

# Public Accounts Select Committee Agenda

Tuesday, 4 February 2020  
**7.00 pm**, Committee room 1  
Civic Suite  
Lewisham Town Hall  
London SE6 4RU

For more information contact: Timothy Andrew  
([timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk))

This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

## Part 1

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# Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Tuesday, 4 February 2020.

Kim Wright, Chief Executive  
Monday, 27 January 2020

Councillor Jim Mallory (Chair)	
Councillor Louise Krupski (Vice-Chair)	
Councillor Tauseef Anwar	
Councillor Juliet Campbell	
Councillor Patrick Codd	
Councillor Alan Hall	
Councillor Mark Ingleby	
Councillor Paul Maslin	
Councillor Joan Millbank	
Councillor James Rathbone	
Councillor Bill Brown (ex-Officio)	
Councillor Sakina Sheikh (ex-Officio)	

## **MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE**

**Monday, 16 December 2019 at 7.00 pm**

**PRESENT:** Councillors Jim Mallory (Chair), Louise Krupski (Vice-Chair), Patrick Codd, Mark Ingleby, Paul Maslin, Joan Millbank and James Rathbone

**APOLOGIES:** Councillors Tauseef Anwar and Juliet Campbell

**ALSO PRESENT:** Councillor Kevin Bonavia (Cabinet Member for Democracy, Refugees & Accountability), Councillor Amanda De Ryk (Cabinet Member for Finance and Resources), Timothy Andrew (Scrutiny Manager), David Austin (Acting Chief Finance Officer), Adam Bowles (Director of OD & HR), Fiona Colley (Director of Strategy and Communications), John Johnstone (Group Finance Manager, Resources and Regeneration), Robert Mellors (Finance Manager, Community Services and Adult Social Care), Theron Newman (Group Finance Manager, Customer Services), Georgina Nunney (Principal Lawyer) and Selwyn Thompson (Director of Financial Services)

### **1. Minutes of the meetings held on 24 September 2019 and 6 November 2019**

- 1.1 Timothy Andrew (Scrutiny Manager) informed the Committee that – further to the discussion regarding the refuse service budget at the previous meeting – a clarification had been added to the minutes of the meeting on 24 September.
- 1.2 **Resolved:** that the minutes of the meetings held on 24 September 2019 and 6 November 2019 be agreed as accurate records of those meetings.

### **2. Declarations of interest**

- 2.1 Councillor Ingleby declared a non-prejudicial interest in relation to item six as a Director of Lewisham Homes.

### **3. Responses from Mayor and Cabinet**

- 3.1 There were none.

### **4. Strategy and communications budget briefing**

- 4.1 Fiona Colley (Director of Communications and Strategy) introduced the report – the following key points were noted:
  - The report focused most closely on the communications budget – because that was where the most significant changes were taking place.
  - The service had made significant cuts over the past few years.
  - The Committee had requested that the report should include some information about the trial of the shared service with LB Lambeth. A trial was carried out in 2016 – starting with a shared head of service.

- It had been hoped that the shared service would save money – with the potential for skills developed in the service to provide a future source of income.
- The trial ended in January 2017 - it saved £50k. However – overall it was not a success. It was reported that the arrangement resulted in a lack of leadership and management attention.
- Additional resources had been added to the communications budget in 2018-19 in order to enable the migration of the website and to pay for software licenses. Future support for the website would be provided by the shared IT service.
- In 2019-20 additional funds were provided in order to increase staffing in the communications team. It was recognised that previous cuts had been too deep and that additional staff members were needed to meet the level of service required by Council departments.
- Temporary posts were put in place – to support change and transformation projects across the Council – as well as marketing support for delivery of priorities in the new corporate strategy. This was particularly needed for those projects that required a high level of community engagement (including the Democracy Review and the public health approach to violence prevention).
- She and the new Head of Communications had been meeting with senior officers and cabinet members as well as the Chair of Overview and Scrutiny – in order to understand expectations and to inform a wide ranging review of the service.
- Comments that had been made at scrutiny committees had been taken on board – for example that communications was not strategic enough and that it did not represent councillors’ priorities.
- She had also spent time with the team to see how it was working. A number of visits had also been carried out to other boroughs to see how their communications teams were set up.
- Detailed consideration had been given to the findings of the Democracy Review – and the new corporate strategy. It was understood that councillors wanted to engage more effectively with residents – particularly the ‘seldom heard’.
- There was also a new focus on campaigning for positive change and investment into the borough in order to support the Council’s ambitious aims for the borough.
- To deliver this work- a set of communications objectives had been created (as set out in the report).
- Some improvements to communications had taken place – but there was still work to do. The team was currently in the midst of a restructure - to align resources in the team with the new objectives.
- In future – there would be focus on areas in which communications could have a real impact.
- Future campaigns would not be about promoting the Council but rather getting residents involved in delivering positive change (such as improving the environment and tackling climate change).
- The work of the Economy and Partnerships team had been subject to scrutiny at Sustainable Development Select Committee (the report to that

Committee was appended to the report). The team had been very successful at securing external funding to deliver its work.

- A large proportion of the remaining budget was allocated to apprenticeship salaries.
- The nature of the funding of the team meant that it could be difficult to retain staff (a number of whom were employed on short-term contracts linked to external pots of funding).
- It was intended to develop a new inclusive growth strategy in the coming months.
- There were six officers in the Mayor and Cabinet office including two political advisers and two officers who supported the young mayor and the young advisors.
- Following the election in 2018 – the Mayor and Council agreed to delegate the majority of decision making powers from the Mayor to the Mayor and Cabinet as part of a commitment to becoming more collaborative and inclusive in decision making.
- Cabinet members now had far greater responsibilities – which they were trying to fulfil in only two days a week.
- The corporate strategy had committed the Council to increased openness and transparency – as well as enhanced levels of collaboration and accountability.
- To facilitate the new role of cabinet members – the Chief Executive agreed to the appointment of two new cabinet support officers. The budget was increased by £150k to cover this cost as well as some previous underfunding for the young mayor’s elections. The funding also enabled a review of job descriptions in the team (which had not been reviewed for more than a decade).

4.2 Fiona Colley responded to questions from the Committee – the following key points were noted:

- A number of temporary roles had been made in communications in 2019-20. This required additional funding of £200k – which would also cover the cost of the transformation work that was currently taking place.
- Interviews for the restructure were currently being carried out. The team would be in transition up until the end of the financial year.
- Officers worked flexibly and collaboratively – particularly across the areas of strategy and policy (managed by the Director of Corporate Policy and Governance).
- Most Council officers could be called on to work on projects outside of their own areas. One example was Lewisham’s bid to become borough of culture – which was supported by officers from communications, corporate policy and the Mayor’s office.
- She worked closely with the Director of Corporate Policy and Governance – and the officers in that division.
- The Mayor and Cabinet office and communications teams worked closely together. Cabinet support officers helped to field questions and answer questions about policy. There was also a weekly meeting between the two teams at which opportunities for positive press coverage were discussed. Some communications work was also carried out by the political assistants – in specific circumstances.

- The new website was capable of more functions than the old site. It was hoped that this would reduce the number of externally commissioned micro-sites (and the cost of licenses) for Council projects. However, there were some instances in which external sites were appropriate (such as the bid for the London borough of culture, which had its own branding).
- Section 106 funding could be used for employment and training projects in the borough. Work was taking place to ensure that future projects were being developed to make the best use of the available funding.
- The Sustainable Development Select Committee had proposed that community infrastructure levy funding could be allocated towards employment and training projects- however- the current focus was on spending the section 106 funding that was available.
- As section 106 funding declined – further consideration would be given to the use of community infrastructure levy spending.
- Income in the Economy and Partnerships was largely gained from grants and multi-year external funding that was spent incrementally – rather than as a steady source income.
- The Mayor and Cabinet office primarily supported the Mayor and Cabinet Members. The office also had a role supporting Council appointed champions. The political assistant for the Labour Group supported non-executive councillors.
- There were two additional posts in the Mayor and Cabinet office (in contrast to the previous administration).

4.3 Councillor Kevin Bonavia (Cabinet Member for Democracy, Refugees and Accountability) responded to questions from the Committee – the following key points were noted:

- Cabinet support officers provided support to Council appointed champions – although this was primarily through the support provided to the cabinet member to respond to issues raised by champions.
- The role of Cabinet Members had been expanded. The Cabinet was making significant progress in implementing the new corporate strategy.

4.4 Councillor Amanda de Ryk (Cabinet Member for Finance, Jobs and Skills) addressed Committee – the following key points were noted:

- It would not be appropriate or fair for the Director of Strategy and Communications to respond to questions about the potential rationalisation of work (or teams) between her area and that of the Director of Corporate Policy and Governance. Organisational structure was a matter for the Chief Executive.
- There were a small number of officers who reported directly to the Chief Executive.
- A report was due to be published on community wealth building – which would support the development of the inclusive growth strategy.

4.5 In Committee discussions the following key points were also noted:

- There were comments about the reliability of the staffing structure chart (and contact details) provided to members. It was highlighted that there were a number of officers who had left the Council – but whose details still appeared on the chart.

- Council appointed champions did not receive direct support from officers in the cabinet office.
- Members questioned what the additional funding being spent in the Mayor and Cabinet office was intended to achieve. And – in particular – a question was raised about the comparative benefit of spending this additional sum on street sweeping.
- Members reiterated support for the work being carried out by the Economy and Partnerships team.

4.6 **Resolved:** that the report be noted.

## 5. Commercial culture and training

5.1 Adam Bowles (Director of Organisational Development and Human Resources) introduced the report – the following key points were noted:

- The report followed on from the update by Katherine Nidd on income generation and commercialisation at the last meeting.
- It outlined the development of the new ‘Lewisham Way’ behaviours for managers and training being developed for employees to support commercialisation.
- The ‘Lewisham Way’ behavioural framework had been in place for 15 years. It was being refreshed to take account of changes over that period.
- Officers drew on: relevant research; sessions with cabinet members; workshops with staff; the findings of the democracy review and feedback from the staff survey to inform the development of the renewed Lewisham Way.
- The new Chief Executive had decided to carry out a further round of engagement before finalising the new framework.
- It was intended that the new behaviours would be embedded in the Council’s performance management and human resources processes and policies (from induction, to hiring processes and performance management).
- A number of new imperatives relating to commercialisation had been included in the new behavioural framework, including: ‘create and innovate’ – ‘measure and evaluate’ – ‘think broadly and find solutions’ (which had previously only included the impetus to ‘think broadly’) and – ‘maximise value’ which had previously been ‘maximise public value’.
- The intention was to create new training processes relating to each of the new behaviours. In some cases, however, the training would relate to a number of the behaviours.
- Courses would be developed for senior managers and for group managers.
- The “leaders” course would be based on case studies and would focus on strategic approach to commercialisation.
- The course for group managers would be longer and more in depth. It would be delivered in partnership between training providers and council officers in the strategic procurement and commercialisation team.

5.2 Adam Bowles responded to questions from the Committee – the following key points were noted:

- It was recognised that leadership was important to embedding a commercial mindset in the Council. It was also important that people at all levels recognised their own capacity to develop new ideas and effect change.
- There were three 'linking words' which formed part of the new Lewisham Way: 'changing lives' – 'working together' and 'maximising value'.
- Culture change in organisations took many years – and was difficult to do successfully.
- Not everyone was going to be trained on every element of the new behaviours straight away. Specific training was being developed on commercialisation.

5.3 In Committee discussions – the following key points were also noted:

- It was clear from the work carried out by the Committee to date that the Council's approach to commercialisation had to be led from the top.
- It was important that the Council's approach to commercialisation continued to reference social value.
- Members would welcome the opportunity to be further involved in reviewing the training (and determining whether it might be helpful for other Councillors to partake in it).

5.4 Councillor Amanda de Ryk addressed the Committee – the following key points were noted:

- One of the key elements of a commercial mindset was developing an understanding of how much your services cost to deliver and then how much you could raise income to meet those costs.
- The discipline and rigour of carrying out the analysis of fees and charges was the foundation of all future commercialisation work. The training would help with this.
- Benchmarking with other councils could be used to understand the cost of delivering Lewisham's services. This had to be carried out by services – with an understanding of the differences and similarities between delivering services.

5.5 **Resolved:** a) that the Committee would take part in a pilot of the commercialisation training being developed by officers; b) that a further update on the implementation of the new 'Lewisham Way' would return to the Committee in the next municipal year (with a specific emphasis on progress – including relevant examples - that had been made in developing the Council's commercial culture).

## 6. Financial forecasts

6.1 Selwyn Thompson (Director of Financial Services) provided an overview of the key points in the report.

6.2 Selwyn Thompson and David Austin (Acting Chief Finance Officer) responded to questions from the Committee – the following key points were noted:

- It was expected that the financial settlement for local government would be announced in January. It had been delayed by the general election.
- Councils' working assumption was that the spending announced by the chancellor in September 2019 would be followed through until next year.
- The Council had advanced a loan facility to Lewisham Homes for its housing acquisition programme. However, Lewisham Homes was currently using its reserves to acquire the new homes.
- Indications from government were that that funding would continue for the 'Troubled Families' programme. If the funding was discontinued it would create a budget gap of a million pounds and there would have to be a review of which parts of the programme the Council should continue and where the funding should come from.
- Pressures in children's services remained. Funding for next year would be made available from the additional social care grant.
- It was assumed that the government had recognised that there was a funding gap for social care – and that the future funding settlement for local government would reflect this.
- Not all of the overspending in the children and young people directorate related to social care (a proportion was for transport – and troubled families).
- Some of the overspend would have to be met from reserves.
- Some proposals for commercialisation included a 'stretch' – to push services to challenge their ways of working.
- A number of processes were in place to monitor and manage costs in areas that were overspending.
- There were six years in which the Council used its reserves to balance its budget (averaging £3.5m a year). More than £20m of the reserves were used in this time.
- Council tax collection tended to improve toward the end of the year.
- The capital programme was revised towards the end of the year. By the end of last year 82% of the revised budget was spent.
- The capital fund for the general fund was expected to spend closer to its revised budget than the housing revenue account. Some elements of the housing programme were taking longer to implement than had been anticipated but it was expected that the programme would accelerate next year.
- There were not significant implications on the general fund from the delay in the delivery of the housing programme.

6.3 In Committee discussions – the following key points were also noted:

- Members expressed concern about the remaining gap in children's services following the 'once off' injection of additional funds.
- Concerns were raised about the underachievement of income from commercialisation proposals in the environment division.
- Members asked about the condition of the Council's reserves (officers agreed to provide an update on the previous briefing).

6.4 **Resolved:** that the report be noted, with reference to the alarms and concerns raised during the discussion.

**7. Select Committee work programme**

7.1 The Committee noted that the draft budget was the only item on the agenda for the next meeting. Members were also reminded about the budget briefing on 13 January – as well as the meeting that had been arranged with officers from the London Borough of Waltham Forest – to discuss commercialisation and culture change.

**8. Referrals to Mayor and Cabinet**

8.1 There were none.

The meeting ended at 9.15 pm

Chair:

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Date:

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<b>Public Accounts Select Committee</b>		
Title	Declaration of interests	
Contributor	Chief Executive	Item 2
Class	Part 1 (open)	2019-20

## **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;

(b) and 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)

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## Public Accounts Select Committee

### Report title: responses to referrals

**Date:** 04 February 2020.

**Key decision:** No.

**Class:** Part 1.

**Ward(s) affected:** Not applicable.

**Contributors:** Timothy Andrew (Scrutiny Manager)

### Outline and recommendations

The report that follows contains the approved response to the Committee's referral of concerns raised by the Audit Panel.

### Timeline of engagement and decision-making

24 September 2019 – Public Accounts Select Committee receives a presentation from the Chair of the Audit Panel and resolves to make a referral to Mayor and Cabinet.

30 October 2019 – consideration by Mayor and Cabinet of the Committee's comments on the concerns raised by the audit panel. Decision taken by Mayor and Cabinet asking officers to respond.

15 January 2020 – consideration by Mayor and Cabinet of officers response to the Committee referral. Decision taken by Mayor and Cabinet to report the response to the Committee.

## **1. Purpose**

- 1.1. To advise the Committee of response to its referral.

## **2. Recommendations**

- 2.1. The Committee is recommended to receive the response to its referral.

## **3. Responses to referrals**

- 3.1. At its meeting on 15 January 2020 Mayor and Cabinet considered a response to the Committee's referral on concerns raised by the audit panel.
- 3.2. It was agreed that the response be approved and forwarded to the Public Accounts Select Committee. The response is appended to this report.

## **4. Financial implications**

- 4.1. There are no direct financial implications arising from the implementation of the recommendations in this report.

## **5. Legal implications**

- 5.1. The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

## **6. Report author and contact**

- 6.1. If you have any questions about this report then please contact: Timothy Andrew (Scrutiny Manager) 020 8314 7916 – [timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk)

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<b>MAYOR &amp; CABINET</b>			
<b>REPORT TITLE</b>	Response to the Public Accounts Select Committee comments on concerns raised by the Audit Panel		
<b>KEY DECISION</b>	No	<b>Item No.</b>	
<b>WARD</b>	N/A		
<b>CONTRIBUTORS</b>	Executive Director for Corporate Services		
<b>CLASS</b>	Part 1	<b>Date</b>	15 January 2020

## 1. PURPOSE

- 1.1 To provide the response to the comments made by the Public Accounts Select Committee in relation to the issues raised by the Audit Panel.

## 2. RECOMMENDATION

- 2.1 It is recommended that the Mayor and Cabinet agrees the proposed actions and response set out in section 5 below in response to the comments made by the Public Accounts Select Committee.

## 3. POLICY CONTEXT

- 3.1 The information set out in the body of this report is consistent with the delivery of the Council's corporate priorities (contained within the new Corporate Strategy 2018-22), and is particularly relevant to the Council's strong and resilient framework for prioritising action which has assisted the organisation in the face of austerity in seeking greater efficiency through the use of the resources it has available.

## 4. BACKGROUND

- 4.1. At its meeting on 24 September 2019, the Public Accounts Select Committee received a short briefing on discussions that had taken place at the Audit Panel regarding the resources available to carry out the Council's financial services and audit functions.
- 4.2 The Committee was advised that the Authority did not meet the 31 July 2019 audit reporting deadline and that Audit Panel had raised concerns in respect of the quality of financial reporting. The Panel ascertained that one reason for this was the under resourcing in the 'finance department'.

4.3 Further to the verbal update from the Chair of the Audit Panel (and the written summary below), the Committee was persuaded that there are urgent issues relating to the resourcing of the Council's financial services and audit functions that require immediate and detailed consideration by Mayor and Cabinet.

## **5. RESPONSE**

5.1 The issues raised by the Audit Panel have in the main been responded to by officers in a report presented to the Audit Panel on 10<sup>th</sup> December 2019. This report focused on specific issues relating to the re-implementation of the Council's main financial system and the series of internal audit recommendations in relation to the core financial functions.

5.2 Members should note that this report provided Audit Panel members with an update on the progress of the internal audit recommendations which were highlighted in their September meeting. It should be noted that such updates on the internal audit recommendations will continue to be provided to the Audit Panel routinely.

5.3 The Audit Panel report, which was well received and welcomed by Panel members is attached at the 'background document' section to this report.

5.4 The 2018/19 annual audit process bore witness to some unexpected staffing difficulties which tested the resilience of the finance function during the process. This included the Group Finance Manager for Core Accounting unexpectedly taking ill and being absent from work for period of four months at the most crucial time, as well as a number of key finance staff leaving Lewisham to take up employment elsewhere. This severely impacted on the team's ability to meet the statutory deadlines for the accounts. Although the authority was not alone in not meeting the statutory deadline, (some 44% of local authorities did not), Lewisham firmly wants to be in a position where it is able to express enough resilience to meet set deadlines.

5.5 There are a number of measures which are being taken to ensure that the team is adequately prepared for the closedown process for this financial year of 2019/20 and the subsequent audit process for the annual accounts.

5.6 The team are committed to performing a number of annual 'accounting' closedown tasks early, where it is possible to do so. Such tasks include, the reconciliation of balance sheet codes and associated journals, claiming of 'unidentified' income / exceptions and this especially relates to grant income; drawdown from reserves, provided the money has been spent, and subject to Acting Chief Finance Officer's approval. It is felt that by making the concerted effort to performing these accounting tasks prior to the start of the process will put the team in best position possible to meet the deadlines set for the 2019/20 accounts and respond to audit queries on a timely basis.

5.7 Furthermore, plans are underway to bolster staffing in key areas of the function. These are activities which remains under constant review by the Acting Chief Finance Officer and the Director of Financial Services. Any formal structural proposals are being considered as part of the budget process and will be reported in due course.

- 5.8 It should be noted that some early measures include the recruitment to the vacant Principal Accountant post in the Core Accounting Team on a full time and permanent basis. Although this post had been technically vacant, the post-holder's responsibilities had been covered by existing members of the team and through the engagement of some temporary resources. By filling such posts on a full time and permanent basis will give the finance function that greater degree of stability and thereby strengthen its resilience.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no financial implications arising out of this report per se, although the financial implications of any strengthening of the finance function over and above its existing budgetary allocation will need to be considered in due course.

## **7. LEGAL IMPLICATIONS**

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

## **8. CRIME AND DISORDER ACT IMPLICATIONS**

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

## **9. EQUALITIES AND ENVIRONMENTAL IMPLICATIONS**

- 9.1 There are no equalities or environmental implications directly arising from this report.

### **Background Documents**

Paper to Audit Panel on Oracle Cloud and Audit Issues on 10<sup>th</sup> December 2019

[http://councilmeetings.lewisham.gov.uk/documents/s69846/Oracle%20Cloud%20Update\\_AuditPanel101219.pdf](http://councilmeetings.lewisham.gov.uk/documents/s69846/Oracle%20Cloud%20Update_AuditPanel101219.pdf)

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

Selwyn Thompson, Director of Financial Services on 020 8314 6932

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## Public Accounts Select Committee

### Report title: DRAFT 2020/21 Budget Report

**Date:** 04 February 2020

**Key decision:** No – for Scrutiny

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Acting Chief Finance Officer

### Outline and recommendations

The purpose of this report is to set out the overall financial position of the Council in relation to 2019/20 and to set the Budget for 2020/21. This report allows the Council Tax to be agreed and housing rents to be set for 2020/21. It sets the Capital Programme for the next three years and the Council's Treasury Strategy for 2020/21.

The report also provides summary information on the revenue budget cut proposals that were presented at Mayor & Cabinet on the 21 November 2018 and the 30 October 2019 for implementation in 2020/21. The approval and successful delivery of these cuts is required in order to help balance the budget for 2020/21 and prepare to address the budget requirement for 2021/22.

The Mayor is asked to consider the recommendations listed in this report at section 2.

## **Timeline of engagement and decision-making**

The 2020/21 Revenue Budget cuts were approved by Mayor and Cabinet on the 21 November 2018 and the 30 October 2019.

The Council Tax Base was approved by Council on the 22 January 2020.

Mayor and Cabinet will review the budget report on the 5 February and the budget update report on the 12 February before the Mayor presents it to Council on the 26 February 2020.

## **Public Accounts Select Committee**

- 1.1. The Select Committee are asked to:
  - 1.1.1. Review and note the following draft Budget Report for the Council in 2020/21 and supporting appendices; and
  - 1.1.2. Provide Mayor and Cabinet with any comments on the proposals contained in the draft Budget ahead of their meeting on the 5 February 2020.

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## 1. Summary

1.1 This report sets out the context and range of budget assumptions which Council is required to agree to enable it set a balanced budget for 2020/21. These include the following:

### 1.2 Capital

- The proposed Capital Programme (General Fund and Housing Revenue Account) budget for 2020/21 to 2022/23 of £551.2m, of which £194.4m is for 2020/21;

### 1.3 Housing

- A proposed rent increase of 2.7% (an average of £2.56 per week) in respect of dwelling rents, 2.7% (average £0.94 per week) in respect of hostels, and a range of other proposed changes to service charges. The proposed annual expenditure for the Housing Revenue Account is £225.8m, including the capital and new build programme, for 2020/21;

### 1.4 Schools

- Schools Funding - The provisional 2020/21 Dedicated Schools Grant allocation is £297.4m based on an uplift of 1.84% for Primary and Secondary Schools. With falling rolls and pay inflation this represents a real term reduction for schools.
- Special Needs Funding - Net increase in High Needs Block of £3.4m for 2020/21 following additional funding for 2020/21 from government.
- Early Years Funding - Increase of 8p per hour in the funding for two to four year olds, and supplementary funding to support the two Lewisham nursery schools will continue for 2020/21 at the current level.
- Pupil Premium - funding rates will remain the same as at present and the final allocation will be advised following the 2020 January Census. For reference the allocation for 2019/20 fell to £12.1m

### 1.5 General Fund

- In respect of the General Fund, the assumed net revenue expenditure budget is £248.714m. This is made up of provisional Settlement Funding from government of £123.149m (revenue support grant and business rates), forecast Council Tax receipts including an increase in Council Tax of 3.99%, a surplus from growth in the Council Tax base and on collection of Council Tax in previous years from the Collection Fund, and additional income from Business Rates including a share of the growth from the pilot London Business Rates Pool.
- The changes to the prior year General Fund position to meet the 2020/21 net revenue budget of £248.714m are proposed on the basis of the following assumptions:
  - £16.609m of revenue budget cuts have been agreed for 2020/21;
  - £6.500m of corporate budget for risks and pressures in 2020/21, of which it is being recommended that the full £6.500m of specific identified budget pressures be funded from the start of the year;
  - An assumed 3.99% increase in Band D Council Tax for Lewisham's services for 2020/21; including the 1.99% increase in the core Council Tax as announced in the provisional Local Government Finance Settlement and 2% increase for the Social Care precept.

### 1.6 Grants

- In addition to the Public Health grant, the Council will continue to receive the other main grants - New Homes Bonus, Better Care Fund, improved Better Care Fund (including winter pressures), and Social Care Grant as part of the one year settlement for 2020/21.

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## 1.7 Medium Term Financial Outlook

- The report looks to the medium term financial outlook and notes the prospects for the budget in 2021/22, cuts required, and the continued work by officers to meet identified potential budget shortfalls in future years. These are estimated at circa £40m over the following three years, 2021/22 and 2023/24. The report provides an update on the Government's review of relative needs and resources which now has the revised later implementation date of 1 April 2021.

## 1.8 Treasury

- The report updates the Council's Treasury Management Strategy for both borrowing and investments. The proposed approach and levels of risk the Council takes in its Treasury functions remain broadly the same as last year, and officers continue to explore alternative investment options and further opportunities to undertake debt restructuring in order to reduce balance sheet risk and best fund the capital plans set out.

## 1.9 Fees and Charges

- This report also presents the 2020/21 proposed fees and charges and related annual increase for the majority of chargeable services.

## 2. Recommendations

2.1 It is recommended that the Mayor considers the comments of the Public Accounts Select Committee of 4 February 2020 and notes that Mayor and Cabinet decisions on the budget report will then be taken formerly with the budget update report on the 12 February.

2.2 That, having considered the views of those consulted on the budget, and subject to consideration of the outcome of consultation with business ratepayers and subject to proper process, as required, the Mayor:

### **Capital Programme**

2.3 notes the 2019/20 Quarter 3 Capital Programme monitoring position and the Capital Programme potential future schemes and resources as set out in section 5 of this report;

2.4 notes the significant proposed rise in prudential borrowing of more than £300m by 2020/23, primarily to fund the Building for Lewisham programme capital plans;

2.5 recommends that Council approves the 2020/21 to 2022/23 Capital Programme of £551.2m, as set out in section 5 of this report and attached at Appendices W1 and W2;

### **Housing Revenue Account**

2.6 notes the consultation report on service charges to tenants' and leaseholders in the Brockley area, presented to area panel members on 17 December 2019, as attached at Appendix X2;

2.7 notes the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 17 December 2019 as attached at Appendix X3;

2.8 sets an increase in dwelling rents of 2.7% (an average of £2.56 per week) – as per the formula rent calculations outlined in section 6 of this report;

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- 2.9 sets an increase in the hostels accommodation charge by 2.7% (or £0.94 per week), in accordance with formula rent calculations;
- 2.10 approves the following average weekly increases/decreases for dwellings for:
- 2.10.1 service charges to non-Lewisham Homes managed dwellings (Brockley);
- caretaking 3.40% (£0.13)
  - grounds 3.40% (£0.11)
  - communal lighting 3.40% (£0.02)
  - bulk waste collection 3.40% (£0.05)
  - window cleaning 3.40% (£0.00)
  - tenants' levy 0% (£0.00)
- 2.10.2 service charges to Lewisham Homes managed dwellings:
- caretaking 5.58% (£0.33)
  - grounds 3.80% (£0.09)
  - window cleaning 0% (£0.00)
  - communal lighting -3.94% (-£0.05)
  - block pest control 7.93% (£0.13)
  - waste collection -42.04% (-£0.22)
  - heating & hot water -0.39% (-£0.04)
  - tenants' levy 0% (£0.00)
  - bulk waste disposal 1.35% (£0.01)
  - sheltered housing 1.00% (£0.24)
- 2.11 approves the following average weekly percentage changes for hostels and shared temporary units for;
- service charges (hostels) – caretaking etc.; no change
  - energy cost increases for heat, light & power; no change
  - water charges increase; no change
- 2.12 approves an increase in garage rents by 2.4% (£0.38 per week) for Brockley and Lewisham Homes residents;
- 2.13 notes that the budgeted expenditure for the Housing Revenue Account (HRA) for 2020/21 is £225.8m, split £89.4m revenue and £136.4m capital, which includes the decent homes and new build programmes;
- 2.14 agrees the HRA budget strategy cut proposals in order to achieve a balanced budget in 2020/21, as attached at Appendix X1;
- 2.15 agrees to write off five cases of Former Tenants' Arrears as set out in section 6 and Appendix X7, totalling £60,307.22;

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

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- 2.16 agrees and recommends that Council agrees, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £ 212.135m be the Schools' Budget (Schools Block) for 2020/21.
- 2.17 notes that the funding in respect of each of the blocks continues to be based on the National Funding Formula. A "soft formula" remains in place for the Schools Block for 2020/21, however Lewisham Council has agreed to mirror the principles of the National Funding Formula to distribute the Schools Budget Share.
- 2.18 agrees and asks Council to agree that Minimum Funding Guarantee for the schools block be set at a plus 1.84% for 2020/21 as supported by Schools Forum;
- 2.19 notes a reduction in the Central Services Schools Block (CSSB) of £0.776m to £4.645m, previously committed to support additional high needs costs;
- 2.20 notes a provisional increase in the High Needs Block of £4.213m, effectively reduced to a net increase of £3.438m when offset by the CSSB reduction.
- 2.21 to note that schools have raised concern with Lewisham Council, as to the "cost pressures" arising from large numbers of Special Education Needs (SEN) support and Education Health Care Plans (EHCP) and that Schools Forum have agreed:
- additional funded support for Schools with outlier number of EHCP greater than 3%. It is anticipated that this will affect around eight schools.
  - SEN team to progress pilot working with schools to develop agreed process and strategy for pupils with SEN support who do not have EHCP.
- 2.22 notes and asks Council to note a small increase of £16k to the Central Services from the Schools Block component of the DSG for demand led statutory services.
- 2.23 notes and asks Council to note that the Early Years Block position is provisional pending January 2019 and 2020 pupil counts; and to further note that within the supplementary funding for Nursery Schools (determined within the Early Years Block) will continue for 2020/21 with an increase of £0.339m.
- 2.24 notes and asks Council to note the Department for Education (DfE) has confirmed that the Lewisham hourly rate per pupil for 3 and 4 year olds will increase from £5.62, to £5.70 (i.e. 8p per hour from 2020/21). The hourly rate for 2 year olds will also increase by 8p. Schools Forum has approved the split broadly at 50% to 50% to support deprivation and inclusion;
- 2.25 notes and asks Council to note the Pupil Premium Funding rates for 2020/21 will remain at current levels, set in 2017/18, thereby resulting in a further real term reduction;
- 2.26 notes and asks Council to note that the 2020/21 pupil premium allocation will be confirmed pending the January 2020 census.

### **General Fund Revenue Budget**

- 2.27 notes and asks Council to note the projected overall variance of £5.4m (or 2%) against the agreed 2019/20 revenue budget of £243.012m as set out in section 8 of this report and that any year-end overspend will be met from corporate reserves and provisions;
- 2.28 endorses and asks Council to endorse the budget cut proposals of £16.6m as per the Mayor and Cabinet meetings of the 21 November 2018, and 30 October 2019, as set out in section 8 of the report and summarised in Appendix Y1;
- 2.29 agrees and asks Council to agree the allocation of £6.500m in 2020/21 be set aside for corporate risks and pressures;

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- 2.30 agrees and asks Council to agree the allocation of the full £6.500m set aside for corporate risks and pressures in 2020/21 to fund quantified budget pressures;
- 2.31 agrees to recommend to Council that a General Fund Budget Requirement of £248.714m for 2020/21 be approved;
- 2.32 asks Council to agree to a 3.99% increase in Lewisham's Council Tax element. This will result in a Band D equivalent Council Tax level of £1,314.37 for Lewisham's services and £1,641.29 overall. This represents an overall increase in Council Tax for 2020/21 of 3.59% and is subject to the GLA precept for 2020/21 being increased by £6.41 (i.e. 1.99%) from £320.51 to £326.92, in line with the GLA's draft budget proposals;
- 2.33 notes and asks Council to note the Council Tax Ready Reckoner which for illustrative purposes sets out the Band D equivalent Council Tax at various levels of increase. This is explained in section 8 of the report and is set out in more detail in Appendix Y3;
- 2.34 asks that the Acting Chief Finance Officer issues cash limits to all Directorates once the 2020/21 Revenue Budget is agreed;
- 2.35 notes that the Acting Chief Finance Officer's Section 25 Statement will be presented in the Budget Update Report on the 13 February 2019 for approval;
- 2.36 agrees and asks Council to agree the draft statutory calculations for 2020/21 as set out at Appendix Y5;
- 2.37 notes and asks Council to note the prospects for the revenue budget for 2021/22 and future years as set out in section 9;
- 2.38 agrees and asks officers to continue to develop firm proposals to redesign and transform services and bring them forward in good time to support the work towards a cuts round to help plan early and meet the future forecast budget shortfalls;
- 2.39 notes and endorses the Council's continuing participation in the London Business Rates Pool, as approved on the 17 January 2018, for 2020/21.

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

- 2.40 notes and asks Council to note the adjustments to and impact of various specific grants for 2020/21 on the General Fund as set out in section 10 of this report;

#### **Fees and charges**

- 2.41 approves and endorses the approach to setting 2020/21 fees and charges for chargeable services in section 9 of the report and attached at Appendix Y7.

#### **Treasury Management Strategy**

- 2.42 approves and recommends that Council approves the prudential indicators and treasury indicators, as set out in section 11 of this report;
- 2.43 approves and recommends that Council approves the Annual Investment Strategy and Credit Worthiness Policy, set out in further detail at Appendix Z2;
- 2.44 approves and recommends that Council approves the Capital Strategy 2020/21, set out in further detail at Appendix Z5;
- 2.45 approves and recommends that Council approves the Minimum Revenue Provision (MRP) policy as set out in section 11 of this report;

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- 2.46 agrees and recommends that Council agrees to delegate to the Acting Chief Finance Officer authority during 2020/21 to make amendments to borrowing and investment limits provided they are consistent with the strategy and there is no change to the Council's authorised limit for borrowing;
- 2.47 approves and recommends that Council approves the credit and counterparty risk management criteria, as set out at Appendix Z2, the proposed countries for investment at Appendix Z3, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Acting Chief Finance Officer; and
- 2.48 approves and recommends that Council approves a minimum sovereign rating of AA-.

### 3. Policy Context

- 3.1 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:

#### Corporate Priorities

- **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
- **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
- **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
- **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
- **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
- **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

#### Values

- 3.2 Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In taking forward the Council's Budget Strategy, we are guided by the Council's four core values:
  - We put service to the public first.
  - We respect all people and all communities.
  - We invest in employees.
  - We are open, honest, and fair in all we do.

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- 3.3 As noted in the 2019/20 budget, the Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.
- 3.4 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough, for new homes, school improvements, regenerating town centres, new and renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. Of course, there is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to bring the Bakerloo Line extension here to support housing supply and business growth, through to our nationally recognised programmes of care and support to some of our most vulnerable and troubled families.
- 3.5 It remains clear that the Council cannot do all that it once did, nor meet all those expectations that might once have been met, for we are in a very different financial position than just a decade ago. Severe financial constraints have been imposed on Council services with cuts to be made year on year on year, and this on-going pressure is addressed in this report, incorporating further budget cuts for 2020/21 and noting the continued outlook for austerity to at least 2021/22. This is pending the Fair Funding Review (FFR) and Business Rates Retention (BRR) consultations now due to conclude in 2020 and coming into effect from April 2021.

#### **4. Structure Of The Report, Policy Context, And Background**

- 4.1 The 2020/21 Budget Report is structured as follows:
- |            |   |
|------------|---|
| Section 1  | Summary   |
| Section 2  | Recommendations   |
| Section 3  | Policy Context  |
| Section 4  | Structure of the Report, Policy Context, and Background |
| Section 5  | Background  |
| Section 6  | Capital Programme                                       |
| Section 7  | Housing Revenue Account                                 |
| Section 8  | Dedicated Schools Grant and Pupil Premium               |
| Section 9  | General Fund Revenue Budget and Council Tax             |
| Section 10 | Other Grants and Future Years' Budget Strategy          |
| Section 11 | Treasury Management Strategy                            |
| Section 12 | Consultation on the Budget                              |
| Section 13 | Financial Implications                                  |
| Section 14 | Legal Implications                                      |
| Section 15 | Equalities Implications                                 |
| Section 16 | Climate Change and Environmental Implications           |

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Section 17	Crime and Disorder Implications
Section 18	Health and Wellbeing Implications
Section 19	Background Papers
Section 20	Glossary
Section 21	Report Author and Contact
Section 22	Appendices

## 5. Background

- 5.1 This section sets out the main national macro-economic and public spending position, the current position in respect of local government finance, and some of the key Council services as context for the Budget spending details.

### National Context

- 5.2 Following the financial crisis of 2008 to 2010, the government has chosen to manage the national finance pressures largely through public sector spending reductions and limited investment. The impact to date has been a falling deficit but with debt levels continuing to rise and a large productivity gap. As a result, the financial outlook for the Council, remains extremely challenging.
- 5.3 The Bank of England November 2019 report identified that underlying UK Gross Domestic Product (GDP) was slowing in 2019 due to weaker global growth and Brexit uncertainties. As a result Consumer Price Index (CPI) inflation has fallen further below the bank's target of 2% and is expected to remain then until 2022. For 2019 quarter 3 CPI is expected to be 1.5%.
- 5.4 The Office of Budget Responsibility (OBR) December 2019 report highlighted the following in respect of the UK public finances in 2019/20:
- Borrowing has risen for five of the past nine months but less than originally anticipated;
  - Government year to date receipts are growing at 2.3% for the year as a whole;
  - Government spending year to date is up 3.3%, slightly above forecast; and
  - Net debt is 0.9% of GDP lower than anticipated a year ago at just over 80% of GDP.
- 5.5 These economic forecasts continue to contain an above average level of uncertainty pending the outcomes still to impact the UK following the decision to leave the EU.

### Local Government

- 5.6 The provisional Local Government Finance Settlement was announced on 20 December 2019, with the final settlement expected around the 13 February 2020. This is a one year settlement pending the fair funding review expected to take effect from 1 April 2021.
- 5.7 Along with the settlement announcement, the Government confirmed the continuation of the Social Care (SC) precept on Council Tax in 2020/21, created to give local authorities who are responsible for social care the ability to raise new funding to spend exclusively on Adult Social Care. In 2019/20, the Council applied a SC precept of 2%. In 2020/21, the Council is again permitted to apply a maximum precept of 2%. This will generate an extra £2.3m of revenue for Adult Social Care.
- 5.8 The Government also announced that the limit by which Councils can increase their core Council Tax (inclusive of levies) without a referendum, has reverted back to the

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pre-2018/19 maximum level of 2%. This will generate approximately £2.3m of revenue for the Council.

- 5.9 The Government has decided not to continue with the 75% Business Rates Pilot Pools, including the London pool. However, London Government through decisions made collectively by the London Councils Leaders Committee and the London Mayor has agreed, in principle, to extend its business rates retention pool in 2020/21 covering the GLA and the 33 London billing authorities. This was confirmed in the provisional local government finance settlement, and the arrangements for the pool will be as follows:
- the locally retained share will revert back to the 2017-18 position – a 67% locally retained share split 37% for the GLA and 30% for the 33 billing authorities;
  - the central share payable to MHCLG would therefore be 33%;
  - Revenue Support Grant would be reinstated for the 33 local authorities (although this could be zero in some cases) rather than being paid via retained business rates (as applied in 2018/19 and 2019/20) based on the numbers confirmed in the provisional 2020/21 settlement. The GLA's revenue support grant and the TfL capital investment grant will – as in 2017/18 – continue to be paid via retained business rates;
  - London will continue to pay a single tariff payment to MHCLG via the pool;
  - The levy on growth would be reinstated and there would be a single collective payment to MHCLG calculated and paid post year end via the NNDR3 reconciliation process. A key benefit of pooling is that the collective levy rate would be lower and therefore London collectively would expect to pay a reduced levy in monetary terms.
- 5.10 The Council approved Lewisham's involvement in the London Pool in December 2018 and the Mayor is asked to note that Lewisham will continue its involvement in the pool and ask Council to endorse this.
- 5.11 With 2020/21 being effectively a roll forward year, the Government is undertaking a fundamental review of the way Local Government is financed effective from 2021/22. The fair funding review will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best available evidence. Sitting alongside this is a review of the Business Rates retention arrangements, which aims to reform the elements of the business rates retention system in England from 2021/22 onwards.
- 5.12 For each of the past six years the Council has used reserves at an average of £3.5m per year to set a balanced budget as the ability to identify, agree, and implement further cuts to service budgets has become ever harder. The government's decision to 'roll-forward' the 2019/20 SFA to 2020/21 means the budget cuts already agreed are sufficient to balance the 2020/21 budget, without the need to draw on reserves.
- 5.13 While this position is confirmed for one year only, officer's medium term assumptions are that this recognises this higher funding baseline will be the starting point for the fair funding review. Nonetheless, due to the uncertainty surrounding the government's fair funding review coming into effect from April 2021 and the fact that there still remains significant pressure in future years on the Council's limited resources to meet the growing demands of the people it serves, the Council fully expected to have to continue to seek further cuts for future year's budgets. The use of reserves will need to be considered from 2021/22 if sufficient measures are not found to set a balanced budget each year.
- 5.14 Budget cuts of £16.6m have so far been approved for 2020/21. Assuming the measures proposed and the 2020/21 budget as set out in this report are agreed, it is

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expected that the Council will need to identify further cuts of circa £40m for the following three years, 2021/22 and 2023/24.

### **Budget context**

- 5.15 The Council serves a population of 304,000 people who live in 134,000 households. Residents of Lewisham are diverse, with people of more than 70 nationalities speaking over 170 languages. The number of residents is also growing; in 2019 the population rose by 3,000 people and this growth is forecast to continue with the population rising by 56,000 to 360,000 (or 18%) by 2041.
- 5.16 The Council works hard to be available for residents when they need it. Through the Customer Services access point, the Council responds to over 500,000 items of correspondence and receives over 18,000 visits a year. In addition, through the registry office, the Council processes over 7,500 births, deaths and marriages.
- 5.17 In addition to supporting a diverse and growing population, the budget contributes to the Council's commitment to extend local democracy through our local assembly programme – 61 local assembly meetings took place throughout the borough in 2018/19. Underpinning our dedication to diversity and openness, by the end of last year, Lewisham had welcomed 31 refugees in nine families to the Borough and remains committed to welcoming more.
- 5.18 The budget supports a wide range of age groups across more than 600 individual services.
- 5.19 For young people, the schools' budget provides for 77 maintained schools from nursery level through to secondary. This means 85% (30,711) of all school age children attend one of our maintained schools.
- 5.20 Our Strategic Housing service benefits a large number of residents. The work done with partners to deliver Social Housing and Temporary Accommodation helps provide for the accommodation needs of a quarter of our households with 30,800 households in social housing and 2,350 in temporary accommodation.
- 5.21 The Borough has over 9,000 businesses registered and, in line with our corporate priority to assist with access to high-quality job opportunities, the budget funds adult education and apprenticeships. In 2018/19 over 3,800 adults were in education provided by Lewisham and to date 80% of these have progressed to further education or employment. Additionally, Lewisham has supported 518 apprentices through the Mayor's apprenticeship scheme since 2010; with 74% progressing into permanent employment.
- 5.22 The Adult Social Care service provides a range of support to vulnerable users that helps them remain active and independent: 2,350 (or 8%) of those over 65 and 1,265 (or 1%) of the 18-64 population received a service from Lewisham in 2018/19. As well as physical care needs, these services provide support to those with mental health or disability needs.
- 5.23 The budget also maintains key universal services such as libraries; arts and entertainment centres and sports and recreation facilities. Our residents regularly use and value these services. For example; our 13 libraries had two million visits and 500,000 items borrowed in 2018/19. This represented a 1.5% increase in visits on the previous year. There are also circa. 1,500,000 visits to the leisure centres each year.
- 5.24 Maintaining a clean and green environment is beneficial for all. The amount of waste recycled, composted or re-used is growing year on year. Each week Lewisham waste services collect 2,200 tonnes of waste from households. And thanks to the efforts of residents, the Council are currently able to keep 25% of that waste from being incinerated. These efforts have also resulted in 17,638 tonnes of waste to be recycled this year.

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- 5.25 The Council is also responsible for maintaining 397km of roads and 12km of footpaths. The Environment service sweeps the town centres daily and main residential streets weekly. The Council also manages the parking service, including permits and enforcement.
- 5.26 Residents enjoy the Borough's green spaces and the budget supports the work that the Green Scene service does to maintain the high standard of Lewisham's parks. There are 47 parks in the borough and 15 of these have the coveted 'Green Flag' rating. Our achievements in this service area have been recognised by our residents with 74% of residents who responded to the 2018 'Parks and Open Spaces survey' felt the standard of the parks in Lewisham has been maintained at a good or fair level. The Council also ranked first in the "Good Parks for London" group in 2017 and 2018.
- 5.27 The rest of the report sets out the position of the financial settlements as they impact on the Council's overall resources:
- Capital Programme for 2019/20 to 2022/23;
  - Housing Revenue Account (HRA) and level of rents for 2020/21;
  - Dedicated Schools Grant (DSG) for 2020/21;
  - General Fund Revenue Budget for 2020/21;
  - Other Grants for 2020/21;
  - Council Tax level for 2020/21; and
  - Treasury Management Strategy for 2020/21.

## 6. Capital Programme

- 6.1 In reviewing the Council's overall financial position, the Capital Programme is considered first. This is to ensure that any revenue implications of capital decisions are taken into account in building the revenue budget. The Capital Programme budget for 2020/21 to 2022/23 is proposed at £551.2m, of which £194.4m is for 2020/21.
- 6.2 This section of the report is structured as follows:
- Update on 2019/20 Capital Programme
  - Proposed Capital Programme 2020/21 to 2022/23
  - Future schemes and resources

### Update on 2019/20 Capital Programme

- 6.3 Progress in delivering the 2019/20 Capital Programme has been reported to Mayor & Cabinet and the Public Accounts Select Committee regularly throughout the year. The latest forecast projection was that the revised budget allocated for the year of £170.1m, and reported to the Public Accounts Select Committee on 16 December 2019, would be delivered this year. However, at this stage, the revised budget shows a decrease of £1.0m to the last reported budget figure, due to the re-profiling of some budgets.
- 6.4 Overall spend to date on the re-profiled budget suggest 50% of the plan will be delivered in 2019/20. The Housing Revenue Account (HRA) in particular is behind plan. The Building for Lewisham programme and stock condition survey for the HRA capital programme are being reviewed. Assuming affordability and viability, these delays in planned works will be rolled forward to future years and the plan updated.

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- 6.5 The scale of the capital programme is growing in line with the Corporate Strategy priority for more homes. This is a significant and ambitious commitment and officers are working to improve their profiling of this work.

**Current position on the major projects in the 2019/20 Capital Programme (i.e. those over £1m in 2019/20)**

2019/20 Capital Programme	Revised Budget (Dec 2019)	Revised Budget (Feb 2020)	Spend to 31 Dec 2019	Spend to date (Revised Budget)
	£m	£m	£m	%
<b>GENERAL FUND</b>				
Schools - Pupil Places Programme	7.0	7.0	5.2	74%
Schools - Other Capital Works	5.9	5.9	4.0	68%
Highways & Bridges - LBL	3.5	3.5	2.7	77%
Highways & Bridges - TfL	3.2	3.4	0.7	21%
Highways & Bridges - Others	1.4	1.4	0.8	57%
Catford town centre	2.3	2.3	1.5	65%
Asset Management Programme	2.4	2.7	1.9	70%
Smart Working Programme	2.7	2.7	2.3	85%
Beckenham Place Park	3.0	3.0	2.8	93%
Private Sector Grants and Loans	3.8	1.8	0.9	50%
Achilles St. Development	7.3	7.2	0.5	7%
Residential Portfolio Acquisition	45.7	45.7	42.2	92%
Other General Fund schemes	6.3	6.5	1.1	17%
<b>TOTAL GENERAL FUND</b>	<b>94.5</b>	<b>93.1</b>	<b>66.6</b>	<b>72%</b>
<b>HOUSING REVENUE ACCOUNT</b>				
Building for Lewisham Programme	22.0	22.0	1.2	5%
HRA Capital Programme	52.0	52.0	16.2	31%
Other HRA schemes	1.6	2.0	0.3	15%
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>75.6</b>	<b>76.0</b>	<b>17.7</b>	<b>23%</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>170.1</b>	<b>169.1</b>	<b>84.3</b>	<b>50%</b>

**Proposed Capital Programme 2020/21 to 2022/23**

- 6.6 The Council's proposed Capital Programme for 2020/21 to 2022/23 is currently £551.2m, as set out in Table A1:

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**Table A1: Proposed Capital Programme for 2020/21 to 2022/23**

	19/20 £m	20/21 £m	21/22 £m	22/23 £m	3 year total £m
<b>General Fund</b>					
Schools – Schools Places Programme	7.0	10.5	4.1	1.5	<b>16.1</b>
Schools – Minor Works Capital Programme	3.8	0.1	0.0	0.0	<b>0.1</b>
Schools – Other Capital works	2.1	0.0	0.0	0.0	<b>0.0</b>
Highways and Bridges – TFL	3.4	0.0	0.0	0.0	<b>0.0</b>
Highways and Bridges – LBL	3.5	2.5	2.5	2.5	<b>7.5</b>
Highways - Other	1.4	0.8	0.0	0.0	<b>0.8</b>
Catford Town Centre	2.3	3.7	1.1	0.0	<b>4.8</b>
Asset Management Programme	2.7	1.7	2.0	2.5	<b>6.2</b>
Broadway Theatre- Repairs & Refurbishment	0.0	1.8	1.9	0.0	<b>3.7</b>
Lewisham Library – Repairs & Refurbishment	0.0	1.0	2.0	0.5	<b>3.5</b>
Old Town Hall – Repairs & Refurbishment	0.0	3.0	0.9	0.0	<b>3.9</b>
Lewisham Homes – Property Acquisition	0.0	3.0	0.0	0.0	<b>3.0</b>
Disabled Facilities Grant	1.2	1.6	0.0	0.0	<b>1.6</b>
Private Sector Grants and Loans	0.6	1.7	0.6	0.0	<b>2.3</b>
Fleet Replacement Programme	0.5	8.1	0.8	0.8	<b>9.7</b>
Smart Working Programme	2.7	0.0	0.0	0.0	<b>0.0</b>
Edward St. Development	0.1	9.0	0.0	0.0	<b>9.0</b>
Residential Portfolio Acquisition	45.7	0.0	0.0	0.0	<b>0.0</b>
Achilles St. Development	7.2	0.0	0.0	0.0	<b>0.0</b>
Ladywell Leisure Centre Development site	0.6	1.1	0.7	0.1	<b>1.9</b>
Traveller’s Site Relocation	0.0	2.1	1.7	0.0	<b>3.8</b>
Beckenham Place Park	3.0	0.6	0.0	0.0	<b>0.6</b>
Other Schemes	5.3	5.8	0.9	0.8	<b>7.5</b>
	<b>93.1</b>	<b>58.1</b>	<b>19.2</b>	<b>8.7</b>	<b>86.0</b>
<b>Housing Revenue Account</b>					
Building for Lewisham Programme	22.0	97.5	164.6	89.6	<b>351.7</b>
HRA Capital Programme	52.0	37.2	30.6	42.2	<b>110.0</b>
Other Schemes	2.0	1.6	0.9	1.0	<b>3.5</b>

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	<b>76.0</b>	<b>136.3</b>	<b>196.1</b>	<b>132.8</b>	<b>465.2</b>
<b>Total Programme</b>	<b>169.1</b>	<b>194.4</b>	<b>215.3</b>	<b>141.5</b>	<b>551.2</b>

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

**Table A2: Proposed Capital Programme Resources for 2020/21 to 2022/23**

	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>3 year total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>General Fund</b>					
Prudential Borrowing	48.6	18.6	0.0	0.0	<b>18.6</b>
Grants and Contributions	25.7	19.1	4.7	0.3	<b>24.1</b>
Capital Receipts	5.5	3.4	1.1	0.0	<b>4.5</b>
Reserves / Revenue	13.3	17.0	13.4	8.4	<b>38.8</b>
	<b>93.1</b>	<b>58.1</b>	<b>19.2</b>	<b>8.7</b>	<b>86.0</b>
<b>Housing Revenue Account</b>					
Prudential Borrowing	0.0	88.6	134.0	79.9	<b>302.5</b>
Grants	0.0	20.8	37.8	28.7	<b>87.3</b>
Specific Capital Receipts	0.0	0.0	0.0	0.0	<b>0.0</b>
Reserves / Revenue	76.0	26.9	24.3	24.2	<b>75.4</b>
	<b>76.0</b>	<b>136.3</b>	<b>196.1</b>	<b>132.8</b>	<b>465.2</b>
<b>Total Resources</b>	<b>169.1</b>	<b>194.4</b>	<b>215.3</b>	<b>141.5</b>	<b>551.2</b>

6.8 A table of major projects can be found at Appendix W1 and a full list of changes to the Programme since last year's budget report is shown in Appendix W2.

6.9 Members will note that the General Fund resources available to finance capital projects decrease over the term of the Programme. This reflects the Council's prudent approach to long-term planning, with grants for later years not taken into account until they have been confirmed, and capital receipts only being taken into account when they have been received or are reasonably certain of being received. The Council prudently avoids entering into long-term expenditure commitments until there is more certainty as to how they can be financed.

6.10 Detailed proposals, specific scheme funding arrangements, and procurement approach will be brought forward to Members for decision as individual projects are worked up and brought forward. Should this lead to changes being required to the plan these will be reported as part of the regular monitoring information provided.

6.11 Members will also note the significant proposed borrowing increase of £302.5m to deliver the HRA plans. This is primarily to support the Building for Lewisham programme and will likely extend the HRA to its sustainable financial borrowing and cash flow limits.

6.12 No changes are proposed at this stage to the existing General Fund revenue contributions to capital (CERA) of £2.0m per year from General Fund. The revenue

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funding line also includes amounts transferred to reserves in previous years for schemes which at that time, had not been delivered.

- 6.13 The Capital Programme will be further updated to include future grants, once these are known and will also include the year-end outturn expenditure and resourcing. This is expected to be reported to Members before the summer recess and will not impact on delivery of the Programme for 2020/21.
- 6.14 The paragraphs below set out a descriptive overview of the key delivery objectives of the capital programme major schemes.

#### Schools – School Places Programme

- 6.15 Primary place demand has levelled off recently across London and the priority for school place delivery has shifted mainly to Special Educational Need and Disability provision. Four schemes are currently in development and delivery over the next 3 years to 2022. They include:
- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works commenced in April last year and are due to be completed by summer this year. The project will deliver a new standalone block adjacent to Lewisham Way, improved landscaping within the site and a new entrance and enhanced public realm area to the South of the site.
  - Greenvale School, in Whitefoot ward, is Lewisham's community special school for children and young people between the ages of 11 and 19 years who have significant learning difficulties. A new satellite facility to accommodate an additional 93 students will be constructed on the site of the former Brent Knoll building in Perry Vale. The design stage is currently underway, and works are expected to commence onsite later this year.
  - New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and works to expand the facility took place over the summer holidays last year, ensuring that the school can provide a full curriculum. The works included minor remodelling and refurbishment of the existing building, provision of a new food technology practical room, and improvements to existing landscaping and external play areas. The final works to the boundary treatment will be carried out over the Easter holidays this year.
  - Watergate is Lewisham's primary special school for children between the ages of three and eleven years who have severe learning difficulties, located in Bellingham Ward. Approval has been granted to expand the school by 59 places through the construction of a new teaching block on the existing site. A feasibility has been conducted and is currently being reviewed with a view to commencing design work this year.

#### Schools – Minor Works Capital Programme

- 6.16 The School Minor Works Programme (SMWP) is an ongoing programme of minor capital works to existing community school buildings, primarily relating to mechanical and electrical infrastructure and building fabric needs. The programme is grant funded by central government.

#### Highways & Bridges

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- 6.17 The Council continues to invest resources in maintaining its 397km of highway borough roads, most notably through its annual programme of carriageway and footway resurfacing works. The budget for carriageways has allowed 70 roads (or part of a road) to be resurfaced each year. Until 2017, the majority of these roads were those in the worst condition and categorised as “Red” – lengths of road in poor overall condition and in need of immediate further engineering assessment and planned maintenance. In 2019/20 resurfacing to 72 roads (or part of road) to around 22km of roads funded from the Council’s Capital programme and other external sources was carried out. As a result of this carriageway resurfacing programme, the focus has moved to works to roads classified with the Condition Index of “Amber” – lengths of road which, without a planned early intervention could result in further severe defects and move the Condition Index to “Red”. From a visual inspection survey in April 2019 there are around 54km of roads where the condition of part of these roads are either classified as “Red” or “Amber” and therefore will require resurfacing works. There is an ongoing resurfacing maintenance commitment because the condition of the carriageways deteriorate through wear, age, excavations and failures.
- 6.18 The proposal is that in 2020/21 approximately 30 roads (10km of carriageways) will be resurfaced. The balance of focus is to move towards footways works where there are approximately 70 roads where the footways are categorised as “Red” and a further 220 roads classified as “Amber”. The proposal is to carry out essential footway replacement works in 2020/21 in approximately 25 roads.
- 6.19 The Council’s long-term investment strategy is taking effect, as since 2013 the number of annual insurance claims against the Council for carriageway defects has reduced by approximately 50%. The proposed Capital Programme Budget for 2020/21 to 2022/23 includes a reduced budget allocation of £2.5m per annum for carriageway and footway resurfacing (down from £3.5m per annum) in order to free up resource to invest into other high priority capital schemes. This will be closely monitored and, resources permitting, the programme adjusted on a priority basis.

#### Catford Town Centre

- 6.20 Architect’s Studio Egret West is working with officers to develop a master plan to guide the regeneration of the Town Centre. The plan will be completed in spring 2020 and will form the basis of any future plan for the Town Centre along with input from Viability Assessors, Construction Programme Advisors and an independent Planning Consultant. The Masterplan will be used as an evidence base for the emerging Local Plan.
- 6.21 Work is also continuing with TfL on the agreed proposal to realign the South Circular A205 through the Town Centre. Greater London Authority (GLA) Housing Infrastructure Funding (HIF) of £10m has been secured on condition that the road is delivered by TfL. Subject to an approved design, early work is expected to start by the last quarter of 2020/21.
- 6.22 Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team’s work is expected to continue through the development of the master plan and beyond. It is expected that the draft Masterplan will be presented to M & C in early summer. Subject to this being endorsed the next step would involve public consultation with a return to M & C thereafter to seek approval to endorse the final version.

#### Asset Management Programme

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- 6.23 Funding from the Asset Management Programme (AMP) has continued to support reactive and much needed capital works across the operational corporate estate. This has included fabric works such as roof replacement and mechanical works; including, boiler replacements and lift repairs across the estate of approximately 90 buildings and sites. More recently, the programme has funded works to the Civic Suite, Registry Office and some essential works as part of the main Laurence House refurbishment programme. A full condition survey of the corporate estate has recently been completed. The results will help define the future investment need of the estate and underpin the use of the AMP capital programme funding for future years.

#### Broadway Theatre

- 6.24 A recent condition survey of the Broadway Theatre building shows that the building is currently not fully compliant in a number of areas. Urgent work is required to address key risk areas of building failure. Permanent closure of the theatre is a significant risk if these urgent works are not carried out.
- 6.25 The proposed works include a full rewire of the theatre, replacement fire detection equipment, new emergency lighting, and improvements to support disabled access etc..
- 6.26 Given the significant amount of investment needed it is likely that the theatre may need to be temporarily closed for approximately a year to enable the work to be carried out effectively and efficiently. The works are proposed to start in 2020.

#### Lewisham Library

- 6.27 The roof of the library is in urgent need of repair. This was identified as part of recent condition survey of the building which also highlighted a number of key areas of failing across the building structure and M&E services. The roof's condition puts the entire building fabric and services at risk.
- 6.28 The report also found the mechanical and public health services (MEPH) within the building are generally at or past their life expectancy. The general condition of all elements is poor with some obvious signs of deterioration and failures including hot water plant and ventilation systems. In addition, the two lifts serving the building requires major overhaul.
- 6.29 Mayor and Cabinet agreed that officers look at options that will sustain the library service provision into the future. A number of options are currently being explored which includes the nearby Library Resource Centre site in Hither Green. A key option is the redevelopment of both sites to provide a new purpose built library with some housing. A number of very high level scenarios are being developed but there is estimated investment required of £3.5m for the most viable option.

#### Old Town Hall

- 6.30 Officers are developing a programme of investment works for the Old Town Hall. The investment will address immediate health and safety as well as compliance requirements of the building. It will secure the continued use of the building by Lewisham Homes and other tenants for the medium term while plans for future office accommodation continue to be developed and delivered as part of the Catford Town Centre Masterplan.
- 6.31 The investment will address works in the following areas: roof; windows; welfare (toilet refurbishment); fire doors; heating and ventilation; drainage and soil stack; lighting improvements; flooring; general repairs and some internal and external

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improvements. Lewisham Homes, who currently occupy over 60% of the building have also expressed a desire to capitalise on the proposed works to improve the general office environment for their staff. The proposed works will be carried out in the 2020/21 financial year.

#### Lewisham Homes – Property Acquisition

- 6.32 This funding supports the delivery of the Lewisham Homes acquisitions programme that secures properties for temporary accommodation for homeless households, making a saving on the Council's spend on bed & breakfast accommodation.

#### Fleet vehicle replacement

- 6.33 This budget will finance the replacement of 75 vehicles in the Council's fleet in order to meet the approaching Low Emissions Zone (LEZ) changes in October 2020.

#### Smart Working Programme

- 6.34 The Smarter Working programme seeks to consolidate offices and release sites for future redevelopment in Catford town centre, whilst refurbishing the council's main office site, Laurence House, to ensure it is fit for purpose until new council offices can be built. The ground floor was refurbished last year to provide a modern, welcoming and better functioning reception for the council. Refurbishment work on floors 1 to 5 was completed in October. The works includes an improved welfare provision, delivering new meeting rooms and kitchens, improving the heating and ventilation system, new energy efficient LED lighting, decoration and a layout and furniture which supports and encourages agile working. Further work is now being scoped out to deliver similar improvements to the library, customer services centre and the civic suite. The proposed works will be delivered next year.

#### Edward Street

- 6.35 Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. Start on site planned early 2020 following tender and contractor appointment.

#### Residential Portfolio Acquisition – Hyde Housing Association

- 6.36 The acquisition of a portfolio currently comprising 120 residential properties from Hyde Housing Association, as per a report to Mayor & Cabinet on 13 March 2019. This will be reviewed in 20220/21 to ensure the properties, in particular those out of borough, are still meeting the Council's needs.

#### Achilles Street

- 6.37 Residents on the Achilles Street Estate have now voted for the redevelopment of the estate to go ahead. Work is underway to carry out due diligence ahead of appointing an architect with estate residents. The scheme will deliver new homes for all existing residents as well as a significant number of new council owned homes for social rent.

#### Ladywell Leisure Centre Development site

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- 6.38 The redevelopment of the former Ladywell Leisure Centre Site continues to progress with planning applications due later in 2020. This mixed-use development will see over 200 new homes come forward and will be the largest residential development that the Council has directly delivered. In 2019, a budget of £2.55m was approved by Mayor and Cabinet to take the scheme forward to planning and to fund the feasibility of the relocation of PLACE/Ladywell

#### Traveller's site relocation

- 6.39 The latest site search for a Gypsy and Traveller site has identified a site at Pool Court as the most appropriate location to develop a new Gypsy and Traveller site for the borough. The construction cost of the 6-pitch site is estimated at £1.8m including design fees and other costs.
- 6.40 A section of the identified site is owned by Network Rail and the rest by the Council. The acquisition cost of the Network Rail section of the site is estimated at up to £2m. The Capital programme already has an allocation of circa £1.1m, including historic GLA grant, to support the scheme. The total cost for the development of the Pool Court site to provide 6 pitches to meet the Gypsy and Traveller Housing need is approximately £3.8m, with additional budget of £2.7m now allocated in the plan.

#### Beckenham Place Park

- 6.41 The restoration of Beckenham Place Park (to the western side of the railway) has been completed.
- 6.42 The listed stable block is now home to the new park café and environmental education centre, and the long anticipated restored landscape, with its reinstated lake, is being enjoyed by thousands of local people. The stable yard itself will become an arrival and visitor's hub, as new tenants take up occupation of the cottages over the next year. The new play facilities are much loved, as part of the restored pleasure grounds, and the previously derelict Gardener's cottage is now fully restored and re-purposed as a hub for volunteer activity in the park, in the midst of the new community garden. Open water swimming now takes place on the lake, and visitors will be encouraged to explore the breadth and nature of Lewisham's largest park on new paths and trails.

#### Building for Lewisham Programme update

- 6.43 The Building for Lewisham (BfL) programme supersedes the Housing Matters Programme. In January 2020, the Mayor and Cabinet approved recommendations to advance and expand the Council's housebuilding programme to meet the corporate objectives set for the period between 2018 and 2022. The M&C paper sets out the context for the capital programme budget identified in this report.
- 6.44 The BfL programme will deliver a significant proportion of new council housing for the borough. Funding has currently been agreed for the continuation of the former New Homes Better Places programme and for a series of additional infill sites. In addition, funding for feasibility and preparation of planning and tender information for major strategic projects at Ladywell, Achilles Street Estate and Catford has been allocated; as well as funding for wider feasibility studies for sites across the borough.
- 6.45 Whilst the majority of this programme will be funded from the Housing Revenue Account, a number of sites currently sit within the General Fund. These are detailed elsewhere in this report.

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- 6.46 The Council, via its development agent, Lewisham Homes, will also be investigating acquisition opportunities on land and sites from the market. These schemes offer an opportunity to deliver more homes on an expedited timescale and potentially can provide cross-subsidy for the directly delivered sites within the BfL programme.
- 6.47 The current consolidation of the BfL programme notes funding for 1,422 new homes across a mix of tenures. This has been modelled over a 40 year period and has been inflation-adjusted accordingly. However, the assumptions used in this report represent an over-programming of developments and not all developments modelled will necessarily come forward. Therefore, this represents the most budget-intensive scenario. The financial and programme risk associated with the BfL programme will be monitored closely and mitigations implemented accordingly. Should any material changes to this budget be required, approval from Members will be sought.
- 6.48 The programme is supported by grant funding from the GLA via the Building Council Homes for London Programme. Plans model this as providing £37.7m at a rate of around £100,000 per social unit. In addition to this, the Council will continue to subsidise the programme with the use of Right to Buy 1-4-1 receipts.
- 6.49 The majority of spend for the remainder of 2019/20 relates to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site. Around 340 new social homes are forecast to achieve planning permission or start on site in 2020.

#### HRA Capital Programme

- 6.50 Lewisham Homes are responsible for ensuring council owned stock under their management is brought up to and maintained to a decent homes level, covering both internal and external works. Lewisham Homes are leading on the delivery of the programme (under delegated powers) in consultation and agreement with the Council. A full stock condition survey is currently underway. This will be used to identify and prioritise the capital works required.

#### **Future schemes and resources**

- 6.51 The Regeneration and Capital Programme Delivery Board comprises key officers involved in the planning and delivery of the capital programme. This Board has responsibility and accountability for the delivery of all regeneration and capital projects and programmes of the built environment and is also responsible for ensuring that all projects and programmes are adequately and appropriately resourced.
- 6.52 The key objectives of the Board are to ensure that a consistent and corporate approach is taken to the development and authorisation of all project and programme initiation documents and the associated financing and funding of projects and programmes. It meets every two months and ensures that a corporate approach is taken to the monitoring, management and delivery of all projects and programmes. It reports through to the Regeneration and Capital Programme Board which is chaired by the Executive Director for Housing, Regeneration & Environment.
- 6.53 The General Fund Capital Programme is financed by a number of sources, including capital receipts, central government grants, developer's contributions, the revenue budget and Prudential Borrowing. There is very limited scope to commit any further amounts of revenue budget to finance capital spend, and there is also a finite amount of capital receipts forecast. This means the Council will have to look to finance any new schemes going forward from either grant monies or Prudential Borrowing. Also

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contributions from developers via s106 and Community Infrastructure Levy (CIL) may be an increasingly important source of finance for the Council's plans.

- 6.54 During 2020/21, updates on the Capital Programme will be reported to Mayor & Cabinet and the Public Accounts Select Committee on a regular basis. As capital receipts and other resources come into the Council, it may be possible to bring new schemes onto the programme. These additions to the programme will be put forward for approval by members as part of the Capital Programme update reports.

### Summary

- 6.55 The proposed 2020/21 to 2022/23 Capital Programme totals £551.2m (General Fund £86.0m and HRA £465.2m) and includes all the Council's capital projects. It sets out the key priorities for the Council over the next three financial years and will be reviewed regularly. The Capital Programme is set out in more detail in Appendices W1 and W2.

## **7. Housing Revenue Account (HRA)**

- 7.1 This section of the report considers the Housing Revenue Account (HRA). The budgeted expenditure for the HRA in 2020/21 is £225.8m, including the capital and new build programme.

- 7.2 It is structured as follows:

- Update on the HRA financial position for 2019/20;
- Update on the HRA Business Plan; and
- Future Years' Forecast.

### **Update on the HRA financial position for 2019/20**

- 7.3 The HRA is budgeted to spend over £100m in 2019/20. The latest forecast on the HRA for 2019/20, is that net expenditure can be contained within budget by the year end. There are currently minimal reported pressures which can, if necessary, be mitigated by the use of once-off contingencies, reserves and revenue working balances. Expenditure against repairs & maintenance budgets is expected to be contained within the sums allocated.

### **Update on the HRA Business Plan**

- 7.4 The Housing self-financing system was implemented on 1 April 2012 when the HRA subsidy scheme was abolished. The 30 year financial model has been developed based on current management arrangements and rental income estimates, updated for efficiencies and cost pressures. In addition, policy objectives such as sheltered housing and new build plans are incorporated in the modelling.
- 7.5 The plan has undergone a major revision following the Government's announcement in the July 2015 budget statement and subsequent legislation for a 1% reduction in social rents applied each year for four years from 2016/17 to 2019/20.
- 7.6 The impact of the change in policy resulted in a cumulative rent reduction of £25.0m for the four year period 2016/17 to 2019/20 (£1.9m 2016/17, £2.6 2017/18, £7.6m 2018/19, £12.9m 2019/20). Cumulatively this was calculated as removing £374m from the 30 year business plan.

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- 7.7 The HRA financial model has been further updated for current guidance that from April 2020 government will allow councils with social housing stock to return to the previous formula rent method of rent increase calculations until at least 2025. This method of rent increase is based on prior the September's CPI + 1%. The budget proposes this be implemented in Lewisham to become effective for rental increases applied from April 2020 onwards. For the financial year 2020/21, as the September 2019 CPI was 1.7%, the overall increase will be 2.7% (1.7% + 1.0%).
- 7.8 In order to protect the business plan and provide the same level of investment and services, any reduction in income will need to be off-set though increased efficiencies and reprioritisation of investment requirements.
- 7.9 A review of current investment needs and priorities has been undertaken, based on updated surveys and inflation estimates. This includes assumptions on future liabilities, programmes, cuts, and other requirements. These assumptions will be used to inform the resource need and identify potential gaps in funding and opportunities for additional income and grants.
- 7.10 The plan also contains costs associated with the new build programme currently being implemented by the authority. Table B1 provides an illustration of the expected HRA budget for the next five years, which includes the current 2.7% rent increase estimates for 2020/21. The HRA debt cap which was imposed when the self-financing regime was implemented (£127.3m) has now been abolished. The HRA will now be subject to prudential borrowing rules (as per General Fund and as described more fully in the Treasury Strategy at section 11 below).

**Table B1: Update on the HRA Business Plan**

HRA Income & Expenditure Estimates - 5 year Forecast	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
<b>Income</b>					
Rental income	(69.3)	(74.5)	(78.6)	(82.1)	(85.1)
Tenants service charge income	(6.2)	(6.3)	(6.4)	(6.5)	(6.6)
Leasehold service charge income	(4.7)	(4.8)	(4.9)	(5.1)	(5.2)
Hostel charges and grant income	(1.4)	(1.4)	(1.4)	(1.4)	(1.5)
Major Works recoveries	(5.0)	(4.1)	(5.7)	(5.6)	(5.6)
Other income	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Interest earned on balances	(1.1)	(0.6)	(0.6)	(0.6)	(0.2)
<b>Total Income</b>	<b>(89.3)</b>	<b>(93.3)</b>	<b>(99.2)</b>	<b>(102.9)</b>	<b>(105.8)</b>
<b>Expenditure</b>					
Management costs	37.1	37.8	38.6	39.5	39.8
Repairs & maintenance	16.0	16.4	16.8	17.1	17.4
PFI Costs	6.9	7.5	8.0	8.4	8.6
Interest & other finance costs	2.4	6.9	10.9	13.5	14.3
Depreciation	23.5	23.8	24.3	24.7	25.2

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Revenue Contribution to Capital	3.5	0.5	0.0	0.0	0.2
<b>Total Expenditure</b>	<b>89.4</b>	<b>92.9</b>	<b>98.6</b>	<b>103.2</b>	<b>105.5</b>
<b>Surplus/(deficit)</b>	<b>(0.1)</b>	<b>0.4</b>	<b>0.6</b>	<b>0.3</b>	<b>0.3</b>
Opening HRA reserves	7.7	7.6	8.0	8.6	8.9
Contribution to/(Drawdown) from reserves	(0.1)	0.4	0.6	0.3	0.3
<b>Closing HRA Reserves</b>	<b>7.6</b>	<b>8.0</b>	<b>8.6</b>	<b>8.9</b>	<b>9.2</b>
<b>Forecast Capital Programme &amp; Funding</b>					
Capital programme (including decent Homes)	38.9	31.5	43.2	42.4	42.9
Building for Lewisham Programme	97.5	164.6	89.6	56.4	19.7
<b>Total Capital Expenditure</b>	<b>136.4</b>	<b>196.1</b>	<b>132.8</b>	<b>98.8</b>	<b>62.2</b>
<b>Capital Programme Funded By:</b>					
MRR Opening Balance	0.0	0.0	0.0	0.0	0.0
Revenue Contribution to Capital	(3.5)	(0.5)	(0.0)	(0.0)	(0.2)
Depreciation	(23.5)	(23.8)	(24.3)	(24.7)	(25.2)
Grants & Capital Receipts	(20.8)	(37.8)	(28.6)	(45.9)	(12.0)
Borrowing	(88.6)	(134.0)	(79.9)	(28.2)	(25.2)
<b>Total Capital Funding</b>	<b>(136.4)</b>	<b>(196.1)</b>	<b>(132.8)</b>	<b>(98.8)</b>	<b>(62.2)</b>
<b>Capital shortfall</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
HRA Actual Debt Level (Forecast)	101.4	235.4	315.3	343.5	368.7

7.11 As can be seen from the above table, the expected total expenditure, before financing, for the HRA in 2020/21 is £225.8m, comprising £89.4m operational costs and £136.4m capital and new build costs.

#### Future Years' Forecast

7.12 The key purpose of the proposed HRA budget is to ensure that there are sufficient resources to support lifecycle works, such as; repairs and maintenance and a key priority for the current administration, delivery of new social homes in the borough.

7.13 There is an ongoing process to identify opportunities for efficiencies to deliver services for improved value for money and this is described in Appendix X1. Although no direct cuts have been identified so far for 2020/21, any cuts and efficiencies delivered against the HRA business model and future budgets can be re-invested to off-set constrained

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rent rises or to help bridge any investment gap identified. Discussions are ongoing to identify appropriate cuts and 'target' management and maintenance costs per unit. For example, there is already an assumed reduction in the Lewisham Homes fee in 2020/21 to reflect stock losses through Right to Buy Sales.

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

#### Rental Income and allowances

- 7.15 Following completion of the legislative requirements for four years of rental contraction, Government have confirmed rents will return to the previous method of rent increase calculations for 2020/21 onwards. This is based on the previous formula rent calculation of CPI + 1%. This will be for a minimum five year period to financial year 2025/26. For the purpose of business and financial planning, it is assumed that that rental charges will be increased in line with this guidance.
- 7.16 At the present time, the financial models used by the council forecast CPI to be 2.0% annually over this period (in line with the Office for Budget Responsibility forecasts). It should be noted that any variation to this could put additional pressure on the financial forecasts for the HRA.
- 7.17 CPI at September 2019 was 1.7%, therefore rents are expected to increase by 2.7% for 2020/21 (1.7% + 1%), and rise by CPI + 1% for at least the next four years to 2025.
- 7.18 A 2.7% increase in average rents for 2020/21 will equate to an average increase of £2.56 over a 52 week period. This will increase the full year average dwelling rent for the London Borough of Lewisham from £94.98 to £97.54 per week (pw). The proposed increase will result in additional income of £1.800m to the HRA when compared to 2019/20 income levels.
- 7.19 A rent rise higher than the rent limit calculation, set by Government, will result in additional recharges to the HRA via the Housing Benefit (HB) subsidy limitation charges. Any rise above this level will be lost through additional limitation recharges and therefore result in no benefit to the HRA.
- 7.20 Tenants were asked to provide comments and feedback on the proposed rent changes and illustration for inclusion in the Mayor & Cabinet budget report at meetings held with Brockley PFI and Lewisham Homes tenants (see Appendix X2).
- 7.21 The main comments received from Lewisham Homes' residents concerning the proposals for rents was that there are issues of affordability, especially in the light of restricted pay increases and the potential equalities impact. Few comments were received on the increase to service charges.
- 7.22 No specific comments were received from RB3 Brockley concerning the proposals for rents and garages. The main comments regarding service charges were related to the provision of cost data to residents to undertake independent checks.
- 7.23 Details of the options for the rent & service charge changes for 2020/21 will be presented to the Housing Select Committee on 30 January 2020 and feedback, if any, will be reported in the Budget Update report.
- 7.24 Having regard to the outcomes of the consultations held in December 2019 as set out above (and with more detail in Appendices X1, X2, and X3), the Mayor is asked to make a recommendation to full Council that a 2.7% rent increase be agreed as per the rent calculation formula. The new average rent for 2020/21 is likely to be in the region of £97.54pw, an increase of approximately £2.56pw from 2019/20 levels.

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### Other Associated Charges

- 7.25 There are a range of other associated charges. These include: garage rents, tenants levy, hostels, Linkline, private sector leasing, heating and hot water. These charges and any proposed changes to them for 2020/21 are set out in detail in Appendix X4.

### **Summary**

- 7.26 The gross budgeted expenditure for the HRA in 2020/21 is £225.8m, £89.4m revenue and £136.4m capital. Council is asked to approve a rent increase of 2.7% having considered tenant's feedback following consultation held in December 2019. The current average weekly rent is £94.98 in 2019/20. This will increase to £97.54pw in 2020/21.

### **Former Tenants' Arrears Write Offs**

- 7.27 The HRA self-financing of 2012 means that the Council now has considerably greater control over the long term planning of its Housing Revenue Account. This longer term focus has allowed progress to be made in delivering investment into new Council homes.
- 7.28 As part of the annual review of the HRA and the setting of associated budgets, this long term focus also requires officers to review both the assumptions that underpin long term plans and the operational performance of delivering that plan. In that regard it is important for officers to consider at this time the likelihood of recovering all of the income to which the Council is due.
- 7.29 Regenter B3 have improved the way its income collection processes work and has addressed the majority of historic arrears cases. The percentage of rent collected in 2018/19 was 99.84% and at the latest update, 100.23% had been collected in the current financial year. This high income collection rate strengthens the performance of the HRA and enables greater levels of investment for both existing residents and to build the new Council homes Lewisham so desperately needs.
- 7.30 However, there remains a limited number of historic bad debt cases in which Regenter B3, despite exhausting all possible options, has been unable to collect. In total there are five such cases, some of which date back more than a decade, which in total constitute outstanding arrears of £60,307.22. A summary of these cases is set out at Appendix X7. It is proposed that these are now written off.

## **8. Dedicated schools grant and pupil premium**

### **Update on 2019/20 Dedicated Schools Grant**

- 8.1 The level of the Dedicated Schools' Grant (DSG) for 2019/20 is £291.093m. The Early Years' element will be revised later to take account of the pupil count which, for early years children, is undertaken in January 2020. The outcome will not be known until June 2020 and for this reason carries a risk.
- 8.2 Overall, the 2019/20 DSG outturn is currently expected to be within budget.
- 8.3 At the end of the 2018/19 financial year, there were 14 schools with deficits. There is a risk that another four schools could go into deficit by the end of 2019/20. Changes in legislation for how deficits in schools are treated now mean that Local Authorities are required to provide a more hands on role to support schools finances. Whilst there

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continues to remain the expectation that schools are responsible for managing their budgets within their available resources as supported by Local Management in Schools, the reality is that the Local Authority is ultimately responsible for each school including outcomes and standards achieved.

- 8.4 The Department for Education (DfE) from 2019/20, has placed further reporting requirements on schools known as “metric management” to be included in their School Financial Value Standards Return to the DfE. This includes data on average costs for teachers, total spend on teachers, leadership etc. Lewisham is working closely with all schools to ensure they are supported as part of this new requirement and future requirements. To support this process and further transformation work, Schools Forum has agreed £130k through the process of de-delegation to support the finance function.

### Dedicated Schools’ Grant and Pupil Premium for 2020/21

- 8.5 This section of the report considers the Dedicated Schools’ Grant (DSG) and Pupil Premium Grant for 2020/21.
- 8.6 The Dedicated Schools Grant is the main source of funding for Schools and Early Year Providers. The grant is constituted of four parts being Schools Block, Central Services to Schools Block, High Needs Block, and the Early Years Block. There is a national funding formula which determines each of the blocks and collectively determines the overall DSG. The DSG for 2020/21 is provisionally advised as £297.356m. The 2019/20 DSG for comparison was £291.093m so overall the funding is expected to increase by £6.263m. However, it should be noted whilst this remains one overall grant, there remain significant restrictions on the use of each funding block. Table C1 below shows the detailed funding for each of the blocks:

**Table C1: Detailed Funding**

Year	Schools Block	Central Schools Services block allocation	High Needs Block Allocation	Early Years Block	Total DSG allocation
	£m	£m	£m	£m	£m
<b>2019/20</b>	£209.649	£5.420	£51.498	£24.526	£291.093
<b>2020/21</b>	£212.135	£4.645	£55.712	£24.865	£297.356
<b>Movement</b>	£2.486	-£0.775	£4.214	£0.339	£6.263

- 8.7 With regards to the Schools Block, the funding receivable for Primary age pupils has seen an increase of £84 per pupil (2020/21 funding is £5,125.27) and Secondary age pupils has seen an increase of £136 per pupil (2020/21 funding is £6,859.10). This has been offset by an overall reduction in pupil numbers of 307. Primary School numbers have reduced by 349, and Secondary school numbers increased by 43. The reduction in Primary Schools is a continuation on the previous year and is now beginning to weigh negatively on the financial stability of some schools.

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- 8.8 Whilst there is extra funding in the settlement and schools are being protected, costs are rising by more than funding, exasperated further where pupil numbers are falling. Schools continue to face pressures in their budgets, for example, salary increments, non-teaching pay increase, contract price increases including utilities, and the Apprenticeship Levy. For example over 2018/19 and 2019/20 schools have been expected to meet approximately 3% of the salary budget increases.
- 8.9 The total changes in pupil numbers are as shown in table C2 below: Overall there is a reduction in numbers of 307 which while relatively small at present is a risk for the schools concerned as funding for schools is driven by pupil numbers and associated characteristics (e.g. Free School Meals). This reduction in numbers could potentially have implications for those schools affected.

**Table C2: Pupil Numbers**

	Oct-19	Oct-18	Change No	Change %
<b>Primary</b>	24,635	24,984	-349	-1.40%
<b>Secondary</b>	11,330	11,287	43	0.38%
<b>Net</b>	<b>35,964</b>	<b>36,271</b>	<b>-307</b>	<b>-0.85%</b>

- 8.10 With regards to High Needs, the Secretary of State for Education announced additional funding to support pressures in special needs which are funded by the High Needs Block. Lewisham has received £4.713m for the 2020/21 year only at this time. During 2020, a national review of the high needs funding formula is expected to take place to consider the appropriateness of the funding model. Mindful that any outcomes are likely to be adjusted within the overall funding envelope, the £4.7m therefore remains at risk for future years. For this reason, only short term, one off or small value decisions can be taken. It should also be noted that in conjunction with the Schools Forum and School representatives, Lewisham is currently working on a mitigation plan to ensure that the current level of increase in High Needs spend remains managed within the overall funding envelope. To support this position, a disapplication request has been made to the DfE to consider using up to £2m of these funds for capital purposes to support the special provisions sufficiency place planning. At the time of writing we are awaiting DfE approval.

**The National Funding Formula and the Lewisham Funding Formula**

- 8.11 As all Lewisham, schools are protected under the new national funding formula and given that the DfE has run the new national funding model and passed on the funds, the variances for individual school budgets should be limited.
- 8.12 Lewisham, in agreement with Schools Forum, continues to support the use of the National Funding Formula for determining the basis of the Schools budget share. The DfE has confirmed the extension of the soft formula for 2020/21.
- 8.13 The DfE introduced a new formula for determining the growth fund for 2019/20. This resulted in a reduction of approximately £0.300m in our funding for 2019/20 but has resulted in an increased level of funding for 2020/21 of £0.170m to £0.962m.

### **Minimum Funding Guarantee (MFG)**

- 8.14 Local Authorities are allowed to set a pre-16 Minimum Funding Guarantee (MFG) in their local formula, to protect schools from excessive year-on-year changes and to allow changes in pupil characteristics (for example; reducing levels of deprivation in a school) to flow through. Consultation must take place with the Schools Forum.
- 8.15 The MFG must be set between a plus 0.5% and 1.84% per pupil. For 2020/21 in agreement with Schools Forum (14 January 2020), it has been agreed to set the MFG at plus 1.84%. This is an increase on 2019/20 (which was set at 0.20%).

### **Pupil Premium**

- 8.16 The DfE has confirmed that Pupil Premium funding will be at the 2019/20 rates (which have now remained unchanged still since 2017/18). In real terms, this is a reduction in funding. Pupil premium is determined based on a factor known as “free schools meals over 6”. Essentially this means eligibility if a pupil has at any time over 6 consecutive census been eligible for free schools meals. The general trend in eligibility and consequently funding has seen a reduction in London. Lewisham saw a reduction between 2018/19 and 2019/20 of £700k (or 5%). This is in addition to a reduction of £600k from 2017/18 to 2018/19. This trend is anticipated to continue partially due to reduction in overall numbers but also eligibility levels.
- 8.17 In 2020/21, the rate of funding is set at £1,320 per primary child and £935 per secondary child. For looked after children there is an increase to £2,300 per child. Funding for pupil premium will be known after the January 2020 pupil census. For information, the 2019/20 pupil premium figure was £12.158m.

### **High Needs Block Funding**

- 8.18 Under the National Funding Formula the High Needs block is using a formula driven approach. Overall, there is an increase of £4.213m for the High Needs Block. This is offset with a gross reduction of £791k in the Central Schools Support Block of net £0.776k which support High Needs Funding. This is a local decision within Lewisham and has enabled the council to stay within budget.

### **DSG reporting changes**

- 8.19 The DfE undertook a consultation during the summer of 2020/21, which focussed on standardising the reporting requirements for maintained schools with those of academy schools. The main difference being that accountability will be via the local authority. At the time of writing, feedback on the consultation is awaited with the expectation the proposed changes will be implemented in full. The main aspect is to strengthen accountability and reporting, mainly by introducing prescribed metrics management to show data such as average cost of teacher, percentage spend on teaching verses leadership etc. Lewisham Schools Finance are currently working with Schools to support them prepare for the anticipated DfE reporting requirement changes and assist as more schools face a tougher financial outlook.
- 8.20 Monitoring of this risk and any required recovery plans will be reported to the Schools

### **Potential Risks**

- 8.21 As set out in this section, there remain a number of risks in respect of funding for schools. These include:

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- Impact of any overspends and the resultant requirement to establish a deficit recovery plan if the overspend is greater than 1%. Pressure could potentially fall on the Schools Block, General Fund, or a review of services within CYP;
- In 2019, the DfE introduced changes which now mean that schools in deficits must be held against the overall schools reserves not exceeding 40%. If, on conversion to an academy, a school has a deficit this must be supported by the local authority
- Schools continue to face pressures arising from changes in policy. Examples include teachers' pay awards, support staff pay award, pension's changes. This could have varying degree of impact for Schools; and
- Budget plans from Schools suggest that some are operating with a structural deficit dependent on reserves. Schools Finance are working with these schools to mitigate this risk.

## 9. General Fund Revenue Budget And Council Tax

9.1 This section considers the General Fund revenue budget and Council Tax. The General Fund budget for 2020/21, assuming a Council Tax increase of 3.99%, is £248.714m. Details of the cuts approved for 2020/21 are provided at Appendices Y1 and Y2.

9.2 It is structured as follows:

- Update on 2019/20 Revenue Budget;
- The Budget Model;
- Budget Cuts;
- Council Tax for 2020/21; and
- Overall Budget Position for 2020/21.

### Update on 2019/20 Revenue Budget

9.3 The Council's revenue budget for 2019/20 was agreed at Council on 27 February 2019. The general fund budget requirement was set at £243.012m.

9.4 During the financial year, monthly monitoring is undertaken by officers and these monitoring reports have been presented quarterly to Mayor and Cabinet and scrutinised by the Public Accounts Select Committee. Significant attention continues to be directed towards volatile budget areas. These are those areas where small changes in activity levels can drive large cost implications. These include, for example: Looked After Children; Nightly Paid Accommodation; and Children Social Care. These areas of activity are also informed by risk assessments which are continually reviewed. Significant pressures also exist in Environment Services, magnified since the inception of the new service model in 2016/17, and is subject to ongoing scrutiny and management actions.

9.5 Budget holders are challenged to maintain a tight control on spending throughout the year. The Council operates a devolved system of financial accountability with clear delegations and responsibility set out in the financial and procurement regulations and schemes of delegation in the Constitution.

9.6 An initial projected overspend of £4.6m was reported at the end of May 2019, reduced to £4m in the July monitoring report. The forecast overspend increased to £5.4m in the October 2019 monitoring report, with £0.5m increases recorded in each of the

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Children's & Young Peoples, Housing, Regeneration & Environment and Corporate Services directorates and a £0.1m decrease in the Communities directorate.

- 9.7 From July 2019, the budget monitoring reports have reflected the Council's new directorate structure whereby the Customer Services directorate was re-named the 'Housing, Regeneration & Environment' (HRE) directorate and the Resources & Regeneration directorate renamed 'Corporate Services'. Within these directorates, the Regeneration & Place and Planning divisions moved from Corporate Services to Housing, Regeneration & Environment whilst the Public Services and IT & Digital Services divisions moved from HRE to Corporate Services.
- 9.8 In spite of the continued management attention given to seek the containment of costs and, where possible, accelerating service changes to reduce costs, the significant overspending projection remains and management action must continue for the remainder of this year to help bring the projected overspend down.

### Directorates

- 9.9 Table D1 sets out the latest forecast budget variances on the General Fund by Directorate, after applying and one year only funding for 'risks and other budget pressures' and reserves funding to Children & Young People, totalling £5.4m.

**Table D1: Forecast outturn for 2019/20 as at end of October 2019**

Directorate	Gross budgeted spend	Gross budgeted income	Net budget	Forecast over/ (under) spend Nov 2018	% of over/ (under) spend to Net budget
	£m	£m	£m	£m	%
Children & Young People	68.7	(9.8)	58.9	3.7	6%
Community Services	177.6	(85.9)	91.7	(2.3)	-3%
Housing, Regeneration & Environment	119.8	(85.1)	34.6	2.6	8%
Corporate Services	62.2	(28.2)	34.0	1.4	4%
<b>Directorate Totals</b>	<b>427.9</b>	<b>(208.5)</b>	<b>219.4</b>	<b>5.4</b>	<b>2%</b>
Corporate Items	23.6	-	23.6	-	-
<b>Net Revenue Budget</b>	<b>451.5</b>	<b>(208.5)</b>	<b>243.0</b>	<b>5.4</b>	<b>2%</b>

### Corporate Financial Provisions

- 9.10 Corporate Financial Provisions are budgets that are held centrally for corporate purposes and which do not form part of the controllable expenditure of the service directorates. They include Capital Expenditure charged to the Revenue Account (CERA), Treasury Management budgets such as Interest on Revenue Balances (IRB) and Debt Charges, Corporate Working Balances and various provisions for items such as early retirement and voluntary severance. Spend of the Corporate Financial Provisions is expected to be contained within budget by the year-end.
- 9.11 Consideration is now being given to employing the use of corporate measures to balance the budget at year end. It is proposed to meet the 2019/20 budget overspend

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from provisions and reserves, with the final position declared in the outturn report to Members.

### **The Budget Model**

- 9.12 This section of the report sets out the construction of the 2020/21 base budget. This section is structured as follows:
- Budget assumptions, including: Cuts, Council Tax, and Inflation;
  - New Homes Bonus;
  - Budget pressures to be funded; and
  - Risks and other potential budget pressures to be managed.

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

- 9.13 The Council has made substantial reductions to its expenditure over the last ten years. Subject to the outcome of the Comprehensive Spending Review (CSR) in 2020 and the outcome of the government's fair funding review, the Council expects to continue to need to make further reductions for at least the next three to four years. This section of the report summarises a series of proposals that would enable the Council to set a balanced budget for 2020/21 as part of a sustainable financial strategy to 2023/24.

#### Council Tax

- 9.14 Since 2016/17, the government has allowed councils with social care responsibilities to apply a percentage increase on council tax (the Social Care precept), the funds of which are ring-fenced to Adult Social Care services. To date, Lewisham has applied an 8% increase over the four year period. The government is once again allowing councils to apply a maximum 2% Social Care precept in 2020/21. This will generate £2.278m income for ASC. This report proposes that the Mayor recommends that Council approve the 2% ASC precept for 2020/21 to obtain the maximum benefit permitted.
- 9.15 The assumption used in the model for preparing the 2020/21 budget, subject to confirmation by Council, is for a total Council Tax increase (Lewisham element) of 3.99%. A 2% increase for the social care precept and a 1.99% increase in the core element under the revised referendum principle announced along with the provisional Finance Settlement on 20 December.
- 9.16 Should Council choose to set a different Council Tax increase, Members will need to be mindful that any increase below this recommendation will result in additional budget pressures, resulting in greater use of resources in the short term and a higher cuts requirement going forward. Any increase in the core element above this recommendation would require support in a local referendum due to the limit set by the Secretary of State.
- 9.17 Further information on the options for Council when setting the Council Tax is set out in more detail towards the end of this section.

#### Inflation

- 9.18 The Government's inflation target for the United Kingdom is defined in terms of the Consumer Price Index (CPI) measure of inflation which excludes mortgage interest payments. Since April 2011, the CPI has also been used for the indexation of benefits, tax credits, and public service pensions.

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- 9.19 For financial planning purposes, the Council has previously assumed an average pay inflation of 2% per annum, which equates to approximately £2.5m. 2019/20 is the last year of the current pay settlement. Negotiations via the National Joint Council (NJC) for Local Government have begun to agree a pay award for 2020/21 and future years.
- 9.20 The National Living Wage will rise to £9.30/hr from April 2020, whilst the London Living wage is currently £10.75 per hour. Lewisham's lowest pay band exceeds these amounts. A provision of 2% (£2.5m) has been made to cover 2020/21 pay inflation.
- 9.21 The Council budgets for a non-pay inflation rate budget of 2.5% per annum. This is higher than the forecast CPI inflation rates for 2020 to reflect the underlying commitments in Council contracts. This equates to approximately £2.5m (net) in 2020/21.
- 9.22 Unless pre-defined by statute or otherwise agreed, all services are expected to uplift their fees and charges annually in line with the Council's inflation assumptions, or for full cost recovery if this is higher, to allow for stability in real terms.

#### New Homes Bonus

- 9.23 The New Homes Bonus (NHB) sits alongside the Council's planning system and is designed to create a fiscal incentive to encourage housing growth. The Ministry of Housing, Communities and Local Government (MHCLG) has been paying the NHB as un-ringfenced grant to enable local authorities to decide how to spend the funding. The scheme design sets some guidance about the priorities that spend should be focused on, in that it is being provided to 'help deliver the vision and objectives of the community and the spatial strategy for the area and in line with local community wishes'.
- 9.24 In the provisional Local Government Finance Settlement statement, the Secretary of State announced that in 2020/21, the baseline level of growth will remain at 0.4%. Due to the delay in the fair funding review and the consequential Settlement Funding Assessment (SFA) 'roll forward', the government announced a one year award of NHB in line with the 2019/20 award. This is for one year only and will not be subject to the legacy payment rules.
- 9.25 The provisional allocation for 2020/21 in Lewisham, including on-going payments, is £6.176m, with the years 1 to 6 allocations of £4.611m dropping out and with the allocation for Year 10 (2020/21) delivery being £1.565m.
- 9.26 The cumulative nature of the NHB is set out in summary in Table D2 below.

**Table D2 – New Homes Bonus Allocation Profile**

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Yr 1 – 6 yrs in full	0.706	0.706	-			
Yr 2 – 5 yrs	0.958	0.958	0			
Yr 3 – 5 yrs	2.150	2.150	2.150			
Yr 4 – 4 yrs	2.629	2.629	2.629			
Yr 5 – 4 yrs	1.399	1.399	1.399	1.399		
Yr 6 – 4 yrs		1.889	1.889	1.889	1.889	
Yr 7 – 4 yrs			2.072	2.072	2.072	2.072

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	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Yr 8 – 4 yrs				1.551	1.551	1.551
Yr 9 – 4 yrs					0.989	0.989
Yr10 – 1 yr						1.564
Total Allocation	7.842	9.731	10.139	6.911	6.501	6.176
Less: London LEP top slice	-2.218	0	0	0	0	0
<b>Lewisham Total</b>	<b>5.624</b>	<b>9.731</b>	<b>10.139</b>	<b>6.911</b>	<b>6.501</b>	<b>6.176</b>

- 9.27 The Council produces an Annual Monitoring Report (AMR) which assesses the level of development that has taken place in the Borough. Over the last few years, this shows a trend for falling numbers of new homes becoming available. It identifies the steps being undertaken to progress the regeneration of the borough including the development of strategic sites within the regeneration and growth areas, at Deptford, New Cross and Lewisham Town Centre and looking forward to the potential, the Catford town centre and New Bermondsey. The bringing forward of housing supply in London is a priority for the Council and the London Mayor. A significant amount of planned growth for the borough is yet to come and the AMR provides a housing trajectory that identifies the anticipated amount of residential development in the next 15 years. This is in the context of the draft London Plan, which proposes an increased annual target of 2,117 new homes for the Borough of Lewisham for the next ten years.
- 9.28 In view of the planned growth in housing and associated infrastructure in the borough in future, years it was agreed to commit £0.65m of the NHB allocation per annum to provide delivery support for this. This represents a year-on-year commitment for the Council. Given the planned growth in the Borough over the coming years, the funding will be used to support work to improve the borough's town centres, increase the number of jobs in the borough, provide improved transport links to the rest of London, and plan the necessary infrastructure such as schools, health facilities, and open spaces.
- 9.29 As part of the provisional settlement, the Secretary of State announced that it is the government's intention to consult on the future of the NHB in spring 2020. This will involve moving to a new, more targeted approach to awarding local authorities for delivering new homes. This means the NHB as it is will cease to exist.

#### Budget Pressures to be funded

##### 2019/20

- 9.30 In 2019/20, the funds set aside in the budget model to meet specific identified budget pressures and potential budget risks was £6.5m. This was allocated in full to identified risks and pressures.
- 9.31 The majority £4.3m was allocated to Children Social Care with the balance to other service areas such information management, housing development, public services, highways etc..

##### 2020/21

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- 9.32 It is recommended that the 2020/21 allocation to meet identified budget pressures and potential budget risks remains at £6.5m. It is also recommended that additional funding of £16.7m received as part of the 2020/21 settlement above the Council's original medium term financial plans (including the £2.3m from the Social Care precept) be added to this to allow the Council to invest in selected budget pressure and growth areas that will present as challenges in future budgets if not corrected.
- 9.33 The majority of the additional £16.7m will be funded from cash sources, namely the Social Care Grant and New Homes Bonus and an additional £1m from corporate items. In terms of accounting for these, it is proposed that £7.5m of these budgets are allocated in line with the decisions of this budget from the corporate risk and pressures monies and £2.3m from the Social Care precept to the relevant Directorates when determining their cash limits for 2020/21.
- 9.34 Using cash budget presents a risk for future years although the medium planning assumptions are that this level of funding for 2020/21 is in recognition of the pressures faced by local authorities and will effectively form the baseline for pending fair funding review.
- 9.35 The budget pressures anticipated in 2020/21 have been reviewed and it is recommended that the following identified pressures are funded now, set against the Corporate Strategy priorities. This includes the reversal of £3m of previously agreed cuts and rightsizing the Children Social Care budget using the Social Care grant.
- 9.36 Table D3 provides a summary of the corporate risk and pressures budget and those pressures and risks that are being recommended to be funded.

**Table D3: Summary of 2020/21 budget pressures to be funded**

Description	£'000	£'000
Risk & Pressures budget available in 2020/21	6,500	
Social Care Grant	8,400	
New Homes Bonus	5,350	
Social Care Precept	2,278	
Contribution to reverse cuts	1,000	
<b>Total Resources Available for Risks and Pressures in 2020/21</b>		<b>23,528</b>
<b>Recommended Allocations</b>		
<b>Corporate Strategy priorities</b>		
<i>Open Lewisham</i>	-760	
Equalities and inclusion		
Communications		
Promoting Lewisham for Borough of Culture		
Theatre		
Leadership development		
<i>Tackling the Housing Crisis</i>	-675	
Reducing Housing Benefits subsidy		
NB – plus Building for Lewisham capital plans		
<i>Giving Children the best start</i>	-7,490	
Children Social Care		

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Description	£'000	£'000
School catering contract		
Troubled Families		
<i>Building an inclusive economy</i>	-1,130	
Insourced provision for parks, cleaning, facilities mgt..		
Apprentice, BAME and disabled recruitment work		
Economy and partnerships		
Community wealth building through procurement		
<i>Defencing health &amp; social care</i>	-2,278	
Social Care precept from Council Tax		
<i>Making Lewisham greener</i>	-3,230	
Home energy and air quality		
Healthier neighbourhoods		
Beckenham Place Park		
Environment Services		
Fleet replacement (build capital fund)		
Highways & Footways (year 6 of 10)		
<i>Building a safer community</i>	-460	
Violence against women and girls and CCTV		
Building control		
Enforcement work		
<b>Total Corporate Strategy priorities</b>		<b>-16,023</b>
<b>Organisational value for money</b>		<b>-2,935</b>
Corporate Services		
Technology and Digital		
Commercial contracts		
<b>Transformation investment</b>		<b>-4,570</b>
<b>Grand Total Funded Pressures</b>		<b>-23,528</b>

#### Open Lewisham – £0.760m

- 9.37 The commitments to this priority include additional resource to support the promotion of equalities and inclusion through the Council's recruitment and development work and the monitoring thereof across all services through a consistent approach and lens to assess equalities. There is also the previous commitment, agreed in the 2019/20 budget, to make permanent the increased resources to support the Council's communications, externally and internally, to improve how we engage with residents to better deliver services. This is consistent with the ambition to promote an open Lewisham as the Council bids to be the Borough of Culture. There is also a reversal of a previous cut to reduce the subsidy to the theatre to enable it to continue as an active venue offering a wider variety of shows and place of engagement for the community.

#### Tackling the housing crisis – £0.675m

- 9.38 This is revenue monies being directed to an emerging pressure on the service budget as the move to universal credit and reduction in subsidies for the administration of this

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service increases. In addition, as set out in the separate section above on capital, there is significant investment planned to deliver more social homes in Lewisham to address the housing crisis.

#### *Giving Children the best start - £7.490m*

- 9.39 The Children Social Care service continues with the improvement plan to improve their Ofsted rating to Good, from Requires Improvement. In 2019/20 £7.0m were used support the service - £2.3m of grant and £5.4m of once-off corporate monies. The receipt of additional social care grant for 2020/21 will enable this to be covered from government funding rather than the use of reserves again next year. In addition, new proposals for the schools catering contract and the reversal of a previous saving not achieved in the work with Troubled Families are proposed to be funded to enable these services to start the year with the correct budget and focus on changes for the future.

#### *Building an inclusive economy - £1.130m*

- 9.40 Consistent with the corporate strategy the Council, when re-procuring services, considers the value and cost of insourcing. Over the past year plans have been developed to bring back in-house the parks, cleaning, and facilities management services. These require ongoing investment to enable them to deliver the increased value expected from these plans. Through the economy and partnerships team it is proposed to maintain the investment in the service to promote employment and take up of apprentices as part of the Council's inclusive growth strategy in 2020/21. This reverses a previously agreed cut and follows through on the commitment, agreed as part of the 2019/20 budget, to continue supporting the commercial and procurement work to extend community wealth building with partners in the Borough.

#### *Defending Health & Social Care - £2.278m*

- 9.41 This proposed budget increase applies the Social Care precept to support the work of Adult Social Care services. This will enable the service to continue to work constructively with the health sector and private care market given the continued demand and cost pressures faced with a growing elderly population, work on earlier discharges from hospital into care, and rising costs in a fragile market for care services.

#### *Making Lewisham Greener - £3.230m*

- 9.42 The risk and pressures to be invested in against this priority aim to support the Council's commitment to be carbon neutral by 2030 in line with the declared climate emergency. This includes investing in the Council's infrastructure, in particular its vehicles, to be compliant with low emission requirements, address the additional costs arising from separating to compost, re-use, and recycle more waste with less to land fill, and work with neighbourhoods to open up Lewisham's green spaces to improve air quality and use of energy in the home.

#### *Building a Safer Community - £0.460m*

- 9.43 Despite the loss of other sources of funding, the Council continues to invest in its services for improving enforcement and enhancing protection for the vulnerable in the community. This funding for 2020/21 will be invested to maintain the Council's CCTV coverage, services to women and children at risk, and improve enforcement work across a range of areas.

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#### Organisational value for money - £2.935m

- 9.44 In addition to the corporate strategy the Council is a large and complex organisation. Through the decade of austerity to 2020 the Council's support services have borne a significant proportion of the budget cuts. This was recognised in the 2019/20 budget round and this investment is to reverse some previously agreed cuts and enhance the resourcing for some of these services. In particular; finance, technology, human resources, and the governance and performance teams.

#### Transformation investment - £4.570m

- 9.45 The 2020/21 settlement and early work by the Council to identify sufficient cuts to meet the budget requirement enables the continued availability of the New Homes Bonus for one year to be invested to support improvement and change work. In addition to the right sizing of service budgets and the addressing of specific corporate strategy priorities requiring growth set out above, investment in culture and service transformation is critical to prepare the Council for the future and avoid further budget 'salami' cuts.
- 9.46 The new Chief Executive has engaged widely, internally and with partners, since joining at the end of October 2019. The conduct of this 'Listen to Learn' exercise has begun to identify the changes and priorities to the way the Council works needed to improve its effectiveness and efficiency going forward. This funding will be used to support this work; overseen by the Executive Management Team it will be developed by staff through change networks, promoting greater collaborative working to reach across structural boundaries and improve services.
- 9.47 Through the year updates on the work in progress will be reported regularly to members, along with financial monitoring and deliver of financial plans.

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

- 9.48 Following the review of budget pressures within Directorates, there are a number of other risks and issues which, although difficult to quantify with absolute certainty, could prove significant should they materialise.
- 9.49 Officers continue to undertake work to fully assess and monitor these risks. These risks and other potential budget pressures are discussed in more detail below:
- Adult Social Care and Transition;
  - Child Sexual Exploitation;
  - National / London Living Wage;
  - Temporary Accommodation / Homelessness;
  - Redundancy;
  - Disruption costs from the UK leaving the EU; and
  - Unachieved cuts.

#### Adult Social Care, including Transition demands

- 9.50 As noted above this is an area of continuing pressure for the Council. This is expected to continue into future years. However, the impact of service configuration changes, national policy priorities, the additional funding committed to these services for 2020/21

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through the Adult Social Care precept and improved Better Care Fund, and the changes arising from transformation cuts are not yet known or assessed so it is not possible to fully evaluate the risk at this time.

#### Child Sexual Exploitation

- 9.51 This is a risk area across London which may, if the number of cases locally grows significantly, become a pressure in the future. At present, the service is managing this risk by refocusing existing resources within their current budget and expects to be able to do so through 2020/21. Given these uncertainties, it is not possible to fully evaluate the risk at this time.

#### National / London Living Wage

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

#### Temporary Accommodation / Homelessness

- 9.54 Government welfare changes, economic pressures on families and individuals, and the chronic supply shortage of affordable housing in London are pressures that directly impact the Council's housing services. These are recognised nationally, by the London Mayor and locally, of course, in Lewisham's strategies. Some monies (e.g. homelessness trailblazer scheme), some policy changes (e.g. changes to the way Universal Credit is being introduced and powers against rogue landlords), and actions the Council are taking to develop and procure more and better accommodation are all being progressed. These should help reduce the risks and service pressures that arise from the growth in temporary accommodation and homelessness in Lewisham. These risks are being carefully monitored but remain significant and cannot be easily quantified in budgetary terms at this time.

#### Redundancy

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

#### Disruption costs from the UK leaving the EU

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- 9.56 Three years on there remains considerable uncertainty in respect of the form and timing of the UK's future relationship with the EU. At one end of the spectrum, a disorderly departure, could give rise to a number of eventualities that impact Council services directly through its supply chains and partners or via the population who may look to the Council for additional support. Scenario planning and coordination work to prepare continues. However, while these impacts may come at a significant cost and disruption to the delivery of Council services, the likelihood is hard to predict and the scale and areas effected cannot be easily predicted at this time.

#### Unachieved Cuts

- 9.57 For those cuts agreed there is a risk, as the detailed work to implement them progresses, of delay or changes to the proposals in response to consultations or other factors. While management actions will continue to be taken to fully implement cuts for the coming year such pressures cannot be easily quantified at this stage, especially where possible 'invest to save' commitments or income generation work is required to realise efficiencies and cuts.
- 9.58 Should these pressures arise in the year and are not able to be contained with Directorate budgets, they may become an additional call on corporate provisions and reserves until alternative cuts are agreed and implemented.

#### Summary of Budget Pressures and Investment

- 9.59 In conclusion, it is a matter of good budgeting to make a general allowance for risk and uncertainty, particularly at such a time of rapid change in the local government sector.
- 9.60 There are some pressures to be funded, which can be quantified within a reasonable range. These fully commit the available £6.5m allocation and additional resources received for 2020/21. Including the use of some funding to invest in change and support the transformation work necessary to redesign services and improve the Council's culture to further collaborative working.
- 9.61 There are also a number of other risks and potential budget pressures to consider which are less easy to quantify with any certainty which may become an additional call on reserves through the year if they arise. These will be regularly monitored and reported.

#### **2020/21 Budget Cut Proposals**

- 9.62 On the 21 November 2018, the Mayor agreed and delegated £8.434m of budget cut proposals for 2020/21, with necessary consultations undertaken. A summary of these cuts is attached as Appendix Y1 to this report.
- 9.63 In addition, on the 30 October 2019, the Mayor agreed a further £8.175m worth of budget cuts for 2020/21. A summary of these cuts is attached as Appendix Y2 to this report.
- 9.64 These cuts totalling £16.609m have been included in the 2020/21 budget calculation. They must be achieved in order to maintain a balanced budget. The delivery of these cuts will be monitored, any shortfall will have to be covered, in the short term pending services offering alternative proposals, through the use of reserves.
- 9.65 No estimates for Settlement Funding Assessment (SFA) in 2021/22 have been provided by the Government. 2020/21 is effectively a roll forward year for the SFA, and

the outcome of the fair funding review is due later on in 2020. The prospects for future funding remain uncertain.

### **2020/21 Council Tax**

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

#### Collection Fund

- 9.67 Collection Fund surpluses or deficits reflect whether the Council over or under achieves its Council Tax collection targets. Therefore, this requires a calculation to be made of how much the Council has already received for the Council Tax in the current and past years and how much of the outstanding debt it expects to collect.
- 9.68 The statutory calculation was carried out for the 15 January (date prescribed by the relevant statutory instrument). This calculation showed there is an estimated deficit on the Collection Fund in respect of Council Tax, for the years 1994/95 to 2019/20 of £450,000. This reflects the ongoing work of the Public Services team to carefully collect all monies owing to the Council.
- 9.69 This surplus is shared with the precepting authority, the Greater London Authority (GLA), in proportion to relative shares of budgeted Council Tax income in the current financial year. This means that £359,000 of the £450,000 deficit has to be included in the calculation of Lewisham's budget as the additional Council Tax owed and collected in year. The remaining balance of £91,000 is allocated to the GLA.

#### Council Tax Reduction Scheme

- 9.70 Members should note that the Council agreed on the 22 January 2020 that no changes are to be made to the Council Tax Reduction Scheme (CTRS) for 2020/21 and that the Council should continue to pass on the government cuts in funding to working age claimants. Members agreed that the fixed percentage reduction in liability for the working age claimants of the scheme should remain at 25% for 2020/21. This means that everyone of working-age has to continue to pay a minimum of 25% of their council tax liability.

#### Council Tax Levels

- 9.71 In the 2020/21 Local Government Finance Settlement, the Government announced a 2% limit to the amount by which Councils can increase their Council Tax (inclusive of levies) without a referendum. In addition, there is also the opportunity to increase Council Tax by up to a further 2%, for the Social Care Precept in 2020/21. The government's assumptions in the local government finance settlement 2020/21 include the raising of both Council Tax and the Social Care precept in each and every year to meet the recognised funding pressures faced by the sector.
- 9.72 In 2019/20, the recommendation is that the Council approve a 2% Social Care precept which will provide additional funding of £2.3m, ring fenced for Adult Social Care spend. If implemented this charge has to be identified on the face of the Council Tax bill and made clear in the accompanying guidance for rate payers.
- 9.73 At the same time an increase in core Council Tax of 1.99% (i.e. within the limit of the 2% referendum threshold) would provide additional funding of approximately £2.3m.

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- 9.74 In considering cut proposals and the level of Council Tax, Members make political judgements, balancing these with their specific legal responsibilities to set a balanced budget for 2020/21 and their general responsibilities to steward the Council's finances over the medium term.
- 9.75 In 2019/20, the Band D Council Tax in Lewisham is £1,584.45 on a base of 88,405.1 Band D equivalent properties. Of this, £320.51 relates to the activities of the GLA which the Council pays over to them on collection, Lewisham's element is £1,263.94.
- 9.76 The GLA is consulting on a precept of £326.92 (Band D equivalent) for 2020/21 (i.e. £246.98 for the Mayor's Office of Policing and Crime plus £79.94 for non-police services), an increase of £6.41 or 1.99% and a final decision is expected from them on or after the 24 February 2020.
- 9.77 For 2020/21, the Band D Council Tax in Lewisham is recommended to be £1,641.29 on a base of 90,099.3 Band D equivalent properties (the base was approved by Council on the 22 January). Of this, £326.92 relates to the activities of the GLA which the Council will pay over to them on collection. Lewisham's element will therefore be £1,314.37, which includes a 2020/21 increase of £50.43 (3.99%).
- 9.78 Table D5 below shows, for illustrative purposes, the Council Tax payable by a Lewisham resident in a Band D property in 2020/21 under a range of possible Council Tax increases, and the financial implications of this for the Council. A full Council Tax Ready Reckoner is attached at Appendix Y3.
- 9.79 The starting point is for an assumed 3.99% increase in Lewisham's Council Tax for 2020/21, which includes the maximum core increase permissible without a referendum. Any reduction from this level of increase will reduce the level of income the Council collects and will increase the draw on reserves for 2020/21 and the budget gap in future years.

**Table D5 – Band D Council Tax Levels for 2020/21**

Amounts payable by residents - Band D					
Change in Lewisham Council Tax	Lewisham element	GLA element	Total Council Tax	Increase in overall Council Tax	Lewisham Annual income forgone
	£	£	£	%	£m
3.99% increase	1,314.37	326.92	1,641.29	3.59	-
3.50% increase	1,308.18	326.92	1,635.10	3.20	-0.56
3.00% increase	1,301.86	326.92	1,628.78	2.80	-1.13
2.50% increase	1,295.54	326.92	1,622.46	2.40	-1.70
2.00% increase	1,289.22	326.92	1,616.14	2.00	-2.27
1.50% increase	1,282.90	326.92	1,609.82	1.60	-2.84
1.00% increase	1,276.58	326.92	1,603.5	1.20	-3.41
0.50% increase	1,270.26	326.92	1,597.18	0.80	-3.97
Council Tax Freeze	1,263.94	326.92	1,590.86	0.40	-4.54

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9.80 In January 2020 at the Council meeting, Council set the Council Tax base for 2020/21 and agreed the maximum incentives available to bring properties back into use, charge for second homes, and complete works in the shortest possible time. Council also agreed to continue the Council Tax exemption for Care Leavers up to the age of 25 in the Borough.

#### Overall Budget Position for 2020/21

9.81 For 2020/21, the overall budget position for the Council is an assumed General Fund Budget Requirement of £248.714, as set out in Table D6 below:

**Table D6 - Overall Budget Position for 2020/21**

Detail	Expenditure/ (Income) £m	Expenditure/ (Income) £m
Settlement Funding Assessment (SFA) for 2020/21	(123.149)	
Council Tax 2020/21 at 3.99% increase	(118.424)	
Deficit on Collection Fund	0.359	
Business Rates S31 and Growth	(7.500)	
<b>Assumed Budget Requirement for 2020/21</b>		<b>(248.714)</b>
Base Budget for 2020/21	243.012	
<b>Plus:</b> Additional Pay inflation	2.547	
<b>Plus:</b> Non-pay Inflation	2.500	
<b>Plus:</b> Budget pressures to be funded from 19/20 fund	6.500	
<b>Plus:</b> Adult Social Care Precept	2.278	
<b>Plus:</b> Previous year's budget gap	7.460	
<b>Plus:</b> Contribution to reversed cuts	1.026	
<b>Less:</b> Approved cuts for 2020/20	(16.609)	
<b>Total</b>		<b>248.714</b>

9.82 The statutory calculation for the 2020/21 budget requirement is attached to this report at Appendix Y5.

#### Use of Provisions and Reserves

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## 2020/21

- 9.83 At this time, on the budget assumptions for the General Fund set out above, no use of reserves is required for 2020/21 to enable the Council to set a balanced budget.
- 9.84 If the need should arise to balance the budget for any in-year pressures using reserves, the Acting Chief Finance Officer advises that ongoing measures should be identified to rectify this position as quickly as possible and in any event, by the following year. The use of once off resources is therefore just delaying the need to make an equivalent level of saving in the following year.
- 9.85 In addition to the above, as part of the accounts closing process, the ability for the Council to replenish reserves for ongoing work planned for over more than one year and the impact of any risks will be reviewed and assessed and reported on. These risks include:
- Agreed cuts are delayed or not delivered;
  - Service pressures cause overspends;
  - Transformation and change projects overrun;
  - Capital programme overruns hit revenue;
  - Service disruption costs arising from the UK leaving the EU; and
  - Further cuts are not identified, putting strain on future budgets.
- 9.86 Further discussion of the use of reserves and planning for future budgets will be reviewed and brought back for Member consideration as part of the next Medium Term Financial Strategy update.

## **10. Other grants and future years' budget strategy**

- 10.1 This section of the report considers the other funding streams which the Council currently receives and implications for future years. The critical point for the budget is that spend of these grants is managed by the services to ensure commitments are maintained within the resources available. This is to avoid putting pressure on the General Fund.
- 10.2 These other funding streams are Public Health, Better Care Fund, and various other grants. This section of the report is structured as follows:
- Better Care Fund and improved Better Care Fund 2020/21;
  - Public Health Grant 2020/21;
  - Social Care Grant; and
  - Adult Social Care Precept;

### **Better Care Fund and improved Better Care Fund**

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

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- 10.4 For Lewisham the value in 2019/20 is £23.396m. The allocation for 2020/21 is expected to be at least the same although local allocations have yet to be confirmed. The local plan must be agreed with the Clinical Commissioning Group (CCG) and will require the approval of NHS England.
- 10.5 The Fund must be used in accordance with the final approved plan and through a section 75 pooled fund agreement. The full value of the element of the Fund linked to non-elective admissions reduction target is to be paid over to Lewisham CCG at the start of the financial year. However, the CCG may only release the full value of this funding into the pool if the proposed admissions reduction target is met. If the target is not met, the CCG may only release into the pool a part of that funding proportionate to the partial achievement of the target. Any part of this funding that is not released into the pool due to the target not being met must be dealt with in accordance with NHS England requirements. The partners have agreed contingency arrangements to address this risk and they will continue into 2020/21.
- 10.6 In 2017/18, the government also introduced the improved Better Care Fund (iBCF) to work alongside the BCF. The iBCF in 2019/20 is £13.1m and the grant is expected to continue at the same level in 2020/21. This is intended to fund adult social care activity. Plans for its use in 2020/21 will also require the agreement of local CCG. The grant is likely to be spent in substantially the same way as in 2019/20.
- 10.7 Winter Pressures funding will be paid again in 2020/21, probably at the same level as in 2019/20 (£1.4m for Lewisham) and, as in 2019/20, will be used to meet the extra costs incurred over the winter period from higher levels of hospital discharges as well as preventative work to reduce the need for hospital admissions.

#### **Public Health Grant**

- 10.8 In 2019/20, the Council's allocation for Public Health Grant is £23.683m. Indications are that there will be a small real terms increase in 2020/21 but allocations have not yet been published.
- 10.9 The grant remains ring-fenced and the agreed commitment of these funds will therefore need to be reviewed annually.

#### **Social Care Grant**

- 10.10 The Autumn 2018 Budget committed £650 million more for social care for 2019/20. This has been increased to £1,500m for 2020/21, with £500m available through the social care precept (see below) and the balance as grant. Lewisham will receive £8.4m of Social Care grant in 2020/21 with the discretion to spend this on both adults and children social care. The budget proposes this will again be mainly allocated to Children's Social Care to ease the pressure on placements spend during the year.

#### **Social Care Precept**

- 10.11 The 2% precept on Council Tax for social care (expected to be £2.3m in 2020/21) will be used to address the increase in fees paid to providers of Adult Social Care. Fees are expected to increase above the general rate of inflation and in line with London Living Wage (LLW) / National Living Wage (NLW) rates. An indicative increase of 3.5% would represent a cost pressure of over £2.7m.

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## 11. TREASURY MANAGEMENT STRATEGY

### Background

- 11.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 11.2 The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 11.3 The contribution the Treasury Management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either for day-to-day revenue purposes or for larger capital projects. Treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund.
- 11.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, arising usually from capital expenditure, and are separate from the day to day Treasury Management activities.

### Treasury Management Strategy for 2020/2021

- 11.5 The Strategy for 2020/21 covers three main areas:
- i/ Capital Issues:
    - Capital Investment Plans
    - Prudential Indicators
    - Minimum Revenue Provision (MRP) Policy
  - ii/ Treasury Management Issues:
    - Borrowing Strategy & Treasury Indicators
    - Debt Rescheduling
    - Investment Strategy
    - Credit Worthiness Policy
    - Prospects for Investment Returns
  - iii/ Non-Treasury Investments
- 11.6 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Ministry of Housing, Community and Local Government's (MHCLG) guidance on Minimum Revenue Provision (MRP) and Investments, and the CIPFA Treasury Management Code.

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### **Capital Investment Plans**

- 11.7 The Treasury Management Strategy for 2020/21 incorporates the capital plans of the Council, as set out in section 6 of this Budget Report, which are a key driver of Treasury Management activity.
- 11.8 The Treasury Management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This involves both the organisation of the cash flow and, where capital plans require, the arrangement of appropriate borrowing facilities.

### **Capital Strategy**

- 11.9 The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities to produce a Capital Strategy, which will provide the following:
- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
  - An overview of how the associated risk is managed; and
  - The implications for future financial sustainability.
- 11.10 The aim of the strategy is to ensure that all elected Members on full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 11.11 The Capital Strategy is reported separately from the Treasury Management Strategy; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The Capital Strategy shows:
- The corporate governance arrangements for these types of activities;
  - Any service objectives relating to the investments;
  - The expected income, costs and resulting contribution;
  - The debt related to the activity and the associated interest costs;
  - The payback period (MRP policy);
  - For non-loan type investments, the cost against the current market value; and
  - The risks associated with each activity.
- 11.12 The 2020/21 strategy is appended at Appendix Z5.

### **Prudential Indicators**

- 11.13 The Council's forward projections for borrowing as at 31 March 2020 are summarised below. Table E1 shows the actual external debt from Treasury Management operations against the underlying capital borrowing need (the Capital Financing Requirement - CFR) which is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness, and its underlying borrowing need.
- 11.14 The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

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- 11.15 The CFR includes any other long-term liabilities (e.g. PFI liabilities). Whilst these increase the CFR and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI or PPP provider and so the Council is not required to separately borrow for these schemes.
- 11.16 Changes in external debt represent upcoming loan maturities, projected prudential borrowing requirements, and an element of general fund borrowing to support the planned costs of new affordable housing.
- 11.17 The table below table illustrates over/(under) borrowing relative to the CFR.

**Table E1: External Debt Projections**

	2018/19 Actual £m	2019/20 Forecast £m	2020/21 Forecast £m	2021/22 Forecast £m	2022/23 Forecast £m
External Debt at 1 April	219.4	217.2	225.1	311.7	459.2
Expected Change in External Debt	-2.2	7.9	86.6	147.5	78.8
Other Long-Term Liabilities	232.9	238.9	229.2	219.1	208.0
<b>Gross Debt at 31 March</b>	<b>450.1</b>	<b>464.0</b>	<b>540.9</b>	<b>678.3</b>	<b>746.0</b>
<b>Capital Financing Requirement at 31 March*</b>	<b>491.4</b>	<b>540.5</b>	<b>632.3</b>	<b>750.4</b>	<b>813.6</b>
<b>Borrowing – over / (under)</b>	<b>-41.3</b>	<b>-76.5</b>	<b>-91.3</b>	<b>-72.2</b>	<b>-67.6</b>

\*The Capital Financing Requirement includes the prudential borrowing figures shown in Table A2 of Section 6 - Capital Programme in the 2019/20 Budget Report.

- 11.18 Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 11.19 The Acting Chief Finance officer reports that the Council has complied with this prudential indicator in the current year to date and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

### **Limits to Borrowing Activity**

- 11.20 There are two parameters of external debt, the 'operational boundary' and 'authorised limit for external debt', which the Council reports on as part of its Prudential indicators. Both are described in further detail in the following paragraphs.

#### The Operational Boundary for External Debt

- 11.21 This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending

on the levels of actual debt and the ability to fund under-borrowing by other cash resources. The Council's operational boundary is set out in Table E2.

**Table E2: Operational Boundary**

	2018/19 Expected £m	2019/20 Forecast £m	2020/21 Forecast £m	2021/22 Forecast £m
Maximum External Debt at 31 March	225.1	311.7	459.2	606.7
Other Long-Term Liabilities	238.9	229.2	219.1	208.0
<b>Operational Boundary for Year</b>	<b>464.0</b>	<b>540.9</b>	<b>678.3</b>	<b>814.7</b>

The Authorised Limit for External Debt

- 11.22 This key indicator represents a control on the maximum level of borrowing, and provides a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term but is not sustainable in the longer term.
- 11.23 This is a statutory limit determined under Section 3(1) of the Local Government Act 2003, and needs to be set and revised by full Council. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.
- 11.24 The authorised limits are as set out in Table E3.

**Table E3: Authorised Limits for External Debt**

	2018/19 Expected £m	2019/20 Forecast £m	2020/21 Forecast £m	2021/22 Forecast £m
<b>Operational Boundary for Year</b>	<b>464.0</b>	<b>540.9</b>	<b>678.3</b>	<b>814.7</b>
Provision for Non Receipt of Expected Income	56.0	56.0	56.0	56.0
<b>Authorised Limit for Year</b>	<b>520.0</b>	<b>596.9</b>	<b>734.3</b>	<b>870.7</b>

- 11.25 The Council in previous years has been limited to a maximum HRA CFR through the HRA self-financing regime. In October 2018, the Government announced a policy change in the abolition of the HRA debt cap as at 29 October 2018. As a result, the HRA is now free to borrow (under Prudential rules) what it requires in order to deliver its strategic priorities. Table E4 sets out the latest forecasts of the HRA CFR and predicted future borrowing.

**Table E4: HRA CFR**

	2018/19 Expected	2019/20 Forecast £m	2020/21 Forecast £m	2021/22 Forecast £m
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	£m			
HRA Borrowing	0.0	88.6	134.0	79.9
HRA Debt (CFR) at 31 March	57.5	146.1	280.1	436.9

### Minimum Revenue Provision (MRP) Policy Statement

- 11.26 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP). The MRP must be determined by the Council as being a prudent provision having regard to the CIPFA Prudential Code for Capital Finance.
- 11.27 The MRP is the amount the Council charges to the revenue account and does not correspond to the actual amount of debt repaid, which is determined by Treasury related issues. Historically the Council has applied a consistent MRP policy which comprises prudential borrowing being repaid over the useful life of the asset concerned and previous borrowing being repaid at the rate of 4% (equivalent to 25 years) of the outstanding balance.
- 11.28 In 2016/17, this policy was changed to reflect the useful lives of the specific asset classes on the Council's balance sheet. It moved to:
- A straight line MRP of 14% equivalent to seven years for plant and equipment (such as IT and vehicles); and
  - A straight line MRP of 2.5% equivalent to forty years for property (such as land and buildings).
- 11.29 In 2017/18 a third element was added to the Council's MRP policy, whereby no MRP need be charged on capital expenditure where the Council has assessed that sufficient collateral is held at a current valuation to meet the outstanding CFR liability, and that should it be determined at any point that insufficient collateral is held to match the Council's CFR liability a prudent MRP charge will commence.

### Borrowing Strategy

- 11.30 The Council's external debt as at 31 March 2020, gross borrowing plus long term liabilities, is expected to be £450.1m. The Council's borrowing strategy is consistent with last year's strategy. The Council is currently maintaining an under-borrowed position in that the CFR is not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as an alternative funding measure. In the current economic climate, this strategy is considered prudent while investment returns are low and counterparty risk remains an issue to be considered.
- 11.31 The Acting Chief Finance Officer will continue to monitor interest rates in the financial markets and adopt a pragmatic and cautious approach to changing circumstances. For instance, if it was felt that there was a significant risk of a sharp fall in long and short term rates (e.g. due to a marked increase of risks around a relapse into recession or risks of deflation in the economy), then long term borrowings will be postponed and potential rescheduling from fixed rate funding into short-term borrowing considered. Any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.
- 11.32 Alternatively, if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast (perhaps arising from an acceleration

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in the start date and rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks) then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than projected in future years. Once again, any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.

### Policy on Borrowing in Advance of Need

11.33 Members should note that the Council's policy is not to borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

### Treasury Indicators

11.34 There are three debt related Treasury activity limits. The purpose of these are to restrain the activity of the Treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. These limits need to be balanced against the requirement for the Treasury function to retain some flexibility to enable it to respond quickly to opportunities to reduce costs and improve performance.

11.35 The debt related indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates; and
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

11.36 The Treasury indicators and limits are set out in the following table:

**Table E5: Treasury Indicators and Limits**

Limits on interest rate exposures	2020/21	2021/22	2022/23
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates:</b>			
• Debt only	100%	100%	100%
• Investments only:			
When total portfolio >£400m	90%	90%	90%
When total portfolio <£400m	85%	85%	85%
<b>Limits on variable interest rates</b>			
• Debt only	15%	15%	15%
• Investments only	75%	75%	75%
<b>Limits on maturity structure of fixed interest rate borrowing 2020/21</b>			
		<b>Lower</b>	<b>Upper</b>

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Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	25%
10 years to 20 years	0%	20%
20 years to 30 years	0%	25%
30 years to 40 years	0%	50%
40 years to 50 years	0%	60%
<b>Limits on Maturity structure of variable interest rate borrowing 2020/21</b>		
	<b>Lower</b>	<b>Upper</b>
30 years to 40 years	0%	60%
40 years to 50 years	0%	40%

### Long Term Investments Indicator

11.37 This indicator sets a limit on the total principal funds invested for greater than 365 days. This limit is set with regard to the Council's liquidity requirements and to manage the risks associated with the possibility of loss which may arise as a result of having to seek early repayment, or redemption of, principal sums invested.

11.38 The indicator and limit is set out in the following table:

**Table E6: Treasury Indicators and Limits**

<b>Maximum Principal Sums Invested &gt; 365 days</b>			
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Principal sums invested > 365 days	50.0	50.0	50.0

### Debt Rescheduling

11.39 As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate efficiencies by switching from long-term debt to short-term debt. However, these efficiencies will need to be considered in light of the current Treasury position and the size of the cost of debt repayment (premiums incurred).

11.40 The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings;
- Helping to fulfil the Treasury Strategy;
- Enhancing the balance of the portfolio (to amend the maturity profile and/or the balance of volatility).

11.41 The Council will continue to explore rescheduling opportunities as appropriate in respect of the financing of its PFIs and external loans.

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- 11.42 The Council has £130m of LOBO loans as of 31 March 2020 of which £60m will be in their call period in 2020/21. In the event that the lender exercises the option to change the rate or terms of the loans within their call period, the Council will consider the terms being provided and also the option of repayment of the loan without penalty.
- 11.43 The Council continuously reviews its debt position to optimise its cash flow. Any consideration of debt rescheduling will be reported to Mayor & Cabinet and subsequently to Council at the earliest meeting possible.

## **ANNUAL INVESTMENT STRATEGY**

### **Investment Policy – Management of Risk**

- 11.44 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial instruments (as managed by the Strategic Finance – Treasury team); non-financial investments, essentially the purchase of income yielding assets, are covered in the separate Capital Strategy.
- 11.45 The Council’s investment policy has regard to MHCLG’s Guidance on Local Government Investments (“the Guidance”), the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”), and CIPFA’s Treasury Management Guidance Notes 2019. The Council’s investment priorities will be security first, liquidity second, then return.
- 11.46 The Council uses Link Asset Services, Treasury solutions as its external Treasury Management advisor. The Council recognises that responsibility for Treasury Management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information including, but not solely, our treasury advisors. It also recognises that there is value in employing external providers of Treasury Management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 11.47 The Guidance and Code place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long term ratings.
  2. **Other information**; ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end, the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings, as well as information on outlooks and watches. This is fully integrated into the credit methodology provided by the advisors in producing its colour codings which show the varying degrees of suggested institution creditworthiness. This has been set out in more detail at Appendix Z2.
  3. **Other information sources** used will include the financial press, share prices and other such information pertaining to the banking sector in order to establish

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the most robust scrutiny process on the suitability of potential investment counterparties.

4. The Council has defined the list of **types of investment instruments** that the Treasury team are authorised to use in the financial year, and these are listed in Appendix Z2 under the categories of “specified” and “non-specified” investments
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
  - **Non-specified investment** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
5. **Lending limits** (amounts and maturity) for each counterparty will be set through applying the credit criteria provided by the advisors, and are set out in Appendix Z2.
6. **Interest rate limits** are set out in paragraph 11.36 and place restrictions on the exposure to variable and fixed rate investments.
7. The Council has placed a limit on the amount of its investments which are invested for **longer than 365 days** (see paragraph 11.38).
8. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 11.52).
9. All investments will be denominated in **sterling**.
10. As a result of the change in accounting standards for 2018/19 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant changes at the end of the year to the General Fund. In November 2018, MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years from 1 April 2018. The Council does not at present have any pooled investments, although is seeking advice on the initial steps required to make such investments.

11.48 Investments will be made with reference to the core balances and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). In order to maintain sufficient liquidity, the Council will seek to utilise its notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest. The remainder of its investments will be placed in fixed term deposits of up to 24 months to generate greater returns.

11.49 Investment returns are likely to remain low during 2020/21 but are expected to be on a gently rising trend over the next few years. In light of these predictions for low returns the Council continues to assess, with support from its advisors, the potential risk and return offered by investing for longer (five or more years) in pooled asset funds. This policy is set with regard to the Council's liquidity requirements and to reduce the risk of a forced sub-optimal early sale of an investment; any investments entered into will be on the advice of the Council's advisors and will continue to meet the objectives of security, liquidity and return.

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## Credit Worthiness Policy

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

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

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

- Yellow 5 years\*
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour Not to be used

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

The Council's creditworthiness policy has been set out at Appendix Z2.

## Country limits

11.52 The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix Z3. This list will be added to, or deducted from, by officers should country ratings change in accordance with this policy.

## Prospects for Investment Returns

11.53 Link Asset Services assist the Council to formulate a view on interest rates. Their view is that they do not think the MPC would increase the Bank Rate before any clearing of the fog on Brexit and agreement being reached on a UK/EU trade deal. They are forecasting two rate rises over the next four years. Bank Rate forecasts for financial year ends (March) are:

- 2019/20 0.75%
- 2020/21 1.00%
- 2021/22 1.00%

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- 2022/23 1.25%

11.54 The suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year are as follows (on the assumption that the UK and EU agree a trade deal):

- 2019/20 0.75%
- 2020/21 0.75%
- 2021/22 1.00%
- 2022/23 1.25%
- 2023/24 1.50%
- 2024/25 1.75%
- Later years 2.25%

11.55 The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture. The balance of risks to increases in the Bank Rate is also broadly to the downside, and is dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and the result of the Brexit negotiations.

11.56 A more extensive table of interest rate forecasts for 2019/20 onwards, including Public Works Loan Board (PWLB) borrowing rate forecasts, is set out in Appendix Z1.

### **Non-Treasury Investments**

11.57 The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such investments tend to be either:

- Policy type investments; whereby capital or revenue cash is advanced for a specific Council objective and will be approved directly through Committee. This may be an advance to a third party for economic regeneration, investments in subsidiaries and joint ventures, etc.
- Commercial type investments; whereby the objective is primarily to generate capital or revenue resources to help facilitate Council services.

11.58 The Council's risk appetite for these investments is reviewed on a case-by-case basis depending on the scale and nature, and strategic fit, of the proposed investment. Where such non-treasury investments exist, they will be identified and summarised at high level within this strategy. The detail and rationale for non-treasury investments will be covered in the separate Capital Strategy.

### **Subsidiary Companies**

11.59 The Council has two wholly owned subsidiary companies, Lewisham Homes Limited and Catford Regeneration Partnership Limited (CRPL). It has invested in these subsidiaries as summarised below.

#### Lewisham Homes Limited

11.60 Lewisham Homes is an arms-length management organisation (ALMO) set up in 2007 as part of the Council's initiative to deliver better housing services and achieve the Decent Homes Standard. The company manages approximately 18,000 homes.

11.61 The Council has to date agreed two separate loan facilities with Lewisham Homes, the first on proxy commercial terms financed from internal borrowing and the second on

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cost-neutral terms financed through the PWLB. Both loans allow Lewisham Homes to purchase properties to address temporary accommodation needs in the borough, and will be repaid on set maturity dates.

- 11.62 Agreement of the property acquisition programme and relevant loan agreements was obtained from Mayor and Cabinet. State Aid issues and other risks and mitigations were considered in the approval of the loan facilities, including for the second loan the requirement for collateral against the loan in order to obtain MRP exemption.
- 11.63 As at 31 March 2020 the Council expects to have advanced £17m of the available £20m commercial loan facility, and all £20m of the agreed facility financed from PWLB debt.

#### Catford Regeneration Partnership Limited (CRPL)

- 11.64 The CRPL is a property investment company created in January 2010 which owns the Catford Shopping Centre and several neighbouring properties used to generate income whilst driving forward a regeneration programme for the town centre and surrounding area.
- 11.65 The Council has existing loan agreements in place with the CRPL, currently on an interest plus principal repayment basis. As at 31 March 2020 the Council expects the outstanding loan principal to be approximately £12.9m.
- 11.66 The state aid compliant loans were advanced as part of the company's initial establishment and to finance new acquisitions as the company grew, approved through reports presented to Mayor & Cabinet.

#### Besson Street Joint Venture

- 11.67 The Council is an equal equity partner in a joint venture with Grainger Plc. to bring forward the development of the currently vacant Besson Street site to provide properties for the Private Rented Sector on long term tenancies. The Council has invested land at this stage and will be required to put forward an estimated £15-20m of cash to make up its share (50%) of the 40% equity, with 60% borrowing, expected once planning permission for the scheme is granted.

### **Other Non-Treasury Investments**

- 11.68 The Council holds minority stakes in the following:
- 10% in Lewisham Schools for the Future LEP Limited, a Local Education Partnership established under the Council's Building Schools for the Future (BSF) programme to rebuild and refurbish secondary schools within the borough.
  - Less than 1% in South-East London Combined Heat and Power Ltd (SELCHP), a joint venture with the London Borough of Greenwich for the provision of waste disposal and waste to energy processes.
  - A minority share in Newable Ltd (formerly Greater London Enterprise Ltd) which provides property management and consultancy services.

## **12. Consultation on the budget**

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

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#### Rent Setting and Housing Panel

- 12.2. As in previous years, tenants' consultation was undertaken via Housing Panel meetings. This provided tenant representatives of Lewisham Homes with an opportunity on 17 December 2019 at the joint Housing Panel meeting to consider the positions and to feedback any views to Mayor & Cabinet. Tenant representatives of Brockley convened their Brockley Residents' Board on 12 November 2019 to hear the proposals and fed back.
- 12.3. Details of comments from the residents' meetings have been set out in Appendix X2 and X3.

#### Business Ratepayers

- 12.4. Representatives of business ratepayers are being consulted online on Council's outline budget between 15 January and 4 February 2020. The results of this consultation will be made available in the Budget Report Update presented to Mayor and Cabinet on 12 February 2020.

### **13. Financial implications**

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

### **14. Legal implications**

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

#### Capital Programme

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

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### Housing Revenue Account

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

### Balanced Budget

- 14.11. Members have a duty to ensure that the Council acts lawfully. It must set and maintain a balanced budget each year. The Council must take steps to deal with any projected overspends and identify cuts or other measures to bring the budget under control. If the Capital Programme is overspending, this may be brought back into line through cuts, slippage, or contributions from revenue. The proposals in this report are designed to produce a balanced budget in 2020/21.
- 14.12. In this context, Members are reminded of their fiduciary duty to the Council Tax payer, effectively to act as trustee of the Council's resources and to ensure proper custodianship of Council funds.

### An annual budget

- 14.13. By law, the setting of the Council's budget is an annual process. However, to enable meaningful planning, a number of cuts proposals for 2020/21 were anticipated in the course of the budget process. They were the subject of full report at that time and they are now listed in Appendix Y1 and Appendix Y2. Members are asked now to approve and endorse those reductions for this year. This report is predicated on taking all of the agreed and proposed budget cuts. If not, any shortfall will have to be met through adjustments to the annual budget in this report.
- 14.14. The body of the report refers to the various consultation exercises (for example with

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tenants' and business) which the Council has carried out/is carrying out in accordance with statutory requirements relating to this budget process. The Mayor must consider the outcome of that consultation with an open mind before reaching a decision about his final proposals to Council. It is noted that the outcome of consultation with business rate payers will only be available from the 5 February 2020 and any decisions about the Mayor's proposals on the budget are subject to consideration of that consultation response which will be reported to M&C in the budget update report scheduled for the 12 February. Until the outcome of the consultation and any relevant matters are considered by M&C, the decisions sought in this report cannot be final.

### Referendum

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

### Robustness of estimates and adequacy of reserves

- 14.17. Section 25 of the Local Government Act 2003 requires, when the authority is making its calculations under s31 of the Local Government Finance Act 1992, the Chief Finance Officer to report to it on:-
- (a) the robustness of the estimates made for the purposes of the Calculations; and
  - (b) the adequacy of the proposed financial reserves.
- 14.18. The Chief Financial Officer's section 25 statement will be appended to the Budget Report update to Mayor & Cabinet on 12 February 2020 when the M&C will be asked to agree their final recommendations to the Council in respect of the 2020/21 budget.

### Treasury Strategy

- 14.19. Authorities are also required to produce and keep under review for the forthcoming year a range of indicators based on actual figures. These are set out in the report. The CIPFA Treasury Management Code of Practice says that movement may be made between the various indicators during the year by an Authority's Chief Finance Officer as long as the indicators for the total Authorised Limit and the total Operational Boundary for external debt remain unchanged. Any such changes are to be reported to the next meeting of the Council.
- 14.20. Under Section 5 of the 2003 Act, the prudential indicator for the total Authorised Limit for external debt is deemed to be increased by an amount of any unforeseen payment which becomes due to the Authority within the period to which the limit relates which

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would include for example additional external funding becoming available but not taken into account by the Authority when determining the Authorised Limit. Where Section 5 of the Act is relied upon to borrow above the Authorised Limit, the Code requires that this fact is reported to the next meeting of the Council.

- 14.21. Authority is delegated to the Acting Chief Finance Officer to make amendments to the limits on the Council's counterparty list and to undertake Treasury Management in accordance with the CIPFA Treasury Management Code of Practice and the Council's Treasury Policy Statement.

#### Constitutional provisions

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

#### Statutory duties and powers

- 14.25. The Council has a number of statutory duties which it must fulfil by law. It cannot lawfully decide not to carry out those duties. However, even where there is a statutory duty, the Council often has discretion about the level of service provision. Where a service is provided by virtue of a Council power rather than a duty, the Council is not bound to carry out those activities, though decisions about them must be taken in accordance with the decision making requirements of administrative law.

#### Reasonableness and proper process

- 14.26. Decisions must be made reasonably taking into account all relevant considerations and ignoring irrelevancies. Members will see that in relation to the proposed budget cuts there is a summary at Appendix Y1 and Y2. If the Mayor decides that the budget for that service must be reduced, the Council's reorganisation procedure applies if staffing numbers would reduce. Staff consultation in accordance with that procedure will be conducted and in accordance with normal Council practice, the final decision would be made by the relevant Executive Director under delegated authority.
- 14.27. It is also imperative that decisions are taken following proper process. Depending on the particular service concerned, this may be set down in statute, though not all legal requirements are set down in legislation.

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- 14.28. For example, depending on the service, there may need to be a need to consult with service users and/or others. The requirement to consult may arise by statute or there may be a legitimate expectation of consultation. A legitimate expectation will arise if a specific promise has been made to do something (for example as in the Lewisham Compact with the voluntary sector) or if it has become practice to consult on particular matters. Where there is a requirement to consult, any proposals in this report must remain proposals unless and until that consultation is complete and the responses have been brought back in a further report for consideration with an open mind before any decision is made.

#### Staff consultation

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

#### Best Value

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

#### Integration with health

- 14.31. Members are reminded that provisions under the Health and Social Care Act 2012 require local authorities in the exercise of their functions to have regard to the need to integrate their services with health. See [“Legal implications” in the guidance](#) for more information.

## **15. Equalities implications**

- 15.1. The Equality Act 2010 (the Act) introduced the public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 15.2. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 15.3. The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is

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not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which the Council can demonstrate that they have had 'due regard'.

- 15.4. The Equality and Human Rights Commission issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with services and public functions. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 15.5. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
  1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty
  4. Equality objectives and the equality duty
  5. Equality information and the equality duty
- 15.6. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties, and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>
- 15.7. The EHRC has also issued Guidance entitled "Making Fair Financial Decisions". It appears at Appendix Y8 and attention is drawn to its contents.
- 15.8. Assessing impact on equality is not an end to itself and it should be tailored to, and be proportionate to, the decision being made. Whether it is proportionate for the Council to conduct an Equalities Analysis Assessment of the impact on equality of a financial decision or not depends on its relevance to the Authority's particular function and its likely impact on people from protected groups, including staff.
- 15.9. Where proposals are anticipated to have an impact on staffing levels, it will be subject to consultation as stipulated within the Council's Employment/Change Management policies, and services will be required to undertake an Equalities Analysis Assessment (EAA) as part of their restructuring process.
- 15.10. It is also important to note that the Council is subject to the Human Rights Act, and should therefore, also consider the potential impact their particular decisions could have on human rights. Where particular cuts have such implications, they are dealt with in relation to those particular reports. The equality considerations for the pressures to be funded in 2020/21, for example additional focus on recruitment, organisational development and reporting are positive with a focus on the Corporate Strategy priority to move the Council's workforce to better represent the Borough.

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## 16. Climate change and environmental implications

- 16.1. Section 40 of the Natural Environment and Rural Communities Act 2006 states that: 'every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity'.
- 16.2. Overall there are limited changes to the budget structure and service funded either from agreed reductions or pressures funded. The environment considerations for any cuts were specifically considered as part of those proposals agreed by M&C. The environment considerations for the pressures to be funded in 2020/21, for example air quality, home energy, and healthier neighbourhood initiatives are positive.

## 17. Crime and disorder implications

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

## 18. Health and wellbeing implications

- 18.1. There are no specific health and well being implications arising from this report.

## 19. Background papers

Short Title of	Date	Location	Contact
Medium Term Financial Strategy	26 June 2019 (M&C)	1st Floor Laurence House	David Austin
2019/20 Revenue Budget Cuts 2020/21 Revenue Budget Cuts	21 November 2018 30 October 2019	1st Floor Laurence House	David Austin
Setting the Council Tax Base & Discounts for Second Homes and Empty Properties	22 January 2020 (Council)	5th Floor Laurence House	David Austin

## 20. Glossary

Term	Definition
Collection Fund	A statement that shows the transactions of the billing authority in relation to non-domestic rates and the Council Tax, and illustrates the way in which these have been distributed to preceptors and the General Fund.

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General Fund	This is the main revenue account which summarises the cost of all services (except those related to Council Housing and Locally Managed Schools) provided by the Council.
Housing Revenue Account	Reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure and how this is met by rents, subsidy and other income.
Minimum Revenue Provision	The minimum revenue provision (MRP) is the minimum amount that must be charged to an authority's revenue account each year and set aside as a provision for debt repayment or other credit liabilities.
Reserves	Amounts set aside for purposes falling outside the definition of provisions made above are considered as reserves.
Revenue Support Grant	A general grant paid by Central Government to local authorities to help them finance the cost of their services, distributed on the basis of government relative needs formulas.

## 21. Report author and contact

David Austin – Acting Chief Finance Officer [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk)

020 8314 9114

Shola Ojo – Principal Accountant [shola.ojo@lewisham.gov.uk](mailto:shola.ojo@lewisham.gov.uk) 020 8314 7778.

## 22. Appendices

### Capital Programme

W1 2019/20 to 2022/23 Capital Programme – Major Projects

W2 Proposed Capital Programme – Original to latest Budget

### Housing Revenue Account

X1 Proposed Housing Revenue Account Cuts 2020/21

X2 Leasehold and Tenants charges consultation 2020/21

X3 Leasehold and Tenants Charges 2020/21 Lewisham Homes

X4 Other Associated Housing Charges for 2020/21

X5 Garage Rent Increase Report 2020/21

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X6 Tenants' rent consultation 2020/21

### **General Fund**

- Y1 Summary of previously agreed budget cuts for 2020/21 (Approved 2018)
- Y2 Summary of previously agreed budget cuts for 2020/21 (Approved 2019)
- Y3 Ready Reckoner for Council Tax 20120/21
- Y4 Chief Financial Officer's Section 25 Statement – *To follow M&C 12 February 2020*
- Y5 Council Tax and Statutory Calculations
- Y6 Summary of risks and pressures to be funded
- Y7 2020/21 Proposed fees and charges

### **Treasury Management**

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

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**APPENDIX W1**

**2019/20 TO 2022/23 CAPITAL PROGRAMME - MAJOR PROJECTS**

Major Projects over £2m	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m
<b>GENERAL FUND</b>					
Schools - School Places Programme	7.0	10.5	4.1	1.5	23.1
Schools – Minor Works Capital Programme	3.8	0.1			3.9
Schools - Other Capital Works	2.1				2.1
Highways & Bridges - TfL	3.4				3.4
Highways & Bridges - LBL	3.5	2.5	2.5	2.5	11.0
Highways – Others	1.4	0.8			2.2
Catford town centre	2.3	3.7	1.1		7.1
Asset Management Programme	2.7	1.7	2.0	2.5	8.9
Broadway Theatre – Repairs & Refurbishment	0.0	1.8	1.9	0.0	3.7
Lewisham Library – Repairs & Refurbishment	0.0	1.0	2.0	0.5	3.5
Old Town Hall – Repairs & Refurbishment	0.0	3.0	0.9	0.0	3.9
Lewisham Homes – Property Acquisition		3.0			3.0
Disabled Facilities Grant	1.2	1.6			2.8
Private Sector Grants and Loans	0.6	1.7	0.6		2.9
Fleet Replacement Programme	0.5	8.1	0.8	0.8	10.2
Beckenham Place Park	3.0	0.6			3.6
Smart Working Programme	2.7				2.7
Edward St. Development	0.1	9.0			9.1
Residential Portfolio Acquisition	45.7				45.7
Achilles St. Development	7.2				7.2
Ladywell Leisure Centre Development Site	0.6	1.1	0.7	0.1	2.5
Traveller’s Site Relocation	0.0	2.1	1.7		3.8
Other Schemes	5.3	5.8	0.9	0.8	12.8
	<b>93.1</b>	<b>58.1</b>	<b>19.2</b>	<b>8.7</b>	<b>179.1</b>
<b>HOUSING REVENUE ACCOUNT</b>					
Building for Lewisham Programme	22.0	97.5	164.6	89.6	373.7
HRA Capital Programme	52.0	37.2	30.6	42.2	162.0
Other Schemes	2.0	1.6	0.9	1.0	5.5
	<b>76.0</b>	<b>136.3</b>	<b>196.1</b>	<b>132.8</b>	<b>541.2</b>
<b>TOTAL PROGRAMME</b>	<b>169.1</b>	<b>194.4</b>	<b>215.3</b>	<b>141.5</b>	<b>720.3</b>

## APPENDIX W2

### PROPOSED CAPITAL PROGRAMME – ORIGINAL TO LATEST BUDGET

	Total	Total
	£'000	£'000
<b>GENERAL FUND</b>		
<b>Original Budget (19/20 Budget Report - 27 February 2019)</b>		<b>72,718</b>
<b>Underspends carried-forward from 2018/19</b>		<b>6,876</b>
<b>New Schemes</b>		
Residential Portfolio Acquisition - Hyde Housing	45,700	
19/20 Fleet Programme	7,798	
Fleet Programme (20/21 - 22/23)	2,400	
School Minor Works Programme 19/20	3,299	
Broadway Theatre - Repairs & Refurbishment	3,700	
Lewisham Library - Repairs & Refurbishment	3,500	
Old Town Hall - Repairs & Refurbishment	3,900	
LIP Programme 19/20	3,428	
Ladywell Leisure Centre Development Site	2,550	
43 - 45 Bromley Road	755	
Civic Suite - Repairs & Refurbishment	600	
Chelwood Nursery Expansion	290	
9-19 Rushey Green Project	500	
Wearside Depot - Changing Facilities	200	
Acquisition of Homes in inner LHA Area	450	
Brockley Rise Centre - Lift Modernisation Project	130	
Brookmill Road Nature Reserve Environment Improvements	60	
19 Yeoman St. - Improvement works	52	
Foster Memorial Park Improvements	46	
Deptford Lounge - Toilet Refurbishment	48	<b>79,406</b>
<b>Variations to existing schemes</b>		
Achilles St. Development	7,250	
Disabled Facilities Grant	639	
Watergate School	2,600	
School Places Programme (19/20 - 22/23)	2,382	

Travellers Site (Pool Court)		2,727		
Excalibur – Estate Regeneration		114		
Highways – LBL		(2,000)		
Pepy's Environmental		(616)		
Asset Management Programme		(500)		
Greystead Estate and Fairlawn School		(375)		
Deptford Southern Sites Regen.		813		
CPZ Programme		500		
Mayow Road Housing Development		490		
Beckenham Place Park		200		
Heathside & Lethbridge		52		
Stillness School Kitchen		44		14,320
<b>Rolling Programmes (22/23)</b>				
Highways – LBL		2,500		
Asset Management Programme		2,500		
Tech Refresh		500		
Cash Incentive Scheme		200		5,700
<b>Latest Budget</b>				<b>179,020</b>

## HOUSING REVENUE ACCOUNT

		£		£
<b>Original Budget (2019/20 Budget Report - 27 February 2019)</b>				272,000
Re - Phasing of Budgets (19/20 - 21/22)		136,430		
22/23 HRA Budgets		132,800		269,230
<b>Latest Budget</b>				<b>541,230</b>
<b>Revised Capital Programme Budget (2019/20 - 22/23)</b>				<b>720,250</b>

## **APPENDIX X1: Proposed Housing Revenue Account Savings 2020/21**

X1.1 The HRA strategy and self-financing assessments are continually updated and developed with the view to ensuring resources are available to meet costs and investment needs and are funded for 2020/21 and future years.

X1.2 Savings and efficiencies delivered in the 2020/21 budget can be re-invested to off-set constrained rent rises or to help bridge any investment gap identified. As a prudent measure the original financial model was developed with no savings identified. Subsequently, discussions have taken place regarding appropriate savings and 'target' management and maintenance costs per unit. For example, there is already an assumed reduction in the Lewisham Homes fee in 2020/21 to reflect stock losses through Right to Buy Sales. Although no direct efficiencies/savings are currently being considered for 2020/21, work continues to identify opportunities for cost reductions and efficiencies relating to the HRA business model. Where identified, these savings would be available to off-set future rental losses due to a constrained uplift to protect investment in stock or services.

X1.3 An update of the HRA Strategy, Savings Proposals, proposed rent & service charge increases and comments from consultation with tenant representatives will be reported to Mayor & Cabinet as part of the HRA Rents and budget strategy report. Mayor & Cabinet will make the final budget decisions in the new year.

## APPENDIX X2: Leasehold and Tenants Charges Consultation 2020/21

Committee	<b>Brockley Residents Panel</b>	Item No	
Report Title	<b>Leasehold and Tenant Charges Consultation</b>		
Contributor	<b>Regenter Brockley Operations Manager</b>		
Class	<b>Decision</b>	Date	<b>12<sup>th</sup> November 2019</b>

### 1 Summary

- 1.1 The report sets out proposals to increase service charges to ensure full cost recovery in line with Lewisham Council's budget strategy.
- 1.2 The report requests Brockley Residents Panel members to consider the proposals to increase service charges based on an uplift of **3.40%** for **2020/21** on specific elements. This is based on full cost recovery in line with previous years' proposals.

### 2 Policy Context

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

### 3. Recommendations

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

### 4. Purpose

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

### 5. Housing Revenue Account Charges

- 5.1 There are several charges made to residents which are not covered through rents. These charges are principally:
  - Leasehold Service Charges
  - Tenant Service Charges

- 5.1 A service charge levy is applied to Tenants for caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning. Tenants also pay a Tenants Fund Levy which is passed onto the Tenants Fund as a grant.
- 5.2 The key principles that should be considered when setting service charges are that:
- The charge should be fair and be no more or less than the cost of providing the service
  - The charge can be easily explained
  - The charge represents value for money
  - The charging basis allocates costs fairly amongst those receiving the service
  - The charge to all residents living in a block will be the same
- 5.3 The principle of full cost recovery ensures that residents pay for services consumed and minimises any pressures in the Housing Revenue Account in providing these services. This is in line with the current budget strategy.
- 5.4 In the current economic environment, it must however be recognised that for some residents this may represent a significant financial strain. Those in receipt of housing benefit will receive housing benefit on increased service charges. Approximately 50% of council tenants are in receipt of housing benefit and Universal Credit.

## 6. Analysis of full cost recovery

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

### 6.2 Leasehold service charges

The basis of the leasehold management charge has been reviewed and externally audited this summer to reflect the actual cost of the service. The management charge now incorporates Resident Engagement and Customer Service charges which makes this combination £86.22 for street properties and £183.05 for blocks.

6.2.1 The uplift in leaseholder charges should reflect full cost recovery for the type of service undertaken. It is proposed that any uplift is applied at 2.40% RPI (September 2019) +1.00% equates to a total uplift of 3.40%

6.2.2 The following table sets out the average weekly increase for the current services provided by Regenter Brockley:

### 6.3 Leasehold service charges

Service	Leasehold No.	Current Weekly Charge	Weekly Increase	New Weekly Amount	Increase (3.40%)
Caretaking	395	£5.76	£0.20	£5.96	3.40%

<b>Grounds Maintenance</b>	395	£3.15	£0.11	£3.26	3.40%
<b>Lighting</b>	395	£1.74	£0.06	£1.80	3.40%
<b>Bulk Waste</b>	395	£1.38	£0.05	£1.43	3.40%
<b>Window Cleaning</b>	221	£0.16	£0.00	£0.16	3.40%
<b>Resident Involvement</b>	558	£0.24	£0.00	£0.24	3.40%
<b>Customer Services</b>	558	£0.38	£0.01	£0.39	3.40%
<b>Ground Rent</b>	558			£0.00	set at £10 per annum
<b>General Repairs</b>	558	£3.50	£0.12	£3.62	3.40%
<b>Technical Repairs</b>	400	£0.69	£0.02	£0.71	3.40%
<b>Entry Phone</b>	139	£0.05	£0.00	£0.05	3.40%
<b>Lift</b>	235	£2.40	£0.08	£2.48	3.40%
<b>Management Fee</b>	558	£2.95	£0.10	£3.05	3.40%
<b>Total</b>		<b>£22.40</b>	<b>£0.75</b>	<b>£23.15</b>	

6.3.1 **Tenant service charges.** These were separated out from rent (unpooled) in 2003/04 and have been increased by inflation since then. RB3 took over the provision of the caretaking and grounds maintenance services in 2007/08. Both tenants and leaseholders pay caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning service charges.

6.3.2 In addition, tenants pay a contribution of £0.15pw to the Lewisham Tenants Fund.

6.3.3 In order to ensure full cost recovery, tenant's service charges for caretaking, grounds maintenance and other services should be increased in line with the percentage increase applied to leaseholder service charges. Overall, charges are suggested to be increased by an average of £0.31 pw which would move the current average weekly charge from £11.06 to £11.37.

6.3.4 The effect of increases in tenant service charges to a level that covers the full cost of providing the service is set out in the table below.

<b>Service</b>	<b>Current Weekly Charge</b>	<b>Weekly Increase</b>	<b>New Weekly Amount</b>	<b>Increase (3.40%)</b>
<b>Caretaking</b>	£5.30	£0.13	£5.43	3.40%
<b>Grounds Maintenance</b>	£2.27	£0.11	£2.38	3.40%
<b>Communal Lighting</b>	£1.76	£0.02	£1.78	3.40%
<b>Bulk Waste</b>	£1.38	£0.05	£1.43	3.40%
<b>Window Cleaning</b>	£0.20	£0.00	£0.20	3.40%
<b>Tenants fund</b>	£0.15	£0.00	£0.15	
<b>Total</b>	<b>£11.06</b>	<b>£0.31</b>	<b>£11.37</b>	

6.3.5 The RB3 Board is asked for their views on these charges from April 2020 to March 2021. Results of the consultation will be presented to Mayor and Cabinet for approval in Spring 2020.

## **7. Financial implications**

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

## **8. Legal implications**

- 8.1. Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Authority must review rents from time to time and make such changes as circumstances require. Within this discretion there is no one lawful option and any reasonable option may be looked at. The consequences of each option must be explained fully so that Members understand the implications of their decisions.
- 8.2 Section 76 of the Local Government and Housing Act 1989 provides that local housing authorities are under a duty to prevent a debit balance in the HRA. Rents must therefore be set to avoid such a debit.
- 8.3 Section 103 of the Housing Act 1985 sets out the terms under which secure tenancies may be varied. This requires: -
- the Council to serve a Notice of Variation at least 4 weeks before the effective date;
  - the provision of enough information to explain the variation;
  - an opportunity for the tenant to serve a Notice to Quit terminating their tenancy.

- 8.4 The timetable for the consideration of the 2020/21 rent levels provides an adequate period to ensure that legislative requirements are met.
- 8.5 Part III of Schedule 4 of the Local Government and Housing Act 1989 provides that where benefits or amenities arising out of the exercise of a Housing Authority's functions, are provided for persons housed by the authority, but are shared by the community as a whole, the authority shall make such contribution to their HRA from their other revenue accounts to properly reflect the community's share of the benefits or amenities.
- 8.6 Where as an outcome of the rent setting process, there are to be significant changes in housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.

## **9. Crime and disorder implications**

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

## **10. Equalities implications**

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

## **11. Environmental implications**

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

## **12. Conclusion**

- 12.1 Revising the level of charges ensures that the charges are fair and residents are paying for the services they use.
- 12.2 The additional resources generated will relieve some of the current pressures within Housing Revenue Account and will contribute to the funding of the PFI contract which is contained within the authorities Housing Revenue Account.

If you require any further information on this report, please contact

Kate Donovan  
Area Manager  
or  
Sandra Simpson  
Project Manager

[Brockley.customerservice@pinnaclegroup.co.uk](mailto:Brockley.customerservice@pinnaclegroup.co.uk)

Or

on 0 207 635 1200.

### APPENDIX X3: Leasehold and Tenants Charges 2020/21 Lewisham Homes

Meeting	Resident Engagement Panel	Item No.	5
Report Title	Leasehold and Tenant Charges 2020/21		
Report Of	Director of Finance and Technology – Rowann Limond		
Class	Information	Date	17 <sup>th</sup> December 2019

#### 1. Purpose of the Report

- 1.1 This report sets out proposals for residents service charges in 2020/21. Residents are invited to comment on the proposals which will be fed back to the Mayor as part of the Council's budget setting process.

#### 2. Recommendations

- 2.1 To consult residents on the service charge proposals and provide feedback to the Mayor.

#### 3. Background of the Report

- 3.1 The Council's Housing Revenue Account is a ring-fenced account. The account can only contain those charges directly related to the management of the Council's housing stock. By implication, leaseholders must be charged the true cost of maintaining their properties, where the provision of their lease allows. This prevents tenants subsidising the cost to leaseholders, who have purchased their properties.
- 3.2 Each year a review of the actual costs is undertaken as part of the budget setting process and recommendations made to the council in respect of proposed charges.
- 3.3 Where possible we aim to keep these charges within the inflation rates. It should be noted that the inflation rates as at September 2019 were CPI 1.75 and RPI 2.4%. Although it is proposed to increase the overall charge to tenants by more than CPI the majority of this increase relates to charges from new service such as sweeping.

#### 4. Tenant and Leasehold service charges 2020/21

- 4.1 The proposed 2020/21 charges as compared with 2019/20 are shown in Appendix
- 4.2 Increases to service charges for caretaking and grounds maintenance reflect the impact of services such as sweeping being moved into the HRA.
- 4.3 Changes to repairs and maintenance charges have been modelled on last 3 years actual costs. These charges are estimates and leaseholders will receive a charge adjustment based on actual costs incurred. This charge adjustment will take place in September 2021.
- 4.4 A proposed increase in communal heating of 13p per week is due to an increase in energy costs.

If you require further information on this report please contact Rowann Limond on 020 3889 0650 or email [rowann.limond@lewishamhomes.org.uk](mailto:rowann.limond@lewishamhomes.org.uk)

Appendix 1

**Proposed Service Charges 2020/21**

Existing Service	Tenant (T) / Leaseholders (LH)	Estimate (per week charge)	Estimate (per week charge)	Change in weekly charge		
		2019/20	2020/21	£	%	
		£	£	£	%	
Caretaking	T & LH	6.00	6.36	0.36	6.01%	increase
Ground Maintenance	T & LH	2.00	2.07	0.07	3.33%	increase
Repairs and Maintenance - Building	LH	2.38	2.92	0.54	22.73%	increase
Repairs and Maintenance Technical	LH	0.98	1.03	0.05	4.80%	increase
Lifts	LH	2.75	2.69	-0.05	-1.89%	decrease
Entry Phone	LH	0.74	0.74	0.00	0.00%	no change
Block Pest Control	T & LH	1.66	1.79	0.13	7.92%	increase
Ground Rent	LH	0.19	0.19	0.00	0.00%	no change
Sweeping	LH	1.03	1.02	-0.01	-1.10%	decrease
Management	LH	2.54	2.45	-0.09	-3.64%	decrease
Window Cleaning	T & LH	0.10	0.10	0.00	0.00%	no change
Bulky House Hold Waste Collection Service	T & LH	0.52	0.47	-0.05	-8.99%	decrease
Bulk Waste Disposal	T & LH	0.84	0.85	0.01	0.88%	increase
Insurance	LH	0.94	0.94	0.00	0.00%	no change
<b>Total excluding energy charges</b>		<b>22.66</b>	<b>23.61</b>	<b>0.95</b>		
Communal Lighting	T & LH	1.12	1.07	-0.04	-3.96%	decrease
Communal Heating and Hot Water	T & LH	10.02	10.29	0.27	2.73%	increase
<b>Total energy charges</b>		<b>11.14</b>	<b>11.37</b>	<b>0.23</b>		
<b>Grand Total</b>		<b>33.80</b>	<b>34.98</b>	<b>1.18</b>		

## **APPENDIX X4: Other Associated Housing Charges for 2020/21**

### **Garage Rents**

1. Garage rents are proposed to rise by 2.4%. This represents an average increase of £0.38pw and would raise the average charge from £15.30pw to £15.68pw. The proposed increase would raise an additional £43k of revenue. Property Services provided a separate consultation report to the residents panel giving further details of the increase to be applied for 2020/21. This is attached as appendix X5 to this report.
2. Garage rents for the Brockley PFI managed area will therefore increase from an average of £11.86 per week to £12.14per week. This is a change of £0.28per week.
3. Garage rents for the Lewisham Homes managed area will therefore increase from an average of £15.82 per week to £16.21 per week. This equates to an increase of £0.39 per week.
4. The authority has commissioned a review into rental values across the garage stock, with a view to reporting to Mayor & Cabinet sometime in the next year recommending rental values to take forward in the longer term. Any additional changes are likely to be consulted on and implemented for financial year 2020/21.

### **Tenants Levy**

5. As part of the budget and rent setting proposals for 2005/6, a sum of £0.13 per week was 'unpooled' from rent as a tenants service charge in respect of the Lewisham Tenants Fund. The current charge is £0.15pw.
6. No proposals have been put forward by Lewisham Tenants Fund (LTF) to vary this levy for 2020/21. Therefore the charge will remain at £0.15pw for 2020/21.

### **Hostel charges**

7. Hostel accommodation charges are set based on current Government requirements and will increase by 2.7% (£0.94 per week).
8. Hostel service charges are set to achieve full cost recovery, following the implementation of self-financing. For 2020/21, the charge for Caretaking/management and Grounds Maintenance will remain at current levels. This will leave the average charge at £72.96 per unit per week.
9. In addition, the charge for Heat, Light & Power will also be held at current levels and will remain at £5.98pw. Water charges will not be increased and will remain at £0.20pw. The charge for Council Tax will be based on the total recharged received from Council Tax section. All charges will be based on the total number of hostel units and is forecast to remain unchanged for 2020/21.

10. Hostel residents were consulted on these proposals via individual letters. Officers also invited hostel residents to meet them to discuss the changes and how these may affect them. However, no comments or representations were received.

#### Linkline Charges

11. The delivery of the service to a 'full visiting service' to better reflect service need was implemented in 2018/19. The resulting annual charge to the HRA for 2019/20 was increased to £410k. Current indications are that an inflationary increase of 2.5% will be applied for 2020/21, increasing the HRA charge by £10k (to £420k for 2020/21). The current linkline charge to HRA residents is £5.96 per week, and does not fully recover the full charge applied to the HRA.
12. Consultation with HRA residents/current users of the service is due to be undertaken in the New Year. The results of any consultation will be reported to Mayor & Cabinet. Consultation would need to be completed by mid-February 2020 to comply with the 28 day statutory notice of charge increases and allow increased charges to be applied from April 2020. However, if consultation is delayed, the charge increase can only be applied from April 2021. There are no proposals to increase the maintenance charge, which will remain at £0.94 per week.

#### Private Sector Leasing (PSL & PMA)

13. Rent income for properties used in the Private Sector Leasing (PSL) scheme is a General Fund resource. Following consultation, the Department for Work and Pensions (DWP) announced that the threshold for 2017/18 for housing benefits subsidy allowances will be based on the January 2011 Local Housing Allowance, less 10%, subject to a maximum capped amount of £500 per week. It is recommended that rents for private sector leased properties are kept within the 2011/12 weekly threshold, as set out in Table B3 below.

**Table B3 - Local Housing Allowances for 2019/20 (used for PSL purposes)**

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

#### Heating & Hot Water Charges

14. As part of last year's rent setting process the Mayor agreed to continue with the current formula methodology for calculating increases in Heating & Hot Water charges to tenants and leaseholders. This formula was originally approved by Mayor & Cabinet in December 2004.

15. The current charging methodology allows a limited inflationary price increase plus a maximum of £2 per week per property increase on the previous year's charge. Consumption levels are also updated and included in the formula calculation.
16. The existing corporate contract for the supply of electricity is let by the property services team with Crown Commercial Services; an Executive Agency of the Cabinet Office. The contract frameworks have been designed to comply with the findings of the Pan Government Energy Project, which recommends that all public sector organisations adopt aggregated, flexible and risk-managed energy procurement with public sector buying organisations.
17. The proposal for 2020/21 is for an increase of £0.27pw or 2.7%. This will move the current charge from £10.02pw to £10.29pw. This is based on the latest available unit rates and consumption data.
18. The proposal for communal lighting is for a reduction of 3.96% or £0.05 per week. This will move the current average charge from £1.12pw to £1.07pw. The reduction is due to updated consumption rates.
19. Officers will review the costs, actual energy usage and new contact prices in both 2019/20 and 2020/21 as part of the monitoring regime. Once the new long-term energy supply contracts are in place, recommendations for changes to charges will be brought forward as part of the 2021/22 budget process.

## APPENDIX X5: Garage Rent Increase Report 2020/21

RESOURCES AND REGENERATION Estates Team Report		
Report Title	Rental Increases for Garages	
Key Decision	Yes	Item No.
Contributors	Lewisham Homes, Brockley Residents, Financial and Legal Services	
Class		Date: December 2019

### **1. Purpose and Summary of the report**

The purpose of this report is to advise the resident panel of the proposed increase in the rent paid by tenants for domestic garages owned by the Council for the next financial year. As is our usual practice, the rents for next year will be increased in line with the Retail Price Index.

### **2. Recommendation**

It is recommended that the Council approves, in principle, an increase in rent for the garage portfolio of 2.4%, to be effective from April 2020. This increase is in line with the increase in the Retail Price Index for the current year.

Blue Badge holders will continue to receive a 50% deduction on the weekly rent.

### **3. Policy Context**

Lewisham's core values as set out in the Corporate Strategy for 2018-2022 are to:

- Put service to the public first;
- Respect all people and all communities;
- Invest in employees;
- Be open, honest and fair in all we do.

Within the context of the Corporate Strategy, the proposal in this report will support the objective of increasing income from the existing estate. The garage portfolio is an opportunity for the Council to closely scrutinize how the resource is managed / utilised, and seek to maximise income where possible, and identify new development opportunities.

It is also an opportunity to monitor and improve the garage letting service delivered to tenants and residents of the borough in accordance with our core value 'Put service to the public first'

### **4. Background**

For the financial year 2019/2020 the garage rentals were increased by 25%. This was following a report by external property consultants Ridge and Partners. Their report advised that the rental levels that were being charged by the Council for its garages were below market rent.

The 25% uplift was therefore imposed in order to correct this and bring rentals back in line with the market.

The larger % increase imposed on tenants in 2018/19 had minimal impact on demand. Whilst a few tenants did vacate their garages at the start of the year, the vast majority stayed on. The current waiting list for garages is approximately 1400 applicants.

For the forthcoming financial year from April 2020 it is intended that the increase imposed is an inflationary one only, in line with the Retail Prices Index, as is our usual practice.

There are approximately 134 Council garage sites in the borough, comprising 182 garage blocks. There are approximately 2,379 individual garages. Approximately 1,801 of the garages are let to Lewisham Homes and Brockley social tenants and 578 are let to non-Lewisham Homes or Brockley social tenants.

A housing tenant with LB Lewisham pays the basic price for a garage (subject to any specific discounts agreed) and a non-housing tenant pays the basic price with the addition of 20% VAT. Blue Badge holders receive a 50% deduction on the weekly rent.

The application of a discount is entirely a discretionary decision on behalf of the Council; garages are not a core social dwelling provision and all could be charged at a higher level, although there is some logic in offering some abatement to housing customers to help mitigate parking issues and neighbourhood management problems.

The highest rent charged is £22.93 per week and the lowest is £11.43 per week. However, some garages are charged at less than the lowest rate per week. These are discounted rates (50% of the full charge) for tenants with blue badges.

## **5. Financial Implications**

The current annual rent roll for the garage portfolio is £1.368M, based on a basic average standard charge of £15.30 per week per garage (i.e. before discounts are applied).

If the rents are increased by RPI as proposed in April 2020, the revised annual rent roll will increase to approximately £1.402M, or £15.68 per week per garage, an uplift of 2.4%, or £0.38 per week on average, and a total increase of approximately £34,000 on the annual rent roll.

## **6. Legal Implications**

The Council's duties in relation to the consultation of tenants on matters of housing management, as set-out in Section 105 of the Housing Act 1985, do not apply to rent levels, nor to charges for services or facilities provided by the authority. There is therefore no requirement to consult with secure tenants regarding the proposed increase in charges. The Council still needs to act reasonably and the decision maker should therefore be satisfied that the increase is reasonable and justified. The general principle is that the Council should be seeking best value.

The Equality Act 2012 (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.

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.

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.

The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled 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-actcodes-of-practice-and-technical-guidance/>

The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- The essential guide to the public sector equality duty
- Meeting the equality duty in policy and decision-making
- Engagement and the equality duty
- Equality objectives and the equality duty
- Equality information and the equality duty

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-sectorequality-duty/guidance-on-the-equality-duty/>

## **7. Crime and Disorder Implications**

There are no specific crime and disorder implications in this report. However, levels of voids could increase in the future if there is a lack of investment. Poorly maintained garages with high vacancy rates can in turn lead to increased levels of crime and anti-social behaviour.

## **8. Equalities Implications**

The proposed 25% increase will be applied across the portfolio to residents and non-residents. Blue badge holders will continue to receive a 50% discount on the weekly rent as existing.

## **9. Environmental Implications**

There are no specific environmental implications in this report.

## **10. Conclusion**

The proposed rental increase is considered to reflect market rent and be sustainable, and will raise additional revenue from the portfolio that can be re-invested.

## **11. Further Information**

If there are any queries on this report, please contact David Lee on extension 49823, [david.lee@lewisham.gov.uk](mailto:david.lee@lewisham.gov.uk)

## Appendix X6: Tenants' rent consultation 2020/21

The Tenants' rent consultation meetings took place on 17<sup>th</sup> December 2019 with Regenter B3 (Brockley) managed tenants and 17<sup>th</sup> December 2019 with Lewisham Homes managed tenants.

Views of representatives on rent and service charge changes & savings proposals.

	Lewisham Homes	Brockley PFI
No of representatives (excl Cllrs)	15+	5
<b>Rent Increase @ 2.7%</b>	See Below	No direct comments
<b>Savings Proposals:-</b>		
No Savings proposed	n/a	n/a
<b>Service Charges inc:</b>		
Heating & Hot Water Charges	See Below	No direct comments
Garage Rents	See Below	No direct comments
Tenants Fund	n/a – no increase proposed	n/a – no increase proposed

Summary of comments made by representatives

**Rent increase:**

Residents expressed their concerns that a 2.7% increase in rents was unaffordable and unjustified and takes no account of affordability issues.

This is especially in the light of continued restrictions in pay increases for low income and public sector employees

In addition, residents would like to see an equalities assessment impact undertaken.

Officers responded by informing the panel that they would look into this and report back at the next meeting.

A show of hands was held on the rise with the following results;

In Favour 0  
Against 5

**Tenants Service Charges & Heating & Hot water Charge:**

A presentation was given on the proposals.

A discussion was held on the issue of service standards and costs.

The following information was requested by panel;

- What 'pests' are covered by the charge for pest control
- Requested details of how the water charges are calculated by Thames Water now that direct billing is in place.

Officers informed the panels that these details would be provided for the next meeting.

A show of hands was held on the rise with the following results;

In Favour 0  
Against 5

**Garage Charges:**

There were complaints regarding the condition of the garages and the justification for increases applied last year.

In addition, comments regarding letting units to non-resident were made.

Officers responded by informing the panel that this only occurs where there is no waiting list and that tenants are given priority for lettings. In addition, non-residents also pay VAT on the lettings.

The panel also requested details to be provided on the following;

- The total level of income;
- Void rates
- Number of lets to non-residents
- Expenditure incurred – staffing, repairs etc.

A show of hands was held on the garage rise with the following results;

In Favour 3

Against 2

**Tenants Fund:**

n/a – no increase proposed

**Savings Proposals:**

n/a

<p>Brockley PFI Area</p>	<p><b>Rent increase:</b></p> <p>There were no comments received on the proposals for the rent increase</p> <p><b>Tenants and Leaseholders Service Charges:</b></p> <p>Residents expressed their dissatisfaction on the lack of information provided by the management team regarding meaningful data provision on actual costs and if there has been any challenges, despite this being asked for.</p> <p>Officers responded by informing the panel that there is an independent audit undertaken annually regarding leasehold service charges which ensure that charges applied are reflective of actual costs.</p> <p>Once the audit is complete, accounts are adjusted, if necessary to reflect actual costs.</p> <p>Residents also commented on a lack of attendance of LBL officers at their regular residents meetings with RB3.</p> <p>Officers responded that if there are particular issues, they would be discussed with the management provider RB3 to resolve.</p> <p><b>Garage Charges:</b></p> <p>There were no comments received on the proposals for the garage rent increase</p> <p><b>Tenants Fund:</b></p> <p>n/a – no increase proposed</p> <p><b>Savings Proposals:</b></p> <p>n/a</p>
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## Appendix X7 - Summary of 5 historic housing debt cases proposed for write off

A summary of the 5 historic debt cases proposed for write off is set out below. In each case any information that might be identifiable to a certain individual or property has been removed.

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

Reference	Balance Including Court Costs	Tenancy Start Date	Tenancy End Date	Case Notes
CASE 1	£10,642.86	26-Mar-07	20-Aug-17	Tenant was evicted from the property. They had a stay application which had been dismissed. Debt has been on the account for a number of years. We have not been able to trace this former tenant and have forwarded details to Medina who also have stated that they cannot find the former occupant. No documents. Last search done 03.06.19
CASE 2	£10,305.30	29-Dec-12	28-May-17	Tenant was evicted from the property for rent arrears. Since the eviction has happened the case has been referred to Medina, who have also undertaken a search. Property had been a sub-let - checks undertaken via Council tax and HB systems – former tenant has not been found via any parties
CASE 3	£11,018.26	25-Feb-02	30-Aug-09	Tenant was evicted for non-payment of rent – since the eviction the case has been referred to debt recovery and tracing agency and the former tenant could not be found in any of the databases and searches (this case is over ten years old and is statute barred).
CASE 4	£11,638.37	07-Feb-11	20-Mar-16	Tenant was in the process of being evicted. However, the property was abandoned prior to the eviction date – we obtained an address for the former tenant in 2016 – but there was no response to any of the letters – there had been issues with the tenant due “mental health” and was being assisted by family members – debt agencies had been appointed but were not able to make contact with the former occupant last attempt of contact was made in June 2016
CASE 5	£16,702.43	23-Jan-06	22-Feb-09	Tenant was evicted as unauthorised Occupant. The case is statute barred. The debt includes an amount of £1,139 for court costs.
<b>Total</b>	<b>£60,307.22</b>			

## APPENDIX Y1 2020/21 Budget Cuts – Approved October 2018

Ref	Proposal	2020/21 £'000
<b>CHILDREN &amp; YOUNG PEOPLE DIRECTORATE</b>		
CYP01	More efficient use of residential placements	300
CYP03	More systematic and proactive management of the market for Independent fostering	600
CYP04	Commission semi-independent accommodation for care leavers	250
CYP05	Residential framework for young people - Joint South East London Commissioning Programme	200
CYP06	Cease funding for former CYP funded post in Voluntary Action Lewisham	25
<b>Total for Children &amp; Young People Directorate</b>		<b>1,375</b>
<b>COMMUNITY SERVICES DIRECTORATE</b>		
COM02	Ensuring support plans optimise value for money	250
COM04	Reduce costs for Learning Disability and Transitions	1,000
COM05	Increased focus of personalisation	482
COM06	Reduction in Mental Health Residential care costs	200
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services	50
COM08	Change in the public engagement responsibilities for air quality and dedicated funding	60
COM10	Crime, Enforcement & Regulation reorganisation	161
COM15	Extended use of Broadway Theatre	50
COM16	Cultural & Community Development Service Staffing	75
<b>Total for Community Services Directorate</b>		<b>2,328</b>
<b>HOUSING, REGENERATION &amp; ENVIRONMENT DIRECTORATE</b>		
CUS02	Income Generation – Increase of Garden Waste Subscription	485
CUS04	Income Generation – Increase in Commercial Waste Charges	300
CUS06	Bereavement Services increase income targets	67
CUS09	Cost reductions in homelessness provision – income generation and net budget reductions	696
RES11	Increase in pre-application fees	100
RES12	Catford complex office rationalisation	250
RES13	Reduction in Business Rates for the Corporate Estate	100
RES14	Corporate Estate Facilities Management Contract Insourcing	100
RES15	Commercial Estate Growth	500
RES17	Beckenham Place Park – income generation	105
RES18	Electric Vehicle charging points	50

<b>Total for Housing, Regeneration &amp; Environment</b>		<b>2,753</b>
<b>CORPORATE SERVICES DIRECTORATE</b>		
CUS10	Invest to save – create revenues protection team	394
CUS11	Process automation in Revenues and Benefits	250
CUS13	Invest to save – improve sundry debt collection	480
RES01	Benefits Realisation of Oracle Cloud	350
RES02	Legal fees increase	32
RES03	Executive Office – Administrative Support Staff Reduction	104
RES04	Policy, Service Design and Intelligence – Reduction on staffing	155
RES06	Increase income supporting the Funding Officer post and review the Economy and Partnerships Function	80
RES07	Reduce corporate apprenticeships salaries budget	55
RES10	Cease graduate programme	78
<b>Total for Corporate Services</b>		<b>1,978</b>
<b>GRAND TOTAL</b>		<b>8,434</b>

## APPENDIX Y2 2020/21 Budget Cuts - Approved October 2019

Ref	Proposal	2020/21 £'000	2021/22 £'000	Total £'000
<b>COMMUNITY SERVICES DIRECTORATE</b>				
COM1a	Managing demand at the point of access to adult social care services	1,000		1,000
COM2a	Ensuring support plans optimise value for money	500		500
COM3a	Increase revenue from charging Adult Social Care clients	500		500
COM18	Funding inflationary increase from within the ASC Grant	2,000		2,000
<b>Total for Community Services Directorate</b>		<b>4,000</b>		<b>4,000</b>
<b>HOUSING, REGENERATION &amp; ENVIRONMENT DIRECTORATE</b>				
CUS15	Cuts to No Recourse to Public Funds service budget	1,000		1,000
CUS16	Operational savings in the Private Sector Housing Agency through service improvements	175		175
<b>Total for Housing, Regeneration &amp; Environment</b>		<b>1,175</b>		<b>3,928</b>
<b>CORPORATE SERVICES DIRECTORATE</b>				
CUS11a	Process automation in Revenues and Benefits		500	500
CUS14a	Parking service budget review	500		500
RES21	Reduced allocation of inflation to contract cost	1,000		1,000
RES22	Reduced allocation of inflation as dividend for improved ICT Provision	1,500		1,500
<b>Total for Corporate Services</b>		<b>3,000</b>	<b>500</b>	<b>3,000</b>
<b>GRAND TOTAL</b>		<b>8,175</b>	<b>500</b>	<b>8,175</b>

## APPENDIX Y3: Ready Reckoner for Council Tax 2020/21

	Budget	Council	Increase /	GLA	Total	Total
	Requirement	Tax	(Decrease)	Precept	Council	Increase /
	Lewisham	(Band D)	Lewisham	(Band D)	Tax	(Decrease)
					(Band D)	
	£'m	£	%	£	£	%
<b>2019/20 Actual</b>	<b>243.012</b>	<b>1,263.94</b>	<b>4.99%</b>	<b>320.51</b>	<b>1,584.45</b>	<b>5.76%</b>
<b>2020/21 Recommended</b>	<b>248.714</b>	<b>1,314.37</b>	<b>3.99%</b>	<b>326.92</b>	<b>1,641.29</b>	<b>3.59%</b>
	248.156	1,308.18	3.50%	326.92	1,635.10	3.20%
	247.587	1,301.86	3.00%	326.92	1,628.78	2.80%
	247.017	1,295.54	2.50%	326.92	1,622.46	2.40%
	246.448	1,289.22	2.00%	326.92	1,616.14	2.00%
	245.879	1,282.90	1.50%	326.92	1,609.82	1.60%
	245.309	1,276.58	1.00%	326.92	1,603.50	1.20%
	244.740	1,270.26	0.50%	326.92	1,597.18	0.80%
	244.170	1,263.94	0.00%	326.92	1,590.86	0.40%

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

This will follow in the Budget Update Report

## APPENDIX Y5: Council Tax and Draft Statutory Calculations

### Council Tax Calculation

As part of the Localism Act 2011, core Council Tax may not be increased by 2% or more (inclusive of levies) without triggering an automatic referendum of all registered electors in the borough. In addition, there is also the opportunity to increase Council Tax by up to a further 2% under the social care precept for 2020/21. This means, for 2020/21, an automatic referendum will now be triggered if the Council Tax increase is 4% or above. The recommended social care precept for 2020/21 is 2%, therefore the recommended total increase is 3.99%. The statutory calculation for whether the Council is required to hold a referendum is based upon the 'relevant basic' amount of Council Tax, which under accounting regulations, includes levies. Any final recommendations on Council Tax levels will need to meet statutory requirements.

To date, Lewisham has not received formal notification from its levy bodies for 2020/21. A zero percent increase has therefore been assumed. An updated position will be provided in the Mayor and Cabinet

### Council Tax and Levies

<b>'Relevant Basic' Amount of Council Tax</b>	<b>2019/20</b>	<b>2020/21</b>
Council Tax Base	<b>88,405.1</b>	<b>90,099.3</b>
Council Tax Requirement with Levy (£)	<b>111,738,742</b>	<b>118,423,817</b>
Basic Amount of Council Tax (£)	<b>1,263.94</b>	<b>1,314.37</b>
<b>Increase in basic amount of Council Tax (%)</b>	<b>4.99%</b>	<b>3.99%</b>

<b>Levy bodies for Lewisham</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>Change £</b>
LPFA	1,288,308	1,288,308	0
Lee Valley Regional Park	210,078	210,078	0
Environment Agency	201,262	201,262	0
<b>Total Levies</b>	<b>1,699,648</b>	<b>1,699,648</b>	<b>0</b>

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

## Statutory Calculations

- 1) It be noted that at its meeting on 22 January 2020, the Council calculated the number of **90,099.3** as its Council Tax base for 2020/21 in accordance with the Local Authorities (Calculation of Tax base) Regulations;
- 2) The following amounts be now calculated by the Council for the year 2020/21 in accordance with the Local Government Finance Act 1992:
  - a. **£1,253,975,043** being the aggregate of the amounts which the Council estimates for gross expenditure, calculated in accordance with Section 32(2)A of the Act;
  - b. **£1,005,261,022** being the aggregate of the amounts which the Council estimates for income, calculated in accordance with Section 32(3)A of the Act;
  - c. **£248,714,021** being the amount by which the aggregate of 2(a) above exceeds the aggregate of 2(b) above, calculated by the Council, in accordance with Section 32A(4) of the Act, as its General Fund budget requirement for the year;
  - d. **£121,174,868** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of the Settlement Funding Assessment.
  - e. **£7,500,000** being the aggregate of the sums which the Council estimates will be transferred into its general fund from reserves, in relation to part of the 2019/20 London Pilot Pool Growth, and S31 NNDR grant.
  - f. **£118,064,817** being the residual amount required to be collected from Council Tax payers. This includes a deficit on the Council's Collection Fund of £359,000.
  - g. **£1,314.37** being the residual sum at (f) above (adding the deficit on the Collection Fund), divided by the Council Tax base of **90,099.3** which is Lewisham's precept on the Collection Fund for 2020/21 at the level of Band D;

<b>Band</b>	<b>Council Tax (LBL)</b>
	<b>£</b>
A	876.24
B	1,022.28
C	1,168.33
<b>D</b>	<b>1,314.37</b>
E	1,606.45
F	1,898.53
G	2,190.61
H	2,628.74

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

3) It be noted that for the year 2020/21, the Greater London Authority is currently consulting on the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 (as amended), for each of the categories of dwellings shown below:-

<b>Band</b>	<b>GLA Precept</b>
	<b>£</b>
A	217.95
B	254.27
C	290.60
<b>D</b>	<b>326.92</b>
E	399.57
F	472.22
G	544.87
H	653.84

4) Having calculated the estimated aggregate amount in each case of the amounts at 2) (g) and 3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, assumed the following amounts as the amounts of Council Tax for the year 2020/21 for each of the categories of dwellings shown below:-

<b>Band</b>	<b>Total Council Tax (LBL &amp; GLA)</b>
	<b>£</b>
A	1,094.19
B	1,276.55
C	1,458.93
<b>D</b>	<b>1,641.29</b>
E	2,006.02
F	2,370.75
G	2,735.48
H	3,282.58

## APPENDIX Y6

### Summary of proposed budget pressures to be funded in 2020/21

Description	£'000	£'000
<b>Previously committed</b>		
Highways & Footways (year 6 of 10)	-350	<b>-350</b>
<b>Corporate Strategy priorities</b>		
<i>Open Lewisham</i>	-760	
Equalities and inclusion		
Communications		
Promoting Lewisham for Borough of Culture		
Theatre		
Leadership development		
<i>Tackling the Housing Crisis</i>	-675	
Reducing Housing Benefits subsidy		
NB – plus Building for Lewisham capital plans		
<i>Giving Children the best start</i>	-7,490	
Children Social Care		
School catering contract		
Troubled Families		
<i>Building an inclusive economy</i>		
Insourced provision for parks, cleaning, facilities mgt..		
Apprentice, BAME and disabled recruitment work		
Economy and partnerships	-2,278	
Community wealth building through procurement	-2,880	
<i>Defencing health &amp; social care</i>		
Social Care precept from Council Tax		
<i>Making Lewisham greener</i>		
Home energy and air quality		
Healthier neighbourhoods		
Beckenham Place Park		
Environment Services		
Fleet replacement (build capital fund)	-460	
<i>Building a safer community</i>		
Violence against women and girls and CCTV		
Building control		
Enforcement work		
<b>Total Corporate Strategy priorities</b>		<b>-15,673</b>

Description	£'000	£'000
<b>Organisational value for money</b>		<b>-2,935</b>
Corporate Services		
Technology and Digital		
Commercial contracts		
<b>Transformation investment</b>		<b>-4,570</b>
<b>Grand Total Funded Pressures</b>		<b>-23,528</b>

## APPENDIX Y7

### 2020/21 PROPOSED FEES & CHARGES

Meeting	<b>Mayor &amp; Cabinet</b>	Item No.	
Report Title	<b>Proposed Fees and Charges for 2020/21</b>		
Report Of	<b>Strategic Procurement &amp; Commercial Services Manager – Katharine Nidd</b>		
Class		Date	<b>5 February 2020</b>

#### 1. Purpose of the Report

- 1.1 This report sets out the Fees & Charges that are proposed to be applied to services for the year 2020/21. Charges are broadly set within the Charging Policy and in accordance with legislative requirements.

#### 2. Recommendations

- 2.2 Mayor and Cabinet are recommended to endorse and approve the fees and charges to be levied in 2020/21 as set out in this report.

#### 3. Background of the Report

- 3.1 Councils are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to support the cost of providing the service.
- 3.2 The Council provides both statutory and discretionary chargeable services. Where fees and charges apply to statutory services these are often set nationally, for example some planning and licensing fees. The majority of statutory services, Building Control being a notable exception, are not funded directly from fees and charges but instead from the Council's other main sources of revenue, i.e. government grants and local taxation. Examples of services funded in this way include Highways, Children's Services, Street Cleansing and Domestic Refuse services.
- 3.3 The Council provides both statutory and discretionary chargeable services. Where fees and charges apply to statutory services these are often set nationally, for example some planning and licensing fees. The majority of statutory services, Building Control being a notable exception, are not funded directly from fees and charges but instead from the Council's other main sources of revenue, i.e. government grants and local taxation. Examples of services funded in this way include Highways, Children's Services, Street Cleansing and Domestic Refuse services.
- 3.4 There may be circumstances where the charge is set for reasons such as, for example, where the Council wishes to manage demand, or deter or incentivise certain behaviours such as encouraging re-cycling, discouraging trade use of civic amenity waste sites etc.

- 3.5 The remaining chargeable services where the Council levies fees and charges are of a discretionary nature. These cover a wide range of services such as Libraries, Pest Control, Commercial Waste, Leisure & Recreation facilities, and Parking. Discretionary Services are those that an authority has the power to provide but is not obliged to. This report includes recommendations for the appropriate level of fees and charges for 2020/21 for these types of services.
- 3.6 The Council has an agreed Charging Policy that provides guidance for budget holders in how to set fees. The policy aims to encourage a consistent and cost effective approach to the setting of charges for services provided by the Council.

#### **4. Summary of Proposed Changes 2020/21**

- 4.1 The proposed 2020/21 charges as compared with 2019/20 for the four directorates are shown in Appendix [xx].

#### **Housing, Regeneration and Environment**

##### **Greenscene**

- 4.2 In general discretionary charges have been increased by 4%, with suitable rounding, which is in line with Council policy of inflation (2.5%) plus percentage and a move towards full cost recovery. Given the variety of discretionary services provided by the service and the consequential variety of fees and charges, the service has committed to a review alongside the Income Generation Team in FY 20/21.

##### **Cleansing**

- 4.3 Domestic lumber and fridge collections have not been increased for next year, the forecourt licence is a statutory licence and also remains unchanged.

##### **Building Control**

- 4.4 These are discretionary fees which will be increased between 2.9% and 4.4%. The average increase for the service is in conformance with the policy (2.5% inflation plus).

##### **Planning**

- 4.5 The bulk of the Planning fees are statutory and set by Central Government. These were last increased 17 January 2018. The discretionary fees will be increased between 1.7% and 3.5% in line with the policy.

##### **Highways**

- 4.6 The majority of highways fees and charges had not been increased for a number of years, resulting in increases varying from 8% to 25% at its highest, this reflects inflation of 2.5% for the previous 4 years and the application of the policy which provides for annual increases of inflation plus an additional percentage. The differing levels of increase reflect both the variety of fees and charges and the service review of these to ensure that the increase reflects benchmarking and cost recovery.

- 4.7 A small number of fees and charges have not been increased.
- 4.8 A standard minimum fee has been introduced for the extension of domestic crossovers, which sits alongside the current fees for the application of a crossover and the installation of the same.
- 4.9 The fee for a materials licence has been reduced by 45.8% from £120.00 to £65.00 to reflect a significant amendment to the way in which this licence application is considered and made, to ensure that as a discretionary fee the Council is not over recovering costs.

### **Street Naming and Numbering**

- 4.10 The fees for street naming and numbering have increased in the range 4% to 10%, with suitable rounding, which is in line with Council policy of inflation (2.5%) plus percentage and a move towards full cost recovery.
- 4.11 These fees and charges have not been increased since their introduction in June 2016.

### **Private sector Housing Agency**

- 4.12 The Private Sector Housing Agency intend to charge for the service of notices under Housing Act 2004. These include Improvement Notices and Prohibition Orders. Charges will be waived if the notice is complied with fully and within the timescales set out. The Agency also intend to charge for a number of discretionary services dealing with property inspections and the property licensing process. These are Adequate Accommodation Assessments as required by the Immigration Rules 2016, drawing up floor plans required for HMO licence applications and assisting members of the public to complete the HMO licence application forms. The Agency also intend to issue Civil Penalty Notices under the Smoke and CO Alarm Regulations (England) 2015 where the circumstances require this intervention and issue Civil Penalty Notices for offences relating to the Selective Licensing of properties when the application to introduce a borough wide selective licensing scheme is granted by the secretary of state

## **Community Services**

### **Licensing**

- 4.13 The majority of fees and charges within Licensing are statutory and thus centrally determined and set.
- 4.14 Discretionary Fees for Sex Establishments were reviewed in 2018/19 and were decreased to bring them in line with London standard and EU regulations. New fees were set in 2018/19 for new legislation introduced under Animal Welfare Regulations 2018 which saw an increase from previous fees set under the repealed legislation. While the majority of Licensing fees are statutory, the service have committed to reviewing all discretionary fees and charges supported by the Income Generation team and reverting to M&C with a more ambitious plan for FY 21/22.

### **Culture and Community Development**

- 4.15 These are discretionary fees for the use of Council tennis courts and are not proposed to increase for 2020/21.

### **Community centres**

- 4.16 No increases are planned for 20/21 as some units are due to be transferred to Adult Learning Lewisham (20.1.2020) and others to Lewisham Homes from 1 April 2020. As these services are discretionary the level of fee will need to be set with reference to the cost of delivery and will therefore require review post transfer.

### **Library and Information Services**

- 4.17 These are discretionary fees for the following library services: loans (including reservations, and overdue and lost items); printing; sales; room hire; and various archive services. As the vast majority of fees are small, a 2.5% increase would create significant rounding issues (pens etc.) the only way to meaningfully raise revenues would be to apply significant increases on some of the larger lines such as the British Library reservations. Therefore, no increase is planned for 2020/21 but will be reviewed as part of the new Libraries Strategies.

### **Corporate Services**

#### **Register Office**

- 4.18 The majority of fees and charges levied by the service are statutory and thus centrally determined and set.
- 4.19 The discretionary fees for ceremonies have been increased by 10%, with the exception of private citizenship ceremonies and Sunday ceremonies which have not increased and the Sunday service at the Evelyn Suite has been withdrawn.

#### **Revenues**

- 4.20 The fees levied under the Revenues service is the collection and enforcement of business rates and council tax collection, all of which are statutory and centrally set and have not increased for next year.

#### **Parking**

- 4.21 There has been a significant change in Council policy for the setting of fees and charges for parking within the borough, to the extent that a comparison with previous years is no longer feasible. This change has been agreed by Mayor and Cabinet on the 15 January 2020 and is included within this report for completeness of presentation.

**If you require further information on this report please contact Katharine Nidd on 020 8314 6651 or email [Katharine.nidd@lewisham.gov.uk](mailto:Katharine.nidd@lewisham.gov.uk)**

## **2021 / 21 PROPOSED CHARGES**

### **CONTENTS**

GREENSCENE

CLEANSING

BUILDING CONTROL

PLANNING

HIGHWAYS

STREET NAMING AND NUMBERING

PRIVATE SECTOR HOUSING AGENCY

LICENSING

CULTURE AND COMMUNITY DEVELOPMENT

COMMUNITY CENTRES

LIBRARY & INFORMATION SERVICE

REGISTER OFFICE

REVENUES

PARKING

**APPENDICES W1 to Z5 2020/21 BUDGET REPORT**

**SERVICE: GreenScene**

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Basis for charging
		Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)		
			0.2			0.2			
Rats Domestic									
Rats Commercial	From	100.00	20.00	120.00	104.00	20.80	124.80	4.0	Discretionary
Mice Domestic		83.33	16.67	100.00			104.00	4.0	Discretionary
Mice Domestic Concessions		41.67	8.33	50.00			52.00	4.0	Discretionary
Mice Commercial	From	100.00	20.00	120.00	104.00	20.80	124.80	4.0	Discretionary
Cockroaches Domestic		113.33	22.67	136.00			140.00	2.9	Discretionary
Cockroaches Domestic Concessions		56.67	11.33	68.00			70.00	2.9	Discretionary
Cockroaches Commercial	From	136.00	27.20	163.20	140.00	28.00	168.00	2.9	Discretionary
Pharaoh Ants Domestic		113.33	22.67	136.00			140.00	2.9	Discretionary
Pharaoh Ants Domestic Concessions		56.67	11.33	68.00			70.00	2.9	Discretionary
Pharaoh Ants Commercial	From	136.00	27.20	163.20	140.00	28.00	168.00	2.9	Discretionary
Bed Bugs Domestic		93.33	18.67	112.00			116.00	3.6	Discretionary
Bed Bugs Domestic Concessions		46.67	9.33	56.00			58.00	3.6	Discretionary
Bed Bugs Commercial	From	112.00	22.40	134.40	116.00	23.20	139.20	3.6	Discretionary
Fleas Domestic		83.33	16.67	100.00			104.00	4.0	Discretionary
Fleas Domestic Concessions		41.67	8.33	50.00			52.00	4.0	Discretionary
Fleas Commercial	From	100.00	20.00	120.00	104.00	20.80	124.80	4.0	Discretionary
Wasps Domestic		51.67	10.33	62.00			64.00	3.2	Discretionary
Wasps Domestic Concessions		25.83	5.17	31.00			32.00	3.2	Discretionary
Wasps Commercial	From	62.00	12.40	74.4	64.00	12.80	76.80	3.2	Discretionary
Beetles Domestic		83.33	16.67	100.00			104.00	4.0	Discretionary
Beetles Domestic Concessions		41.67	8.33	50.00			52.00	4.0	Discretionary
Beetles Commercial	From	100.00	20.00	120.00	104.00	20.80	124.80	4.0	Discretionary
Garden Ants		83.33	16.67	100.00			104.00	4.0	Discretionary

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Garden Ants Concessions		41.67	8.33	50.00			52.00	4.0	Discretionary
Garden Ants Commercial	From	100.00	20.00	120.00	104.00	20.80	124.80	4.0	Discretionary
Moths Domestic		83.33	16.67	100.00			104.00	4.0	Discretionary
Moths Domestic Concessions		41.67	8.33	50.00			52.00	4.0	Discretionary
Moths Commercial	From	100.00	20.00	120.00	104.00	20.80	124.80	4.0	Discretionary
Squirrels Domestic		145.00	29.00	174.00			180.00	3.4	Discretionary
Squirrels Commercial	From	174.00	33.80	207.80	180.00	36.00	216.00	3.9	Discretionary
Call Out Fee Domestic		51.67	10.33	62.00			64.00	3.2	Discretionary
Call Out Fee Commercial	From	62.00	12.40	74.4	64.00	12.80	76.80	3.2	Discretionary
One Of Sprays Domestic		83.33	16.67	100.0			104.00	4.0	Discretionary
One Of Sprays Commercial	From	100.00	20.00	120.00	104.00	20.80	124.80	4.0	Discretionary
Commercial Collections		48.00	9.60	57.60	50.00	10.00	60.00	4.2	Discretionary
£6 per Unit with minimum Collection fee of £50									
Sites without water	Per Rod		0.00	£7.90	8.10	0.00	8.10	2.5	Discretionary
Sites with water	Per Rod		0.00	£10.20	10.46	0.00	10.46	2.5	Discretionary
Sites with locker and toilet facilities	Per Rod		0.00	£11.30	11.58	0.00	11.58	2.5	Discretionary
Sites with shed only	Per Rod		0.00	£10.60	10.87	0.00	10.87	2.5	Discretionary
Devonshire Road Birthday hire	per session	56.00	0.00	56.00	57.40	0.00	57.40	2.5	Discretionary
Dacres wood Birthday Hire	per session	56.00	0.00	56.00	57.40	0.00	57.40	2.5	Discretionary
Free we grow home education hire Dacres Wood NR	per hour	10.25	0.00	10.25	10.51	0.00	10.51	2.5	Discretionary
Montessori nursery hire	per hour	5.12	0.00	5.12	5.25	0.00	5.25	2.5	Discretionary
Bonhoeffer kindergarten Hire Dacres Wood	per hour	5.12	0.00	5.12	5.25	0.00	5.25	2.5	Discretionary
Little explorers Dacres Wood Hire	per child	1.03	0.00	1.03	1.06	0.00	1.06	2.5	Discretionary
Corporate volunteering	per 10 people	179.40	0.00	179.40	183.89	0.00	183.89	2.5	Discretionary
Additional School sessions	per class	179.40	0.00	179.40	183.89	0.00	183.89	2.5	Discretionary

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**SERVICE: Cleansing**

	UNIT	Basic	VAT	Total 19/20 (£)	Basic	VAT	Total 20/21 (£)	% change	Basis for charging
		(£)	0.2		(£)	0.2			
Domestic Lumber Collection Service	maximum 3 items per collection 18/19 increased to 4 items 19/20	20.00	0.00	20.00	20.00	0.00	20.00	0.0	Discretionary
Fridge Collection Service	Per Fridge	30.00	0.00	30.00	30.00	0.00	30.00	0.0	Discretionary
Forecourt Licences	Per square metre plus £30 admin. fee on application and renewal fee of £30.00 every 3 years.	5.50	0.00	5.50	5.50	0.00	5.50	0.0	Statutory

# APPENDICES W1 to Z5 2020/21 BUDGET REPORT

## SERVICE: Building Control

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Comments	Basis for charging
		Basic (£)	VAT 0.2	Total 19/20 (£)	Basic (£)	VAT 0.2	Total 20/21 (£)			
<b>Domestic Extensions - not more than 2 storeys high</b>										Discretionary
Floor area not exceeding 6m2		350.00	70.00	420.00	360.00	72.00	432.00	2.9		Discretionary
6m2 and under 40m2		575.00	115.00	690.00	595.00	119.00	714.00	3.5		Discretionary
40m2 and under 60m2		675.00	135.00	810.00	700.00	140.00	840.00	3.7		Discretionary
Over 60m2 (Charged based on estimated cost of work)										Discretionary
<b>Domestic single family loft conversion</b>										Discretionary
<b>Floor area not exceeding 6m2</b>		400.00	80.00	480.00	415.00	83.00	498.00	3.8		Discretionary
6m2 and under 40m2		600.00	120.00	720.00	620.00	124.00	744.00	3.3		Discretionary
40m2 and under 60m2		725.00	145.00	870.00	750.00	150.00	900.00	3.4		Discretionary
Over 60m2 (Charged based on estimated cost of work)										Discretionary
<b>Detached garages/outbuildings/carports</b>										Discretionary
Floor area not exceeding 30m2		450.00	90.00	540.00	465.00	93.00	558.00	3.3		Discretionary
<b>Floor area exceeding 30m2 BUT not exceeding 60m2</b>		550.00	110.00	660.00	570.00	114.00	684.00	3.6		Discretionary
Over 60m2 (Charged based on estimated cost of work)										Discretionary
<b>Window replacement (not competent persons)</b>										Discretionary
Estimated cost of work £0-2,000.00		120.00	24.00	144.00	125.00	25.00	150.00	4.2		Discretionary

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Estimated cost of work £2,000 -10,000.00		170.00	34.00	204.00	175.00	35.00	210.00	2.9		Discretionary
Over £10,000.00 (Charged by estimated cost of work)										Discretionary
<b>Schedule 2 - Other Works</b>										
0-1,000		150.00	30.00	180.00	155.00	31.00	186.00	3.3		Discretionary
<b>1,001-2,000</b>		225.00	45.00	270.00	235.00	47.00	282.00	4.4		Discretionary
2,001-10,000		300.00	60.00	360.00	310.00	62.00	372.00	3.3		Discretionary
10,001-11,000		361.00	72.20	433.20	375.00	75.00	450.00	3.9		Discretionary
11,001-12,000		372.00	74.40	446.40	385.00	77.00	462.00	3.5		Discretionary
12,001-13,000		383.00	76.60	459.60	395.00	79.00	474.00	3.1		Discretionary
<b>13,001-14,000</b>		394.00	78.80	472.80	405.00	81.00	486.00	2.8		Discretionary
14,001-15,000		405.00	81.00	486.00	420.00	84.00	504.00	3.7		Discretionary
15,001-16,000		416.00	83.20	499.20	430.00	86.00	516.00	3.4		Discretionary
16,001-17,000		427.00	85.40	512.40	445.00	89.00	534.00	4.2		Discretionary
17,001-18,000		438.00	87.60	525.60	455.00	91.00	546.00	3.9		Discretionary
<b>18,001-19,000</b>		449.00	89.80	538.80	465.00	93.00	558.00	3.6		Discretionary
19,001-20,000		460.00	92.00	552.00	475.00	95.00	570.00	3.3		Discretionary
20,001-21,000		469.25	93.85	563.10	485.00	97.00	582.00	3.4		Discretionary
21,001-22,000		478.50	95.70	574.20	495.00	99.00	594.00	3.4		Discretionary
22,001-23,000		487.75	97.55	585.30	505.00	101.00	606.00	3.5		Discretionary
23,001-24,000		497.00	99.40	596.40	515.00	103.00	618.00	3.6		Discretionary
24,001-25,000		506.25	101.25	607.50	525.00	105.00	630.00	3.7		Discretionary
25,001-26,000		515.50	103.10	618.60	535.00	107.00	642.00	3.8		Discretionary
<b>26,001-27,000</b>		524.75	104.95	629.70	545.00	109.00	654.00	3.9		Discretionary
27,001-28,000		534.00	106.80	640.80	555.00	111.00	666.00	3.9		Discretionary
28,001-29,000		543.25	108.65	651.90	560.00	112.00	672.00	3.1		Discretionary
29,001-30,000		552.50	110.50	663.00	570.00	114.00	684.00	3.2		Discretionary
30,001,31,000		561.75	112.35	674.10	580.00	116.00	696.00	3.2		Discretionary
31,001-32,000		571.00	114.20	685.20	590.00	118.00	708.00	3.3		Discretionary
32,001-33,000		580.25	116.05	696.30	600.00	120.00	720.00	3.4		Discretionary

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33,001-34,000		589.50	117.90	707.40	610.00	122.00	732.00	3.5		Discretionary
34,001-35,000		598.75	119.75	718.50	620.00	124.00	744.00	3.5		Discretionary
35,001-36,000		608.00	121.60	729.60	630.00	126.00	756.00	3.6		Discretionary
36,001-37,000		617.25	123.45	740.70	640.00	128.00	768.00	3.7		Discretionary
37,001-38,000		626.50	125.30	751.80	650.00	130.00	780.00	3.8		Discretionary
38,001-39,000		635.75	127.15	762.90	660.00	132.00	792.00	3.8		Discretionary
39,001-40,000		645.00	129.00	774.00	670.00	134.00	804.00	3.9		Discretionary
40,001-41,000		654.25	130.85	785.10	680.00	136.00	816.00	3.9		Discretionary
41,001-42,000		663.50	132.70	796.20	685.00	137.00	822.00	3.2		Discretionary
42,001-43,000		672.75	134.55	807.30	695.00	139.00	834.00	3.3		Discretionary
43,001-44,000		682.00	136.40	818.40	705.00	141.00	846.00	3.4		Discretionary
44,001-45,000		691.25	138.25	829.50	715.00	143.00	858.00	3.4		Discretionary
45,001-46,000		700.50	140.10	840.60	725.00	145.00	870.00	3.5		Discretionary
46,001-47,000		709.75	141.95	851.70	735.00	147.00	882.00	3.6		Discretionary
47,001-48,000		719.00	143.80	862.80	745.00	149.00	894.00	3.6		Discretionary
48,001-49,000		728.25	145.65	873.90	755.00	151.00	906.00	3.7		Discretionary
49-001-50,000		737.50	147.50	885.00	765.00	153.00	918.00	3.7		Discretionary

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**SERVICE: Planning**

	UNIT	Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)	% change	Comment	Basis for charging
			0.2			0.2				
<b>Operations:</b>										
<b>1. New Developments</b>										
<b>1.1 Outline Applications (calculated on site area)</b>										
1.1.1 Not more than 2.5 hectares	per 0.1 hectare (or part thereof)	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory
1.1.2 More than 2.5 hectares	per 0.1 hectare (or part thereof)	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	0.00	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	0.00	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	0.0		Statutory
<b>1.2 Full Applications (and First Submissions of Reserved Matters; or Technical Details Consent)</b>										
1.2.1 The erection of new dwelling houses; including the building of new flats; (Total	Per dwelling house	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory

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number of new units created is 50 or less)										
1.2.2 Erection of new dwelling houses; including the building of new flats; (Total number of new units created is more than 50)	Per dwelling house	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	0.00	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	0.00	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	0.0		Statutory
1.2.3 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where there is <b>no gross floor</b> space created by the development		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0		Statutory
1.2.4 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0		Statutory

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development does not exceed 40 sq. m										
1.2.5 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the development exceeds 40 sq. m, but does not exceed 75 sq. m		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory
1.2.6 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the development exceeds 75 sq. m, but does not exceed 3,750 sq. m	75 sq. m (or part thereof)	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory

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1.2.7 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the development exceeds 3,750 sq. m	75 sq. m (or part thereof)	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum on £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum on £300,000	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum on £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum on £300,000	0.0		Statutory
1.2.8 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development does not exceed 465 sq. m		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
1.2.9 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development exceeds 465 sq. m		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory

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but does not exceed 540 sq. m										
1.2.10 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development exceeds 540 sq. m but does not exceed 4215 sq. m	75 sq. m (or part thereof)	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	0.00	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	0.00	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	0.0		Statutory
1.2.11 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development exceeds 4,215 sq. m	75 sq. m (or part thereof)	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	0.0		Statutory

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1.2.12 Erection of glasshouses on land used for the purpose of agriculture; where the gross floor space to be created by the development does not exceed 465 sq. m		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
1.2.13 Erection of glasshouses on land used for the purpose of agriculture; where the gross floor space to be created by the development exceeds 465 sq. m		£2,580.00	0.00	£2,580.00	£2,580.00	0.00	£2,580.00	0.0		Statutory
1.2.14 Erection / alterations / replacement of plant and machinery where the site area does not exceed 5 hectares	per 0.1 hectare (or part thereof)	£462	0.00	462.00	£462	0.00	462.00	0.0		Statutory
1.2.15 Erection / alterations / replacement of plant and machinery where the site area exceeds 5 hectares	per 0.1 hectare (or part thereof)	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum	0.00	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum	0.00	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum	0.0		Statutory

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		of £300,000		of £300,000	of £300,000		maximum of £300,000			
1.2.16 Re-submission within 12 months of the decision (or within 12 months of submitting an application that is subsequently withdrawn), where the applicant, the address (or site location) is the same as that for the previous application and the description of the resubmission is similar to that of the previous application.		0.00	0.00	0.00	0	0.00	0.00	0.0		Statutory
<b>2. Reserved Matters</b>										

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2.1 Application for approval of reserved matters following outline approval. If a sum equal to or greater than what would be payable at current rates for approval of all the reserved matters has already been paid		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory
2.2 Application for approval of reserved matters following outline approval. If a sum equal to or greater than what would be payable at current rates for approval of all the reserved matters has NOT already been paid		Fee will the same as Full fee for that use carried out or operation	0.00	Fee will the same as Full fee for that use carried out or operation	Fee will the same as Full fee for that use carried out or operation	0.00	Fee will the same as Full fee for that use carried out or operation			Statutory
2.3 Resubmission within 12 months of the decision (or within 12 months of submitting an application that is subsequently withdrawn), where the applicant, the address (or site location) is the same as that for the		0.00	0.00	0.00	0	0.00	0.00	0.0		Statutory

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previous application and the description of the resubmission is similar to that of the previous application.										
<b>3. Existing Dwelling houses or Flats</b>										
3.1 Enlargement, improvement or other alteration of an existing single dwelling house or single flat		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0		Statutory
3.2 Enlargement, improvement or other alteration of existing dwelling houses or flats (two or more)		£407.00	0.00	£407.00	£407.00	0.00	£407.00	0.0		Statutory
3.3 The carrying out of operations within the curtilage of an existing dwelling house, for purposes ancillary to the enjoyment of the dwelling house										
Erection of a building, outhouse, workshop, large shed etc.		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0		Statutory
Erection or construction of gates, fences, walls or other means of enclosure along a boundary of the curtilage of an existing dwelling house		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0		Statutory

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Enlargement, improvement or other alteration of an existing single dwelling house or single flat specifically for the benefit of a registered disable person		£0.00	0.00	£0.00	£0.00	0.00	£0.00	0.0		Statutory
3.4 Resubmission within 12 months of the decision (or within 12 months of submitting an application that is subsequently withdrawn), where the applicant, the address (or site location) is the same as that for the previous application and the description of the resubmission is similar to that of the previous application.		0.00	0.00	0.00	0	0.00	0.00	0.0		Statutory
<b>4. Applications other than Building Works</b>										
4.1.The construction of car parks, service roads or other accesses, including cross overs / drop		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0		Statutory

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curbs for existing uses										
4.2 Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction of storage of minerals); where the site area does not exceed 15 hectares	per 0.1 hectare (or part thereof)	£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0		Statutory
4.3 Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction of storage of minerals); where the site area exceeds 15 hectares	per 0.1 hectare (or part thereof)	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.0		Statutory
<b>5. Drilling / Mining Operations</b>										
5.1 Operations connected with exploratory drilling for oil or natural gas; where the site area	per 0.1 hectare (or part thereof)	£508.00	0.00	£508.00	£508.00	0.00	£508.00	0.0		Statutory

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does not exceed 7.5 hectares										
5.2 Operations connected with exploratory drilling for oil or natural gas; where the site area exceeds 7.5 hectares	per 0.1 hectare (or part thereof)	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	0.00	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	0.00	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	0.0		Statutory
5.3 Operations (other than exploratory drilling) for the winning and working of oil or natural gas; where the site area does not exceed 15 hectares	per 0.1 hectare (or part thereof)	£257.00	0.00	£257.00	£257.00	0.00	£257.00	0.0		Statutory

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5.4 Operations (other than exploratory drilling) for the winning and working of oil or natural gas; where the site area exceeds 15 hectares	per 0.1 hectare (or part thereof)	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.0		Statutory
5.5 Other operations (winning and working of minerals) excluding oil and natural gas; where the site area does not exceed 15 hectares	per 0.1 hectare (or part thereof)	£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0		Statutory
5.6 Other operations (winning and working of minerals) excluding oil and natural gas; where the site area exceeds 15 hectares	per 0.1 hectare (or part thereof)	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a	0.0		Statutory

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							maximum of £78,000			
5.7 Other operations (not coming within any of the above categories) (calculated on site area)	per 0.1 hectare (or part thereof)	0.00	0.00	£234 per 0.1 hectare (or part thereof) up to a maximum of £2,028	£234 per 0.1 hectare (or part thereof) up to a maximum of £2,028	0.00	£234 per 0.1 hectare (or part thereof) up to a maximum of £2,028	0.0		Statutory
<b>6. Lawful Development Certificate</b>										
6.1 Lawful Development Certificate Existing (Section 191 (1) (a) or (b) application for a certificate to establish the lawfulness of an existing land-use, or of development already carried out		Fee will the same as Full fee for that use carried out or operation	0.00	Fee will the same as Full fee for that use carried out or operation	Fee will the same as Full fee for that use carried out or operation	0.00	Fee will the same as Full fee for that use carried out or operation			Statutory

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<p>6.2 Lawful Development Certificate Existing (Section 191 (1) (a) or (b) application for a certificate to establish the lawfulness of an existing land-use, or of development already carried out. Application for planning permission for the same development would be exempt from the need to pay a planning fee under any other planning fee regulation.</p>		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
<p>6.3 Lawful Development Certificate - Lawful not to comply with a particular planning condition. (Section 191 (1) (c) application for a certificate to establish that it was lawful not to comply with a particular condition or other limitation imposed on</p>		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0		Statutory

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a planning permission.										
6.4 Lawful Development Certificate - Proposed (Section 192 application for a certificate to state that a proposed use would be lawful.		Fee will be half the normal planning fee if submitting a new application for that use or operation	0.00	Fee will be half the normal planning fee if submitting a new application for that use or operation	Fee will be half the normal planning fee if submitting a new application for that use or operation	0.00	Fee will be half the normal planning fee if submitting a new application for that use or operation	0.0		Statutory
6.5 Certificate of Lawfulness of Proposed Works to a listed building		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
<b>7. Prior Approval</b>										
7.1 Prior approval for permitted development rights for a larger single story home extension (From 19 August 2019)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.2 Agricultural and Forestry buildings and operations		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.3 Demolition of buildings		£96.00	0.00	96.00	£96.00	0.00	£96.00	0.0		Statutory

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7.4 Communications (previously referred to as "Telecommunications Code Systems Operators")		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory
7.5 Change of Use from Shops (Class A1), Professional and Financial Services (Class A2), Takeaways (Class A5), Betting Offices, Pay Day Loan Shops or Launderettes to Offices (Class B1a)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.6 Change of Use of a building and any land within its curtilage from Business (Use Class B1), Hotels (Use Class C1), Residential Institutions (Use Class C2), Secure Residential Institutions (Use Class C2A) or Assembly and Leisure (Use Class D2) to a State Funded School or Registered Nursery		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory

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7.7 Change of Use of a building and any land within its curtilage from an Agricultural Building to a State-Funded School or Registered Nursery		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.8 Change of Use of a building and any land within its curtilage from an Agricultural Building to a flexible use within Shops (Use Class A1), Financial and Professional Services (Use Class A2), Restaurants and Cafes (Use Class A3), Business (Use Class B1), Storage or Distribution (Use Class B8), Hotels (Use Class C1), or Assembly or Leisure (Use Class D2)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.9 Change of Use of a building and any land within its curtilage from Offices (Use Class B1a) to Dwelling houses (Use Class C3)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory

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7.10 Change of Use of a building and any land within its curtilage from an Agricultural Building to Dwelling houses (Use Class C3)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.11 Change of Use of a building and any land within its curtilage from an Agricultural Building to Dwelling houses (Use Class C3); where it includes building operations in connection with the change of use		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0		Statutory
7.12 Change of Use of a building from Retail (Use Classes A1 and A2), Betting Offices, Pay Day Loan Shops, Launderette; or a mixed use combining one of these uses and use as a dwelling house to Dwelling houses (Use Class C3)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory

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7.13 Change of Use of a building from Retail (Use Class A1 and A2), Betting Offices, Pay Day Loan Shops, Launderette; or a mixed use combining one of these uses and use as a dwelling house to Dwelling houses (Use Class C3); where it includes building operations in connection with the change of use		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0		Statutory
7.14 Change of use of a building and any land within its curtilage from Storage and Distribution (Use Class B8) and Light Industrial (Use Class B1c) to Dwelling houses (Use Class C3)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.15 Change of Use of a building and any land within its curtilage from Amusement Arcades / Centres and Casinos (Sui Generis		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory

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Uses) to Dwelling houses (Use Class C3)										
7.16 Change of Use of a building and any land within its curtilage from Amusement Arcades / Centres and Casinos (Sui Generis Uses) to Dwelling houses (Use Class C3); where it includes building operations in connection with the change of use		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0		Statutory
7.17 Change of Use from Shops (Class A1), Professional and Financial Services (Class A2), Betting Offices, Pay Day Loan Shops (Sui Generis Uses) to Assembly and Leisure Uses (Use Class D2)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.18 Change of Use from Retail (Use Classes A1 and A2), Takeaways (Class A5), Betting Offices, Pay Day Loan Shops		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory

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or Launderettes to Offices (Class B1a)										
7.19 Development consisting of the Erection or Construction of a Collection Facility within the curtilage of a Shop		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.20 Temporary Use of Buildings or Land for the Purpose of Commercial Film-Making and the Associated Temporary Structures, Works, Plant or Machinery required in Connection with that Use		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory
7.21 Installation, Alteration or Replacement of other Solar Photovoltaics (PV) equipment on the Roofs of Non-domestic Buildings, up to a Capacity of 1 Megawatt		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0		Statutory

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7.22 Prior approval application where a planning application for the same site is submitted at the same time by or on behalf of the same person		£0.00	0.00	£0.00	£0.00	0.00	£0.00	0.0		Statutory
<b>8. Approval / variation / discharge of condition</b>										
8.1 Application for removal or variation of condition following grant of planning permission		£234.00	£0.00	£234.00	£234.00	£0.00	£234.00	0.0		Statutory
8.2 Request to discharge one or more householder planning conditions	Per Request	£34.00	£0.00	£34.00	£34.00	£0.00	£34.00	0.0		Statutory
8.3 Request to discharge one or more non-householder planning conditions	Per Request	£116.00	£0.00	£116.00	£116.00	£0.00	£116.00	0.0		Statutory
8.4 Request to discharge planning conditions on new build developments	Per Request	£116.00	£0.00	£116.00	£116.00	£0.00	£116.00	0.0		Statutory
8.5 Request to discharge planning conditions related to listed building consent		£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0.0		Statutory

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8.6 Request to discharge planning conditions attached to applications resulting from a condition removing "permitted development rights"		£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0.0		Statutory
<b>9. Change of Use</b>										
9.1 Change of use of a building to use as between 1 and 50 separate dwelling houses	Per dwelling house	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory
9.2 Change of use of a building to use as more than 50 separate dwelling houses		£22,859 plus £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	0.00	£22,859 + £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	£22,859 plus £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	0.00	£22,859 + £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	0.0		Statutory
9.3 Other change of use of a building or land		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory
<b>10.Consent to Display Advertisements</b>										

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10.1 Advertising displayed externally on business premises, the forecourt of business premises or other land within the curtilage of business premises relating to the business on the premises		£132.00	0.00	£132.00	£132.00	0.00	£132.00	0.0		Statutory
10.2 Advertisements for the purpose of directing members of the public to, or otherwise drawing attention to the existence of, business premises which are in the same locality as the site on which the advertisement is to be displayed but which are not visible from that site		£132.00	0.00	£132.00	£132.00	0.00	£132.00	0.0		Statutory
10.3 All other advertisements		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0		Statutory
10.4 Application for consent to display an advertisement following a withdrawal of an earlier application (before notice of		£0.00	0.00	£0.00	£0.00	0.00	£0.00	0.0		Statutory

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decision was issued) and where the application is made by or on behalf of the same person										
10.5 Application for consent to display an advertisement following refusal of consent for display of an advertisement and where the application is made by or on behalf of the same person		£0.00	0.00	£0.00	£0.00	0.00	£0.00	0.0		Statutory
10.6 Application for consent to display an advertisement which results from a direction under Regulation 7 of the Control of Advertisements Regulations 1992, dis-applying deemed consent under Regulation 6 to the proposed advertisement		£0.00	0.00	£0.00	£0.00	0.00	£0.00	0.0		Statutory
<b>11. Application for a Non-material Amendment following a grant of planning permission</b>										

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11.1 Applications in respect of householder developments		£34.00	0.00	£34.00	£34.00	0.00	£34.00	0.0		Statutory
11.2 Applications in respect of other developments		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0		Statutory
<b>12. Permissions in Principle</b>										
12.1 Application for Permission in Principle	per 0.1 hectare (or part thereof)	£402	0.00	£402	£402	0.00	£402	0.0		Statutory
<b>13. Listed Buildings</b>										
13.1 Listed Building Consent		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
13.2 Certificate of Lawfulness of Proposed Works to a listed building		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
13.3 Application relates to condition(s) on an application for Listed Building Consent		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
13.4 Demolition of a Listed Building		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
<b>14. Demolition</b>										
14.1 Demolition of unlisted buildings within conservation areas		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory

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14.2 Demolition of a Listed Building		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
<b>15. Trees</b>										
15.1 Works to Trees in Conservation Areas		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
15.2 Works to Trees covered by Tree Preservation Orders		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
15.3 Hazardous Trees - 5 day notice		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
15.4 Tree Preservation Orders		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Statutory
<b>16. Design Review Panel</b>										
16.1 Standard Review (up to and including 50 units) - First Review Meeting		2500.00	0.20	3000.00	2560.00	0.20	3072.00	2.4		Discretionary
16.2 Standard Review (up to and including 50 units) - Subsequent Review Meetings		2000.00	0.20	2400.00	2050.00	0.20	2460.00	2.5		Discretionary
16.3 Standard Review (more than 50 units) - First Review Meeting		4000.00	0.20	4800.00	4100.00	0.20	4920.00	2.5		Discretionary
16.4 Standard Review (more than 50 units) - Subsequent Review Meetings		3500.00	0.20	4200.00	3590.00	0.20	4308.00	2.6		Discretionary

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16.5 Premium Review (2.5 hour review) - First Review Meeting		7000.00	0.20	8400.00	7175.00	0.20	8610.00	2.5		Discretionary
16.6 Premium Review (2.5 hour review) - Subsequent Review Meetings		6000.00	0.20	7200.00	6150.00	0.20	7380.00	2.5		Discretionary
16.7 Cancellation of meeting within 28 working days of meeting		500.00	0.20	600.00	510.00	0.20	612.00	2.0		Discretionary
16.8 Cancellation of meeting within 10 working days of meeting		1000.00	0.20	1200.00	1025.00	0.20	1230.00	2.5		Discretionary
<b>17. Planning Advice Services</b>										
17.1 Planning Information (Informal written feedback on simple planning queries)		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary
17.1.1 Submitting complete planning applications, including which forms to use and if you have filled them in correctly		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary
17.1.2 Whether or not you need planning permission		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary

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to build or use a building differently										
17.1.3 Whether proposed alterations require listed building consent		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary
17.1.4 Explanation of planning policy, including the evidence needed and how to apply planning policies in general		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary
17.1.5 Confirmation that a specific planning obligation has been discharged		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary
17.1.6 Confirmation that an identified planning condition has been met		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary
17.1.7 Confirmation that an identified planning enforcement notice has been met		50.00	0.20	60.00	51.67	0.20	62.00	3.3		Discretionary
17.2 Duty Planner Standard (20 minute meeting with Planning Officer)		108.33	0.20	130.00	110.00	0.20	132.00	1.5		Discretionary
17.3 Duty Planner Complex (20 minute		188.33	0.20	226.00	195.00	0.20	234.00	3.5		Discretionary

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meeting with Planning Officer)										
<b>18. Listed Building Advice (Assessment of physical works to listed buildings). Fees are chargeable alongside fees required for general planning advice, including duty planner or pre-application advice.</b>										
18.1 Householder Written Advice		380.00	0.20	456.00	390.00	0.20	468.00	2.6		Discretionary
18.2 Householder Written Advice with one-hour meeting on site with conservation officer		545.00	0.20	654.00	560.00	0.20	672.00	2.8		Discretionary
18.3 Householder follow-up advice		165.00	0.20	198.00	170.00	0.20	204.00	3.0		Discretionary
18.4 Non-householder Written Advice		690.00	0.20	828.00	710.00	0.20	852.00	2.9		Discretionary
18.5 Non-householder Written Advice with one-hour meeting on site with conservation officer and a planning officer		1010.00	0.20	1212.00	1035.00	0.20	1242.00	2.5		Discretionary
18.6 Non-householder follow-up advice		500.00	0.20	600.00	510.00	0.20	612.00	2.0		Discretionary
<b>19. Pre-application Advice Services</b>										

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19.1 Concept Meeting (30 minute meeting to discuss principle of development and brief written response) - Single-plot subdivision (conversion of one house into two flats or one plot into two plots or addition of residential annexe)		300.00	0.20	360.00	305.00	0.20	366.00	1.7		Discretionary
19.2 Concept Meeting (30 minute meeting to discuss principle of development and brief written response) - All development except single-plot subdivision		500.00	0.20	600.00	510.00	0.20	612.00	2.0		Discretionary
19.3 Concept Meeting - Major Developments (part of PPA Service)		1000.00	0.20	1200.00	1025.00	0.20	1230.00	2.5		Discretionary
19.4 Pre-application Meeting										
19.4.1 Small minor development (One additional property (including conversion and annexe)) - First Meeting		750.00	0.20	900.00	770.00	0.20	924.00	2.7		Discretionary

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19.4.2 Small minor development (One additional property (including conversion and annexe)) - Follow-up Meeting (Single Issue)		400.00	0.20	480.00	410.00	0.20	492.00	2.5		Discretionary
19.4.3 Small minor development (2-4 new residential dwellings (including conversion and annexe)) - First Meeting		1200.00	0.20	1440.00	1230.00	0.20	1476.00	2.5		Discretionary
19.4.4 Small minor development (2-4 new residential dwellings (including conversion and annexe)) - Follow-up Meeting (Single Issue)		600.00	0.20	720.00	615.00	0.20	738.00	2.5		Discretionary
19.4.5 Small minor development (Change of use from 150 sq. m to 500 sq. m) - First Meeting		1200.00	0.20	1440.00	1230.00	0.20	1476.00	2.5		Discretionary
19.4.6 Small minor development (Change of use from 150 sq. m to 500 sq. m) - Follow-up Meeting (Single Issue)		600.00	0.20	720.00	615.00	0.20	738.00	2.5		Discretionary

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19.4.7 Larger minor development (5-9 new residential dwellings (including conversion)) - First Meeting		1500.00	0.20	1800.00	1540.00	0.20	1848.00	2.7		Discretionary
19.4.8 Larger minor development (5-9 new residential dwellings (including conversion)) - Follow-up Meeting		700.00	0.20	840.00	720.00	0.20	864.00	2.9		Discretionary
19.4.9 Larger minor development (Change of use from 500 sq. m to 999 sq. m non-residential floor space) - First Meeting	Per meeting	1500.00	0.20	1800.00	1540.00	0.20	1848.00	2.7		Discretionary
19.4.10 Larger minor development (Change of use from 500 sq. m to 999 sq. m non-residential floor space) - Follow-up Meeting (Single Issue)		700.00	0.20	840.00	720.00	0.20	864.00	2.9		Discretionary
19.4.11 Small major development (10-30 new residential dwellings (including conversion)) - First Three Meetings	Per meeting	2400.00	0.20	2880.00	2460.00	0.20	2952.00	2.5		Discretionary

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19.4.12 Small major development (10-30 new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	1100.00	0.20	1320.00	1130.00	0.20	1356.00	2.7		Discretionary
19.4.13 Small major development (1,000 - 1,999 sq. m non-residential floor space) - First Three Meetings	Per meeting	2400.00	0.20	2880.00	2460.00	0.20	2952.00	2.5		Discretionary
19.4.14 Small major development (1,000 - 1,999 sq. m non-residential floor space) - Meeting four onwards	Per meeting	1100.00	0.20	1320.00	1130.00	0.20	1356.00	2.7		Discretionary
19.4.15 Medium major development (31-99 new residential dwellings (including conversion)) - First Three Meetings	Per meeting	3000.00	0.20	3600.00	3075.00	0.20	3690.00	2.5		Discretionary
19.4.16 Medium major development (31-99 new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	1400.00	0.20	1680.00	1435.00	0.20	1722.00	2.5		Discretionary

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19.4.17 Medium major development (2,000 - 2,999 sq. m non-residential floor space) - First Three Meetings	Per meeting	3000.00	0.20	3600.00	3075.00	0.20	3690.00	2.5		Discretionary
19.4.18 Medium major development (2,000 - 2,999 sq. m non-residential floor space) - Meeting four onwards	Per meeting	1400.00	0.20	1680.00	1435.00	0.20	1722.00	2.5		Discretionary
19.23 Large major development (100-149 new residential dwellings (including conversion)) - First Three Meetings	Per meeting	4000.00	0.20	4800.00	4100.00	0.20	4920.00	2.5		Discretionary
19.24 Large major development (100-149 new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	1800.00	0.20	2160.00	1845.00	0.20	2214.00	2.5		Discretionary
19.25 Large major development (3,000 plus sq. m non-residential floor space) - First Three Meetings	Per meeting	4000.00	0.20	4800.00	4100.00	0.20	4920.00	2.5		Discretionary
19.26 Large major development (3,000 plus sq. m non-residential floor	Per meeting	1800.00	0.20	2160.00	1845.00	0.20	2214.00	2.5		Discretionary

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space) - Meeting four onwards										
19.27 Very large major development (150 and over new residential dwellings (including conversion)) - First Three Meetings	Per meeting	5000.00	0.20	6000.00	5125.00	0.20	6150.00	2.5		Discretionary
19.28 Very large major development (150 and over new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	2000.00	0.20	2400.00	2050.00	0.20	2460.00	2.5		Discretionary
19.29 Very large major development (EIA Development) - First Three Meetings	Per meeting	5000.00	0.20	6000.00	5125.00	0.20	6150.00	2.5		Discretionary
19.30 Very large major development (EIA Development) - Meeting four onwards	Per meeting	2000.00	0.20	2400.00	2050.00	0.20	2460.00	2.5		Discretionary
19.31 Environmental Health specialist resource	Per hour	100.00	0.20	120.00	102.50	0.20	123.00	2.5		Discretionary
19.32 Highways specialist resource	Per hour	100.00	0.20	120.00	102.50	0.20	123.00	2.5		Discretionary
<b>20. Planning Performance Agreements (PPA)</b>										

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Arrangement Fee		2000.00	0.20	2400.00	2050.00	0.20	2460.00	2.5		Discretionary
PPA Fee is based upon staff time (daily rates) across the project duration. Fee will be agreed as part of PPA negotiation process.	Based on required staff time / expertise	Negotiated	0.20	Negotiated	Negotiated	0.20	Negotiated			Discretionary
Environmental Health specialist resource	per hour	100.00	0.20	120.00	102.50	0.20	123.00	2.5		Discretionary
Highways specialist resource	per hour	100.00	0.20	120.00	102.50	0.20	120.00	0.0		Discretionary
<b>21. Local Land Charges Service</b>										
Local Land Charges Register only		42.00	0.00	42.00	43.00	0.00	43.00	2.4		Discretionary
Optional Questions Only	Per question	10.00	0.20	12.00	10.25	0.20	12.30	2.5		Discretionary
CON 29		90.00	0.20	108.00	92.25	0.20	110.70	2.5		Discretionary
Additional Questions on Con29	Per question	25.00	0.00	25.00	25.50	0.00	25.50	2.0		Discretionary
Additional parcels	per parcel	25.00	0.00	25.00	25.50	0.00	25.50	2.0		Discretionary

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**SERVICE: Highways**

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Comments	Basis for charging
		Basic (£)	VAT 0.2	Total 19/20 (£)	Basic (£)	VAT 0.2	Total 20/21 (£)			
Domestic Crossover Application	Each	100	0.00	100.00	110.00	0.00	110.00	10.0		Discretionary
Domestic Crossover Installation	Each	900.00	0.00	900.00	1000.00	0.00	1000.00	11.1		Discretionary
Domestic Crossover Extension	Each	0.00	0.00	0.00	300.00	0.00	300.00			Discretionary
CPZ amendments due to crossovers	Each	200.00	0.00	200.00	250.00	0.00	250.00	25.0		Discretionary
Access Bars (road markings)	Each	60.00	0.00	60.00	75.00	0.00	75.00	25.0		Discretionary
Inspection of rechargeable works and other fees	Hr	60.00	0.00	60.00	75.00	0.00	75.00	25.0		Discretionary
Skip Licence	Per Month	60.00	0.00	60.00	65.00	0.00	65.00	8.3		Discretionary
Container Licence	Per Month	100.00	0.00	100.00	110.00	0.00	110.00	10.0		Discretionary
Scaffold Licence	3 months	250.00	0.00	250.00	280.00	0.00	280.00	12.0		Discretionary
Scaffold Licence renewal	3 months	55.00	0.00	55.00	60.00	0.00	60.00	9.1		Discretionary
Hoarding Licence	3 months	175.00	0.00	175.00	195.00	0.00	195.00	11.4		Discretionary
Hoarding Licence renewal	3 months	55.00	0.00	55.00	60.00	0.00	60.00	9.1		Discretionary
Materials licence	3 months	120.00	0.00	120.00	65.00	0.00	65.00	-45.8		Discretionary
Emergency Temporary Traffic Order	Each	350.00	0.00	350.00	400.00	0.00	400.00	14.3		Discretionary
Temporary Traffic Order	Each	2000.00	0.00	2000.00	2000.00	0.00	2000.00	0.0		Discretionary
Highway Searches	Each	60.00	0.00	60.00	75.00	0.00	75.00	25.0		Discretionary
Crane Licence and oversail	3 months	360.00	0.00	360.00	405.00	0.00	405.00	12.5		Discretionary
Crane Licence and oversail extension	1 month	100.00	0.00	100.00	110.00	0.00	110.00	10.0		Discretionary
Section 50 Licence new apparatus	Each	390.00	0.00	390.00	440.00	0.00	440.00	12.8		Discretionary
Section 50 Licence existing apparatus	Each	240.00	0.00	240.00	270.00	0.00	270.00	12.5		Discretionary

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Traffic order for permanent restrictions or changes	Each	5000.00	0.00	5000.00	5000.00	0.00	5000.00	0.0		Discretionary
Car club bay individual order	Each	3500.00	0.00	3500.00	3500.00	0.00	3500.00	0.0		Discretionary
Notices for road humps and controlled crossings	Each	3500.00	0.00	3500.00	3500.00	0.00	3500.00	0.0		Discretionary
Section 38 Road Adoption Agreement	% of estimated construction costs			8%	8%					Discretionary
Section 278 Works on highway by outside body	% of estimated construction costs			8%	8%					Discretionary
Application fee for S38/S278 Agreements where over £100k of works		5000.00	0.00	5000.00	5000.00	0.00	5000.00	0.0		Discretionary
Commuted Sums for non-standard highway works										Discretionary

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SERVICE: Street naming and numbering

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Basis for charging
		Basic	VAT	Total 19/20	Basic	VAT	Total 20/21		
			0.2			0.2			
<b>New developments</b>									
New street name		350.00	0.00	350.00	365.00	0.00	365.00	4.3	Discretionary
New building name		350.00	0.00	350.00	365.00	0.00	365.00	4.3	Discretionary
One new property		50.00	0.00	50.00	52.00	0.00	52.00	4.0	Discretionary
Each additional property		10.00	0.00	10.00	11.00	0.00	11.00	10.0	Discretionary
<b>Existing properties</b>									
Adding a name		50.00	0.00	50.00	52.00	0.00	52.00	4.0	Discretionary
Changing a name or number		50.00	0.00	50.00	52.00	0.00	52.00	4.0	Discretionary
Each additional number or name change		10.00	0.00	10.00	11.00	0.00	11.00	10.0	Discretionary
Address confirmation letter		30.00	0.00	30.00	33.00	0.00	33.00	10.0	Discretionary

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### SERVICE: Private Sector Housing Agency

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Basis for charging
		Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)		
			0.2			0.2			
Service first Improvement Notice/Suspended Improvement Notice	per notice	no charges			400.00	80.00	480.00		Discretionary
Service first Prohibition Order/Suspended prohibition Order	per notice	no charges			400.00	80.00	480.00		Discretionary
Service First Hazard Awareness Notice	per notice	no charges			400.00	80.00	480.00		Discretionary
First Emergency Remedial Action	per notice	no charges			400.00	80.00	480.00		Discretionary
Service Emergency Prohibition Order	per notice	no charges			400.00	80.00	480.00		Discretionary
Service second and subsequent Improvement/Suspended Improvement Notice	per notice	no charges			85.00	80.00	480.00		Discretionary
Service second and subsequent Prohibition Order/Suspended Prohibition Order	per notice	no charges			85.00	17.00	102.00		Discretionary
Service second or subsequent Hazard Awareness Notice	per notice	no charges			85.00	17.00	102.00		Discretionary
Second or subsequent Emergency Remedial Action	per notice	no charges			85.00	17.00	102.00		Discretionary
Service second or subsequent Overcrowding Notice	per notice	no charges			85.00	17.00	102.00		Discretionary
Service second or subsequent Emergency Prohibition Order	per notice	no charges			85.00	17.00	102.00		Discretionary
Adequate Accommodation Assessment (Immigration Rules 2016)	per inspection	no charges			190.00	38.00	128.00		Discretionary

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Assistance in completing HMO application form	per application	no charges			50.00	10.00	60.00		Discretionary
Completion of floor plans for HMO licence application	per application	no charges			150.00	30.00	180.00		Discretionary
Civil Penalty Notice First Breach (payment received in 14 days)	per notice	no charges			1250.00	250.00	1500.00		Statutory
Civil Penalty Notice first breach (payment received after 14 days)	per notice	no charges			2500.00	500.00	3000.00		Statutory
Civil Penalty Notice second breach (payment received in 14 days)	per notice	no charges			2500.00	500.00	3000.00		Statutory
Civil Penalty Notice second breach (payment received after 14 days)	per notice	no charges			5000.00	1000.00	6000.00		Statutory
Civil Penalty Notice third and any subsequent breach	per notice	no charges			5000.00	1000.00	6000.00		Statutory
Agency Fee (Disabled Facilities Grant)	by reference to cost of work on property	15% approved cost of works			17.5% approved cost of works				Statutory
Adaption Fee (Disabled Facilities Grant)	by reference to cost of work on property	10% approved cost of works			15% approved cost of works				Statutory
Agency Fee (Housing Regeneration Grant)	by reference to cost of work on property	10% approved cost of works			15% approved cost of works				Statutory

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### SERVICE: Licensing

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Basis for charging
		Basic (£)	VAT 0.20	Total 19/20 (£)	Basic (£)	VAT 0.20	Total 20/21 (£)		
<b>1. Licensing Act 2003</b>									
1.1. Temporary Event Notice		21.00	0.00	21.00	21.0	0.0	21.0	0.0	Statutory
1.2 New Premises Licence Application		Variable	0.00		Variable	0.0		0.0	Statutory
1.3 Premises Licence - Transfer		23.00	0.00	23.00	23.0	0.0	23.0	0.0	Statutory
1.4 Premises Licence - Vary DPS		23.00	0.00	23.00	23.0	0.0	23.0	0.0	Statutory
1.5 Change name/address/copy licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Statutory
1.6 Minor Variation		89.00	0.00	89.00	89.0	0.0	89.0	0.0	Statutory
1.7 Full Variation		Variable	0.00		Variable	0.0			Statutory
1.8 New Club Premises Certificate		Variable	0.00		Variable	0.0			Statutory
1.9 Interim Authority Notice		23.00	0.00	23.00	23.0	0.0		0.0	Statutory
1.10 Provisional Statement		315.00	0.00	315.00	315.0	0.0	315.0	0.0	Statutory
1.11 New Personal Licence		37.00	0.00	37.00	37.0	0.0	37.0	0.0	Statutory
1.12 Annual Fees		Variable	0.00		Variable	0.0		0.0	Statutory
<b>2. Gambling Act 2005</b>									
2.1 New Small Society Lottery		40.00	0.00	40.00	40.0	0.0	40.0	0.0	Statutory
2.2 Small Society Lottery Renewal		20.00	0.00	20.00	20.0	0.0	20.0	0.0	Statutory
2.3 Premises Licence Annual Fees		Variable	0.00		Variable	0.0			Statutory
<b>Licensed Premises Gaming Machine Permits</b>									
2.4 Notification of Gaming Machine Permit		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory

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2.5 New GMP Application		Variable	0.00		Variable	0.0			Statutory
2.6 Variation of Permit		100.00	0.00	100.00	100.0	0.0	100.0	0.0	Statutory
2.7 Transfer of Permit		25.00	0.00	25.00	25.0	0.0	25.0	0.0	Statutory
2.8 Copy of Permit		15.00	0.00	15.00	15.0	0.0	15.0	0.0	Statutory
2.9 Annual Fee		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory
<b>Club gaming machines &amp; Club Gaming Permits</b>									
2.10 Grant New Operator		200.00	0.00	200.00	200.0	0.0	200.0	0.0	Statutory
2.11 Variation of Permit		100.00	0.00	100.00	100.0	0.0	100.0	0.0	Statutory
2.12 Annual Fee		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory
2.13 Copy of Permit		15.00	0.00	15.00	15.0	0.0	15.0	0.0	Statutory
2.14 Transfer of Permit		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory
<b>Prize Gaming Permit &amp; Family Entertainment Centres</b>									
2.15 Grant		300.00	0.00	300.00	300.0	0.0	300.0	0.0	Statutory
2.16 Renewal		300.00	0.00	300.00	300.0	0.0	300.0	0.0	Statutory
2.17 Transfer		25.00	0.00	25.00	25.0	0.0	25.0	0.0	Statutory
2.18 Copy of Permit		15.00	0.00	15.00	15.0	0.0	15.0	0.0	Statutory
<b>Gambling Premises Licences</b>									
<b>Adult Gaming Centre</b>									
2.19 Provisional Statement		2000.00	0.00	2000.00	2000.0	0.0	2000.0	0.0	Statutory
2.20 New Application		2000.00	0.00	2000.00	2000.0	0.0	2000.0	0.0	Statutory
2.21 Annual Fee		1000.00	0.00	Variable	1000.0	0.0	Variable		Statutory
2.22 Variation		1000.00	0.00	1000.00	1000.0	0.0	1000.0	0.0	Statutory
2.23 Transfer		1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory
2.24 Re-instatement of Licence		1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory
<b>Betting Premises (Other)</b>									

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2.25 Provisional Statement		3000.00	0.00	3000.00	3000.0	0.0	3000.0	0.0	Statutory
2.26 New Application		3000.00	0.00	3000.00	3000.0	0.0	3000.0	0.0	Statutory
2.27 Annual Fee		600.00	0.00	Variable	600.0	0.0	Variable		Statutory
2.28 Variation		1500.00	0.00	1500.00	1500.0	0.0	1500.0	0.0	Statutory
2.29 Transfer		1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory
2.30 Re-instatement of Licence	UNIT	1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory
<b>Betting Premises (Track)</b>									
2.31 Provisional Statement		2500.00	0.00	2500.00	2500.0	0.0	2500.0	0.0	Statutory
2.32 New Application		2500.00	0.00	2500.00	2500.0	0.0	2500.0	0.0	Statutory
2.33 Annual Fee		1000.00	0.00	1000.00	1000.0	0.0	1000.0	0.0	Statutory
2.34 Variation		1250.00	0.00	1250.00	1250.0	0.0	1250.0	0.0	Statutory
2.35 Transfer		950.00	0.00	950.00	950.0	0.0	950.0	0.0	Statutory
2.36 Re-instatement of Licence		950.00	0.00	950.00	950.0	0.0	950.0	0.0	Statutory
<b>Family Entertainment Centres</b>									
2.37 Provisional Statement		2000.00	0.00	2000.00	2000.0	0.0	2000.0	0.0	Statutory
2.38 New Application		2000.00	0.00	2000.00	2000.0	0.0	2000.0	0.0	Statutory
2.39 Annual Fee		750.00	0.00	750.00	750.0	0.0	750.0	0.0	Statutory
2.40 Variation		1000.00	0.00	1000.00	1000.0	0.0	1000.0	0.0	Statutory
2.41 Transfer		950.00	0.00	950.00	950.0	0.0	950.0	0.0	Statutory
2.42 Re-instatement of Licence		950.00	0.00	950.00	950.0	0.0	950.0	0.0	Statutory
<b>Bingo</b>									
2.43 Provisional Statement		3500.00	0.00	3500.00	3500.0	0.0	3500.0	0.0	Statutory
2.44 New Application		3500.00	0.00	3500.00	3500.0	0.0	3500.0	0.0	Statutory
2.45 Annual Fee		1000.00	0.00	Variable	1000.0	0.0	Variable		Statutory
2.46 Variation		1750.00	0.00	1750.00	1750.0	0.0	1750.0	0.0	Statutory
2.47 Transfer		1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory

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2.48 Re-instatement of Licence		1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory
<b>Regional Casino</b>									
2.49 Provisional Statement		15000.00	0.00	15000.00	15000.0	0.0	15000.0	0.0	Statutory
2.50 New Application		15000.00	0.00	15000.00	15000.0	0.0	15000.0	0.0	Statutory
2.51 Annual Fee		15000.00	0.00	15000.00	15000.0	0.0	15000.0	0.0	Statutory
2.52 Variation		7500.00	0.00	7500.00	7500.0	0.0	7500.0	0.0	Statutory
2.53 Transfer		6500.00	0.00	6500.00	6500.0	0.0	6500.0	0.0	Statutory
2.54 Re-instatement of Licence		6500.00	0.00	6500.00	6500.0	0.0	6500.0	0.0	Statutory
<b>Large Casino</b>									
2.55 Provisional Statement		10000.00	0.00	10000.00	10000.0	0.0	10000.0	0.0	Statutory
2.56 New Application		10000.00	0.00	10000.00	10000.0	0.0	10000.0	0.0	Statutory
2.57 Annual Fee		10000.00	0.00	10000.00	10000.0	0.0	10000.0	0.0	Statutory
2.58 Variation		5000.00	0.00	5000.00	5000.0	0.0	5000.0	0.0	Statutory
2.59 Transfer		2150.00	0.00	2150.00	2150.0	0.0	2150.0	0.0	Statutory
2.60 Re-instatement of Licence		2150.00	0.00	2150.00	2150.0	0.0	2150.0	0.0	Statutory
<b>Small Casino</b>									
2.61 Provisional Statement		8000.00	0.00	8000.00	8000.0	0.0	8000.0	0.0	Statutory
2.62 New Application		8000.00	0.00	8000.00	8000.0	0.0	8000.0	0.0	Statutory
2.63 Annual Fee		5000.00	0.00	5000.00	5000.0	0.0	5000.0	0.0	Statutory
2.64 Variation		4000.00	0.00	4000.00	4000.0	0.0	4000.0	0.0	Statutory
2.65 Transfer		1800.00	0.00	1800.00	1800.0	0.0	1800.0	0.0	Statutory
2.66 Re-instatement of Licence		1800.00	0.00	1800.00	1800.0	0.0	1800.0	0.0	Statutory
<b>3. Animal Activity Licence</b>									
3.1 Part A = Application Fee		229.00	0.00	229.00	229.0	0.0	229.0	0.0	Discretionary
3.2 Part B = Grant Fee		437.00	0.00	437.00	437.0	0.0	437.0	0.0	Discretionary

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<b>4. Dangerous Wild Animals</b>									
4.1 New Application		273.00	0.00	273.00	273.0	0.0	273.0	0.0	Discretionary
4.2 Renewal		273.00	0.00	273.00	273.0	0.0	273.0	0.0	Discretionary
4.3 Copy of licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
<b>5. Zoo Licence</b>									
5.1 New Application		640.00	0.00	640.00	640.0	0.0	640.0	0.0	Discretionary
5.2 Copy of licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
5.3 Renewal		640.00	0.00	640.00	640.0	0.0	640.0	0.0	Discretionary
<b>6. Film Classifications</b>									
6.1 New Film Classification	Per Hour	95.00	0.00	95.00	95.0	0.0	95.0	0.0	Discretionary
<b>7. Hypnotism</b>									
7.1 Hypnotism - New		85.00	0.00	85.00	85.0	0.0	85.0	0.0	Discretionary
<b>8. Scrap Metal Licence - Site</b>									
8.1 New Application		680.00	0.00	680.00	680.0	0.0	680.0	0.0	Discretionary
8.2 Variation		280.00	0.00	280.00	280.0	0.0	280.0	0.0	Discretionary
8.3 Copy of Licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
8.4 Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
8.5 Transfer		280.00	0.00	280.00	280.0	0.0	280.0	0.0	Discretionary
<b>Scrap Metal Licence - Collector</b>									
8.6 New Application		340.00	0.00	340.00	340.0	0.0	340.0	0.0	Discretionary
8.7 Variation		280.00	0.00	280.00	280.0	0.0	280.0	0.0	Discretionary
8.8 Copy of Licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
<b>9. Marriages</b>									
9.1 New Marriage Application		290.00	0.00	290.00	290.0	0.0	290.0	0.0	Discretionary
9.2 Marriage Renewal		290.00	0.00	290.00	290.0	0.0	290.0	0.0	Discretionary

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9.3 Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
<b>10. Sex Establishments</b>									
10.1 Part A -New Application Fee		2527.00	0.00	2527.00	2527.0	0.0	2527.0	0.0	Discretionary
10.2 Part B - New Application Fee		1223.00	0.00	1223.00	1223.0	0.0	1223.0	0.0	Discretionary
10.3 Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
10.4 Part A Variation		758.00	0.00	758.00	758.0	0.0	758.0	0.0	Discretionary
10.5 Part B Variation		122.00	0.00	122.00	122.0	0.0	122.0	0.0	Discretionary
10.6 Transfer		400.00	0.00	400.00	400.0	0.0	400.0	0.0	Discretionary
Duplicate Copy		24.00	0.00	24.00	24.0	0.0	24.0	0.0	Discretionary
<b>11. Fireworks - Health and Safety (Fees) Regulations 2016</b>									
<b>New Explosives Licence where a minimum separation distance of greater than 0 metres is prescribed</b>									
1 Year Licence		185.00	0.00	185.00	185.0	0.0	185.0	0.0	Statutory
2 Year Licence		243.00	0.00	243.00	243.0	0.0	243.0	0.0	Statutory
3 Licence		304.00	0.00	304.00	304.0	0.0	304.0	0.0	Statutory
4 Year Licence		374.00	0.00	374.00	374.0	0.0	374.0	0.0	Statutory
5 Year Licence		423.00	0.00	423.00	423.0	0.0	423.0	0.0	Statutory
<b>New Explosives Licence where no minimum separation distance or a 0 metres minimum separation distance is prescribed</b>									
1 Year Licence		109.00	0.00	109.00	109.0	0.0	109.0	0.0	Statutory
2 Year Licence		141.00	0.00	141.00	141.0	0.0	141.0	0.0	Statutory
3 Licence		173.00	0.00	173.00	173.0	0.0	173.0	0.0	Statutory

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4 Year Licence		206.00	0.00	206.00	206.0	0.0	206.0	0.0	Statutory
5 Year Licence		238.00	0.00	238.00	238.0	0.0	238.0	0.0	Statutory
<b>Renewal Explosives Licence where a minimum separation distance of greater than 0 metres is prescribed</b>									
1 Year Licence		86.00	0.00	86.00	86.0	0.0	86.0	0.0	Statutory
2 Year Licence		147.00	0.00	147.00	147.0	0.0	147.0	0.0	Statutory
3 Licence		203.00	0.00	203.00	203.0	0.0	203.0	0.0	Statutory
4 Year Licence		266.00	0.00	266.00	266.0	0.0	266.0	0.0	Statutory
5 Year Licence		326.00	0.00	326.00	326.0	0.0	326.0	0.0	Statutory
<b>Renewal Explosives Licence where no minimum separation distance or a 0 metres minimum separation distance is prescribed</b>									
1 Year Licence		54.00	0.00	54.00	54.0	0.0	54.0	0.0	Statutory
2 Year Licence		86.00	0.00	86.00	86.0	0.0	86.0	0.0	Statutory
3 Licence		120.00	0.00	120.00	120.0	0.0	120.0	0.0	Statutory
4 Year Licence		152.00	0.00	152.00	152.0	0.0	152.0	0.0	Statutory
5 Year Licence		185.00	0.00	185.00	185.0	0.0	185.0	0.0	Statutory
<b>Explosive Licence</b>									
Change of name of licensee or address of site		36.00	0.00	36.00	36.0	0.0	36.0	0.0	Statutory
Transfer		36.00	0.00	36.00	36.0	0.0	36.0	0.0	Statutory
Duplicate Copy		36.00	0.00	36.00	36.0	0.0	36.0	0.0	Statutory

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**SERVICE: Culture & Community Development**

**Charges 19/20**

	UNIT	Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)	% change	Comment	Basis for charging
			0.2			0.2				
Hire of tennis courts in parks (annual membership, providing free use of courts)		35.00	0.00	35.00	35.00	0.00	35.00	0.0		Discretionary
Hire of tennis courts in parks (Pay and play per hour)		5.00	0.00	5.00	5.00	0.00	5.00	0.0		Discretionary

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### SERVICE: Community Centres

	UNIT	Charges 19/20				Proposed charges 20/21				Basis for charging
		Basic (£)	VAT 0.2	Total 19/20	% change	Basic (£)	VAT 0.2	Total 20/21 (£)	% change	
Main Hall Upstairs VCS weekdays		£25.65	0.00	£25.65	0.00	£25.65	0.00	£25.65	0.00	
Main Hall upstairs VCS evenings & weekends		£28.70	0.00	£28.70	0.00	£28.70	0.00	£28.70	0.00	Discretionary
Main Hall Upstairs Commercial weekdays		£28.70	0.00	£28.70	0.00	£28.70	0.00	£28.70	0.00	Discretionary
Main Hall Upstairs Commercial evenings & weekends		£31.80	0.00	£31.80	0.00	£31.80	0.00	£31.80	0.00	Discretionary
										Discretionary
Activity Room (Small) VCS evenings & weekends		£12.10	0.00	£12.10	0.00	£12.10	0.00	£12.10	0.00	
Activity Room (Small) Commercial evenings & weekends		£13.50	0.00	£13.50	0.00	£13.50	0.00	£13.50	0.00	Discretionary
										Discretionary
Front Studio Downstairs VCS weekdays		£15.00	0.00	£15.00	0.00	£15.00	0.00	£15.00	0.00	Discretionary
Front Studio VCS evenings & weekends		£17.00	0.00	£17.00	0.00	£17.00	0.00	£17.00	0.00	Discretionary
Front Studio Commercial weekdays		£22.00	0.00	£22.00	0.00	£22.00	0.00	£22.00	0.00	Discretionary
Front Studio Commercial evenings & weekends		£24.00	0.00	£24.00	0.00	£24.00	0.00	£24.00	0.00	Discretionary
<b>2. Leemore (Hourly Rate)</b>										
Lower Ground Hall VCS weekdays		£31.00	0.00	£31.00	0.00	£31.00	0.00	£31.00	0.00	Discretionary
Lower Ground Hall VCS evenings & weekends		£34.00	0.00	£34.00	0.00	£34.00	0.00	£34.00	0.00	Discretionary
Lower Ground Hall Commercial weekdays		£34.00	0.00	£34.00	0.00	£34.00	0.00	£34.00	0.00	Discretionary
Lower Ground Hall Commercial evenings & weekends		£37.00	0.00	£37.00	0.00	£37.00	0.00	£37.00	0.00	Discretionary
Hourly rate:		£22	0.00	£22	0.00	£22	0.00	£22	0.00	Discretionary
Sat/Sun before 6pm:		£30.50	0.00	£30.50	0.00	£30.50	0.00	£30.50	0.00	Discretionary
Sat/Sun after 6pm:		£43.50	0.00	£43.50	0.00	£43.50	0.00	£43.50	0.00	Discretionary
Refundable deposit		£150.00	0.00	£150.00	0.00	£150.00	0.00	£150.00	0.00	Discretionary
Hourly rate: £16.50		£16.50	0.00	£16.50	0.00	£16.50	0.00	£16.50	0.00	Discretionary
Sat/Sun before 6pm: £21 p/hr		£21.00	0.00	£21.00	0.00	£21.00	0.00	£21.00	0.00	Discretionary
Sat/Sun after 6pm: £25 p/hr		£25.00	0.00	£25.00	0.00	£25.00	0.00	£25.00	0.00	Discretionary
Hourly rate		£18.50	0.00	£18.50	0.00	£18.50	0.00	£18.50	0.00	Discretionary

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Sat & Sun before 6pm per hour		£24.00	0.00	£24.00	0.00	£24.00	0.00	£24.00	0.00	Discretionary
Sat & Sun after 6pm per hour		£34.00	0.00	£34.00	0.00	£34.00	0.00	£34.00	0.00	Discretionary

APPENDICES W1 to Z5 2020/21 BUDGET REPORT

SERVICE: Library & Information Services

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Basis for charging
		Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)		
			0.2			0.2			
<b>1 Charges for specific loan services</b>									
1.1 Hire of CDs		1.25	0.00	1.25	1.25	0.00	1.25	0.0	Discretionary
1.2 Hire of DVDs		3.00	0.00	3.00	3.00	0.00	3.00	0.0	Discretionary
<b>2 Charges for overdue items</b>									
2.1 Members aged 14-59	per day to max of £10	0.20	0.00	0.20	0.20	0.00	0.20	0.0	Discretionary
2.2. Members over 60	per day to max of £5	0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
2.3 DVDs	Repeat hire fee per loan period to max of £18	3.00	0.00	3.00	3.00	0.00	3.00	0.0	Discretionary
<b>3 Charges for lost items</b>									
3.1 Lost stock	current cost of item								
3.2 Lost tickets		1.00	0.00	1.00	1.00	0.00	1.00	0.0	Discretionary

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<b>4 Charges for reserving specific items</b>									
4.1 Standard reservations	per reservation	0.50	0.00	0.50	0.50	0.00	0.50	0.0	Discretionary
4.2 British Library book reservations	per reservation	15.80	0.00	15.80	15.80	0.00	15.80	0.0	Discretionary
4.3 British Library article reservations	per reservation, cost plus 10p per page	15.80	0.00	15.80	15.80	0.00	15.80	0.0	Discretionary
<b>5 Other services</b>									
5.1 Colour printing and copying A4	per sheet	0.50	0.00	0.50	0.50	0.00	0.50	0.0	Discretionary
5.2 Colour printing and copying A3	per sheet	1.00	0.00	1.00	1.00	0.00	1.00	0.0	Discretionary
5.3 Black and white printing and copying A4	per sheet	0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
5.4 Black and white printing and copying A3	per sheet	0.15	0.00	0.15	0.15	0.00	0.15	0.0	Discretionary
<b>6 Sales</b>									
6.1 Pen		0.15	0.00	0.15	0.15	0.00	0.15	0.0	Discretionary
6.2 Pencil		0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
6.3 A4 plain paper		0.05	0.00	0.05	0.05	0.00	0.05	0.0	Discretionary
6.4 A3 plain paper		0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
<b>7 Room hire</b>									
7.1 Lewisham Library commercial hire	per hour	45.00	0.00	45.00	45.00	0.00	45.00	0.0	Discretionary

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7.2 Lewisham Library non-commercial hire	per hour	25.00	0.00	25.00	25.00	0.00	25.00	0.0	Discretionary
7.3 Downham Library	per hour	17.00	0.00	17.00	17.00	0.00	17.00	0.0	Discretionary
<b>8 Local History and Archives Commercial reuse of images licensing</b>									
8.1 Commercial publication	Double for worldwide rights	20.00	0.00	20.00	20.00	0.00	20.00	0.0	Discretionary
8.2 Scholarly/non-profit publication		10.00	0.00	10.00	10.00	0.00	10.00	0.0	Discretionary
8.3 Commercial exhibition	Double for worldwide rights	40.00	0.00	40.00	40.00	0.00	40.00	0.0	Discretionary
8.4 Advertising		80.00	0.00	80.00	80.00	0.00	80.00	0.0	Discretionary
8.5 Merchandising	Double for worldwide rights	100.00	0.00	100.00	100.00	0.00	100.00	0.0	Discretionary
8.6 Commercial interior/exterior decoration	for up to 5 images	150.00	0.00	150.00	150.00	0.00	150.00	0.0	Discretionary
8.7 Film and television UK	for 5 years	60.00	0.00	60.00	60.00	0.00	60.00	0.0	Discretionary
8.8 Film and television additional years UK		30.00	0.00	30.00	30.00	0.00	30.00	0.0	Discretionary
8.9 Film and television worldwide rights		100.00	0.00	100.00	100.00	0.00	100.00	0.0	Discretionary
8.10 Film and television additional years worldwide rights		50.00	0.00	50.00	50.00	0.00	50.00	0.0	Discretionary
<b>9 Local History and Archives other charges</b>									
9.1 Microform printing		0.30	0.00	0.30	0.30	0.00	0.30	0.0	Discretionary

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9.2 Copying Archive material A4		1.50	0.00	1.50	1.50	0.00	1.50	0.0	Discretionary
9.3 Copying Archive material A3		2.00	0.00	2.00	2.00	0.00	2.00	0.0	Discretionary
9.4 Scans 300dpi		5.00	0.00	5.00	5.00	0.00	5.00	0.0	Discretionary
9.5 Scans 600dpi		10.00	0.00	10.00	10.00	0.00	10.00	0.0	Discretionary
9.6 Photography permit	per day	5.00	0.00	5.00	5.00	0.00	5.00	0.0	Discretionary

# APPENDICES W1 to Z5 2020/21 BUDGET REPORT

## SERVICE: Register Office

	Charges 19/20			Proposed charges 20/21			% change	Basis for charging
	Basic (£)	VAT 0.2	Total 19/20 (£)	Basic (£)	VAT 0.2	Total 20/21 (£)		
<b>1. Birth, Death, Marriage or Civil Partnership Certificates</b>								
<i>1.1 Standard Service (Issued at time of registration or if requested later then processed within 15 working days.)</i>								
1.1.1 Birth, death and marriage certificates	11.00	0.00	11.00	11.00	0.00	11.00	0.0	Statutory
1.1.2 Civil Partnership certificates	11.00	0.00	11.00	11.00	0.00	11.00	0.0	Statutory
<i>1.2 Priority Service (on or before next working day - orders up to 3pm)</i>								
1.2.1 Birth, death and marriage certificates	35.00 <sup>(*2)</sup>	0.00	35.00 <sup>(*2)</sup>	35.00 <sup>(*2)</sup>	0.00	35.00 <sup>(*2)</sup>	0.0	Statutory (Includes 2 <sup>nd</sup> class post, discretionary fee for 1 <sup>st</sup> class and Next Day Delivery)
1.2.2 Civil Partnership certificates	35.00 <sup>(*2)</sup>	0.00	35.00 <sup>(*2)</sup>	35.00 <sup>(*2)</sup>	0.00	35.00 <sup>(*2)</sup>	0.0	Statutory (Includes 2 <sup>nd</sup> class post, discretionary fee for 1 <sup>st</sup> class and Next Day Delivery)
<b>2. Fees for marriage and divorce</b>								
<i>2.1 Marriage by Superintendent Registrar's certificate</i>								
2.1.1 Entry of each notice of marriage for persons subject to the Home Office Referral and Investigation Scheme	47.00	0.00	47.00	47.00	0.00	47.00	0.0	Statutory
2.1.2 Entry of each notice of marriage for all other persons	35.00	0.00	35.00	35.00	0.00	35.00	0.0	Statutory

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2.1.3 Consideration by Superintendent Registrar of a divorce obtained outside of the British Isles	50.00	0.00	50.00	50.00	0.00	50.00	0.0	Statutory
2.1.4 Consideration by the Registrar General of a divorce obtained outside of the British Isles	75.00	0.00	75.00	75.00	0.00	75.00	0.0	Statutory
<b>2.2 Attendance at the ceremony</b>								
2.2.1 At the register office	46.00	0.00	46.00	46.00	0.00	46.00	0.0	Statutory
2.2.2 At a registered building	86.00	0.00	86.00	86.00	0.00	86.00	0.0	Statutory
<b>3. Fees for Civil Partnership</b>								
3.1 Entry of each notice of civil partnership for persons subject to the Home Office Referral and Investigation Scheme	47.00	0.00	47.00	47.00	0.00	47.00	0.0	Statutory
3.2 Entry of each notice of civil partnerships for all other persons	35.00	0.00	35.00	35.00	0.00	35.00	0.0	Statutory
3.3 Consideration by the registration authority of a civil partnership dissolution obtained outside of the British Isles	50.00	0.00	50.00	50.00	0.00	50.00	0.0	Statutory
3.4 Consideration by the Registrar General of a civil partnership dissolution obtained outside of the British Isles	75.00	0.00	75.00	75.00	0.00	75.00	0.0	Statutory
3.5 Attendance at civil partnership registration at the registrar office	46.00	0.00	46.00	46.00	0.00	46.00	0.0	Statutory
<b>4. Fees for the conversion of a civil partnership into marriage</b>								
4.1 Conversion of a civil partnership into marriage at the Register Office	45.00	0.00	45.00	45.00	0.00	45.00	0.0	Statutory
4.2 Two stage procedure on other premises								Statutory
4.2.2 Completing the declaration	27.00	0.00	27.00	27.00	0.00	27.00	0.0	Statutory

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4.2.3 Signing the declaration in a religious building registered for the marriage of same sex couples	91.00	0.00	91.00	91.00	0.00	91.00	0.0	Statutory
<b>5. Fees for changes to initial registration (payable to Registrar / Superintendent Registrar)</b>								
5.1 Change of forename within 12 months of birth registration	40.00		40.00	40.00	0.00	40.00	0.0	Statutory
5.2 Consideration by the Registrar / Superintendent Registrar of a correction	75.00		75.00	75.00	0.00	75.00	0.0	Statutory
5.3 Consideration by the Registrar General of a correction	90.00		90.00	90.00	0.00	90.00	0.0	Statutory
<b>6. Fees for searches in indexes</b>								
6.1 Search in the indexes by the applicant personally for not more than six successive hours	18.00		18.00	18.00	28.00	46.00	0.0	Statutory
<i>(No fee payable for a search when a particular entry is specified)</i>								

<b>7. Ceremonies</b>								
<b>7.1 The Evelyn Suite, 368 Lewisham High Street. Ceremonies taking place between 0900 and 1700</b>								
7.1.1 Monday to Thursday	200.00	0.00	200.00	220.00	0.00	220.00	10.0	Discretionary (includes £46 statutory fee)
7.1.2 Friday	245.00	0.00	245.00	270.00	0.00	270.00	10.2	Discretionary (includes £46 statutory fee)
7.1.3 Saturday	291.00	0.00	291.00	320.00	0.00	320.00	10.0	Discretionary (includes £46 statutory fee)
7.1.4 Sunday / Bank Holiday	495.00	0.00	495.00	Not available	0.00	Not available		Discretionary (No longer offering Sunday)

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								ceremony's WEF 01/04/2020)
<b>7.2 All external venues. Ceremonies taking place between 0900 and 1700.</b>								
<i>7.1.1 Monday to Thursday</i>	429.00	0.00	429.00	472.00	0.00	472.00	10.0	Discretionary
<i>7.1.2 Friday</i>	478.00	0.00	478.00	526.00	0.00	526.00	10.0	Discretionary
<i>7.1.3 Saturday</i>	599.00	0.00	599.00	659.00	0.00	659.00	10.0	Discretionary
<i>7.1.4 Sunday / Bank Holiday</i>	715.00	0.00	715.00	715.00	0.00	715.00	0.0	Discretionary
<b>8. Private Citizenship Ceremony</b>								
<i>8.1 Monday- Friday</i>	185.00	0.00	185.00	185.00	0	185.00	0	Discretionary
<i>8.2 Saturday</i>	185.00	0.00	185.00	185.00	0	185.00	0	Discretionary

APPENDICES W1 to Z5 2020/21 BUDGET REPORT

SERVICE: Revenues

	UNIT	Charges 19/20		Proposed charges 20/21			Total 20/21 (£)	% change		Basis for charging
		Basic (£)	VAT 0.2	Total 19/20 (£)	Basic (£)	VAT 0.2				
<b>1. Business Rates</b>										
Summons application and liability order costs	per summons	172.50	0.00	172.50	172.50	0.00	172.50	0.0		Statutory
<b>2. Council Tax</b>										
Summons application cost	per summons	72.50	0.00	72.50	72.50	0.00	72.50	0.0		Statutory
Liability order cost	per liability order	50.00	0.00	50.00	50.00	0.00	50.00	0.0		Statutory
<b>3. Lewisham Enforcement Services - Internal Enforcement Agents</b>										
Notice of Enforcement (Compliance)	per case	75.00	0.00	75.00	75.00	0.00	75.00	0.0		Statutory
Enforcement Fee	upon a visit	235.00	0.00	235.00	235.00	0.00	235.00	0.0		Statutory
Sale or disposal Stage	upon goods levied	110.00	0.00	110.00	110.00	0.00	110.00	0.0		Statutory

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### SERVICE: Parking

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Comment	Basis for charging
		Basic (£)	VAT 0.20	Total 18/19 (£)	Basic (£)	VAT 0.2	Total 19/20			
<b>Parking Permits</b>										
Resident Permit 3 Months		35.00	0.00	35.00		0.00			See Appendix 6A Section 3	Discretionary
Resident Permit 12 Months		120.00	0.00	120.00		0.00			See Appendix 6A Section 3	Discretionary
Resident Disabled Permit		0.00	0.00	0.00		0.00			See Appendix 6A Section 3	Discretionary
Resident Low Emission		30.00	0.00	30.00		0.00			See Appendix 6A Section 3	Discretionary
Resident Visitor Permit 1 Hour		1.40	0.00	1.40	1.60	0.00	1.60	14.3		Discretionary
Resident Visitor Permit Book of 10		10.00	0.00	10.00	16.00	0.00	16.00	60.0		Discretionary
Resident Visitor Permit 5 Hour		2.80	0.00	2.80	3.20	0.00	3.20	14.3		Discretionary
Resident Visitor Permit 1 Day		5.60	0.00	5.60	6.40	0.00	6.40	14.3		Discretionary
Resident Visitor Permit Weekly		20.00	0.00	20.00	25.60	0.00	25.60	28.0		Discretionary
Business Permit 6 Months		255.00	0.00	255.00		0.00			See Appendix 6A Section 3	Discretionary
Business Permit 12 Months		500.00	0.00	500.00		0.00			See Appendix 6A Section 3	Discretionary
Business Z Permit		750.00	0.00	750.00		0.00			See Appendix 6A Section 3	Discretionary
Car Club		500.00	0.00	500.00	500.00	0.00	500.00	0.0		Discretionary
Business Health Permits		200.00	0.00	200.00		0.00			See Appendix 6A Section 3	Discretionary

**APPENDICES W1 to Z5 2020/21 BUDGET REPORT**

Hospital Staff 6 Months		255.00	0.00	255.00		0.00			See Appendix 6A Section 3	Discretionary
Hospital Staff 12 Months		500.00	0.00	500.00		0.00			See Appendix 6A Section 3	Discretionary
Staff 2 Days a Week		200.00	0.00	200.00		0.00			See Appendix 6A Section 3	Discretionary
Staff 3 Days a Week		300.00	0.00	300.00		0.00			See Appendix 6A Section 3	Discretionary
Staff 5 Days a Week		500.00	0.00	500.00		0.00				Discretionary
Charity Business		120.00	0.00	120.00	120.00	0.00	120.00	0.0		Discretionary
Market Trader Lewisham Market		0.00	0.00	0.00	0.00	0.00	0.00	0.0		Discretionary
Market Trader Deptford Market 6 Months		125.00	0.00	125.00	125.00	0.00	125.00	0.0		Discretionary
Market Trader Deptford Market 12 Months		250.00	0.00	250.00	250.00	0.00	250.00	0.0		Discretionary
Councillor Full		750.00	0.00	750.00	750.00	0.00	750.00	0.0		Discretionary
Councillor Discounted		500.00	0.00	500.00	500.00	0.00	500.00	0.0		Discretionary
Lawn Bowls 6 Months		30.00	0.00	30.00	30.00	0.00	30.00	0.0		Discretionary
<b>Suspensions</b>										
Residential Bay		50.00	0.00	50.00	50.00	0.00	50.00	0.0		Discretionary
Pay & Display (£50 admin fee + £30 per bay per day)		80.00	0.00	80.00	80.00	0.00	80.00	0.0		Discretionary
Public Car Park (£50 admin fee + £30 per bay per day)		80.00	0.00	80.00	80.00	0.00	80.00	0.0		Discretionary
Dispensation (£50 per vehicle per day)		50.00	0.00	50.00	50.00	0.00	50.00	0.0		Discretionary
<b>Pay &amp; Display</b>										

**APPENDICES W1 to Z5 2020/21 BUDGET REPORT**

Cashless 1 Hour (£1.40 + 0.20 Convenience fee)		1.60	0.00	1.60	2.00	0.00	2.00	25.0		Discretionary
Cash 1 Hour		1.40	0.00	1.40	2.00	0.00	2.00	42.9		Discretionary
<b>PCN</b>										
Band A Full		130.00	0.00	130.00	130.00	0.00	130.00	0.0		Discretionary
Band A Discounted		65.00	0.00	65.00	65.00	0.00	65.00	0.0		Discretionary
Band B Full		110.00	0.00	110.00	110.00	0.00	110.00	0.0		Discretionary
Band B Discounted		55.00	0.00	55.00	55.00	0.00	55.00	0.0		Discretionary

# APPENDICES W1 to Z5 2020/21 BUDGET REPORT

## Appendix 6A – Proposed New Parking Charges

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## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### Recommended Emissions-Based Bands

The following bands reflect HMRC banding of cars (i.e. the bandings that are used to determine tax rates).

<b>Emissions Based Band</b>	<b>Pre-2001 (engine size, cc)</b>	<b>Post-2001 (emissions, CO2g/km)</b>	<b>Example vehicle in band</b>
1	0-1300	0	<i>Electric Vehicles</i>
2	1301-1400	101-110	<i>VW Golf Hatchback 1.0L</i>
3	1401-1450	111-120	<i>VW Passat 1.4L</i>
4	1451-1500	121-130	<i>Nissan Quashqai 1.2L</i>
5	1501-1575	131-140	<i>Audi A3 1.4L</i>
6	1576-1650	141-150	<i>Ford Focus Titanium 2.0 TDCi</i>
7	1651-1750	151-165	<i>Ford Mondeo 2.0L</i>
8	1751-1850	166-175	<i>Peugeot 308 1.6L</i>
9	1851-1975	176-185	<i>Range Rover Velar 2.0</i>
10	1976-2100	186-200	<i>Alfa Romeo 147 1.6L</i>
11	2101-2500	201-225	<i>Audi A8 3.0L</i>
12	2501-2750	226-255	<i>Mercedes Benz C-Class 350</i>
13	2751+	256+	<i>Range Rover Sport 5.0 V8 Supercharged</i>

- Vehicles made prior to 2001 will be banded based on their engine size as per the details above; the DVLA does not hold information on the emissions of vehicles of this age.

#### Introduction of new permit fees

Applicant vehicles will be banded according to HMRC's emissions banding, the cost of all permits will increase or decrease to the full new price from the date the emissions-based permits are introduced and implemented at the next renewal or application.

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### Recommended Permit Pricing

The tables below outline the final cost of each type of permit, along with the percentage and number of vehicles that will be affected.

#### Resident Permits

Emissions Based Band	# of vehicles in each band	% of total vehicles in each band	Petrol Vehicles					Diesel Vehicles				
			Permit Price (3 months)	Permit Price (6 months)	Permit Price (12 months)	# of petrol vehicles in band	% of all petrol vehicles in band	Permit Price (3 months)	Permit Price (6 months)	Permit Price (12 months)	# of diesel vehicles in band	% of all diesel vehicles in band
1	717	6%	£18.00	£35.00	£70.00	534	7%	£30.00	£60.00	£120.00	183	5%
2	800	7%	£22.00	£42.50	£85.00	509	7%	£34.00	£67.00	£135.00	291	8%
3	1005	9%	£25.00	£50.00	£100.00	573	7%	£37.00	£75.00	£150.00	432	11%
4	933	8%	£29.00	£57.50	£115.00	634	8%	£41.00	£82.00	£165.00	299	8%
5	1320	11%	£33.00	£65.00	£130.00	809	10%	£45.00	£90.00	£180.00	511	13%
6	1281	11%	£37.00	£72.50	£145.00	947	12%	£49.00	£97.00	£195.00	334	9%
7	1495	13%	£40.00	£80.00	£160.00	1047	14%	£52.00	£105.00	£210.00	448	12%
8	742	6%	£44.00	£87.50	£175.00	573	7%	£56.00	£112.00	£225.00	169	4%
9	635	6%	£48.00	£95.00	£190.00	408	5%	£60.00	£120.00	£240.00	227	6%
10	847	7%	£52.00	£102.50	£205.00	606	8%	£64.00	£127.00	£255.00	241	6%
11	724	6%	£55.00	£110.00	£220.00	411	5%	£67.00	£135.00	£270.00	313	8%
12	557	5%	£59.00	£117.50	£235.00	364	5%	£71.00	£142.00	£285.00	193	5%
13	485	4%	£63.00	£125.00	£250.00	332	4%	£75.00	£150.00	£300.00	153	4%
	<b>11541</b>					<b>7747</b>					<b>3794</b>	

The current price of a 12-month Resident Permit is £120.

- There is no additional charge for 3-month and 6-month resident permits, which will be charged on a pro rata basis.
- The price scale has been based on a 20 percent increase of Band 6 over the current permit price, with a £15 adjustment +/- of the bands on a linear basis.
- Diesel vehicles will also be subject to a £50 diesel surcharge across the bands, this is pro rata adjusted for 3 and 6 month permits.
- Disabled permits will remain free.
- There will be an administration charge of £15 for all refunds.

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### Business Permits

Emissions Based Band	# of vehicles in each band	% of total vehicles in each band	Petrol Vehicles				Diesel Vehicles			
			Permit Price (6 months)	Permit Price (12 months)	# of petrol vehicles in band	% of all petrol vehicles in band	Permit Price (6 months)	Permit Price (12 months)	# of diesel vehicles in band	% of all diesel vehicles in band
1	52	8%	£210.00	£350.00	32	8%	£235.00	£400.00	20	8%
2	60	9%	£240.00	£400.00	32	8%	£265.00	£450.00	28	11%
3	80	12%	£270.00	£450.00	47	12%	£295.00	£500.00	33	13%
4	73	11%	£300.00	£500.00	58	14%	£325.00	£550.00	15	6%
5	83	13%	£330.00	£550.00	44	11%	£355.00	£600.00	39	16%
6	68	10%	£360.00	£600.00	46	11%	£385.00	£650.00	22	9%
7	86	13%	£390.00	£650.00	54	13%	£415.00	£700.00	32	13%
8	39	6%	£420.00	£700.00	29	7%	£445.00	£750.00	10	4%
9	33	5%	£450.00	£750.00	19	5%	£475.00	£800.00	14	6%
10	25	4%	£480.00	£800.00	13	3%	£505.00	£850.00	12	5%
11	32	5%	£510.00	£850.00	15	4%	£535.00	£900.00	17	7%
12	15	2%	£540.00	£900.00	9	2%	£565.00	£950.00	6	2%
13	11	2%	£570.00	£950.00	8	2%	£595.00	£1,000.00	3	1%
	<b>657</b>				<b>406</b>				<b>251</b>	

The current price of a Business permit is £500.

- Revised pricing scale is based on a 20 percent increase on the current Business permit price at Band 6, then adjusted by £50 +/- linearly.
- The £50 diesel surcharge is applied on top of the revised permit price, this is pro rata adjusted for 6 month permits.
- Business permits will be sold for Lewisham Council car parks only on a monthly pro-rata rate as per the costs above.

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### Business All Zones Permits

Emissions Based Band	# of vehicles in each band	% of total vehicles in each band	Petrol Vehicles			Diesel Vehicles		
			Permit Price (12 months)	# of petrol vehicles in band	% of all petrol vehicles in band	Permit Price (12 months)	# of diesel vehicles in band	% of all diesel vehicles in band
1	46	11%	£650.00	27	23%	£700.00	19	7%
2	22	5%	£700.00	17	15%	£750.00	5	2%
3	31	8%	£750.00	10	9%	£800.00	21	7%
4	51	13%	£800.00	11	9%	£850.00	40	14%
5	27	7%	£850.00	13	11%	£900.00	14	5%
6	16	4%	£900.00	9	8%	£950.00	7	2%
7	52	13%	£950.00	12	10%	£1,000.00	40	14%
8	18	4%	£1,000.00	3	3%	£1,050.00	15	5%
9	47	12%	£1,050.00	5	4%	£1,100.00	42	15%
10	41	10%	£1,100.00	5	4%	£1,150.00	36	13%
11	45	11%	£1,150.00	1	1%	£1,200.00	44	15%
12	3	1%	£1,200.00	0	0%	£1,250.00	3	1%
13	4	1%	£1,250.00	3	3%	£1,300.00	1	0%
	<b>403</b>			<b>116</b>			<b>287</b>	

The current price of a Business All Zone permit is £750.

- Revised pricing scale is based on a 20 percent increase on the current Business Z permit price at Band 6, then adjusted by £50 +/- linearly.
- The £50 diesel surcharge is applied.

### Business Hospital Permits

The current policy is that Lewisham Hospital can purchase a limited number of permits for staff at the current business rate of £500 p.a.

Recommended changes:

- The permit will continue to replicate business permits at the new rate.

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### Health Permits

Emissions Based Band	# of vehicles in each band	% of total vehicles in each band	<i>Petrol Vehicles</i>			<i>Diesel Vehicles</i>		
			Permit Price (12 months)	# of petrol vehicles in band	% of all petrol vehicles in band	Permit Price (12 months)	# of diesel vehicles in band	% of all diesel vehicles in band
1	28	9%	£70.00	23	9%	£120.00	5	9%
2	36	12%	£85.00	31	12%	£135.00	5	9%
3	38	12%	£100.00	32	13%	£150.00	6	10%
4	47	15%	£115.00	39	16%	£165.00	8	14%
5	57	18%	£130.00	43	17%	£180.00	14	24%
6	29	9%	£145.00	23	9%	£195.00	6	10%
7	35	11%	£160.00	30	12%	£210.00	5	9%
8	7	2%	£175.00	7	3%	£225.00	0	0%
9	10	3%	£190.00	7	3%	£240.00	3	5%
10	12	4%	£205.00	10	4%	£255.00	2	3%
11	2	1%	£220.00	2	1%	£270.00	0	0%
12	3	1%	£235.00	2	1%	£285.00	1	2%
13	5	2%	£250.00	2	1%	£300.00	3	5%
	<b>309</b>			<b>251</b>			<b>58</b>	

The current price of a Health permit is £200.

- The revised pricing scale is based on a 27.5 percent reduction on the current Health permit price, then adjusted by £15 +/- linearly.
- The £50 diesel surcharge is applied.

Current policy: staff have to display the clock in the windscreen highlighting start time with maximum stay of 2 hours.

Recommended change: staff will have to activate their parking duration on each visit via the app, maximum stay per location is 2 hours.

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### Business Staff Permits

Emissions Based Band	# of vehicles in each band	% of total vehicles in each band	Petrol Vehicles			Diesel Vehicles		
			Permit Price (12 months)	# of petrol vehicles in band	% of all petrol vehicles in band	Permit Price (12 months)	# of diesel vehicles in band	% of all diesel vehicles in band
1	28	9%	£350.00	20	9%	£400.00	8	8%
2	32	10%	£400.00	24	10%	£450.00	8	8%
3	39	12%	£450.00	22	9%	£500.00	17	18%
4	40	12%	£500.00	26	11%	£550.00	14	15%
5	37	11%	£550.00	27	12%	£600.00	10	10%
6	30	9%	£600.00	23	10%	£650.00	7	7%
7	36	11%	£650.00	26	11%	£700.00	10	10%
8	21	6%	£700.00	17	7%	£750.00	4	4%
9	20	6%	£750.00	15	6%	£800.00	5	5%
10	20	6%	£800.00	15	6%	£850.00	5	5%
11	8	2%	£850.00	4	2%	£900.00	4	4%
12	5	2%	£900.00	3	1%	£950.00	2	2%
13	12	4%	£950.00	10	4%	£1,000.00	2	2%
# of vehicles	328			232			96	

The current price of the permit is £500.

- Revised pricing scale is based on a 20 percent increase on the current Business permit price at Band 6, then adjusted by £50 +/- linearly.
- The £50 diesel surcharge is applied.

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### Hospital Health Permits

<u>Hospital Health</u>	Current price		£500			£500		
			<i>Petrol Vehicles</i>			<i>Diesel Vehicles</i>		
Emissions Based Band	# of vehicles in each band	% of total vehicles in each band	Permit Price (12 months)	# of petrol vehicles in band	% of all petrol vehicles in band	Permit Price (12 months)	# of diesel vehicles in band	% of all diesel vehicles in band
1	18	5%	£350.00	13	6%	£400.00	5	5%
2	8	2%	£400.00	5	2%	£450.00	3	3%
3	16	5%	£450.00	8	3%	£500.00	8	8%
4	24	7%	£500.00	16	7%	£550.00	8	8%
5	16	5%	£550.00	13	6%	£600.00	3	3%
6	10	3%	£600.00	8	3%	£650.00	2	2%
7	14	4%	£650.00	9	4%	£700.00	5	5%
8	7	2%	£700.00	4	2%	£750.00	3	3%
9	2	1%	£750.00	2	1%	£800.00	0	0%
10	5	2%	£800.00	2	1%	£850.00	3	3%
11	5	2%	£850.00	3	1%	£900.00	2	2%
12	1	0%	£900.00	0	0%	£950.00	1	1%
13	0	0%	£950.00	0	0%	£1,000.00	0	0%
# of vehicles	126			83			43	

The current price of Hospital Health permits is £500. Revised pricing scale is based on a 20 percent increase on the current Business permit price at Band 6, then adjusted by £50 +/- linearly.

The £50 diesel surcharge is applied

### Visitor Permits

Current Visitor Permit pricing:

- 1hr = £1.40 on line or a book of 10 = £10.00

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

Permits can be obtained via the library or by post sent recorded delivery at a cost of £1.67, with the rates as following:

- 5hr = £2.80
- Daily = £5.60
- Weekly = £20.00

Our current policy is that upon application, a book of 10 one hour visitor parking permits will be provided free of charge to all households that currently have at least one paid annual resident parking permit. Also, upon application, a book of ten (1 hour) visitor parking permits will be provided free of charge to any residents in CPZs who are over 60, and in receipt of Council Tax support, and do not have another parking permit per annum.

### **Recommended changes:**

The recommendation is to provide ten hours of visitor parking credit free of charge to all households that currently have at least one paid annual resident parking permit. This will be credited to their on-line account and can be used via their app (which will be provided as part of the new IT system) at their convenience. For visitors who have limited or no internet access, a book of vouchers can be sent on application.

- Visitor permits will rise to £1.60 per hour
- Book of 10 vouchers will be £16.00
- 5hr will be £3.20
- Daily will be £6.40
- Weekly will be £25.60

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

Visitor Permit Pricing Change												
	Current Price		Current Income		# sold	Updated Price	% increase in price	Projected annual income on updated price	Var. current income & projected			
Hourly	£	1.40	£	6,170.64	4,408	£	1.60	14.3%	£	7,052.16	£	881.52
Book of 10 x 1hr	£	10.00	£	12,612.00	1,261	£	16.00	60.0%	£	20,179.20	£	7,567.20
5-hours	£	2.80	£	16,371.36	5,847	£	3.20	14.3%	£	18,710.13	£	2,338.77
Daily	£	5.60	£	23,170.56	4,138	£	6.40	14.3%	£	26,480.64	£	3,310.08
Weekly	£	20.00	£	10,816.80	541	£	25.60	28.0%	£	13,845.50	£	3,028.70
			£	<b>69,141.36</b>	<b>16,194</b>				£	<b>86,267.63</b>	£	<b>17,126.27</b>

There will be no change to the issuing of a book of ten (1 hour) visitor parking permits will be provided free of charge to any residents in CPZs who are over 60, and in receipt of Council Tax support, and do not have another parking permit per annum.

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### APPENDIX Z1: Interest Rate Forecasts 2020 - 2023

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

Period	Bank Rate	PWLB Borrowing Rates % (including certainty rate adjustment of 20 basis points)			
		5 year	10 year	25 year	50 year
	%				
Mar 2020	0.75	2.40	2.70	3.30	3.20
Jun 2020	0.75	2.40	2.70	3.40	3.30
Sep 2020	0.75	2.50	2.70	3.40	3.30
Dec 2020	0.75	2.50	2.80	3.50	3.40
Mar 2021	1.00	2.60	2.90	3.60	3.50
Jun 2021	1.00	2.70	3.00	3.70	3.60
Sep 2021	1.00	2.80	3.10	3.70	3.60
Dec 2021	1.00	2.90	3.20	3.80	3.70
Mar 2022	1.00	2.90	3.20	3.90	3.80
Jun 2022	1.25	3.00	3.30	4.00	3.90
Sep 2022	1.25	3.10	3.30	4.00	3.90
Dec 2022	1.25	3.20	3.40	4.10	4.00
Jan 2023	1.25	3.20	3.50	4.10	4.00

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

### APPENDIX Z2: Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)

#### Annual Investment Strategy:

The key requirements of both the Code and the investment Guidance are to set an annual Investment Strategy, as part of its annual Treasury Management Strategy for the following year, covering the identification and approval of following:

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

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

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

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

**Non-Specified Investments:** These are any investments which do not meet the specified investment criteria, and include certificates of deposit issued by banks or

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building societies, corporate bonds, and property funds. Provision has been made in the Strategy to invest in certificates of deposit as well as pooled asset funds (should the relevant opportunity arise). The Council will seek guidance on the status of any pooled fund or collective investment scheme it may consider using, and appropriate due diligence will also be undertaken before investment of this type is undertaken.

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

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

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

The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue precedence to just one agency's ratings.

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

	<b>Minimum credit criteria / colour band</b>	<b>Max % of total investments/ £ limit per institution</b>	<b>Max. maturity period</b>
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	UK sovereign rating	£20m	1 year
UK Government Treasury bills	UK sovereign rating	£60m	6 months
Money Market Funds - CNAV	AAA	£30m	Liquid
Money Market Funds - LVNAV	AAA	£30m	Liquid
Money Market Funds - VNAV	AAA	£30m	Liquid
Local authorities	N/A	£10m	1 year

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Term deposits with banks and building societies	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £25m £20m £15m Not for use	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£40m £25m £20m £15m Not for use	Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use
Call accounts and notice accounts	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £25m £20m £15m Not for use	Liquid
Pooled asset funds		£50m	At least 5 years

\*for UK Government debt, or its equivalent, Constant Net Asset Value (CNAV) money market funds and collateralised deposits where the collateral is UK Government debt.

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

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

**UK Banks – Ring Fencing:** The largest UK banks (those with more than £25bn of retail/Small and Medium-sized Enterprise (SME) deposits) are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt

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up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank (RFB) will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the newly-formed entities in the same way that it does others and those with sufficiently high ratings (and other metrics) will be considered for investment purposes.

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### APPENDIX Z3: Approved Countries for Investments

This list is based on those countries which have sovereign ratings of AA- or higher (we show the lowest rating from Fitch, Moody's and S&P) and also have banks operating in sterling markets which have credit ratings of green or above in the Link Asset Services credit worthiness service.

#### AAA

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

#### AA+

- Finland

#### AA

- Abu Dhabi (UAE)
- France
- U.K.

#### AA-

- Belgium
- Qatar
- Hong Kong

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### APPENDIX Z4: Requirement of the CIPFA Management Code of Practice

#### Treasury Management Scheme of Delegation

##### (i) Full Council

- budget consideration and approval;
- approval of annual Treasury Management Strategy;
- approval of/amendments to the organisation's Treasury Management policy statement.

##### (ii) Public Accounts Committee

- receiving and reviewing reports on Treasury Management policies, practices and activities.

#### The Treasury Management Role of the Section 151 Officer

##### The S151 (responsible) officer has responsibility for:

- recommending Treasury Management policies for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular Treasury Management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the Treasury Management function;
- ensuring the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- approval of the division of responsibilities;
- approving the organisation's Treasury Management practices;
- preparation of Capital Atrategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe;
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;

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- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;

## Appendix Z5: Capital Strategy

### Lewisham Council – Capital Strategy 2019/20

#### 1. Capital Expenditure

##### Overview of Governance processes

- 1.1 The Regeneration and Capital Programme Delivery Board comprises key officers involved in the planning and delivery of the capital programme. This Board has responsibility and accountability for the delivery of all regeneration and capital projects and programmes of the built environment and is also responsible for ensuring that all projects and programmes are adequately and appropriately resourced.
- 1.2 The key objectives of the Board are to ensure that a consistent and corporate approach is taken to the development and authorisation of all project and programme initiation documents and the associated financing and funding of projects and programmes. It meets every two months and ensures that a corporate approach is taken to the monitoring, management and delivery of all projects and programmes. It reports through to the Regeneration and Capital Programme Board which is chaired by the Executive Director for Housing, Regeneration & Environment.
- 1.3 Capital programme budget and spend information is also reported to Mayor & Cabinet and the Public Accounts Select Committee on a quarterly basis as part of the Financial Forecasts reports.
- 1.4 The Council's Capitalisation policies are set out annually in the Council's Statement of Accounts. 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-minimis 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.

##### Capital Expenditure Plans

- 1.5 The Council's proposed Capital Programme budget for 2020/21 to 2022/23 is £551.2m over three years, of which £194.4m is for 2020/21. This is set out in more detail in table 1 below:

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**Table 1: Capital Programme Budget**

	19/20	20/21	21/22	22/23	3 Year Total
	£m	£m	£m	£m	£m
<b>General Fund</b>					
Schools – Schools Places Programme	7.0	10.5	4.1	1.5	<b>16.1</b>
Schools – Minor Works Capital Programme	3.8	0.1	0.0	0.0	<b>0.1</b>
Schools – Other Capital works	2.1	0.0	0.0	0.0	<b>0.0</b>
Highways and Bridges – TFL	3.4	0.0	0.0	0.0	<b>0.0</b>
Highways and Bridges – LBL	3.5	2.5	2.5	2.5	<b>7.5</b>
Highways - Other	1.4	0.8	0.0	0.0	<b>0.8</b>
Catford Town Centre	2.3	3.7	1.1	0.0	<b>4.8</b>
Asset Management Programme	2.7	1.7	2.0	2.5	<b>6.2</b>
Broadway Theatre- Repairs & Refurbishment	0.0	1.8	1.9	0.0	<b>3.7</b>
Lewisham Library – Repairs & Refurbishment	0.0	1.0	2.0	0.5	<b>3.5</b>
Old Town Hall – Repairs & Refurbishment	0.0	3.0	0.9	0.0	<b>3.9</b>
Lewisham Homes – Property Acquisition	0.0	3.0	0.0	0.0	<b>3.0</b>
Disabled Facilities Grant	1.2	1.6	0.0	0.0	<b>1.6</b>
Private Sector Grants and Loans	0.6	1.7	0.6	0.0	<b>2.3</b>
Fleet Replacement Programme	0.5	8.1	0.8	0.8	<b>9.7</b>
Smart Working Programme	2.7	0.0	0.0	0.0	<b>0.0</b>
Edward St. Development	0.1	9.0	0.0	0.0	<b>9.0</b>
Residential Portfolio Acquisition	45.7	0.0	0.0	0.0	<b>0.0</b>
Achilles St. Development	7.2	0.0	0.0	0.0	<b>0.0</b>
Ladywell Leisure Centre Development site	0.6	1.1	0.7	0.1	<b>1.9</b>
Traveller’s Site Relocation	0.0	2.1	1.7	0.0	<b>3.8</b>

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Beckenham Place Park	3.0	0.6	0.0	0.0	<b>0.6</b>
Other Schemes	5.3	5.8	0.9	0.8	<b>7.5</b>
	<b>93.1</b>	<b>58.1</b>	<b>19.2</b>	<b>8.7</b>	<b>86.0</b>
<b>Housing Revenue Account</b>					
Building for Lewisham Programme	22.0	97.5	164.6	89.6	<b>351.7</b>
HRA Capital Programme	52.0	37.2	30.6	42.2	<b>110.0</b>
Other Schemes	2.0	1.6	0.9	1.0	<b>3.5</b>
	<b>76.0</b>	<b>136.3</b>	<b>196.1</b>	<b>132.8</b>	<b>465.2</b>
<b>Total Programme</b>	<b>169.1</b>	<b>194.4</b>	<b>215.3</b>	<b>141.5</b>	<b>551.2</b>

1.6 The resources available to finance the proposed Capital Programme are as set out in table 2 below:

**Table 2: Available Resources**

	19/20	20/21	21/22	22/23	3 Year Total
	£m	£m	£m	£m	£m
<b>General Fund</b>					
Prudential Borrowing	48.6	18.6	0.0	0.0	<b>18.6</b>
Grants and Contributions	25.7	19.1	4.7	0.3	<b>24.1</b>
Capital Receipts	5.5	3.4	1.1	0.0	<b>4.5</b>
Reserves / Revenue	13.3	17.0	13.4	8.4	<b>38.8</b>
	<b>93.1</b>	<b>58.1</b>	<b>19.2</b>	<b>8.7</b>	<b>86.0</b>
<b>Housing Revenue Account</b>					
Prudential Borrowing	0.0	88.6	134.0	79.9	<b>302.5</b>
Grants	0.0	20.8	37.8	28.7	<b>87.3</b>
Specific Capital Receipts	0.0	0.0	0.0	0.0	<b>0.0</b>
Reserves / Revenue	76.0	26.9	24.3	24.2	<b>75.4</b>
	<b>76.0</b>	<b>136.3</b>	<b>196.1</b>	<b>132.8</b>	<b>465.2</b>
<b>Total Resources</b>	<b>169.1</b>	<b>194.4</b>	<b>215.3</b>	<b>141.5</b>	<b>551.2</b>

1.7 The General Fund resources available to finance capital projects decrease over the term of the Programme. This reflects the Council's prudent approach to long-

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term planning, with grants for later years not taken into account until they have been confirmed, and capital receipts only being taken into account when they have been received or are reasonably certain of being received. The Council prudently avoids entering into long-term expenditure commitments until there is more certainty as to how they can be financed.

### **Future capital expenditure**

#### *Children & Young People*

- 1.8 The Council has a statutory responsibility to ensure that there are sufficient school places available for all Lewisham children and young people who need one. Long term projections forecast a growing population for Lewisham, which in turn is expected to drive a demand for more School Places to be delivered through the School Places capital programme, despite a current reduction in demand for mainstream places in the short to medium term – correlating to a subdued birth rate. More widely the Council is continuing to experience an increase in the demand for places for children and young people with Special Educational Needs and Disabilities (SEND), and as such is having to invest in providing additional specialist provision across the borough. The Council will also need to continue to invest in existing School accommodation through the School Minor Works capital programme to ensure the School Estate remains fit for purpose in the years ahead. .

#### *Housing*

- 1.9 London faces one of the most significant housing shortages since the end of the Second World War. The Council's current 30 year financial model for the Housing Revenue Account (HRA) includes provision for the HRA contribution to the delivery of the HRA Social Units from the Building for Lewisham programme. The Council has now set an additional target of a further 1,000 social homes. Half of these will be delivered directly by the Council. A budget of £5.507m to undertake various tasks to bring sites forward to construction or for additional feasibility work was agreed by Mayor and Cabinet in January 2020.
- 1.10 The redevelopment of the former Ladywell Leisure Centre Site continues to progress with planning applications due later in 2020. This mixed-use development will see over 200 new homes come forward and will be the largest residential development that the Council has directly delivered. In 2019, a budget of £2.55m was approved by Mayor and Cabinet to take the scheme forward to planning and to fund the feasibility of the relocation of PLACE/Ladywell.
- 1.11 On Edward Street in Deptford, a new housing scheme that will provide 34 new homes for use as high-quality temporary accommodation (TA) for homeless families, using the next iteration of the precision manufacturing technology used to build PLACE / Ladywell, received planning permission in November 2018.

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The development will also provide a community run nursery and commercial space on the ground floor. The build will generate rental income for the Council, as well as delivering significant savings by not having to house 34 families in expensive private temporary accommodation.

- 1.12 Further TA sites at Mayow Road (26 homes) and Canonbie Road (6 homes) have also been granted planning permission. The scheme at Mayow Road will also provide six specialist affordable homes for those with autism and/or learning difficulties. This will be delivered with support by the NHS.
- 1.13 The Council will also deliver high quality private rented sector housing through a joint venture at the Besson Street development in New Cross, due for completion 2023. The scheme will deliver around 230 homes for private rent with 35% at “living rent”.

### *Regeneration*

- 1.14 The Council has ambitious aspirations for Catford town centre which could deliver major improvements to the pedestrian and transport infrastructure while creating opportunities for new homes, shops and other amenities. Officers are working with a master planner, Studio Egret West, to develop a spatial plan or masterplan for Catford. It is expected that the draft masterplan will be presented to Mayor & Cabinet in early Summer. Subject to this being endorsed, the next step would involve public consultation with a return to Mayor & Cabinet thereafter to seek approval to endorse the final version.
- 1.15 In addition, discussions are ongoing with our partners (for example the Greater London Authority and London Borough of Southwark) around other potential developments and schemes, in particular those with potential transport related investments such as the possible Bakerloo Line Extension and New Bermondsey development.

### Asset Management Planning

- 1.16 In March 2015 the Council published a new corporate Strategic Asset Management Plan 2015-2020 that set management of corporate assets within the framework of the following outcomes:
- Compliance with regulation and responsiveness to risk.
  - Improving the quality of services that can be delivered through the corporate asset function.
  - Reducing expenditure and exposure to costs; and
  - Increasing income generated and collected.
- 1.17 Further detail can be found in the Council’s Strategic Asset Management Plan 2015-2020 via the link below:

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<https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/strategies>

1.18 The Strategic Asset Management Plan will be updated in 2020.

### **Restrictions concerning capital finance**

1.19 Within the prudential framework there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. The Council's Prudential Indicators are approved by Full Council each year as part of the Budget Report. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current and following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

1.20 There are two parameters of external debt, the 'operational boundary' and 'authorised limit for external debt', which the Council reports on as part of its Treasury indicators.

1.21 The Operational Boundary for External Debt is the limit beyond which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

1.22 The Authorised Limit for External Debt is a key prudential indicator which represents a control on the maximum level of borrowing, and provides a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term but is not sustainable in the longer term. This is a statutory limit determined under Section 3(1) of the Local Government Act 2003, and needs to be set and revised by full Council. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.

1.23 Council borrowing in relation to the Housing Revenue Account capital programme is now assessed under the Prudential Borrowing framework following the abolition of the Housing Revenue Debt Cap in December 2018.

## **2. Debt and borrowing and treasury management**

2.1 The latest Treasury Management Strategy, which is within the 2019/20 Budget Report, shows the Council's projection of external debt as in Table 3:

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**Table 3: Projection of External Debt**

<b>External Debt Projections</b>	<b>2017/18 Actual £m</b>	<b>2018/19 Expected £m</b>	<b>2019/20 Forecast £m</b>	<b>2020/21 Forecast £m</b>	<b>2021/22 Forecast £m</b>
External Debt at 1 April	190.9	219.4	217.2	251.5	279.2
Change in External Debt	28.5	(2.2)	34.3	27.7	39.6
Other Long-Term Liabilities	236.1	232.9	247.4	243.2	239.2
<b>Gross Debt at 31 March</b>	<b>455.5</b>	<b>450.1</b>	<b>498.9</b>	<b>522.4</b>	<b>558.0</b>
<b>Capital Financing Requirement at 31 March</b>	<b>487.9</b>	<b>487.3</b>	<b>525.4</b>	<b>555.8</b>	<b>610.5</b>
<b>Borrowing – over / (under)</b>	<b>(32.4)</b>	<b>(37.2)</b>	<b>(26.5)</b>	<b>(33.4)</b>	<b>(52.5)</b>

2.2 Where the Council is under-borrowed and has the resources to do so, internal borrowing may be used to support capital expenditure in particular circumstances; this is considered a prudent approach in the current economic climate while investment returns are low. As at 30 September 2018 the Council's estimated internal borrowing was estimated at £10.3m.

2.3 The Minimum Revenue Provision (MRP) is a provision for the repayment of debt over the life of the underlying debt. It is a prudent provision as advised by the CIPFA Prudential Code for Capital Finance.

2.4 The Council's current MRP Policy is based on the useful lives of specific asset classes:

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

2.5 In 2017/18 a third element was added to the Council's MRP policy, whereby no MRP need be charged on capital expenditure where the Council has assessed that sufficient collateral is held at a current valuation to meet the outstanding CFR liability, and that should it be determined at any point that insufficient collateral is held to match the Council's CFR liability a prudent MRP charge will commence. To date this has been applied as a measure to the loans advanced to the Council's wholly owned limited company subsidiaries – Catford Regeneration Partnerships and Lewisham Homes.

2.6 The Council's Authorised Limit is £554.9m and Operational Boundary is £498.9m for 2019/20 (see also paragraphs 1.19 and 1.20). The Council's Treasury Management Strategy (including processes, due diligence and defining the

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authority's risk appetite) is approved annually by Full Council as part of the Council's Budget Report.

### **3. Commercial Activity**

3.1 The consideration of commercial activity within the context of a capital strategy falls into three main areas: new projects/schemes; existing regeneration vehicles (Catford Regeneration Partnership Ltd and Besson Street joint venture); and existing commercial property portfolios.

- As part of the Regeneration and Capital Programme Delivery Board's process of assessing capital bids for funding new projects, the ability of projects and programmes to self-fund or part fund through commercial activity is reviewed as these schemes are progressed subject to sufficient due diligence to ensure that the risk to the Council is minimised or mitigated appropriately. This due diligence primarily takes the form of the preparation of a Project Initiation Document (PID) to achieve initial feasibility and seed funding, and then the production of a full Business Case before further capital funds are made available. The preparation of the full Business Case generally requires independent input from professional services firms to either prepare or review the technical assumptions and costings, as well as the economic and financial impacts and outputs. The Council's risk appetite is generally reviewed on a case by case basis depending on the scale and nature of the proposed investment and its strategic fit.
- The Council also pursues commercial activity separately through the business of its wholly owned company Catford Regeneration Partnership Limited which was established to provide a regeneration vehicle for Catford town centre. The Council transferred land holdings into the vehicle which was funded through state aid compliant lending from the Council. This vehicle now manages these properties on a commercial basis in anticipation of the wider regeneration of the area being delivered under the capital programme.
- The Council has recently established a joint venture in order to deliver around 230 homes for private rent with 35% at "living rent" levels at the Besson Street development in New Cross. As well as providing high quality private rented sector housing, this scheme is expected to deliver an on-going revenue income to the Council that can be reinvested back into Council services.
- The final area of commercial activity is through the existing commercial property estate. These are commercial properties held in the general fund and run on a commercial basis. The Council's commercial property estate comprises 270 assets with a gross rental income of approximately £4.5m. To give some perspective, this income represents approximately 1.85% of the Council's total General Fund net budget of £243m.

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### 4. Non-Treasury Investments

4.1 The Council has two wholly owned subsidiary companies, Lewisham Homes Limited and Catford Regeneration Partnership Limited (CRPL). It has invested in these subsidiaries as summarised below.

#### **Lewisham Homes Limited**

4.2 The Council has to date advanced three separate loans to Lewisham Homes, the first on proxy commercial terms financed from internal borrowing and the second on cost-neutral terms financed through the PWLB. Both loans are to allow Lewisham Homes to purchase properties to address temporary accommodation needs in the borough, and will be repaid on set maturity dates:

**Table 4: Lewisham Homes' Loans**

<b>Loan Description</b>	<b>Method of Loan Financing</b>	<b>Loan Balance at 31 March 2020</b>	<b>Interest Rate</b>	<b>Loan Period</b>
£20m commercial loan, available in two tranches of £10m as and when properties are purchased	Internal Borrowing	£17.0m	4.3%	10 years from drawdown date (first maturity in November 2025)
£20m cost-neutral loan, available in blocks of at least £2m when required	PWLB	£20.0m	£10.0m at 2.41% £2.0m at 2.61% £8.0m at 2.43%	40 years from drawdown date (first maturity in June 2057)

4.3 Agreement of the property acquisition programme and relevant loan agreements was obtained from Mayor and Cabinet. State Aid issues and other risks and mitigations were considered in the approval of the loan facilities, including for the second loan the requirement for collateral against the loan in order to obtain MRP exemption.

#### **Catford Regeneration Partnership Limited (CRPL)**

4.4 Three loans totalling £13.5m were advanced to CRPL between 2010/11 and 2016/17 to allow the company to invest in property, and these were consolidated into one loan in February 2017 at an interest rate of 4.3%. An additional loan facility of £3.0m was agreed in 2018/19 at the same rate to further support the

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company's objectives ahead of the master plan for Catford town centre coming forward. A drawdown of £0.25m against this new facility took place in July 2018 and a further drawdown of £0.4m took place in February 2019.

**Table 5: CRPL Loans**

<b>Loan Description</b>	<b>Method of Loan Financing</b>	<b>Forecast Loan Balance at 31 March 2020</b>	<b>Interest Rate</b>	<b>Loan Period</b>
£12.0m advanced in 2010/11;  £0.25m advanced in 2015/16;  £1.0m advanced in 2016/17;  £0.25m advanced in 2018/19  £0.4m advanced in 2018/19	Internal Borrowing	£12.9m	4.3%	28 years remaining (maturing May 2048)

### **Other Non-Treasury Investments**

4.5 In 2017/18 the Council provided a loan of £700,000 to Wide Horizons, an adventure learning charity providing adventure experiences and outreach services across several London boroughs including Lewisham. An equal and corresponding loan was also advanced by the London Borough of Greenwich, providing Wide Horizons with £1.4m to repay an existing social investment business loan ahead of time.

4.6 The appropriate approval was sought from Mayor and Cabinet to proceed with the loan, with authority to finalise the loan terms delegated to the Executive Director for Resources and Regeneration. An appropriate financial review of Wide Horizons was undertaken, highlighting possible risks from insufficient cash flows or income generation to meet loan repayments, although mitigating circumstances were outlined accordingly.

## **APPENDICES W1 to Z5 2020/21 BUDGET REPORT**

4.7 July 2018 Wide Horizons ceased trading, unable to obtain additional loan financing to meet its financial obligations. The Council has not received any repayments against the £700,000 advanced to the charity in 2017/18.

4.8 The loss to the Council will be recognised in the 2019/20 financial statements after taking into account plans for the three properties returned to the Council and previously leased to Wide Horizons on peppercorn rent.

4.9 The Council also holds minority stakes in the following:

- 10% in Lewisham Schools for the Future LEP Limited, a Local Education Partnership established under the Council's Building Schools for the Future (BSF) programme to rebuild and refurbish secondary schools within the borough.
- Less than 1% in South-East London Combined Heat and Power Ltd (SELCHP), a joint venture with the London Borough of Greenwich for the provision of waste disposal and waste to energy processes.
- A minority share in Newable Ltd (formerly Greater London Enterprise Ltd) which provides property management and consultancy services.

### **5. Other long-term liabilities**

5.1 Aside from borrowing, there are a number of other significant long-term liabilities recognised on the Council's balance sheet. The bullet points below outline the nature of these liabilities, their value as at 31 March 2019 and the governance processes around their monitoring and ongoing risk management.

- Pension Liability (£752m). This liability matches a debit balance in the Pensions Reserve and 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 Comprehensive Income and Expenditure Statement 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 liability therefore represents a shortfall between the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements regarding the Pension Fund ensure that funding will have been set aside by the Council by the time the benefits are due to be paid.
- Private Finance Schemes (£220m). The Council's contribution towards the cost of PFI schemes is through unitary charge payments which are made

## APPENDICES W1 to Z5 2020/21 BUDGET REPORT

throughout the life of the scheme concerned. The unitary charge payments have been calculated to include three elements: a service charge; the repayment of debt in relation to capital expenditure in delivering the scheme assets; and the finance cost on the borrowing to deliver to initial investment. The long-term liability represents the amount of debt outstanding in relation to capital expenditure; this will be repaid to the contractors through the unitary charge payments over the life of the PFI schemes. The Council employs robust and proactive contract management procedures to ensure that the PFI schemes continue to deliver value for money.

- Provisions (including insurance) (£6m). Provisions are amounts which are set aside 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. 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.

### 6. Knowledge & Skills

6.1 The Council uses Link Asset Services as its external Treasury Management advisors. The Council recognises that responsibility for Treasury Management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of Treasury Management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

6.2 MiFID II is a piece of European legislation which recently came into force. It affects our relationship with all institutions with whom we have a financial relationship, both council and pension fund. The Council have fulfilled a set of tests to prove we are competent investors and have the requisite skills and knowledge in place. As an example, for treasury management, we have provided information on those staff involved from the Acting Chief Finance Officer downwards, to include their qualifications, years in the role, and any regular training attended.

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## Public Accounts Select Committee

### **Report title: Committee work programme report**

**Date:** 04 February 2020.

**Key decision:** No.

**Class:** Part 1.

**Ward(s) affected:** Not applicable.

**Contributors:** Timothy Andrew (Scrutiny Manager)

### **Outline and recommendations**

The Committee drew up a work programme at the beginning of the municipal year (May 2018). However, the work programme should be reviewed at each Committee meeting to take account of changing priorities.

The Committee is asked to:

- consider the work programme attached at appendix B and discuss any issues arising from the programme
- consider the items scheduled for the next meeting and specify the information the committee requires to achieve its desired outcomes
- consider the report of the evidence session for the commercialisation and culture change in-depth review at appendix C (as well as an update from Members present at the session) and decide whether there urgent issues for referral to Mayor and Cabinet and/or issues that should form the basis for recommendations in the Committee's final review report.
- review the forthcoming key decisions set out in appendix D and consider any items for further scrutiny

## 1. Summary

- 1.1. The Committee drew up a draft work programme at the beginning of the municipal year for submission to the Business Panel for consideration.
- 1.2. The Business Panel considered the proposed work programmes of each committee and agreed a co-ordinated overview and scrutiny work programme.
- 1.3. The work programme can, however, be reviewed at each Select Committee meeting to take account of changing priorities.

## 2. Recommendations

- 2.1. The Committee is asked to:
  - consider the work programme attached at appendix B and discuss any issues arising from the programme;
  - consider the items scheduled for the next meeting and specify the information the committee requires to achieve its desired outcomes;
  - consider the report of the evidence session for the commercialisation and culture change in-depth review at appendix C (as well as an update from Members present at the session) and decide whether there urgent issues for referral to Mayor and Cabinet and/or issues that should form the basis for recommendations in the Committee's final review report;
  - review the forthcoming key decisions set out in appendix D and consider any items for further scrutiny

## 3. The work programme

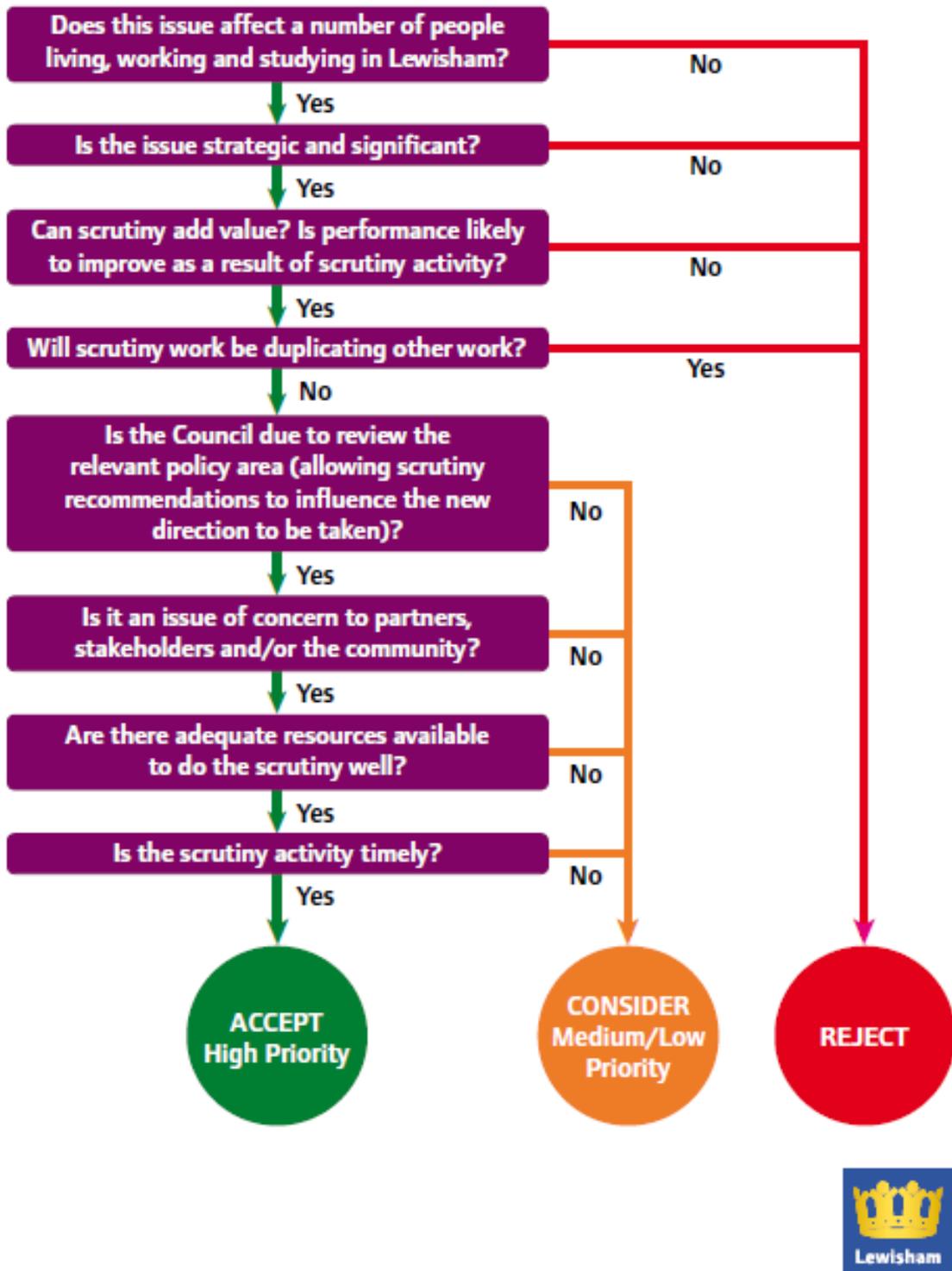
- 3.1. The work programme for 2019-20 was agreed at the meeting on 9 May 2019.
- 3.2. Members are asked to consider if any urgent issues have arisen that require scrutiny and if any items should be removed from the work programme.
- 3.3. Any additional items should be considered against the prioritisation process before being added to the work programme (see the flow chart below).

### Is this report easy to understand?

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## Scrutiny work programme – prioritisation process



- 3.4. The Committee's work programme needs to be achievable in terms of the meeting time available. If the Committee agrees to add additional items, members will also need to consider which lower-priority items should be removed to create sufficient capacity.

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- 3.5. Items within the Committee's work programme should be linked to the priorities of the Council's Corporate Strategy.
- 3.6. The Council's Corporate Strategy for 2018-2022 was approved at full council in February 2019.
- 3.7. The strategic priorities of the [Corporate Strategy for 2018-2022](#) are:
- [Open Lewisham](#) - Lewisham is a welcoming place of safety for all, where we celebrate the diversity that strengthens us.
  - [Tackling the housing crisis](#) - Everyone has a decent home that is secure and affordable.
  - [Giving children and young people the best start in life](#) - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
  - [Building an inclusive local economy](#) - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
  - [Delivering and defending: health, social care and support](#) - Ensuring everyone receives the health, mental health, social care and support services they need.
  - [Making Lewisham greener](#) - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
  - [Building safer communities](#) - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.
- 3.8. The following item is scheduled for the next meeting.
- Commercialisation and culture change review final report and recommendations
  - Income generation and commercialisation update
  - Financial forecasts
  - Audit Panel update
  - Asset management

## 4. Financial implications

- 4.1. There are no direct financial implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme will have financial implications and these will need to be considered as part of the reports on those items.

## 5. Legal implications

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

## 6. Equalities implications

- 6.1. The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into

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force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

6.2. The Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

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

## **7. Climate change and environmental implications**

7.1. There are no direct climate change or environmental implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have climate change and environmental implications and these will need to be considered as part of the reports on those items.

## **8. Crime and disorder implications**

8.1. There are no direct crime and disorder implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have crime and disorder implications and these will need to be considered as part of the reports on those items.

## **9. Health and wellbeing implications**

9.1. There are no direct health and wellbeing implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have health and wellbeing implications and these will need to be considered as part of the reports on those items.

## **10. Report author and contact**

10.1. If you have any questions about this report then please contact: Timothy Andrew (Scrutiny Manager) 020 8314 7916 – [timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk)

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Public Accounts Select Committee Work Programme 2019/20

Programme of work

Work Item	Type of item	Priority	Corporate priority	Delivery deadline	09-May-19	13-Jun-19	10-Jul-19	24-Sep-19	06-Nov-19	16-Dec-19	04-Feb-20	18-Mar-20
Catford regeneration partnership	Standard item	High	All	May								
Income generation and commercialisation	Standard item	Medium	All	June								
Final outturn 2018/19	Performance monitoring	Medium	All	July								
Children's social care	Performance monitoring	High	CP3	November								
Adult social care	Performance monitoring	High	All	December								
Financial forecasts 2019/20	Performance monitoring	High	All	March								
Medium term financial strategy	Performance monitoring	Medium	All	July								
Mid-year treasury management review	Performance monitoring	Medium	All	September								
Budget cuts	Performance monitoring	High	All	November				Cuts				
Cost pressures in the environment division	Performance monitoring	Medium	All	September								
Annual budget 2019/20	Standard item	High	All	February							Budget	
Asset management	Standard item	Low	All	March								
Audit Panel update	Constitutional Requirement	Low	All	March								
Income generation and commercialisation	In-depth review	High	All	December			Scope		Evidence	Evidence		Report

**Corporate Priorities**

**Priority**

<b>1</b>	<b>Open Lewisham</b>	<b>CP 1</b>
<b>2</b>	<b>Tackling the Housing Crisis</b>	<b>CP 2</b>
<b>3</b>	<b>Giving Children and young people the best start in life.</b>	<b>CP 3</b>
<b>4</b>	<b>Building an inclusive local economy</b>	<b>CP 4</b>
<b>5</b>	<b>Delivering and defending: health, social care and support</b>	<b>CP 5</b>
<b>6</b>	<b>Making Lewisham greener</b>	<b>CP 6</b>
<b>7</b>	<b>Building Safer Communities</b>	<b>CP 7</b>



**Commercialisation and culture change: London Borough of Lewisham and London Borough of Waltham Forest  
Lewisham Council, 13 January 2020**

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## **Overview**

Councillors Krupski and Codd attended a 'Westminster Briefing' at which John Hubbard gave a presentation about the approach to commercialisation taken by the London Borough of Waltham Forest. As a result – an invitation was extended to officers from Waltham Forest to meet with Members of Lewisham's Public Accounts Select Committee – as part of the evidence gathering for the Committee's in-depth review of commercialisation and culture change. The meeting took place in LB Lewisham on Monday 13 January in Lewisham.

## **Attendees**

### London Borough of Lewisham

Councillor Jim Mallory, Chair of the Public Accounts Committee

Councillor Louise Krupski, Vice-Chair of the Public Accounts Committee

Councillor Patrick Codd

Councillor Joan Millbank

Councillor James Rathbone

Timothy Andrew (Scrutiny Manager)

Sunil Shahaney (Income Generation and Commercial Services Manager)

### London Borough of Waltham Forest

John Hubbard (Director of Commercial and Innovation)

Richard Holland (Assistant Director of Technology Innovation)

Following introductions and an overview of the work being carried out by Lewisham's Public Accounts Select Committee there was a discussion (from 1pm – 2pm) based on the Committee's key lines of enquiry (as follows):

## **Key lines of enquiry for Lewisham's in-depth scrutiny review**

### Key line of enquiry 1: creating a workable, vibrant and positive commercial culture

Key questions:

- How can we instil a more commercial mind-set throughout the Council?
- How will the Council encourage and provide the structures necessary for officers at any level to instigate new ideas?
- How will the Council take more of a collective responsibility and lessen any blame culture so that officers have the freedom to act?
- Are there any corporate structures in place that could be hindering this kind of work? If so how should they be changed?

- How do we create a culture where risk is talked about openly and candidly for courageous ideas to be brought forward?
- How do we use the generation of income itself to motivate officers? Do we allow departments to keep back generated income for further innovative projects or does all the income come back centrally?
- How does the Council breed a culture of understanding among officers and members that this is positive change and done for the very best possible reasons and outcomes?
- Are the structures in place to do good constructive performance management of projects?

### Key line of enquiry 2: training and development for officers and members

#### Key questions:

- Does the Council have officers with the right skills and training to do this work? If not, how can a training programme be put in place and what are the resource implications of this?
- Do officers have enough time? How will projects be organised so that the every-day work of the Council is not adversely affected.

#### **Key findings**

1. The borough of Waltham Forest has some similar opportunities to Lewisham and it faces some of the same challenges.
2. Waltham Forest has taken an approach to commercialisation that focuses on the strengths of its existing services.
3. A culture of innovation at the Council has been encouraged by building on successes and learning from failures.
4. The Council's commercial vehicle draws on expertise from the Council but it has its own processes and structures. It is free to innovate and adapt to the market.
5. The 'Service Store' brand builds on the backing of the Council but it is distinct enough to enable innovation.
6. The early successes of the Council's commercial activities have given officers the impetus to change processes and to explore opportunities for digital advances.
7. The Council is ambitious and outward facing in its approach to commercialisation.

## Findings

1. These are some of the key points raised at the meeting. This is not intended to represent a comprehensive record of the discussions. Additional material has been included from documents referred to at the meeting.

### Determining the opportunities

'What do we do well..? That's where we are going to enter the market.'

Officers from LB Waltham Forest

2. Waltham Forest is:
  - A borough of high population growth;
  - A predominantly residential borough with one of the smallest economies in London;
  - Seeing strong business growth in recent years – focused in small businesses (which has had a lesser impact on jobs growth);
  - A young borough – with more children and working age residents than the UK average. However, the population is increasingly ageing;
  - Increasingly diverse, without a single majority group;
  - Experiencing a high level of population churn from people moving into and out of the borough;
  - Facing ongoing uncertainty from regional and national changes in policy;
  - Ranked as the 35<sup>th</sup> most deprived local authority in England (of 326) in 2015.
3. As with all local authorities, the London Borough of Waltham Forest has experienced years of sustained financial pressures. In order to mitigate the combined impact of: government cuts to its core funding; increases in demand (due to growth, demographic changes and pressures on social care) as well as the requirement for cost savings, the Council identified a number of areas of strength in which it sought to commercialise services.
4. The Council's approach to commercialisation was supported by a change programme – with a dedicated website and roadshows for officers to contribute ideas. The transformation programme included a number of problem solving workshops as well as projects for exploring opportunities for innovation. Officers recognised that there were skills within the Council and that these could be utilised if people were given space to innovate.
5. The importance of leadership for the change programme was acknowledged – as were the efforts of key individuals - but the importance of practical support for people in services was emphasised as an important factor for driving innovation.
6. Focusing on a recognised area of demand and existing strengths, the Council's journey into commercialisation began with the set up of a commercially focused handyman service - in coordination with adult social care services.



and it reports to a subcommittee of the executive. There are no councillors on the company board.

17. The company develops its annual business plan in consultation with senior Council officers. The plan is presented to the shareholder committee (a subcommittee of the Executive) for agreement. The Council is the sole company shareholder.

18. The company has a social value approach that focuses on hiring locally and buying in favour of local communities. Specifically, it works with a local organisation that finds employment for people who are long term unemployed. Nonetheless, the company is able to achieve efficiencies by employing people directly (as opposed to relying on Council employment).

‘People like doing business with the Council because we aren’t going anywhere.’  
Officers from LB Waltham Forest

**Enterprising Council: Bringing it together Council wide**

- Innovation Programme**  
Developing innovative ideas to meet challenges linked to Creating Future themes.
- Enterprising Culture**  
A work force empowered and enabled to innovate.
- Enterprising Communities**  
Forging new relationships with local business and resident communities. Council as an innovator and facilitator.
- Enterprising Enablers**  
Building an infrastructure, which is flexible and responsive and enables an enterprising culture.
- Commercial Programme**  
Building on commercial success with Operations Centre, Commercial Waste, Grimebusters, Land Charges Advisory Service, Young People, Digital Wetlands.

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walthamforest.gov.uk

### Embracing innovation

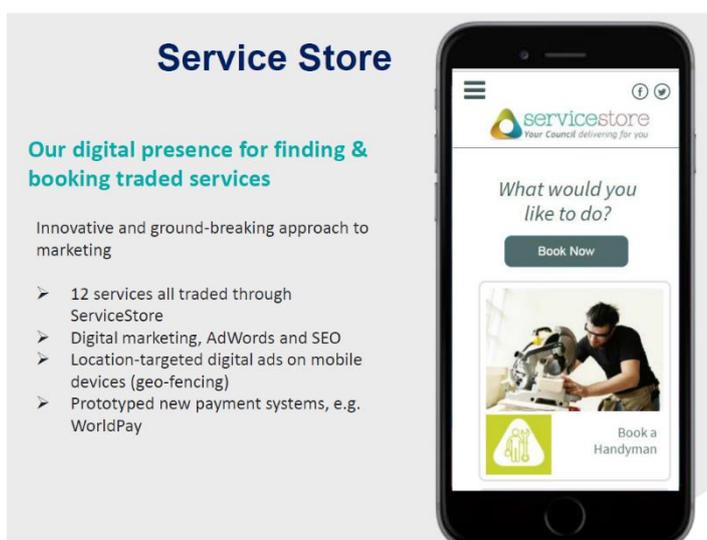
19. Innovation by the Council’s commercial arm is being bolstered by a progressive approach to the use of digital systems.

20. The ‘Service Store’ branding and marketing builds on the reliability of the Council with a separate user friendly digital interface. It also enables the development of future projects for commercialisation of Council services with a tried and tested approach.

21. The Council's approach to commercialisation and innovation has also provided opportunities for the development of new projects.

22. One pertinent example is the collaboration brokered by the Council between a group of local students and Amazon web services. Through a process of trials, pilots and some missteps the Council has developed a cost effective 'ChatBot' for its website, with the added benefit of providing opportunities for local students to develop their skills.

23. The close working relationship between the Council and its company continues to provide new opportunities for both organisations. The company provides cheaper and better service provision than that available from private providers. It also enables the Council to focus on the delivery of its core services.



## Background documents

John Hubbard's presentation to the 'Rethinking local government service provision: improving delivery in times of fiscal constraint' Westminster Briefing (from p20 onwards)  
[http://www.westminster-briefing.com/fileadmin/Local\\_gov\\_service\\_provision1.pdf](http://www.westminster-briefing.com/fileadmin/Local_gov_service_provision1.pdf)

Scoping report for LB Lewisham's commercialisation and culture change in-depth review:  
<https://tinyurl.com/v5jrnar>

If you have any questions about this briefing then please contact Timothy Andrew  
([timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk) - 020 831 47916)

## FORWARD PLAN OF KEY DECISIONS

### Forward Plan February 2020 - May 2020

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

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin Flaherty 0208 3149327, the Local Democracy Officer, at the Council Offices or [kevin.flaherty@lewisham.gov.uk](mailto:kevin.flaherty@lewisham.gov.uk). However the deadline will be 4pm on the working day prior to the meeting.

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

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

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
August 2019	<b>Consultation: Proposal to Transfer Management of 5 Community Centres to Lewisham Homes</b>	15/01/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Jonathan Slater, Cabinet Member for Community Sector		
October 2019	<b>Building for Lewisham New Homes Programme parts 1 &amp; 2</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	<b>Achilles Street Estate Regeneration Ballot Results</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	<b>Parking Policy Update</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
June 2019	<b>Disposal of former Wide Horizon Sites in Wales &amp; Kent'</b>	15/01/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Mayor Damien Egan, Mayor		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
June 2019	<b>Adopting a Residents Charter for Lewisham</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	<b>Lewisham Draft Housing Strategy</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	<b>Housing Strategy and Homelessness Strategy</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
November 2019	<b>Approval for the procurement of lake operations for Beckenham Place Park</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
November 2019	<b>Setting the Council tax Base NNDR Tax Base &amp; Discounts</b>	15/01/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and		

**FORWARD PLAN – KEY DECISIONS**

<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
	<b>for Second Homes and Empty Homes</b>		Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
December 2019	<b>Permission to tender the Refugee Resettlement Support Service</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
December 2019	<b>Beckenham Place Park Procurement of a Lake Swimming Operator</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
December 2019	<b>Creekside Acquisition Opportunity</b>	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
December 2019	<b>Addey &amp; Stanhope School Instrument of Government</b>	15/01/20 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
October 2019	<b>NHS Commissioning Arrangements in Lewisham</b>	22/01/20 Council	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social Care		
November 2019	<b>Setting the Council tax Base NDR Tax Base &amp; Discounts for Second Homes and Empty Homes</b>	22/01/20 Council	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
October 2019	<b>Precision Manufactured Housing (PMH) Procurement</b>	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	<b>Budget 2020-21</b>	05/02/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
October 2019	<b>Acquisition of land at Pool Court. parts 1 &amp; 2</b>	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
December 2019	<b>Youth Services Contract Award</b>	05/02/20	Sara Williams, Executive		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
		Mayor and Cabinet	Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
November 2019	<b>Supported Accommodation Permitted Contract Extension</b>	05/02/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social Care		
November 2019	<b>Approach to Boroughwide pot of Neighbourhood Community Infrastructure Levy</b>	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
October 2019	<b>Renewal of Social Care software systems</b>	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
October 2019	<b>Renewal of revenue and benefits software systems</b>	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration &		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
November 2019	<b>Learning Disability Framework - Award of call off contracts</b>	05/02/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social Care		
January 2020	<b>Surrey Canal Triangle Draft Design Framework Supplementary Planning Document</b>	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
October 2019	<b>Budget Update</b>	12/02/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
October 2019	<b>Highway Contract Tendering strategy for 2021 award</b>	12/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
October 2019	<b>State of the Highways</b>	12/02/20	Kevin Sheehan,		

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	<b>Infrasructure and Update on Asset Management Strategy</b>	Mayor and Cabinet	Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
December 2019	<b>Leisure Centre Admission Charges</b>	12/02/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Andre Bourne, Cabinet member for Culture, Jobs and Skills (job share)		
October 2019	<b>Precision Manufactured Housing (PMH) Procurement Process Outcome and Decision</b>	12/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	<b>Old Town Hall works - permission to tender</b>	12/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
December 2019	<b>Future Provision of Home Care</b>	12/02/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social Care		

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December 2019	<b>Community Wealth Building and Inclusive Growth Strategy Update</b>	12/02/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Joe Dromey, Cabinet Member for Culture, Jobs and Skills (job share)		
December 2019	<b>Community Energy Fund grant awards</b>	12/02/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Jonathan Slater, Cabinet Member for Community Sector		
January 2020	<b>Lewisham's Admission Arrangements 2021/22</b>	12/02/20 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
January 2020	<b>Settlement on outstanding litigation case regarding non-payment of an affordable housing contribution at 99 Plough Way Parts 1 &amp; 2</b>	12/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
October 2019	<b>Preferred Tender for Travel and Transport Programme</b>	12/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		

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January 2020	<b>Oracle Cloud contract extension and hyper-care support</b>	12/02/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
January 2020	<b>Archive solution for HR and Payroll system</b>	12/02/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
October 2019	<b>Budget 2020-21</b>	26/02/20 Council	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
January 2020	<b>Priorities for 2020</b>	26/02/20 Council	Kim Wright, Chief Executive and Mayor Damien Egan, Mayor		
October 2019	<b>Lewisham Climate Emergency Action Plan</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
October 2019	<b>Air Quality Action Plan</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for		

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			Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
October 2019	<b>Private Sector Housing Borough-wide Licensing</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	<b>Mayow Road Supported Living Service Parts 1 &amp; 2</b>	11/03/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social Care		
December 2019	<b>Local Plan New Cross Gate SPD and Surrey Canal SPD</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
October 2019	<b>Renewal of Oracle Licensing arrangements</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		

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December 2019	<b>Corporate Energy Contract Strategy</b>	11/03/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
December 2019	<b>Post consultation recommendation of additions of new buildings to Local List</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
December 2019	<b>Approval of the draft Lewisham Local Plan for public consultation</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
December 2019	<b>Approval of the Local Development Scheme (update)</b>	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
October 2019	<b>Contract Award for Stage 2 of Greenvale School Expansion Project</b>	11/03/20 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
December 2019	<b>Achilles Street Estate Land</b>	11/03/20	Kevin Sheehan,		

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	<b>Assembly Parts 1 &amp; 2</b>	Mayor and Cabinet	Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
May 2019	<b>Performance Monitoring</b>	11/03/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
January 2020	<b>Parks and Open Spaces Strategy 2020-2025</b>	25/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
January 2020	<b>Annual Lettings Plan</b>	25/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
January 2020	<b>Changes to Housing Allocations Scheme</b>	25/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for		

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			Housing		
December 2019	<b>Friendship Agreement Pokhara</b>	01/04/20 Council	David Austin, Acting Chief Finance Officer and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
December 2019	<b>Approval of the draft Lewisham Local Plan for public consultation</b>	01/04/20 Council	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
December 2019	<b>Approval of the Local Development Scheme (update)</b>	01/04/20 Council	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
November 2019	<b>Approval to appoint operator for concessions contract at the lake, Beckenham Place Park</b>	29/04/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeavor, Cabinet Member for Environment and Transport (job share)		
November 2019	<b>Corporate Equalities Scheme</b>	29/04/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Jonathan Slater, Cabinet Member for Community Sector		

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October 2019	<b>Adoption of the Catford Regeneration Masterplan Framework</b>	03/06/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
October 2019	<b>PLACE/Ladywell parts 1 &amp; 2</b>	08/07/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		

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