanying environmental report before the adoption of the plan or programme (Art. 6.1, 6.2).</p>	<p>The Statement of Consultation gives full details of all consultation undertaken throughout the process</p>
<p>Other EU Member States, where the implementation of the plan or programme is likely to have significant effects on the environment of that country (Art. 7).</p>	<p>N/A</p>

Taking the environmental report and the results of the consultations into account in decision-making (Art. 8).	The Statement of Consultation gives full details of all consultation undertaken throughout the process
<p>Provision of information on the decision:</p> <p>When the plan or programme is adopted, the public and any countries consulted shall be informed and the following made available to those so informed:</p> <p>The plan or programme as adopted;</p> <p>A statement summarising how environmental considerations have been integrated into the plan or programme and how the environmental report pursuant to Article 5, the opinions expressed pursuant to Article 6 and the results of consultations entered into pursuant to Article 7 have been taken into account in accordance with Article 8, and the reasons for choosing the plan or programme as adopted, in the light of the other reasonable alternatives dealt with; and</p> <p>The measures decided concerning monitoring (Art. 9 and 10).</p>	<p>The Adoption Statement documents how environmental considerations have been integrated into the Lewisham Gypsy and Traveller Site(s) Local Plan</p> <p>Section 5 and Appendix C set out the proposed measures for monitoring</p>
Monitoring of the significant environmental effects of the plan's or programme's implementation (Art. 10).	Section 5 and Appendix C of this report
Quality assurance: environmental reports should be of a sufficient standard to meet the requirements of the SEA Directive (Art. 12).	This table identifies how the requirements of the SEA Directive have been met

EQUALITIES ANALYSIS ASSESSMENT

- 2.22 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 under the Equality Act 2010.
- 2.23 The IIA of the Lewisham Gypsy and Traveller(s) Sites Local Plan encompasses the requirements for EAA. The diverse needs of the Lewisham community have been considered during the production of the IIA. The methodology and the approach set out within the London Borough of Lewisham's EAA toolkit has been followed in the preparation of the IIA. The baseline analysis has included an assessment of data and research. Consultation on the IIA has met the requirements for consultation in relation to EAA. The impact assessment has included due regard to the need to eliminate unlawful discrimination, to advance equality of opportunity and to foster good relations. Proposed measures for monitoring and mitigation reflect the objectives of EAA.

LIMITATIONS AND ASSUMPTIONS

- 2.24 The 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 percentage 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.

2.25 Gaps in baseline data will be addressed through the ongoing monitoring processes of the Council's Annual Monitoring Report.

3.0 Context, Baseline and Objectives

LONDON BOROUGH OF LEWISHAM LOCAL PLAN

3.1 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.

3.2 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.

3.3 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 Site(s) Local Plan (LGTSLP) – will allocate a site or sites to accommodate Gypsies and Travellers in the borough;
- Lewisham Town Centre Local Plan (LTCLP) – policies and proposals for development in Lewisham town centre, 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 5 forums have been established and have expressed an interest in preparing a neighbourhood plan.

3.4 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.

LEWISHAM GYPSY AND TRAVELLER SITE(S) LOCAL PLAN

3.5 Given the pressing need to provide traveller accommodation, the Council is developing a standalone Gypsy and Traveller Site(s) Local Plan that will sit alongside the integrated Local Plan. The Lewisham Gypsy and Traveller Site(s) Local Plan 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.

3.6 The Lewisham Gypsy and Traveller Accommodation Needs Assessment (LGTANA) (2015) found that the provision needed to 2030 in Lewisham is for six pitches. Since the publication of the GTANA (2015), the Government published its revised policy on planning for traveller 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 pitches up to 2031.

- 3.7 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. Two preferred sites have been proposed as alternatives for delivering at least six pitches to provide for Lewisham’s identified need.
- 3.8 The two preferred sites comprise New Cross Social Club and the adjoining land, and Land at Pool Court. New Cross Social Club is currently in use as a licensed bar and hall, with car parking. Land at Pool Court comprises two parcels of vacant open land and a scaffolding yard.
- 3.9 The chosen site is likely to be designed and developed to accommodate at least 6 pitches of varying sizes to meet the needs of those households that have the greatest housing need and are top of the Council’s waiting list for pitches. Pitches are likely to include a hardstanding area for a static caravan, touring caravan and parking space. Pitches are also expected to include a single-storey amenity building and some landscaping/open space. It is hoped that there would also be an area of communal play/open meeting space on the site.

PLANS, POLICIES AND PROGRAMMES

- 3.10 This section summarises plans, policies, programmes and related sustainability objectives established at other levels of the planning system that are relevant to the IIA of the Lewisham Gypsy and Traveller Site(s) Local Plan. International, European, National, London wide and Lewisham based plans and strategies are considered where they are relevant.
- 3.11 Table 3.1 provides a list of those reviewed in the context of the Lewisham Gypsy and Traveller Site(s) Local Plan. Appendix A provides further detail, explaining the plans, policies and programmes relevance to the Lewisham Gypsy and Traveller Site(s) Local Plan and the IIA, and how they have been considered during the IIA process.

Table 3.1: Plans, Policies and Programmes

Plans, Policies and Programmes	
International	
	<ul style="list-style-type: none"> • The Johannesburg Declaration on Sustainable Development (2002) • The Kyoto Agreement (1997) • Convention concerning the Protection of the World Cultural and Natural Heritage (1972) (UNESCO) • Agenda 21 Declaration, UNCED Rio de Janeiro (1992) • Convention on Biological Diversity, Rio de Janeiro (1992)
European	
	<ul style="list-style-type: none"> • SEA Directive 2001/42/EC • European Sustainable Development Strategy (2001) (Reviewed in 2009) • European Spatial Declaration on Sustainable Development (1999) • European Spatial Development Perspective (1999) • European Directive 92/43/EEC (& 97/62/EC) on the conservation of natural habitats and of wild fauna and flora • European Directive on Conservation of Wild Birds 2009 (2009/147/EC) • European Directive 2002/49/EC (Noise)

- European Directive on Ambient Air Quality Assessment and Management (96/62/EC) and daughter directives
- European Directive 2000/60/EC (Water Framework Directive)
- EU Community Biodiversity Strategy 2012–2020
- EU Landfill Directive (99/31/EC)
- European Waste Framework Directive (2008/98/EC)
- Directive 2003/87/EC (establishing a scheme for greenhouse gas emission allowance trading)
- EU Seventh Environmental Action Plan 2013–2020

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)
- The Housing and Planning Act (2016)
- Planning and Compulsory Purchase Act (2004)
- Town and Country Planning Act (1990)
- Housing Act (2004)
- Planning and Energy Act (2008)
- Climate Change Act (2008)
- The Equalities Act (2010)
- 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, revised in 2012)
- 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)
- National Flood and Coast Erosion Management Strategy (July 2011)
- Civil Contingencies Act 2004
- Localism Act 2011
- Growth and Infrastructure Act 2013
- River Basin Management Plan 2015
- National Waste Plan and Prevention Programme
- The Water White Paper – Water for Life
- Environment Agency Classification of Water Stressed Areas
- Water Resource Management Plans
- Groundwater Protection: Principles and Practice
- Guiding Principles for Land Contamination
- Climate Change Adaptation Manual
- Catchment Abstraction Management Strategies
- Water Stress Classification
- Climate Change Information for each River Basin District
- Biodiversity Planning Toolkit

London

- The London Plan (March 2016)
- London Boroughs' Gypsy and Traveller Accommodation Needs Assessment (2008)
- The Mayor's Air Quality Strategy (2010) and Progress Report July 2015
- The Mayor's Economic Development Strategy (2010)
- The Mayor's Biodiversity Action Plan 2010–2015
- The Mayor's Cultural Strategy (2014)
- The Mayor's Climate Change Adaptation Strategy (2011)
- The Mayor's Transport Strategy (2010)

- Mayor of London's Municipal Waste Management Strategy (2011)
- Mayor's Ambient Noise Strategy (2004)
- London Housing Strategy (2014)
- 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 (March 2016)
- All London Green Grid (2012)
- London's Foundations (2012)

Lewisham

- Lewisham Gypsy and Traveller Accommodation Needs Assessment (2015 and 2016)
- Lewisham Sustainable Community Strategy 2008-2028
- 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 2015 -2020
- 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
- Comprehensive Equalities Scheme 2016-2020
- 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 (2008)
- Lewisham Strategic Flood Risk Assessment Update (2015)
- 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 Health and Wellbeing Strategy (2015)
- 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 (2015)
- Lewisham Bromley Road Supplementary Planning Document (2009)

CURRENT AND PREDICTED FUTURE SOCIAL, ECONOMIC AND ENVIRONMENTAL BASELINE CHARACTERISTICS

- 3.12 The baseline outlines the current and likely future state of the London Borough of Lewisham. The baseline provides the context for predicting and monitoring the impacts of the Lewisham Gypsy and Traveller Site(s) Local Plan. The baseline assessment supports the identification of the sustainability issues in the London Borough of Lewisham relevant to the Lewisham Gypsy and Traveller Site(s) Local Plan. The baseline information was reported in the Scoping Report January 2016. The updated relevant information is set out in Appendix B.
- 3.13 The baseline data and the policy context have been used to identify the relevant requirements, the current issues and the likely future trends in the London Borough of Lewisham. In some cases there are constraints which must be overcome, or impacts which must be avoided. In other cases the baseline presents opportunities.

- 3.14 The general sustainability issues for the Lewisham Gypsy and Traveller Site(s) Local Plan have been identified and are presented under broad themes in Table 3.2, below.

Table 3.2 Sustainability Requirements, Issues and Trends

Key issues	Source
Social Progress that meets the needs of Everyone	
<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 (March 2016)</p> <p>London Boroughs' Gypsy and Traveller Accommodation Needs Assessment (2008)</p> <p>London Housing Strategy (2010)</p> <p>Housing in London (2016)</p> <p>Lewisham Core Strategy (2011)</p> <p>Lewisham Housing Strategy 2015 -2020</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 (March 2016)</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 (March 2016)</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 15th most ethnically diverse local authority in England and 130 different languages are spoken.</p>	<p>Lewisham Regeneration Strategy 2008-2020</p>
<p>Effective protection of the Environment and prudent use of resources</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 (March 2016)</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 (March 2016)</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 (March 2016)</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 (March 2016)</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 (March 2016)</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>There is a need to address linkages between design and achieving objectives for the delivery of Gypsy and Traveller sites.</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 (March 2016)</p> <p>Mayor's Supplementary Guidance Sustainable Design and Construction (2014)</p> <p>Lewisham Core Strategy (2011)</p>
<p>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.</p>	<p>National Planning Policy Framework (2012)</p> <p>National Policy on Planning for Traveller Sites (2015)</p> <p>English Heritage documents</p> <p>The London Plan (March 2016)</p> <p>London's Foundations (2012)</p> <p>Lewisham Core Strategy (2011)</p>
<p>Waste generation should be reduced and recycling rates should be improved.</p>	<p>Mayor of London's Municipal Waste Management Strategy (2008)</p> <p>Lewisham Municipal Waste Strategy</p>

Maintenance of high and stable levels of economic growth	
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 (March 2016) 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 (March 2016) The Mayor's Economic Development Strategy (2010) Lewisham Core Strategy (2011)

SUSTAINABILITY OBJECTIVES, TARGETS AND INDICATORS

- 3.15 The sustainability objectives provide a method for describing, analysing and comparing the sustainability effects of the Lewisham Gypsy and Traveller Site(s) Local Plan. A series of sustainability objectives were developed at the scoping stage, taking into account the relationship between the Lewisham Gypsy and Traveller Site(s) Local Plan and the objectives of other plans and programmes, along with the findings of the baseline information review. The sustainability objectives were developed and consulted on as part of the scoping process. These objectives have been refined to reflect the changing sustainability concerns in the borough.
- 3.16 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 IIA framework focusses on areas where significant effects are likely. The sustainability objectives and indicators are presented in Table 3.3 below.

Table 3.3: IIA objectives and indicators

IIA Objective	Indicator
Social	
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
5. To reduce crime, antisocial behavior and the fear of crime	Number of schemes incorporating 'secured by design' Number of offences per 1,000 population Detailed indicators for the following: <ul style="list-style-type: none"> • Violence against the person • Burglaries • Robberies • Violent crime • Sexual offences
Environmental	
6. To reduce car travel and improve accessibility by sustainable modes of transport	Number of car parking spaces delivered in new development Number of completed car limited developments Number of car clubs and parking bays % of permitted major developments with a travel plan Proportion of journeys made on foot and by bicycle Number of electric car charging points Improvements to legibility and signage Improved pedestrian and cycle routes and crossings

	<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>
7. To mitigate and adapt to the impact of climate change	<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>
8. To improve air quality and water quality, manage water resources and reduce noise and vibration	<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>
9. To increase, maintain and enhance open space, biodiversity, flora and fauna	<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>
10. To mitigate and reduce flood risk, improve water quality, manage water resources and restore and enhance the river network	<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>Flooding incidents</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>
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> <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>
13. To minimise the production of waste and increase waste recovery and recycling	<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>
14. To reduce land contamination and safeguard soil quality and quantity	<p>Number of planning applications with the potential for land contamination</p>
Economic	
15. 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>16. 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>

4.0 Integrated Impact Assessment

CORE STRATEGY POLICY 2

- 4.1 The IIA 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.

ASSESSMENT OF SUITABLE ALTERNATIVES

- 4.2 Sustainability criteria relating to access to facilities and services, access to the road network, land use, health and environmental quality informed the identification of the preferred sites from the following list of potential sites. Land ownership, planning considerations and deliverability also informed the site selection process.
- A – Land off Westbourne Drive SE23;
 - B – Land off Turnham Road SE4;
 - C – New Cross Social Club and adjoining land, Hornshay Street SE15;
 - D – Land at rear of 46 – 116 Baizdon Road SE23;
 - E – Land at Pool Court SE6;
 - F – Land at St Mildred's Road, Hither Green SE12.

SUSTAINABILITY APPRAISAL

- 4.3 It is important that the Lewisham Gypsy and Traveller Site(s) Local Plan is in accordance with sustainability principles. The preferred sites, C – New Cross Social Club and adjoining land, and E – Pool Court, have been assessed in accordance with the SEA Directive and related UK regulations. The likely significant effects on the environment of implementing the Lewisham Gypsy and Traveller Site(s) Local Plan are identified, evaluated and described in Tables 4.2 and 4.3. An evidence based approach has been adopted to:
- Identify changes to the baseline which are predicted to arise from the implementation of the Lewisham Gypsy and Traveller Site(s) Local Plan;
 - Describe the changes in terms of their magnitude, geographical scale, time period over which they will occur, whether they are permanent or temporary, positive or negative, the level of probability of the effect arising and any secondary, cumulative and / or synergistic effects.
- 4.4 The assessment incorporates EAA. The Lewisham Gypsy and Traveller Site(s) Local Plan has been systematically analysed to identify the effect, or likely effect, of implementation for different groups in the community. The assessment 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.
- 4.5 Evidence based predictions and evaluations are both qualitative and quantitative. The preferred sites have been assessed in terms of their impact against the sustainability objectives, to assist in refining the Lewisham Gypsy and Traveller Site(s) Local Plan. The following symbols have been used to assess overall whether the contribution that each site makes in relation to each of the sustainability objectives is positive, negative, neutral or uncertain. The assessments are set out in Tables 4.2 and 4.3.

Table 4.1: Assessment symbols

Symbol	Contribution
	Significant positive
	Positive
0	Neutral
x	Negative
xx	Significant negative
?	Unknown

NEW CROSS SOCIAL CLUB AND ADJOINING LAND

Table 4.2: Integrated Impact Assessment

IIA Objective	Integrated Impact Assessment	Comments
Social		
1. To provide sufficient housing and the opportunity to live in a decent home		The site has capacity to accommodate the 6 pitches required in the borough up to 2031.
2. To improve the health of the population	x	The loss of the MUGA could have a detrimental effect on health.
3. To reduce poverty and social exclusion	x	The loss of the hall used for community events could have a local negative effect on social exclusion.
4. To improve accessibility to leisure facilities, community infrastructure and key local services	x	The loss of the hall used for community events could have a local negative effect on community infrastructure.
5. To reduce crime, antisocial behavior and the fear of crime	?	The effects on crime, antisocial behavior and fear of crime will be dependent on policy implementation.
Environmental		
6. To reduce car travel and improve accessibility by sustainable modes of transport		The site has convenient access to bus services and the railway network.
7. To mitigate and adapt to the impact of climate change	0	The preferred site will have a neutral effect on climate change.
8. To improve air quality and water quality, manage water resources and reduce noise and vibration	0	The preferred site will not have a significant effect on air, water or noise.

9. To increase, maintain and enhance open space, biodiversity, flora and fauna		The proposed tree planting along the boundary with Hornshay Street will enhance biodiversity and flora.
10. To mitigate and reduce flood risk, improve water quality, manage water resources and restore and enhance the river network	?	The preferred site is within an area at risk from flooding identified by the Environment Agency (Flood Risk Zone 3a – high fluvial flood risk identified). However, based on the presence of existing defenses the actual risk to property is considered low. There is moderate to high surface water flood risk on parts of the site.
11. To maintain and enhance landscapes and townscapes		The demolition of the existing buildings and tree planting along Hornshay Road would have a positive effect on the townscape in the medium to long term.
12. To conserve and where appropriate enhance the historic environment	0	The preferred site would have a neutral effect on the historic environment.
13. To minimise the production of waste and increase waste recovery and recycling	?	Effects on the production of waste and increased waste recovery and recycling will be dependent on implementation of the policy.
14. To reduce land contamination and safeguard soil quality and quantity	0	The preferred site would have a neutral effect on land contamination
Economic		
15. To encourage sustained economic growth		The future residents could make a contribution to the local labour market.
16. To promote access to employment, education, skills and training		The site has convenient access to local employment and education.

LAND AT POOL COURT

Table 4.3: Integrated Impact Assessment

IIA Objective	Integrated Impact Assessment	Comments
Social		
1. To provide sufficient housing and the opportunity to live in a decent home		The site has capacity to accommodate the 6 pitches required in the borough up to 2031.
2. To improve the health of the population	0	The preferred site will not have a significant effect on the health of the population.
3. To reduce poverty and social exclusion	0	The preferred site will have a neutral effect on poverty and social exclusion.
4. To improve accessibility to leisure facilities, community infrastructure and key local services		The site has convenient access to local facilities and services.
5. To reduce crime, antisocial behavior and the fear of crime	?	The effects on crime, antisocial behavior and fear of crime will be dependent on policy implementation.
Environmental		
6. To reduce car travel and improve accessibility by sustainable modes of transport		The site has convenient access to bus services and the railway network.
7. To mitigate and adapt to the impact of climate change	0	The preferred site will have a neutral effect on climate change.
8. To improve air quality and water quality, manage water resources and reduce noise and vibration	0	The preferred site will not have a significant effect on air, water or noise.
9. To increase, maintain and enhance open space, biodiversity, flora and fauna	x	The loss of open land could have a local adverse effect on biodiversity, flora and fauna.
10. To mitigate and reduce flood risk, improve water quality, manage water resources and restore and enhance the river network	?	The preferred site is within an area at risk from flooding identified by the Environment Agency (part in Flood Zone 2, part in Flood Zone 3a). There is a medium risk of fluvial flooding, with a high risk of surface water flooding due to topography, and moderate groundwater risk.

		There is a reasonable prospect of the sequential and exceptions tests being met.
11. To maintain and enhance landscapes and townscapes	x	The loss of open land, particularly the area to the north west of Pool Court, could have a local negative landscape effect.
12. To conserve and where appropriate enhance the historic environment	0	The preferred site would have a neutral effect on the historic environment.
13. To minimise the production of waste and increase waste recovery and recycling	?	Effects on the production of waste and increased waste recovery and recycling will be dependent on implementation of the policy.
14. To reduce land contamination and safeguard soil quality and quantity	0	The preferred site would have a neutral effect on land contamination
Economic		
15. To encourage sustained economic growth		The future residents could make a contribution to the local labour market.
16. To promote access to employment, education, skills and training		The site has convenient access to local employment and education.

5.0 Mitigation and Monitoring

MITIGATION

- 5.1 The site specific development guidelines set out within the Lewisham Gypsy and Traveller Site(s) Local Plan provide appropriate mitigation measures associated with the implementation of the document. Further requirements for mitigation may be identified through the monitoring process. Mitigation measures should follow the hierarchy set out in Table 5.1.

Table 5.1: Mitigation hierarchy

Mitigation approach	Comment
Avoidance or prevention	This involves modifying alternative options and policies for the Local Plan
Reduction	Mitigation could focus on timing or phasing to reduce adverse effects.
Offsetting or compensation	This approach is used where opportunities are not available to either avoid or reduce adverse effects.
Remediation	Remediation is used where an adverse effect is unavoidable but the long term effects can be reduced by restoring the affected area to its original state.
Enhancement	Although not strictly a measure to mitigate an adverse effect, enhancement is an opportunity to improve social, environmental and economic conditions. Enhancement could be used successfully to improve conditions.
Further information	Although the overall effects of the Gypsy and Traveller Site(s) Local Plan have been assessed through the IIA there may be a degree of uncertainty as to the anticipated effects of specific measures on the ground. In such circumstances mitigation could include specification of the need to conduct further assessments.

MONITORING

- 5.2 The indicators relating to each sustainability objective are set out in Table 3.3. Appendix C sets out the targets, monitoring frequency, data sources and actions relating to each indicator. Monitoring will be completed by the London Borough of Lewisham and presented within the Annual Monitoring Report.

Appendices

Appendix A
Plans, Policies and Programmes

Plans, Policies and Programmes	Relevant objectives	Implications for the Gypsy and Traveller Sites Local Plan and IIA
International – All info apart from the National Section is taken from the 2005 Scoping Report		
The Johannesburg Declaration on Sustainable Development 2002	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'.
The Kyoto Agreement 1997	The key aim is to limit and/or reduce the emissions of greenhouse gases.	Reducing greenhouse gas emissions.
Convention concerning the Protection of the World Cultural and Natural Heritage 1972 (UNESCO)	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.
Agenda 21 Declaration Rio de Janeiro 1992	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"> • Conserve biological diversity; • Sustainable use of biological diversity; • Fair and equitable sharing of the benefits of biological diversity. 	The integration and balancing of economic, environmental and social objectives. Ensure the protection and enhancement of the area's biodiversity.
Convention on Biological Diversity, Rio de Janeiro 1992	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.
European		
SEA Directive 2001/42/EC	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.

European Sustainable Development Strategy 2001 (Reviewed in 2009)	<p>Environmental objectives and priorities derived from the EU Sixth Environmental Action Programme focus on:</p> <ul style="list-style-type: none"> • limiting climate change and increasing the use of clean energy; • addressing threats to public health (e.g. hazardous chemicals, food safety); • combating poverty and exclusion; • dealing with the economic and social implications of an ageing society; • managing natural resources more responsibly (including biodiversity and waste generation); • improving the transport system and land use management. 	The integration and balancing of economic, environmental and social objectives.
European Spatial Declaration on Sustainable Development, EU 1999	The aim is to work towards a balanced and sustainable development of the territory of the European Union.	The integration and balancing of economic, environmental and social objectives.
European Spatial Development Perspective 1999	<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"> • economic and social cohesion; • conservation and management of natural resources and the cultural heritage; • more balanced competitiveness of the European territory. 	Economic and social cohesion, protecting and enhancing historic and cultural heritage, and reducing greenhouse gas emissions.
European Directive 92/43/EEC (& 97/62/EC) on the conservation of natural habitats and of wild fauna and flora	Promote the maintenance of biodiversity by requiring member states to introduce robust protection measures to maintain or restore natural habitats and wild species.	Minimise the impact on natural habitats.
European Directive on Conservation of Wild Birds 2009 (2009/147/EC)	The maintenance of the favourable conservation status of all wild bird species across their distributional range.	Preserve habitats for birds.

European Directive 2002/49/EC (Noise)	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.
European Directive on Ambient Air Quality Assessment and Management (96/62/EC) and daughter directives	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.
European Directive 2000/60/EC (Water Framework Directive)	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.
EU Community Biodiversity Strategy 2012-2020	Seeks the conservation and sustainable use of biological diversity (ecosystems in their natural surroundings).	Protection and enhancement of biodiversity.
EU Landfill Directive (99/31/EC)	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.
European Waste Framework Directive (2008/98/EC)	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.
Directive 2003/87/EC (establishing a scheme for greenhouse gas emission allowance trading)	Introduces a European wide emissions trading scheme.	Reduce greenhouse gas emissions and overall carbon footprint. Reflect carbon reduction targets.

EU Seventh Environmental Action Plan 2013 - 2020	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.
National		
National Planning Policy Framework 2012	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"> a) that local planning authorities should make their own assessment of need for the purposes of planning. b) To ensure that local planning authorities, working collaboratively, develop fair and effective strategies to meet need through the identification of land for sites. c) To encourage local planning authorities to plan for sites over a reasonable timescale. d) That plan-making and decision-taking should protect Green Belt from inappropriate development. e) To promote more private traveller site provision while recognising that there will always be those travellers who cannot provide their own sites. f) That plan-making and decision-taking should aim to reduce the number of unauthorised developments and encampments and make enforcement more effective. g) For local planning authorities to ensure that their Local Plan includes fair, realistic and inclusive policies. h) To increase the number of traveller sites in appropriate locations with planning

		<p>permission, to address under provision and maintain an appropriate level of supply.</p> <ul style="list-style-type: none"> i) To reduce tensions between settled and traveller communities in plan-making and planning decisions. j) To enable provision of suitable accommodation from which travellers can access education, health, welfare and employment infrastructure. k) For local planning authorities to have due regard to the protection of local amenity and local environment.
Environmental Assessment of Plans & Programmes Regulations 2004	Transposes the SEA directive into UK law.	Reflect the regulations and associated guidance note.
Planning and Compulsory Purchase Act 2004	The Act provides the statutory planning framework for England.	Comply with legislation.
Town and Country Planning Act 1990	Sets out the procedures for the preparation, approval and adoption of Local Plans.	Comply with legislation.
Housing Act 2004	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.
Planning and Energy Act 2008	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.
Climate Change Act 2008	The Act creates a new approach to managing and responding to climate change in the UK.	Consideration of impacts on Climate Change.
Noise Policy Statement for England 2010	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.	<p>Avoid noise impacts.</p> <p>Mitigation of adverse impacts on health and well-being from noise.</p>

	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.	
UK Air Quality Strategy 'Working together for clean air' (2007)	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.
Energy White Paper 2003: Our energy, our future, creating a low carbon economy	The Strategy seeks to: <ul style="list-style-type: none"> • Reduce waste by making products with fewer natural resources; • Break the link between economic growth and waste growth; • Most products should be used or their materials recycled; • Recover energy from other wastes. 	Waste hierarchy – reduce, reuse, recycle.
Environment Agency, Creating a better place strategy 2010-2015	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.
Thames Catchment Flood Management Plan	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.
TE2100 Plan November 2012	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.
Thames River Basin Management Plan 2009	Pressures facing the water environment in this river basin district, and the actions that will address them.	Protection of water quality.
Climate Change and the Historic Environment (English Heritage, 2007)	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.
Building in Context (English Heritage, CABE 2007)	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.

Seeing History in the View (English Heritage 2010, revised in 2012)	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.
Streets for All (English Heritage, 2006)	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.
Strategic Environmental Assessment, Sustainability Appraisal and the Historic Environment (Historic England, 2013)	Guidance focuses on SEA/SA for development plans. Committed to the principles of sustainable development.	Impacts on heritage assets and the wider historic environment.
National Flood Emergency Framework for England (Defra, 2011)	Provides a framework to follow in a flooding emergency.	Design of Gypsy and Traveller sites.
Gypsy and Traveller Accommodation Needs and Assessment: Guidance 2007	Guidance which aims to provide advice on carrying out an assessment of accommodation needs of Gypsies and Travellers.	Needs of Gypsies and Travellers.
Local Authorities and Gypsies and Travellers: A Guide to Responsibilities and Powers 2008	Guidance towards all aspects associated with Gypsy/Traveller developments.	Responsibilities associated with Gypsies and Travellers.
National Flood and Coast Erosion Management Strategy (July 2011)	<p>Objective</p> <ul style="list-style-type: none"> • ensure a clear understanding of the risks of flooding and coastal erosion • set out clear and consistent plans for risk management • manage flood and coastal erosion risks in an appropriate way • ensure that emergency plans and responses to flood incidents are effective • help communities to recover more quickly and effectively after incidents. <p>Aim</p> <ul style="list-style-type: none"> • put in place long-term plans to manage risks ensuring other plans take account of them • avoiding inappropriate development in areas of flood and coastal erosion risk 	Impacts on Environment.
Civil Contingencies Act 2004 (CCA)	This legislation aims to provide a single framework for civil protection.	Impacts on Environment.

	<p>The Act, and accompanying non-legislative measures, delivers a single framework for civil protection in the country. The National Flood and Coast Erosion Management Strategy (July 2011) require communities to prepare flood action plans and link with the Cabinet Office's initiative to develop wider community resilience to threats and hazards.</p>	
Localism Act	<p>Planning and regeneration provisions will provide for neighbourhood development orders to allow communities to approve development without requiring normal planning consent. Local authorities, the Environment Agency and other prescribed bodies are obliged to work together on certain strategic matters under the 'duty to cooperate' in the Localism Act in England. In particular, these organisations should cooperate across boundaries because flood risk often requires wider than local consideration.</p> <p>The Localism Act also requires lead local flood authorities (LLFAs) to make arrangements for overview and scrutiny committees to review and scrutinise risk management authorities. Risk management authorities are now under a duty to comply with a request made by an overview and scrutiny committee for information or a response to a report in relation to its flood or coastal erosion risk management functions.</p>	Impacts on Environment.
Growth and Infrastructure Act 2013 (April 2013)	<p>The Act:</p> <p>Allows the modification or discharge of the affordable housing elements of section 106 planning gain agreements in order to make developments more viable.</p>	Impacts on Environment.

	<p>Contains the controversial measures to extend permitted development rights to allow single-storey extensions of up to eight metres.</p> <p>Introduces measures to allow developers to take planning applications to the Planning Inspectorate where a council has "consistently failed to meet statutory requirements to consider applications on time".</p>	
River Basin Management Plan 2015	This provides an important baseline not only for the status of the river water bodies mentioned in the IIA but also the groundwater bodies that were not mentioned in the IIA.	Impacts on Environment.
National Waste Plan and Waste Prevention Programme	This plan provides an analysis on waste management in England, bringing current and planned waste management policies together in one place.	Impacts on Environment.
The Water White Paper – Water for Life	The Water White Paper focuses on the challenges facing the water sector, including maintaining water supplies, keeping bills affordable and reducing regulation. It recognises the need to protect rivers, streams and lakes from pollution and unsustainable abstraction, and acknowledges the critical importance of water supply and sewerage infrastructure.	Impacts on Environment.
Groundwater Protection: Principles and Practice (GP3)	The GP3 document is a key Environment Agency reference for LPAs, developers and land owners. It is an important accompaniment to the River Basin Management Plan as it explains the relevance of Source Protection Zones and how these contribute to achieving good status under the Water Framework Directive.	Impacts on Environment.

Catchment Abstraction Management Strategies, (CAMS) EA	CAMS provide current water availability for abstraction on a catchment by catchment basis, ensuring we safeguard water resources despite increasing pressures on water availability due to population growth and climate change.	Impacts on Environment.
Equalities Act 2010	Includes the requirement to protect the rights of individuals and to advance equality of opportunity for all.	Impacts on Equalities.
Housing and Planning Act 2015	Includes the requirement for local authorities to consider the needs of people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed, or places on inland waterways where houseboats can be moored.	Impacts on meeting housing need.
London		
The London Plan (March 2016)	Strategic policies for spatial planning and development across London to ensure the city develops in a sustainable manner.	General conformity with the London Plan.
London Boroughs' Gypsy and Traveller Accommodation Needs Assessment (March 2008)	Responds to the requirement placed on Local Authorities under the Housing Act 2004	Comply with legislation
The Mayor's Air Quality Strategy 2010 and Progress Report July 2015	Concentrates on policies to promote healthy living and sets out measures to tackle London's air quality problem.	Improve air quality.
The Mayor's Economic Development Strategy 2010	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.
The City of London's Biodiversity Action Plan 2010-2015	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.
The Mayor's Cultural Strategy 2014	Sets out the Mayor's proposals for developing and promoting cultural life in London.	Ensure the enhancement of cultural and social growth.
London Climate Change Adaptation Strategy 2008	Presents adaptation measures to address climate change within London.	Reducing the impacts and adapting to the effects of climate change.

The Mayors Climate Change and Adaptation Strategy 2011	Sets out a framework for enhancing quality of life in London and protecting the environment.	Reduce the impact and adapt to the effects of climate change.
The Mayor's Transport Strategy 2010	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.
Mayor of London's Municipal Waste Management Strategy 2011	Reduce London's waste generation by 2020 and sustainably manage the waste created.	Reduce waste generation.
Mayor's Ambient Noise Strategy 2004	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.
The Mayor's Housing Strategy 2014	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.
London Tree and Woodland Framework	Plant the right trees in the right places to enhance the environment and quality of life.	Protect and enhance trees.
Revised London View Management Framework SPG 2012	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.
The London Rivers Action Plan	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.
Mayor's Best Practice Guidance on Health Issues in Planning (2007)	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.
Mayor's Supplementary Guidance Sustainable Design and Construction 2014	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.

Mayor's Supplementary Guidance Accessible London: Achieving an inclusive environment 2014	The SPG seeks to ensure the promotion of an inclusive accessible environment	Accessibility for all and inclusivity.
Mayor's Supplementary Guidance Providing for Children and Young People's Play and Informal Recreation 2012	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.
Shaping Neighbourhoods: Character and Context 2014	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.
London Planning Statement 2014	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).
Housing in London March 2016	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.
All London Green Grid 2012	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.
London's Foundations 2012	Sets out London's geological heritage, explaining the process for identifying sites of geological importance and important geological sites for protection.	Impacts on heritage assets and the wider historic environment.

Lewisham		
Lewisham Gypsy and Traveller Accommodation Needs Assessment (2015)	The assessment identifies the need for the borough to accommodate 6 or more pitches for gypsies and travellers.	Meet identified housing need.
Lewisham Sustainable Community Strategy (SCS) 2008 -2028	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.
Lewisham Core Strategy 2011	The Core Strategy provides the spatial planning framework for the borough and is underpinned by five strategic objectives: <ul style="list-style-type: none"> • Regeneration and growth areas; • Providing new homes; • Growing the local economy; • Environmental management; • Building a sustainable community. 	Avoid, and secondarily minimise and compensate for, any significant negative effects on the community, in social and economic terms, or the environment.
Community Safety Strategy 2012-2017 (SCS), Safer Lewisham Plan 2013-14	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.
Corporate Plan 2008-2011	The purpose of the Corporate Plan is to: <ul style="list-style-type: none"> • set out the Council's vision, values, strategic direction and key priorities for action up to 2009 and beyond; • outline the Council's contribution to the delivery of the SCS. 	Improve social, environmental and economic outcomes for the borough.
Lewisham Regeneration Strategy 2008-2020	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.
Lewisham Housing Strategy 2015 -2020	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.
Lewisham River Corridor Improvement Plan (2015)	Provides guidance relating to rivers in Lewisham.	The Council seeks to secure high quality development along the river corridors.

Lewisham Municipal Waste Strategy	The Strategy aims to minimise Lewisham's annual growth in waste.	Minimise growth in waste.
Lewisham Children and Young People's Plan 2012 - 2015	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.
Lewisham Carbon Reduction and Climate Change Strategy 2008	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"> • reduce demand for energy; • increase energy efficiency; • increase the use of renewable energy; • tackle fuel poverty. 	Reduce the borough's carbon footprint.
Social Inclusion Strategy 2005-13	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.
Healthier Communities – A health and well-being framework for Lewisham (Draft 2007 – 2010)	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.
Lewisham Leisure and Open Space Study 2010	This strategy aims to provide: <ul style="list-style-type: none"> • A review of outdoor sport and recreation; • a borough playing pitch strategy; • an implementation plan and prioritised investment; • Plan for the Playing Pitch Strategy. 	Protect and maintain open spaces and biodiversity across the borough.
Local Biodiversity Action Plan – A Natural Renaissance For Lewisham 2006 -2011	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.
Comprehensive Equalities Scheme 2016-2020	Provides a set of equality objectives and a framework to assess and evaluate the equality impact of strategic planning.	Enables the Council to demonstrate its compliance with the Equality Act 2010
Better futures: Lewisham's Homelessness Prevention Strategy 2009-2014	The Strategy complements the objectives of the Lewisham Housing Strategy and seeks to prevent	Ensure measures providing sufficient housing of appropriate quality, mix and tenure and improve

	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.	access to, and opportunities for, childcare, health, education, training and employment are integrated.
Lewisham Borough Sports Plan 2010-13	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.
Lewisham Local Air Quality Action Plan 2008	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.
Lewisham Strategic Flood Risk Assessment 2008	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.
Lewisham Strategic Flood Risk Assessment Update (2015)	Updates previous study.	Updates previous study.
Lewisham Flood Risk and Development Sequential Test 2009	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.
Lewisham Local Implementation Plan (Transport) 2010 (LIP)	The LIP is a statutory plan to implement the London Mayor's Transport Strategy.	Seek a reduction car travel and increase sustainable transport.

Lewisham Strategic Housing Market Assessment 2008 and the South East London Sub-regional SHMA 2009	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.
Health, Well-Being and Care – Lewisham Joint Strategic Needs Assessment (JSNA) 2009	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.
Lewisham Conservation Area Management Plans	Provides guidance for the management of the borough's conservation areas.	Impacts on heritage assets and the wider historic environment.
Lewisham Borough Wide Character Study 2010	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.
Healthy Weight Healthy Lives (PCT with LB Lewisham) 2009	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.
Creative Lewisham – Lewisham Cultural and Urban Development Commission 2009 - 2013	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.
Equality Analysis Revised Statement of Community Involvement (SCI) v.1 draft – 3 August 2016	The document sets out the draft Equalities Analysis of the Revised Statement of Community Involvement (SCI).	Seeks to implement changes to the services budget.

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.¹

A significant contributor to climate change is the concentration of carbon dioxide (CO₂) in the atmosphere. According to the Department for Energy and Climate Change (2011) the total CO₂ 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 CO₂ emission in Lewisham is 998,000 tonnes and contributed 2.35% of London's total CO₂ 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 CO₂ 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 CO₂ 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

¹ 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.² It also notes that the domestic sector could contribute 39% of the total savings of 20 million tonnes of CO₂ 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 CO₂ 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 CO₂ 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 CO₂ 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 Study³ states the existing renewable energy capacity in Lewisham. A review of the Ofgem Renewables and CHP Register⁴ 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 (NO₂) is set at 40µg/m³ 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.

² Housing in London: The Evidence Base for the Mayor's Housing Strategy, September 2014

³ London Borough of Lewisham Renewable Evidence Base Study 2010

⁴ Ofgem, "Ofgem Renewables and CHP Register",

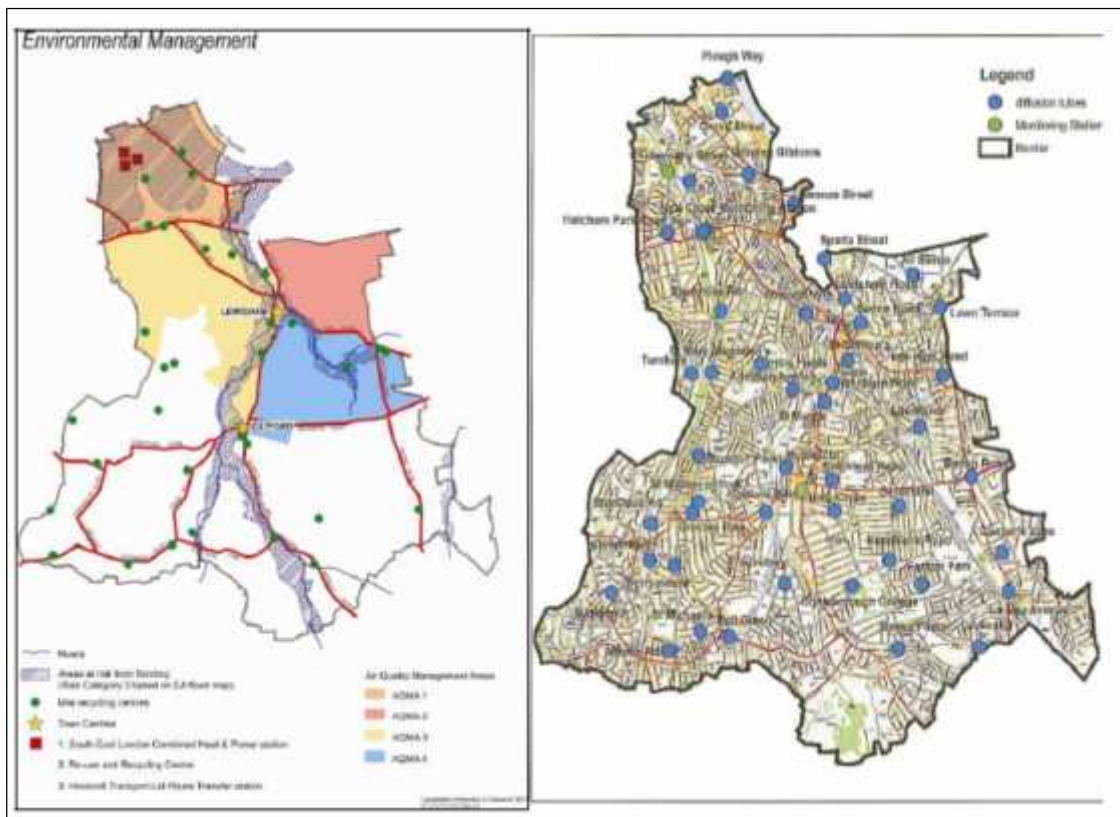
<http://www.ofgem.gov.uk/Sustainability/Environment/RCHPreg/Pages/RCHPreg.aspx>

Exposure to higher levels than 40µg/m³ 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 PM₁₀. 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 PM₁₀ in a location where fugitive sources were believed to be an issue.⁵

Air Quality Management Areas in Lewisham and Monitoring Stations



⁵ 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.⁶ 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.⁷ The River Thames and other waterways, private garden areas, and railway line-sides also provide valuable habitats for wildlife in the borough.⁸

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.⁹

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

⁶ Lewisham Leisure and Open Space Study 2010

⁷ Core Strategy 2011

⁸ Core Strategy 2011

⁹ 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.¹⁰ 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.¹¹

There are currently no entries recorded in Lewisham's Contaminated Land Register.¹² 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 21,752 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.¹³

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.

¹⁰ Contaminated Land Inspection Strategy, 2010.

¹¹ National Soil Resources Institute (NSRI) Soilscales website <http://www.cranfield.ac.uk/sas/nsri/>

¹² Lewisham Borough Council website: www.lewisham.gov.uk

¹³ 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.¹⁴ 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.

¹⁴ 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, human health and equality

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 2031.¹⁵ Children and young people (0 to 19 years) make up over a quarter of the population, one of the highest proportions in London.¹⁶ 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.¹⁷ The population was more or less evenly split between males and females and these proportions are not expected to change in the period to 2014.¹⁸

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.¹⁹ 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.²⁰

The Index of Deprivation 2015 ranked Lewisham as the 19th 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 293,100²¹. Lewisham is within the 20% most deprived Local Authorities in the country. In 2010 Lewisham was ranked the 31st 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.

¹⁵ Greater London Authority 2008 Round of Demographic Projections, RLP High

¹⁶ Census 2011

¹⁷ JSNA, NHS London

¹⁸ Male 49% and female 51%.

¹⁹ BME population estimated at 49.4% of households as evidenced through the Lewisham Household Survey 2007 for the Strategic Housing Market Assessment (SHMA)

²⁰ Joint Strategic Needs Assessment (JSNA), NHS Lewisham

²¹ 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 centres²².

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

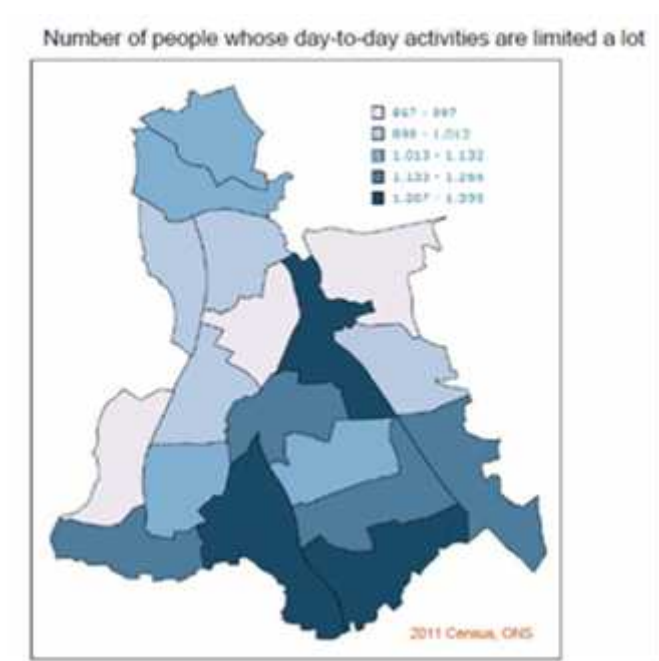
²² <https://www.lewishamandgreenwich.nhs.uk/contact-community-sites-in-lewisham/>

Equality

The 2011 Census indicates 14.4% of the Lewisham population (39,735) had a limiting long-term illness. Of these, 7.3% of people (19,523) indicated their daily activities were limited a lot. Analysis by Public Health England for its learning disability profiles indicates that Lewisham has average numbers of learning disabled people (16-64) known to the Council (four per 1000).

Analysis of Lewisham's recent residents survey found that less than half of disabled residents (48%) were confident that their local community would be able to help if a service in their local area was under threat, compared to two-thirds of nondisabled residents (66%).

The figure below shows long term health problems or disabilities in Lewisham (Census 2011).



The census categories used for mapping are broad (essentially white/non-white) and mask high levels of local diversity as well as differing national and cultural origins. The largest combined ethnic group in the borough is categorised in the census as White; English/Welsh/Scottish/Northern Irish/British. There was a growth in all groups of the black and minority ethnic (BME) population between the 2001 and 2011 Census. This has risen from 39% of households to 58.5%, who largely live in the northern and central parts of the borough.

Christianity is the most populous religion of Lewisham residents, particularly in the south of the borough. Between 2001 and 2011, the percentage of people citing Christianity as their religion declined by 8.4%, from 61.2% to 52.8%. Over a quarter of residents stated that they have no religion and this increases to a third of residents in Blackheath, Brockley, Crofton Park, Forest Hill and Telegraph Hill.²³

²³ Lewisham's Comprehensive Equalities Scheme 2016-2020

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).²⁴ 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 £15,000.²⁵

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.²⁶ 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 2011.²⁷

A total of 33,922 households were assessed as living in unsuitable housing due to one or more factors.²⁸ 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.²⁹

²⁴ Land Registry, March 2009

²⁵ 48%

²⁶ Lewisham Household Survey 2007, SHMA 2014

²⁷ Lewisham Household Survey 2007, SHMA 2014, 2011 Census

²⁸ Lewisham Household Survey 2007, SHMA 2014, 2011 Census

²⁹ Lewisham Household Survey 2007, SHMA 2014, 2011 Census

Affordable Housing

Lewisham's housing strategy, Homes for future³⁰, 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.

³⁰ '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 Area³¹ and is defined by an urban / suburban land use according to the Dudley Stamp Land Use inventory.³² 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.³³

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.³⁴

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%.³⁵

³¹ English Nature, 1997: London Basin Natural Area Profile

³² www.magic.gov.uk

³³ Lewisham Borough Council, May 2011: Development Management Local Plan Sustainability Appraisal Scoping Report

³⁴ Lewisham Borough Council, May 2011: Development Management Local Plan Sustainability Appraisal Scoping Report

³⁵ 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 2010/11.³⁶ 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 2020.³⁷ 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.³⁸

³⁶ Lewisham Municipal Waste Strategy 2008

³⁷ London Plan policy 4A.25 and Table 4A.6

³⁸ Southeast London Boroughs' Joint Waste Apportionment Technical Paper, 2009 and 2014

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"> • Violence against the person • Burglaries • Robberies • Violent crime • Sexual offences 		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>Number of electric car charging points</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> <p>All major developments to have travel plans</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>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>	All development permitted to include cycle facilities			
7. To mitigate and adapt to the impact of climate change	<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>	Annual	<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>
8. To improve air quality and water quality, manage water resources and reduce noise and	<p>Water pollution incidents</p> <p>Change in chemical river quality</p>	National Air Quality Strategy standards	Annual	Annual Monitoring	Water management and SUDS

<p>vibration</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>Reduction in noise complaints</p> <p>No decrease in water quality</p>		<p>Report</p> <p>London Air Quality Archive</p>	<p>implementation</p> <p>Minimise air pollution</p> <p>Reduce noise</p> <p>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</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>Year on year reduction in the ecological footprint of Lewisham</p> <p>Year on year increase in the number of bat and bird boxes provided with development</p> <p>No net loss of open space</p>	<p>Annual</p>	<p>Annual Monitoring Report</p> <p>EA and Stockholm Environment Institute</p>	<p>Efficient use of natural resources</p> <p>Maintain or enhance biodiversity importance</p> <p>Protect and enhance open space and linkages</p>

	<p>Number of new allotments and community gardens</p> <p>Funding secured for open space improvements</p>				
10. To mitigate and reduce flood risk, improve water quality, manage water resources, and restore and enhance the river network.'	<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>Flooding incidents</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> <p>% of applications where archaeological strategies were developed and implemented</p>		Annual	<p>Annual Monitoring Report</p> <p>English Heritage</p>	Protect heritage assets

	<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>% household waste sent to landfill in Lewisham</p> <p>2011/2012: 7%</p> <p>2012/2013: 6.5%</p> <p>2013/2014: 6%</p>	<p>Annual</p>	<p>Strategic Waste and Management</p>	<p>Waste Management</p>

14. to reduce land contamination and safeguard soil quality and quantity	Number of planning applications with the potential for land contamination	No reduction in soil quality	Every 10 years	Annual Monitoring Report	Land remediation
15. 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>
16. 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>% 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>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> <p>Increase in employment rate</p> <p>Narrow gap to the GB average employment rate to no more than</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>Local labour agreements</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>3% points</p> <p>Year on year decrease in the number of people without qualifications in Lewisham</p>			
--	--	--	--	--	--

Agenda Item 10

Council			
Report Title	Local Government Ombudsman – Housing Benefit Report		
Ward	All	Item No.	
Contributors	Executive Director for Customer Services and Head of Public Services		
Class	Open	Date	21 September 2016

1. Purpose

- 1.1 To bring to the Council's attention that a Local Government Ombudsman (LGO) investigation on behalf of a Lewisham resident claiming housing benefit (HB) found injustice and malpractice against the Benefit Service.

2. Executive Summary

- 2.1 In 2014, a HB overpayment was raised following an unreported change in circumstance being highlighted as a result of a data matching exercise between the Council and Her Majesty's Revenue and Customs service. This resulted in the claimant having received HB they were not entitled to.
- 2.2 The claimant appealed the Council's decision but the Council did not administer the appeal correctly. The claimant complained to the LGO and an investigation was undertaken. The LGO concluded their investigation and found that delays in fulfilling their recommendations resulted in the claimant having suffered injustice and malpractice and proposed a number of recommendations to remedy the complaint.
- 2.3 The Council did not act on the recommendations in the timescales set by the LGO. This resulted in a further investigation and the LGO concluded that the delays demonstrated malpractice and injustice against the claimant.
- 2.4 Although the Council has compensated the claimant and fully resolved the complaint, it is still required to report the outcome to Mayor and Cabinet and Full Council.

3. Recommendations

- 3.1 Note the contents of the report.

4. Policy context

- 4.1 One of the primary functions of the Council is to promote the social, economic and environmental wellbeing of the borough and its people. In discharging this important role the Council has a specific duty to safeguard the most vulnerable from harm and to regulate access to public services and to provide social protection for those that might otherwise be put at risk.
- 4.2 As Council funding is provided through public resources (grants from central Government; Business Rates and Council Tax) the local authority must also demonstrate both responsibility and accountability in the stewardship of public resources.

- 4.3 The overarching policy and decision making framework for the discharge of the Council's many functions and duties is Lewisham's Sustainable Community Strategy. The Strategy contains two overarching principles which are:
- Reducing inequality – narrowing the gap in outcomes; and
 - Delivering together efficiently, effectively and equitably – ensuring that all citizens have appropriate access to and choice of high quality local services.
- 4.4 Also contained within this overarching policy framework are the Council's ten priorities. These priorities describe the specific contribution that the local authority will make to the delivery of the Sustainable Community Strategy.

5. Background

- 5.1 Annually the Council awards approximately £250m housing benefit and council tax reduction to 36,000 of Lewisham's most vulnerable residents. Despite a reduction in administration funding from the DWP of £1.1m (30%) in the past 2 years, against a caseload reduction of just 5%, the service continues to deliver top quartile performance.
- 5.2 The LGO is the final stage for complaints about councils and some other organisations providing local public services. Once the LGO conclude their investigation, if they find there has been maladministration or injustice, they are required under Section 30(3) of the Local Government Act 1974 to provide a report without naming or identifying the complainant or other individuals.
- 5.3 The LGO are also able to require us to take certain actions, in this case the Council have been required to make a public notice in more than one newspaper within two weeks of receiving their report, and to make the report available at one or more of the Council's offices for three weeks.
- 5.4 This report sets out the details of the case and the LGO's findings. The report was presented to Mayor and Cabinet on 7 September 2016 and noted.

6. Details of the case

- 6.1 Miss C lived in Lewisham and was in receipt of HB and council tax reduction between 2012 and 2014. Her benefit was suspended on 31 January 2014 as the Council received notification from her that she had moved. The Council also obtained confirmation from the DWP that her Jobseekers Allowance had ceased from 31 January 2013, a change in circumstances which she had not reported to the Council. As a result of this, her claim was amended which resulted in an overpayment of £2,053.85 for the period February 2013 to January 2014.
- 6.2 In March 2014 Miss C challenged this decision. The Council responded confirming the decision to recover the overpaid benefit was correct as Miss C would have been aware she was receiving benefit incorrectly. On 8 May 2014, Miss C appealed but, as she had not signed the appeal (which is a legal requirement), her appeal was returned to her and subsequently re-submitted on 5 July 2014.

- 6.3 Miss C provided further details of her income with the appeal enabling the Council to amend the overpayment to £2,002.21. In addition, further appeal rights were given to Miss C which could have been used were she dissatisfied with the decision. However, no further contact was received until 26 February 2015 when Miss C complained about the way her appeal had been handled. Miss C was advised again that the overpayment was recoverable from her.
- 6.4 There was no further contact from Miss C until 14 July 2015 when the Council received a letter stating that matters had not been dealt with properly and requesting a tribunal hearing. The Benefit Service erroneously advised Miss C that she was out of time to submit a further appeal and on 3 November 2015, an enquiry from the LGO was received.
- 6.5 On 11 January 2016, the Benefit Service received the decision from the LGO concluding that there was fault by the Council and making a number of recommendations to resolve the complaint, these being:
- Apologise to Miss C by 15 February 2016;
 - Pay Miss C £150 compensation;
 - Ask Miss C whether or not she wished to proceed with her appeal; and
 - Review our procedures to ensure we act properly regarding all matters that are subject to appeal.
- 6.6 The Council accepted the 4 recommendations but did not implement them as agreed as set out below:
- 6.6.1 We did not write and apologise to Miss C;
- 6.6.2 The LGO had suggested that the Council pay compensation once the appeal was concluded; however, it was felt that Miss C would be better off as a result of this being paid early to resolve the matter. The LGO acknowledged this was acceptable;
- 6.6.3 The Council did not ask whether or not Miss C wanted to appeal. However, as they were aware of her discontent with prior decisions and, rather than delay further by asking her, the prior decision was reviewed and subsequently found in her favour. While this was the correct action and beneficial for Miss C, it was not what the Council had agreed, and the Council failed to do so sufficiently quickly, taking 2 months to make the decision;
- 6.6.4 The Council also reviewed their processes and carried out the following actions to ensure they were able to avoid recurrence;
- Arranging for a specialist organisation to run an in-house course to improve administration and decision making when managing appeals;
 - Reconfigured the Council's workflow system to generate earlier "alerts" to senior managers where there is a potential delay;

- Allocating responsibility for addressing cross-service LGO enquiries to dedicated individuals, eliminating the prospect of a breakdown in communication between, for example, the HB and council tax services;
- Broadening circulation lists to ensure service managers are aware of LGO complaints;
- Scheduling cross-training in areas of known complexity for HB and council tax staff;
- Broadening responsibility and awareness of LGO enquiries by adding them as fixed items to senior HB and council tax management meetings.

6.7 As well as not apologising or asking Miss C if she wanted to appeal within the agreed timescale, the Council took recovery action to collect the overpayment by referring the debt to its Enforcement Agency for recovery. If the Council had acted within the agreed timescales this would not have happened.

6.8 Miss C complained to the LGO again. The LGO conducted a further investigation and concluded the Council's failure to carry out its recommendations in full demonstrated malpractice and injustice against the claimant. As a result of this, the LGO issued a formal report and made 4 further recommendations:

- Send Miss C a written apology for its faults and the resulting injustice in respect of the previous and current complaints to us;
- Pay Miss C £250 to recognise the distress caused by the Council's faults since 15 January 2016;
- Introduce a procedure to ensure it fulfils agreements with the LGO;
- Review its procedure for debt recovery to minimise the chances of the faults identified recurring.

6.9 The Council has accepted and fully complied with these recommendations.

7. Conclusion

7.1 This was a one-off but serious failing which the service regrets and has learnt from. The measures put in place since should prevent this happening again.

7.2 On 1 August 2016, the Council received correspondence from the LGO which confirmed their agreement with the action the Council has taken following the report on Miss C's complaint and that they are formally satisfied with the Council's response in accordance with section 31(2) of the Local Government Act 1974.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Legal implications

- 9.1 The Commission for Local Administration, usually known as the Local Government Ombudsman (“LGO”) was established by the Local Government Act 1974. The Local Government Ombudsman covers local authorities and other specific public bodies.
- 9.2 The 1974 Act required that a complainant must have sustained injustice in consequence of maladministration in connection with the action taken by or on behalf of an authority. “Maladministration” may include any one or more of the following: delay, incorrect action or failure to take any action, failure to follow procedures in law, failure to provide information, inadequate record- keeping, failure to investigate, failure to reply, misleading or inaccurate statements, inadequate liaison, inadequate consultation, broken promises. The “injustice” suffered, must arise from the fault by the authority. Injustice may include any one or more of the following: hurt feelings, distress, worry, or inconvenience, loss of right or amenity, not receiving a service, financial loss or unnecessary expense, time and trouble in pursuing a justified complaint.
- 9.3 Where the Ombudsman reports that there has been maladministration or service failure a report is sent to the parties involved. Section 92 of the Local Government Act 2000 gives Local Authorities the power to pay compensation or provide some other benefit to a person adversely affected by actions that amount to maladministration. The Ombudsman makes recommendations. The Ombudsman cannot compel a Council to implement its recommendations.
- 9.4 There is no right of appeal against a decision by the Local Government Ombudsman. It may be possible to apply for a judicial review of that decision, subject to obtaining leave from the Court. Such a challenge is not however on the merits of the decision itself, but upon the legal basis of the decision.
- 9.5 The Council when carrying out its functions, must always seek to comply with the Equality Act 2010 (the Act). It introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.6 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.
- 9.7 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.
- 9.8 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The

guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

9.9 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

9.10 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/>

10. Crime and disorder implications

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

11. Equalities implications

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

12. Environmental implications

12.1 There are no environmental implications arising from this report.

13. Background papers and report author

13.1 If you require further information about this report, please contact Ralph Wilkinson, Head of Public Services, on 020 8314 6040.

13.2 The full report produced by the LGO is included at Appendix 1.

Report by the Local Government Ombudsman

Investigation into a complaint against London Borough of Lewisham (reference number: 15 019 725)

20 June 2016

The Ombudsman's role

For 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.

Investigation into complaint number 15 019 725 against London Borough of Lewisham

Contents

Report summary	1
Introduction.....	2
Legal and administrative background.....	2
How we considered this complaint	2
Investigation	3
Conclusions.....	6
Decision.....	6
Recommendations	7

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Miss C – the complainant

Report summary

Benefits and tax

In January 2016 we upheld Miss C's previous complaint. The Council agreed to take some actions to put matters right. This complaint is that the Council did not properly take those actions.

Finding

Fault found causing injustice and recommendations made.

The Council did not apologise to Miss C as it had agreed to do. It also delayed fulfilling its agreement to deal with her challenges to its decisions that she should repay some benefits which had been overpaid. In the meantime, the Council mistakenly wrote to Miss C demanding payment and it sent bailiffs to her home. The Council also gave us and Miss C inaccurate information. These faults caused Miss C injustice.

Recommendations

To remedy the injustice caused, the Council should do the following:

- Send Miss C a written apology for its faults and the resulting injustice in respect of the previous and current complaints to us.
- Pay Miss C £250 to recognise the injustice caused by the Council's faults since 15 January 2016.
- Introduce a procedure for ensuring the Council completes actions it has agreed with the Ombudsman.
- Review its procedure for debt recovery to minimise the chances of the faults in this case recurring.

The Council should send the apology and payment within one month and complete the other points of the remedy within three months of today.

Introduction

1. Between November 2015 and January 2016 we investigated and upheld Miss C's previous complaint. A statement describing that investigation and decision is on our website (www.lgo.org.uk – reference number 15 011 361). The complaint was that the Council had not dealt properly with Miss C's requests to appeal against its decisions that it had paid her too much benefit and that she should repay some money. The Council agreed to our recommendations to put matters right, including apologising, paying £150, dealing with the appeals and reviewing its procedures.
2. In February and March 2016 there were communications between Miss C, us and the Council about whether the Council was properly implementing the agreed recommendations. On 9 March 2016 Miss C made a new complaint to us, saying the Council had not carried out the agreement.

Legal and administrative background

3. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this report, we have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*)
4. If we are satisfied with a council's actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i)*) Our investigation of Miss C's previous complaint ended on this basis as we were satisfied with the Council's agreement to take certain actions to put matters right.
5. The Ombudsman investigates complaints about councils and certain other bodies. Where an individual, organisation or private company is providing services on behalf of a council, we can investigate complaints about the actions of these providers. (*Local Government Act 1974, section 25(7)*) For this reason we consider the Council responsible for the actions of the enforcement agents (bailiffs) it instructed in this case.

How we considered this complaint

6. This report has been produced following the consideration of relevant information and documents the complainant and Council provided.
7. The complainant and the Council were given a confidential draft of this report and invited to comment. The comments received were taken into account before finalising the report.

Investigation

The Ombudsman's investigation of Miss C's previous complaint

8. This complaint was about the Council's actions after it decided it had given Miss C too much housing benefit and council tax benefit and that it should recover the overpayments.
9. If someone disagrees with a council's housing benefit or council tax benefit decision, they should appeal within one month to the Council. If the Council does not change its decision, it must forward the appeal to the Social Entitlement Chamber, an independent tribunal. The Chamber can decide to consider a late appeal. The maximum time limit for making a late appeal is 12 months after the normal time limit, that is 13 months after the Council's decision. If the Council receives an appeal it believes has been made after this maximum time limit, it must refer the case to the Social Entitlement Chamber immediately. *(Tribunal Procedure (First-tier Tribunal) (Social Entitlement Chamber) Rules 2008 No. 2685, regulation 23(7)(b))*
10. Our previous investigation found the Council did not properly tell Miss C about her appeal rights. That was fault. Miss C requested a late appeal against the Council's decision one day after the 13-month period described in paragraph 9 expired. As paragraph 9 explained, the law is clear that the Council must pass such appeals to the Social Entitlement Chamber immediately. This is important because it means the Social Entitlement Chamber, not the Council, ultimately decides whether an appeal is too late to be considered. The Council did not do this. Instead, it told Miss C she had appealed outside the 13-month limit so it would not act on her appeal. That, too, was fault.
11. Our previous investigation found that these faults deprived Miss C of the opportunity of having the Social Entitlement Chamber decide whether to entertain her appeal. This left Miss C with avoidable uncertainty as well as justified anger that the Council did not follow the law. Miss C also had to go to some avoidable time and trouble pursuing the matter. At our recommendation, the Council agreed to do the following to resolve the complaint:
 - Apologise to Miss C for the injustice caused by its faults. The Council agreed to do this by 15 February 2016.
 - Pay Miss C £150 to recognise that injustice. The agreement was that, if Miss C's appeals were unsuccessful, or if Miss C was refused permission for late appeals, the Council could offset this amount against the debt. Otherwise it would pay this sum to Miss C.
 - Ask Miss C by 15 February 2016 if she still wanted her appeal about the housing benefit and council tax benefit overpayments to go to the tribunal. If she did, the Council would forward the appeal within one month of Miss C saying she wanted this.
 - Review its procedures and staff training to ensure it acts properly regarding all matters that can go to the Social Entitlement Chamber and the Valuation Tribunal. The Council would complete this by 15 April 2016.

12. On this basis, our previous investigation ended on 15 January 2016.
13. Miss C had also disagreed with the Council about the application of a council tax reduction scheme. We found fault in the council failing to inform her fully about her appeal rights in relation to this. However Miss C still had the right to ask the Valuation Tribunal for a late appeal herself. So we did not make any further recommendations in relation to that part of her complaint.

Events after the Council agreed to resolve the previous complaint

14. We have investigated what the Council did on each part of the agreement described in paragraph 11.

Apology

15. The Council accepts it has not done this. This is fault.

Payment of £150

16. The Council has paid Miss C this money so there is no need for more action on this point.

Asking if Miss C still wants to appeal and, if so, forwarding the appeal to the tribunal

17. The Council says it believed Miss C's correspondence with us had made clear she still wanted to appeal so the Council did not ask her about this and instead got on with dealing with the appeal. This was not in line with the agreed recommendations. If the Council did not consider it necessary to establish Miss C's wishes, it could reasonably have said this in response to the draft recommendations we sent during the previous investigation. Instead the Council agreed those recommendations then decided not to implement one of them. That was fault.
18. As the Council did not consult Miss C, it effectively moved straight to the second part of this recommendation. Therefore it should have dealt with the appeals substantively within one month of 15 January 2016. However, that did not happen either.
19. Instead, the Council mistakenly took recovery action regarding the debts while it was supposed to be considering Miss C's appeals. On 28 January 2016, enforcement agents (previously called bailiffs) acting for the Council called at Miss C's home while she was out. They left a notice stating Miss C owed council tax of £646.41 plus bailiffs' fees of £305 and threatened to remove and sell Miss C's belongings. As paragraph 5 explained, the Council is responsible for its agents' actions here. The Council later recalled the matter from bailiffs and has now removed the fees. Regarding the housing benefit, the Council wrote to Miss C in February 2016 demanding payment of this debt. The Council accepts this, too, was a mistake.
20. We consider the Council was at fault for taking recovery action when it was supposed to be implementing our recommendations, including considering Miss C's arguments that she need not repay this money. This recovery action, especially the contact from the enforcement agents, caused Miss C avoidable anxiety.
21. Miss C told us about this and we contacted the Council. The Council then wrote to Miss C on 1 March saying it was considering her appeal about council tax benefit for a different

address, unconnected to a separate debt the enforcement agents were pursuing. Miss C and the Ombudsman's office then pointed out to the Council that Miss C had not tried to appeal for the different address. Indeed, that would be impossible as she did not owe any council tax there. The alleged debt Miss C was appealing against related to the same address and the same debt the enforcement agents were pursuing. The Council then apologised for the error with the address and recalled the matter from the enforcement agents.

22. The Council's fault here suggests a confused approach. This fault caused avoidable misunderstanding and needlessly occupied Miss C's and our time resolving this.
23. When the Council reviewed matters before sending the appeals off to the tribunal, it decided to change its position. On 14 March 2016 the Council decided to write off the housing benefit overpayment. Therefore there was no need to forward that appeal to the tribunal. The Council wrote to Miss C about this decision and said it was still considering the council tax benefit matter separately.
24. The Council was entitled to decide to write off the housing benefit overpayment. That decision was in Miss C's favour. However the Council took two months to decide this, twice as long as the relevant timescale it had agreed to resolve the previous complaint. That was fault.
25. The Council then told our office it had written off the overpayments. We pointed out the Council had only written off the housing benefit overpayment, not the council tax benefit overpayment. We asked the Council to explain the current position accurately. That enquiry was passed to the wrong part of the Council, resulting in another incomplete response and further chasing of the matter by us.
26. On 20 April, the Council decided it should not recover the council tax benefit overpayment either so it would write off this amount too. This meant that rather than Miss C owing the Council money, her council tax account was £44.01 in credit. The Council will refund this. There is therefore no need for the Council to forward this appeal to the tribunal either.
27. As with the housing benefit matter, the Council was entitled to change its position and write off the council tax benefit overpayment. However it was at fault for taking three months to do this when the relevant part of the agreed remedy was for the Council to deal with this within one month. The Council was also at fault for its confused and partly inaccurate responses to us.
28. The Council's faults here caused Miss C unnecessary uncertainty, anxiety, time and trouble. It is also possible that, had the Council avoided the delays resolving the benefits disputes, the mistaken recovery action would not have happened.

Review of procedures and staff training

29. The Council is arranging staff training about benefits appeals. It has also given us details of improvements to its procedures for dealing with appeals and with our enquiries. We welcome these steps.

The Council's response to the draft report

30. In response to a draft of this report, the Council accepted fault, recognised this had caused Miss C inconvenience and agreed to comply with our recommendations. The Council added that, despite diminishing resources and increasing demands on its services, this is the first time it has failed to respond appropriately to an Ombudsman's decision. It stated it took this seriously and is changing its practices to try to ensure there is no repeat. We commend the Council's positive response here.

Conclusions

31. The Council did not properly complete the recommendations it agreed in January 2016. That was fault. It is a serious matter when a council does not honour an agreement with the Ombudsman. Parliament has given us wide discretion to investigate complaints and make recommendations. Implicit in this is the assumption that, if a council freely agrees our recommendations, it should fulfill what it has agreed. The Council's failures here undermine the important principle of remedying complaints. That in turn undermines Miss C's and our trust in the Council's good faith.
32. The Council was also at fault for its confused and sometimes inaccurate responses to Miss C and us. The Ombudsman has the same powers as the High Court to obtain information. The Council should take the same care to give us complete and accurate information as it would for court proceedings.

Injustice

33. The Council's faults meant Miss C had to wait longer than necessary for resolution of the benefits matters. Miss C is still without an apology for the Council's original failings. She experienced avoidable frustration and uncertainty from the delays, anxiety caused by the enforcement agents' actions, a justified sense of anger that the Council did not keep its promise and the time and trouble of having to come back to us. Our further involvement cost time and public money in a way that should not have been necessary.
34. We are pleased the Council has now resolved the benefits matters, albeit belatedly, so there is no need to forward the appeals to the tribunal. Nevertheless we are issuing this report to draw attention to the Council's faults in providing the agreed remedy properly, and because of the additional distress its actions caused since the previous complaint.

Decision

35. The Council was at fault for not implementing the previously agreed recommendations fully and promptly. It was also at fault for taking recovery action in the meantime and for its inadequate responses to our enquiries. These faults caused Miss C injustice.

Recommendations

36. To remedy the injustice caused, the Council should:
- Send Miss C a written apology for its faults and the resulting injustice in respect of the previous and current complaints to us.
 - Pay Miss C £250 to recognise the distress caused by the Council's faults since 15 January 2016.
 - Introduce a procedure to ensure it fulfils agreements with us.
 - Review its procedure for debt recovery to minimise the chances of the faults identified in paragraphs 19 to 22 recurring.
37. The Council has agreed to carry out these recommendations. It will send Miss C the apology and pay her £250 within one month of the date of this report. It will carry out the other actions within two months of the date of this report.
38. The Council's agreement to the recommendations above will put right the injustice the Council's faults caused. We welcome the Council's agreement to our recommendations and its commitment to avoid similar faults in future. We have completed the investigation and issued this report because we consider there is a public interest in doing so and because we hope other councils will take the opportunity to learn from what happened in this case.

Agenda Item 11

COUNCIL			
Report Title	2015/16 FINAL ACCOUNTS AND EXTERNAL AUDITORS REPORTS		
Key Decision	No	Item No.	
Ward	All		
Contributors	EXECUTIVE DIRECTOR FOR RESOURCES AND REGENERATION		
Class	Open	Date:	21 September 2016

1 PURPOSE

1.1 The purpose of this report is to present to Council the External Auditor's reports (Audit Findings and Value for Money) on the audit of the Council's 2015/16 main accounts and Pension Fund accounts and to obtain members' approval of the Statement of Accounts for 2015/16 (including the Annual Governance Statement).

1.2 The Audit Findings Reports are attached, and set out:

"... the key issues affecting the results of London Borough of Lewisham ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2016 ... (and) whether, in our opinion, the Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year and whether they have been properly prepared ... (and) whether the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ..."

1.3 The reports set out any issues arising from the audits that, in the opinion of the external auditor, are of sufficient significance to warrant informing and discussing with Members.

2. EXECUTIVE SUMMARY

2.1 As at the date of despatch of this report, the audits were substantially complete and the external auditor, Grant Thornton, anticipates that unqualified opinions on the financial statements will be issued. The external auditor's reports were discussed at the Audit Panel on 13 September 2016.

2.2 This report sets out the recommendations necessary to ensure that the statutory requirements are met. The external auditor requests that Members:

- Note the adjustments to the financial statements in the reports
- Approve the letters of representation on behalf of the council
- Agree the recommendations in the proposed action plan

2.3 Under the council's constitution these matters will be for Council to determine.

3. RECOMMENDATIONS

3.1 The Council are recommended to:

- i. Note the adjustments to the financial statements in the Audit Findings Reports
- ii. Agree the Action Plans set out in the Reports
- iii. Approve the Letter of Representation on behalf of the Council
- iv. Approve the Annual Governance Statement (AGS)
- v. Approve the 2015/16 audited Statement of Accounts

4. POLICY CONTEXT

4.1 Completing the audit of the council's accounts and receiving the auditor's report thereon contributes directly to the council's tenth corporate priority:

- **Inspiring efficiency, effectiveness and equity:** ensuring efficiency and equity in the delivery of excellent services to meet the needs of the community.

5. DETAIL

5.1 As at the date of despatch of this report, the audits were substantially complete and the external auditors, Grant Thornton, anticipate that subject to completing their outstanding work they will be giving an unqualified opinion on the financial statements and be giving an unqualified value for money conclusion.

5.2 By virtue of paragraphs 9(2), 10(1) and 21 of the Accounts & Audit Regulations 2015 ("The Regulations") the Council must, by no later than 30 September 2016:

- a. Consider either by way of a committee or by the members meeting as a whole the statement of accounts;
- b. Following that consideration, approve the statement of accounts by a resolution of that committee or meeting;
- c. Ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given;
- d. Publish (which includes publication on the body's website), the statement of accounts together with any certificate, opinion, or report given or made by the auditor.

5.3 The Audit Panel have already considered the reports and officers' responses to them in detail and a short summary will be provided at the meeting. By considering that summary, Members will have discharged their duty under The Regulations.

- 5.4 The draft accounts have been amended for the agreed findings of the audit and the Letter of Representation by the Executive Director for Resources and Regeneration will be signed accordingly.
- 5.5 Members are therefore, by recommendation 3.1(v) to this report, recommended to approve the accounts.
- 5.6 Officers will ensure that the correct protocols for the signature and publication of the accounts are followed, to ensure compliance with the requirements of The Regulations.

6 ANNUAL GOVERNANCE STATEMENT

- 6.1 This document has been updated from that considered at the Audit Panel on 8th June 2016 to reflect the comments of the external auditors and is submitted for approval.

7 FINANCIAL IMPLICATIONS

- 7.1 There are no direct financial implications in agreeing the recommendations in this report.
- 7.2 The total cost of external audit services in respect of 2015/16 is expected to be £219,000, including the cost of the audit of the accounts and the certification of grant claims and returns. The cost of the Pension Fund audit was £21,000.

8 LEGAL IMPLICATIONS

- 8.1 The key legal requirements are set out in paragraph 5.2 of this report. By agreeing the recommendations of this report Members will have put in place appropriate authority and arrangements to ensure that these are complied with.

9 EQUALITIES IMPLICATIONS

- 9.1 There are no equalities implications in this report.

10 CONSULTATION

- 10.1 The draft accounts have been published, and local electors have been able to exercise their rights to ask questions of the auditor in respect of them, and to inspect accounting records.

11 ENVIRONMENTAL IMPLICATIONS

- 11.1 There are no environmental implications in this report.

12 CRIME AND DISORDER IMPLICATIONS

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

13 BACKGROUND PAPERS

None

APPENDICES

1. Draft audited 2015/16 Main Statement of Accounts
2. Draft audited 2015/16 Pension Fund Statement of Accounts
3. 2015/16 Annual Governance Statement
4. Grant Thornton – The Audit Findings for the London Borough of Lewisham (including the Value for Money conclusion).
5. Grant Thornton – The Audit Findings for the Lewisham Pension Fund.
6. Letter of Representation – Main Accounts and Pension Fund Accounts

For further information on this report please contact:

Selwyn Thompson, Head of Financial Services, 0208 314 6932

LONDON BOROUGH OF LEWISHAM

2015 / 2016 **AUDITED STATEMENT OF ACCOUNTS
CONTENTS**

NARRATIVE STATEMENT BY THE EXECUTIVE DIRECTOR FOR RESOURCES AND REGENERATION.....	3
STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS.....	12
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON BOROUGH OF LEWISHAM	13
TO FOLLOW IN AUDITED ACCOUNTS	
SECTION 1 – CORE FINANCIAL STATEMENTS	
a) MOVEMENT IN RESERVES STATEMENT.....	17
b) COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT.....	19
c) BALANCE SHEET.....	20
d) CASH FLOW STATEMENT.....	21
SECTION 2 – STATEMENT OF ACCOUNTING POLICIES.....	22
SECTION 3 – NOTES TO THE CORE FINANCIAL STATEMENTS.....	33
(See Index on following page)	
SECTION 4 – HOUSING REVENUE ACCOUNT.....	75
SECTION 5 – COLLECTION FUND	83
SECTION 6 – GLOSSARY OF TERMS AND ACRONYMS.....	88

 Contents

INDEX OF SECTION 3 – NOTES TO THE CORE FINANCIAL STATEMENTS

Note 1	Accounting Standards Issued, Not Adopted in the 2015/16 Accounts	33
Note 2	Critical Judgements in Applying Accounting Policies	33
Note 3	Assumptions made about the Future and other Major Sources of Estimation Uncertainty	34
Note 4	Material Items of Income and Expenditure	35
Note 5	Events after the Balance Sheet Date	35
Note 6	Other Operating Expenditure – Levies	35
Note 7	Adjustments between Accounting Basis and Funding Basis under Regulation	35
Note 8	Earmarked Reserves	38
Note 9	Non-Current Assets	39
Note 10	Investment Properties	42
Note 11	Financial Instruments	42
Note 12	Nature and Extent of Risks arising from Financial Instruments	45
Note 13	Debtors	46
Note 14	Cash and Cash Equivalents	48
Note 15	Creditors	49
Note 16	Provisions	49
Note 17	Revenue Receipts in Advance	50
Note 18	Usable Capital Receipts	50
Note 19	Pension Reserve	50
Note 20	Revaluation Reserve	51
Note 21	Capital Adjustment Account	52
Note 22	Segmental Reporting (Amounts Reported for Resource Allocation Decisions)	53
Note 23	Agency Services and Pooled Budgets	55
Note 24	Investment in Companies	55
Note 25	Members' Allowances	56
Note 26	Officers' Remuneration	57
Note 27	External Audit Costs	59
Note 28	Dedicated Schools Grant	60
Note 29	Grant Income	60
Note 30	Related Party Transactions	61
Note 31	Capital Expenditure and Capital Financing	62
Note 32	Leases	63
Note 33	Private Finance Initiatives (PFI) Contracts	64
Note 34	Long Term Contracts	67
Note 35	Defined Contribution Pension Schemes	67
Note 36	Defined Benefit Pension Schemes	67
Note 37	Contingent Liabilities	72
Note 38	Contingent Assets	72
Note 39	Trust Funds	72
Note 40	Heritage Assets	72
Note 41	Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	73
Note 42	Adjustment for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	73
Note 43	Cash Flow Statement – Operating Activities	73
Note 44	Cash Flow Statement – Investing Activities	74
Note 45	Cash Flow Statement – Financing Activities	74

Narrative Statement

NARRATIVE STATEMENT BY THE EXECUTIVE DIRECTOR FOR RESOURCES AND REGENERATION

1. INTRODUCTION

This Statement of Accounts reports the financial results of all the Council's operations for the financial year 2015/16 and shows the Council's financial position as at 31st March 2016. The Accounts have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice for Local Authorities (SERCOP) 2015/16, jointly developed by CIPFA and the Accounting Standards Board. These constitute proper accounting practice with which Local Authorities must by statute comply and include adherence to International Financial Reporting Standards (IFRS). There are no fundamental changes to the basis on which the Accounts have been compiled for 2015/16 compared to previous years.

2. THE COUNCIL'S STATEMENT OF ACCOUNTS

The Statement of Accounts comprises this Narrative Statement, a Statement of Responsibilities, an External Auditor's report (which will be inserted upon completion of the external audit), the Core Financial Statements and other statutory Accounts as set out below. A review has again concluded that Group Accounts are not required to be prepared for the year.

Section 1 – The Core Financial Statements

Section 1a - Movement in Reserves Statement (MiRS)

This statement shows the movement in the different reserves held by the Council during the year, analysed into 'usable reserves' and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax and dwellings rent setting purposes respectively. The Net Increase / Decrease before Transfers to Earmarked Reserves line show the statutory General Fund and Housing Revenue Account Balances.

Section 1b – Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing the Council's services in accordance with IFRS, rather than the amount to be funded from taxation. Council's raise taxes to cover expenditure in accordance with regulations; this may be different from the accounting cost.

Section 1c - Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Council at the end of the year. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. There are two types of reserve, 'usable' and 'unusable'. Usable reserves are those that can be used to provide services, subject to keeping a prudent level of reserves and any statutory limitations on their use. Unusable reserves are those that cannot be used to provide services. They include unrealised gains and losses where amounts only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the MiRS line 'Adjustments between accounting basis and funding basis under regulations'. The Balance Sheet includes the Housing Revenue Account and the Council's own share of the Collection Fund, but excludes the Pension Fund and Trust Funds.

Section 1d - Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Council during the year and how it generates and uses these by classifying cash flows into operating, investing and financing activities. Operating activities show how the Council is funded by taxation, grant income and service users. Investing activities show the extent to which cash outflows have been made for resources which contribute to the Council's future service delivery. Financing activities identify claims on future cash flows by providers of capital (i.e. borrowing) to the Council. The indirect method of compilation has been used.

Narrative Statement

Section 2 – Statement of Accounting Policies

These outline the accounting and measurement bases used for the recognition, measurement and disclosure of figures and events in preparing the financial statements in the accounts. Other accounting policies used that are relevant to an understanding of the financial statements are also included.

Section 3 – Notes to the Core Financial Statements

This section contains notes that help to explain or give more detail to the Core Financial Statements.

Section 4 – Housing Revenue Account (HRA)

This is a statutory account which shows the major elements of income and expenditure on Council Housing provision and associated services to Council tenants and leaseholders.

Section 5 – Collection Fund Accounts

This is a statutory account which shows the transactions relating to Council Tax and Non-Domestic Rates. It shows how the amounts collected have been distributed to the Council's General Fund, the Greater London Authority and Central Government.

Section 6 - Glossary

This explains some technical and commonly used terms.

Section 7 – Pension Fund Accounts

The Lewisham Pension Fund is a separate entity from the Council and thus has its own accounts. These show the income and expenditure for the year, the value of the investments held and an assessment of the liabilities at the year end.

Section 8 – Annual Governance Statement (AGS)

This sets out the control and governance framework for all significant corporate systems and processes, cultures and values by which the Council is directed and controlled. It describes the activities with which the community is engaged and enables the monitoring of the achievement of the strategic objectives and the delivery of appropriate and cost effective services. It also reports any significant issues and the actions already taken and planned to be taken to address these.

3. REVENUE BUDGET**3a 2015/16 Revenue Budget Setting and Funding**

The Council set a net budget requirement of £246.2m for 2015/16 at its meeting on 25th February 2015. This was a decrease of £21.9m or 8.2% on the previous year's net budget requirement of £268.1m.

The main sources of income were the Council Tax and the Government determined Settlement Funding Assessment (SFA), which comprised Non-Domestic Rates (NDR) and Revenue Support Grant (RSG). The amount determined to be raised from Council Tax was calculated as shown in the following table.

2015/16 Revenue Budget Funding

	2015/16 £000	2014/15 £000
Lewisham's Net Budget Requirement	246,224	268,062
Less: Revenue Support Grant	(73,654)	(102,606)
Less: NDR redistribution	(87,622)	(84,744)
Less: Surplus on Collection Fund	(4,864)	(2,309)
General Fund Services to be met from Council Tax	80,084	78,403
Add: Precept (GLA)	23,652	22,108
Total to be met from Council Tax	103,736	100,511

Narrative Statement

3b 2015/16 Revenue Budget Outturn

During 2015/16, the overall overspend against the directorates' net controllable budgets was £6.3m. After applying the sum of £3.2m which was set aside in setting the 2015/16 budget for 'risks and other budget pressures', this brought the final directorate overspend down to £3.1m. The reasons for these variances were reported to the Mayor and Cabinet on the 1st June 2016.

Throughout the year, Mayor & Cabinet and Executive Directors have received regular financial monitoring reports and continued to implement measures to alleviate the Council's overall budget pressures and to help bring spending back into line with budget. These measures have included the strengthening of local controls on particular expenditure in the short term. In addition to this and with regards to the most significant budget pressures which the Council faces in 'no recourse to public funds' and 'children's social care' which ended the year at a combined overspend of £6.3m, officers have provided sharper focus on tackling the activities which are driving these costs.

3c 2016/17 Revenue Budget Outlook

The Council set a net budget requirement of £236.2m for 2016/17 at its meeting on 24th February 2016, which is £10.0m lower than the equivalent figure for 2015/16. The Council has again made significant savings reductions of £18.2m to its budget and added £7.5m to provide for the significant spending pressures which are being experienced. An amount of £10.9m is being taken from reserves to fund the budget, but action is also being taken to ensure that expenditure is affordable in future years. The Council is maintaining adequate reserves to enable it to manage the significant funding risks it faces as the national programme of public sector expenditure reductions continues.

Notwithstanding the pressures on 'no recourse to public funds' and 'children's social care' there still remains a number of significant budget pressures in other areas across the Council. In the main, these include pressures on service areas such as adult social care, temporary bed and breakfast accommodation and environmental services. All of these pressures go towards demonstrating the significant financial challenge the Council is currently experiencing and will continue to face over the course of the medium term.

4. COUNCIL TAX AND NON-DOMESTIC RATES (NDR)**4a Council Tax Levels and the Tax Base**

The actual Council Tax charge is determined by dividing the net amounts to be met from Council Tax by the tax base, which for Lewisham is 75,526 equivalent Band D properties for 2015/16 (73,941 for 2014/15).

	2015/16 £	2014/15 £	Variation £	Variation %
LB Lewisham's Demand	1,060.35	1,060.35	0.0	0.0
Preceptor Requirements:				
Add: Greater London Authority	295.00	299.00	-4.0	-1.3
Council Tax for Band D	1,355.35	1,359.35	-4.0	-0.3

4b Council Tax and Non-Domestic Rates Collection Rates

	2015/16 %	2014/15 %	2013/14 %
Council Tax	94.5	95.1	94.8
Non-Domestic Rates	99.7	99.4	99.1

Narrative Statement

5. CAPITAL PROGRAMME**5a 2015/16 Capital Programme**

The capital programme expenditure incurred during the year and how it was resourced is shown below. The percentage spent compared to the revised programme budget was 80%. A number of budget underspends, mainly on housing schemes, have been carried forward to 2016/17.

	2015/16 Final Outturn £m	2015/16 Budget Report (24 Feb 2016) £m	2014/15 Final Outturn £m
CAPITAL PROGRAMME EXPENDITURE			
General Fund	72.1	79.3	69.7
Housing Revenue Account	22.0	38.8	53.0
Total Spent	94.1	118.1	122.7
CAPITAL PROGRAMME FINANCING			
Borrowing	12.6		3.5
Capital Grants	49.2		88.8
Capital Receipts	11.6		4.3
Capital Expenditure Financed from Revenue	20.7		26.1
Total Financed	94.1		122.7

The expenditure on major projects in the 2015/16 capital programme was:-

Major Projects of over £1m	2015/16 Expenditure £m
General Fund	
Primary Places Programme (inc Expansion)	32.0
Building Schools for the Future (BSF) – Design and Build Programme	5.7
Highways and Bridges Improvement Works (inc TfL programmes)	7.3
Schools Works and Upgrades	5.9
Housing Regeneration Schemes	1.5
Asset Management Programme	1.0
Acquisition and Conversion of Properties	12.5
Housing Revenue Account	
Decent Homes programme	11.6
Other Major Works to Dwellings	10.4

Narrative Statement

5b 2016/17 Capital Programme

The Council set its capital programme budget at its meeting on 24th February 2016. This outlined the Council's programme of £337m for the years 2016/17 to 2019/20. A major part of the of the General Fund programme is focused on schools with the Primary Places Programme well underway and the major BSF secondary school refurbishment and rebuild programme nearly completed. The implementation of Housing self-financing has given the Council the opportunity to invest in new housing stock, and the decent homes programme will be completed during the year. The Council is also undertaking a number of development and regeneration schemes which utilise and maximise the value of its assets.

2016/17 Capital Programme	2016/17 Budget £m
General Fund	
Lewisham Homes – Property Acquisition	4.0
Primary Places Programme (inc Expansion)	6.0
Schools Works and Upgrades	3.4
Highways and Bridges Improvement Works (inc TfL programmes)	6.0
Housing Regeneration Schemes	7.7
Town Centres & High St. Improvements	3.6
Asset Management Programme	3.1
Other Schemes	9.3
	43.1
Housing Revenue Account	86.1
Total Capital Programme	129.2

Narrative Statement

6. FINANCIAL HEALTH**6a General Fund**

After transfers to and from reserves the General Fund balance has been kept at £13.0m due to the proposed reduction in future Government funding and the corresponding requirement on the Council to make savings. This is an adequate level of cover and represents approximately 2.5% of Lewisham's Net Budget Requirement and the Dedicated Schools Grant expenditure. The Council also has a number of earmarked reserves for specific on-going initiatives and these are shown in Note 8 to the Core Financial Statements.

6b Housing Revenue Account (HRA)

The HRA spent to budget after transfers to reserves as at 31st March 2016. It continues to build reserves up on an annual basis, mainly to ensure that there are sufficient resources available to fund the current 30 year business plan. This aims to continue to invest in decent homes and to significantly increase the supply of housing in the borough over the medium to long term. Examples include the housing regeneration taking place in both Catford and Ladywell. The business plan is reviewed each year to ensure that the resources available from HRA reserves can be profiled appropriately to meet the business needs.

After transfers to and from reserves the HRA balance at the end of the year, including earmarked reserves, now stands at £80.4m (£65.3m as at 31st March 2015). These reserves include the Major Repairs Reserve and are for specific on-going projects as outlined in the notes to the HRA in Section 4 of the Accounts.

6c Collection Fund

The Collection Fund had a deficit of £5.3m for the year, which when added to the brought forward surplus of £3.5m gives a deficit of £1.8m to carry forward to 2016/17. The details are shown in the Collection Fund statements in Section 5 of the Accounts.

7. SIGNIFICANT EVENTS IN 2015/16 THAT HAVE HAD AN IMPACT ON THE ACCOUNTS**7(a) National Deficit Reduction Strategy**

The Government's strategy to reduce the national deficit over the lifetime of the previous Parliament has had a major effect on the Council's current and future funding plans. It has also had a direct effect on the 2015/16 Accounts, with termination costs of £6.3m (£5.8m in 2014/15) being incurred during the year as the Council has implemented further reductions in staff in response to the constrained funding climate (see Note 26c to the Core Financial Statements).

7(b) Pension Fund Valuation

The Pension Fund's value reduced over the year by £1m from £1,043m to £1,042m (0.1%). More detailed information is set out in the Pension Fund accounts.

7(c) No Recourse to Public Funds Clients

There was overspending in the year of £2.2m in respect of clients with 'no recourse to public funds', including bed & breakfast temporary accommodation and section 17 payments. These are families who seek support under Section 17 of the Children's Act because they claim they have no financial means of supporting themselves whilst they are in the process of attempting to regularise their stay in the UK with the Home Office. The client numbers have fallen to fewer than 200 from their peak at the start of the year of 297 clients.

Narrative Statement

7(d) Strategic Housing

There was overspending of £2.5m for costs in accommodating homeless people in temporary accommodation. Over the past few years the number of homeless approaches to the Council has increased significantly, mainly due to changes in housing benefit legislation and the changing housing market where private sector rents have seen a marked increase. The Council have a duty to house families and individuals after each case is assessed and duty is formally accepted. Inadequate levels of housing stock, has seen the increased use of temporary accommodation. To tackle pressures caused by homelessness the Council has invested in a Hostel acquisition programme.

7(e) Minimum Revenue Provision (MRP) Policy

The Council is preparing its financial statements on a revised MRP policy that more accurately recognises and reflects the underlying asset classes that the Council holds. This change in policy has yielded a once-off saving of £4.92m in 2015/16 and will save a further £0.45m in 2016/17; and then approximately £1m per year for 2017/18 and future years.

7(f) Dedicated Schools Grant

There were two secondary schools with licenced deficit budgets at the end of 2015/16. These were Sedgehill at £1.3m and Deptford Green at £0.5m. There was one primary school with a licensed deficit, being All Saints at £0.03m. At the end of the financial year there are a further nine schools which have deficit balances totalling circa £0.9m which will need to apply for a licensed deficit.

7(g) Accounting Policy

The 2015/16 has seen a change in accounting policy relating to the adoption of IFRS 13 (Fair Value Measurement) for surplus non-current assets and its effect on investment properties. For further information, see paragraphs 22b and 24 of Section 2 – Statement of Accounting Policies.

7(h) Savings

The Council completed a voluntary severance exercise in 2015/16 which resulted in 76 people leaving the Council's employment. This was in addition to a number of service reorganisations as part of the revenue budget savings implemented in 2015/16

7(i) Government Funding and Business Rates Retention

Funding changes for local government announced in 2015/16 confirmed continued reductions in funding for local authorities and moves for authorities to become self-financing from business rates and council tax with no or minimal revenue support grant by 2020/21. The Council used reserves in 2015/16 to balance the budget and will do so again in 2016/17. For 2016/17 this will be on top of raising both the Adult Social Care precept at 2.00% and maximum Council Tax increase without a referendum at 1.99%. It is also worth noting that the next property valuation for business rates is underway; the system is changing following the 'check, challenge, appeal' consultation, and a number of appeals/ considerations are pending a decision (e.g. Virgin Media, NHS Trusts).

Narrative Statement

8. THE COUNCIL'S STRATEGIES AND OVERALL PERFORMANCE

a) Our Vision and Priorities

Lewisham's vision is: 'Together, we will make Lewisham the best place in London to live, work and learn'

Our vision was developed following consultation with Lewisham residents, public sector agencies, local business, voluntary and community sector organisations. This vision is not just for the Council, it has been adopted by the Lewisham Strategic Partnership and continues to be a bold aspiration that stretches and motivates the Council and its partners to set priorities and deliver services that will achieve the vision.

The key strategic document for Lewisham and for the Lewisham Strategic Partnership is the Lewisham's Sustainable Community Strategy 2008-2020 (which can be viewed on the Council's website).

Lewisham's Sustainable Community Strategy priorities

Shaping our Future Lewisham's Community Strategy 2008 - 2020 contains the shared priorities for the borough. The Lewisham Strategic Partnership agreed a set of 6 key priority outcomes which form the basis for public action locally.

Lewisham's corporate priorities

The Council's ten corporate priorities determine what contribution the Council will make towards delivery of the Shaping our Future. The priorities focus on the needs of local people and are geared towards ensuring that, in delivering services, the Council focuses on its citizens, is transparent and responds to changing needs and demands.

b) Our Goals

- Community Leadership and Empowerment – Creating opportunities for people within the community to participate and become engaged.
- Young people's achievement and involvement – Increasing educational achievement, and through partnership working to improve facilities for young people within the borough.
- Clean green and liveable – Through improvement to environmental management, the maintained care for roads and pavements. Encouraging a sustainable way of life/sustainable environment.
- Safety security and visible presence – Through working with the police to reduce crime levels, prevention of anti-social behaviour through Council powers/resources.
- Strengthening the local economy – Through the gain of resources to redevelop key localities, strengthen employment skills and encouraging the use of public transport.
- Decent homes for all – The creation of housing that is social and affordable to achieve 'the decent homes standard', reducing homelessness.
- Protection of children – Improved safeguarding and for children at risk the presence of joined services.
- Caring for adults and older people – To provide support to the elderly and adults that require help by working with health services.
- Active healthy citizens – Providing leisure, sporting and learning activities for everyone.
- Inspiring efficiency, effectiveness and equity – Ensuring that the services provided to meet the communities needs is efficient.

c) Key Performance Indicators for Corporate Priorities

Our key performance indicators are published in our Management Report, the purpose of which is to place on record each month, in a consistent format, our performance against priorities. Each month we attempt to give a full account of what is being done, what has been achieved and which areas require additional management attention to secure future achievements. The report gives some coverage to the effectiveness of our partnership working. Reporting on performance is always double-edged. We have high ambitions and targets which are set to stretch management and staff effort. So, there are areas where the need for greater management attention is highlighted. The full Management Report can be viewed on the Council's website.

Narrative Statement

Performance: Performance is being reported for March 2016. There are 9 performance indicators (47 per cent) reported as green or amber against target, and 8 (42 per cent) are showing an upward direction of travel. There are 10 performance indicators (53 per cent) reported as red against target and 10 performance indicators (53 per cent) which have a Red direction of travel. There are 4 indicators that have missing performance data.

Projects: Projects are being reported for March 2016. There are no red projects this month.

Risks: Risks are being reported for March 2016. There are nine red corporate risks - ICT infrastructure is not fit for purpose and/or does not meet business needs; noncompliance with Health & Safety legislation; financial failure and inability to maintain service delivery within a balanced budget; loss of income to the Council; failure of safeguarding arrangement; loss of constructive employee relations; information governance failure; failure to maintain sufficient management capacity and capability to deliver business as usual and implement transformational change; and strategic programme to develop and implement transformational change does not deliver. There are 11 amber risks and one risk is rated green.

The detailed tables of Key Performance Indicators (KPI's) can be found on the Council's website at the following link:

<http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/performance/Pages/Latest-council-performance.aspx>

Statement of Responsibilities & Independent Auditor's Report

THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Executive Director for Resources and Regeneration;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

Responsibility of the Executive Director for Resources and Regeneration

The Executive Director for Resources and Regeneration is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the 'Code of Practice').

In preparing the Statement of Accounts as set out in this document, I certify that I have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the CIPFA Local Authority Code of Practice.

I certify that I have also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts gives a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2016.

Janet Senior CPFA

Executive Director for Resources and Regeneration
21st September 2016

I confirm that these accounts were approved by the Council at the meeting held on 21st September 2016

Signed on behalf of the London Borough of Lewisham:

Councillor
Chair of Council
21st September 2016

Statement of Responsibilities & Independent Auditor's Report

**INDEPENDENT AUDITOR'S REPORTS TO THE MEMBERS OF LONDON
BOROUGH OF LEWISHAM**

TO FOLLOW IN AUDITED ACCOUNTS

Statement of Responsibilities & Independent Auditor's Report

Statement of Responsibilities & Independent Auditor's Report

Statement of Responsibilities & Independent Auditor's Report

Core Financial Statements

SECTION 1 - CORE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT - YEAR ENDING 31ST MARCH 2016

YEAR ENDING 31ST MARCH 2016	General Fund Balance £000	Earmarked Gen Fund Reserves £000	Housing Revenue Account £000	Major Repairs Reserve £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Note
Balance at 31 March 2015 Brought Forward	13,000	140,846	35,912	29,364	48,191	10,958	278,271	696,347	974,618	
Movement in Reserves during 2015/16										
Surplus or (Deficit) on the provision of services	37,259	0	(19,021)	0	0	0	18,238	0	18,238	
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	414,186	414,186	
Total Comprehensive Income and Expenditure	37,259	0	(19,021)	0	0	0	18,238	414,186	432,424	
Adjustments between accounting basis and funding basis under regulations	(25,577)	0	37,871	(3,757)	9,040	(2,809)	14,768	(14,768)	0	7
Net Increase / (Decrease) before Transfers to Earmarked Reserves	11,682	0	18,850	(3,757)	9,040	(2,809)	33,006	399,418	432,424	
Transfers to / (from) Earmarked Reserves	(11,682)	11,682	(11,868)	11,868	0	0	0		0	8, HRA 14, HRA 15
Increase / (Decrease) in 2015/16	0	11,682	6,982	8,111	9,040	(2,809)	33,006	399,418	432,424	
Balance at 31 March 2016 Carried Forward	13,000	152,528	42,894	37,475	57,231	8,149	311,277	1,095,765	1,407,042	
Note		8	HRA 15	HRA 14	18			19, 20, 21, Coll Fd 3		

Core Financial Statements

MOVEMENT IN RESERVES STATEMENT - YEAR ENDING 31ST MARCH 2015

YEAR ENDING 31ST MARCH 2015	General Fund Balance £000	Earmarked Gen Fund Reserves £000	Housing Revenue Account £000	Major Repairs Reserve £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance at 31 March 2014 Brought Forward	12,000	137,524	26,546	19,787	19,446	11,777	227,080	812,800	1,039,880
Movement in Reserves during 2014/15									
Surplus or (Deficit) on the provision of services	(152,445)	0	5,152	0	0	0	(147,293)	0	(147,293)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	82,031	82,031
Total Comprehensive Income and Expenditure	(152,445)	0	5,152	0	0	0	(147,293)	82,031	(65,262)
Adjustments between accounting basis and funding basis under regulations (see note 7)	156,767	0	18,272	(4,481)	28,745	(819)	198,484	(198,484)	0
Net Increase / (Decrease) before Transfers to Earmarked Reserves	4,322	0	23,424	(4,481)	28,745	(819)	51,191	(116,453)	(65,262)
Transfers to / (from) Earmarked Reserves	(3,322)	3,322	(14,058)	14,058	0	0	0	0	0
Increase / (Decrease) in 2014/15	1,000	3,322	9,366	9,577	28,745	(819)	51,191	(116,453)	(65,262)
Balance at 31 March 2015 Carried Forward	13,000	140,846	35,912	29,364	48,191	10,958	278,271	696,347	974,618

Core Financial Statements

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

2014/15				2015/16			
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	SERVICE	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Note
9,556	(4,463)	5,093	Central Services to the Public	9,643	(4,645)	4,998	
19,198	(3,615)	15,583	Cultural and Related Services	20,907	(3,841)	17,066	
38,219	(6,441)	31,778	Environmental and Regulatory Services	36,699	(6,819)	29,880	
13,544	(3,905)	9,639	Planning Services	14,446	(5,458)	8,988	
612,618	(324,799)	287,819	Children's and Education Services	352,596	(334,153)	18,443	
18,494	(4,201)	14,293	Highways and Transport Services	17,410	(3,898)	13,512	
370,154	(396,985)	(26,831)	Housing Services	389,172	(363,797)	25,375	
117,192	(26,763)	90,429	Adult Social Care	115,588	(34,559)	81,029	
20,396	(20,592)	(196)	Public Health	21,720	(22,379)	(659)	
16,315	(12,086)	4,229	Corporate and Democratic Core	18,691	(13,326)	5,365	
6,087	(17)	6,070	Non Distributed Costs	16,133	(15)	16,118	
1,241,773	(803,867)	437,906	Cost of Services	1,013,005	(792,890)	220,115	22
			Other Operating Expenditure				
0	(14,203)	(14,203)	(Gain) / Loss on the disposal of non-current assets	0	6,986	6,986	
1,646	0	1,646	Levies	1,631	0	1,631	6
1,727	0	1,727	Contribution of housing capital receipts to Government Pool	1,969	0	1,969	18
3,373	(14,203)	(10,830)		3,600	6,986	10,586	
			Financing and Investment Income and Expenditure				
24,626	0	24,626	Interest payable and similar charges	26,616	0	26,616	
2,579		2,579	Changes in fair value of Investment Properties	131		131	10
0	0	0	(Gain) / Loss on disposal of Investment Properties	0	0	0	
683	(2,028)	(1,345)	Interest and Investment Income	876	(2,879)	(2,003)	
64,639	(36,002)	28,637	Net interest on the net defined benefit liability	54,493	(31,318)	23,175	36
92,527	(38,030)	54,497		82,116	(34,197)	47,919	
			Taxation and non-specific Grant Income				
0	(80,738)	(80,738)	Income from Council Tax	0	(84,948)	(84,948)	
0	(117,250)	(117,250)	General Government Grants	0	(86,868)	(86,868)	
0	(51,548)	(51,548)	Recognised Capital Grants and Contributions	0	(37,346)	(37,346)	
0	(84,744)	(84,744)	Non-Domestic Rates redistribution	0	(87,696)	(87,696)	
0	(334,280)	(334,280)		0	(296,858)	(296,858)	
		147,293	Deficit/(Surplus) on provision of services			(18,238)	22
		(180,306)	Surplus on revaluation of non-current assets			(266,154)	20
		98,275	Remeasurement of the net defined benefit liability			(148,032)	19, 36
		(82,031)	Other Comprehensive Income and Expenditure			(414,186)	
		65,262	Total Comprehensive Income and Expenditure			(432,424)	

Core Financial Statements

BALANCE SHEET AS AT 31ST MARCH 2016

31/03/2015 £000		31/03/2016 £000	Note
	Property, Plant & Equipment		
1,058,091	Council Dwellings	1,146,313	9b, HRA 1a, 9
596,367	Other Land and Buildings	791,587	9b
30,399	Vehicles, Plant, Furniture and Equipment	29,665	9b
95,039	Infrastructure	109,917	9b
8,850	Community Assets	7,155	9b
52,064	Surplus Assets not Held for Sale	75,657	9b
29,604	Assets under Construction	23,992	9b
1,870,414		2,184,286	
257	Heritage Assets	257	40
22,743	Investment Property	0	10
2,044	Long Term Investments	2,189	
17,774	Long Term Debtors	25,734	13a
1,913,232	Total Long Term Assets	2,212,466	
230,650	Short Term Investments	230,762	11
0	Assets Held for Sale	0	
313	Inventories	191	
81,990	Debtors	57,360	13b
86,612	Cash and Cash Equivalents	101,427	11, 14
2,018	Prepayments	3,134	
401,583	Current Assets	392,874	
3,616	Bank Overdraft	3,180	11, 14
66,884	Short Term Borrowing	35,671	11
2,971	Provisions (Less than 1 year)	3,229	16
91,686	Creditors	69,079	15
75,672	Receipts in Advance	69,974	17
8,751	PFI Liabilities due within one year	7,706	33d
249,580	Current Liabilities	188,839	
2,065,235	Total Assets less Current Liabilities	2,416,501	
125,574	Long Term Borrowing	157,701	11
8,118	Provisions (More than 1 year)	8,347	16
239,002	Deferred PFI Liabilities	240,061	33d
1,201	Capital Grants Receipts in Advance	1,544	
716,722	Liability related to defined benefit pension scheme	601,806	19, 36
1,090,617	Long Term Liabilities	1,009,459	
974,618	NET ASSETS	1,407,042	
	Usable Reserves		
13,000	General Fund Balance	13,000	
140,846	Earmarked Revenue Reserves	152,528	8
35,912	Housing Revenue Account	42,894	HRA 15
29,364	Major Repairs Reserve	37,475	HRA 14
48,191	Usable Capital Receipts Reserve	57,231	18
10,958	Capital Grants Unapplied	8,149	
278,271		311,277	
	Unusable Reserves		
558,836	Revaluation Reserve	808,913	20
861,199	Capital Adjustment Account	899,650	21
113	Deferred Capital Receipts	100	
(5,407)	Financial Instruments Adjustment Account	(4,627)	
(716,722)	Pensions Reserve	(601,806)	19, 36
3,836	Collection Fund Adjustment Account	(1,838)	Coll Fd 3
(5,508)	Short Term Compensated Absences Account	(4,627)	
696,347		1,095,765	
974,618	TOTAL EQUITY	1,407,042	

Core Financial Statements

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2016

2014/15 £000s		2015/16 £000s	Note
(147,293)	Net surplus or (deficit) on the provision of services	18,238	
257,011	Adjustment to surplus or deficit on the provision of services for non-cash movements	92,591	41
(84,477)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(56,008)	42
25,241	Net Cash flows from Operating Activities	54,821	
(42,353)	Net Cash flows from Investing Activities	(30,536)	44
(16,321)	Net Cash flows from Financing Activities	(9,034)	45
(33,433)	Net Increase or (decrease) in Cash and Cash Equivalents	15,251	
116,429	Cash and Cash Equivalents at the beginning of the reporting period	82,996	14
82,996	Cash and Cash Equivalents at the end of the reporting period	98,247	14

SECTION 2 - STATEMENT OF ACCOUNTING POLICIES

1. GENERAL PRINCIPLES

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011, which requires them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the SeRCOP 2015/16, both published by CIPFA, and based on IFRS and statutory guidance under Section 12 of the Local Government Act 2003 (see Glossary for definitions). The accounting convention adopted in the Statement of Accounts is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared on a 'going concern' basis (in other words, on the expectation that it will to continue to operate in its current form for the foreseeable future).

2. CHANGES IN ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES, MATERIAL ERRORS AND PRIOR PERIOD ADJUSTMENTS

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Prior period adjustments may arise from a change in an accounting policy or to correct a material error. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

3. ACCRUALS OF INCOME AND EXPENDITURE

The Council's revenue and capital accounts are prepared on an accruals basis. This means that activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Income from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that the economic benefits or service potential associated with the transaction will be received by the Council.
- Income from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will be received by the Council.
- Income from Council Tax and Non-Domestic Rates is accounted for in the year it is due.
- Expenditure on supplies is accounted for when they are used. When there is a significant gap between the date on which supplies are received and the date of their use, and the value is material, they are carried as inventories on the Balance Sheet.
- Expenditure on services received (including those provided by employees) is accounted for when the services are received rather than when payments are made.

Where income and expenditure have been recognised in the accounts, but cash has not been received or paid, a debtor or creditor for the amount is recorded in the Balance Sheet. Where it is likely that debts may not be settled, a charge is made to revenue for the income that might not be collected and the debtor is impaired.

Statement of Accounting Policies

4. EXCEPTIONAL ITEMS

Where items of expenditure and income are material, their nature and amount are disclosed separately, either in the Comprehensive Income and Expenditure Statement (the "CIES") or in a note to the accounts, depending on their significance.

5. FOREIGN CURRENCY TRANSLATION

Where the Council has entered into a foreign currency transaction, it is converted into sterling at the exchange rate prevailing on the transaction date. Where amounts are outstanding at year end, they are converted at the exchange rate on 31 March. Any material gains or losses are charged to the Financing and Investment Income and Expenditure line in the CIES.

6. VALUE ADDED TAX (VAT)

Income and Expenditure excludes any amounts related to VAT, unless it is irrecoverable from Her Majesty's Revenue and Customs. VAT is paid on invoices received and charged to an input tax account and VAT is collected with income and posted to an output tax account. These accounts are reconciled and claims made to HM Revenue and Customs for the net VAT incurred on a monthly basis.

7. EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:-

- those that give evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events where they are considered to be material;
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events. However, where they would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

8. OVERHEADS AND SUPPORT SERVICES

The costs of overheads and support services are charged to the services that benefit from the supply or service in accordance with the total absorption costing principles of the SeRCOP. The exceptions below are defined in SeRCOP and accounted for separately as part of the Cost of Services in the CIES.

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation (e.g. member's services, external audit fees).
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any impairment losses chargeable on Assets Held for Sale.

9. GOVERNMENT GRANTS AND CONTRIBUTIONS

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that the Council will comply with the conditions attached to the payments, and the grants or contributions will be received. Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential of the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or else the future economic benefits or service potential must be returned to the transferor. Amounts received as grants and contributions for which conditions have not been satisfied are carried on the Balance Sheet as receipts in advance. When conditions are satisfied, they are credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement (MIRS). Where the grant has yet to be used to finance capital

Statement of Accounting Policies

expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

10. LEASES

Leases are classified as finance leases where the terms of the lease substantially transfers all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements which do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where the fulfilment of the arrangement is dependent on the use of specific assets.

a) The Council as Lessee**i) Finance Leases**

Property, Plant and Equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the property, plant or equipment, which is applied to write down the lease liability, and a finance charge to the Financing and Investment Income and Expenditure line in the CIES. They are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period). The Council as lessee did not have any finance leases in 2015/16 (nor in 2014/15).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, an annual contribution is made from revenue to the deemed capital investment in accordance with statutory requirements. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the MiRS for the difference between the two.

ii) Operating Leases

Rentals paid under operating leases are charged to the CIES as expenditure of the services which benefit from the use of the leased asset. Charges are made on a straight-line basis over the life of the lease, even if this does not match the incidence of payments (e.g. where there is a rent-free period).

b) The Council as Lessor**i) Finance Leases**

When the Council grants a finance lease over a property or item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Any gain, representing the Council's net investment in the lease, is credited to the same line in the CIES as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset (long-term debtor) in the Balance Sheet. The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the MiRS. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the MiRS. When the future rentals are received, the capital receipt for the disposal of the asset is used to write down the lease debtor, and the associated deferred capital receipt is transferred to the Capital Receipts Reserve.

Statement of Accounting Policies

Lease rentals received are apportioned between a charge for the acquisition of the interest in the property, which is applied to write down the lease debtor (together with any premiums received), and finance income (credited to the Financing and Investment Income and Expenditure line in the CIES).

ii) Operating Leases

Where the Council grants an operating lease over a property or item of plant or equipment, the asset is retained on the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES on a straight-line basis over the life of the lease, even if this does not match the incidence of payments received.

11. INVENTORIES (STOCK)

Highways and fleet stores are valued and included in the Balance Sheet at cost price as a proxy for average price. Revenue accounts are charged with the cost of obsolescent stock written off.

12. LONG TERM CONTRACTS

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

13. EMPLOYEE BENEFITS

a) Benefits Payable During Employment

Short-term employee benefits are those which are settled within 12 months of the year-end. They include salaries, paid annual leave and sick leave for current employees and are recognised as an expense in the year in which employees render their services to the Council. An accrual is made for the cost of entitlements (or any form of leave) earned by employees, but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the year in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the MiRS using the Short Term Compensated Absences Account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs. This account shows the differences arising on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March each year. Statutory requirements are that the impact on Council Tax is reversed through the Account.

b) Termination and Discretionary Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before their normal retirement date. They are charged on an accruals basis to the relevant Service Cost line in the CIES in the year in which the Council is committed to the termination of the employment of the officer. The Council has an approved scheme to make awards of benefits in the event of early retirements which requires a panel to consider and agree proposals on the grounds of redundancy and/or efficiency and applications for voluntary early retirement from employees.

Where termination benefits have involved the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any amounts payable but unpaid at the year-end.

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities arising as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Statement of Accounting Policies

c) Post-Employment Benefits

Employees of the Council are members of four separate pension schemes:-

- The Teachers' Pension Scheme, administered by Capita Teachers Pensions for the DfE;
- The NHS Pension Scheme, administered by EA Finance NHS Pensions;
- The London Pension Fund administered by the London Pension Fund Authority (LPFA);
- The Local Government Pension Scheme (LGPS), administered by Lewisham Council.

These schemes provide defined benefits to members (retirement lump sums and pensions), which are earned as they work for the Council.

(i) Teachers' Pension Scheme and the NHS Pension Scheme

These schemes are defined benefit schemes, but are accounted for as if they were defined contributions schemes, since their liabilities cannot be separately identified to individual Local Authorities. No liabilities for future payment of benefits are therefore recognised in the Balance Sheet for these schemes. The CIES is charged with the employer's contributions paid to the schemes during the year.

(ii) London Pension Fund Scheme

This scheme is a defined benefit scheme and is accounted for as such, since its liabilities and assets can be identified to individual Councils. The CIES is charged with a levy from the LPFA to meet the employer's contributions and the costs of administration.

(iii) Local Government Pension Scheme

This scheme is a defined benefit scheme and is accounted for as such, since its liabilities and assets are attributable to individual Local Authorities. The Council's attributed liabilities are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments to be made by the Scheme in relation to benefits earned to date, based on a number of assumptions about mortality rates, turnover, projected earnings etc. These liabilities are discounted to their value at current prices, using a discount rate recommended by the Scheme's Actuaries.

The assets of the Scheme are included in the Balance Sheet at their fair value as follows:-

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value.

The change in the net pensions liability is analysed into the following components:-

- Service Costs comprising
The current service cost which is the increase in liabilities as a result of years of service earned this year. These are allocated in the CIES to the services for which the employees worked.
The past service cost which is the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. These are debited to Non Distributed Costs in the Surplus or Deficit on the Provision of Services in the CIES.
- Net interest on the net defined benefit liability
This is the change in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate to the net defined benefit liability at the beginning of the period, accounting for any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
- Re-measurement comprising
The return on plan assets excluding amounts included in net interest.
The actuarial gains and losses arising from changes in demographic and financial assumptions since the last actuarial valuation.
Other changes not accounted for elsewhere.

Statutory regulations require Council Tax to fund the amounts payable to the Pension Scheme in the year, rather than the amount calculated according to the relevant accounting standards. The notional entries for assets and liabilities are therefore matched with appropriations to and from the Pension Reserve in the Movement in Reserves Statement. The negative balance on the Pensions Reserve thus measures the beneficial impact on the General Fund of being required to account on the basis of cash flows rather than as benefits are earned by employees.

Statement of Accounting Policies

The detailed accounting policies followed in preparing the pension fund accounts are disclosed separately in the Council's Pension Fund Accounts in Section 7 of the Statement of Accounts.

14. INTERESTS IN COMPANIES

The Council has two wholly owned subsidiary companies, Lewisham Homes and Catford Regeneration Partnership Ltd. It also has a minority interest (significantly lower than 50%) in a number of other companies. The transactions between the Council and all of these companies are included in the Council's accounts. An annual review of the necessity of preparing Group Accounts is undertaken and has again concluded that the Group's entities are immaterial to the financial statements and therefore there is no requirement under the Code to produce Group Accounts. They have therefore not been prepared for 2015/16. Note 24 - Investment in Companies includes information about the companies.

15. REVENUE PROVISIONS AND IMPAIRMENT ALLOWANCES

a) Provisions

The Council has set aside amounts from revenue as provisions which will be used to cover future expenditure. Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement at a later date and where a reliable estimate can be made of the amount of the obligation. Provisions are charged to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision in the Balance Sheet. All provisions are reviewed at the end of the financial year, and where it is assessed that it is less than probable that a settlement will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

b) Impairment Allowances

Impairment allowances to cover Council Tax, housing rents and other debtors are set up where it is doubtful that the debts will be settled. A charge is made to the relevant account for the income and is deducted from the current debtors balance on the Balance Sheet. When it is deemed that the debts are irrecoverable they are written off to the impairment allowance. Where payments are made, they are credited to the provision on the Balance Sheet.

16. RESERVES

The Council has set aside specific amounts as reserves to cover future expenditure for contingencies or policy purposes, which fall outside the definition of provisions, and are shown in Note 8 of Section 3. The reserves are created by appropriating amounts out of the General Fund Balance in the MiRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then credited back to the General Fund Balance in the MiRS so that there is no net charge against Council Tax. Statutory reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and are not available for the Council to use to finance services.

17. CONTINGENT LIABILITIES AND ASSETS

A contingent liability or asset arises where an event has taken place that gives the Council a possible obligation or asset. However, this will only be confirmed by the occurrence or otherwise of another event not wholly within the control of the Council. These are not recognised in the Balance Sheet but are disclosed in a note to the accounts. A contingent liability could also arise in circumstances where a provision would otherwise be made but either it is not probable that a payment will be required or the amount of the obligation cannot be measured reliably.

Statement of Accounting Policies

18. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure incurred which can be capitalised under statutory provisions but does not result in the creation of a non-current asset for the Council (e.g. home improvement grants or voluntary aided schools expenditure), is charged to the relevant service cost line in the CIES. Where this expenditure is met from existing capital resources or by borrowing, a transfer in the MiRS from the General Fund Balance to the Capital Adjustment Account reverses out the amounts charged so that there is no impact on Council Tax.

19. FINANCIAL INSTRUMENTS**a) Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council enters into a financial instrument and are initially measured at fair value and carried at their amortised cost. Charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by its effective rate of interest. This rate exactly discounts estimated future cash payments over its life to the amount at which it was originally recognised. For the Council's borrowings, the amount on the Balance Sheet is the outstanding principal repayable (plus accrued interest), and the interest charged to the CIES is the amount payable for the year for the loan. Where market loans are defined as Lender Option Borrower Option (LOBO's), these are accounted for as short term loans if they have options occurring within the next financial year.

There has been no repurchase or early settlement of borrowing in 2015/16 (nor in 2014/15). Premiums and discounts from previous year's settlements are charged to the CIES in accordance with regulations requiring the impact on the General Fund and the HRA to be spread over future years. The Council's policy is to spread the gain or loss over the remaining term of the loan repaid on which the premium was payable or discount receivable. Premiums and discounts are split between the General Fund and HRA pro rata to their respective Capital Financing Requirements as at 1 April of the year in which the loan was repaid. As required by statute, the amounts charged to the CIES are adjusted to the required charge against Council Tax or Housing Rents by a transfer to or from the Financial Instruments Adjustment Account in the MiRS. This account holds the accumulated difference between the financing costs charged to the CIES and the accumulated financing costs required to be charged to the General Fund Balance in accordance with regulations.

b) Financial Assets**i) Loans and Receivables**

Loans and receivables are assets that have fixed or determinable payments but are not quoted in an active market. They are recognised on the Balance Sheet initially at fair value and subsequently at their amortised cost, and include short term investments and sundry debtors. The credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by its effective rate of interest. For loans that the Council has made, this means that the amount shown on the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year for the loan. Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

ii) Available-for-Sale Assets

These are assets which have a quoted market price and/or do not have fixed or determinable payments. The Council does not have any assets in this category.

20. CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than twenty four hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value. The Cash Flow Statement shows cash and cash equivalents net of repayable on demand bank overdrafts which form an integral part of the Council's cash management.

Statement of Accounting Policies

21. INTANGIBLE NON CURRENT ASSETS

Intangible Non-Current Assets (e.g. software licences) do not have any physical substance and are identifiable and controllable by the Council through custody or legal rights. The expenditure is only capitalised when it and the future economic benefits or service potential flowing from it are both material. The level of spend on these assets is immaterial and therefore is charged direct to the CIES.

22. NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

a) Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided it adds value, increases its ability to deliver future economic benefits or service potential, or can be capitalised as a component and exceeds the Council's de-minimus limit of £40,000. Expenditure financed from the government's Devolved Formula Capital Grant is also capitalised on the basis that it increases the school's service potential. Expenditure that only maintains an asset's value (i.e. repairs and maintenance) and does not increase its ability to deliver benefits or services is charged as revenue expenditure when it is incurred.

b) Measurement and Valuation

Non-current assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Council capitalises costs incurred whilst assets are under construction if these costs are directly attributable to an asset and it is probable that future economic benefits will flow to the authority (in accordance with IAS 16). These balances are held on the balance sheet under the category Assets Under Construction and are transferred to the specific non-current assets category when the project reaches practical completion. Non-current assets are carried on the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost;
- dwellings – fair value, using the basis of existing use value for social housing (EUV-SH);
- all other assets – fair value, being the amount that would be paid for the asset in its existing use (existing use value – EUV);
- where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value;
- where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Non-current assets included in the Balance Sheet at fair value are revalued regularly in accordance with the Statements of Appraisal and Valuation Manual and Guidance Notes issued by the RICS and recommended by CIPFA.

The cost of an asset acquired other than by purchase is deemed to be its fair value. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the CIES. Where the donation has been made conditionally, the gain is held in the Donated Assets Account until conditions are satisfied. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the MiRS. The Council did not receive any donated assets in 2015/16 (nor in 2014/15).

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are credited to the CIES where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, they are accounted for as follows:

Statement of Accounting Policies

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no or an insufficient balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line in the CIES.

The 2015/16 Code of Practice has changed the measurement requirements for Surplus Assets within Property, Plant and Equipment (i.e. assets that are not being used to supply goods and services and that do not meet the criteria of assets held for sale). The adoption of IFRS 13 requires that these assets are measured at fair value and not existing use value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Charges to Revenue for Non-Current Assets

All services are charged with the following amounts to reflect the cost of using Property, Plant and Equipment assets during the year:-

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service (where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off).

These amounts are not required to be charged against Council Tax; however the Council is required to make an annual contribution from revenue (the Minimum Revenue Provision – MRP) to reduce its overall outstanding borrowing, calculated on a prudent basis in accordance with statutory guidance. The difference between the two is accounted for within the Capital Adjustment Account in the Movement in Reserves Statement.

d) Impairment

Non-current assets held on the Balance Sheet are reviewed at year-end to assess whether they may be impaired. Where an impairment exists, the recoverable amount of the asset is estimated and if material, an impairment loss is recognised for the shortfall and is accounted for as follows:-

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no or an insufficient balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

e) Depreciation

Depreciation is charged on all Property, Plant and Equipment assets by applying the straight-line method based on the asset's useful life. Depreciation is not charged for assets with an indeterminable finite useful life, a long life such that depreciation would be immaterial, assets where the recoverable amount exceeds the carrying amount (i.e. freehold land, community assets) and assets under construction. Depreciation is calculated on the following bases:

- council dwellings – 25 years
- other land & buildings (including hostels) – 40 years
- vehicles, plant & equipment – range of 5 to 20 years
- infrastructure – range of 10 to 40 years (but the majority being 25 years)

The Council's policy is to charge depreciation on the assets value at 1 April each year. It is charged from the year following the date of purchase or completion of construction, and is not adjusted for disposals or additions of assets during the year. Where an asset has major components whose cost is significant in

Statement of Accounting Policies

relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

f) Non-Current Assets Held for Sale

When it is almost certain that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, and the strict criteria set out in the COP are met, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

g) Disposals of Non-Current Assets

When an asset is disposed of or decommissioned, the carrying amount in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received in excess of £10,000 are classified as capital receipts. A proportion of receipts from housing disposals (as per the relevant regulations) are payable to the Government. The retained receipts are required to be credited to the Usable Capital Receipts Reserve, and can only be used to finance new capital investment or set aside to reduce the Council's underlying need to borrow. Receipts are appropriated to the Reserve from the General Fund Balance in the MiRS. The written-off value of disposals is not a charge against Council Tax. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

h) Deferred Capital Receipts

This reserve holds the gains recognised on the disposal of non-current assets but for which a cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the cash settlement eventually takes place, the amounts are transferred to the Usable Capital Receipts Reserve.

23. HERITAGE ASSETS

These are assets which are primarily held for their contribution to knowledge or culture, however, where they are used as operational assets, they are classified as such. They are recognised and measured in accordance with the accounting policies on Property, Plant and Equipment in respect of revaluation, impairment and disposal. The Council has, however, opted not to depreciate these assets since they are enduring by nature. The threshold for disclosure is £40,000.

Statement of Accounting Policies

24. INVESTMENT PROPERTIES

These are assets which are used solely to earn rentals and/or for capital appreciation, and are not used in any way for the delivery of services or production of goods or being held for sale. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. They are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. They are revalued annually according to market conditions, and are therefore not depreciated. Any gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. These are not statutorily allowed to have an impact on the Council Tax and are therefore reversed out of the General Fund Balance in the MiRS and posted to the Capital Adjustment Account and the Capital Receipts Reserve if relevant.

The adoption of IFRS13 Fair Value Measurement has led to an assessment of the Council's Investment Properties and their reclassification to Property, Plant & Equipment. Upon review they have now been defined under three main areas: (i) assets leased at less than the market rent; (ii) assets leased at market rent but required for services delivered on behalf of the authority; (iii) assets purchased for strategic purposes including regeneration or service improvements. As a result it has been clarified that our Investment Assets under the broad definition are not used solely for income or capital appreciation.

25. PRIVATE FINANCE INITIATIVE (PFI) CONTRACTS

These are agreements to receive services where the responsibility for making available the assets needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the assets will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The original recognition of these assets at fair value is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Where schemes include a capital contribution, the liability is written down accordingly. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as other non-current assets owned by the Council. The amounts payable to the PFI operators each year are analysed into the following five elements:

- fair value of the services received during the year – debited to the relevant service in the CIES;
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to Interest Payable and Similar Charges in the CIES;
- contingent rent – increases in the amount to be paid for the asset arising during the contract, debited to Interest Payable and Similar Charges in the CIES;
- payment towards liability – applied to write down the liability towards the PFI operator;
- lifecycle replacement costs – recognised as prepayments in the Balance Sheet and then recognised as non-current assets on the Balance Sheet when the work is carried out.

26. ACCOUNTING FOR SCHOOLS

Schools' accounting policies are the same as the Council's, with their income and expenditure being attributed to the appropriate service line in the CIES and their assets, liabilities and balances being included on the Balance Sheet. Schools' earmarked reserves are shown separately within Note 8 to the Core Financial Statements. An analysis of Dedicated Schools' Grant (the main source of funding for schools) is shown in Note 28. Any critical judgements made relating to accounting for schools' non-current assets (i.e. land and buildings) are shown in Note 2.

SECTION 3 - NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING STANDARDS ISSUED, NOT ADOPTED IN THE 2015/16 ACCOUNTS

The Code of Practice requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued, but not yet adopted. This applies to the adoption of the following new or amended standard within the 2016/17 Code:-

- Highways Network Asset: the Council owns approximately 390km of roads & footpaths, and these are currently shown on the balance sheet at historic cost less depreciation under the 'infrastructure' category. From 2016/17 these will be valued and reflected in the Council's balance sheet using a valuation method for which further advice is awaited; therefore the effect on the Council's Accounts in the future cannot be quantified at present. In 2016/17 there will be no requirement to restate the 2015/16 comparative figures for these assets.

The Code requires implementation from 1st April 2016 and therefore there is no impact on the 2015/16 Statement of Accounts.

2. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the Accounting Policies the Council has had to make certain judgements about complex transactions (shown in this note) and a number of assumptions which involve uncertainty about future events (shown in the following note). The major judgements made are as follows:

- There is uncertainty about future levels of funding for local government. However, the Council has concluded that it is unlikely that the assets of the Council will be impaired as a result of the actions required to achieve the necessary savings, including closing facilities and reducing services.
- A number of judgements have been made under IFRS concerning the classification of and the accounting for Non-Current Assets, Investment Properties, Leases, PFI and other major contracts, Capital and Revenue Grants and other miscellaneous items. In 2015/16 the adoption of IFRS13 Fair Value Measurement has led to an assessment of the Council's Investment Properties and their reclassification to Property, Plant & Equipment (for further details, see Note 24 – Investment Properties – in Accounting Policies above). Other than this, there are no material changes to these judgements for the 2015/16 Accounts compared to those followed in 2014/15.
- An accounting judgement has been made for each school as to whether their land and buildings should be included within the Council's Balance Sheet:-
 - Included are 42 Community Primary Schools, 5 Community Secondary Schools, 3 Community Special Schools, 2 Foundation Schools and 2 Nursery Schools (54 schools).
 - Excluded are 24 Voluntary-aided Schools, 3 Foundation Schools, 4 Academies and 4 Other Schools (35 schools).
 - Also excluded are assets acquired via PFI contracts where they relate to the excluded schools given above.
- The Council has previously agreed that it will indemnify all the pension costs of Lewisham Homes staff. The Council's judgement is that this indemnity is most accurately represented by accounting for the liability under IAS19, rather than as an accrual, provision, reserve or contingent liability. The 2015/16 Accounts therefore include the full costs of the Lewisham Homes IAS19 liability and are consistent with the Council's 2014/15 Accounts and Lewisham Homes' Accounts for both years.

Notes to the Core Financial Statements

3. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

These Accounts contain a number of estimated figures that are based on assumptions made about the future or that are otherwise uncertain, and take into account historical experience, current trends and other relevant factors. Because of this, the actual outcomes could be materially different from the assumptions and estimates made. The areas in the Council's Accounts at 31st March 2016 for which there is a significant possibility of material adjustment in the forthcoming financial year are as follows:-

a) Property, Plant and Equipment

Non-Current Assets are depreciated over their useful lives which are partially dependent on assumed levels of repairs and maintenance that will be achieved. However the current economic climate makes it uncertain that the Council will be able to sustain its current level. If the useful life of assets is reduced, the depreciation will increase and the carrying amount of the assets will decrease. The annual depreciation charge for buildings could increase by approximately £1m for every year that useful lives are reduced. For further information on Non-Current Assets, see Note 9.

b) Insurance Provisions

The insurance provision is made up of contributions to cover liabilities arising over a number of years. It is split between less than and greater than one year, estimating what proportion of the monies held relate to each of the years, what has been paid in each of those years and what remains outstanding. An annual review is commissioned from insurance advisors to inform this split. The balance on the provision < 1 year at 31st March 2016 is £2.7m, and so an increase over the forthcoming year of 10% in the total number of claims or in the average settlement could add £0.27m to the provision needed.

c) Non-Domestic Rates - Appeals

Since the introduction of the Business Rates Retention Scheme from 1st April 2013, Councils are liable for successful appeals against NDR charged to businesses in 2015/16 and earlier financial years in their proportionate share. Therefore, a provision has been raised for the estimate of the amount that businesses have been overcharged up to 31st March 2016, using the Valuation Office (VAO) ratings list of appeals and the analysis of successful appeals to date. The balance on this provision at 31st March 2016 is £0.8m.

d) Arrears of Significant Debtors

The Council had debtors balances of Council Tax, Non Domestic Rates, Housing Rents and sundry others of £121m as at 31st March 2016. All of the significant balances have been reviewed and impairment allowances for doubtful debts have been set at appropriate levels, with an overall impairment allowance of £64m. Although the current economic climate, including the Government's welfare benefits reform initiative, has been taken into account, it is not certain that these allowances will be sufficient, as the judgements made are mainly based on historical trends. If collection rates were to deteriorate, an increase of 10% in the amount of the impairment allowance would require an additional sum of £6.4m to be set aside.

e) Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured and are outlined in the Defined Benefits note to these Accounts (Note 36).

Notes to the Core Financial Statements

4. MATERIAL ITEMS OF INCOME AND EXPENDITURE

There are no material items of Income and Expenditure that are not disclosed elsewhere in these Accounts.

5. EVENTS AFTER THE BALANCE SHEET DATE

The pre-audit Statement of Accounts was authorised for issue by the Executive Director for Resources and Regeneration on 2nd June 2016. Events taking place after this date are not reflected in the accounts. Where events took place before this date which materially altered the conditions existing at 31st March 2016, the figures in the financial statements and notes have been adjusted in all material respects to reflect these altered conditions. There are no significant events which have occurred after 31st March 2016 affecting the 2015/16 accounts – any such events will affect the 2016/17 accounts only.

At the current time, it is likely that Sedgehill secondary school will be converted to academy status, but the academy orders have not yet been issued. The non-current assets for Sedgehill school show a net book value of £35.8m on the Council's balance sheet at 31st March 2016. The effect of this transfer (if confirmed) will be reflected in 2016/17 accounts.

6. OTHER OPERATING EXPENDITURE - LEVIES

These are included under the "Other Operating Expenditure" line in the Comprehensive Income and Expenditure Statement, and comprises the statutory levies for services carried out by other bodies.

	2015/16	2014/15
	£000	£000
London Pension Fund Authority	1,232	1,243
Lee Valley Regional Park Authority	226	233
Environment Agency	173	170
Total Levies Paid	1,631	1,646

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the CIES recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The total of these adjustments appears as a line on the Movement in Reserves Statement.

Notes to the Core Financial Statements

2015/16	Usable Reserves						Movement in Unusable Reserves £'000
	General Fund Balance £'000	Earmarked GF Reserves £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments primarily involving the Capital Adjustment Account:							
Reversal of items credited or debited to the CIES							
Charges for depreciation and impairment of non-current assets	(20,689)		30,112				(9,423)
Movements in the market value of Investment Properties	131						(131)
Capital grants and contributions applied	(33,408)						33,408
Revenue expenditure funded from capital under statute	11,614						(11,614)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the CIES	3,768		25,761				(29,529)
Insertion of items not debited or credited to the CIES							
Statutory provision for the financing of capital investment/ Repayment of Principal on PFI schemes	(6,957)		(3,409)				10,366
Capital expenditure charged against the General Fund	(6,440)						6,440
Adjustments primarily involving the Capital Grants Unapplied Account:							
Capital Grants and contributions unapplied credited to the CIES						(2,809)	2,809
Adjustments primarily involving the Capital Receipts Reserve:							
Transfer of cash sale proceeds credited as part of the gain / loss on disposal to the CIES	(6,120)		(16,561)		22,681		0
Use of the Capital Receipts Reserve to finance new capital expenditure					(11,659)		11,659
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	1,969				(1,969)		0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash					(13)		13
Balance of Reserved Capital Receipts at Year End							0
Adjustments primarily involving the Major Repairs Reserve:							
Use of the Major Repairs Reserve to finance new capital expenditure			18,244	(22,001)			3,757
Reversal of Major Repairs Allowance credited to the HRA			(30,112)	30,112			0
Difference between Major Repairs Allowance and HRA depreciation			11,868	(11,868)			0
Adjustments primarily involving the Financial Instruments Adj Account:							
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(302)		(478)				780
Adjustments primarily involving the Pensions Reserve:							
Reversal of items relating to retirement benefits debited or credited to the CIES	60,946		5,532				(66,478)
Employer's pensions contributions and direct payments to pensioners payable in the year	(30,276)		(3,086)				33,362

Notes to the Core Financial Statements

2015/16 continued	Usable Reserves						Movement in Unusable Reserves £'000
	General Fund Balance	Earmarked GF Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments primarily involving the Collection Fund Adjustment Account: Amount by which Council Tax income credited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	5,674						(5,674)
Adjustments primarily involving the Accumulated Absences Account: Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(881)						881
Other Adjustments	(4,606)						4,606
Total Adjustments	(25,577)	0	37,871	(3,757)	9,040	(2,809)	(14,768)

2014/15 COMPARATIVE FIGURES	Usable Reserves						Movement in Unusable Reserves £'000
	General Fund Balance	Earmarked GF Reserves	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments primarily involving the Capital Adjustment Account: Reversal of items credited or debited to the CIES Charges for depreciation and impairment of non-current assets	207,892		24,205				(232,097)
Movements in the market value of Investment Properties	2,579						(2,579)
Capital grants and contributions applied	(50,108)						50,108
Revenue expenditure funded from capital under statute	13,595						(13,595)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the CIES	2,711		6,473				(9,184)
Insertion of items not debited or credited to the CIES Statutory provision for the financing of capital investment	(15,303)		(3,094)				18,397
Capital expenditure charged against the General Fund and HRA balances	(7,791)						7,791
Adjustments primarily involving the Capital Grants Unapplied Account: Capital Grants and contributions unapplied credited to the CIES						(818)	818
Adjustments primarily involving the Capital Receipts Reserve: Transfer of cash sale proceeds credited as part of the gain / loss on disposal to the CIES	(15,278)		(20,603)		35,881		0
Use of the Capital Receipts Reserve to finance new capital expenditure					(4,315)		4,315
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	1,727				(1,727)		0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash					(19)		19
Balance of Reserved Capital Receipts at Year End					(1,075)		1,075

Notes to the Core Financial Statements

2014/15 COMPARATIVE FIGURES continued	Usable Reserves						Movement in Unusable Reserves £'000
	General Fund Balance £'000	Earmarked GF Reserves £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments primarily involving the Major Repairs Reserve:							
Use of the Major Repairs Reserve to finance new capital expenditure			12,273	(16,754)			4,481
Reversal of Major Repairs Allowance credited to the HRA			(26,331)	26,331			0
Difference between Major Repairs Allowance and HRA depreciation			14,058	(14,058)			0
Adjustments primarily involving the Financial Instruments Adj Account:							
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(300)		(478)				778
Adjustments primarily involving the Pensions Reserve:							
Reversal of items relating to retirement benefits debited or credited to the CIES	48,590		14,590				(63,180)
Employer's pensions contributions and direct payments to pensioners payable in the year	(30,002)		(2,821)				32,823
Adjustments primarily involving the Collection Fund Adjustment Account:							
Amount by which Council Tax income credited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	(779)						779
Adjustments primarily involving the Accumulated Absences Account:							
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(767)						767
Other Adjustments	1					(1)	0
Total Adjustments	156,767	0	18,272	(4,481)	28,745	(819)	(198,484)

8. EARMARKED RESERVES

The Council has a number of earmarked reserves on its Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up to provide resources for future spending plans. This note shows the amounts used to meet General Fund expenditure in 2015/16 and amounts set aside in the year to finance future expenditure plans. The use of HRA earmarked reserves is shown in the notes to the HRA in Section 4.

Notes to the Core Financial Statements

Name of Reserve	Balance 31/03/15 £000	2015/16 Transfers		Balance 31/03/16 £000	
		Out £000	In £000		
Specific Revenue Earmarked	68,998	(14,112)	25,071	79,957	(a)
PFI and BSF Schemes	20,619	(46)	1,704	22,277	(b)
New Homes Bonus Reserve	13,507	(5,229)	8,002	16,280	
Insurance	14,467	(300)	0	14,167	
Capital Programme Expenditure	5,538	(13,233)	10,741	3,046	(c)
	123,129	(32,920)	45,518	135,727	
Schools Reserves and External Funds	17,717	(24,690)	23,774	16,801	(d)
	17,717	(24,690)	23,774	16,801	
Total	140,846	(57,610)	69,292	152,528	

a) Specific Earmarked Reserves

These comprise a number of specific reserves which are earmarked for particular purposes.

b) PFI and BSF Schemes Reserves

These reserves enable services to make revenue contributions towards their committed PFI and Building Schools for the Future (BSF) schemes in future years. This now includes the Street Lighting PFI Sinking Fund which was previously reported under the "Specific Revenue Earmarked Reserves" line.

c) Capital Programme Expenditure Reserve

This reserve will be used to finance capital programme expenditure in future years.

d) Schools Reserves and Schools External Funds

The Schools Reserves consist of the unspent year-end balances from schools' self-managed budgets. School External Funds are unspent balances from schools' locally generated funds. All these balances are earmarked to be used by schools in future years.

9. NON CURRENT ASSETS**a) Non-Current Assets Revaluations**

Assets are valued at least every five years as a minimum or more regularly where a five-yearly valuation is insufficient to keep pace with material changes in fair value, to ensure that the Council's assets are valued in accordance with RICS and CIPFA guidance. The valuations this year were undertaken and signed off by the valuers Wilkes, Head and Eve. Where revaluations have occurred in 2015/16, their exact effective date was 31st January 2016.

	Council Dwellings £000	Other Land & Buildings £000	Surplus Assets £000	Total £000
Valued at Historic Cost		19,156	1,268	20,424
Valued at Current Value				
2015/16	1,108,145	692,868	72,719	1,873,732
2014/15	38,168	1,514	460	40,142
2013/14	0	33,701	220	33,921
2012/13	0	38,993	0	38,993
2011/12	0	5,355	990	6,345
Total Net Book Value	1,146,313	791,587	75,657	2,013,557

Notes to the Core Financial Statements

b) Movements in Non-Current Assets

The movements in non-current assets during 2015/16 were as follows:

2015/16	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra-structure Assets £000	Comm. Assets £000	Surplus Assets £000	Assets under Construction £000	TOTAL £000
Gross Book Value b/fwd at 1st April 2015	1,060,622	610,423	56,105	138,449	8,854	52,932	29,604	1,956,989
Additions	90	24,964	3,071	16,216	284	5,884	17,846	68,355
Revaluations (recognised in Revaluation Reserve)	106,632	100,619	0	0	0	31,531	0	238,782
Revaluations (recognised in Surplus/ Deficit on the Provision of Services)	7,063	33,303	0	0	0	(3,436)	0	36,930
Impairments (recognised in Revaluation Reserve)	(29)	(958)	0	0	(30)	(7,516)	0	(8,533)
Impairments (recognised in Surplus/ Deficit on the Provision of Services)	(80)	(185)	(52)	0	(548)	(6,791)	(2,671)	(10,327)
Disposals	(11,856)	(3,024)	(1,356)	0	(357)	(12,276)	0	(28,869)
Transfers	(12,486)	30,411	1,208	4,431	(1,040)	15,698	(20,787)	17,435
Assets reclassified to/from Held for Sale	0	0	0	0	0	0	0	0
Gross Book Value c/fwd at 31st March 2016	1,149,956	795,553	58,976	159,096	7,163	76,026	23,992	2,270,762
Depreciation b/fwd at 1st April 2015	(2,531)	(14,056)	(25,707)	(43,410)	(4)	(867)	0	(86,575)
Depreciation for year	(29,464)	(14,065)	(5,006)	(5,769)	(4)	(992)	0	(55,300)
<u>Depreciation written back on:</u>								
Transfers	353	277	0	0	0	(630)	0	0
Revaluations (recognised in Revaluation Reserve)	25,879	9,591	0	0	0	434	0	35,904
Revaluations (recognised in Surplus/ Deficit on the Provision of Services)	2,099	13,819	0	0	0	718	0	16,636
Impairments (recognised in Revaluation Reserve)	0	0	0	0	0	0	0	0
Impairments (recognised in Surplus/ Deficit on the Provision of Services)	0	(43)	46	0	0	39	0	42
Assets Sold	21	511	1,356	0	0	929	0	2,817
Depreciation c/fwd at 31st March 2016	(3,643)	(3,966)	(29,311)	(49,179)	(8)	(369)	0	(86,476)
Net Book Value at 31st March 2016	1,146,313	791,587	29,665	109,917	7,155	75,657	23,992	2,184,286

Notes to the Core Financial Statements

The movements in non-current assets during 2014/15 were as follows:

2014/15	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra-structure Assets £000	Comm. Assets £000	Surplus Assets £000	Assets under Construction £000	TOTAL £000
Gross Book Value b/fwd at 1st April 2014	883,366	807,360	75,927	145,899	9,364	39,148	26,327	1,987,391
Additions	2,698	20,090	3,148	10,577	12	6,785	24,266	67,576
Revaluations (recognised in Revaluation Reserve)	172,413	(11)	0	0	0	589	0	172,991
Revaluations (recognised in Surplus/Deficit on the Provision of Services)	8,368	(172,623)	(349)	0	0	(3,328)	0	(167,932)
Impairments (recognised in Revaluation Reserve)	0	(15,018)	0	0	(2)	(7)	0	(15,027)
Impairments (recognised in Surplus/Deficit on the Provision of Services)	0	(26,362)	(24,297)	(18,599)	(564)	(628)	0	(70,450)
Disposals	(6,505)	(881)	0	0	0	(1,596)	0	(8,982)
Transfers	282	(2,132)	1,676	572	44	11,969	(20,989)	(8,578)
Assets reclassified to/from Held for Sale	0	0	0	0	0	0	0	0
Gross Book Value c/fwd at 31st March 2015	1,060,622	610,423	56,105	138,449	8,854	52,932	29,604	1,956,989
Depreciation b/fwd at 1st April 2014	(1,333)	(16,412)	(44,170)	(56,761)	0	(829)	0	(119,505)
Depreciation for year	(25,562)	(13,965)	(4,544)	(5,242)	(4)	(565)	0	(49,882)
Depreciation written back on:								
Transfers	(160)	(19)	(255)	(2)	0	284	0	(152)
Revaluations (recognised in Revaluation Reserve)	17,929	5,401	0	0	0	223	0	23,553
Revaluations (recognised in Surplus/Deficit on the Provision of Services)	6,563	10,191	37	0	0	13	0	16,804
Impairments (recognised in Revaluation Reserve)	0	0	0	0	0	0	0	0
Impairments (recognised in Surplus/Deficit on the Provision of Services)	0	652	23,226	18,595	0	1	0	42,474
Assets Sold	32	96	0	0	0	6	0	134
Depreciation c/fwd at 31st March 2015	(2,531)	(14,056)	(25,706)	(43,410)	(4)	(867)	0	(86,574)
Net Book Value at 31st March 2015	1,058,091	596,367	30,399	95,039	8,850	52,065	29,604	1,870,415

Notes to the Core Financial Statements

10. INVESTMENT PROPERTIES

Note: Investment Properties have all been reclassified to Property, Plant & Equipment during 2015/16; hence the reduction of the balance to nil. (For further details, see Note 24 – Investment Properties – in Accounting Policies.)

	2015/16 £000	2014/15 £000
a) In Comprehensive Income and Expenditure Statement		
Operating Expenses	0	296
Rents - Shops	0	(1,031)
Rents - Industrial and Commercial Properties and Aerial Sites	0	(953)
Net Income from Investment Properties	0	(1,688)
b) Movement in Fair Value in the Balance Sheet		
Balance at Beginning of Year	22,743	25,658
Disposals	(3,603)	(336)
Net Gains / (Losses) from fair value adjustments	(131)	(2,579)
Transfers to / from PPE	(19,009)	0
Balance at End of Year	0	22,743

11. FINANCIAL INSTRUMENTS

The Code of Practice requires the accounts to be compliant with IFRS but some of these requirements are not consistent with primary legislation. Where this occurs, the CIES complies with IFRS, with the MiRS containing the reversals required to ensure that the closing balances comply with Statute. The figures shown in the table do not all appear as investments on the face of the balance sheet due to the reclassification of some short term investments as Cash Equivalents under IFRS. Where values are zero, the relevant lines have been excluded from the table.

a) Financial Instruments Balances

	Long-Term		Current		
	31/03/16 £000	31/03/15 £000	31/03/16 £000	31/03/15 £000	
Financial Liabilities (Principal)	157,492	125,376	33,763	65,000	1
Accrued Interest	209	198	1,908	1,884	1
Total Borrowings	157,701	125,574	35,671	66,884	
PFI and Finance Lease liabilities	240,060	239,002	7,706	8,751	
Total Other Liabilities	240,060	239,002	7,706	8,751	
Financial Liabilities at contract amount	-	-	62,471	75,288	2
Total Creditors	-	-	62,471	75,288	

Notes to the Core Financial Statements

	Long-Term		Current		
	31/03/16 £000	31/03/15 £000	31/03/16 £000	31/03/15 £000	
Loans and Receivables (Principal)	-	-	328,195	312,958	1
Accrued Interest	-	-	814	688	1
Total Investments	-	-	329,009	313,646	
Loans and Receivables	25,734	17,774	-	-	2
Financial Assets at contract amounts	-	-	43,949	66,856	2
Total Debtors	25,734	17,774	43,949	66,856	

1) Under accounting requirements the carrying value of financial instruments is shown in the balance sheet (including the principal amount borrowed or lent and adjustments for accrued interest where relevant). Accrued interest is included in current assets / liabilities where it is due within one year.

2) These are carried at cost as this is a fair approximation of their value. The breakdown of these figures are shown in the appropriate Debtors and Creditors Notes and exclude statutory amounts.

Other Required Declarations

There were no reclassifications of financial instruments in the year or the previous year.

There were no unusual movements during the year or the previous year.

The Council provided no financial guarantees in the year and has none outstanding from previous years.

The Council has made no loans to voluntary organisations at less than market rates (soft loans), nor has it received any such loans.

No de-recognition is expected to impact where the Council has transferred financial assets to a third party.

The Council did not hold and did not obtain any collateral for third party debts or other credit enhancements in the year or the previous year.

No allowance for credit losses were made during the year or the previous year.

No defaults or breaches relating to the Council's financial instruments were incurred during the year or the previous year.

Borrowing costs capitalised in the year were £0.879m, at a rate of 4.38%. These were included in interest payable in the CIES.

b) Financial Instruments Gains / (Losses)

The gains and losses recognised in the CIES in relation to financial instruments are as follows (there were no revaluations on financial instruments in 2015/16 or 2014/15, or assets classified as Available for Sale):

	2015/16			2014/15
	Liabilities - Amortised Cost £000	Assets - Loans and Receivables £000	Totals £000	Totals £000
Interest Expense	9,070	-	9,070	9,193
Total Expense in Surplus or Deficit on Provision of Services	9,070	-	9,070	9,193
Interest Income	-	(2,403)	(2,403)	(2,009)
Total Income in Surplus or Deficit on Provision of Services	-	(2,403)	(2,403)	(2,009)
Net (Gain) / Loss for the Year	9,070	(2,403)	6,667	7,184

Notes to the Core Financial Statements

c) Fair Values of Assets and Liabilities

Financial liabilities and assets represented by loans and receivables are carried on the balance sheet at amortised cost (in long term assets / liabilities with accrued interest in current assets / liabilities). Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- Borrowing rates from the PWLB have been applied to PWLB loans using their own procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.

The fair values for loans and receivables have been assessed by reference to published prices in an active market where available, or by using a valuation technique. These give a reasonable estimate for the fair value of a financial instrument, and includes accrued interest. The comparator market rates prevailing have been taken at each balance sheet date. In practice, rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

The following table shows the carrying amount of assets and liabilities on the balance sheet compared to the fair value amounts (undisclosed on the balance sheet). The fair value of Public Works Loan Board (PWLB) loans of £104m compares the terms of existing PWLB commitments with the new borrowing rates available from the PWLB, given that the authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates.

A supplementary measure of the fair value of PWLB commitments is to compare the terms of these loans with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB premature repayment rate. If the authority were to seek to repay the loans to the PWLB, the PWLB would raise a penalty charge for early redemption, based on the redemption interest rates, for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £121m.

	Premature Repayment Rate		New Loan Rate		31/03/15	
	31/03/16		31/03/16		Carrying Amount £000	Fair Value £000
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
PWLB Debt	78,869	121,476	78,869	104,315	78,859	103,535
Non-PWLB Debt *	114,503	173,345	114,503	140,921	113,599	137,308
Total Debt / Liabilities	193,372	294,821	193,372	245,236	192,458	240,843
Money Market Investments	331,294	331,582	331,294	331,582	311,647	167,794
Long Term Debtors	25,734	25,734	25,734	25,734	17,774	17,774
Total Assets	357,028	357,316	357,028	357,316	329,421	185,568

*The fair value for non-PWLB debt at the premature repayment rate is provided for illustrative purposes only.

Notes to the Core Financial Statements

12. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**a) Key Risks**

The Council's activities necessarily expose it to a variety of financial risks. The key risks are:

Credit Risk - The possibility that other parties might fail to pay amounts due to the Council;

Liquidity Risk - The possibility that the Council might not have funds available to meet its commitments to make payments;

Re-financing Risk - The possibility that the Council might need to renew a financial instrument on maturity at disadvantageous interest rates or terms;

Market Risk - The possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

b) Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the uncertainty of financial markets, and are structured to implement suitable controls to minimise these risks. They set out a legal framework based on the *Local Government Act 2003* and associated regulations, and require the Council to do the following:

- formally adopt the requirements of the CIPFA Treasury Management Code of Practice;
- adopt a Treasury Policy Statement and include treasury management clauses within its financial regulations/standing orders/constitution;
- approve annually in advance prudential and treasury indicators for the following three years.
- approve an investment strategy for the forthcoming year setting out its criteria for investing and selecting investment counterparties in compliance with Government guidance.

These procedures are required to be reported and approved at Council before the start of the year to which they relate. These items are reported with the Annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year. The annual treasury management strategy which incorporates the prudential indicators was last approved by Council in February 2016 and is available on the Council website. The Council maintains written principles for overall risk management, as well as written policies (Treasury Management Practices) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These are a requirement of the Code of Practice and are reviewed periodically.

c) Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services. This also considers maximum amounts and time limits in respect of each financial institution. The Council uses the creditworthiness service provided by Capita Asset Services which uses a sophisticated modelling approach with credit ratings from all three rating agencies forming the core element. This is combined with credit watches and credit outlooks in a weighted scoring system, with an overlay of CDS spreads for which the end product is an indication of the relative creditworthiness of counterparties.

The Council's maximum exposure to credit risk in respect of its investments cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to that institution. It is rare for institutions to be unable to meet their commitments and a risk applies to all of the Council's deposits, however at the 31 March 2016 there was no evidence that this was likely to happen.

Notes to the Core Financial Statements

d) Liquidity Risk

The Council manages its liquidity position through the procedures above as well as using a comprehensive cash flow management system, as required by the CIPFA Code of Practice, which ensures that cash is available when needed. The Council has ready access to borrowings from the money markets to cover any day to day cash flow need and the PWLB and money markets for access to longer term funds. All sums invested are either due to be paid in less than one year or can be easily realised.

e) Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered sufficient to manage the refinancing risk, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments over one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the corporate treasury team address the operational risks within these parameters.

f) Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments and these impact according to how variable and fixed interest rates move across differing financial instrument periods. The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy includes expected interest rate movements. A treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure, and this is monitored regularly.

If variable interest rates had been 0.1% higher (with all other variables held constant) the financial effect would be a net increase in income of £0.2m. The impact of a 0.1% fall in interest rates would be a net decrease in income of £0.2m.

13. DEBTORS**a) Long Term Debtors**

These consist of sums repayable to the Council over a period of time of more than one year.

	31/03/16 £000	31/03/15 £000
Catford Regeneration Partnership Ltd (CRPL) - Loan	11,383	11,431
Lewisham Homes - Loan	8,000	0
Street Lighting PFI Sinking Fund	3,245	3,245
Lewisham Gateway Development - Loan	2,000	2,000
Land Charges Debts	388	389
Mortgages	184	175
Other Long Term Debtors	534	534
Total Long Term Debtors	25,734	17,774

a) Catford Regeneration Limited Loan A loan of £12m was advanced to CRPL in 2010/11. See note 24 a) ii) for more details.

b) Lewisham Homes Loan A loan of £8m was advanced to Lewisham Homes in 2015/16. See note 24 a) i) for more details.

c) Street Lighting PFI Sinking Fund This fund is held by LB Croydon on behalf of the Council in their role as lead borough for the on-going PFI scheme for the upgrade and maintenance of the borough's street lights.

d) Lewisham Gateway Development A loan of £2m was advanced to the consortium which is undertaking the Lewisham Gateway development.

Notes to the Core Financial Statements

b) Current Debtors

These are short term debts for goods and services which are expected to be repayable within a year.

	31/03/16 £000	31/03/15 £000
Government and Other Public Bodies:		
HM Revenue & Customs - VAT	4,670	6,869
Education Recoupment	0	2,083
Central Government bodies	12,173	1,684
Other Local Authorities	1,527	13,807
NHS bodies	1,562	7,123
Other Public bodies	114	4,521
Council Tax Payers	27,480	25,164
Council Tax Court Costs	6,752	6,096
Housing Benefit Overpayments	23,267	18,869
Housing Rents (inc PSL, B & B, Hostels, Commercial)	9,222	9,815
Leaseholders Services Charges	5,371	5,810
Parking	2,426	5,839
General Debtors due for Supplies and Services	26,654	35,410
Total Current Debtors	121,218	143,090
Impairment Allowances	(63,858)	(61,100)
Total Net Current Debtors	57,360	81,990

c) Impairment Allowances

	Balance at 31/03/15 £000	Movement in 2015/16 £000	Balance at 31/03/16 £000
Council Tax Payers	(23,530)	(1,876)	(25,406)
Council Tax Court Costs	(5,419)	(637)	(6,056)
Housing Benefit Overpayments	(13,849)	(2,635)	(16,484)
Housing Rents (inc PSL, B & B, Hostels, Commercial)	(6,885)	2,161	(4,724)
Leaseholders Services Charges	(1,498)	(36)	(1,534)
Parking	(4,839)	3,245	(1,594)
General Debtors due for Supplies and Services	(5,080)	(2,980)	(8,060)
Total Impairment Allowances	(61,100)	(2,758)	(63,858)

The above have been determined individually according to the particular factors for each type of debtor.

Notes to the Core Financial Statements

14. CASH AND CASH EQUIVALENTS

	Balance 31/03/15 £000	Movement in 2015/16 £000	Balance 31/03/16 £000
Cash Equivalents			
Short Term Deposits	10,007	7	10,014
Cash			
Money Market Funds	70,990	19,528	90,518
Call Accounts with Banks	0		0
	70,990	19,528	90,518
Other Cash and Bank Balances			
Main Bank Accounts	3,128	(3,128)	0
Other Cash and Bank Accounts	426	469	895
	3,554	(2,659)	895
Total Cash and Cash Equivalents	84,551	16,876	101,427
Bank Accounts Overdrawn			
Main Bank Accounts	0	(2,650)	(2,650)
Schools Bank Accounts	(1,555)	1,025	(530)
	(1,555)	(1,625)	(3,180)
Net Cash and Cash Equivalents	82,996	15,251	98,247

a) Short term deposits are made for varying periods of between one day and three months (less than 92 days), depending on the immediate cash requirements, and earn interest at the respective rates.

b) The carrying amounts of cash equivalents, cash and bank overdrafts approximate to their fair values.

c) The schools bank accounts are an integral part of the Council's overall cash management arrangements, and are therefore included under Net Cash and Cash Equivalents. They consist of individual accounts for each school, and an overall treasury account which is used to invest the net balance in conjunction with the Council's other balances. The balances on these accounts were £13.8m (2014/15 £11.4m) and overdrawn £14.4m (2014/15 overdrawn £15m) respectively.

Notes to the Core Financial Statements

15. CREDITORS

These are amounts owed to the Government and other public bodies and all unpaid sums for goods and services received as at the end of the year.

	31/03/16 £000	31/03/15 £000
Government and other public bodies:		
HM Revenue & Customs	5,393	5,691
Education Recoupment	440	1,100
Central Government bodies	3,559	3,847
Other Local Authorities	3,702	4,695
NHS bodies	12,907	13,635
Other Public bodies	955	1,038
	26,956	30,006
Short Term Compensated Absences	4,627	5,508
General Creditors (amounts owed for supplies and services)	37,496	56,172
Total Creditors	69,079	91,686

16. PROVISIONS

These are amounts which are set aside to meet liabilities that are likely or certain to arise from events which have taken place, but where it is not possible to determine precisely when the event will take place.

	Balance 31/03/15 £000	2015/16 Transfers		Balance 31/03/16 £000
		Out £000	In £000	
Current (less than 1 year)				
Insurance Provision	2,372	(3,058)	3,434	2,748
Other Provisions	599	(192)	74	481
	2,971	(3,250)	3,508	3,229
Non Current (Over 1 year)				
Insurance Provision	6,437	0	137	6,574
Other Provisions	1,681	0	92	1,773
	8,118	0	229	8,347
Total - Provisions	11,089	(3,250)	3,737	11,576

Insurance Provisions

The Council's insurance programme comprises a mix of external insurance, largely for cover at catastrophe level or where required by contract or lease arrangements, and self-insurance. Dedicated Insurance Provisions and Reserves are maintained to provide 'self-insurance' to meet either uninsured losses or losses that fall below the external insurance excess. The appropriate levels are assessed annually by the Council's insurance actuaries.

Notes to the Core Financial Statements

17. REVENUE RECEIPTS IN ADVANCE

	31/03/16 £000	31/03/15 £000
Capital Contributions Unapplied	28,210	29,602
Council Tax	8,589	7,902
PFI Schemes	21,105	20,192
Revenue Grants and Contributions	2,614	6,311
Other Receipts in Advance	9,456	11,665
Balance carried forward at end of year	69,974	75,672

18. USABLE CAPITAL RECEIPTS

Capital Receipts are mainly sums received from the sale of non-current assets. Housing capital receipts are subject to pooling arrangements whereby under certain conditions a portion is payable to central government. Non housing capital receipts are wholly usable to finance new capital expenditure. The balance on this account is available to fund future capital expenditure.

	2015/16 £000	2014/15 £000
Balance brought forward at start of year	48,191	19,446
Amounts Received	22,668	34,787
Poolable to Central Government	(1,969)	(1,727)
Amounts applied to finance new capital investment	(11,659)	(4,315)
Total increase/(decrease) in capital receipts in year	9,040	28,745
Balance carried forward at end of year	57,231	48,191

19. PENSION RESERVE

The Pensions Reserve reflects the timing differences which arise from the accounting treatment for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements ensure that funding will have been set aside by the Council by the time the benefits are due to be paid.

Notes to the Core Financial Statements

	2015/16 £000	2014/15 £000
Balance brought forward at start of year	(716,722)	(588,090)
Actuarial gains or losses on pensions assets and liabilities	148,032	(98,275)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(66,478)	(63,180)
Employer's pensions contributions and direct payments to pensioners payable in the year	33,362	32,823
Balance carried forward at end of year	(601,806)	(716,722)

20. REVALUATION RESERVE

The Revaluation Reserve records the accumulated gains since 1st April 2007 on non-current assets held by the Council arising from increases in value (to the extent that these gains have not been consumed by subsequent downward movements in value). The Reserve is also debited with the part of the depreciation that has been incurred because the asset has been revalued. On disposal of an asset, its Revaluation Reserve balance is written out to the Capital Adjustment Account. The overall balance on the Reserve thus represents the amount by which the value of non-current assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historical cost.

	2015/16 £000	2014/15 £000
Balance brought forward at start of year	558,835	390,256
Revaluation of Assets	274,726	195,443
Impairment Losses	(8,572)	(15,137)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	266,154	180,306
Difference between fair value and historic cost depreciation	(15,417)	(7,221)
Accumulated gains on assets sold or scrapped	(5,266)	(4,506)
Other amounts written off to Capital Adjustment Account	4,607	0
Amount written off to the Capital Adjustment Account	(16,076)	(11,727)
Balance carried forward at end of year	808,913	558,835

Notes to the Core Financial Statements

21. CAPITAL ADJUSTMENT ACCOUNT

This reflects the timing differences arising from the accounting treatment for the use of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling entries from the Revaluation Reserve to convert fair value figures to a historical cost basis). It is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement, and also contains accumulated gains and losses on Investment Properties.

	2015/16 £000	2014/15 £000
Balance brought forward at start of year	861,199	1,019,904
<u>Reversal of capital expenditure items debited or credited to the CIES</u>		
Charges for depreciation and impairment of non-current assets	(9,423)	(232,097)
Revenue expenditure funded from capital under statute	(11,614)	(13,595)
Non-current assets written off on disposal - gain/loss to the CIES	(24,368)	(9,126)
	(45,405)	(254,818)
Adjusting amounts written out of the Revaluation Reserve	15,417	12,782
Net amount written out of the cost of non-current assets consumed in the year	(29,988)	(242,036)
<u>Capital Financing applied in the year:</u>		
Use of Capital Receipts to finance new capital expenditure	11,659	4,315
Use of Major Repairs Reserve to finance new capital expenditure	3,757	4,481
Capital grants and contributions credited to the CIES	36,217	50,926
Statutory Provision for the financing of capital investment	1,623	8,548
Repayment of Principal on PFI schemes	8,743	9,849
Capital expenditure charged to General Fund and HRA	6,440	7,791
	68,439	85,910
Movements in the value of Investment Properties debited or credited to the CIES	0	(2,579)
Balance carried forward at end of year	899,650	861,199

Notes to the Core Financial Statements

22. SEGMENTAL REPORTING (AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS)

SEGMENTAL REPORTING FOR THE YEAR ENDING 31ST MARCH 2016

	CYP £000s	Community Services £000s	Customer Services £000s	Resources and Regeneration £000s	HRA £000s	Total £000s
Fees, charges & other service income	(14,237)	(40,328)	(48,842)	(15,744)	(89,007)	(208,158)
Government grants	(313,474)	(28,738)	(234,270)	(3,159)	(10,358)	(589,999)
Support Service Recharges	(4,098)	(3,520)	(17,812)	(29,077)	0	(54,507)
Total Income	(331,809)	(72,586)	(300,924)	(47,980)	(99,365)	(852,664)
Employee expenses	226,492	32,298	38,681	22,805	2,397	322,673
Other operating expenses	151,097	122,285	298,074	33,307	96,968	701,731
Support Service Recharges	13,044	11,844	11,953	17,666	0	54,507
Total operating expenses	390,633	166,427	348,708	73,778	99,365	1,078,911
Net Cost of Services	58,824	93,841	47,784	25,798	0	226,247
Net Budgets	51,389	95,006	43,896	29,646	0	219,937
Variation	7,435	(1,165)	3,888	(3,848)	0	6,310
Less: Corporate Items						(3,200)
General Fund Overspend reported to Members						3,110

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement

	£000s
Cost of Services in Service Analysis	226,247
Add services not included in main analysis	15,067
Add amounts not reported to management (Technical Accounting adjustments)	14,826
Remove amounts reported to management not included in Comprehensive Income and Expenditure Statement	(36,025)
Net Cost of Services in Comprehensive Income and Expenditure Statement	220,115

Reconciliation to Subjective Analysis (Single Entity)	Service Analysis	Services not in Analysis	Not reported to mgmt	Not included in I&E	Net Cost of Services	Corporate Amounts	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Fees, charges & other service income	(208,158)	0	0	0	(208,158)	0	(208,158)
Surplus or deficit on associates and joint ventures	0	0	0	0	0	0	0
Interest and investment income	0	0	(26,145)	0	(26,145)	(2,003)	(28,148)
Income from council tax	0	0	0	0	0	(84,948)	(84,948)
Government grants and contributions	(589,999)	0	0	0	(589,999)	(211,910)	(801,909)
Total Income	(798,157)	0	(26,145)	0	(824,302)	(298,861)	(1,123,163)
Employee expenses	322,673	10,540	40,640	(36,025)	337,828	0	337,828
Other service expenses	701,731	4,527	24,604	0	730,862	0	730,862
Depreciation, amortisation, impairment & write-offs	0	0	(24,575)	0	(24,575)	131	(24,444)
Interest Payments	0	0	302	0	302	49,791	50,093
Precepts & Levies	0	0	0	0	0	1,631	1,631
Payments to Housing Capital Receipts Pool	0	0	0	0	0	1,969	1,969
Gain or Loss on Disposal of non-current assets	0	0	0	0	0	6,986	6,986
Total operating expenses	1,024,404	15,067	40,971	(36,025)	1,044,417	60,508	1,104,925
Surplus or deficit on provision of services	226,247	15,067	14,826	(36,025)	220,115	(238,353)	(18,238)

Notes to the Core Financial Statements

SEGMENTAL REPORTING FOR THE YEAR ENDING 31ST MARCH 2015

	CYP £000s	Community Services £000s	Customer Services £000s	Resources and Regeneration £000s	HRA £000s	Total £000s
Fees, charges & other service income	(14,477)	(31,933)	(46,569)	(14,002)	(88,622)	(195,603)
Government grants	(306,005)	(25,334)	(238,930)	(1,019)	(46,353)	(617,641)
Total Income	(320,482)	(57,267)	(285,499)	(15,021)	(134,975)	(813,244)
Employee expenses	221,848	34,902	37,827	24,250	2,409	321,236
Other operating expenses	162,526	130,209	293,104	20,940	132,566	739,345
Total operating expenses	384,374	165,111	330,931	45,190	134,975	1,060,581
Net Cost of Services	63,892	107,844	45,432	30,169	0	247,337
Net Budgets	53,947	110,069	41,873	32,305	0	238,194
Variation	9,945	(2,225)	3,559	(2,136)	0	9,143
Less: Corporate Items						(3,900)
General Fund Underspend reported to Members						5,243
Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement						£000s
Cost of Services in Service Analysis						247,337
Add services not included in main analysis						5,446
Add amounts not reported to management (Technical Accounting adjustments)						220,201
Remove amounts reported to management not included in Comprehensive Income and Expenditure Statement						(35,078)
Net Cost of Services in Comprehensive Income and Expenditure Statement						437,906

Reconciliation to Subjective Analysis (Single Entity)	Service Analysis	Services not in Analysis	Not reported to mgmt	Not included in I&E	Net Cost of Services	Corporate Amounts	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Fees, charges & other service income	(195,603)	(4,769)	0	0	(200,372)	0	(200,372)
Surplus or deficit on associates and joint ventures	0	0	0	0	0	0	0
Interest and investment income	0	0	(26,327)	0	(26,327)	(1,345)	(27,672)
Income from council tax	0	0	0	0	0	(80,738)	(80,738)
Government grants and contributions	(617,641)	0	(35,971)	0	(653,612)	(253,542)	(907,154)
Total Income	(813,244)	(4,769)	(62,298)	0	(880,311)	(335,625)	(1,215,936)
Employee expenses	321,236	10,216	33,369	(35,078)	329,743	0	329,743
Other service expenses	739,345	0	16,732	0	756,077	0	756,077
Depreciation, amortisation, impairment & write-offs	0	0	232,097	0	232,097	2,579	234,676
Interest Payments	0	0	301	0	301	53,263	53,564
Precepts & Levies	0	0	0	0	0	1,646	1,646
Payments to Housing Capital Receipts Pool	0	0	0	0	0	1,727	1,727
Gain or Loss on Disposal of non-current assets	0	0	0	0	0	(14,203)	(14,203)
Total operating expenses	1,060,581	10,216	282,499	(35,078)	1,318,218	45,012	1,363,230
Surplus or deficit on provision of services	247,337	5,446	220,201	(35,078)	437,906	(290,613)	147,293

Notes to the Core Financial Statements

23. AGENCY SERVICES AND POOLED BUDGETS

The Council did not carry out any agency services, construction work or any other work for any other Local Authorities, public bodies or entities in 2015/16 (nor 2014/15).

In 2015/16 the Council operated a pooled budget as defined by the terms of a Section 75 Agreement (National Health Service Act 2006). The pooled budget is hosted by Lewisham Borough Council ("LBL") on behalf of LBL and NHS Lewisham CCG being the two partners to the agreement:-

Pooled Budget - Better Care Fund

	2015/16 £000	2014/15 £000
Funding provided to the pooled budget:		
Lewisham Borough Council	(2,102)	0
NHS Lewisham CCG	(19,740)	0
	(21,842)	0
Expenditure met from the pooled budget:		
Lewisham Borough Council	13,629	0
NHS Lewisham CCG	8,213	0
	21,842	0
Net surplus arising in year	0	0

Notes:

- (i) The above pooled budget was new in 2015/16; hence nil values for 2014/15 comparatives.
- (ii) The LBL share of any in-year net surplus would be 9.6%. This was nil in 2015/16 due to there not being a surplus.

24. INVESTMENT IN COMPANIES**a) Companies of which the Council is the sole owner.**i) Lewisham Homes Limited

Lewisham Homes is an arms-length management organisation (ALMO) which is responsible for managing and providing housing related services such as lettings and repairs and maintenance for Council dwellings. The company is a wholly owned subsidiary of the Council and is limited by guarantee. Councillors Bell, Paschoud and Wise sat on the board during 2015/16. The majority of Lewisham Homes' income is a management fee paid by the Council to the company. In 2015/16, this was £18.8m (£18.6m in 2014/15).

An agreement has been reached to loan Lewisham Homes an initial £10m for affordable homes of which £8m was advanced in 2015/16.

Lewisham Homes Limited's Audited Accounts can be obtained from Lewisham Homes Limited, Old Town Hall, Catford Road, London, SE6 4RU. Its auditors are KPMG LLP, 2 Cornwall Street, Birmingham, B3 2DL, United Kingdom.

ii) Catford Regeneration Partnership Limited

Catford Regeneration Partnership Ltd (CRPL) is a wholly owned subsidiary of the Council, and the Head of Financial Services and the Head of Public Services are its board members and directors. CRPL purchased the Catford Shopping Centre in February 2010, which is included on its balance sheet as an investment property at £13.9m, and receives approximately £1m per annum in rent from its tenants. The Council made a loan of £12m to CRPL in February 2010 and a further loan of £250k in May 2015. During 2015/16 CRPL

Notes to the Core Financial Statements

repaid principal of £207k and interest of £518k to the Council (in 2014/15 these repayments were £109k and £630k respectively).

Catford Regeneration Partnership Limited's Accounts for 2014/15 received an unqualified audit opinion, and their Audited Accounts can be obtained from Catford Regeneration Partnership Limited, 5th Floor, Laurence House, Catford, London, SE6 4RU. Its auditors are ACF Auditing Services Limited, Plaza Building, Lee High Road, London, SE13 5PT.

b) Companies of which the Council is a joint owner or shareholder.

i) Lewisham Schools for the Future LEP and SPV's

The Council has a minority stake of 10% in Lewisham Schools for the Future LEP Limited which is the Local Education Partnership company also comprising Costain Engineering & Construction Limited, Babcock Project Investments Limited and Building Schools for the Future Limited as well. It was established under the Council's Building Schools for the Future (BSF) programme to rebuild and refurbish the secondary schools within the Borough.

The Council also has a 10% stake in four Special Purpose Vehicles which were set up in relation to the schools which were built within this BSF Programme. These are Lewisham SPV Ltd, Lewisham SPV2 Ltd, Lewisham SPV3 Ltd and Lewisham SPV4 Ltd, and their related Holding Companies.

The Head of Financial Services is the Council's Director on all of these companies' boards. The corporate structure is standard to BSF schemes.

ii) South-East London Combined Heat and Power Ltd (SELCHP)

The Council has a small minority share of less than 1% in South-East London Combined Heat and Power Ltd (SELCHP) which is a joint venture with the London Borough of Greenwich for the provision of waste disposal and waste to energy services. Payments of £5.6m were made in 2015/16 to the company (£5.3m in 2014/15).

iii) Greater London Enterprise Ltd

The Council has a small minority share in Greater London Enterprise Ltd which is a company limited by guarantee and provides property management & consultancy services.

25. MEMBERS' ALLOWANCES

The Council paid the following amounts to elected members of the Council during the year.

	2015/16 £000	2014/15 £000
Allowances (incl. NI)	936	951
Other Expenses	66	46
Total Expenditure in Year	1,002	997

Notes to the Core Financial Statements

26. OFFICERS' REMUNERATION

a) The number of Employees whose Remuneration was £50,000 or more:-

Remuneration Band	Non-Schools			Schools		Totals	
	Scale	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
£50,000 to £54,999	SMG1	49	52	200	167	249	219
£55,000 to £59,999	SMG2	32	20	90	69	122	89
£60,000 to £64,999	SMG3	24	13	39	50	63	63
£65,000 to £69,999	SMG3	9	13	36	39	45	52
£70,000 to £74,999	CO Band 4	8	4	22	19	30	23
£75,000 to £79,999	CO Band 4	6	1	15	12	21	13
£80,000 to £84,999	CO Band 4	2	1	12	11	14	12
£85,000 to £89,999	CO Band 3	0	0	7	10	7	10
£90,000 to £94,999	CO Band 3	1	4	3	4	4	8
£95,000 to £99,999	CO Band 3	9	9	3	3	12	12
£100,000 to £104,999	CO Band 2	0	0	1	4	1	4
£105,000 to £109,999	CO Band 2	1	3	3	4	4	7
£110,000 to £114,999	CO Band 2	0	1	3	0	3	1
£115,000 to £119,999	CO Band 2	2	1	1	0	3	1
£120,000 to £124,999	CO Band 2	0	0	0	0	0	0
£125,000 to £129,999	CO Band 2	0	0	1	0	1	0
£130,000 to £134,999	CO Band 1	0	0	0	1	0	1
£135,000 to £139,999	CO Band 1	1	1	0	0	1	1
£140,000 to £144,999	CO Band 1	2	3	0	0	2	3
£165,000 to £169,999	CO Band 1	0	0	1	0	1	0
Total		146	126	437	393	583	519

Note - These figures include the senior employees disclosed separately in note b) below.

Notes to the Core Financial Statements

b) Disclosure of Senior Employees' Remuneration

The definition of a "Senior Employee" is set out in Regulation 7 of the Accounts and Audit (England) Regulations 2011 (SI 2011/817). In summary, they are either a statutory chief officer, or have the power to direct or control the major activities of the council or report direct to the head of the council's paid service. They are not the same group of senior staff whose salaries are published on the Council's website.

Financial Year 2015/16**Senior Employees - Salary below £150,000**

Executive Director for Children and Young People	135,867	29,891	165,758
Executive Director for Resources and Regeneration	141,123	31,047	172,170
Executive Director for Community Services	141,123	31,047	172,170
Executive Director for Customer Services	138,495	30,469	168,964
Chief Executive (Part time)	115,432	0	115,432
Director of Children's Social Care and Health	114,828	25,262	140,090
Director of Regeneration and Asset Management	107,538	23,658	131,196
Director of Public Health	118,567	16,599	135,166
Head of Law and Monitoring Officer (Part time)	64,523	14,195	78,718

Totals

Salary (inc fees and allowances)	Employer's Pension Contributions	Total (inc. Pension Contributions)
£	£	£
1,077,496	202,168	1,279,664

Financial Year 2014/15**Senior Employees - Salary below £150,000**

Executive Director for Children and Young People	141,123	30,341	171,464
Executive Director for Resources and Regeneration	141,123	30,341	171,464
Executive Director for Community Services	141,123	30,341	171,464
Executive Director for Customer Services	135,867	29,211	165,078
Chief Executive (Part time)	115,432	0	115,432
Director of Children's Social Care and Health	111,386	23,948	135,334
Director of Regeneration and Asset Management	107,538	23,121	130,659
Director of Public Health	107,057	14,988	122,045
Head of Law and Monitoring Officer (Part time)	64,523	13,872	78,395

Totals

Salary (inc fees and allowances)	Employer's Pension Contributions	Total (inc. Pension Contributions)
£	£	£
1,065,172	196,163	1,261,335

Note – No payments in respect of bonuses, expenses or compensation for loss of office were made to any of these employees in 2015/16 (or 2014/15).

Notes to the Core Financial Statements

c) Termination Benefits - Exit Packages Agreed in Year

The number and cost of exit packages granted to employees in the year are shown below. These costs include redundancy payments to employees which were charged to the CIES. They also include payments to the Pension Fund in respect of the extra pension costs of employees who were granted early access to their pensions.

Cost Band (inc Pension Fund Contributions)	Total Number of Exit Packages		Total Cost of Exit Packages	
	2015/16 No.	2014/15 No.	2015/16 £000	2014/15 £000
£0 to £20,000	95	140	1,060	1,253
£20,001 to £40,000	60	103	1,737	2,881
£40,001 to £60,000	32	10	1,508	477
£60,001 to £80,000	11	12	768	842
£80,001 to £100,000	9	1	772	83
£100,001 to £120,000	1	2	112	223
£140,001 to £160,000	1	0	150	0
£220,001 to £240,000	1	0	232	0
Total	210	268	6,339	5,759

27. EXTERNAL AUDIT COSTS

	2015/16 £000	2014/15 £000
External Audit Services	193	255
Certification of Grant Claims and Returns	40	40
Other services provided by the appointed auditor	24	9
	257	304

These fees exclude the amount payable of £21,000 for the Audit of the Pension Fund for 2015/16 (£21,000 for 2014/15).

The Council's External Auditors are Grant Thornton.

Notes to the Core Financial Statements

28. DEDICATED SCHOOLS' GRANT

The Council's expenditure on schools is funded primarily by the Dedicated Schools' Grant (DSG) provided by the DfE. The DSG is ring-fenced and can only be used to meet expenditure as defined in the School Finance (England) Regulations 2011. The Schools Budget includes elements for a range of educational services provided on a Council wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

	2015/16			2014/15		
	Central Expenditure £000	Individual Schools Budget (ISB) £000	Total £000	Central Expenditure £000	Individual Schools Budget (ISB) £000	Total £000
Final DSG before academy recoupment	51,621	227,821	279,442	43,054	226,563	269,617
Academy figure recouped	(964)	(26,466)	(27,430)	(1,149)	(18,901)	(20,050)
Total DSG after academy recoupment	50,657	201,355	252,012	41,905	207,662	249,567
Brought forward from previous year	0	0	0	0	0	0
Carry forward to next year agreed in advance	0	0	0	0	0	0
Agreed initial budgeted distribution	47,979	227,821	275,800	41,137	226,563	267,700
In year adjustments	3,790	(148)	3,642	2,044	(127)	1,917
Final Budget Distribution	51,769	227,673	279,442	43,181	226,436	269,617
Actual Central Expenditure	51,769		51,769	43,181		43,181
Actual ISB deployed to schools		227,673	227,673		226,436	226,436

29. GRANT INCOME

The following grants were credited to services during the year.

	2015/16 £000	2014/15 £000
Dedicated Schools Grant	(254,026)	(249,579)
Housing Benefit Grant	(230,458)	(233,688)
Housing Subsidy/ Decent Homes Backlog Grant	(10,353)	(46,353)
BSF/ Grouped Schools PFI Unitary Charge Grant	(25,585)	(25,585)
Public Health Grant	(22,400)	(20,088)
Pupil Premium Grant	(16,406)	(16,380)
Other Grants	(31,004)	(40,571)
Total	(590,232)	(632,244)

Notes to the Core Financial Statements

30. RELATED PARTY TRANSACTIONS

The Council is required to disclose material transactions with related parties, which are bodies or individuals that have the potential to control or influence the Council or to be controlled by the Council.

(a) Central Government and Other Local Authorities

Central government exerts significant influence over the Council through legislation and grant funding. The general government grants received are shown in Note 29 to the Core Financial Statements. The precept to the Greater London Authority is shown in the notes of the Collection Fund in Section 5 of these Accounts. There were numerous other transactions between the Council and other Local Authorities.

(b) Subsidiaries, Associated Companies and Joint Ventures

The companies that are related to the Council are detailed in Note 24 to the Core Financial Statements.

(c) Elected Members (Councillors) and Chief Officers

Councillors have direct control over the Council's financial and operating policies, and their total cost is shown in Note 25. They are required to declare all related party transactions which they have with any organisation in which they have a controlling interest. This information is recorded on the Council's Register of Members and Chief Officers' Declarations of Interests and is open to public inspection at the Civic Suite at Lewisham Civic Suite during office hours. The information is also published on the Council's website. The Council is compliant with the Localism Act 2012. The material instances (over £100,000) where a Councillor has declared a related party transaction are as follows:-

- Councillor Liz Johnston-Franklin is a board member of Lewisham Citizens' Advice Bureau (£0.515m)
- Councillor Brenda Dacres is a board member of the Albany Trust (£0.237m)
- Councillor Jonathan Slater is an officer for Voluntary Action Lewisham (£0.201m)
- Councillor Joan Milbank is a board member of Voluntary Action Lewisham (£0.139m)
- Councillor Pat Raven is a board member of Lewisham Disability Coalition (£0.117m)

(d) Lewisham Pension Fund

The Pension Fund Accounts are included in Section 7 of this document.

Notes to the Core Financial Statements

31. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The capital expenditure incurred in the year (excluding the value of assets acquired under finance leases and PFI contracts) and the resources used to finance it are shown below. Any expenditure which is not financed in the year will add to the Capital Financing Requirement (CFR), which measures the capital expenditure incurred historically by the Council that has yet to be financed. The Council is required to set aside an amount each year (the Minimum Revenue Provision - MRP) to repay debt, this reduces the CFR.

	2015/16 £000	2014/15 £000
Opening Capital Financing Requirement	230,786	235,850
Capital Investment		
Property, Plant and Equipment	58,916	57,402
Revenue Expenditure Funded from Capital under Statute	11,614	7,984
	70,530	65,386
Resources Used for Financing		
Capital Receipts	(11,659)	(4,315)
Government Grants and Other Contributions	(36,112)	(50,925)
Sums set aside from Revenue:	(10,197)	(6,662)
	(57,968)	(61,902)
Increase in the underlying need to borrowing	12,562	3,484
Debt Redeemed - Minimum Revenue Provision	(1,623)	(8,548)
Increase/ (decrease) in Capital Financing Requirement	10,939	(5,064)
Closing Capital Financing Requirement	241,725	230,786

Notes to the Core Financial Statements

32. LEASES**a) Council as a Lessee**

The Council has operating leases in the areas of Council Dwellings, School Plant and Equipment and Refuse Vehicles. The expenditure charged to services in the CIES during the year in relation to these leases was £1.6m (£2.3m in 2014/15). The future minimum lease payments due under non-cancellable leases in futures are:

	31/03/16 £000	31/03/15 £000
Not later than one year	1,261	1,276
Later than one year and not later than five years	3,428	3,511
Later than five years	19,130	17,799
	23,819	22,586

The Council does not have any assets held under finance leases.

b) Council as a Lessori) Finance Leases

The Council leases out a number of commercial properties and has a gross investment in the leases, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. The gross income (Finance Lease Debtor) was £66K in 2015/16 (£71K in 2014/15). The gross investment and the minimum lease income will be received over the following periods:

	Gross Investment in the Lease		Minimum Lease Income	
	31/03/16 £000	31/03/15 £000	31/03/16 £000	31/03/15 £000
Not later than one year	30	30	30	30
Later than one year and not later than five years	120	120	120	120
Later than five years	116	146	116	146
	266	296	266	296

ii) Operating Leases

The Council leases out a number of commercial properties for Investment purposes. The future minimum lease payments receivable under non-cancellable leases in future years are:

	31/03/16 £000	31/03/15 £000
Not later than one year	1,969	1,973
Later than one year and not later than five years	6,120	5,979
Later than five years	4,059	4,966
	12,148	12,918

Notes to the Core Financial Statements

33. PRIVATE FINANCE INITIATIVES (PFI) CONTRACTS

a) Summary of PFI Schemes

PFI Scheme	Brockley HRA	Downham Lifestyles	Grouped Schools	BSF 1	BSF 2	BSF 3	BSF 4	Street Lighting
Start of Contract	2007	2007	2007	2009	2011	2012	2012	2011
End of Contract	2027	2039	2036	2035	2037	2037	2038	2036
Total Estimated Cost	£286m	£77m	£227m	£240m	£86m	£118m	£223m	£95m
Total PFI Credits	£207m	£30m	£674m					£54m
Net PFI Cost	£79m	£47m	£220m					£41m

b) Payments made under PFI contracts

	Brockley HRA	Downham Lifestyles	Grouped Schools	BSF 1	BSF 2	BSF 3	BSF 4	Street Lighting	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2015/16									
Service Charges	6,099	428	3,045	2,603	840	811	1,374	1,222	16,421
Interest	5,112	1,616	3,480	4,487	1,837	2,737	5,375	1,278	25,923
Liability Repayment	3,409	270	728	1,444	258	635	1,065	933	8,743
Unitary Charge	14,620	2,314	7,253	8,534	2,935	4,184	7,815	3,433	51,087
2014/15									
Service Charges	5,928	425	2,771	2,657	730	808	1,390	1,197	15,906
Interest	5,406	1,635	3,596	4,586	1,879	2,787	5,474	926	26,289
Liability Repayment	3,094	238	797	1,262	309	581	969	987	8,237
Unitary Charge	14,428	2,298	7,164	8,505	2,918	4,176	7,833	3,110	50,432

c) Movement in PFI Assets in year

The assets which are used to provide the services under these PFI contracts are recognised within the Council's Balance Sheet. The movements in value over the year are detailed in the following table.

Notes to the Core Financial Statements

	2015/16		2014/15	
	£000	£000	£000	£000
Gross Book Value b/fwd		251,476		270,316
Additions		8,757		4,623
Revaluations (recognised in Revaluation Reserve)	18,182		4,502	
Revaluations (recognised in Surplus/ Deficit on the Provision of Services)	2,094	20,276	(27,403)	(22,901)
Impairments (recognised in Revaluation Reserve)	0		(1)	
Impairments (recognised in Surplus/ Deficit on the Provision of Services)	0	0	(5)	(6)
Disposals		(460)		(556)
Transfers		0		0
Assets reclassified (to)/ from Held for Sale		0		0
Gross Book Value c/fwd		280,049		251,476
Depreciation b/fwd		(3,488)		(4,123)
Depreciation for year		(6,235)		(5,750)
<u>Depreciation written back on:</u>				
Transfers		0		0
Revaluations (recognised in Revaluation Reserve)	3,037		2,916	
Revaluations (recognised in Surplus/ Deficit on the Provision of Services)	1,129	4,165	3,468	6,384
Impairments (recognised in Revaluation Reserve)	0		0	
Impairments (recognised in Surplus/ Deficit on the Provision of Services)	0	0	0	0
Assets sold		2		1
Depreciation c/fwd		(5,556)		(3,488)
Net Book Value at End of Year		274,493		247,988

d) PFI Liabilities

The unitary payments made to the contractors have been calculated to pay them the fair value of the services they provide, the capital expenditure they have incurred and interest they will pay whilst the capital expenditure remains to be reimbursed. The Council's total outstanding liability to the contractors is shown in the following table. The liabilities included on the Balance Sheet for Street Lighting represents the completions to date on the updating work, and not the full expected cost. The full cost is shown in note e).

	Current Liabilities (Due within 1 Year)		Deferred (Future) Liabilities	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Balance outstanding at start of year	8,751	8,281	239,002	244,703
Balance outstanding at end of year	7,706	8,751	240,061	239,002

e) Payments due under PFI contracts in future years

The Council makes an agreed payment each year which is linked to inflation and can be reduced if the contractor fails to meet availability and performance standards. The following table shows the estimated payments due to be paid (as part of a unitary charge) for each PFI. The price base is in nominal terms

Notes to the Core Financial Statements

assuming a 3.1% RPI increase per annum compounded until the end of the contract. The amounts are broken down into the different elements of the payments reflecting how they will be accounted for.

Note: Amounts shown for Brockley HRA PFI relate only to the unitary charge for tenanted properties.

Payments due	Brockley HRA	Downham Lifestyles	Grouped Schools	BSF 1	BSF 2	BSF 3	BSF 4	Street lighting	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
In 2016/17									
Service charges	7,460	222	2,556	2,417	739	854	1,449	897	16,595
Interest	4,575	1,615	3,397	4,349	1,828	2,700	5,320	2,235	26,019
Repayment of liability	2,460	306	735	1,470	361	671	1,171	532	7,706
Planned lifecycle replacement	399	219	670	424	36	14	0	0	1,761
	14,893	2,362	7,358	8,660	2,964	4,239	7,940	3,665	52,081
within 2 to 5 years									
Service charges	32,856	944	10,968	10,420	3,111	3,827	7,041	3,233	72,402
Interest	15,713	6,240	12,733	15,734	6,910	10,317	20,319	9,353	97,319
Repayment of liability	11,640	503	3,151	5,368	1,496	2,938	4,285	2,452	31,832
Planned lifecycle replacement	1,928	989	3,554	4,157	613	339	928	0	12,509
	62,136	8,676	30,406	35,679	12,131	17,422	32,574	15,038	214,061
within 6 to 10 years									
Service charges	48,029	1,319	15,553	14,873	4,338	5,880	10,236	4,518	104,746
Interest	12,353	8,006	13,912	16,277	7,626	11,426	23,123	10,593	103,315
Repayment of liability	20,450	1,102	5,396	9,171	2,389	4,654	7,770	4,461	55,393
Planned lifecycle replacement	3,104	1,392	5,634	6,819	1,485	959	1,573	0	20,967
	83,936	11,819	40,495	47,140	15,838	22,920	42,702	19,571	284,421
within 11 to 15 years									
Service charges	10,761	1,493	17,894	17,250	4,908	7,494	12,680	5,111	77,591
Interest	1,475	7,819	10,978	11,593	6,133	9,002	18,838	8,622	74,460
Repayment of liability	6,334	1,862	9,816	14,892	3,939	6,030	10,985	6,735	60,591
Planned lifecycle replacement	601	1,591	4,400	6,573	1,700	1,819	2,675	0	19,361
	19,170	12,765	43,088	50,308	16,680	24,345	45,179	20,468	232,003
within 16 to 20 years									
Service charges		1,689	20,576	15,766	5,553	9,151	15,490	5,775	74,000
Interest		7,098	5,854	3,283	3,637	5,699	12,373	5,438	43,382
Repayment of liability		3,097	16,244	16,297	6,545	8,502	16,188	10,193	77,066
Planned lifecycle replacement		1,804	3,897	4,734	1,897	2,604	3,929	0	18,865
	0	13,688	46,571	40,080	17,632	25,957	47,980	21,406	213,313
within 21 to 25 years									
Service charges		1,118	557		1,706	2,848	7,168	452	13,849
Interest		3,564	30		335	966	2,309	200	7,403
Repayment of liability		3,034	475		2,504	3,519	8,528	833	18,893
Planned lifecycle replacement		1,194	137		660	810	2,053	0	4,853
	0	8,910	1,199	0	5,205	8,142	20,057	1,485	44,998
within 26 to 30 years									
Service charges									0
Interest									0
Repayment of liability									0
Planned lifecycle replacement									0
	0	0	0	0	0	0	0	0	0
Total Payments Due	180,135	58,220	169,116	181,868	70,448	103,024	196,432	81,633	1,040,877

Notes to the Core Financial Statements

34. LONG TERM CONTRACTS

The table below shows the significant long term contracts that the Council has entered into:

Contract Name	Contractor	Start/ End Date	Total Contract Value
School Meals Catering Contract	Chartwells	May-15/ Apr-20	£40m
Parks and Open Spaces	Glendale Grounds Management	Mar-10/ Feb-20	£26.1m
Leisure Centre Management	Fusion Lifestyles	Oct-12/ Oct-27	£12.7m
Parking Contract	NSL	Aug-13/ Jul-19	£10.8m
Corporate Cleaning Contract	ISS Facility Services	Jul-10/ Jul-17	£9.1m
Highway Maintenance Contract	FM Conway	Apr-14/ Mar-19	£7.5m
Premises Maintenance (Planned and Statutory Maintenance)	Interserve Facilities Services	Jul-11/ Jul-16	£6.4m
Corporate Security Contract	CIS Security Services	Mar-11/ Mar-16	£4.5m
Data Centre Provision	Logicalis	Apr-11/ Mar-21	£4.0m
Provision of CCTV control room management and operational services	OCS Group UK Ltd	Apr-12/ Apr-17	£1.4m

35. DEFINED CONTRIBUTION PENSION SCHEMES

The Teachers and the National Health Service Pension Schemes are technically defined benefit schemes. However, their assets and liabilities cannot reliably be identified at individual employer level and therefore for the purposes of the Council's accounts they are accounted for as defined contribution schemes.

Teachers employed by the Council are members of the Teachers' Pension Scheme, which is run by the Department for Education (DfE). The scheme provides benefits upon retirement with both the Council and the employee making contributions to the scheme. The scheme is "unfunded" and the DfE use a notional fund to set a national employers contribution rate based on a percentage of members' pensionable pay – in 2015/16 this rate was 14.1% up to 31/08/15 and 16.48% from 01/09/15 to 31/03/16 (14.1% for the whole of 2014/15). In 2015/16, the Council paid £13.9m to the DfE in respect of teachers' pension costs (£12.6m in 2014/15).

Public Health staff employed by the Council are members of the NHS Pension Scheme, which is run by the Department of Health (DoH). The scheme provides benefits upon retirement with both the Council and the employee making contributions to the scheme. The scheme is "unfunded" and the DoH use a notional fund to set a national employers contribution rate based on a percentage of members pensionable pay – this rate was 14.0% for 2015/16 (same for 2014/15). In 2015/16 the Council paid £0.115m to the DoH in respect of employees' pension costs (£0.148m in 2014/15).

36. DEFINED BENEFIT PENSION SCHEMES**a) Participation in Pension Schemes**

The Council offers retirement benefits as part of the terms and conditions of staff employment. Although these benefits will not actually be payable until employees retire, the Council is committed to making these payments, and they are required to be disclosed at the time that employees earn their future entitlement. The Council makes contributions on behalf of its employees to the Local Government Pension Scheme (LGPS) and the London Pensions Fund Authority (LPFA). These are defined benefit final salary schemes, meaning that both the Council and the employees pay contributions into a fund, calculated at a level which is intended to balance the pensions liabilities with investment assets.

Notes to the Core Financial Statements

b) Assessment of the Assets and Liabilities of the Pension Schemes

These are assessed on an actuarial basis using the projected unit method and an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. They have been prepared by independent firms of actuaries (the LGPS by Hymans Robertson and the LPFA by Barnett Waddingham), and are based on IAS19 assumptions and calculations for the year and the latest triennial valuations as at 31st March 2016.

c) Transactions relating to Retirement Benefits

In accordance with IAS19, the Council recognises the cost of retirement benefits relating to these schemes in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However the required charge to the Council Tax is based on the cash paid in the year so the real cost of retirement benefits is reversed out of the General Fund via the MiRS. The following transactions were made during the year in the CIES and the General Fund Balance via the MiRS:

Comprehensive Income and Expenditure Statement**Cost of Service**

Current Service Cost

41,742

33,586

Past Service Cost (inc.settlements and curtailments)

1,561

957

43,303

34,543

Financing and Investment Income and ExpenditureNet Interest on the Net Defined Benefit Liability

Interest Income on Scheme Assets

(31,318)

(36,002)

Interest Cost on Defined Benefit Obligation (Liabilities)

54,493

64,639

23,175

28,637

Total Post Employment Benefits Charged to the Surplus or Deficit on the Provision of Services

66,478

63,180

Remeasurements of the Net Defined Benefit Liability

Return on Assets excluding amounts included in Net Interest

33,019

(97,268)

Actuarial Losses from changes in Demographic Assumptions

0

0

Actuarial Losses from changes in Financial Assumptions

(154,346)

217,512

Other Gains and Losses

(26,705)

(21,969)

Total Remeasurements recognised in CIES

(148,032)

98,275

Total Post Employment Benefits Charged to the CIES

(81,554)

161,455

Movement in Reserves Statement

Reversal of Net Charges made to the the Surplus or Deficit on the Provision of Services

(66,478)

(63,180)

Employers' Contributions Payable to the Scheme

33,362

32,823

Return on Assets excluding amounts included in Net Interest

(33,019)

97,268

Actuarial Gains and Losses

181,051

(195,543)

Pensions Reserve adj to opening bal (re Lewisham Homes)

0

0

Net Movement in Pensions Reserve

114,916

(128,632)

Notes to the Core Financial Statements

d) Pensions Assets and Liabilities Recognised in the Balance Sheet

	31/03/16 £000	31/03/15 £000
Fair Value of Plan Assets	1,045,251	1,053,518
Present Value of Defined Benefit Liability (Obligation)	(1,575,146)	(1,688,924)
	(529,895)	(635,406)
Present Value of Unfunded Liabilities	(71,911)	(81,316)
Pensions Reserve - Year End Balance	(601,806)	(716,722)

e) Reconciliation of the Movements in the Fair Value of Scheme Assets

	31/03/16 £000	31/03/15 £000
Opening Fair Value of Scheme Assets	1,053,518	923,298
Interest Income on Scheme Assets	33,435	36,002
Administration	(108)	(106)
<u>Remeasurement Gains / Losses</u>		
Return on Assets excluding amounts included in Net Interest	(33,019)	97,268
Employer Contributions	28,347	27,668
Contributions in respect of Unfunded Benefits	5,015	5,155
Contributions from Scheme Participants	8,494	8,479
Benefits Paid	(45,416)	(47,291)
Unfunded Benefits Paid	(5,015)	(5,155)
Other Gains and Losses	0	8,200
Closing Fair Value of Scheme Assets	1,045,251	1,053,518

Notes to the Core Financial Statements

f) Reconciliation of the Movements in the Present Value of Scheme Liabilities

	31/03/16 £000	31/03/15 £000
Opening Present Value of Scheme Liabilities (Obligations)	(1,770,240)	(1,511,388)
Current Service Cost	(41,742)	(33,586)
Interest Cost on Defined Benefit Obligation (Liabilities)	(56,502)	(64,533)
Contributions from Scheme Participants	(8,494)	(8,479)
<u>Remeasurement Gains / Losses</u>		
Benefits Paid	45,416	47,291
Unfunded Benefits Paid	5,015	5,155
Actuarial Losses from changes in Demographic Assumptions	0	0
Actuarial Losses from changes in Financial Assumptions	154,346	(217,512)
Other Gains and Losses	26,705	13,769
Past Service Costs / Curtailments / Settlements	(1,561)	(957)
Closing Present Value of Scheme Liabilities (Obligations)	(1,647,057)	(1,770,240)

g) Pension Scheme Assets

	31/03/16			31/03/15		
	Active Market £000	Not in Active Markets £000	Total £000	Active Market £000	Not in Active Markets £000	Total £000
LGPS (LBL and LH)						
Equities	63,273	29,545	92,818	74,194		74,194
Debt Securities	90,328	0	90,328	94,621		94,621
Real Estate	8,499	83,292	91,791		79,649	79,649
Investment Funds / Unit Trusts	654,323	7,105	661,427	652,103	60,534	712,637
Derivatives	0	0	0		(52)	(52)
Cash and Cash Equivalents	4,722	35,506	40,228		20,655	20,655
Total LGPS Assets	821,145	155,448	976,592	820,918	160,786	981,704
	31/03/16			31/03/15		
	Active Market £000	Not in Active Markets £000	Total £000	Active Market £000	Not in Active Markets £000	Total £000
LPFA						
Equities	28,755	3,140	31,895	17,446	13,712	31,158
LDI Cashflow matching	0	6,960	6,960		5,390	5,390
Target Return Portfolio	3,556	11,049	14,605	15,319	5,441	20,760
Infrastructure	209	3,552	3,761		3,558	3,558
Commodities	0	307	307	223	445	668
Properties	0	2,450	2,450		2,035	2,035
Cash	8,681	0	8,681		8,245	8,245
Total LPFA Assets	41,201	27,458	68,659	32,988	38,826	71,814

Notes to the Core Financial Statements

h) Basis for Estimating Assets and Liabilities

	Local Government Pension Scheme		LPFA	
	2015/16	2014/15	2015/16	2014/15
Rate of Inflation – CPI	2.20%	2.40%	2.00%	2.20%
Salary Increase Rate *	4.20%	4.30%	3.80%	4.00%
Pensions Increases	2.20%	2.40%	2.00%	2.20%
Rate for discounting scheme liabilities	3.50%	3.20%	3.30%	3.00%
Mortality assumptions				
Longevity at 65 for current pensioners - Men	21.7yrs	21.7yrs	21.6yrs	21.5yrs
Longevity at 65 for current pensioners - Women	24.0yrs	24.0yrs	24.4yrs	24.3yrs
Longevity at 65 for future pensioners - Men	24.4yrs	24.4yrs	24.0yrs	23.9yrs
Longevity at 65 for future pensioners - Women	26.7yrs	26.7yrs	26.7yrs	26.6yrs

Note – Salary increases in the LGPS forecast are assumed to be 1% p.a. until 31 March 2018 reverting to the long term assumption shown thereafter.

i) Sensitivity Analysis

Change in Assumption at 31st March 2016	Approximate % Increase in Employer Liability	Approximate Monetary Amount (£000)
LGPS - LB Lewisham		
0.5% Decrease in Real Discount Rate	10%	143,028
1 Year Increase in Member Life Expectancy	3%	43,845
0.5% Increase in the Salary Increase Rate	2%	33,389
0.5% Increase in the Pension Increase Rate	7%	108,047
LGPS - Lewisham Homes		
0.5% Decrease in Real Discount Rate	12%	13,230
1 Year Increase in Member Life Expectancy	3%	3,255
0.5% Increase in the Salary Increase Rate	4%	4,170
0.5% Increase in the Pension Increase Rate	8%	8,823
LPFA		
0.5% Decrease in Real Discount Rate	n/a	1,350
1 Year Increase in Member Life Expectancy	n/a	272
0.5% Increase in the Salary Increase Rate	n/a	1,325
0.5% Increase in the Pension Increase Rate	n/a	1,345

These are based on reasonably possible changes to the assumptions occurring at the end of the year and assumes for each change that the assumption changes while all the other assumptions remain constant.

j) Future Contributions

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve an increased funding level over the next 3 years. Funding levels are monitored on an annual basis and the next triennial valuation is due at 31st March 2016. The Council anticipates paying £25.4m in contributions to the scheme in 2016/17.

The scheme will need to assess and take account of the national changes to the Local Government Pension Scheme and other main public service schemes under the Public Pensions Services Act 2013. These took effect from 1st April 2014 and provided for regulations to be made within a common framework to establish new career average earnings provisions to pay pensions and other benefits.

Notes to the Core Financial Statements

37. CONTINGENT LIABILITIES

A contingent liability is an item of expenditure that is likely but not certain and is subject to a further event or decision. At the date of approval of the Accounts the Council has the following contingent liability.

As at 31st March 2016, the Council was advised by the Valuation Office Agency (VOA) that Virgin Media had put forward a proposal to merge the Virgin Media network that appears in councils' rating lists countrywide into a single national assessment appearing with effect from 1st April 2010. There is no indication whether the proposal will be accepted or rejected yet. Given this uncertainty, it is disclosed as a contingent liability and will be reviewed in January 2017 as part of the 2017/18 NDR data assessment when the outcome may be clearer. The estimated effect of this proposal on the Collection Fund is approximately £10m.

In addition, the NHS has a current application for charitable status. If accepted this would require a backdated payment of around £8m by the Council and an ongoing annual loss of business rates of £1.5m.

38. CONTINGENT ASSETS

A contingent asset is an item of income that is likely but not certain and is subject to a further event or decision. At the date of approval of the Accounts the Council has no contingent assets.

39. TRUST FUNDS

The Council acts as a trustee for other funds which are not included in the Balance Sheet. Interest on these funds is credited annually at the average rate earned on the Council's revenue balances. The total amount held as at 31st March 2016 was £0.65m (£0.65m as at 31st March 2015)

40. HERITAGE ASSETS

These assets comprise Lewisham Clock Tower and the Civic Regalia. Their values in the accounts are insurance values which are assessed internally and based on current market values. The value of the assets at 31st March 2016 is £0.26m (£0.26m as at 31st March 2015).

The Council has two other "categories" of heritage asset which have not been included on the Balance Sheet. 28 assets, mainly works of art with a total insurance value of approximately £45,000, have individual insurance values which are immaterial. Another 28 assets, mainly paintings and sculptures, have not been included on the balance sheet because the cost of obtaining valuations is not felt to be economic to the benefits of the users of the accounts.

Notes to the Core Financial Statements

41. CASH FLOW STATEMENT - ADJUSTMENT TO SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

	2015/16 £000	2014/15 £000
Depreciation, Impairment and Downward Valuations	11,186	232,097
Increase/ (decrease) in creditors	(14,701)	5,899
(Increase)/ decrease in debtors	31,558	(26,221)
(Increase)/ decrease in inventories (stock)	122	(139)
Movement in pension liability	33,116	30,357
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	29,634	9,126
Other non-cash items charged to the net surplus or deficit on the provision of services	1,676	5,892
Total Adjustment to net surplus or deficit on the provision of services for non-cash movements	92,591	257,011

42. CASH FLOW STATEMENT - ADJUSTMENT FOR ITEMS INCLUDED IN THE NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES THAT ARE INVESTING AND FINANCING ACTIVITIES

	2015/16 £000	2014/15 £000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	55	398
Proceeds from the sale of property plant and equipment, investment property and intangible assets	(22,655)	(34,768)
Any other items for which the cash effects are investing or financing cash flows.	(33,408)	(50,107)
Total Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(56,008)	(84,477)

43. CASH FLOW STATEMENT - OPERATING ACTIVITIES

	2015/16 £000	2014/15 £000
Interest Received	1,786	1,156
Interest Paid	(26,570)	(24,872)
Net Interest Paid	(24,784)	(23,716)

Notes to the Core Financial Statements

44. CASH FLOW STATEMENT - INVESTING ACTIVITIES

	2015/16 £000	2014/15 £000
Purchase of Property, Plant and Equipment, investment property and intangible assets	(71,997)	(62,705)
Purchase of short and long term investments	(350,200)	(395,000)
Other payments for Investing Activities	(8,000)	0
Proceeds from the sale of property plant and equipment, investment property and intangible assets	22,668	34,787
Proceeds from short-term and long-term investments	350,000	330,000
Other Receipts from Investing Activities	26,993	50,566
Net Cash Flows from Investing Activities	(30,536)	(42,352)

45. CASH FLOW STATEMENT - FINANCING ACTIVITIES

	2015/16 £000	2014/15 £000
Cash receipts of short and long term borrowing	879	0
Other receipts from financing activities	0	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(8,743)	(8,237)
Repayment of Short-Term and Long-Term Borrowing	0	(5,314)
Other payments for financing activities	(1,170)	(2,770)
Net Cash Flows from Financing Activities	(9,034)	(16,321)

Housing Revenue Account

SECTION 4 - HOUSING REVENUE ACCOUNT

This account is maintained in accordance with the provisions of the Local Government and Housing Act 1989 to show all income and expenditure relating to the Council's responsibilities as landlord of dwellings and associated property.

COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT

	2015/16 £000	2014/15 £000	Note
INCOME			
Gross Rent - Dwellings	(72,402)	(71,829)	1
Gross Rent - Other Housing Properties	(3,187)	(3,362)	1
Charges for Services and Facilities	(9,602)	(9,793)	1
Housing Subsidy and Government Grants	(10,353)	(46,353)	2
Contribution towards Expenditure	(3,946)	(3,951)	4
Total Income	(99,490)	(135,288)	
EXPENDITURE			
Supervision and Management - General Expenses	30,952	30,174	5
Supervision and Management - Special Expenses	6,171	6,366	5
Repairs and Maintenance	32,406	62,875	6
Rent, Rates and Other Charges	486	296	8
Rent Rebate Subsidy Shortfall	0	242	3
Contribution to Doubtful Debts Provision	474	730	7
Depreciation - Dwellings	29,444	25,530	10
Depreciation - Other Housing Assets	668	801	10
Impairment of Non Current Assets	0	(2,126)	
Debt Management Expenses	26	26	
Total Expenditure	100,627	124,914	
Net Cost of Services included in the Council's Income and Expenditure Account	1,137	(10,374)	
HRA Services share of Corporate and Democratic Core Costs	134	134	
Net Cost of HRA Services	1,271	(10,240)	
HRA share of the Operating Income and Expenditure incl.in the Comprehensive Income and Expenditure Statement			
(Gain) / Loss on Sale of HRA Non Current Assets	9,200	(14,130)	
Interest Payable and Similar Charges	8,238	8,584	11
Interest and Investment Income	(604)	(422)	
Net Pension Interest Cost	916	11,056	12
(Surplus) / Deficit for the Year on HRA Services	19,021	(5,152)	

Housing Revenue Account

HOUSING REVENUE ACCOUNT - MOVEMENT IN RESERVES STATEMENT

	2015/16 £000	2014/15 £000
Balance on the HRA at the End of the Previous Year	35,912	26,546
<u>Movement in Year</u>		
Surplus or (Deficit) for the year on the HRA Income and Expenditure Statement	(19,021)	5,152
Adjustments between Accounting Basis and Funding Basis under Statute	37,871	18,272
Net Increase or (Decrease) before Transfers (To) / From Reserves	18,850	23,424
Transfers (To) / From Reserves	(11,868)	(14,058)
Increase or (Decrease) in Year on the HRA	6,982	9,366
Balance on the HRA at the End of the Year	42,894	35,912

An analysis of the amounts included within the figures for "Adjustments between Accounting Basis and Funding Basis under Statute" can be found within Note 7 to the Core Financial Statements.

Details of the movement in the Housing Revenue Account Reserves and Balances can be found in Note 15 to the Housing Revenue Account.

Housing Revenue Account

NOTES TO THE HOUSING REVENUE ACCOUNT**1. GROSS RENT OF DWELLINGS**

This is the total rent collectable for the year after allowance is made for empty property. At 31 March 2016, 0.61% of lettable property was empty (0.62% at 31 March 2015). These figures for empty property exclude accommodation for the homeless and dwellings designated for sale, major works and improvements. Average rents were £98.42 In 2015/16 and £95.97 per week In 2014/15.

Service charges have been disaggregated from rents and are now shown under charges for services and facilities.

a) Housing Stock

The Council was responsible for managing 14,390 dwellings as at 31 March 2016 (14,637 as at 31 March 2015).

There have been no stock transfers undertaken in 2015/16.

The stock was made up as follows:

	31/03/16	31/03/15
<u>Stock Numbers at year end</u>		
Houses and Bungalows	2,416	2,423
Flats and Maisonettes	11,974	12,214
Stock at End of Year	14,390	14,637

	2015/16	2014/15
<u>Change in Stock Numbers during the year</u>		
Stock at 1 April	14,637	14,757
Less Sales, Demolitions, etc.	(248)	(128)
Add Re-purchases, Conversions etc.	1	8
Stock at End of Year	14,390	14,637

b) Rent Arrears

	2015/16 £000	2014/15 £000
Rent Arrears due from Current Tenants	3,113	3,331
Rent Arrears due from Former Tenants	2,145	1,813
Total Arrears	5,258	5,144
Total Arrears as % of Gross Rent of Dwellings Due	6.1%	8.0%

The arrears shown in this note exclude water charges, heating charges and all other charges collected as part of tenants' rent. Housing rent represents 91% of the total collectable from tenants.

Housing Revenue Account

c) Rent – Other Housing Property

	2015/16 £000	2014/15 £000
Aerial Sites	394	342
Garages	179	322
Reception Hostels	2,527	2,455
Commercial Property	28	184
Ground Rents	59	59
Total Other Rents and Charges	3,187	3,362

d) Charges for Services and Facilities to Tenants and Leaseholders.

Service charges include caretaking, grounds maintenance, communal lighting, bulk household waste removal, window cleaning, pest control and the Lewisham Tenants Levy. The average tenants' service charge was £7.71 in 2015/16 (£7.72 in 2014/15).

	2015/16 £000	2014/15 £000
Heating Charges	566	730
Leasehold Service Charges	4,445	4,430
Tenants Service Charges	4,591	4,633
Total Charges for Services and Facilities	9,602	9,793

2. GOVERNMENT HOUSING GRANTS AND SUBSIDY

From 1st April 2012 HRA accounts were prepared under the Government's HRA self-financing regime. Under this system no further housing subsidy transactions are made between government and stock owning Councils. This is in recognition that all rent collected will be retained by the Council and not contributed into the national rent pool.

As the Council has a housing PFI scheme, it will continue to receive the PFI credit until completion of the contract in 2027. This represents an annual payment of £10.353m.

	2015/16 £000	2014/15 £000
Charges for Capital	0	0
PFI Credit	10,353	10,353
Decent Homes Grant	0	36,000
Total Grants and Subsidy	10,353	46,353

3. REBATES

Assistance with rents is available under the Housing benefits scheme for those on low income. The scheme is administered by the Council and approximately 58% of tenants received help in 2015/16 (56% in 2014/15). Rent rebates are chargeable to, and the corresponding subsidy is credited to the General Fund.

Subsidy on rent rebates is capped and if the Council's rent exceeds the Government's limit for subsidy, the cost is charged to the HRA. The shortfall on subsidy due to overpayments is charged to the General Fund, as are the administration costs.

The costs, income and rebates over limitation charged back to the HRA are shown below:

Housing Revenue Account

	2015/16 £000	2014/15 £000
Rent Rebates Given (GF)	47,212	45,197
Subsidy Received on Rebates (GF)	(47,212)	(45,197)
Net cost to the HRA	0	0

4. CONTRIBUTIONS TOWARDS EXPENDITURE

	2015/16 £000	2014/15 £000
Commission on insurance and water rates	696	650
Recharges of repairs	2,280	2,225
Recharge to Capital Receipts	601	618
Hostels: Heat, Light and Water Charges	89	95
Other miscellaneous income	280	363
Total Other Income	3,946	3,951

5. SUPERVISION AND MANAGEMENTGeneral expenses

This includes the provision of services to all tenants including rent collection and accounting, rent arrears recovery, tenancy application and lettings, finance and administration, policy and management functions.

Special expenses

This includes the provision of services applicable to particular tenants including central heating, metered energy supplies, maintenance of grounds, communal lighting, lifts and ancillary services.

6. REPAIRS AND MAINTENANCE

This includes day-to-day repairs to Council housing stock and cyclical external decoration. Void properties prior to re-letting and certain tenants' properties are eligible for internal decoration. Repairs and maintenance expenditure was as follows:

	2015/16 £000	2014/15 £000
Revenue R&M works	14,162	14,602
R&M works charged to MRR	18,244	48,183
Total Repairs and Maintenance	32,406	62,785

Housing Revenue Account

7. CONTRIBUTIONS TO IMPAIRMENT ALLOWANCE

A contribution of £0.474m (2014/15 £0.730m) was transferred from the HRA to an impairment allowance to meet doubtful debts. Details of the accumulated provisions are as follows:

	2015/16 £000	2014/15 £000
Housing Tenants	4,421	4,207
Leaseholders	1,837	1,946
Commercial Properties, Miscellaneous Debts	991	989
Total Impairment Allowance	7,249	7,142

8. HRA OUTSTANDING DEBT (CAPITAL FINANCING REQUIREMENT)

Under the current HRA self-financing system, which began on 1st April 2012, there is no requirement to repay principal on housing debt. The total housing debt at 31st March 2016 was £74.8m (no change since 31st March 2015).

9. NON CURRENT ASSETS VALUATION

A full valuation of the housing stock is commissioned every year due to materiality. The difference between the value of dwellings in their existing use as social housing and the vacant possession value reflects the economic cost to the council of providing housing at less than open market rents.

	31/03/16 £000	31/03/15 £000
Operational Assets:		
Dwellings (Existing Use Value - Social Housing)	1,146,314	1,058,091
Other Land and Buildings	13,973	26,267
Infrastructure	107	0
Vehicles, Plant and Equipment	7,374	5,792
	1,167,768	1,090,150
Investment Properties	0	16,233
Surplus Assets	6,139	0
Total Housing Assets	1,173,907	1,106,383
Full Valuation of Council Dwellings	4,585,256	4,232,364

Housing Revenue Account

10. DEPRECIATION

The total charge for the depreciation of housing assets is as follows:

10. Depreciation

	2015/16 £000	2014/15 £000
Operational Assets		
Dwellings	29,444	25,562
Other Land and Buildings	294	615
Vehicles, Plant and Equipment	374	337

Depreciation is not charged on Non Operational Assets.

11. INTEREST PAYABLE AND SIMILAR CHARGES

This line includes the charge of £3.1m for capital assets calculated in accordance with the DCLG's Item 8 Debit Determination for 2015/16 (£3.2m in 2014/15). It also includes £0.477m for the net cost of amortised loan redemption premiums and discounts (£0.477m 2014/15).

12. PENSIONS COSTS – IAS 19

In accordance with IAS 19, Lewisham recognises the cost of retirement benefits in the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the cost to the HRA is based on the amounts payable in the year, so the accrued cost of retirement benefits is reversed out of the HRA.

13. HOUSING CAPITAL EXPENDITURE

Any expenditure on the Capital Programme which cannot be capitalised as a component or did not add value to an existing asset has been charged to revenue. These amounts have been mainly funded from the Major Repairs Reserve, which can be used for both revenue and capital expenditure.

	2015/16 £000	2014/15 £000
Expenditure:		
Dwellings	3,757	4,694
Revenue Expenditure Funded from Capital under Statute	0	0
	3,757	4,694
Financed by:		
Capital Receipts	0	213
Major Repairs Reserve	3,757	4,481
Total Capital Expenditure Financed	3,757	4,694

Housing Revenue Account

14. MAJOR REPAIRS RESERVE

The movements on the major repairs reserve are as follows:

	2015/16 £000	2014/15 £000
Balance brought forward at start of year	29,364	19,787
Transferred in (depreciation dwellings)	30,112	26,331
Financing of capital expenditure on housing assets	(3,757)	(4,481)
Financing Major Revenue Repairs	(18,244)	(12,273)
Contributions from Revenue (Capital)	0	0
Balance carried forward at end of year	37,475	29,364

15. HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

The movements in housing revenue account reserves and balances are as follows:

	Balance at 31/03/15 £000	Transfers In £000	Transfers Out £000	Balance at 31/03/16 £000
Property and Stock Related Reserves	4,773	211	0	4,984
Staff Related Reserves	750	0	0	750
Other Earmarked Reserves	30,389	6,771	0	37,160
Total Reserves and Balances	35,912	6,982	0	42,894

Collection Fund

SECTION 5 - THE COLLECTION FUND

Lewisham Council is a designated 'Billing' Authority and is required by statute to maintain a separate Collection Fund. The transactions are on an accruals basis and include income from Council Tax and Non-Domestic Rates (NDR) and distributions to the Council's General Fund and the Greater London Authority (GLA) in respect of both Council Tax & NDR, and to the Government in respect of NDR only.

The costs of collecting these taxes are charged to the General Fund, but an allowance towards the cost of collecting NDR is credited to the General Fund from the NDR receipts.

The Council's share of the year end balances of the Collection Fund is included in the Council's Balance Sheet and its share of the transactions is included in the Council's Cash Flow Statement.

	2015/16			2014/15			Note
	Council Tax	NDR	Total	Council Tax	NDR	Total	
	£000	£000	£000	£000	£000	£000	
INCOME							
Income from Council Tax (net)	109,442		109,442	105,674		105,674	4
Income from Non-Domestic Rates (net)		54,403	54,403		54,530	54,530	5
TOTAL INCOME	109,442	54,403	163,845	105,674	54,530	160,204	
EXPENDITURE							
Precepts and Demands upon Fund (C. Tax)							
- London Borough of Lewisham	80,084		80,084	78,404		78,404	
- Greater London Authority	23,652		23,652	22,108		22,108	
Precepts and Demands upon Fund (NDR)							
- London Borough of Lewisham		16,452	16,452		15,501	15,501	
- Greater London Authority		10,968	10,968		10,334	10,334	
- Central Government		27,420	27,420		25,836	25,836	
- Cost of Collection Allowance		307	307		306	306	
Business Rate Supplement							
- Paid to Greater London Authority		1,212	1,212		1,459	1,459	
- Administrative Costs		4	4		5	5	
Bad and Doubtful Debts							
- Net adj to Impairment Allowance	1,729		1,729	2,004		2,004	6a
- Net adj to Impairment Allowance		(37)	(37)		546	546	6b
- Amounts Written Off	799		799	605		605	
- Amounts Written Off		1,369	1,369		543	543	
Contributions from previous year							
- London Borough of Lewisham	4,864		4,864	2,334		2,334	
- Greater London Authority	0		0	659		659	
Provision for Appeals							
- London Borough of Lewisham		295	295		38	38	
TOTAL EXPENDITURE	111,129	57,990	169,119	106,114	54,568	160,682	
Deficit / (Surplus) for the year	1,687	3,587	5,274	440	38	478	3
Deficit / (Surplus) at start of year	(5,796)	2,289	(3,507)	(6,236)	2,251	(3,985)	3
Deficit / (Surplus) at end of year	(4,109)	5,876	1,767	(5,796)	2,289	(3,507)	

Collection Fund

NOTES TO THE COLLECTION FUND

1. THE COUNCIL TAX BASE AND THE "BAND D" EQUIVALENT

The annual budget process requires that each Council determines its own 'Band D' tax charge by dividing its own budget requirement by the respective tax base for the financial year. The 'Band D' tax calculated forms the basis of the charge for all properties. Properties fall into one of eight valuation bands based on market values at 1st April 1991. Those that fall in other valuation bands pay a proportion of the 'Band D' tax charge according to its banding and the band proportion.

The tax base used in setting the Council Tax is set by the end of January for the following financial year. It is based on the actual number of dwellings on the Valuation List that fall within each valuation band. The total in each band is adjusted for exemptions, single person occupancy discounts, discounts for second homes and long term empty properties, disabled band relief and new properties. The total for each band is then expressed as a "Band D" equivalent number by multiplying the resulting total by the relevant band proportion. The tax base for 2015/16 assumed a collection rate of 96.0% (95.5% for 2014/15).

The table below sets out the original tax base calculation for 2015/16 and has been prepared in accordance with The Welfare Reform Act that abolished the system of council tax benefits and replaced it with the Council Tax Reduction Scheme (CTRS) with effect from 1st April 2013.

Council Tax Band	Property Value £000	2015/16		Band D Ratio	2015/16		2014/15	
		No. of Properties			Band D Equivalents as per Ratio No.	Council Tax Charge £	Band D Equivalents as per Ratio No.	Council Tax Charge £
		Actual Number (1)	Adjusted Number (2)					
A	up to 40	7,281	3,683	6/9	2,455.2	903.57	2,420.9	906.23
B	40 - 52	32,733	20,132	7/9	15,658.2	1,054.16	15,481.6	1,057.28
C	52 - 68	42,354	30,061	8/9	26,720.5	1,204.75	26,225.8	1,208.31
D	68 - 88	25,285	20,345	1	20,345.0	1,355.35	20,058.5	1,359.35
E	88 - 120	7,229	6,199	11/9	7,577.0	1,656.54	7,354.0	1,661.42
F	120 - 160	2,718	2,492	13/9	3,599.1	1,957.73	3,581.0	1,963.51
G	160 - 320	1,277	1,199	15/9	1,999.1	2,258.92	1,993.5	2,265.58
H	over 320	170	160	18/9	319.0	2,710.70	310.0	2,718.70
Totals		119,047	84,270		78,673.1		77,425.3	
Add: Contributions in lieu					0.0		0.0	
Total Band D Equivalents					78,673.1		77,425.3	
Estimated Collection Rate					96.0%		95.5%	
NET COUNCIL TAX BASE					75,526.2		73,941.2	

(1) Total number of dwellings as per Valuation Officer's List

(2) Total number of dwellings after allowing for Discounts, Exemptions and Other Adjustments

Collection Fund

2. COLLECTION FUND SURPLUS OR DEFICIT

Every January, a forecast of the estimated Collection Fund balance at the end of the financial year is made. This estimated surplus or deficit is then distributed to or recovered from the Council and the GLA in the following year in proportion to their respective annual demands made on the Fund. Any difference between the estimated and actual year-end balance on the Fund is taken into account as part of the forecast to be made of the Fund's balance during the following financial year.

3. COLLECTION FUND BALANCE SPLIT INTO ITS ATTRIBUTABLE PARTS

	(Surplus)/ Deficit		(Surplus)/ Deficit		Balance at 31/03/16 £000
	Balance at 31/03/14 £000	Movement in 2014/15 £000	Balance at 31/03/15 £000	Movement in 2015/16 £000	
Council Tax					
London Borough of Lewisham	(4,795)	272	(4,523)	1,303	(3,220)
Greater London Authority	(1,441)	168	(1,273)	384	(889)
	(6,236)	440	(5,796)	1,687	(4,109)
Non-Domestic Rates					
London Borough of Lewisham	675	12	687	1,077	1,764
Greater London Authority	450	8	458	717	1,175
Central Government	1,126	18	1,144	1,793	2,937
	2,251	38	2,289	3,587	5,876
Collection Fund Balances	(3,985)	478	(3,507)	5,274	1,767

Collection Fund Adjustment Account

The Council's share of the Collection Fund balance is managed by the Collection Fund Adjustment Account which shows the differences arising from the recognition of Council Tax income in the CIES as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

4. COUNCIL TAX INCOME

	2015/16		2014/15
	£000	£000	£000
Gross Council Tax Income Due		150,100	149,144
Less: Adjustments to charge	1,362		915
Exemptions	(3,661)		(3,807)
Disabled Relief	(65)		(65)
Discounts	(15,010)		(15,156)
Adjustment for Council Tax Reduction Scheme	(23,285)		(25,357)
		(40,658)	(43,470)
Total Due from Council Tax payers		109,442	105,674
Transfers from General Fund for Council Tax Benefits		0	0
Net Amount of Council Tax Receivable		109,442	105,674

Collection Fund

5. NON-DOMESTIC RATES

The Council is responsible for collecting the Non-Domestic Rates (NDR) (often referred to as Business Rates) which are payable within its area. The amount payable is based upon the rateable value of commercial properties multiplied by the NDR multiplier, which is set annually by the Government. The amount due is paid as precepts to London Borough of Lewisham's General Fund (30%), Greater London Authority (20%) and Central Government (50%).

	2015/16		2014/15
	£000	£000	£000
Gross NDR Collectable (after voids and exemptions)		62,027	61,529
Reductions and Relief:			
Mandatory Relief	(7,441)		(6,777)
Discretionary Relief	(182)		(222)
		(7,624)	
Total Receivable from Business Rates		54,403	54,530

	2015/16	2014/15
	£m	£m
Non-Domestic Rateable Value	138.5	138.7

	2015/16	2014/15
	pence	pence
Non-Domestic Rate Multiplier	49.3	48.2
Non-Domestic Rate Multiplier (Small Business)	48.0	47.1

6. COLLECTION FUND ARREARS AND IMPAIRMENT ALLOWANCES

a) Council Tax

	31/03/16	31/03/15
	£000	£000
Council Tax Arrears	33,080	31,365
Impairment Allowance	(30,617)	(28,888)
As a Percentage of Arrears	92.6%	92.1%

	2015/16		2014/15	
	Amount £000	Percentage %	Amount £000	Percentage %
Age of Arrears				
Year of Accounts	5,979	18	5,982	19
Under 2 Years old	4,175	13	4,443	14
Under 3 Years old	3,886	12	3,323	11
Under 5 Years old	5,683	17	5,889	19
Over 5 Years old	13,357	40	11,728	37
Total	33,080	100	31,365	100

Arrears of income from court costs and penalties resulting from recovery action are accounted for in the General Fund.

Collection Fund

b) Non-Domestic Rates

	31/03/16 £000	31/03/15 £000
NDR Arrears	4,959	5,015
Impairment Allowance	(3,064)	(3,101)
As a Percentage of Arrears	61.8%	61.8%

	2015/16		2014/15	
	Amount £000	Percentage %	Amount £000	Percentage %
Age of Arrears				
Year of Accounts	1,338	27	1,297	26
Under 2 Years old	881	18	974	19
Under 3 Years old	835	17	876	17
Under 5 Years old	1,304	26	1,373	27
Over 5 Years old	600	12	495	10
Total	4,959	100	5,015	100

Arrears of income from court costs and penalties resulting from recovery action are accounted for in the General Fund.

Glossary

SECTION 6 - GLOSSARY OF TERMS USED IN THE ACCOUNTS

ACCRUALS	These are amounts included in the accounts to cover income and expenditure attributable to the financial year, but for which payment had not been received or made as at 31 March.
ACTUARY	An independent professional who advises on the financial position of the Pension Fund and carries out a full valuation every three years.
CAPITAL EXPENDITURE	This is expenditure on the acquisition or enhancement of assets which significantly prolongs their useful lives or increases their market value. This is considered to be of benefit to the Council over a period of more than one year, e.g. land and buildings.
CAPITAL ADJUSTMENT ACCOUNT	This represents the capital resources which have been set aside to meet past capital expenditure.
CAPITAL RECEIPTS	Income received from the sale of land, buildings and plant.
COLLECTION FUND	A separate statutory account into which Council Tax and Non-Domestic Rates (NDR) are paid in order to account for payments due to the Council's General Fund and Preceptors (currently the Greater London Authority for Council Tax and NDR, and Central Government for NDR).
CONTINGENT LIABILITY	A possible liability to incur future expenditure at the balance sheet date dependent upon the outcome of uncertain events.
CREDITORS	This is an amount of money owed by the Council for goods, works or services received.
DEBTORS	This is an amount of money owed to the Council by individuals and organisations.
DEPRECIATION	This is the loss in value of an asset due to age, wear and tear, deterioration or obsolescence. An annual charge in respect of this is made to service revenue accounts over the life of most assets to reflect the usage in the year.
EARMARKED RESERVES	These are amounts set aside for specific purposes to meet future commitments or potential liabilities, for which it is not appropriate to establish provisions.
FAIR VALUE	This is defined as the amount for which an asset could be exchanged or liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.
GENERAL FUND	This is the account which comprises the revenue costs of providing services, which are met by General Government Grants and the Council's demand on the Collection Fund.
INFRASTRUCTURE	These are non-current assets which do not have a market value and primarily exist to facilitate transportation and communication (e.g. roads, street lighting). They are usually valued at historic cost.

Glossary

LEASES	<p>A Lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. The definition of a lease includes hire purchase contracts. Lease classification is made at the inception of the lease.</p> <p>A Finance lease is a lease that transfers substantially all the risk and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An Operating lease is a lease other than a finance lease.</p>
MEMORANDUM ACCOUNT	<p>These Accounts are not part of the Council's formal statutory Accounts and are included in the Statement for added information.</p>
MINIMUM REVENUE PROVISION (MRP)	<p>The prudent amount which must be charged to the Council's revenue account each year for the principal repayment of debt.</p>
NON-DOMESTIC RATES (NDR)	<p>Also known as Business Rates, these are set by the Government and collected by the Council. The income due is paid as precepts to the Council's General Fund, the Greater London Authority and Central Government.</p>
PRIVATE FINANCE INITIATIVE (PFI)	<p>This is an scheme whereby contracts for specified services are let to private sector suppliers by the Council which may include capital investment as well as the provision of the service. Payments are made to the supplier in return, which are reduced if performance targets are not met.</p>
PRECEPTS	<p>These are demands made upon the Collection Fund by the Council's General Fund and the Greater London Authority in accordance with their budget requirements. A share of the NDR precept is also paid to Central Government.</p>
PROVISIONS	<p>This is an amount which is set-aside for a specific liability or loss, which is likely to be incurred, but where the exact amount and date on which they will arise is uncertain.</p>
REVALUATION RESERVE	<p>This represents the gains on the revaluation of non-current assets which have not yet been realised through sales.</p>
REVENUE SUPPORT GRANT (RSG)	<p>This is the main general grant which is paid to the Council by Central Government to fund local services.</p>
REVENUE EXPENDITURE	<p>Day-to-day expenditure incurred in the running of Council services, e.g. salaries, wages, supplies and services.</p>
SPECIAL PURPOSE VEHICLE	<p>This is a legal entity (usually a limited company) created to fulfil narrow, specific or temporary objectives.</p>
SUPPORT SERVICES	<p>These are activities of a professional, technical and administrative nature which are not Council services in their own right, but support main front-line services.</p>

Pension Fund Accounts

COMMON ACRONYMS USED IN THE ACCOUNTS

CDC	Corporate and Democratic Core
CIES	Comprehensive Income and Expenditure Statement
CIPFA	Chartered Institute of Public Finance and Accountancy
COP	Code of Practice on Local Authority Accounts in the United Kingdom
DSG	Dedicated Schools Grant
DfE	Department for Education
HRA	Housing Revenue Account
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
LEP	Local Education Partnership
LGPS	Local Government Pension Scheme
LPFA	London Pensions Fund Authority
LSP	Local Strategic Partnership
MiRS	Movement in Reserves Statement
MRP	Minimum Revenue Provision
NDC	Non Distributed Costs
NDR	Non-Domestic Rates
PFI	Private Finance Initiative
RICS	Royal Institution of Chartered Surveyors
SeRCOP	Service Reporting Code of Practice
SPV	Special Purpose Vehicle
SSAP	Statement of Standard Accounting Practice
TfL	Transport for London
TPS	Teacher's Pensions Scheme
VAT	Value Added Tax

**PENSION
FUND
ACCOUNTS**

2015/16

Pension Fund Accounts

INSERT AUDIT LETTER

Pension Fund Accounts

PENSION FUND ACCOUNTS

FOREWORD

This Pension Fund Statement of Accounts details the financial position and performance of the Lewisham Pension Fund for the year 2015/16.

The Pension Fund's value fell over the year by £1.1m, mainly due to a decrease in the value of equities during the year.

INTRODUCTION

The London Borough of Lewisham Pension Fund ('the Fund') is part of the Local Government Pension Scheme. The Fund is a contributory defined benefit pension scheme administered by the London Borough of Lewisham to provide benefits to London Borough of Lewisham employees and former employees and admitted and scheduled bodies. These benefits include retirement allowances and pensions payable to former employees and their dependants, lump sum death gratuities and special short-term pensions. The Fund is financed by income from investments and contributions from employees, the Council and other admitted and scheduled bodies.

ORGANISATION

The fund is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended);
- The Local Government Pension Scheme (Transition Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009.

Formal responsibility for investment management of the Pension Fund is delegated to the Council's Pensions Investment Committee (PIC), which appoints and monitors external investment managers. Each investment manager has an individual performance target and benchmark tailored to balance the risk and return appropriate to the element of the Fund they manage. The investment managers also have to consider the PIC's views on socially responsible investments. Details of the Socially Responsible Investment policy are contained in the Statement of Investment Principles (see web address below).

The Pension Fund administration is managed by a small in-house team, which is also responsible for other areas of work such as redundancy payments, gratuities and teachers compensation.

A statement of the Fund's corporate governance, funding strategy and investment principles can be found on the authority's website, at the following address:

<http://www.lewishampensions.org/>

Pension Fund Accounts

ACCOUNTING POLICIES

The Pension Fund accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of the obligations to pay pensions and benefits which fall due after the end of the financial year. In respect of future obligations, the actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis.

The Local Government Pension Scheme (Administration) Regulations 2008 requires administering authorities in England and Wales to prepare a Pension Fund Annual Report which must include the Fund Account and a Net Assets Statement with supporting notes prepared in accordance with proper practices. The Regulations summarise the Pension Code and the minimum disclosure requirements.

The date for publishing the Pension Fund Annual Report is on or before 1 December following the end of the financial year. The Council will be taking its Annual Report to its Pensions Investment Committee in November to comply with this deadline.

A summary of the significant accounting policies and the basis of preparation of the accounts are shown below:

- (a)** Basis of Preparation - The accounts have been prepared on an accruals basis (i.e. income and expenditure attributable to the financial year have been included) even where payment has not actually been made or received, except Transfer Values which are prepared on a cash basis. The financial statements do not take account of liabilities to pay pensions and other benefits due after the period end; these are reported upon separately in the Actuary's report and reflected in the Council's income and expenditure account. The accounts are prepared on a going concern basis for accounting purposes.
- (b)** Investments - Investments in the Net Assets Statement are shown at market value based on bid prices, as required by the 2015/16 Local Authority Code of Practice and the IAS 26 Retirement Benefit Plans. The market value of equity investments is based on the official closing data, in the main, with last trade data being used in a small number of countries. Unitised equities are quoted based on last trade or official closing price. Northern Trust, the Fund's custodian, sets out its pricing policies in a document entitled "Asset pricing guidelines" which details its pricing process and sets out preferred pricing sources and price types.
- (c)** The change in market value of investments during the year comprises all increases and decreases in market value of investments held at any time during the year, including profits and losses realised on the sale of investments during the year.
- (d)** Income - Dividend income earned from equity and bonds (excluding Private Equity) is reinvested by Investment Managers and not repaid directly to the fund

Pension Fund Accounts

as cash. Interest income is recognised in the Fund as it accrues. Any amount not received by the end of the accounting period will be disclosed in the note on Debtors and Creditors.

- (e) Private equity investments are valued in accordance with United States generally accepted accounting principles, including FAS 157, which is consistent with the International Private Equity and Venture Capital Valuation Guidelines. These guidelines set out that all investments are carried at fair value and they recommend methodologies for measurement. Due to timing differences in the valuation of this investment, the value carried in the accounts as at 31st March 2016 is the actual fair value using the latest available valuation on or after 31st December 2015, plus an estimated valuation for the period up to 31st March 2016.
- (f) Property – The Fund does not have any direct investments in property, but does use a property Fund of Funds manager, Schroders, to invest in pooled property funds. The Schroders funds are all currently valued at least quarterly. The majority of property assets to which the fund has exposure are located in the UK. They are valued in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards on the basis of their open market value (OMV).

The only non-UK fund is the Continental European Fund 1. The net asset value is derived from the net asset value of the underlying funds. Like the UK, the values of the underlying assets are assessed by professionally qualified valuers. Valuation practices will differ between countries according to local Generally Accepted Accounting Practices. The frequency of independent valuations varies. All the funds are independently valued on a rolling basis at least annually.

- (g) Financing Fund - The fair value of the M&G financial instruments is based on their quoted market prices at the statement of financial position date without any deduction for estimated future selling costs. Due to timing differences in the valuation of this investment, the value carried in the accounts as at 31st March 2016 is the actual fair value using the latest available valuation on or after 31st December 2015, plus an estimated valuation for the period up to 31st March 2016.
- (h) Contributions – These represent the total amounts received from the employers and employees within the scheme. From 1st April 2015 the employee contribution bands (revised annually in line with inflation) are as follows:

Full time pay for the post	Contribution rate 15/16
Up to £13,600	5.5%
£13,601 to £21,200	5.8%
£21,201 to £34,400	6.5%
£34,401 to £43,500	6.8%
£43,501 to £60,700	8.5%
£60,701 to £86,000	9.9%
£86,001 to £101,200	10.5%
£101,201 to £151,800	11.4%
More than £151,801	12.5%

Pension Fund Accounts

The employer's contribution is reviewed every three years and is determined by the fund's Actuary as the rate necessary to ensure that the Fund is able to meet its long-term liabilities. This is assessed at each triennial actuarial revaluation. The employer's contribution rate for 2015/16 is 22.0% and for 2016/17 it will be 22.5%.

- (i) Benefits – Benefits payable are made up of pension payments and lump sums payable to members of the Fund upon retirement and death. These have been brought into the accounts on the basis of all valid claims approved during the year.
- (j) Transfer Values – Transfer values are those sums paid to, or received from, other pension schemes relating to periods of previous pensionable employment. Transfer values are calculated in accordance with the Local Government Pension Scheme Regulations and have been brought into the accounts on a cash basis.
- (k) Taxation – The fund is a registered public service scheme under section (1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as an expense as it arises.
- (l) VAT – By virtue of Lewisham Council being the administering authority, VAT input tax is recoverable on fund activities. Any irrecoverable VAT is accounted for as an expense.
- (m) Actuarial – The adequacy of the Fund's investments and contributions in relation to its overall and future obligations is reviewed every three years by an Actuary appointed by the Council. The Council's Actuary, Hymans Robertson, assesses the Fund's assets and liabilities in accordance with Regulation 77 of the Local Government Scheme Regulations 1997. The contribution rate required for benefits accruing in future is assessed by considering the benefits which accrue over the course of the three years to the next valuation.

The most recent actuarial valuation carried out under Regulation 36 of the LGPS (Administration) Regulations 2008 was as at 31 March 2013.

Some of the triennial valuation financial assumptions made, with comparison to the previous valuation, are presented in the table below:

Financial assumption	March 2013 %	March 2010 %
Discount Rate	4.6	6.1
Price Inflation	3.3	3.3
Pay Increases	4.3	5.3*
Pension Increase:		
Pension in excess of GMP	2.5	3.3
Post - 88 GMP	2.5	2.8
Pre - 88 GMP	0.0	0.0
Revaluation of Deferred Pension	2.5	3.3
Expenses	0.7	0.6

* The assumption for 2010 was actually 1% p.a for 2010/11 and 2011/12 and 5.3% thereafter.

Pension Fund Accounts

With effect from the 1 April 2015, the actuarial review carried out for 31 March 2013 resulted in an increase to the Council's contribution rate of 0.5% (i.e. to 22%) for 2015/16. This will be followed by annual increases of 0.5% for 2016/17.

The next actuarial valuation of the Fund is underway and will be carried out as at 31 March 2016, with new employer contribution rates taking effect from 1 April 2017 for the 2017/18 financial year. The results of this valuation will be published in autumn 2016.

The triennial valuation on the 31st March 2013 revealed that the Fund's assets, which at 31 March 2013 were valued at £868 million, were sufficient to meet 71.4% (75.4% in 2010) of the current liabilities valued at £1,216 million (£949 million in 2010) accrued up to that date. The resulting deficit as at the 2013 valuation was £348million (£234 million in 2010).

Actuarial Present Value of Promised Retirement Benefits

- (n) The Actuary has calculated the actuarial present value of future retirement benefits (on an IAS 26 basis) to be £1,570 million as at 31st March 2016 (£1,683 million as at 31st March 2015).
- (o) Investment Management and Administration - paragraph 42 of the Local Government Pension Scheme (Administration) Regulations 2008, permit the Council to charge the scheme's administration costs to the Fund. A proportion of relevant Council officers' salaries, including related on-costs, have been charged to the Fund on the basis of actual time spent on scheme administration and investment-related business. The fees of the Fund's general investment managers are charged on a quarterly basis and are generally calculated as a set percentage of the market value funds under management as at the end of those quarters. The Council's administrative costs are shown in the Fund Account as part of expenditure.
- (p) Foreign currency transactions are made using the WM/Reuters exchange rate in the following circumstances:
 - Purchase and sales: the foreign exchange rate applicable on the day prior to the trade date is used.
 - Stock holdings: all holdings valuations are made using the WM/Reuters close of previous business day.
 - Dividend receipts: the rate applicable on the day prior to the date the dividend received is used.

Pension Fund Accounts

(q)

Fund Manager	Assets	Assets Value 2015/16	Assets Value 2014/15	Proportion of Fund 2014/15
		£'000	£'000	(%)
Schroders Property	Property	97,527	88,262	9.4
HarbourVest	Private Equity	41,247	44,167	4.0
UBS	Passive Equity and Bonds	430,848	433,052	41.4
Blackrock	Passive Equity and Bonds	432,402	433,790	41.5
Investec	Commodities	0	31,784	0.0
M&G	Credit	14,869	14,447	1.4
Securities Lending	Securities Lending	109	100	-
Unallocated Funds	Cash	24,358	198	2.3
Lewisham	Cash and Net Current Assets	68	(3,242)	-
Total Fund		1,041,429	1,042,558	100.0

- (r) Commitments - Where capital committed to investments is not fully drawn down at the end of the financial year the outstanding commitment is not included in the net asset statement but is referred to in the notes to the accounts. Please see note 13.
- (s) Financial Instruments –
- (i) Financial Liabilities are recognised on the Net Asset Statement when the Fund becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost.
- (ii) Financial Assets are recognised on the Net Asset Statement when the Fund becomes a party to the contractual provisions of a financial instrument. Financial Assets are classified into two types:
- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
 - Fair value through profit or loss – assets that are held for trading.
- (t) Critical judgements in applying accounting policies and assumptions made about the future and other major sources of estimation uncertainty – The statement of

Pension Fund Accounts

accounts contain critical judgements in applying accounting policies and estimated figures based on assumptions made by the authority about the future or that are otherwise uncertain. There are two areas in the accounts where critical judgements are applied which are materially significant to the accounts:

- Actuarial present value of promised retirement benefits – the figure of net liability to pay pensions is based on a significant number of assumptions including the discount rate, mortality rates and expected returns on fund assets. The Pension Fund’s qualified actuary calculates this figure to ensure the risk of misstatement is minimised.
- Private Equity and M&G valuations – the value of the Fund’s private equity holdings is calculated by the General Partners of the fund on the basis of their Valuation Policy, which follows best practice in the industry. However this is based upon a 31 December audited accounts valuation adjusted for distributions and capital calls up to 31 March.

- (u)** Additional Voluntary Contributions (“AVCs”)
Members of the Fund are able to make AVCs in addition to their normal contributions. The related assets are invested separately from the main fund, and In accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, are not accounted for within the financial statements. If on retirement members opt to enhance their Scheme benefits using their AVC funds, the amounts returned to the Scheme by the AVC providers are disclosed within transfers-in. Further details about the AVC arrangements are disclosed in note 15 to the financial statements.

Pension Fund Accounts

FUND ACCOUNT FOR THE YEAR

The fund account shows the surplus or deficit on the fund for the year.

<u>FUND ACCOUNT FOR THE YEAR ENDED</u> <u>31st MARCH 2016</u>	2015/16 £'000s	2014/15 £'000s	Note
<u>DEALINGS WITH MEMBERS, EMPLOYERS AND OTHERS</u>			
<u>DIRECTLY INVOLVED WITH THE SCHEME</u>			
Contributions Receivable:			
- from Employer	30,542	30,471	1
- from Employees	9,339	9,774	1
- Reimbursement for Early Retirement	1,898	1,604	
Transfer Values In	1,409	1,572	
Other Income	221	3	
Sub-Total: Income	43,409	43,424	
Benefits Payable:			
- Pensions	37,629	35,476	2
- Lump Sums: Retirement allowances	8,087	8,478	
- Lump Sums: Death grants	1,048	528	
Payments to and on account of leavers:			
- Refunds of Contributions	(3)	52	
- Transfer Values Out	2,709	3,190	
Administrative and other expenses borne by the scheme	928	941	3
Sub-Total: Expenses	50,398	48,665	

Pension Fund Accounts

Total Net additions (withdrawals) from Dealings with Scheme Members	(6,989)	(5,241)	
<u>RETURNS ON INVESTMENTS</u>			
Investment Income	6,437	6,978	4
Change in market value of investments (Realised and Unrealised)	1,013	137,859	5a
Investment Expenses:			
- Investment Management Fees	(1,383)	(1,443)	6
- Tax on Dividends	(207)	(389)	
Total Net Returns on Investments	5,860	143,005	
NET INCREASE / (DECREASE) IN THE FUND DURING THE PERIOD	(1,129)	137,764	
OPENING NET ASSETS OF THE SCHEME	1,042,558	904,794	
CLOSING NET ASSETS OF THE SCHEME	1,041,429	1,042,558	

Pension Fund Accounts

NET ASSETS STATEMENT

The Net Assets Statement shows the market value of the investments and other assets held by the Pension Fund as at 31 March 2016.

<u>NET ASSETS STATEMENT AT 31 MARCH 2015</u>	2015/16 £000s	2014/15 £000s	Note
-			
EQUITIES			
Equities: UK	8,735	8,777	5
Equities: Global	10,714	11,228	5
	19,449	20,005	
MANAGED FUNDS			
Property	96,263	82,286	5
Equity	656,010	662,071	5
Fixed Interest	162,329	159,838	5
Index Linked	33,177	32,410	5
Other Assets	33,077	65,028	5
	980,856	1,001,633	
CASH HELD WITH CUSTODIAN	40,667	23,775	10
DERIVATIVE CONTRACTS			
Assets	0	0	8
Liabilities	0	0	8
OTHER INVESTMENT BALANCES			
Debtors: Investment Transactions	389	387	9
Creditors: Investment Transactions	(0)	(0)	9
TOTAL INVESTMENTS	1,041,361	1,045,800	
NET CURRENT ASSETS AND LIABILITIES			
Debtors	587	1,226	9
Creditors	(792)	(4,740)	9
Cash in Hand	273	272	10
TOTAL NET ASSETS	1,041,429	1,042,558	

The financial statements of the fund do not take account of the liability to pay pensions or benefits after 31st March 2016. This liability is included within the Authority's balance sheet.

Pension Fund Accounts

NOTES TO THE PENSION FUND ACCOUNTS

1. CONTRIBUTIONS RECEIVABLE

<u>Employer Contributions</u>	2015/16 £000s	2014/15 £000s
Administering	25,593	24,974
Admitted	557	809
Scheduled	4,392	4,688
	30,542	30,471

<u>Employee Contributions</u>	2015/16 £000s	2014/15 £000s
Administering	7,593	7,868
Admitted	222	381
Scheduled	1,524	1,525
	9,339	9,774

<u>2. BENEFITS PAYABLE</u>	2015/16 £000s	2014/15 £000s
Administering	24,639	22,652
Admitted	401	383
Scheduled	1,147	1,174
Pensions Increases	11,442	11,267
	37,629*	35,476*

* includes Dependents Pensions

<u>3. ADMINISTRATION COSTS</u>	2015/16 £000s	2014/15 £000s
Lewisham Administration	586	614
Administrative costs*	334	305
Other Costs	0	14
Bank Charges	8	8
	928	941

*includes Grant Thornton Audit fees

<u>4. INVESTMENT INCOME</u>	2015/16 £000s	2014/15 £000s
Cash	19	184
Equity	670	1,536
Fixed Interest	1,583	0
Index Linked	376	277
Managed Funds Incl Property	3,234	4,930
Securities Lending	9	7
Other	456	44
	6,437	6,978

Pension Fund Accounts

5. INVESTMENT ANALYSIS

Individual Investment assets with a market value exceeding 5% of the total fund value are:

Asset	Manager	31 st March 2016	
		Value £'000	%
Aquila Life US Equity Index Fund	Blackrock	146,076	15.1
UBS GBL Asset Life North America Equity Tracker	UBS	134,737	13.9
UBS Global Life UK Equity Tracker Fund	UBS	87,569	9.0
Blackrock Pensions Aquila Life UK Equity Index	Blackrock	86,527	8.9

Investments exceeding 5% within each class of security are as follows:

Asset	Manager	31 st March 2016	
		Value £'000	%
UK Equities			
Harbourvest GE PE Shares	Harbourvest	8,739	100
Global Equities			
Commonwealth Bank of Australia	UBS	662	6.5
Westpac BKG Corp	UBS	511	5.0
Property			
Hercules Unit Property	Schroder	4,844	5.0
Hermes Property unit	Schroder	9,178	9.5
IPIF Feeder Unit Trust	Schroder	5,122	5.3
legal and General property Funds	Schroder	12,543	13.0
Real Income FD	Schroder	8,681	9.0
Schroder unit TST Uk Real Estate Sref INC	Schroder	13,534	14.0
Standard Life Pooled Property Fund	Schroder	11,798	12.3
Managed Equities			
UBS ASST MGMT Lift Uk Equity	UBS	87,569	13.3
UBS GBL Asset Life North America	UBS	134,737	20.5
UBS ASST MGMT Life Euro Ex	UBS	38,830	5.9
Aquila Life European Equity index	Blackrock	39,545	6.0

Pension Fund Accounts

Asset	Manager	31 st March 2016	
		Value £'000	%
BlackRock Pension Aquila Life UK	Blackrock	86,477	13.2
Aquila Life Uk Equity Index Fund	Blackrock	145,998	22.2
Fixed Interest			
UBS Asst Management STG Corp	UBS	32,404	19.9
BlackRock AM (IE)Uk Credit	Blackrock	31,783	19.6
Aquila Life Over 5 Years	Blackrock	31,842	19.6
BlackRock Pension Aquila over 15 years UK	Blackrock	33,011	20.3
Index Linked			
UK(Government Of) 0.75% I/L 22/3/34 Gbp	UBS	1,737	5.2
UK(Government Of) 1.25% I/L 22/11/2027	UBS	1,730	5.2
UK(Government Of) 0.125% I/L Gilt 22/3/68 Gbp	UBS	1,674	5.1
UK (Govt Of) 0.375% Idx-Lkd Gilt 22/3/62	UBS	1,821	5.5
UK(Govt)Of) 0.5% Idx/Lkd 22/3/50 Gbp	UBS	1,682	5.1
UK (Govt Of) 0.625% Idx/Lkd 22/03/40 Gbp	UBS	1,848	5.6
UK (Govt Of) 0.75% I/L Stk 22/11/2047	UBS	1,694	5.1
UK (Govt Of) 1.25% Idx-Lkd Gilt 2055 Gbp	UBS	2,044	6.2
UK(Govt Of) 1.875% I/L Stk 22/11/22 Gbp	UBS	1,647	5
Others			
International PE Ptrs V Cayman Ptnship Fd	Harbourvest	7,101	15
Partners Viii Cayman Venture Fund LP	Harbourvest	5,471	11.6
HIPEP Vii (AIF) Partnership Fund LP	Harbourvest	3,998	8.4
Ptrs Viii Cayman Buyout	Harbourvest	7,272	15.4
M&G UK Companies Financing Fund	M&G	7,556	16.0

Pension Fund Accounts

An analysis of investment movements is set out below:

5. INVESTMENT ANALYSIS	Value at	Purchases	Sales	Change in	Change in	Value at
Investments	31/03/2015	at Cost	Proceeds	Capital Value	Market Value	31/03/2016
	£000s	£000s	£000s	£000s	£000s	£000s
UK Equities	8,777	0	0		-42	8,735
Global Equities	11,228	2,152	-1,450	19	-1235	10,714
Equities	662,071	5,462	-4,511	26	-7,038	656,010
Property	82,286	8,907	-58	-845	5,973	96,263
Fixed Interest Securities	159,838	7,429	-6446	0	1,508	162,329
Index Linked Securities	32,410	4,845	-4567	0	489	33,177
Other*	65,028	5,341	-38,330	-47	1,085	33,077
Derivatives	0	0	0	0	0	0
	1,021,638	34,136	-55,362	-847	740	1,000,305
Cash deposits	23,775				273	40,667
Other Investment Balances	387					389
	1,045,800				1,013	1,041,361

* Includes Venture Capital, Credit Mandates and Private equity (and Commodities in 2014/15 only).

The Pension Fund's bond investments are held with UBS and Blackrock in the form of pooled funds. The fund denoted Index Linked above is comprised wholly of UK Government index linked gilts. The fixed interest bonds comprise of various government and corporate bonds.

Apart from Global Equities and bonds, the only other overseas investment held by the Fund fall under the 'Other' category and is namely Private Equity £25.4m.

The total value of unquoted securities held by the fund as at 31st March 2016 was £711m, this includes equities, bonds and other assets.

The total value of quoted securities held by the fund as at 31st March 2016 was £193m, this includes equities and bonds.

Pension Fund Accounts

The Fund has investment assets that are classed as pooled investment vehicles. The Fund holds Unit Trusts valued at £490m, Unitised Insurance Policies valued at £363m, and other managed funds valued at £25m.

As at 31st March 2015:

**5.
INVESTMENT
ANALYSIS**

	Value at	Purchases	Sales	Change	Change	Value at
	31/03/14	At Cost	Proceed	in	in	31/03/15
	£'000	£'000	s	Capital	Market	£'000
				Value	Value	
Investments	£'000	£'000	£'000	£'000	£'000	£'000
UK Equities	6,505	0	0	(152)	2,424	8,777
Global Equities	10,389	17	(1)	(73)	896	11,228
Property	75,732	12,059	(9,991)	(3,965)	8,451	82,286
Managed	558,575	13,627	(850)		90,719	662,071
Equities						
Fixed Interest	142,268	3,728	(12,436)		26,278	159,838
Securities						
Index Linked	28,476	3,515	(5,265)		5,684	32,410
Securities						
Other*	71,689	1,356	(11,266)		3,249	65,028
Derivatives	0	0	0			
	893,634	34,302	(39,809)	(4,190)	137,701	1,021,638
Cash deposits	10,651					23,775
Other Investment	471				158	387
Balances	904,756				137,859	1,045,800

* Includes Venture Capital, Credit Mandates and Private equity and Commodities.

Pension Fund Accounts

5A. FINANCIAL INSTRUMENTS

The accounting policies describe how the different asset classes of financial instruments are measured, and how income and expenses are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category. No financial assets were reclassified during the accounting period. All assets are held at fair value, therefore there is no difference between fair value and carrying value.

31 st March 2016			Financial Assets	31 st March 2015		
Fair Value through Profit and Loss	Loans and Receivables	Financial Liabilities at Amortised Cost		Fair Value through Profit and Loss	Loans and Receivables	Financial Liabilities at Amortised Cost
£'000	£'000	£'000		£'000	£'000	£'000
19,449			Equities	20,005		
			Managed Funds			
96,263			Property	82,286		
656,010			Managed Equity	662,071		
162,329			Fixed Interest	159,838		
33,177			Index Linked	32,410		
33,077			Other Assets	65,028		
0			Derivative contracts	0		
	40,667		Cash deposits		23,775	
	0		Pending Trades		0	
	389		Dividends & Income		387	
	566		Contributions Due		1,191	
	273		Cash Balances		272	
	186		Other Current Assets		35	
1,000,305	42,081	0	Total Financial Assets	1,021,638	25,660	0

Pension Fund Accounts

31 st March 2016			Financial Assets	31 st March 2015		
Fair Value through Profit and Loss	Loans and Receivables	Financial Liabilities at Amortised Cost		Fair Value through Profit and Loss	Loans and Receivables	Financial Liabilities at Amortised Cost
£'000	£'000	£'000		£'000	£'000	£'000
			Financial Liabilities			
		0	Derivative Contracts			0
		0	Pending Trades			0
		0	Unpaid benefits			(374)
		(957)	Other current Liabilities			(4,366)
		(957)	Total Financial Liabilities			(4,740)
1,000,305	42,081	(957)	Net Financial Assets	1,021,638	25,660	(4,740)

Net Gains and Losses on Financial Instruments

The following table shows net gains on financial instruments:

31 March 2016		31 March 2015	
£'000	Financial Assets	£'000	
1,013	Fair Value through Profit and Loss	137,859	
0	Loans and Receivables	0	
	Financial Liabilities		
0	Fair Value through Profit and Loss	0	
1,013	Total	137,859	

Valuation of Financial Instruments carried at Fair Value

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Level 1 - consists of assets where the fair values are derived from unadjusted quoted prices in active markets for identical assets and liabilities (e.g. quoted equities).

Level 2 - consists of assets where quoted market prices are not available (e.g. where an instrument is traded in a market that is not considered to be active).

Level 3 - consists of assets where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Pension Fund Accounts

Values as at 31 st March 2016	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs Level 3	Total
	Level 1	Level 2		
	£'000	£'000	£'000	£'000
Financial Assets				
Financial Assets at Fair Value through Profit and Loss	19,449	947,779	33,077	1,000,305
Loans and Receivables	41,916			41,916
Total Financial Assets	61,365	947,779	33,077	1,042,220
Financial Liabilities				
Fair Value through Profit and Loss				
Financial Liabilities at Amortised Cost	(792)			(792)
Total Financial Liabilities	(792)			(792)
Net Financial Assets	60,573	947,779	33,077	1,041,429

Values as at 31 st March 2015	Quoted Market Price	Using Observable Inputs	With Significant Unobservable Inputs Level 3	Total
	Level 1	Level 2		
	£'000	£'000	£'000	£'000
Financial Assets				
Financial Assets at Fair Value through Profit and Loss	20,005	966,243	35,390	1,021,638
Loans and Receivables	25,660			25,660
Total Financial Assets	45,665	966,243	35,390	1,047,298
Financial Liabilities				
Fair Value through Profit and Loss				
Financial Liabilities at Amortised Cost	(4,740)			(4,740)
Total Financial Liabilities	(4,740)			(4,740)
Net Financial Assets	40,925	966,243	35,390	1,042,558

Pension Fund Accounts

5B. FINANCIAL RISK MANAGEMENT

The Funds primary long term risk is that the fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). As an investment fund, the Lewisham Pension Fund's objective is to generate positive investment returns for an accepted level of risk. Therefore the Fund holds a mix of financial instruments such as securities (equities, bonds), collective investment schemes (pooled funds), and cash equivalents. In addition, debtors and creditors arise as a result of its operations. The value of these financial instruments is reflected in the financial statements at their fair value.

Responsibility for the fund's risk management strategy rests with the Council's Pension Investment Committee (PIC). Risk management policies are established to identify and analyse the risks faced by the Council's pension operations. The main risks from the Fund's holding of financial instruments are market risk, credit risk, and liquidity risk. These policies are reviewed regularly to reflect change in activity and in market conditions.

The Committee regularly monitors each investment manager, and its investment consultant (Hymans Robertson) advises on the nature of the investments made and associated risks.

The Fund's investments are managed on behalf of the Fund by the appointed investment managers. Each investment manager is required to invest the assets managed by them in accordance with the terms of their investment guidelines or pooled fund prospectus.

The Committee has determined that the current largely passive investment management structure is appropriate and is in accordance with its revised investment strategy.

The Fund's investments are held by Northern Trust, who act as custodian on behalf of the Fund. As the Fund adopts a long term investment strategy, the high level strategic risks described below will not alter significantly during any one year unless there are significant strategic or tactical changes made to the portfolio.

i) Market Risk

Market risk represents the risk that fair value of a financial instrument will fluctuate because of changes in market prices, interest rates or currencies. The Fund is exposed, through its investments in equities, bonds and investment funds, to all these market risks. The aim of the investment strategy is to manage and control exposure to market risk within acceptable parameters while optimising the return from the investment portfolio. In general, market risk is managed through the diversification of the investments held by asset class, investment mandate guidelines and investment managers. The risk arising from exposure to specific markets is limited by the strategic asset allocation, which is regularly monitored by the PIC.

a) Other Price Risk – Market

The risk that the value of a financial instrument will fluctuate as a result of factors other than interest rate or foreign currency movements, whether those changes are caused

Pension Fund Accounts

by factors specific to the individual instrument, its issuer or factors affecting the market in general. Market price risk arises from uncertainty about the future value of the financial instruments that the Fund holds. All investments present a risk of loss of capital, the maximum risk being determined by the fair value of the financial instruments. The investment managers mitigate this risk through diversification in line with their own investment strategies and mandate guidelines.

b) Other Price Risk – Sensitivity analysis

The Council and its investment advisors also undertake appropriate monitoring of market conditions and benchmark analysis. The Fund has a long term view on expected investment returns which smoothes out short term price volatility.

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's advisors, the Council has determined that the following movements in market price risk are reasonably possible for the 2015/16 reporting period.

Asset Type	Potential Market Movement +/- (%p.a.)
UK Equities	10.48
Overseas Equities	9.65
Total Bonds	8.74
Cash	0.01
Alternatives	6.61
Property	2.69

The potential volatilities are broadly consistent with a one standard deviation movement in the change in value of the assets over the latest three years. This can then be applied to the period end asset mix as follows:

Asset Type	Final Market Value as at 31/3/2016 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	382,657	10.48	422,759	342,555
Overseas Equities	292,802	9.65	321,057	264,546
Total Bonds	195,506	8.74	212,593	178,418
Other Assets	33,077	6.61	35,264	30,891
Property	96,263	2.69	98,852	93,673
Cash	40,667	0.01	40,671	40,663
*Total Assets	1,040,972	**6.74	**1,111,133	**970,810

* This figure excludes derivatives and other investment balances.

** The % change and value change for Total Assets includes the impact of correlation across asset classes

Pension Fund Accounts

c) Interest Rate Risk is the risk the Pension Fund is exposed to from changes in interest rates and relates to its holdings in bonds and cash. Based on interest received on bonds and cash held by investment managers, a 0.5% change in interest rates would result in an approximate annualised change in income of £7k. The risk is mitigated by the Fund holding minimum cash balances and a diversified portfolio.

d) Currency Risk is the risk to which the Pension Fund is exposed to fluctuations in foreign currency exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (£UK). The fund was exposed to the following significant foreign currency levels (i.e. £2m and over) as at the 31st March 2016 with the previous year in brackets:

Australian Dollars	£8.9m (£9.6m)
Euro	£17.2m (£22.4m)
Hong Kong Dollars	£4.2m (£4.9m)
US Dollars	£70.3m (£127m)

The remaining exposures arise from smaller investments relating to other currencies such as the Singapore Dollar and New Zealand Dollar.

e) Currency risk – sensitivity analysis

The fund's currency rate risk is routinely monitored by the Council and its investment advisors. In practice, this is achieved by the use of futures and forward foreign exchange contracts, which entitle and oblige the seller and holder to exchange assets or currency on a future date at a predetermined price or rate. The former are tradable on exchanges, the latter are "over the counter" agreements, which neither the purchaser nor the seller may transfer. There is no cost on entering into these contracts but the market value is established as the gain or loss that would arise at the settlement date from entering into an equal and opposite contract at the reporting date. As at 31 March 2016, there were no derivative contracts held. Following analysis of historical data in consultation with the Fund's advisors, the Council considers the likely volatility associated with foreign exchange rate movements to be 6.4%. This volatility is applied to the fund's overseas assets as follows:

Asset Type	Asset Value @ 31/3/2016 £'000	% Change	Value on Increase £'000	Value on Decrease £'000
Overseas Equities	292,802	6.4	311,552	274,052
Overseas Fixed Income	64,300	6.4	68,418	60,183
Other Alternatives	25,474	6.4	27,105	23,842
Total	382,575	6.4	407,075	358,077

ii) Credit Risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to meet an obligation and cause the Fund to incur a financial loss. This is often referred to

Pension Fund Accounts

as counterparty risk. The market values of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities. The Fund is exposed to credit risk through its underlying investments (including cash balances) and the transactions it undertakes to manage its investments. The careful selection of and monitoring of counterparties including brokers, custodian and investment managers seeks to minimise the credit risk that may occur through the failure to settle transactions in a timely manner.

The Fund is also exposed to credit risk through Securities Lending. The Securities Lending (SL) programme is run by the Fund's custodian, Northern Trust. Northern Trust assign four different risk management oversight committees to control counterparty risk, collateral risk and the overall securities lending programme. The minimum level of collateral for securities on loan is 102%. However, more collateral may be required depending on the type of transaction. To further mitigate risks, the collateral held on behalf of the Pension Fund is ring fenced from Northern Trust. Securities lending is capped by investment regulations and statutory limits are in place to ensure no more than 25% of eligible assets can be on loan at any one time. The Fund's exposure through the SL programme is now reduced as the fund is now passively managed and SL activity has greatly reduced.

The Financing Fund (M&G) is also exposed to credit risk. The fund gains exposure by investing in private placements. This risk is managed by the manager assigning a credit analyst to all investments, who continually monitors the asset, its direct peers and its sector.

iii) Liquidity Risk

Liquidity risk is the risk that the Pension Fund will have difficulties in paying its financial obligations as they fall due, for example the benefits payable costs and capital commitments. The fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments. The fund holds a large proportion of assets in instruments which can be liquidated at short notice, normally three working days. As at the 31 March 2016 these assets totalled approximately £870.9m, with a further £40.7m held in cash by the custodian on behalf of the Fund and fund managers.

6. INVESTMENT MANAGEMENT FEES

	2015/16 £'000	2014/15 £'000
Fund Managers' Fees	1,226	1,351
Custodian Fees	40	38
Advisory/Actuarial Costs	117	54
	1,383	1,443

7. PRIOR YEAR ADJUSTMENT

No prior year adjustments have been made to these accounts.

Pension Fund Accounts

8. DERIVATIVE CONTRACTS

As at 31 March 2014, there were no foreign exchange contracts held.

Asset Type	31st March 2016		31st March 2015
Foreign Exchange Gains			
Total Gains	0		0
Foreign Exchange Losses			
Total Losses	0		0
Total Unrealised Gains/(Losses)	0		0

9. DEBTORS & CREDITORS

These comprise the following amounts:

Debtors	2015/16 £'000	2014/15 £'000
Contributions due from Admitted / Scheduled Employers	400	1,031
Contributions due from Admitted / Scheduled Employees	166	160
Equity Dividends / Income from Managed Funds		
Interest and Other Income		387
Tax Refunds	21	35
Pending Trades	0	
	587	1,613
Creditors	2015/16 £'000	2014/15 £'000
Fund Manager and Custody Fees	(172)	(243)
Consultancy / Advisory Fees	(43)	(56)
Pension Payments Due to Employees	0	(374)
Pending Trades	0	0
LB Lewisham	(577)	(4,067)
	(792)	(4,740)

The pending trades relate to purchases and sales by managers which have yet to be the subject of cash settlement. Pending trade sales and purchases at the year end are treated as investment debtors and creditors.

Pension Fund Accounts

10. CASH AND BANK**Cash Held With Custodian**

The Northern Trust Company is the fund's global custodian and the cash is held to meet the cash flow requirements of the fund and its managers. The total cash held as at 31st March 2016 was £40.7m (£23.7m as at 31st March 2015). Approximately £24m was held from de-investment in Investec, £7m of the cash held was from Harbourvest, £7.0m from M&G, £1.0m of cash held was from Schroder. Approximately £0.9m was being held on behalf of the other managers.

Pension Fund Bank Account

The Lewisham cash balance represents uninvested cash held in the Pension Fund bank account as at 31st March 2016.

11. TRANSACTION COSTS

The following direct costs were incurred in relation to individual investment transactions:

	2015/16	2014/15
	£'000	£'000
Total Purchases	7	0
Total Sales	1	0
Total transactions	8	0

12. POST YEAR END EVENTS

There were no post year end events to report. However the Fund is completing the procurement of a new multi-asset mandate to replace the disinvestment in Commodities (Investec) in 2015.

Following the EU referendum the Council considered the issue of Brexit, how it might impact the Pension Fund, and discussed this its professional pension advisors.

The Council's pension investments are invested for the medium to long term. The Council does not have any complex leveraged mandates that could react badly in the face of extreme market volatility, and is therefore monitoring the value of the fund on a weekly basis via the asset values provided in sterling by its custodians Northern Trust. A month after Brexit, there has been a 10% increase in value of the fund.

Over the course of the year, in the current investment environment the fund would be looking for between a 5-10% growth in valuation. However recent years have been more volatile – in 2014/15 the fund valuation grew by some 15% but in 2015/16 the fund valuation grew by just over 0%. On this basis the valuation changes in the year to date are not out of range.

The Council is expecting the results of the most recent triennial valuation in the Autumn and is planning to then review its investment strategy. This review will take account of the updated view on the performance required from the fund (and therefore risk) and a better understanding of the likely market implications for investment options post the EU referendum decision.

Pension Fund Accounts

Other potential considerations for the investment strategy of the fund are the London CIV and pooling, MIFID II impact on LGPS, and continuing Public Sector austerity reducing active LGPS members.

13. COMMITMENTS

The Pension Fund was committed to the following capital contributions as at the 31st December 2015

Harbourvest

Fund	Amount '000	Translated £'000
Harbourvest Partners VIII – Cayman Venture Fund L.P	\$285	195
Harbourvest Partners VIII – Cayman Buyout Fund L.P	\$1,655	1,131
HarbourVest Partners X AIF L.P.	\$29,160	19,919
HIPEP VII (AIF) Partnership Fund L.P.	\$25,350	17,317
Harbourvest International Private Equity Partners V – Cayman Partnership Fund L.P	€1,050	831
Harbourvest International Private Equity Partners V – Cayman Direct Fund L.P	€180	143
Total		39,536

The Harbourvest commitments have been translated from either Euros or Dollars using exchange rates as at 31st March 2016. This compares to the total Harbourvest commitments at 31st March 2015 £2.9m.

14. RELATED PARTY TRANSACTIONS

There have been no material transactions with related parties in the financial year. There were no provisions for doubtful debt and amounts written off in the period.

Eight Councillors sit on the Pensions Investment Committee which oversees the Fund. At each meeting of the Pensions Investment Committee, Councillors are required to make declarations of interest which are minuted at the meeting.

During the year the following declarations were made:

- Councillor John Muldoon declared personal interests as a holder of preserved benefits in the Lewisham scheme which elected members had been able to join until May 2014 and as an independently selected substitute member on the Shadow Advisory Board of the LGPS scheme nationally.
- Councillor Muldoon declared a personal interest as a member of the Local Government Pensions Scheme Shadow Advisory Board.

No other trustees or Council chief officers with direct responsibility for pension fund issues made any declarable transactions with the Pension Fund in the period to 31 March 2016.

Pension Fund Accounts

The Council, the administering body, had dealings with the Fund as follows:

- a) Recharges from the Council for the in-house administration costs borne by the scheme were transacted for £586k (see note 3). Some cash transactions relating to pension activities are currently effected through the Council's bank account and consequently pension fund cash balances are held by the Council from time to time and vice versa.
- b) The salary of the Executive Director for Resources and Regeneration for 2015/16 was £172,120 including employer pension contributions of £31,047.

15. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

Contributing members have the right to make AVCs to enhance their pension. There are currently 41 'open' AVC contracts for LGPS members (i.e. excluding members with AVC contracts who have left Lewisham and now have preserved benefits). Some of these 'open contracts' will be for members who have paid AVCs in the past but who have suspended payments to the scheme for the time being.

The fund has two AVC providers: Clerical Medical and Equitable Life. The value of AVC investments is shown below. The contributions are held by the providers and do not form part of the Lewisham fund's assets in accordance with regulation 4(2),(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009.

Pension Fund Accounts

		Total	Equitable	Clerical Medical
2015/16		£'000	£'000	£'000
Value at 1 April 2015		1,631	472	1,159
Contributions and Transfers Received		163	4	159
Investment Return		6	12	(6)
Paid Out		(566)	(46)	(520)
Value at 31 March 2016		1,234	442	792

		Total	Equitable	Clerical Medical
2014/15		£'000	£'000	£'000
Value at 1 April 2014		1,570	496	1,074
Contributions and Transfers Received		330	4	324
Investment Return		151	18	134
Paid Out		(420)	(46)	(373)
Value at 31 March 2015		1,631	472	1,159

16. SCHEDULED BODIES

The following are scheduled bodies to the fund as at 31st March 2016:

Christ The King Sixth Form College
Haberdashers' Aske's Knights Academy
Lewisham Homes
St Matthew Academy
Tidemill Academy
Griffin Schools Trust

17. ADMITTED BODIES

The following are admitted bodies to the fund as at 31st March 2016:

NSL (formerly known as National Car Parks Ltd)
Excalibur Tenant Management Co-operative Ltd
PLUS (Ceased December 2015)
Housing 21
Lewisham Nexus Services
Wide Horizons
Phoenix
INSPACE
T Brown & Sons (Ceased June 2015)
Quality Heating
Blenheim CDP
Crime Reduction Initiatives (CRI)
Skanska
One Housing
Fusions Leisure Management

Pension Fund Accounts

3 C's Support
Pre-School Learning Alliance
Chequers Contract Services – Lee Manor
Tower Services
Blenheim
Chartwells
Lifeline (Ceased October 2015)

18. STOCK LENDING

The Statement of Investment Principles permits the Fund to enter into stock lending whereby the Fund lends other bodies stocks in return for a fee and collateral whilst on loan. Equities and fixed income assets held in segregated accounts in custody may be lent. The Fund actively lends in 50 different equity and fixed income markets worldwide. Northern Trust conducts this activity on behalf of the Fund.

The economic benefits of ownership are retained when securities are on loan. The Fund has its full entitlements at all times to any income due, or rights on its securities on the anticipated date of the entitlement so that no economic benefits are foregone as a result of securities lending activity.

Northern Trust is responsible for collecting dividend and interest income on loaned securities from borrowers. The right to vote moves with the securities.

As at the 31st March 2016, the value of aggregate stock on loan was £5.5m (£1.9m as at 31st March 2015). These have been carried in the accounts at this value. There are no liabilities associated with these assets.

Collateral

The collateral held as security on loans cannot be sold or repledged in the absence of default by the borrower. The Council entered into stock lending transactions during the financial year earning £109k net of direct expenses (compared to £100k in 2014/15). The value of collateral held as at 31 March 2016 was £6.2m (£2.1m as at 31st March 2015).

Pension Fund Accounts

19. MEMBERSHIP

	Active Members 2015/16	Active Members 2014/15	Deferred Benefits 2015/16	Deferred Benefits 2014/15	Retired Former Members 2015/16	Retired Former Members 2014/15
Admin. Authority	6,049	6,147	9,045	8,370	6,939	6,805
Scheduled Bodies	892	855	668	588	202	180
Admitted Bodies	104	140	115	103	84	65
Totals	7,045	7,142	9,828	9,061	7,225	7,050

20. These accounts were authorised on the XX XXX 2016 by the Executive Director for Resources and Regeneration.

Lewisham
Annual Governance Statement
2015/16

What is corporate governance?

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; and for having a governance framework that comprises of the culture, values, systems and processes by which this is achieved. It must make sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively to meet its strategic objectives.

It also has a duty, through the establishment of internal control measures, to manage risk to a reasonable level by identifying, prioritising, evaluating and managing the risks to the achievement of its policies, aims and objectives. Finally, it has a duty to secure continuous improvement in the way in which its functions are exercised.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives and Senior Managers) Framework Delivering Good Governance in Local Government. This statement explains how the authority has complied with the code and also how it meets the requirements of the Accounts and Audit (England) Regulations 2011 in relation to the publication of a statement on internal control.

“Corporate governance is about making sure the Council is run properly. It is about ensuring the Council does the right things, at the right time and in the right way.”

How has this statement been prepared?

Every year a review of the effectiveness of the Council's governance framework is conducted by the Annual Governance Statement working party which comprises a team of policy, legal and audit officers with expertise in governance and internal control matters.

The group meets quarterly to collate and evaluate governance evidence and identify areas requiring action; and is responsible for analysing CIPFA/SOLACE guidance in relation to the development of this statement and ensuring that the statement is approved via the Council's key control mechanisms.

Page 367

The governance review process includes:

- The consideration of the Annual Governance Statement Action Plan by the Council's Internal Control Board (ICB) on a quarterly basis.
- The consideration of the Accounts, the Head of Audit and Risk's Annual Report and the Annual Governance Statement by the Council's Audit Panel.
- A review of the Council's Local Code of Corporate Governance by the Standards Committee, with reference to CIPFA/Solace Guidance.

- Referral of the Annual Governance Statement to full Council with the Statement of Accounts.
- Sign off by the Chair of the Council and Chief Executive, once approved.
- This year some control weaknesses identified by internal audit have raised the risk of governance issues and the actions outlined at the end of this statement summarise the areas of governance focus needed to ensure an effective governance framework is in place.

What are the Council's governance arrangements?

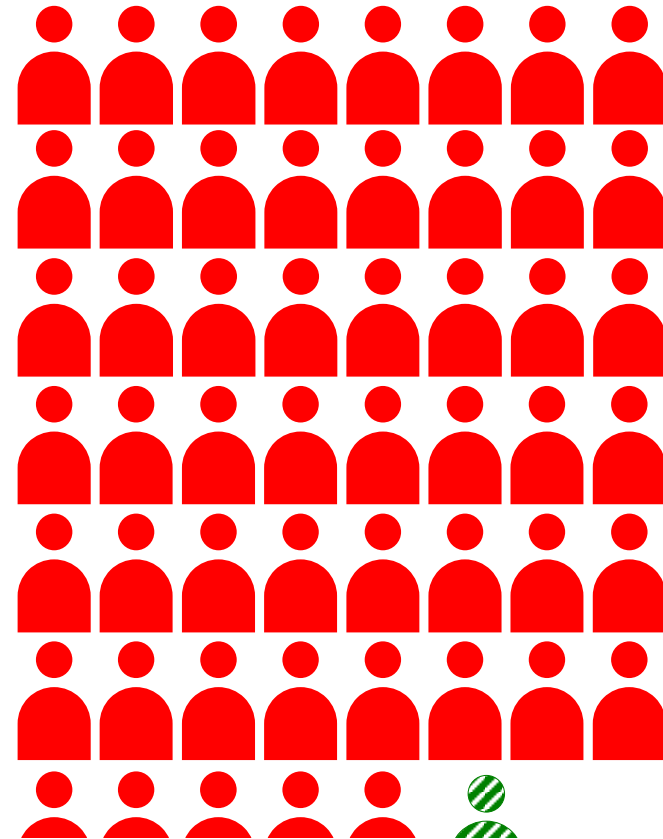
The Council's governance arrangements aim to foster effective leadership and high standards of behaviour; a culture based on openness and honesty; and an external focus on the needs of service users and the public. The diagram on page 5 shows the Council's external facing governance structure, as set out in the Council's constitution.

Lewisham's directly elected Mayor provides the Council with clear strategic direction and effective leadership but the Council also benefits from the perspectives and contributions of its 54 Councillors. The Council's constitution clearly defines the roles of councillors and officers, and this clarity contributes to effective working relationships across the Council. The Constitution Working Party, the Standards Committee and the Audit Panel monitor and challenge the governance arrangements and ensure their robustness.

The Council has worked closely with its partners, both strategic and operational. The Council has two statutory partnership boards: the Safer Lewisham Partnership which works to protect the community from crime and help people feel safer; and the Health and Wellbeing Board which works to identify local health challenges and lead on the activity necessary to address them.



1 Mayor (Labour)



54 Councillors (53 Labour, 1 Green Party)

Council

- Consists of 54 elected councillors, three from each of the 18 wards.
- Appoints the overview & scrutiny committee and other committees.
- Approves the policy framework and budget.

Communities Select Committee
Environment Committee

Housing Select Committee

Scrutiny

Ageing and Community Issues Committee
Statutory Standards Committee
Young People Select Committee

- promotes high standards of conduct.
- Pension Board**
- secures compliance with Local Government Pension Scheme.

Overview and Scrutiny

- Meets at least once a year and is ultimately responsible for overview and scrutiny;
- Delegates work to other scrutiny bodies – six select committees, two business panels all of which are formally subcommittees of overview and scrutiny;
- The Business Panel co-ordinates the select committees work programmes.
- The six select committees draw up work programmes each year to:
 1. Hold the Mayor and senior officers to account for decisions and check performance.
 2. Examine issues in depth and make recommendations for policy development.

To find out what each of the Select Committees does please click the links below

Regulatory Committees

Licensing committees (x2)

- responsible for all entertainment licensing and the provision of late night refreshment.

Planning committees(x4)

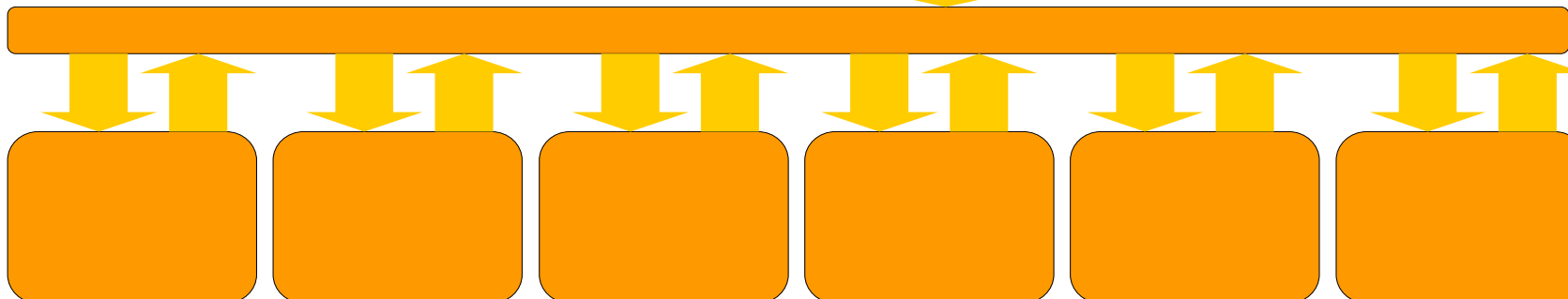
- consider planning matters across the whole borough. The Strategic Planning Committee consider strategic regeneration proposals.

Other Committees & Working Parties

- Audit Panel
- Appointments
- Elections
- Health & Safety
- Pensions Investment
- Constitution

Internal Control Board:

- Manages the approach to risk.



Page 370

‘Together we will make Lewisham the best place in London to live, work and learn’

Communicating and reviewing the Council’s vision

The Council has an overarching vision for the borough which is shared by its key partners and which was developed following extensive consultation with the community: **‘Together we will make Lewisham the best place in London to live, work and learn’**.

The Sustainable Community Strategy (SCS) outlines how all partners will work towards the vision by contributing to six key priorities:

Ambitious and achieving – where people are inspired and supported to fulfil their potential.

Safer – where people feel safe and live free from crime, antisocial behaviour and abuse.

Empowered and responsible – where people are actively involved in their local area and contribute to supportive communities.

Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment.

Healthy, active and enjoyable – where people can actively participate in maintaining and improving their health and well-being.

Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond.

The Council, in turn, has developed **ten corporate priorities** which articulate its contribution to the Sustainable Community Strategy priorities.

Delivering quality services

The Council seeks to use its resources efficiently and effectively to provide quality services which help deliver its vision for the borough. In the 2014/15 Annual Audit Letter Grant Thornton, the Council's external auditors, commented that:

*“we are satisfied that in all significant respects the Council put in place proper arrangements to secure **economy, efficiency and effectiveness** in its use of resources for the year ending 31 March 2015”*

The Council's performance is monitored via a monthly management report which tracks **27 performance indicators**, grouped according to the Council's ten corporate priorities, and associated risks. The report uses Red exception reporting to focus attention on areas of poor performance or high risk and is a critical tool for supporting decisions across the organisation. The report is seen by the Executive Management Team (EMT) monthly and the Public Accounts Select Committee and Mayor & Cabinet quarterly and is published on the Council website. The appropriateness of these measures is reviewed annually. The quality of services for users is also measured through satisfaction surveys and information from

the complaints and management resolution process. In addition, where areas for improvement are identified, the Council acts swiftly to address them. For example, following Ofsted's inspection of children's social care in Lewisham, the Council has worked with its partners to develop a robust improvement plan to address the nine recommendations arising from the regulator's report.

The *Lewisham Future Programme* has been established to spearhead how the Council can move forward in the face of reduced government funding. A number of thematic and cross-cutting reviews are being carried out. This work is underpinned by **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*

Roles and responsibilities

The Council's constitution sets out the roles and responsibilities of the Mayor, the Chair of Council, the Council as a whole, the Executive, Statutory Officers, Overview and Scrutiny committees, Standards committees and other committees to help ensure that all decision making activity is lawful and transparent. Decisions are taken and scrutinised in accordance with the Council and Mayoral scheme of delegation, the procedure rules set out in the constitution and on the basis of professional officer advice, as part of an annual programme of regular meetings.

Page 372

Embedding Roles and Responsibilities

The Local Code of Corporate Governance and the Codes of Conduct for Members and Officers, set out in the constitution, demand the highest standards of ethical behaviour. These are reviewed regularly and are communicated widely. The Standards Committee received its annual report on Member compliance with the Code of Conduct in November 2015 and considered that there was a high level of compliance. Training on the Member Code of Conduct was delivered to all Councillors in June 2014, following the local elections that year, as part of a comprehensive induction programme to enable Members to understand and access all appropriate support and development to undertake their role.

'The Mayor is elected to lead the Council. They serve for a period of four years. They must act in the interests of the borough as a whole. They are responsible for taking most of the main decisions, and for giving the power to others to do so.'

'Councillors are elected for a term of four years. Councillors who are elected to represent local wards must both represent the people of the ward that elected them and act in the interest of the whole area. They are all expected to contribute to the good governance of the area and to encourage community participation. They must respond to their constituents' enquiries fairly and without prejudice.'

‘The constitution requires councillors to follow formal procedures when taking decisions to make sure that decisions are made transparently and openly’

Page 373

Decision making

The constitution requires councillors to follow formal procedures when taking decisions to make sure that decisions are made transparently and openly. This includes declaring if they have a personal interest in the matters under discussion and, if required, withdrawing from the room whilst the decision is taken. Reports are produced in a standard format to ensure that report authors address all significant considerations such as the legal, financial and equalities implications of decisions. The minutes of every formal meeting are published on the Council website.

The constitution requires Executive decisions to be published within two working days of being taken and they may be **called-in** (referred to the Mayor for reconsideration) by the Overview and Scrutiny Business Panel and the Education Business Panel. Four matters were called in by the Education Business Panel in the 2015/16 period. The Council has a Constitution Working Party (CWP) to advise it on the operation of its constitutional arrangements but in practice, the procedure rules set out in the constitution are under constant review to reflect changing needs.

Internal Audit

The role of internal audit is to provide an independent and objective opinion on the internal control environment within the Council. Its work is set out in an annual internal audit plan that covers the activities where internal audit and management perceive there are risks to achieving objectives. A number of audits take place each year to analyse relevant controls and following each audit an assurance statement indicating the level of assurance that management can place on the adequacy and effectiveness of the internal controls is produced. In 2015/16 71 assurance reviews were commissioned and the annual opinion of the Head of Internal Audit

was:

*[having] considered all of the work undertaken and reported on by the Internal Audit Service, Anti-Fraud and Corruption Team and other sources of assurance available to the Council for the audit year 2015/16. In my opinion, **Limited** assurance can be placed on the adequacy and effectiveness of Council's corporate internal controls framework in place"*

External audit

The Council's governance, risk and control management arrangements are subject to an annual independent review by Grant Thornton, the Council's external auditors. The last review, which was published in October 2015 noted that

"... we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources..."

Audit Panel

The Council's Audit Panel meets quarterly and is made up of a mixture of Councillors and independent advisors. The key roles of the Panel are to:

- Review and comment on the strategy, plans and resources of Internal Audit. Internal Audit update reports, summarising the audit reports issued, management's progress on implementing any recommendations and the performance of the Internal Audit function, are received by the Panel on a quarterly basis.
- Consider and monitor the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- Consider the external auditor's annual plan and other relevant external reports which contribute to the level of assurance.
- Consider the Council's annual Statement of Accounts and this statement and make comments to Full Council when it considers the accounts.



Compliance

The Monitoring Officer is central to ensuring compliance with the rules and procedures set out in the constitution. The Monitoring Officer attends Mayor and Cabinet and Full Council meetings and regularly briefs EMT, councillors and relevant staff on corporate legislative developments; and legal advice is incorporated in every council report. Where gaps or non-compliance are identified, appropriate action is taken. The

financial management of the authority is conducted in accordance with financial regulations set out in the constitution and the Council has designated the Executive Director of Resources and Regeneration as its Chief Finance Officer, who advises on the proper administration of the Council's financial affairs, keeping proper financial records and maintaining effective systems of financial control. The Council has a [whistle-blowing policy](#) in place which is publicised on the Council's website. Complaints made under this policy are handled by the Monitoring Officer and an annual review is considered by the Standards Committee.

Training and Development

The Council runs a Member Development Programme, focussed on the period following local elections, which ensures that all Councillors have access to the training and development opportunities they need to fulfil their responsibilities to the local community and provide clear leadership and effective scrutiny of local Council functions. The development needs of senior officers are the responsibility of the Head of Personnel and Development and the Monitoring Officer who are aware of their statutory duties and stay abreast any changes in relevant legislation. At the start of the financial year the Chief Executive defines objectives for each of the Executive Directors which are then cascaded to officers throughout the organisation through the Performance Evaluation Scheme.

Engaging the community and partners

The Council's engagement activity is overseen by the Strategy Performance and Communications Board (SPCB) which operates at Executive Director level and provides a strategic steer on the communication and consultation agendas within the Council.

The Council promotes e-Participation through its online engagement system which provides a platform through which citizens can respond to online consultations as well as set up and respond to e-Petitions. Ward-level Local Assemblies are an opportunity for residents to work with their ward councillors to shape the future of their neighbourhood; and the Young Citizens Panel gives young people aged 11 – 18 the chance to feed into council policy and spending decisions, including the use of the Young Mayor's budget.

The Council's website includes a page on open data and transparency, which gives information on spending; wages of senior managers; Freedom of Information requests; the annual audit of accounts; the pay policy; and Council decisions. The arrangements for strategic partnership working are set out earlier in this statement. Periodically the Council also engages in wide consultation and communication activities. In 2015 the Council commissioned an independent organisation to run a borough-wide Residents Survey. The survey provided local residents with the opportunity to express their views on a wide

range issues such as their experience of living in the borough and their views of the Council's performance.

How do we know our arrangements are working?

Throughout the year, the Council regularly reviews the effectiveness of its governance framework, including its system of internal control. Activity undertaken includes:

- Consideration of governance issues by the ICB – including risk registers, counter-fraud updates and internal audit reports.
- Preparation of a rolling plan of audit coverage to be achieved in the forthcoming year by the Head of Audit and Risk, primarily based on an assessment of the Council's risk profile, and review of the plan by ICB.
- Receipt of the Internal Audit Strategy by the Audit panel and approval of the annual audit plan.
- Preparation of the annual assurance report by the Head of Resources, setting out his opinion on the Council's overall control environment and approval of the report by the Audit Panel.
- Annual updates to the Public Accounts Select Committee on the work of the Audit Panel

- Consideration by EMT of a full range of governance and performance issues throughout the year, including issues relating to the improvement of the Internal Audit Service and scrutiny of performance and risk (ensuring management action is taken where necessary).
 - Consideration of the following reports by the Standards Committee:
 - Compliance with the Member Code of Conduct (November 2015)
 - Review of Whistle-blowing Policy (December 2015)
 - Review of Compliance with the Council's Code of Corporate Governance (May 2015)
 - Consideration of external audit reports by Mayor and Cabinet, Audit Panel and relevant Select Committees.
 - Changes made by the Constitution Working Party such as the introduction of the Pension Board
- Managing change across Council services in light of the further budget reductions the Council faces, whilst at the same time maintaining internal control;
 - Responding to policy and priority changes for Lewisham, following the Queen's Speech in May 2016.
 - Addressing the external and internal audit findings reported to the Audit Panel in 2015/16 to maintain and, where necessary, improve the Council's financial controls.

Signed

What are our governance priorities going forward?

Our priorities include:

The Audit Findings for London Borough of Lewisham

Year ended 31 March 2016

September 2016

Page 379

Darren Wells

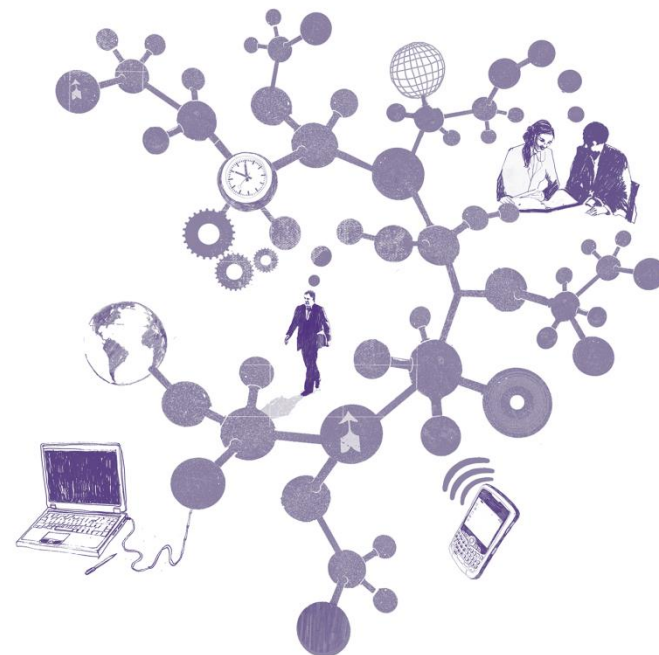
Director
T 01293 554120
E darren.j.wells@uk.gt.com

Jamie Bewick

Manager
T 01293 554138
E jamie.n.bewick@uk.gt.com

Stephen Richards

Executive
T 020 7728 3340
E stephen.j.richards@uk.gt.com



Councillor Jonathan Slater
London Borough of Lewisham
Lewisham Town Hall
Rushey Green
London
SE6 4RU

5 September 2016

Dear Councillor Slater

Audit Findings for London Borough of Lewisham Council for the year ending 31 March 2016

This Audit Findings report highlights the key findings arising from the audit for the benefit of the Audit Panel, as those charged with governance, as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with officers.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements and giving a value for money conclusion. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

Darren Wells

Grant Thornton UK LLP
Explorer Building
Fleming Way
Crawley
RH10 9GT

T +44]1293 554030
www.grant-thornton.co.uk

Contents

Section	Page
1. Executive summary	4
2. Audit findings	9
3. Value for Money	26
4. Fees, non-audit services and independence	35
5. Communication of audit matters	37
Appendices	
A Action plan	40
B Audit opinion	42

Page 381

Section 1: Executive summary

- 01. Executive summary
- 02. Audit findings
- 03. Value for Money
- 04. Other statutory powers and duties
- 05. Fees, non audit services and independence
- 06. Communication of audit matters

Purpose of this report

This report highlights the key issues affecting the results of London Borough of Lewisham ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2016. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing (UK & Ireland) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

We are also required to consider other information published together with the audited financial statements, whether it is consistent with the financial statements and in line with required guidance.

We are required to carry out sufficient work to satisfy ourselves on whether the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').

Auditor Guidance Note 7 (AGN07) clarifies our reporting requirements in the Code and the Act. We are required to provide a conclusion whether in all significant respects, the Council has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The Act also details the following additional powers and duties for local government auditors, which we are required to report to you if applied:

- a public interest report if we identify any matter that comes to our attention in the course of the audit that in our opinion should be considered by the Council or brought to the public's attention (section 24 of the Act);

- written recommendations which should be considered by the Council and responded to publicly (section 24 of the Act);
- application to the court for a declaration that an item of account is contrary to law (section 28 of the Act);
- issue of an advisory notice (section 29 of the Act); and
- application for judicial review (section 31 of the Act)

We are also required to give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts under sections 26 and 27 of the Act.

Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated March 2016.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- housing benefits;
- responding to identified control weaknesses, particularly in operating expenses;
- finalising PPE valuation adjustments;
- additional queries arising from quality review procedures;
- review of the final version of the financial statements;
- obtaining and reviewing the management letter of representation;
- review of revised versions of the Annual Governance Statement;
- updating our post balance sheet events review, to the date of signing the opinion; and
- Whole of Government Accounts.

Key audit and financial reporting issues

Financial statements opinion

We have identified a number of significant adjustments affecting the Council's Comprehensive Income and Expenditure statement and balance sheet. From our work to date none of the identified adjustments affect the overall performance against the Council's revenue budget, although there are several which affect reported income and expenditure and asset values.

A separate schedule of adjustments has been prepared. Officers are still working through the overall impact of these on the primary financial statements, notes and collection fund. Some of the key adjustments affecting the accounts are as follows.

- There are a number of errors in the Council's accounting treatment of Property, Plant and Equipment, leading to some significant adjustments.
- The Council had not accounted correctly for NNDR in the collection fund. This requires multiple adjustments affecting all of the primary financial statements.
- There were several errors in the accounting treatment of grant income.

We have also recommended a number of adjustments to improve the presentation and disclosure of the financial statements. Further details are set out in section two of this report.

Subject to amendment of the issues we have highlighted, we anticipate providing a unqualified audit opinion in respect of the financial statements (see Appendix B).

Closedown arrangements

From 2017/18 all councils in England will be required to publish their audited financial statements by 31st July (currently 30 September). For an organisation as large and complex as London Borough of Lewisham this will be a significant challenge, requiring a major review of working arrangements.

In early 2016 we discussed this issue with the finance team and agreed to treat the 2015/16 audit as a 'dry run' for the earlier closedown. This plan entailed producing draft accounts by 31 May and the audit to be completed by 31 July. In April we gave a presentation to the finance department setting out the revised timetable and the audit requirements.

The Council successfully produced draft financial statements by 31 May, in line with the timetable agreed with management. Working papers were made available either at the start of our audit or when requested. By the end of July the audit was substantially further advanced than in the previous year.

However the target of completing the audit by the end of July was not achieved and some work, most notably housing benefits, had to be deferred to September. This was because of the volume of issues which arose and the Council's limited capacity to deal with the audit work in the shorter timescale. We have been in discussions with the finance team over lessons learned from this dry run and in particular how more capacity can be added to the finance team to complete the audit in a shorter and earlier timescale. Additional finance capacity during the audit would enable the Council to respond more quickly to queries, enabling the audit team to complete its work in a more efficient manner.

Other financial statement responsibilities

As well as an opinion on the financial statements, we are required to give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements. This includes:

- if the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit.

The draft version of the Annual Governance Statement did not make mention of the control issues which led to the limited assurance opinion from the Head of Internal Audit. We requested that the Council should make a fuller disclosure of control issues.

Controls

Role and responsibilities

The Council's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Council.

Findings

We draw your attention in particular to control issues identified in relation to the IT control environment, including access controls and separation of duties. Further details are provided within section two of this report.

We also had due regard in our testing strategy to the control weaknesses raised by internal audit and in the Head of Internal Audit opinion, particularly in relation to the accounts payable system which received a "no assurance" opinion. To mitigate this risk we tested a larger sample of expenditure, with a focus on the robustness of the supporting evidence.

Although ours was not specifically an audit of controls, our observations during the audit were consistent with those of internal audit. We noted weaknesses in access, separation of duties and authorisation. The number of staff in the finance team has reduced significantly in recent years. Additionally the Council moved to a shared financial services system in 2014. It is not clear that the Council has maintained a full and compliant system of internal control following these changes. The Council should re-evaluate its control framework and ensure new ways of working are understood and complied with by staff.

We have discussed these control issues with the Head of Financial Services, involving specialists in those discussions.

Value for Money

Based on our review, we are satisfied that, in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Key messages from our review are:

- The Council is making good progress in identifying savings schemes to meet its targeted savings from health and social care integration.
- As previously noted, significant weaknesses in financial controls have been identified and reported during 2015/16. The Council is taking action to mitigate this including reviewing the future of its financial shared service arrangements.
- There was a significant overspend on service budgets in 2015/16, which was mitigated by use of corporate contingencies and reserves. The Council has efficient contingencies and reserves to ensure financial resilience for the foreseeable future.
- The Council continues to develop its medium term financial strategy to meet the savings required by 2020. Management have reported that future savings will need to focus on service transformation as well as efficiencies.
- The Council has reported mixed performance against its key performance indicators. Overall this is not directly linked to savings plans but rather to wider trends which also affect other neighbouring councils.

Further detail of our work on Value for Money are set out in section three of this report.

Other statutory powers and duties

We have not identified any issues that have required us to apply our statutory powers and duties under the Act.

Previously in 2014 we received an objection to that year's accounts, which was not material to the accounts and did not prevent us from giving an opinion that year. The elector withdrew their objection during 2016 and consequently we were able to close the 2014/15 audit.

Grant certification

In addition to our responsibilities under the Code, we are required to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. At present our work on this claim is in progress and is not due to be finalised until 30 November 2016. We will report the outcome of this certification work through a separate report to the Audit Panel in February 2017.

We have held initial meetings with officers to discuss our approach to the benefits certification where there were errors in the previous year, which could indicate a risk of errors in the current year.

The way forward

Matters arising from the financial statements audit and our review of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources have been discussed with the Executive Director for Resources and Regeneration.

We have made a number of recommendations, which are set out in the action plan at Appendix A. Recommendations have been discussed and agreed with the Executive Director for Resources and Regeneration and the finance team.

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Grant Thornton UK LLP
September 2016

Section 2: Audit findings

- 01. Executive summary
- 02. Audit findings**
- 03. Value for Money
- 04. Other statutory powers and duties
- 05. Fees, non audit services and independence
- 06. Communication of audit matters

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our audit plan, we determined overall materiality to be £19,118k (being 1.75% of gross revenue expenditure). We have considered whether this level remained appropriate during the course of the audit and we revised our overall materiality to £18,558k. Our lower materiality reflected an increased risk in the Council's system of internal control as highlighted by internal audit's findings.

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect the accumulated effect of such amounts to have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £927k. Our assessment of the value of clearly trivial matters has been adjusted to reflect our revised materiality calculation.

As reported in our audit plan, we identified the following items where we decided that separate materiality levels were appropriate.

Balance/transaction/disclosure	Explanation	Materiality level
Cash and cash equivalents	All transactions made by the Council affect the balance and it is therefore considered to be material by nature.	£500k
Disclosures of officers' remuneration, salary bandings and exit packages in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£100k

Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA (UK&I) 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
Page 389	<p>1. The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at London Borough of Lewisham, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including London Borough of Lewisham, mean that all forms of fraud are seen as unacceptable. 	<p>Our testing did not identify any significant issues.</p>
	<p>2. Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<ul style="list-style-type: none"> • Review of journal entry policies and procedures • Review of accounting estimates, judgments and decisions made by management • Testing of journal entries • Review of unusual significant transactions 	<p>Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We did not identify, nor have we been made aware of, any unusual significant transactions.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgements.</p>

Audit findings against other risks

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
Page 390	<p>Valuation of property, plant and equipment The Code requires the Council to ensure the carrying value at the balance sheet date is not materially different from current value. The Council considers the current value of its PPE assets annually, undertaking revaluations where deemed necessary to ensure that the PPE balance is fairly stated. This represents a significant estimate by management in the financial statements.</p>	<ul style="list-style-type: none"> Review of the competence, expertise and objectivity of any management experts used. Walkthrough the system for PPE valuations Review of management's processes and assumptions for the calculation of the estimate. Review of the instructions issued to valuation experts and the scope of their work Discussions about the basis on which the valuation is carried out and challenge of the key assumptions. Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding. Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register Evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. 	<p>Accounting for PPE is complex and as in previous years we have identified a number of significant issues with the Council's accounting treatment in this area.</p> <p>Management have agreed to amend the accounts for those issues we identified. Amendments are presented in section two of this report.</p> <p>Additional to the amendments listed, the valuer has stated in his report that there has been a material movement in the value of specialised assets in 2015/16. We have discussed with officers that this may mean that there is a material understatement of the value of assets which were not valued in 2015/16.</p> <p>This is likely to lead to a further material amendment to the value of PPE, the amount of which is still being discussed with management.</p>
	<p>Employee remuneration Employee remuneration accruals understated (Remuneration expenses not correct)</p>	<ul style="list-style-type: none"> Walkthrough payroll system, updating our understanding Reconciliation of payroll to the General Ledger (for completeness) Undertake analytical procedures e.g. trend analysis Test a sample of transactions at the year end to confirm they are accounted for in the correct period (cut-off testing) 	<p>Our work has not identified any significant issues against the risk identified.</p>

Audit findings against other risks

Risks identified in our audit plan	Work completed	Assurance gained & issues arising
<p>Operating expenses Creditors understated or not recorded in the correct period (Operating expenses understated)</p>	<ul style="list-style-type: none"> • Walkthrough of operating expenses system, updating our understanding • Review and test the year end creditors control account reconciliation. • Test a sample of transactions at the year end to confirm they are accounted for in the correct period (cut-off testing) • Review your accruals policy and confirm that it has been properly applied 	<p>We tested an extended sample of transactions, to respond to the enhanced risk highlighted in the "no assurance " report. Officers are also carrying out their own retrospective review of expenditure which they plan to share with us before we give our opinion.</p> <p>Our work to date has not identified any issues in relation to the risk identified</p>
<p>Valuation of pension fund net liability The Council's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.</p>	<ul style="list-style-type: none"> • identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. • review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out. • undertake procedures to confirm the reasonableness of the actuarial assumptions made. • review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary. 	<p>We did not identify any issues in relation to the risk identified</p>

Page 39 of 1



Significant matters discussed with management

	Significant matter	Commentary
1.	Accounting treatment of National Non Domestic Rates (NNDR).	We found that the Council has not been accounting correctly for NNDR following the abolition of national pooling arrangements. We discussed this matter with management along with the appropriate accounting treatment. This has led to material changes in the accounts affecting multiple statements.
2.	Property, Plant and Equipment valuations (PPE).	We found multiple errors in the accounting treatment for PPE. This is a particularly complex area and has also been an issue in previous years. We recommend the Council reviews its arrangements for accounting for PPE.
3.	Minimum Revenue Provision	Management shared with us its proposals to change its arrangements for accounting for the Minimum Revenue Provision, following a review of asset lives. This affects the capital financing note to the accounts (note 31) and the effect is to create a notional income and expenditure benefit in the Council's budget reporting. The Council has disclosed this in the accounts. The amount is not material to our opinion on the accounts and we do not challenge the proposal.
4.	Financial controls	We have held a number of discussions with management around identified control weaknesses in financial systems. To mitigate the risk of this in our audit we have selected larger sample sizes than in previous years.

Page 392




Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Council's financial statements.

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	The Council's policies on grants, contributions and other revenues are set out in the statement of accounting policies.	The revenue policies are reasonable and consistent with the Code.	 Green
Page 393	<ul style="list-style-type: none"> – Useful life of PPE, revaluations and impairments – Accruals – Valuation of pension fund net liability – Provisions - Impairment of debtors 	<p>As previously noted there were a number of significant errors with the Council's accounting for PPE valuations.</p> <p>The valuer's report noted a significant movement in the value of property replacement costs in 2015/16. This means the value of properties which were not revalued in year could be materially understated. The Council did not receive this part of the valuer's report until 7 June, which was after the draft accounts were produced. Officers are quantifying the effect of this, to reflect it in the accounts</p> <p>The Council's accounts are prepared on an accruals basis. We did not identify any issues with the accounting for accruals.</p> <p>We found the pension fund liability is consistent with the actuary's report and appropriately disclosed.</p> <p>Provisions are not material to our opinion and are appropriately disclosed.</p> <p>The impairment allowance for debtors is calculated in accordance with the Council's accounting policy. We note that at £63.9 million the impairment allowance now exceeds the balance of net debtors. The Council should review this and consider whether some of this should more appropriately be written off.</p>	 Red (PPE valuation)

Assessment

Accounting policies, estimates and judgements continued

Accounting area	Summary of policy	Comments	Assessment
Judgements - local authority maintained schools premises	The accounting for schools is unchanged since the previous year and is disclosed at note 2 to the accounts	We reviewed the Council's critical judgements on schools in the 2014/15 audit and have not noted any new issues in 2015/16.	 Green
Going concern Page 394	The Executive Director for Resources and Regeneration has a reasonable expectation that the services provided by the Council will continue for the foreseeable future. Members concur with this view. For this reason, the Council continues to adopt the going concern basis in preparing the financial statements.	We are satisfied with management's assessment that the going concern basis is appropriate for the 2015/16 financial statements. The Council did not make an explicit statement of going concern in the financial statements, although this is implicit in the narrative statement and in the Council's Medium Term Financial Strategy. Management agreed to add a fuller disclosure to the accounts.	 Green
Other accounting policies	Accounting policies are set out in section 2 of the financial statements	We have reviewed the Council's policies against the requirements of the CIPFA Code of Practice. The Council's accounting policies are appropriate and consistent with previous years.	 Green

Assessment

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1.	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Audit Panel. We have been made aware of incidences of fraud as they are reported to the Audit Panel. There are no matters identified which are material to our audit opinion.
2.	Matters in relation to related parties	<ul style="list-style-type: none"> Note 30 (Related Party Transactions) made reference to the register of Members and Chief Officers Declarations of Interest. In our view this is not appropriate, as material transactions should be disclosed in the accounts. We were happy with officers' proposal to set an appropriate level of materiality for disclosures and to report transactions above this threshold in the accounts.
3.	Matters in relation to laws and regulations	<ul style="list-style-type: none"> You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4.	Written representations	<ul style="list-style-type: none"> A standard letter of representation has been requested from the Council,
5.	Confirmation requests from third parties	<ul style="list-style-type: none"> We requested from management permission to send confirmation requests in relation to loans, bank accounts and investments. This permission was granted and the requests were sent. All of these requests were returned with positive confirmation.
6.	Disclosures	<ul style="list-style-type: none"> Our review found no material disclosure omissions in the financial statements. A number of minor points were discussed with management.

Page 395

Other communication requirements continued


	Issue	Commentary
<p>7.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 396</p>	<p>Matters on which we report by exception</p>	<p>We are required to report on the following matters by exception:</p> <ul style="list-style-type: none"> • If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit • The information in the Narrative Report is materially inconsistent with the information in the audited financial statements or our knowledge of the Council acquired in the course of performing our audit, or otherwise misleading. <p>The draft version of the AGS stated there were no significant gaps or governance issues during 2015/16. It did not mention the adverse internal audit reports during the year and the limited assurance Head of Internal Audit opinion. Management agreed to amend the AGS so as to give a more balanced assessment.</p> <p>We did not identify anything in the Narrative Report which was inconsistent with our knowledge of the Council</p>
<p>8.</p>	<p>Specified procedures for Whole of Government Accounts</p>	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>We plan to carry out this work before the end of September 2016.</p>

Internal controls



The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. We considered and walked through the internal controls for Employee Remuneration and Operating Expenses as previously set out above. We also carried out a high level review of IT controls in respect of key financial systems and shared services.

The matters that we identified during the course of our audit are set out in the table below. These and other recommendations, together with management responses, are included in the action plan attached at Appendix A.

	Assessment	Issue and risk	Recommendations
1. Page 397		<p>We carried out a high level review of IT controls at the Council and at the shared service provider, focussing on the interface between the two.</p> <p>The review highlighted some significant issues specifically around separation of duties and access controls. These findings are consistent with our audit of last year and with reports from internal audit this year.</p> <p>We have reported these findings in detail to management in a separate paper and we have discussed these with the Head of Financial Services, involving our Senior IT Specialist in that discussion.</p>	<ul style="list-style-type: none"> Review and improve access controls and separation of duties in IT systems, with a focus on the detailed findings of our IT review.

Assessment

-  Significant deficiency – risk of significant misstatement
-  Deficiency – risk of inconsequential misstatement

The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Internal controls (continued)

	Assessment	Issue and risk	Recommendations
2.	●	<p>The Council's processes and quality control over PPE valuations are weak. We saw little evidence of checking of the valuer's report or of reconciliation between the report, the asset register and the accounts.</p> <p>When we carried out the reconciliation as part of our audit we noted several issues including</p> <ul style="list-style-type: none"> - Assets double counted - Assets which the Council does not own - Assets recorded at the wrong value 	<ul style="list-style-type: none"> • Strengthen quality control procedures to include management oversight of PPE valuations, to identify errors and omissions before the accounts are presented for audit.
3.	●	<p>The legislation for public inspection of the accounts has changed this year, with the introduction of the Local Audit and Accountability Act 2014.</p> <p>Although management knew about the revised legislation they were not aware that the public inspection period should include the first ten working days of July. Consequently they began the inspection period on 21 July, which ran for the full 30 day period as required.</p>	<ul style="list-style-type: none"> • For 2017 ensure full compliance with the public inspection requirements of the Local Audit and Accountability Act.

Assessment

- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement

The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Internal controls – review of issues raised in prior year

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1.	✓	In our 2014/15 Audit Findings report we reported that bank reconciliations were not taking place on a regular or timely basis.	<ul style="list-style-type: none"> • Within the limited scope of our work on reconciliations we did not identify any issues with the frequency or timing of bank reconciliations.
2.	X	<p>As part of our 2014/15 audit we carried out a high level review of IT arrangements at the new ledger shared services provider. We identified a number of control weaknesses. Similar issues were raised by internal audit in their review of the ledger.</p> <ul style="list-style-type: none"> • We have shared the detailed findings with management. Key issues highlighted were as follows. • We identified seven accounts with default passwords • Excessive number of system administrators • Multiple users for the same person • Some individuals have excessive access levels • Weak and inconsistent password policies • Lack of segregation of duties • Incomplete logging of activity • Access rights that are not linked to an individual • Access rights are not formally reviewed for appropriateness. 	<ul style="list-style-type: none"> • As previously noted, similar issues were identified in our review of 2015/16

Page 399

Assessment
 ✓ Action completed
 X Not yet addressed

Adjusted misstatements (Property, Plant and Equipment)

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which have been processed by management. There were no misstatements which management declined to amend.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £000
1 Sydenham school – double counted additions from 2014/15	13,388	(13,388)	
2 Revaluation incorrectly accounted (Heathside)	(1,437)	1,437	
3 Disposed dwellings still in accounts	6,232	(6,232)	
4 Surplus assets still in 'dwellings'	412	1,436 (412)	412
5 Disposal of asset already recognised in previous year	7,970	(7,970)	7,970
6 Disposed assets still in the accounts	2,513	(2,513)	
7 Revaluation differences on reconciliation	1,960	(9,630) (gross)	1,960
8 Adjustment to reserves (investment properties)		4,370 (gross)	
9 Assets under construction overstated	4,453	(8,961) (gross)	4,453

Adjusted misstatements (NNDR)

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which have been processed by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £000
1 Collection fund adjustment – reclassify £51.7 million payment to the national pool between the following headings - LBL share of precepts and demands £15.5 million - GLA share of precepts and demands £10.3 million - central gov share of precepts and demands £25.8 million Additional collection fund deficit £3.3 million			
2 Collection fund adjustment account		988	988
3 GLA / Gov share of deficit		2,304	2,304
Overall impact		3,292	3,292

Page 401

Adjusted misstatements (grants and other)

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which have been processed by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year.

Page 402	Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £000
1	NNDR grant income incorrectly taken to reserves	9,281	9,281	9,281
2	Adjustment needed between HRA and reserves	4,886	4,886	4,886
3	Creditors and CIES overstated in respect of cancelled recurring payments	1,215	1,215	1,215

Misclassifications and disclosure changes

The table below provides details of misclassification and disclosure changes above the threshold of £928k which were identified during the audit and which have been made in the final set of financial statements. Additionally there were numerous changes below this amount which we have not listed separately.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	Various	Note 30	Management to add details of material related party transactions during the year (note 30)
2 Misclassification	2,230	Note 29	Amendment to housing benefit grant income to match the grant claim
3 Misclassification	2,000	Note 29	Misclassification of public health grant
4 Misclassification	13,215	Note 29	Misclassification of grant income between general and specific grants
Misclassification	8,156	Note 9b	Misclassification between PPE additions and assets under construction
Misclassification	3,933	CIES	Misclassification of income between Adult social care and public health
7 Disclosure	5,003	HRA	Disclosure and misclassification error in the HRA and MiRS

Section 3: Value for Money

Page 404

01. Executive summary

02. Audit findings

03. Value for Money

04. Other statutory powers and duties

05. Fees, non-audit services and independence

06. Communication of audit matters

Background

We are required by section 21 of the Local Audit and Accountability Act 2014 (the Act) and the NAO Code of Audit Practice (the Code) to satisfy ourselves that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

Page 405
In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2015. AGN 03 identifies the single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Risk assessment

We carried out an initial risk assessment in July 2016 and identified the following significant risks, which we discussed and agreed with the Executive Director for Resources and Regeneration.

We identified risks in respect of specific areas of proper arrangements using the guidance contained in AGN03.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risks we identified from our initial and ongoing risk assessment. Where our consideration of the significant risks determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

Significant qualitative aspects

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Council's arrangements.

We have set out more detail on the risks we identified, the results of the work we performed and the conclusions we drew from this work later in this section.

Overall conclusion

Based on the work we performed to address the significant risks, we concluded that:

- The Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources. The text of our report, which confirms this can be found at Appendix B.

Recommendations for improvement

We discussed findings arising from our work with management and have agreed recommendation for improvement as follows.

- Consider how the Council can free up management capacity to focus on transformational change in services.

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Work to address	Findings and conclusions
<p>Health & Social Care Integration - The Council is working with partners in the local health economy towards greater health and social care integration. However the health economy is in significant financial difficulty which could create cost pressures for the Council and affect the Council's plans and assumptions around the Better Care Fund, social care funding and public health.</p>	<p>We will review the Council's plans and assumptions around health and social care integration particularly concerning the Better Care Fund. We will consider how the Council is managing associated cost pressures through working in partnership with local health bodies.</p>	<p>Health and Social Care Integration savings form a key part of the efficiency plan - £14.7m in total, £5.9m to be delivered in in 2017/18. The Council has been working closely with Health for three years, particularly around the Better Care Fund monies allocated to social care. The process is overseen by the Adult Integrated Care Programme Board which reports to the Health and Wellbeing Board. One of the key projects supporting the savings target is looking at a whole system process for social care, including children's (a paper to the AICP Board was presented in April 2016 on this project). Progress has already been made on the appointment of shared joint posts, other aspects include enabling systems, such as IT, flexible working and estates. Another key project relates to the prevention agenda however, this is more about managing increasing demand, rather than making savings by reducing it. A new provider model is being set up for social care, which will drive financial benefits, but won't impact for several years. There is some benefit to the Council from increased Better Care Fund receipts to fund Housing options to reduce residential care, new extra care places and enablement services, that would otherwise have had to face cuts.</p> <p>The Council has made good progress in developing defined savings schemes to meet the £5.9m target. The Council is a relatively high spender on ASC according to its own benchmarking information - the bulk of the immediate savings target will come from reconfiguring day care services, transport and some renegotiation of price from providers of residential and domiciliary care. Some of the future savings are less clear and are expected to come from managing demand, which is more uncertain. There is some work to be done on re-ablement, to prevent people becoming dependent on high levels of care. The schedule of developed savings schemes for 2017/18 presented in the February 2016 Budget, included almost £3m of the £5.9m required from social care for the year 2017/18. The remainder are being developed for further review and approval in September 2016 and officers expect them to be fully developed by the time the budget is signed off in February 2017.</p> <p>On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements</p>

Page 407

Significant risk	Work to address	Findings and conclusions
<p>Financial control - the Council transferred to a financial shared service provider in 2014/15 and also to a new internal audit provider. At the same time there have been staffing reductions within the Council. IA have issued a number of limited or no assurance reports and the Head of IA opinion gave limited assurance.</p>	<p>We will consider the Council's arrangements to maintain a sound financial control environment during a period of significant change. We will consider working arrangements with the shared service provider. We will review how the Council is responding to issues raised by its internal auditors.</p>	<p>We carried out a review of IT controls at the Council and at the shared service provider. This highlighted a number of issues around separation of duties and access controls. We discussed these issues with management, involving our senior specialist IT auditor in those discussions. Management acknowledged the issues and informed us they are considering what arrangements should be introduced when the current shared service agreement expires in 2018.</p> <p>Internal audit issued a number of limited assurance reports during the year and gave no assurance over the accounts payable system. To mitigate this we have carried out extended testing of expenditure in 2015/16. We also met with management, including systems specialists in the discussion, to discuss what action they are taking to address this. They informed us they have acquired a new system AP forensics to give an extra layer of checking of the regularity of invoice payments. We also discussed the Council's arrangements for initiating and authorising payments and awarding contracts. Management are reviewing this and they informed us they are carrying out a retrospective review of expenditure in 2015/16 and will share the result of this before we issue our opinion.</p> <p>While acknowledging there have been significant control issues in 2015/16 we have not identified material errors in our 2015/16 audit resulting from those control issues. Additionally management are responding to the issues raised.</p> <p>On this basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements</p>

Page 408

Significant risk	Work to address	Findings and conclusions
<p>In year financial management and monitoring - the Council overspent against its 2015/16 budget and had to draw on reserves, which is not sustainable in the long term. The Council faces similar budget pressures in 2016/17</p>	<p>We will review the cost pressures facing the Council in the current year, its response to these and its arrangements for managing them. We will consider the Council's intentions, approach and strategy towards its use of reserves.</p>	<p>There was an overspend on budget in 2015/16, as had been forecast - approximately £6.3m overspent on service budgets overall. However, as in past years the corporate finance team has implemented planned mitigating action to maintain a balanced financial position. A £3.2m corporate contingency had been set aside in the budget to manage risks and other budget pressures. A further £1.7m was covered by other one off underspends in the corporate budget, and the remaining £1.4m was drawn from earmarked reserves (accounting for the bulk of the £1.6m reduction in Earmarked reserves in the year, as reported in the financial statements).</p> <p>The Council has significant reserves set aside to provide a buffer against budget overspends, and only a fraction of these were used in 2015/16. Approximately £30m of earmarked reserves, covering cost efficiency and redundancy reserves, have been set aside to cover budget pressures and risks (out of £68m earmarked reserves set aside for specific purposes). A further reserve of £16.3m generated from accumulated new homes bonus receipts was also available to be used to support the financial position, but this was not required in year. Capital receipts reserves are also available, but do not form part of the planned contingency at this stage. Including the £3.2m corporate contingency built into the budget, the Council has the resilience to be able to fund a similar budget deficit in each of the next 4 years up to 2020. The Council recognises that despite the resilience provided by reserves and budgeted contingencies, it cannot continue to incur budget overspends indefinitely. Budget holders are held to account for delivering their budgets - the corporate finance team established that the service overspends were primarily due to demand pressures and were not related to the failure to deliver savings plans.</p> <p>The two key areas of service overspend were in the Children and Young People (£7.4m overspend) and Customer Services (£3.9m overspend) directorates, with the overall overspend of £6.3m being achieved through the mitigating effect of underspends on the other directorates.</p> <p>We concluded that the risk was sufficiently mitigated and the Council has proper arrangements</p>

Significant risk	Work to address	Findings and conclusions
<p>Medium term financial planning - The Council estimates that it needs to achieve £45 million of recurring savings or additional recurring income over the next three years. This is a significant challenge following on from efficiencies already made.</p>	<p>The Council plans to present its budget and savings proposals in July. We will review these proposals, consider how realistic they are and consider the arrangements that are in place to implement them. We will consider the Council's plans for commercialisation and how these are contributing to the financial strategy.</p>	<p>The Council has a good track record of delivering cost efficiencies. As noted above, the Council has significant reserves set aside to provide a buffer against budget overspends, and in addition, there are a number of areas of discretionary spend that could be used if alternative schemes can not be found. Therefore the Council has financial resilience to set a balanced budget for the foreseeable future.</p> <p>The Council stripped out the savings required for 2016/17 from the February budget presented to members, and also put forward £17.5m of savings schemes for 2017/18, a year in advance of need. The Council has set out its revised financial efficiency plan, which revises the Council's cumulative funding shortfall and saving target up to £62.4m in the 4 years up to 2020. Key savings areas include Health and Social Care Integration (£14.7m), Asset Rationalisation (£9.4m), Management and Corporate Overheads (£9.2m) with other significant contributions from Culture and Community, Environment, Customer contact and Early Intervention. The savings are front-loaded with £23.8m deliverable in 2017/18. A further £21 million proposals is due to be put before members in September leaving £24m still to be identified and agreed. We reviewed the breakdown of savings proposals agreed to date and confirmed that the programme appears reasonable, if challenging, taking into account the track record of delivering savings to date.</p> <p>The Lewisham Futures Board is well established. It meets weekly and supports the savings plans at a strategic level. Most savings have been focused on efficiencies in business as usual – so haven't yet required a corporate programme to deliver. Management believe that future savings will have to focus much more on service transformation, rather than efficiency savings. This might require a more overt corporately led process. This would still need to be driven by service managers but would need Corporate coordination & support. Management acknowledge that service managers do find it difficult to free up time for thinking & developing ideas, from business as usual demands.</p> <p>To support the established work of the Lewisham Future Programme in 2015 the Council adopted its Lewisham 2020 strategy, which was developed around a large scale consultation with the community (the Big Budget Challenge). This focuses on four themes for transformation and enabling approaches to support the implementation of service reductions, which are summarised in the efficiency plan.</p> <p>We concluded that the risk was sufficiently mitigated and the Council has proper arrangements</p>

Significant risk	Work to address	Findings and conclusions
<p>Maintaining quality of service provision - The Council has had to implement significant reductions in staff numbers over the last three years as a result of significant reductions in external funding. There is a risk that these impact on service quality and continuity.</p>	<p>We will consider the Council's arrangements to minimise the impact of cuts on service provision. We will do this through:</p> <ul style="list-style-type: none"> -discussions with management -review of reports or comments, if any, from external regulators -review of benchmarking data of Council performance against other similar organisations 	<p>Lewisham Council has reported mixed performance against achieving its corporate priorities as at the 31 March 2016 year end. Of the 23 key performance indicators used, 10 (50%) reported as green or amber against target and 10 indicators (50%) were reported as falling below target. In regard to the direction of travel achieved since the prior year 2015, there was a similar mixed picture with 9 (45%) showing improving performance and 10 that were declining. There were some significant achievements against the targets, such as successfully reducing number of people in temporary accommodation over the year, delivering the decent homes standard, residual waste and landfill targets were also met or exceeded and delivering financial benefit to the Council. There has also been some good achievements in making financial processes more efficient, particularly in regard to NNDR collection and Housing benefit processing.</p> <p>The key areas where performance is below plan relate to the roll out of Education Health and Care Plans (ECHP), Recycling targets, Crime, and Adult social care - in regard to the level of direct payments and delayed transfers of care. However none of these areas of weaker performance can be directly attributed to the impact of savings plans implementation, for example crime levels are affected by a range of drivers many of which are outside the council's control. From our benchmarking data we noted that neighbouring councils are affected by similar trends.</p> <p>The Council is addressing the findings of the most recent Ofsted inspection, rated as "requires improvement" . The report focused around improvements to processes and systems - there was no indication that the issues raised had been directly attributable to savings plans or reductions in headcount. Paragraph 92 of the report states that 'The local authority has invested resources to ensure that caseloads are manageable and that all work is allocated. Staffing levels have been maintained, although there is a reliance on recently qualified social workers'.</p> <p>we concluded that the risk was sufficiently mitigated and the Council has proper arrangements</p>

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

Any other matters

There were no other matters from our work which were significant to our consideration of your arrangements to secure value for money in your use of resources.

Section 5: Fees, non-audit services and independence

01. Executive summary

02. Audit findings

03. Value for Money

04. Other statutory powers and duties

05. Fees, non audit services and independence

06. Communication of audit matters

Page 413

We confirm below our final fees charged for the audit and provision of audit related and non-audit services.

Fees

	Proposed fee £	Final fee £
Council audit	193,233	TBC
Grant certification (Housing benefits)	25,569	TBC
Total audit fees (excluding VAT)	218,802	TBC

Page 414

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)

Grant certification

Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited. Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Fees for other services

Service	Fees £
Audit related services:	
• Housing capital receipts	TBC
• Teachers pension	TBC
• GLA Decent Homes	Not applicable
Non-audit services	0

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Section 6: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Other statutory powers and duties

05. Fees, non audit services and independence

06. Communication of audit matters

Communication to those charged with governance

International Standards on Auditing ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to auditor's report		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

Appendices

Page 417

Appendix A: Action plan

Priority

High - Significant effect on control system

Medium - Effect on control system

Low - Best practice

Rec No	Recommendation	Priority	Management response	Implementation date & responsibility
Page 418	Review capacity in the finance team to meet the earlier July audit deadline	High		
	Improve management oversight and control over accounting for PPE valuations	High		
	For 2017, ensure full compliance with the public inspection requirements of the Local Audit and Accountability Act 2014	High		
	Enhance quality control arrangements for the financial statements, to identify and correct errors before the accounts are presented for audit	Medium		
	Review the impairment of debtors, considering whether some debtors should more appropriately be written off	Low		
	Address the access and separation of duties issues highlighted in our IT controls review	Medium		
	Review the Annual Governance Statement, ensuring it gives a balanced view of control issues in the year.	Medium		

Appendix A: Action plan (continued)

Priority

High - Significant effect on control system

Medium - Effect on control system

Low - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
	Set a level of materiality for disclosing Related Party Transactions and report all transactions above that level	Low		
Page 419	Consider how the Council can free up management capacity to focus on transformational change in services	Medium		

Appendix B: Audit opinion

We anticipate we will provide the Council with an unmodified audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON BOROUGH OF LEWISHAM

We have audited the financial statements of London Borough of Lewisham (the "Authority") for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014 (the "Act"). The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Executive Director of Resources and Regeneration and auditor

As explained more fully in the Statement of the Executive Director of Resources and Regeneration Responsibilities, the Executive Director of Resources and Regeneration is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Director of Resources and Regeneration; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report and the Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements: present a true and fair view of the financial position of the Authority as at 31 March 2016 and of its expenditure and income for the year then ended; and have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law.

Opinion on other matters

In our opinion, the other information published together with the audited financial statements in the Narrative Report and the Annual Governance Statement is consistent with the audited financial statements.

Matters on which we are required to report by exception

We are required to report to you if:
 in our opinion the Annual Governance Statement does not comply with the guidance included in ‘Delivering Good Governance in Local Government: a Framework’ published by CIPFA/SOLACE in June 2007; or
 we issue a report in the public interest under section 24 of the Act; or
 we make a written recommendation to the Authority under section 24 of the Act; or
 we exercise any other special powers of the auditor under the Act.

We have nothing to report in these respects.

Conclusion on the Authority’s arrangements to secure value for money through economic, efficient and effective use of its resources

Respective responsibilities of the Authority and auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1)(c) of the Act to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of the Authority's arrangements to secure value for money through economic, efficient and effective use of its resources

We have undertaken our review in accordance with the Code of Audit Practice prepared by the Comptroller and Auditor General as required by the Act (the "Code"), having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code in satisfying ourselves whether the Authority put in place proper arrangements to secure value for money through the economic, efficient and effective use of its resources for the year ended 31 March 2016.

We planned our work in accordance with the Code. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether in all significant respects the Authority has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, we are satisfied that in all significant respects *the Authority* has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year ended 31 March 2016.

Certificate

We certify that we have completed the audit of the accounts of the Authority in accordance with the requirements of the Act and the Code.

Darren Wells
 for and on behalf of Grant Thornton UK LLP, Appointed Auditor
 Fleming Way
 Manor Royal
 Crawley
 RH10 9GT

September 2016



© 2016 Grant Thornton UK LLP. All rights served.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International LTD (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grant-thornton.co.uk

The Audit Findings for Lewisham Pension Fund

Year ended 31 March 2016

September 2016

Page 423

Darren Wells

Director

T +44 (0)1293 554 120

E Darren.j.wells@uk.gt.com

Jamie Bewick

Senior Manager

T +44 (0)1293 554 138

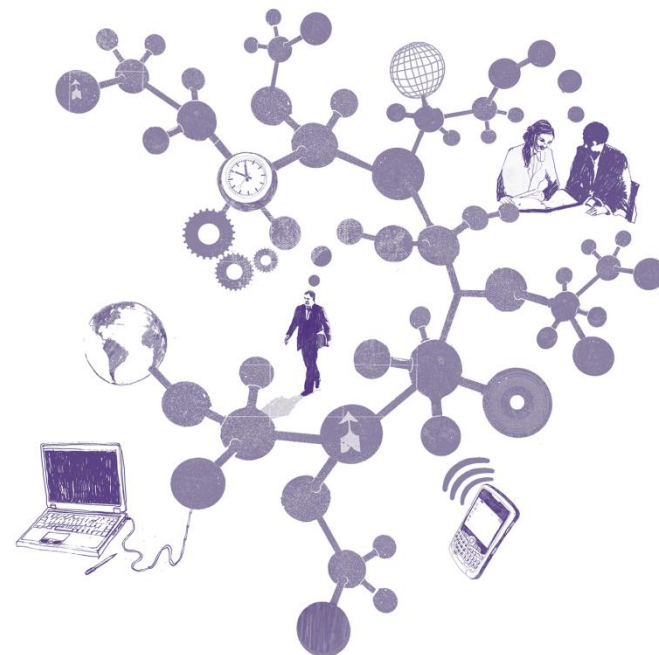
E Jamie.n.bewick@uk.gt.com

Pratheesh Kulendran

Executive

T 07792 549 288

E Pratheesh.kulendran@uk.gt.com



Councillor Slater
Chair of Audit Panel
London Borough of Lewisham
London
SE6 4RU

Grant Thornton UK LLP
Gatwick Office
Fleming Way, Crawley
West Sussex
www.grant-thornton.co.uk

September 2016

Dear Councillor Slater

Audit Findings for Lewisham Pension Fund for the year ending 31 March 2016

This Audit Findings report highlights the significant findings arising from the audit for the benefit of the Audit Panel as those charged with governance, as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with management.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

Darren Wells

Director

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No. OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please see grant-thornton.co.uk for further details.

Contents

Section	Page
1. Executive summary	4
2. Audit findings	7
3. Fees, non-audit services and independence	20
4. Communication of audit matters	22

Appendices

- A Action plan
- B Audit opinion
- C Audit opinion on the annual report

Page 425

Section 1: Executive summary

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

Purpose of this report

This report highlights the key issues affecting the results of Lewisham Pension Fund ('the Fund') and the preparation of the fund's financial statements for the year ended 31 March 2016. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing (UK & Ireland) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Fund's financial statements give a true and fair view of the financial position of the fund and its income and expenditure for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

We are also required consider other information published together with the audited financial statements, whether it is consistent with the financial statements and in line with required guidance. This includes the Pension Fund Annual Report.

We anticipate providing a unqualified audit opinion in respect of the financial statements (see Appendix B). We have also included our anticipated opinion on the Annual Report at Appendix C.

Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated April 2016.

We received draft financial statements and accompanying working papers at the commencement of our work, in accordance with the agreed timetable.

Our audit is now substantially complete, although we still need to finalise some of our closing procedures.

Key audit and financial reporting issues

Financial statements opinion

We identified **three** adjustments affecting the Fund's reported financial position (details are recorded in section two of this report). The draft financial statements for the year ended 31 March 2016 recorded net assets available for benefits during the year of £1,041,754; the audited financial statements show net assets available for benefits during the year of £1,041,429k. This change is primarily driven by changes made to Debtors and Contributions.

We have also recommended a number of classification adjustments and amendments to improve the presentation of the financial statements.

We anticipate providing an unqualified opinion in respect of the Fund's financial statements.

Further details are set out in section two of this report.

Controls

Roles and responsibilities

The Fund's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Fund.

Findings

Our IT auditors carried out a high level review of IT controls and highlighted concerns over access and authorisation controls. We have discussed these with management. Further details are provided within section two of this report and the control issues are set out in more detail in the audit findings report on the main council accounts.

The way forward

Matters arising from the financial statements audit have been discussed with the Head of Corporate Resources

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Grant Thornton UK LLP
September 2016

Section 2: Audit findings

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

This section summarises the findings of the audit, we report on the final level of materiality used and the work undertaken against the risks we identified in our initial audit plan. We also conclude on the accounting policies, estimates and judgements used and highlight any weaknesses found as part of the audit in internal controls. As required by auditing standards we detail both adjusted and unadjusted misstatements to the accounts and their impact on the financial statements.

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our audit plan, we determined overall materiality to be £10,426k (being 1% of net assets). We have considered whether this level remained appropriate during the course of the audit and have made no changes to our overall materiality.

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £521k. This remains the same as reported in our audit plan.

As we reported in our audit plan, we identified the following items where we decided that separate materiality levels were appropriate.

Page 430

Balance/transaction/disclosure	Explanation	Materiality level
Related party transaction	Due to public interest in these disclosures and the statutory requirement for them to be made.	Any errors identified by testing will be assessed individually, with due regard given to the nature of the error and its potential impact on users of the financial statements. We are unable to quantify a materiality level as the concept of related party transactions takes into account what is material to both the Pension Fund and the related party.
Cash and cash equivalents	The balance of cash and cash equivalents is usually material, and as the majority of your transactions affect the balance it is therefore considered to be material by nature also.	Any errors identified in excess of £500k will be considered as to whether they would affect the user understanding of the financial statements.

Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA (UK&I) 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
Page 431	<p>1. The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Lewisham Pension Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Lewisham Pension Council as the administering authority, mean that all forms of fraud are seen as unacceptable. 	<p>Our audit work has not identified any material issues in respect of revenue recognition.</p>
	<p>2. Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<p>Provide summary of work performed, e.g.</p> <ul style="list-style-type: none"> • review of entity-level controls • testing of journal entries • review of accounting estimates, judgements and decisions made by management • review of unusual significant transactions 	<p>Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We did not identify any unusual significant transactions during our audit.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgements.</p>

Audit findings against significant risks continued

We have also identified the following significant risks of material misstatement from our understanding of the entity. We set out below the work we have completed to address these risks.

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
3. Page 432	<p>Level 3 Investments – Valuation is incorrect</p> <p>Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p>	<ul style="list-style-type: none"> • We carried out walkthrough tests of the controls identified in the cycle. • Tested a sample of private equity investments by obtaining and reviewing the latest audited accounts for individual investments and agreeing these to the fund manager reports at that date. Reconciliation of those values to the values at 31s March with reference to known movements in the intervening period. • Reviewed the nature and basis of estimated values and considered what assurance management has over the year end valuations provided for these types of investments. 	<p>Our work has not identified any issues with the valuation of Level 3 investments reported at year end.</p>

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan. Recommendations, together with management responses are attached at appendix A.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Investment purchases and sales	Investment activity not valid. (Occurrence) Investment valuation not correct. (Valuation gross)	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding. • We have reviewed the reconciliation of information provided by the fund managers, the custodian and the Pension Fund's own records and sought explanations for variances. 	Our audit work has not identified any significant issues in relation to the risk identified.

Audit findings against other risks (continued)

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Investment values – Level 2 investments	Valuation is incorrect. (Valuation net)	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding. • We have reviewed the reconciliation of information provided by the fund managers, the custodian and the Pension Fund's own records and sought explanations for variances. • For direct property investments agreed values in total to valuer's report and undertaken steps to gain reliance on the valuer as an expert. 	Our audit work has not identified any significant issues in relation to the risk identified.
Contributions	Recorded contributions not correct (Occurrence)	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding. • Tested a sample of contributions to source data to gain assurance over their accuracy and occurrence. • Rationalised contributions received with reference to changes in member body payrolls and numbers of contributing pensioners and ensured that any unexpected trends were satisfactorily explained. 	Our audit work has not identified any significant issues in relation to the risk identified.

Page 43/4




Audit findings against other risks (continued)

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Benefits payable	Benefits improperly computed/claims liability understated (Completeness, accuracy and occurrence)	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding. • Controls testing over, completeness, accuracy and occurrence of benefit payments, • Tested a sample of individual pensions in payment by reference to member files. • Rationalised pensions paid with reference to changes in pensioner numbers and increases applied in the year and ensured that any unusual trends were satisfactorily explained. 	Our audit work has not identified any significant issues in relation to the risk identified.
Member Data	Member data not correct. (Rights and Obligations)	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • We have performed a walkthrough to gain assurance that the in-year controls were operating in accordance with our documented understanding. • Sample tested changes to member data made during the year to source documentation. 	Our audit work has not identified any significant issues in relation to the risk identified.

Page 435

Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Fund's financial statements.

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	Accounting policies state that income is recognised on an accruals basis, as it falls due.	We did not identify any issues with the revenue recognition policy or with the application of the policy	 (Green)
Judgements and estimates	Key estimates and judgements concern the valuation of investments and the valuation of the pension fund liability	Our review of your key judgements disclosed in the draft financial statements has confirmed they are complete and in accordance with our understanding of the Fund. Our testing has confirmed that the accounting policies in relation to these areas are in accordance with the CIFPA Code of Practice and have been correctly and consistently applied.	 (Green)
Going concern	Officers have a reasonable expectation that the services provided by the Fund will continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.	We have reviewed officer's assessment and are satisfied with their assessment that the going concern basis is appropriate for the 2015/16 financial statements.	 (Green)

Page 436


Assessment

● Marginal accounting policy which could potentially attract attention from regulators (Red)
© 2016 Grant Thornton UK LLP | Audit Findings Report for Lewisham Pension Fund | 2015/16

● Accounting policy appropriate but scope for improved disclosure (Amber)

● Accounting policy appropriate and disclosures sufficient (Green)

Accounting policies, estimates and judgements continued

Accounting area	Summary of policy	Comments	Assessment
<p>Other accounting policies</p>	<p>We have reviewed the Fund's policies against the requirements of the CIPFA Code and accounting standards.</p>	<p>Our review of accounting policies has not highlighted any issues which we wish to bring to your attention.</p>	<p style="text-align: center;">  (Green) </p>

Assessment

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1.	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Audit Panel and been made aware of cases of fraud as they have been reported to the Panel. We are not aware of any incidences which are material to the opinion.
2.	Matters in relation to related parties	<ul style="list-style-type: none"> From the work we carried out, we have not identified any related party transactions which have not been disclosed
3.	Matters in relation to laws and regulations	<ul style="list-style-type: none"> You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4.	Written representations	<ul style="list-style-type: none"> A standard letter of representation has been requested from the Fund.
5.	Confirmation requests from third parties	<ul style="list-style-type: none"> We obtained direct confirmations from your fund managers and custodian for investment balances and from your bank for your cash balances (outside of the cash held by your fund managers). All of these requests have been returned with positive confirmation.
6.	Disclosures	<ul style="list-style-type: none"> Our review found no material omissions in the financial statements.
7.	Matters on which we report by exception	<ul style="list-style-type: none"> We are required to report by exception where the Pension Fund Annual Report is inconsistent with the financial statements. The report has not yet been published and we have no issues we wish to report.

Page 438

Internal controls

The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. We considered and walked through the internal controls for Investment Income, Contributions, Benefits Payable, and Member Data as set out on pages 12 and 13 above.

In our audit of the Council's accounts we identified a number of concerns with authorisation controls and separation of duties at the Council. These were consistent with internal audit findings during the year, and are reported in more detail in the audit findings report for the Council's accounts. Those control weaknesses also affect the pension fund as it uses the same financial systems. Weaknesses in the control environment can lead to an increased risk of fraud or error.

The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Adjusted misstatements

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which have been processed by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported surplus/deficit for the year.

Detail	Pension Fund Account £'000	Net Asset Statement £'000	Impact on Fund £000
1 The Council had raised debtors for invoices to Scheduled and Admitted bodies for which invoices had already been raised thereby duplicating the income in contributions.		(103)	(103)
2 The Council raised a number of debtors twice.		(387)	(387)
3 There is an additional pension fund debtor with London Borough of Lewisham which has not been included in the draft accounts.		166	166
Overall impact		£324	£324

Misclassifications and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements. Note - A number of other minor classification errors were identified which we have not stated below as they were below the trivial threshold.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Misclassification	1,236	Note 5a - Investments	We have identified a misclassification error where Level 1 investments for financial assets at fair value through profit and loss has been overstated by £1,236k. This is given as £20,683k however should be £19,447k. This also impacts the Net asset statement which has been overstated on Equities:Global by £1,236k.
2 Misclassification	1,050 and 180 Euros	Note 13 – Capital Commitments	We have identified a misclassification error on Note 13 – Capital Commitments. The Fund have applied incorrect capital figures for the V- Cayman Partnership Fund (180 euros) and the V- Cayman Direct Fund (1050 euros). This should be reversed with V-Cayman Partnership Fund (1050 Euros) and V-Cayman Direct Fund (180 Euros).
Misclassification	several	Note 4 – Investment Income	The Fund have included incorrect figures for Note 4 - investment income. This agrees in totality to the General Ledger however individual elements have been split incorrectly between do not agree the following categories; Cash -£117k, equity £349k, fixed interest £574k, index linked £122k, Managed funds - £1,415k and Other £487k.

Section 3: Fees, non-audit services and independence

Page 442

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

We confirm below our final fees charged for the audit.

Fees

	Proposed fee per Audit Plan £	Actual fees £
Pension fund scale fee	21,000	21,000
Total audit fees (excluding VAT)	21,000	21,000

The proposed fee variation for IAS 19 above takes account of the work we are required to undertake for admitted bodies with the PSAA regime and is consistent with that requested in prior years.

Page 443

Fees for other services

Service	Fees £
Audit related services	Nil
Non-audit services	Nil

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Section 4: Communication of audit matters

Page 444

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

Communication to those charged with governance

International Standards on Auditing ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Fund's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Fund's key risks when reaching our conclusions under the Code.

It is the responsibility of the Fund to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Fund is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence.	✓	✓
Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged		
Details of safeguards applied to threats to independence		
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to auditor's report		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

Page 4/6
Appendices

Appendix: Audit opinion

We anticipate we will provide the Fund with an unmodified audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON BOROUGH OF LEWISHAM

We have audited the pension fund financial statements of London Borough of Lewisham (the "Authority") for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014 (the "Act"). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the conclusions we have formed.

Respective responsibilities of the Executive Director of Resources and Regeneration and auditor

As explained more fully in the Statement of the Executive Director of Resources and Regeneration's Responsibilities, the Executive Director of Resources and Regeneration is responsible for the preparation of the Authority's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, which give a true and fair view. Our responsibility is to audit and express an opinion on the pension fund financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the pension fund financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the pension fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Director of Resources and Regeneration; and the overall presentation of the pension fund financial statements. In addition, we read all the financial and non-financial information in the Authority's Statement of Accounts to identify material inconsistencies with the audited pension fund financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the pension fund financial statements

In our opinion the pension fund financial statements:

present a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2016 and of the amount and disposition at that date of the fund's assets and liabilities, and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law.

Opinion on other matters

In our opinion, the other information published together with the audited pension fund financial statements in the Authority's Statement of Accounts is consistent with the audited pension fund financial statements.

Darren Wells

for and on behalf of Grant Thornton UK LLP, Appointed Auditor
Fleming Way
Manor Royal
Crawley
RH10 9GT
September 2016



© 2016 Grant Thornton UK LLP. All rights served.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International LTD (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grant-thornton.co.uk



Darren Wells
Grant Thornton UK LLP
Fleming Way
Manor Royal
Crawley
RH10 9GT

Janet Senior
Executive Director for Resources &
Regeneration
Laurence House
Catford
London SE6 4RU

direct line 020 8314 8013
fax 020 8314 3642
janet.senior@lewisham.gov.uk

date 21 September 2016
our reference
your reference

Dear Darren

**London Borough of Lewisham and Lewisham Pension Fund
Financial Statements for the year ended 31 March 2016**

This representation letter is provided in connection with the audit of the financial statements of London Borough of Lewisham and Lewisham Pension Fund for the year ended 31 March 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 ("the Code"); which give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

- v Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- vi We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vii Except as disclosed in the financial statements:
 - a there are no unrecorded liabilities, actual or contingent
 - b none of the assets of the Council has been assigned, pledged or mortgaged
 - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- ix Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
- x All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
- xii We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.

The financial statements are free of material misstatements, including omissions.
- xiii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xv We have provided you with:
 - a access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b additional information that you have requested from us for the purpose of your audit; and
 - c unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
- xvi We have communicated to you all deficiencies in internal control of which management is aware.

- xvii All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Council involving:
 - a management;
 - b employees who have significant roles in internal control; or
 - c others where the fraud could have a material effect on the financial statements.
- xx We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, regulators or others.
- xxi We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii We have disclosed to you the identity of all the Council's related parties and all the related party relationships and transactions of which we are aware.
- xxiii We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxiv We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Statement

- xxv The disclosures within the Narrative Statement fairly reflect our understanding of the Council's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Audit Panel at its meeting on 13 September 2016.

Yours Sincerely,

Janet Senior
Executive Director for Resources & Regeneration

21 September 2016

Agenda Item 12

COUNCIL		
Report Title:	Youth Service Mutual – Appointment Of Non-Executive Director	
Key Decision:	Yes	Item No.:
Ward:	All	
Contributors:	Executive Director (Children & Young People) Head of Targeted Services & Joint Commissioning (Children & Young People)	
Class:	Part 1	Date: 21 September 2016

1. Purpose

- 1.1. The purpose of this report is to agree how the Council will be represented on the Board of Youth First, following the implementation of the three-year contract on 1st September 2016.

2. Recommendation

- 2.1. The Council is recommended to:
- Appoint one Council non-executive Director to the Board of Youth First

3. Background

- 3.1. Following a comprehensive review of various options for the future of the Youth Service and the development of a detailed plan for a youth and employee-led mutual, a final report was presented to Mayor & Cabinet in December 2015. As a result, the Mayor agreed that officers should run a 'mutuals only' tender process for the delivery of the Youth Service under Regulation 77 of the Public Contracts Regulations 2015.
- 3.2. The contract was awarded to Youth First (the Council's youth and employee-led mutual) on 1st June 2016 and the new service commenced on 1st September 2016 (with existing staff transferring to the mutual organisation).

4. Youth First Board – Roles And Responsibilities

- 4.1. The role of the Youth First Board is to set the strategic direction of the organisation and to ensure that it complies with all of its legal requirements, delegating to staff or others as necessary.
- 4.2. The Board is chaired by an Independent Chairperson (currently Sir Ian Mills) and consists of ten directors:
- *Four employee representatives* (including two representatives elected annually by all permanent employees)
 - *Two young people's representatives* (selected from the Young Mayor and Advisors, who are in turn elected annually by young people across the borough)

- *Four non-executive directors* (selected for the skills they can bring to the organisation)
- 4.3. It is anticipated that one of the four non-executive directors will be a Council representative appointed by Members, which will ensure an appropriate level of accountability. However, the primary (and legal) role of the Council non-executive director (as well as all other Board members) will be to represent the interests of Youth First and be actively engaged in its future development, including sustainability and fundraising.
- 4.4. All Board members (including the non-executive directors) will be expected to attend quarterly meetings and will not receive any financial remuneration. Unlike other members, the Council non-executive director will be appointed for the full three years of the contract.

5. Legal Implications

- 5.1. Youth First has legally established itself as a charitable Community Benefit Society (CBS), which is governed by the Cooperative and Community Benefit Society Act 2015. This means that the organisation must be run primarily for the benefit of people who are not members of the society and must also be in the interests of the community at large.

6. Financial Implications

- 6.1. There are no specific financial implications arising from this report.

7. Equalities Implications

- 7.1. There are no specific equalities implications arising from this report.

8. Crime & Disorder Implications

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

9. Environmental Implications

- 9.1. There are no specific environmental implications arising from this report.

10. Background Documents & Originator

- 10.1. The background documents referenced in this report are:

Title	Date	File Location	Contact Officer
The Future Of The Youth Service – A Mutual Plan	9 December 2015	Available at this link	Mervyn Kaye

Youth Service Mutual – Award Of Contract	1 June 2016	Part 2 report	Rosalind Jeffrey
--	-------------	---------------	------------------

- 10.2. If there are any queries about this report, please contact Warwick Tomsett (Head of Targeted Services & Joint Commissioning) on extension 48362 or at warwick.tomsett@lewisham.gov.uk.

COUNCIL		
Report Title	Appointments	
Key Decision	No	Item No.
Ward		
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: September 21 2016

1. Appointments by the Council

Following the resignations of Councillors Ibitson and Alicia Kennedy and the death of Councillor Onuegbu vacancies currently exist on the following Committees and outside bodies

Council Committees

- (a) Audit Panel
- (b) Planning Committee B
- (c) Planning Committee C

Overview & Scrutiny Select Committees

- (a) Healthier Communities
- (b) Public Accounts – 2 vacancies
- (c) Safer Stronger Communities

Outside Bodies

- (a) Governing Body South London & Maudesley NHS Foundation Trust
- (b) Marsha Phoenix Memorial Trust

RECOMMENDATION That the Council be invited to review memberships of Committees and Outside Bodies and consider proposals for change.

2. Appointments by the Mayor

Following the resignation of Councillors Ibitson and the death of Councillor Onuegbu vacancies currently exist on the following bodies which are the subject of Mayoral appointments:

- (a) Corporate Parenting Panel
- (b) Local Authorities Action for South Africa Steering Committee
- (c) Mayor's RSPCA Champion

RECOMMENDATION That the Mayor be invited to make appointments to these vacant positions.

Agenda Item 14

COUNCIL		
Report Title	Motion 1 in the name of Councillor Sorba to be seconded by Councillor Moore	
Key Decision	n/a	Item No.
Ward	n/a	
Contributors	Chief Executive (Head of Business & Committee)	
Class	Part 1	Date: September 21 2016

“This Council contests both the claims in the government’s White Paper “Educational Excellence Everywhere” and the proposals put forward by the Prime Minister, Theresa May:

Specifically:-

1. The re-introduction of the Grammar School system; resulting in the segregation of children from the age of 11 and a two tier education system. Ofsted’s Chief Inspector, Sir Michael Wilshaw said this month, “The notion that the poor stand to benefit from the return of grammar schools strikes me as quite palpable tosh and nonsense – and is very clearly refuted by the London experience.” Neil Carmichael the Chair of the House of Commons Education Select Committee and Alan Milburn the Chair of the Government’s Social Mobility and Child Poverty Commission are also opposed.
2. The removal of the 50% cap which will now allow new Faith Schools to admit the entirety of their intake on the basis of their religious practices.
3. The over-riding objective eventually to make *all* schools Academies without consulting stakeholders such as Governing Bodies, Senior Leadership Teams, Elected Members etc. – despite the fact that Academies are (a) not obliged to teach Personal, Social and Health Education, (b) are permitted to hire unqualified teachers and that (c) there is no solid evidence to indicate conversion leads to a rise in performance;
4. The abolition of Parent-Governors on School Governing Bodies and thus the parental voice;

In contrast, this Council urges national government policy to:-

1. Move away from a fixation with changing school structure and governance and a prejudice against local authorities;
2. Adequately fund an inclusive, not selective educative school system that serves both equal opportunity and social diversity.

3. Prioritize closing gaps in achievement linked to race, gender and socio-economic class;
4. Redefine educational achievement as more than just the accumulation of rising exam grades and include within it the successful development of wider attributes such as curiosity, self-confidence, creativity and collaborative and technical skills;
5. Utilise and adequately resource the school environment such that it nurtures the wellbeing and resilience of children;
6. Meet the challenge of recruiting and retaining sufficient numbers of both teachers and support staff and so reach education policy objectives;
7. Recognise that the interaction between the child and the teacher is more likely to improve learning than continual and disruptive top-down institutional reorganization.

The Council resolves to communicate these views to the Department for Education, the Shadow Secretary for Education and the Local Government Association.”