Mayor and Cabinet

Financial Monitoring 2022/23

Date: Wednesday 11th January 2023

Key decision: No

Class: Part 1

Ward(s) affected: None Specific

Contibutors: Executive Director for Corporate Resources

Outline and recommendations

This report presents the financial monitoring position for the 2022/23 financial year, setting out the position as at 31 October 2022.

The report covers the latest position on the Council's General Fund, Dedicated Schools Grant, Housing Revenue Account, Collection Fund and Capital Programme. It also provides an update on the progress against savings delivery.

The Council-wide financial forecast for General Fund activities is an overspend of £18.3m, this is reduced by the utilisation of £4m Covid Local Authority support grant carried forward from 2021/22 and £8.7m of corporate funding to partially mitigate the pressures. This means that the General Fund is forecast to overspend by £5.6m, an improvement of £0.9m since Period 4.

The £0.9m improvement is due to an additional £1.1m of Reserve Funding being drawndown to fully fund the reported energy pressure. Service pressures have increased by a net £0.2m.

Financial monitoring will continue throughout the year and Executive Directors will work to manage down the reported budget pressure within their directorates in a drive to bring spend back into line with cash-limited budgets.

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Timeline of engagement and decision-making

9th November 2022 – Period 7 (October) Financial Monitoring 2022/23 to Executive Management Team

1st December 2022 – Period 7 (October) Financial Monitoring 2022/23 to Public Accounts Select Committee

11th January 2023 - Period 7 (October) Financial Monitoring 2022/23 to Mayor and Cabinet

1.0 EXECUTIVE SUMMARY

1.1. This report sets out the financial forecasts for 2022/23 as at 31 October. The key areas to note are as follows:

i. The General Fund (GF) has a forecast overspend of £5.6m against the directorates' net general fund revenue budget, after the application of £4m Covid grant funding carried forward from 2021/22 to support the costs arising from the ongoing legacy impact of the pandemic and £8.7m of corporate funding. This is set out in more detail in section 4 of this report.

ii. To date £17.5m (68%), of the £25.8m savings have either been achieved or are on track to be achieved. The forecast outturn position takes into account this level of savings delivery, where savings have not been achieved to date, services are working to deliver these or find alternative savings/cost reductions to enable the overall savings target to be achieved. This is set out in more detail in section 5 of this report, with a breakdown of the savings progress shown in Appendix 1.

iii. There are additional costed risks estimated at £7.4m, as well as risks which are as yet unquantified, work is on going led by Executive Directors to seek mitigations should any of the risks partially or fully materialise as financial pressures. This is set out in more detail in section 12.

iv. The Dedicated Schools Grant (DSG) is currently forecasting a net deficit of £4m for 2022/23, due to the full year effect of increased placements costs in 2021/22 and continuing increases in the number of EHCP's in 2022/23. As part of the mitigation plan there are also initial costs for increased provision in special schools and resource basis in 2022/23. The cumulative deficit for the DSG at the end of 2022/23 is projected to be £14.4m, this assumes an estimation for the secondary transfer process, the outcome of which will be known in the coming months. It should be noted that at present the DSG remains a ringfenced deficit and Lewisham is part of the 'Delivering Better Value Programme' sponsored by the DfE. From 2023/24, there is uncertainty over whether the DSG will continue to be ringfenced, which means any deficit may need be considered as part of the councils overall financial position.This is set out in more detail in section 13 of this report.

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v. The Housing Revenue Account (HRA) is projecting a £2.6m pressure due largely to the anticipated lack of income from billing Leaseholders for work undertaken. This is set out in more detail in section 14 of this report.

vi. As at 31 October, some 58.4% of council tax due and 68% of business rates due had been collected. This is set out in more detail in section 15 of this report.

vii. The Capital Programme has a budget for 2022/23 set as part of the budget setting process in February of £230.3m (GF and HRA), the expenditure incurred to date is £54m. This has been set out in more detail in section 16 of this report and Appendix 2.

2.0 PURPOSE AND RECOMMENDATIONS

2.1 The purpose of this report is to set out the financial forecasts for 2022/23 as at the end of October 2022, projected to the year-end, 31 March 2023.

2.2 Members of Mayor and Cabinet are asked to: Note the use of £6.6m Reserve Funding to meet the unbudgeted financial impact of the Pay Award and Energy Tarff pressures during 2022/23, previously £5.5m of Reserve funding was being used in Period 4, the additional reserve usage fully funds the reported pressure on Energy and the Staff pay award.

2.3 Members of the Mayor and Cabinet are asked to: Note the current financial forecasts for the year ending 31 March 2023 and that Executive Directors will continue to work in bringing forward action plans to manage down budget pressures within their directorates.

3.0 POLICY CONTEXT

3.1 This report aligns with Lewisham's Corporate Priorities, as set out in the Council's Corporate Strategy (2022-2026):

- Cleaner and Greener
- A Strong Local Economy
- Quality Housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

3.2 This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the borough's residents.

3.3 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy.

3.4 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.

3.5 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, renewed leisure opportunities

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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. There is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to support housing supply and business growth, through to our programmes of care and support to some of our most vulnerable and troubled families.

3.6 The pace, scope and scale of change has been immense: the pandemic has demanded agility, creativity, pace, leadership, organisational and personal resilience, strong communications and an unerring focus on the right priorities. The service and finance challenges arising from Covid are now blending with the wider economic implications of a decade of austerity, the trading changes arising from Brexit, and now the impacts arising from other global events (e.g. war in Ukraine, Covid lock downs in China, extreme climate events in India, etc..) impacting the supply of energy, goods and services and driving up inflation.

3.7 Within the Council, the impact of the Covid pandemic is felt acutely across all of our service areas and throughout the year we have been grappling with real challenges in how we keep services running for our residents and how we protect the most vulnerable. Across the borough, residents are looking afresh at our borough, their neighbourhoods, and seeing where they live through new eyes.

3.8 While we do not yet fully understand what all of the long-term implications of Covid will mean for the borough, there have been many clear and visible impacts of the pandemic on our residents, Lewisham the place and also the Council. We know that coronavirus has disproportionately affected certain population groups in Lewisham, matching patterns that have been identified nationally and internationally: older residents, residents born in the Americas & the Caribbean, Africa or the Middle East & Asia, and residents in the most deprived areas of the borough have considerably higher death rates. We know that more Lewisham residents are claiming unemployment benefits compared to the beginning of this year and that food insecurity has increased in the borough.

4.0 GENERAL FUND POSITION

4.1 The Council is reporting an overspend on general fund activities of £5.6m after the application of £4m Covid Local Authority support grant and £8.7m of corporate funding. The £4m of Local Authority support grant is utilising the remaining Covid funding carried forward from 2021/22, to mitigate costs arising due to the legacy impact of Covid. The £8.7m of corporate funding consists of:

- £1m one off funding in corporate provisions set aside to provide the Children and Young People's Directorate with time to fully deliver savings as part of the sufficiency strategy.
- £1.1m corporate budget set aside to fund inflation during 2022/23. It should be noted that inflation awards have not been fully made across services and therefore the monitoring position may worsen once these are made.
- £2.5m of reserve funding to fund the pressure on the General Fund due to the increase in energy prices, only £1m of which was budgeted.
- £4.1m of unbudgeted reserve funding to meet the anticipated pay award over and above the budgeted level for 2022/23, this will need to be met on an ongoing basis as part of budget setting for 2023/24.

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Table 1 – General Fund Outturn Position for 2022/23 at Period 7

General Fund	Net Budget	Net Forecast	Period 7 Variance	Period 4 Variance	Movement since Period 4
	£m	£m	£m	£m	£m
Children & Young People	61.1	64.8	3.7	3.7	0.0
Community Services	82.4	84.4	2.0	3.2	(1.2)
Housing, Regeneration and Public Realm	21.6	27.6	6.0	5.5	0.5
Corporate Resources	31.9	31.9	0.0	5.7	(5.7)
Chief Executives	11.7	11.7	0.0	0.0	0.0
Salary and Energy Pressures	0.0	6.6	6.6	0.0	6.6
Directorate Totals	**208.7**	**227.0**	**18.3**	**18.1**	**0.2**
Covid Funding	0.0	(4.0)	(4.0)	(4.0)	0.0
Reserves	0.0	(6.6)	(6.6)	(5.5)	(1.1)
Corporate Items	39.5	37.4	(2.1)	(2.1)	0.0
Corporate Budget	**39.5**	**26.8**	**(12.7)**	**(11.6)**	**(1.1)**
Total	**248.2**	**253.8**	**5.6**	**6.5**	**(0.9)**

4.2 The reported pressures are detailed further in paragraphs 6-11 with Section 12 containing an explanation of any further financial risks not included within the reported positions. Since Period 4, the pressures arising from the staff pay award and energy tariff increases are now shown on a separate line 'Salary and Energy Pressures' so that they are clearly visible outside of the other service pressures. The table shows there has been an increase in service pressures of £0.2m since Period 4 which is negated by an additional drawdown from reserves of £1.1m to fully fund the energy tariff pressures.

4.3 Below is a summary of the key movement between Period 4 and 7, highlighting the movement on service pressures within each Directorate:

- **Children and Young People:** The reported pressure at Period 7 remains unchanged from Period 4.
- **Communities:** There is a favourable movement on service pressures of £0.2m since Period 4 due to increased income generation. The futher 1m movement is due to the reallocation of energy pressure which have been moved to a separate line outside the Directorate subtotals.
- **Housing, Regeneration and Public Realm:** Service Pressures have increased by £1.2m since Period 4. This is due to an adverse movement of £1.4m on Strategic Housing largely due to challenges recovering rental income from prior tenants, this is partially negated by by a £0.2m favourable movement on Public Realm. There is a £0.7m reallocation of energy pressure which have been moved to a separate line outside the Directorate subtotals.
- **Corporate Resources:** There is a favourable movement of £0.2m on service pressures since Period 4, £0.2m on Financial Services due to vacant posts, £0.1m favourable movement on IT partially negated by a £0.1m adverse movement on Assurance. The £5.5m other movement is due to the reallocation of energy pressure and the pressure arising from the staffing pay award which have been moved to a separate line outside the Directorate subtotals.
- **Salary and Energy Pressures:** The pressure shown here is the financial impact over and above the budget level of the staffing pay award and the increase in energy tariffs.

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The £6.6m of pressure shown here has decreased by £0.6m since Period 4, the financial impact of the pay award is a pressure of £4.1m compared to the budgeted level (previously £4.5m), after reflecting the financial impact of the reversal in National Insurance (NI). The energy pressure over and above the budgeted level is now £2.5m (previously £2.7m).

- **Corporate Budget:** An increase in usage of reserves of £1.1m. In Period 4, £11.6m of corporate funding was being utilised to bring down the financial pressure (£4m covid funding, £5.5m use of reserves and £2.1m planned usage of Corporate Budgets). In Period 7 this has increased to £12.7m, which can be broken down as £4m covid funding, £6.6m use of reserves (which fully funds both the expected energy pressure and impact off the staff pay award) and £2.1m planned usage of Corporate Budgets.

5.0 SAVINGS DELIVERY

5.1 At the start of 2022/23 there were £5.6m of savings from 2020/21 and £8.4m of savings from 2021/22 which were yet to be delivered. These alongside £11.8m of new savings need to be delivered during 2022/23, as set out in table 2 below, with the individual savings listed in Appendix 1:

Table 2 - Savings to be delivered by Directorate

Savings to be delivered by Directorate	2020/21 £m	2021/22 £m	2022/23 £m	Totals £m
Children & Young People	1.3	0.7	3.7	5.7
Community Services	2.9	7.0	2.8	12.7
Housing, Regeneration and Public Realm	1.2	0.0	3.7	4.9
Corporate Resources	0.2	0.7	1.4	2.3
Chief Executives	0.0	0.0	0.2	0.2
Totals	**5.6**	**8.4**	**11.8**	**25.8**

5.2 As part of monthly monitoring, an assessment of the deliverability of these savings has been undertaken. The table below shows savings which at this stage are not expected to be delivered during 2022/23. The £8.3m of delayed delivery is factored into the reported pressure in Section 4 and services are committed to striving to deliver these savings and where this is not possible they have been highlighted as part of Budget Setting work for 2023/24. A line by line breakdown of the £25.8m savings is shown in detail in Appendix A.

Table 3 –Savings at risk by Directorate

Savings At Risk by Directorate	2020/21 £m	2021/22 £m	2022/23 £m	Totals £m
Children & Young People	0.7	0.0	0.9	1.6
Community Services	0.4	3.9	0.6	4.9
Housing, Regeneration and Public Realm	0.6	0.0	0.4	1.0
Corporate Resources	0.0	0.4	0.4	0.8
Chief Executives	0.0	0.0	0.0	0.0
Totals	**1.7**	**4.3**	**2.3**	**8.3**

6.0 CHILDREN AND YOUNG PEOPLE DIRECTORATE

6.1 The Children and Young People Directorate (CYP) are reporting an overspend of £3.7m, unchanged from the postion reported at Period 4, as detailed in the table and paragraphs

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below. It should be noted that the above reported position is before a budgeted £1m drawdown from corporate funding.

Table 4 – Children & Young People Directorate Period 7 Forecast

Children and Young People Directorate Projected Outturn	Net Budget	Net Forecast	Period 7 Variance	Period 4 Variance	Movement since Period 4
	£m	£m	£m	£m	£m
Children's Social Care	52.0	53.7	1.7	1.7	0.0
Education Services	13.4	15.9	2.5	2.5	0.0
Family, Quality Commissioning	(2.1)	(2.6)	(0.5)	(0.5)	0.0
Schools	(2.2)	(2.2)	0.0	0.0	0.0
Total	**61.1**	**64.8**	**3.7**	**3.7**	**0.0**

6.2 **Children's Social Care:** A £1.7m pressure is reported on the service, there are currently 449 Children Looked After (CLA) at the end of October 2022, compared to 474 CLA's in October 2021. It should be noted that recent work has shown a significant risk of further pressure on the service, as detailed in paragraph 12.5. The net number fluctuates but is gradually reducing and new children entering care has remained reasonably stable, despite a 40% increase in children requiring safeguarding, compared to pre-covid levels. Placements is a demand led budget, with the cost of placements dependent on the needs of the child, through better interventions for children on the edge of care, the service are expecting to prevent an additional 22 children coming into care during 2022/23, avoiding further costs of approx. £1.2m. This is based on entries into care as a proportion of children subject to safeguarding i.e. in 2019/20 the equivalent of 67% of those on child protection plans, came into care. In 2021/22 this was 48% and is forecast to fall again in 2022/23. However, it is important to note that whilst edge of care preventative interventions helps to manage placement demand, the children who do enter care are the most complex and require higher cost placements. The above forecast assumes savings delivery of £3.1m across placements and staffing, with £1.4m currently showing as unachieved.

6.3 **Education Services:** A £2.5m pressure is reported, unchanged from Period 4. There is a £2m overspend on Home to School Transport, the number of Children being transported to schools by taxi's has increased by approx. 163 since 2019/20 with the percentage of Children being transported out of borough (longer, more costly journeys) also increasing. This forecast takes into account transport packages agreed as at the end of October for the 2022/23 academic year as well as a level of further demand over the coming months. Recruitment challenges in Education Psychology have lead to increased agency usage of £0.5m compared to the budgeted level and a £0.3m pressure on Continuing Care due to the level of complexity and associated costs of children with complex needs. Both of these were pressures in prior years which were contained within service budgets.

6.5 **Family, Quality Commissioning:** £0.5m underspend, unchanged from Period 4, due to robust management of the staffing budget, service delivery has been reviewed and a restructure was undertaken however some elements are yet to fully implemented leading to posts still being vacant.

7.0 COMMUNITY SERVICES DIRECTORATE

7.1 The Community Services Directorate are reporting an overspend of £2m, a favourable movement since Period 4, this is £0.2m of increased income within Communities, Partnerships and Leisure and a £1m reallocation of energy costs to the Salary and Energy Pressures category outside the Directorate Subtotals.

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Table 5 – Community Services Directorate Period 7 Forecast

Community Services Directorate Projected Outturn	Net Budget	Net Forecast	Period 7 Variance	Period 4 Variance	Movement since Period 4
	£m	£m	£m	£m	£
Adults' Social Care	63.4	65.3	1.9	1.9	0.0
Integrated Commissioning	7.5	7.5	0.0	0.0	0.0
Public Health	(0.8)	(0.8)	0.0	0.0	0.0
Communities, Partnerships and Leisure	8.8	8.8	0.0	1.2	(1.2)
Culture, Learning and Libraries	3.5	3.6	0.1	0.1	0.0
Total	**82.4**	**84.4**	**2.0**	**3.2**	**(1.2)**

7.2 **Adult Social Care:** A pressure of £1.9m is reported (unchanged from Period 4) due to the delayed delivery of savings related to care packages as well as pressures from children transitioning to Adulthood and hospital discharges. This is based on the level of commissioned care on Controcc at Period 7 with adjustments made for anticipated further in year demand and inflationary increases, as well as adjustments for any health funding or savings delivered over the course of 2022/23.

7.3 There are early signs of the impact of work done in partnership with Newton Europe to both improve productivity and also outcomes for people using our Enablement Service and also help to reduce or delay long term care placements. This comes at a time when the NHS recovery plans mean pressure on service remains very high.

7.4 **Communities Partnerships & Leisure:** A balanced position is reported for the service, £1.2m less than in Period 4. This is due to £0.2m of increased income generation balancing the previously reported service pressures and the reallocation of £1m of energy pressure which have been moved to a separate line outside the Directorate subtotals.

7.6 **Culture, Learning and Libraries:** A pressure of £0.1m (unchanged from Period 4) is reported for the service as a result of an income shortfall for the Libraries Service where the level of income has not recovered to pre Covid levels.

8.0 HOUSING, REGENERATION AND PUBLIC REALM

8.1 The Housing, Regeneration and Public Realm Directorate are reporting an overspend of £6m, an adverse movement of £0.5m since Period 4, as detailed in the table and paragraphs below.

Table 6 – Housing, Regeneration and Public Realm (HRPR) Directorate Period 7 Forecast

Housing, Regeneration and Public Realm Projected Outturn	Net Budget	Net Forecast	Period 7 Variance	Period 4 Variance	Movement since Period 4
	£m	£m	£m	£m	£m
Strategic Housing	3.8	8.1	4.3	2.9	1.4
Public Realm	17.6	18.9	1.3	2.1	(0.8)
Regeneration	(0.5)	(0.1)	0.4	0.5	(0.1)
Planning	0.7	0.7	0.0	0.0	0.0
Total	**21.6**	**27.6**	**6.0**	**5.5**	**0.5**

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8.2 **Strategic Housing:** There is a £4.3m pressure on the service, which is an adverse movement of £1.4m since Period 4 due to the increased demands on the service and significant challenges recovering rental income from previous service users of the nightly paid service. The number of people accommodated in nightly paid accommodation has risen from 745 at the start of April 2021 to 1,026 at the end of October 2022. The monthly average number of people accommodated for financial year 2021/22 was 865, the current monthly average for 2022/23 is 1,016. This increase in numbers has put additional pressure on the service in terms of landlord payments and recharges for Housing Benefit payments which have exceeded the caps and limits (otherwise known as HB limitation recharges) and therefore not payable through the DWP Housing Benefit claim. These are currently forecast to be £9.8m in Period 7, which is £2.3m over and above the budgeted level and £0.2m higher than in Period 4.

8.3 The remainder of the pressure is due to £1m of incentive payments to Landlords over and above the budgeted level, these payments are made to maintain housing arrangements for people at significant risk of becoming Temporary Accomodation Service users, this has moved adversely by £0.2m since Period 4. A further £1m pressure is due to prior tenant arrears from unpaid rental income (over and above the housing benefit contribution) that people make towards their nightly paid accommodation. Once the service users have moved out of nightly paid accommodation this income is extremely challenging to recover. This has emerged since Period 4.

8.4 **Public Realm:** A pressure of £1.3m is reported, which is a reduction of £0.2m from the service pressure reported at Period 4 due to a reduction in the Street Environment Services forecast. The reported pressure on energy of £0.6m has reduced by £0.1m since Period 4 and has been reallocated to a separate line outside the Directorate subtotals. The reported pressure is broken down as an overspend of £0.4m in relation to the cost of an enhanced Fly Tipping Service, a highways and transport pressure of £0.8m and finally a £0.1m pressure on fuel costs.

8.5 **Regeneration:** There is a £0.4m pressure, the service pressure remaining unchanged from Period 4. The movement since Period 4 is due to the energy costs of £0.1m which have been reallocated to a separate line outside the Directorate subtotals. The reported pressure is due to a £0.3m pressure on the Copperas Street saving due to a change in the delivery plans, this will be achieved in 2023/24 and a pressure of £0.1m on rental income following the sale of properties within the portfolio.

8.6 **Planning**: The Planning Service are continuing to experience pressures with staffing costs increasing across London due to demand for planning, urban design and conservation staff. Alongside this, with cost of living increases, we anticipate that we could see fee income reduce as less people are no longer in a position to undertake development. This will be monitored throughout the year. Government proposals which would increase burdens on local planning authorities through the Levelling Up Bill remain a risk that could increase costs within the service.

9.0 CORPORATE RESOURCES DIRECTORATE

9.1 The Corporate Resources Directorate are reporting a balance position at Period 7, a movement of £5.7m since Period 4, as detailed in the table and paragraphs below.

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Table 7 – Corporate Services Directorate Period 7 Forecast

Corporate Resources Projected Outturn	Net Budget	Net Forecast	Period 7 Variance	Period 4 Variance	Movement since Period 4
	£m	£m	£m	£m	£m
Assurance	2.6	2.5	(0.1)	(0.2)	0.1
Financial Services	5.5	5.3	(0.2)	0.0	(0.2)
Resident & Business Services	16.6	16.9	0.3	1.3	(1.0)
IT & Digital Services	7.9	7.9	0.0	0.1	(0.1)
Reserves	(0.7)	(0.7)	0.0	4.5	(4.5)
Total	**31.9**	**31.9**	**0.0**	**5.7**	**(5.7)**

9.2 **Assurance:** The service has an underspend of £0.1m due to staff vacancies across the teams, a minor adverse movement of £0.1m since the £0.2m underspend reported at Period 4.

9.3 **Financial Services:** An underspend of £0.2m is reported at Period 7 due to underspends on staffing, a favourable movement of £0.2m since Period 4.

9.4 **Residents and Business Services:** A net pressure of £0.3m is reported after £1m energy costs have been reallocated to a separate line outside the Directorate subtotals. There is a £0.9m pressure within Revenues and Benefits as the service restructure has been delayed due to additional workload arising from the administration of several central government grants including the Council Tax Energy Grant, Household Support fund and Covid Additional Relief Fund (CARF). There is a £0.3m underspend on the cleaning services budget, a £0.2m underspend due to the reduction in supported accommodation costs and £0.1m reduction in expenditure on responsive repairs which partially mitigate the afore mentioned pressure.

9.6 **IT and Digital Services:** A balanced position is reported at Period 7, an improvement of £0.1m on the position reported in Period 4.

9.7 **Reserves:** The pressure on the salary pay award is now shown on a separate line outside the Directorate Subtotals, therefore the £4.5m pressure is no longer shown here.

10. CHIEF EXECUTIVES DIRECTORATE

10.1 The Chief Executive's Directorate are reporting a balanced position at Period 7.

Table 8 – Chief Executive's Directorate Period 7 Forecast

Chief Executive's Projected Outturn	Net Budget	Net Forecast	Period 7 Variance	Period 4 Variance	Movement since Period 4
	£m	£m	£m	£m	£m
Assistant Chief Executive	7.5	7.5	0.0	0.0	0.0
Law, Governance & Elections	4.2	4.2	0.0	0.0	0.0
Total	**11.7**	**11.7**	**0.0**	**0.0**	**0.0**

11. SALARY AND ENERGY PRESSURES

11.1 Salary and Energy Pressures are now shown on a separate line within the Directorate subtotals, so that the financial impact is clearly visible within the monitoring report. The total

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pressure of £6.6m is fully funded from Reserves in 2022/23.

11.2 The financial impact of the pay award over and above the budgeted level is £4.1m (previously £4.5m), this is after the recent reversal of the National Insurance (NI) increase. NI increased by 1.25p in the pound in April which was reversed from the 6th November 2022

11.3 The energy pressure over and above the budgeted level is now £2.5m (previously £2.8m), this is further broken down as; £1m on Corporate Buildings, £0.6m on the Council's Leisure contract, £0.2m on Glassmills Leisure centre which sits outside the main leisure contract, £0.6m on Street Lighting and £0.1m within Regeneration for buildings they operate.

12. GENERAL FUND RISKS

12.1 The table below shows the identified risks which are not certain to materialise but are significant in terms of financial impact.

Table 9 – General Fund Risks

General Fund	C Tax	Temp Accom	Comm Waste Income	Children's Social Care	Legal Services	Total
	£m	£m	£m	£m	£m	£m
Children & Young People	0.0	0.0	0.0	3.9	0.0	3.9
Community Services	0.0	0.0	0.0	0.0	0.0	0.0
Housing, Regeneration and Public Realm	0.0	1.0	0.4	0.0	0.0	1.4
Corporate Resources	0.0	0.0	0.0	0.0	0.0	0.0
Chief Executives	0.0	0.0	0.0	0.0	0.6	0.6
Council Wide	1.5	0.0	0.0	0.0	0.0	1.5
Directorate Totals	**1.5**	**1.0**	**0.4**	**3.9**	**0.6**	**7.4**

12.2 **Council Tax (Council Wide):** Collection rates for Council Tax may be impacted due to the challenging economic times, especially if unemployment rises significantly. This would put income budgets under pressure, a 1% reduction in collection rates compared to the budgeted level of income is £1.5m.

12.3 **Temporary Accommodation:** An additional £1m risk is highlighted over and above the £4.3m pressure include within the monitoring position. It is unlikely that the full impact of the increase in numbers for 2022/23 is reflected in the current forecast limitation recharge, which will be expected to increase if numbers remain as they are. The forecast recharge has increased by £0.5m since April 2022 and there is a risk that this could increase further by year end (£0.5m of the reported risk). The remaining £0.5m is due to potential rent increases from Landlords. Landlords continue to approach the authority with requests to increase rental charges in the current economic climate, across all forms of Temporary Accommodation. Whilst the service is attempting to control this cost increase, it has had to agree to some of these requests. The exact value of this increase is still to be fully established, but it will put further pressure on the service and increase the current forecast overspend (by an estimated £0.5m).

12.4 **Commercial Waste:** There is a risk that £0.4m of Commercial Waste income will not be achieved due to companies ceasing trading or no longer using the service as a result of Covid. The service is currently engaging with businesses to increase take up of the service.

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12.5 **Children's Social Care:** During 2022/23 the service with support from finance have been working on the development of a tracker, the tracker contains cost and package information for all Children Looked After (CLA) by the service. Currently CLA costs have been forecast based on payments made within Oracle for the financial year to date projected out for the remainder of the financial year. Once there is confidence that the tracker respresents an accurate position of CLA's within Lewisham this will be used to forecast costs for Children's Social Care. A comparison exercise between the tracker and the current forecast has shown £3.9m more costs on the tracker than has been included within the current forecast. The tracker is being reviewed for accuracy and work is ongoing to explore CLA packages which should be funded by Health and until this work has been done the forecast has not been increased.

12.6 **Legal Services:** The service is currently forecasting a nil variance however there are a number of vacancies that are in the process of being recruited to through a mixture of permanent and agency staff. Depending on the success of this recruitment there is a risk of an overspend of up to £0.6m, however these posts are extremely challenging to fill. The recruitment is being monitored on a monthly basis and if a pressure materialises this will be reported in the coming months. It should be noted that within the Assistant Chief Executive's Division, there are some vacancies which depending on the recruitment in the coming months may reduce some of the potential risk above.

Unquantified Risks Being Monitored

12.7 **Energy Care Homes:** There is a risk of an increased ask from Care Homes for inflation in both Adults and Children's Social Care due to the energy tariff price increases.

12.8 **Planning:** The land charges function will be moving to the land registry in the financial year 2023/24 with work taking place to support that migration over the next 18 months. This migration is likely to affect the level of income received by the Council with the potential financial impact estimated at £0.4m in 2023/24.

12.9 **Collection Fund:** Collection rates for Business rates may be impacted due to the challenging economic times, which will put income budgets under pressure, especially if unemployment rises significantly. An allowance of £3m has been made in the budget for a shortfall, however there is a risk this could be higher.

12.10 **Market failings for Children Social Care placements:** The impact of reduced availability of adequate provision and a cost increase for the provision that is available.

12.11 **General inflationary costs:** The impact of general inflation (CPI currently 10.7% in November 2022) on the £200m of goods and services procured each year by the Council (revenue) and £200m planned capital programme spend. The known impact of this is reflected in the reported position above, however as costs continue to increase further pressures may emerge.

12.12 **Cost of capital programme slippage and inflation:** Costs which are then borne in full in year on revenue budgets rather than being capitalised over the life of the asset or which are changing as schemes are brought forward that exceed the original budget assumptions, potentially requiring revenue funds to be diverted away from service budgets.

12.13 **Leisure PFI:** There is a further potential pressure in relation to Downham Healthy Lifestyles Centre where 1Life the operators of the site under the PFI contract have begun the benchmarking process afforded to them within the overarching contract. This benchmarking process is on both income and utilities. 1Life have formally called the benchmarking process but are willing to try to reach a negotiated solution with the council. A figure of £0.6m has been suggested at this stage however this is only included as a risk at this stage, as it is subject to negotiation.

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12.14 **Pension Fund:** The tri annual valuation of the pension fund may lead to an increase or decrease in the valuation which will impact the council's financial position.

12.15 **CPI Impact of Rent Setting and Fees & Charges Setting:** The rent for the council's housing stock in usually calculated at CPI plus 1% and fees and charges are normally inflated by CPI. The rent increase under the current policy of increases in line with the formula or target rent calculation would have been 11.1%. The government have recently announced that Rents are to be capped at 7% for 2023/24, this leads to a gap between the rental income generated and the costs incurred which has an impact on the HRA finances in the year of the differences as well as the future financial years.

13. DEDICATED SCHOOLS GRANT

13.1 The projected outturn position for 2022/23 (post recoupment and revision to Early Years Block) is shown in the table below. The final position for Early Years funding in 2021/22 was an unspend of £1.3m, which was carried forward to use in future years. At it's October meeting the Schools Forum agreed for £1m of this funding to be used to support the high needs pressure with the remaining balance to be held within Early Years to support any drift arising from changes in pupil numbers in 2022/23. A net pressure of £4m (after the transfer of £1m of Early Years funding) is reported on the High Needs block which is further broken down as: £2m full year effect of the increased placement cost in 2021/22 and £2m being the part year cost of increased provision in special schools and resource basis. It should be noted that the main placement activity occurs post September as placements are largely driven on academic year basis so there will be more certainty on the forecast during the next few months.

Table 10 – DSG Projected Outturn 2022/23

DSG Projected Outturn	Schools Block £m	Central School Services Block £m	High Needs Block £m	Early Years Block £m	Total DSG Allocation £m
Gross	177.3	3.7	69.6	24.5	275.1
In year Virements	(0.7)	0.0	0.7	0.0	0.0
General Fund Resources		0.5			0.5
DSG Budget	176.6	4.2	70.3	24.5	275.6
Expenditure	177.0	4.2	75.3	24.5	281.0
Total Spend	177.0	4.2	75.3	24.5	281.0
Variance	0.4	0.0	5.0	0.0	5.4

13.2 The table below shows the cumulative position for the DSG across the various funding blocks:

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Table 11 – DSG Overall Position

DSG Overall	Schools Block £m	Central School Services Block £m	High Needs Block £m	Early Years Block £m	Total DSG Allocation £m
DSG Projected Variance 2022/23	0.4	0.0	5.0	0.0	5.4
DSG Variance 2021/22	0.0	0.0	5.4	(1.3)	4.1
DSG Variance Prior Years	(0.4)	0.0	5.0	(0.2)	4.4
In Year Application	0.0	0.0	(1.0)	1.0	0.0
2022/23 Year End Projection	**0.0**	**0.0**	**14.4**	**(0.5)**	**13.9**

13.3 **Schools Block:** £0.4m balance from previous years, however this is required to support in year growth for secondary bulge and any targeted support for Term time only (for schools in deficits as agreed with schools forum).

13.4 **Central School Services Block (CSSB):** It is expected that this funding will be fully utilised in 2022/23.

13.5 **High Needs Block:** There is currently a cumulative deficit at the end of 2021/22 of £10.4m, with a forecast of a further £5m during 2022/23, which includes some estimation for secondary transfer which needs to be revisited later in the year. Schools Forum at its meeting in October agreed to transfer £1m of funding from the Early Years Block to support this pressure, leaving a projected deficit at the end of 2022/23 of £14.4m.

13.6 **Early Years Block:** This has been projected in line with funding, Schools Forum agreed that £1m of unspent balances from prior years can be utilised to support the pressure on the High Needs block leaving a projected £0.5m of funding currently unutilised at the end of 2022/23. The balance is contingency support to manage any drifts arising from the differential of payments v allocation in future years.

13.7 It should be noted that at present the DSG remains a ringfenced grant and is not offset against the general fund position in the statement of accounts. The ringfenced status is expected to remain for a further 3 year period, after this point there is a strong possibility that the ringfenced status could cease. This would provide wider challenges for the councils overall financial position, it should be noted that Lewisham is not alone in this predicament.

13.8 The DfE is currently working with several Local Authorities (LA) using two different approaches. The first is known as the “safety valve” which is for LA’s with currently large levels of deficit, the second approach is the delivering better value (DBV) – which has three tranches and covers 55 Local Authorities. Lewisham is in the third tranche of the second approach which is expected to commence during the summer 2023. The programme will enable Lewisham to benefit from any best practice as well as being able to evidence the challenges Local Authorities face which is not suitably funded. Lewisham has further requested that the review is not solely restricted to Special Educational Need costs but extended to cover associated areas including Transport.

14.0 HOUSING REVENUE ACCOUNT

14.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2022/23. The current forecast is for a pressure of £2.6m which is largely due to a shortfall in the forecast income from major works billed to Leaseholders which is partially negated by an underspend in bad debt charges. The balanced HRA budget seen in the table includes a

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budgeted contribution from reserves which is to be used to fund the HRA major works and new supply programme and is included as a part of the 30 year HRA business plan. The HRA budget was revised in August to take account of the final closing position for 2021/22 as well as updating stock numbers and forecast income, expenditure carry forwards and loss of stock.

Table 13 – Housing Revenue Account

Housing Revenue Account	Net Budget	Net Forecast	Period 7 Variance	Period 4 Variance
	£m	£m	£m	£m
Housing, Regeneration and Public Realm – Housing	15.2	15.4	0.2	0.1
Lewisham Homes & Repairs & Maintenance	41.0	41.0	0.0	0.0
Resources	1.8	1.8	0.0	0.0
Centrally Managed Budgets	(58.0)	(55.6)	2.4	4.2
Total	**0.0**	**2.6**	**2.6**	**4.3**

14.2 There is a significant income target from the charging of major works at properties for leasehold tenants of £6.0m, which is based on the General Capital programme allocation of £83.4m. Work undertaken on a leaseholder property is currently charged to the leaseholder upon completion, as opposed to being charged earlier based on estimates. This is being reviewed now that new long-term contracts are in place and planned works can be programmed effectively allowing bills to be raised based on estimates. As at the end of October 2022, a total of £0.4m of charges have been raised to leaseholders. Lewisham Homes Finance have advised that this should be used as the forecast income level for 2022/23, which is a reduction of £5.6m against the budgeted position. There are ongoing discussions with Lewisham Homes to provide data relating to bills to be raised for prior year's works on the Breyer Major Works contract. The ongoing litigation to resolve the final accounts for this contract is expected to be completed shortly which will allow Lewisham Homes to raise the bills for the outstanding works. It is expected that if the issue is resolved by the start of the new calendar year, bills could be raised in a phased manner from January 2023, this income is not currently factored into the HRA Budgets/forecasts.

14.3 Additional income from tenant's rents (£0.3m) and service charges (£0.1m), garage rents (£0.1m) and leaseholder service charges (£0.3m) are being projected. Additional income is arising due in part to void levels being lower than current budgeted rates, and the completion of the leaseholder service charge audit in September 2022.

14.4 The Thames Water refunds to both current and former tenant accounts has reduced the level of arrears and the resulting impairment charge. The current budget is £3.4m, with the forecast impairment charge for 2022/23 of £1.0m, which is £2.4m under budget. This will be closely monitored for the remainder of the year and forecasts updated accordingly.

14.5 Whilst energy costs overall underspent in 2021/22 by £0.6m, cost price increases have put additional pressure in this area. The revenue allocation in 2022/23 was increased to £4.0m. The current forecast is £4.3m which is an overspend of £0.3m. In addition, there is an energy reserve of £1.0m which could be called upon if necessary.

14.6 There are £0.1m of small underspend across the remainder of the HRA, bringing the reported pressure to £2.6m.

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14.7 Repairs & Maintenance (R&M) is currently forecast to budget, but it should be noted that R&M overspend by £9.6m in 2021/22. Updated forecasts provided by Lewisham Homes are currently showing a minor pressure, which is not currently reflected in the HRA forecasts. It would be expected that either a compensatory reduction in the Capital programme would be realised or costs within the revenue stream are recharged to Capital where appropriate. This would help to mitigate any overspends which may arise, however this will not be certain until further into the financial year when a full analysis of the costs within the R&M account has been undertaken by Lewisham Homes.

14.8 The current 30 year HRA financial model has been refreshed, with the final outturn for 2021/22 as well as the latest updates for the general capital programme, revised stock numbers and reserves allocations incorporated into the plans. Budgets were updated in August to reflect starting stock numbers from 1 April 2022, as well as incorporating the latest consolidation update for the new supply programme to reflect the latest position.

14.9 Lewisham Homes have provided forecasts for the capital programme against the general capital allocations budget of £83.4m. This shows that there is an expected underspend of £17.5m. Any underspends or slippage in the programme will be used to cover any overspend in R&M or be re-profiled to 2023/24. Lewisham Homes have also produced a forecast for the HRA element of the BfL programme, the current allocation is £41.0m and the forecast is £32.7m, an underspend of £8.3m. Underspends and/or re-profiling of the budgets may result in a lower than forecasted revenue capital contribution. This is not yet included in the current forecasts.

15.0 COLLECTION FUND

Council Tax

15.1 As at 31 October, £99.7m of Council Tax has been collected representing 58.4% of the total amount due for the year. This is £1.6m below the 59.3% target required in order to reach 95% for the year.

Table 14 - Council Tax Collection Fund

Council Tax	Cash Collected (cumulative)	Cash needed to meet 95% Profile	Difference between collected and 95% profile	Current Year Collection Rate%	Required Collection Rate to reach 95%	Difference	2021/22 % Collected
Apr-22	17,397,272	18,376,158	978,885	10.23%	10.81%	-0.58%	10.59%
May-22	31,588,028	31,824,427	236,399	18.58%	18.71%	-0.13%	18.41%
Jun-22	44,519,536	45,647,028	1,127,492	26.09%	26.75%	-0.66%	26.31%
Jul-22	58,551,308	59,939,292	1,387,984	34.26%	35.08%	-0.82%	34.14%
Aug-22	72,475,274	73,268,663	793,388	42.44%	42.90%	-0.46%	42.01%
Sep-22	86,611,709	87,226,409	614,700	50.70%	51.06%	-0.36%	49.64%
Oct-22	99,748,018	101,313,304	1,565,286	58.42%	59.34%	-0.92%	57.55%

Business Rates

15.2 As at 31 October, £44.9m of Business Rates has been collected representing 68% of the total amount due for the year. This is £3.4m below the level required in order to reach 99% for the year.

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Table 15 – Business Rate Collection

Business Rates	Cash Collected (cumulative)	Cash needed to meet 99% Profile	Difference between collected and 99% profile	Current Year Collection Rate%	Required Collection Rate to reach 99%	Difference	2021/22 % Collected
Apr-22	9,024,446	8,058,757	(965,689)	13.3%	11.9%	1.42%	2.8%
May-22	15,211,611	17,861,362	2,649,751	22.4%	26.3%	-3.90%	12.0%
Jun-22	20,598,053	24,762,086	4,164,033	30.4%	36.5%	-6.14%	23.0%
Jul-22	30,014,179	30,576,325	562,146	44.8%	45.6%	-0.80%	32.1%
Aug-22	35,006,329	35,845,400	839,071	52.7%	54.0%	-1.3%	40.8%
Sep-22	38,937,327	42,707,338	3,770,011	59.0%	64.7%	-5.7%	50.1%
Oct-22	44,860,602	48,246,934	3,386,332	68.0%	73.2%	-5.1%	58.4%

16.0 CAPITAL EXPENDITURE

16.1 The current budgeted capital programme totals £650.6m. This is made up of £116.0m of General Fund budget and £534.6m of Housing Revenue Account (HRA) budget, profiled over 5 years. As at the end of October 2022, £64m of capital expenditure has been incurred, as detailed in Appendix 2.

Table 16 Approved Capital Budgets

Capital Expenditure	Budgets					
	2022/23	2023/24	2024/25	2025/26	Future Years	Total
	£m	£m	£m	£m	£m	£m
General Fund	47.9	43.9	13.5	10.7	0.0	**116.0**
Housing Revenue Account	163.0	132.8	143.1	87.6	8.1	**534.6**
Total Programme	**210.8**	**176.7**	**156.6**	**98.3**	**8.1**	**650.6**

16.2 The budget for 2022/23 is £210.8m, the High Value General Fund capital projects are detailed below in Table 17. However, it is worth noting that due to regulatory, design, inflation and funding pressures, a number of projects are changing quickly and significantly. This puts pressure on the schemes and the overall programme. An example of this currently is the Ladywell scheme with higher borrowing costs, higher build costs, cladding changes, and an overall poorer and more risky financial and operational performance.

16.3 There has been recent approval to to increase the budget for the Watergate project to £5m across the next 4 years, this is funded from restricted capital funding that can only be spent on increasing SEND places in good or outstanding schools. Current in-year expenditure across all projects is 23%, which is rated AMBER, if spend is consistent across the year, we would expect spend at Period 6 to be close to 50%. The total projected spend for 2022/23 is 51%, meaning that a significant amount of the 2022/23 project spend will be slipped to future years. Despite the level of slippage, there are still projects that are expected to spend more than the budget. The expectation for total project spend is dependent on profiling and proportion of budget in future year, further details are provided in Appendix 2.

16.4 During November a re-profiling exercise will be carried out, this will give project managers a

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final opportunity to update forecasts 2022/23 and budget setting 2023/24.

Table 17 High Value Capital Projects 2022/23

Directorate	Project / Programme	2022/23 £m
CYP	Greenvale school	2.1
HRPR - Regen	Resurfacing Works (BVR)	1.2
HRPR - Regen	Corporate Estate Maintenance Programme 2021-2023	2.3
HRPR - Regen	Broadway Theatre – Works	6.2
HRPR - Regen	Lewisham Gateway (Phase 2)	2.9
HRPR - Cust	Edward Street Development (PLACE / Deptford)	1.2
HRPR - Cust	Temporary Accommodation - Mayow Rd	5.9
Total		**21.8**

16.5 An update on each high value scheme is provided below:

16.6 **Greenvale school:** The final cost of the Greenvale School Expansion project is £11m which has delivered a new secondary special education needs school building for 93 students. The project was completed and the school opened in time for the start of the academic year.

16.7 **Resurfacing Works (BVR):** The Council's Highways Group Service is currently updating its inventory of highway assets and conducting road condition surveys borough wide, in renewed efforts to ensure best value applies and that the worst roads in the Borough are prioritised for treatment. The 2022/23 Highways & Bridges Carriageway Resurfacing and Footway Renewal capital programme is estimated at £1.2m and will be delivered in the third and fourth quarter of the current financial year.

16.8 **Corporate Estate Maintenance Programme (CEMP) 2021-2023:** CEMP phase one works consists of three contracts. Contract 1 works (to buildings at the three cemeteries) commenced in August and is scheduled for 6 months, Contract 2 (Bellingham CC, Bellingham Gateway & Home Park Playground) went out to tender in June, with a contract awarded in late September and works commencing in November. Contract 3 (Lewisham Irish Community Centre, Sydenham CC & Grove Park ALC) went out to tender in July, with a contract awarded in late September and works commenced in January. The schedule of works for Phase two sites (Rockbourne, Honor Oak, Manor House, Lochaber Hall & Ladywell Fields) has been prepared and verified, with the contract out to tender. Phase three sites are being confirmed and schedules of work are being prepared. This will go out to tender in early 2023.

16.9 **Broadway Theatre – Works:** The Broadway Theatre Works project will address the urgent health and safety, mechanical and electrical, Disability Discrimnation Act and compliance requirements within the building, along with the overdue upgrade/refurbishment of identified areas throughout the building. The contract is in delivery for completion in December 2022.

16.10 **Lewisham Gateway (Phase 2):** Lewisham Gateway is a public-sector led development project between Greater London Authority Land and Property Limited (GLAP) (previously the LDA), Transport for London (TfL), TfL Buses (London Bus Services Limited) and the London Borough of Lewisham. The aim of this project is to improve the highway layout to better integrate Lewisham town centre and the transport interchange and create a development plot. The total project budget is £23.1m, with current and future budgets of £7.6m remaining. 28% of the in year budget has been spent to date, so is on track to spend the profiled amount.

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16.11 **Edward Street Development (PLACE / Deptford):** The project involves the delivery of high-quality two-bed apartments and units for affordable commercial uses, using modular construction methods. The total project budget is £26.6m, with current budget of £15.8m remaining. 1% of the in year budget has been spent to date, so work is required to determine spend profile throughout the year or to slip budget into future years.

16.12 **Temporary Accommodation - Mayow Rd:** The project involves the demolition of premises at Mayow Road to facilitate the planned redevelopment of the site and construction of a 6 or 7 storey building, comprising of temporary accommodation and supported living homes. The total project budget is £10.3m, with current budget of £6.0m remaining. 35% of the in year budget has been spent to date, so is on track to spend the profiled amount.

17.0 FINANCIAL IMPLICATIONS

17.1 This report concerns the projected financial outturn for 2022/23. Therefore, any financial implications are contained within the body of the report.

18.0 LEGAL IMPLICATIONS

18.1 The Council is under a duty to balance its budget and cannot knowingly budget for a deficit. It is imperative that there is diligent monitoring of the Council's spend and steps taken to bring it into balance.

19.0 CRIME AND DISORDER, CLIMATE AND ENVIRONMENT IMPLICATIONS

19.1 There are no specific crime and disorder act or climate and environment implications directly arising from this report.

20.0 EQUALITIES IMPLICATIONS

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

20.2 There are no equalities implications directly arising from this report.

Background Papers

Short Title of Report	Date	Location	Contact
Budget Report 2021/22	3rd March 2021 (Council)	1st Floor Laurence House	David Austin

Report Author and Contact

Nick Penny, Head of Service Finance nick.penny@lewisham.gov.uk; or

David Austin, Director of Finance at david.austin@lewisham.gov.uk

APPENDIX 1 – Summary of agreed revenue budget savings for delivery in 2022/23

Year	Ref	Directorate	Director	Proposal	Savings to be Delivered	Expected Delivery in 2022/23	Expected Savings Shortfall	Risk Rating of Saving in 2022/23	Finance View
2020/21	CYP01	CYP	Lucie Heyes	More efficient use of residential placements	300	150	150		At this stage 50% delivery is assumed
2020/21	CYP03	CYP	Lucie Heyes	More systematic and proactive management of the market	600	300	300		
2020/21	CYP04	CYP	Lucie Heyes	Commission semi-independent accommodation for care leavers	250	125	125		
2020/21	CYP05	CYP	Lucie Heyes	Residential framework for young people. Joint SE London Commissioning Programme	200	100	100		
2021/22	A-13	CYP	Angela Scattergood	Children with complex needs (CWCN Revision)	62	62	-		
2021/22	A-01 and A-01a	CYP	Lucie Heyes	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic),	663	663	-		

				better collaboration and a return on IT investment					
2022/23	B-02	CYP	Lucie Heyes	Strategic recharging	600	600	-		
2022/23	C-03	CYP	Lucie Heyes	Reduction in the use of agency social workers.	215	215	-		
2022/23	C-07	CYP	Angela Scattergood	Review Short breaks provision.	50	50	-		
2022/23	E-05	CYP	Angela Scattergood	Traded services with schools	50	0	50		No agreement in place with schools as yet
2022/23	E-06	CYP	Lucie Heyes	Reduce care leaver costs	100	50	50		At this stage 50% delivery is assumed
2022/23	F-02	CYP	Lucie Heyes	Children Social Care Demand management	500	250	250		At this stage 50% delivery is assumed
2022/23	F-03	CYP	Lucie Heyes	Children Service reconfiguration - fostering	250		250		Delivery slower than anticipated and at this stage no achievement assumed in 22/23
2022/23	F-05	CYP	Lucie Heyes	VfM commissioning and contract management - CSC	250	125	125		At this stage 50% delivery is assumed
2022/23	C-35	CYP	Sara Rahman	Specialist social care support review	177	89	89		At this stage 50% delivery is assumed

2022/23	C-36	CYP	Lucie Heyes	Reduction of commissioned care leaver housing costs - CSC Placements	400	400	-		
2022/23	C-36	CYP	Lucie Heyes	Reduction of commissioned care leaver housing costs - NRPF	200	200	-		
2022/23	D-13	CYP	Sara Rahman	Review of commercial opportunities for nurseries within children's centres	11	11	-		
2022/23	A-01	CYP	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	796	796	-		
2022/23	A-03	CYP	All	Transport	67	67	-		
2022/23	F-26	CYP	All	Subscriptions	2	2	-		
CYP Subtotal					**5,743**	**4,255**	**1,489**		

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2020/21	COM04	Comm	Joan Hutton	Reduce costs for Learning Disability and Transitions	800	800	-		
2020/21	COM05	Comm	Joan Hutton	Increased focus of personalisation	132	132	-		
2020/21	COM1A	Comm	Joan Hutton	Managing demand at the point of access to adult social care services	900	900	-		
2020/21	COM2A	Comm	Joan Hutton	Ensuring support plans optimise value for money	500	100	400		Task group set up aimed at progressing this saving. Savings delivered in part due to optimising value for money have been badged against F01 - Adult Social Care Demand Management in the first instance
2020/21	COM3A	Comm	Joan Hutton	Increase revenue from charging Adult Social Care clients	500	500	-		
2020/21	CUS06	Comm	James Lee	Bereavement Services increase income targets	67	67	-		
2021/22	E-04	Comm	Joan Hutton	Introduce charging for certain elements of self-funded care packages	82	82	-		

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2021/22	F-01	Comm	Joan Hutton	Adult Social Care Demand management	2000	900	1,100		A review programme to assess whether the level of packages is correct. The programme is challenged to deliver £3.9m of saving across COM1A and F-01(full year effect). Work is ongoing to reduce the £1.1m undelivered element in 22/23.
2021/22	F-06	Comm	Joan Hutton	Adults with learning difficulties and 14 - 25yrs transitions costs	760	760	-		
2021/22	F-09	Comm	Joan Hutton	In house services reductions - adults passenger transport	100	0	100		Transport costs across passenger and Adults services require review
2021/22	C-17	Comm	Dee Carlin	Re-configuration of MH Supported Housing pay - social interest group	100	100	-		
2021/22	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	3,849	1,200	2,649		This is the saving being delivered as part of the Newton programme, the programme is expected to yield c£1.2m savings in 22/23 (lower banding) with the remainder delivered in 23/24.
2021/22	E-03	Comm	James Lee	Review discretionary sales, fees and charges and increase to the	72	72	-		

				point of full cost recovery.					
2022/23	A-02	Comm	James Lee	Hybrid roles - enforcement	50	50	-		
2022/23	B-06	Comm	James Lee	Cuts to the main grants programme	800	800	-		
2022/23	B-07	Comm	Liz Dart	Review of Council run events	30	30	-		
2022/23	B-10	Comm	James Lee	Reduction in local assemblies service	178	0	178		Work in progress to deliver this saving

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2022/23	C-02	Comm	Joan Hutton	Adult Learning and Day Opportunities	100	0	100		Work required to achieve this saving
2022/23	C-17	Comm	Dee Carlin	Re-configuration of MH Supported Housing pay – Social Interest Group	150	150	-		
2022/23	C-28	Comm	Dee Carlin	Supported Housing Services	84	84	-		
2022/23	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	430	0	430		Continuation of the review savings across COM1A and F-01
2022/23	C-40	Comm	Catherine Mbema	Substance misuse – contract review and staffing	92	92	-		
2022/23	E-14	Comm	James Lee	Changes to leisure concessions for older people	95	95	-		
2022/23	A-01	Comm	All	Staff productivity - arising from new ways of working (including learning from the Covid 19	773	773	-		

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				pandemic), better collaboration and a return on IT investment					
2022/23	A-03	Comm	All	Transport	63	63	-		
2022/23	F-26	Comm	All	Subscriptions	1	1	-		
Communities					**12,708**	**7,751**	**4,957**		
2020/21	CUS04	HRPR	Zahur Khan	Income generation - increase in commercial waste charges	300	150	150		At this stage of the year partial achievement is assumed given the £0.8m pressure on highways and transport
2020/21	CUS14A	HRPR	Zahur Khan	Parking service budget review	500	250	250		
2020/21	RES15	HRPR	Patrick Dubeck	Commercial estate growth	400	200	200		£200k achievable in 22/23 leaving a £200k pressure in 22/23 which will be achieved in 23/24
2022/23	C-10	HRPR	Fenella Beckman	Housing Services Review	300	300	-		
2022/23	D-02	HRPR	Patrick Dubeck	Business Rates Revaluation for the estate	40	40	-		
2022/23	D-06	HRPR	Patrick Dubeck	Catford Campus - Estate Consolidation	11	11	-		

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2022/23	D-07	HRPR	Patrick Dubeck	Meanwhile use - Temporary Accommodation	25	25	-		
2022/23	D-8	HRPR	Patrick Dubeck	Miscellaneous - income generation	25	25	-		
2022/23	E-02	HRPR	Patrick Dubeck	Income from building control	15	15	-		
2022/23	E-07	HRPR	Fenella Beckman	Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)	375	375	-		
2022/23	F-15	HRPR	Zahur Khan	Environment - environmental operations review	330	330	-		
2022/23	F-15a	HRPR	Zahur Khan	Environment - environmental operations review	567	567	-		
2022/23	F-17	HRPR	Zahur Khan	Road safety enforcement	250	125	125		
2022/23	F-20	HRPR	Zahur Khan	Emission based charging for Short Stay Parking	120	60	60		At this stage of the year partial achievement is assumed given the £0.8m pressure on highways and transport
2022/23	F-21	HRPR	Zahur Khan	Road Safety Enforcement	375	187.5	188		
2022/23	F-22	HRPR	Zahur Khan	Motorcycle parking charges	80	40	40		

2022/23	C-38	HRPR	Patrick Dubeck	Strategic development team cost capitalisation	100	100	-		
2022/23	C-39	HRPR	Patrick Dubeck	Aligning the Kickstart scheme with Government plans	25	25	-		
2022/23	C-44	HRPR	Zahur Khan	Removal of graffiti from private property	5	5	-		
2022/23	D-11	HRPR	Patrick Dubeck	Business Rates revaluation of Council owned properties	100	100	-		
2022/23	E-12	HRPR	Patrick Dubeck	Building Control Service Efficiency	20	20	-		
2022/23	E-15	HRPR	Zahur Khan	Seek corporate sponsorship for Festive Lighting	30	30	-		
2022/23	F-25	HRPR	Zahur Khan	Road Safety – new yellow boxes	150	150	-		
2022/23	A-01	HRPR	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration	686	686	-		

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				and a return on IT investment					
2022/23	A-03	HRPR	All	Transport	12	12	-		
2022/23	F-26	HRPR	All	Subscriptions	7	7	-		
Housing, Regen and Public Realm					**4,848**	**3,836**	**1,013**		
2020/21	RES01	Corp	David Austin	Benefits realisation of Oracle cloud	150	150	-		
2021/22	A-04	Corp	Mick Lear	Process automation in Revs and Bens	20	20	-		
2021/22	A-05	Corp	Mick Lear	Revs and Bens - additional process automation	400	0	400		An 800k shortfall is expected across A-05 and A-06 due to the delayed implementation of the restructure due to various government iniatives include Energy rebate and CARF.
2021/22	D-06	Corp	Brian Colyer	Catford Campus - Estate Consolidation	259	259	-		
2022/23	A-04	Corp	Mick Lear	Process automation in Revs and Bens	100	100	-		
2022/23	A-06	Corp	Mick Lear	Revs and Bens - Generic roles	400	0	400		An 800k shortfall is expected across A-05 and A-06 due to the delayed implementation of the restructure due to various

									government iniatives include Energy rebate and CARF.
2022/23	C-08	Corp	Murray James	IT - mobile telephony review	10	10	-		
2022/23	D-05	Corp	Brian Colyer	Savings on mothballed assets. A review is in progresses - savings on the cost of running the operational estate	50	50	-		
2022/23	E-01	Corp	David Austin	Improved Debt collection	250	250	-		
2022/23	E-09	Corp	David Austin	Realising further benefits from the Oracle Cloud Solution and exploiting its functionality as a fully integrated enterprise resource planning solution.	100	100	-		

2022/23	A-01	Corp	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	511	511	-		
2022/23	A-03	Corp	All	Transport	4	4	-		
2022/23	F-26	Corp	All	Subscriptions	6	6	-		
Corporate Resources					**2,260**	**1,460**	**800**		
2022/23	A-01	CE	All	Staffing	234	234	-		
2022/23	A-03	CE	All	Transport	4	4	-		
2022/23	F-26	CE	All	Subscriptions	4	4	-		
Chief Executives					**242**	**242**	**-**		
Total					**25,801**	**17,543**	**8,258**		

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APPENDIX 2 – Capital Programme Major Projects Budgets 2022 To 2025

2022/23 Capital Programme	Prior Year Budget / Prior Year Spend	Revised Budget Proposed September 2022	Future Years' Budget	Total Project Budget		Spend to October 2022	Current Year Spend % RAG		Total Project Spend	Total Project Spend % RAG
	£`000	£`000	£`000	£`000		£`000	%		£`000	%
							50-70%			See below
							<50% / 71-79%			See below
							>80%			See below
GENERAL FUND										
CCTV Modernisation	704	466	-	1,170		0	0%		704	60%
ICT - Tech Refresh	9,521	571	500	10,592		0	0%		9,521	90%
Schools - School Places Programme	11,975	711	988	13,674		13	2%		11,989	88%
Watergate School	440	200	8,565	9,205		27	13%		467	5%
Greenvale School	8,533	2,056	449	11,038		1,741	85%		10,274	93%
Riverside Youth Club	32	100	1,197	1,329		7	7%		39	3%
Schools – Minor Works	6,570	3,792	1,687	12,048		1,201	32%		7,770	64%
Schools – Other	36,553	950	1,731	39,234		17	2%		36,570	93%

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Schools - Unallocated	- 0	-	977	977		0	0%		(0)	0%
Highways & Bridges – TfL	2,195	415	-	2,610		274	66%		2,469	95%
Highways & Bridges – LBL	47,337	4,586	-	52,064		832	18%		48,310	93%
Asset Management Programme	8,800	719	574	10,092		251	35%		9,051	90%
Corporate Estate Maintenance	218	2,348	2,335	4,900		167	7%		385	8%
Other AMP Schemes	1,317	1,653	308	3,278		336	20%		1,652	50%
Broadway Theatre	735	6,213	350	7,298		3,596	58%		4,331	59%
Catford Phase 1 – Thomas Lane Yard/ CCC	751	1,255	1,694	3,700		88	7%		840	23%
Catford Station Improvements	112	200	1,204	1,516		0	0%		112	7%
Travellers Site Relocation	757	30	3,727	4,514		20	66%		777	17%
Lewisham Gateway (Phase 2)	15,412	2,868	4,779	23,059		803	28%		16,215	70%
Beckenham Place Park (Inc. Eastern Part)	7,447	1,300	573	9,320		466	36%		7,913	85%
Catford Library (Winslade Way)	141	446	11	598		414	93%		555	93%
Catford Town Centre	5,043	321	-	5,364		91	28%		5,134	96%
Public Sector Decarbonisation	1,263	1,841	-	3,104		1,394	76%		2,656	86%
Other Miscellaneous Schemes	8,166	2,073	269	10,367		657	32%		8,682	84%

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Other General Fund Housing Schemes	22,835	640	874	24,349	881	138%	23,717	97%
Deptford Southern Sites Regeneration	6,283	957	-	7,240	482	50%	6,765	93%
Milford Towers Decant	3,647	250	3,435	7,332	0	0%	3,647	50%
Edward St. Development	10,828	1,270	14,485	26,584	122	10%	10,950	41%
Achilles St Development	2,913	750	14,625	18,288	398	53%	3,310	18%
Place Ladywell	793	1,031	-	1,824	521	50%	1,314	72%
Temporary Accomodation - Mayow Rd	4,269	5,913	290	10,472	3,218	54%	7,487	71%
Temporary Accomodation - Canonbie Rd	1,688	551	-	2,239	175	32%	1,863	83%
Temporary Accomodation - Morton House	4,212	528	1,023	5,763	12	2%	4,224	73%
Temporary Accomodation - Manor Avenue	12	150	1,061	1,223	16	11%	28	2%
Private Sector Grants and Loans	6,590	705	436	7,731	251	36%	6,841	88%
TOTAL GENERAL FUND	**238,091**	**47,858**	**68,146**	**354,095**	**18,471**	**39%**	**256,563**	**72%**
HOUSING REVENUE ACCOUNT								
Building for Lewisham Programme(BFL)	83,794	74,349	166,702	324,845	24,173	33%	107,967	33%
Decent Homes Programme	227,577	81,373	-	308,950	20,813	26%	248,390	80%
Unallocated Decent Homes Programme	-	-	192,422	192,422	0	0%	0	0%

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Housing Management System	292	2,208	-	2,500		13	1%		305	12%
Other HRA Schemes	2,137	884	1,821	4,842		230	26%		2,367	49%
HRA Unallocated	-	4,159	10,640	14,799		0	0%		0	0%
TOTAL HOUSING REVENUE ACCOUNT	**313,800**	**162,973**	**371,585**	**848,358**		45,228	28%		359,028	**42%**
TOTAL PROGRAMME	**551,891**	**210,831**	**439,730**	**1,202,453**		**63,699**	**30%**		**615,591**	**51%**

Total Project RAG	
No future budget	80-100%
No future budget	50-79%
No future budget	0-49% / >100%
Future budget 80-100%	80-100%
Future budget 80-100%	50-79%
Future budget 80-100%	0-49% / >100%

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Appendix 3 – Detailed Monitoring Table

General Fund	Exp Budget	Exp Forecast	Exp Variance	Inc Budget	Inc Forecast	Inc Variance	Net Budget	Net Forecast	Net Forecast Variance	Prior Period Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Children & Young People	475.9	479.5	3.7	(414.8)	(414.8)	0.0	61.1	64.8	3.7	3.7
Community Services	178.1	180.3	2.2	(95.7)	(95.9)	(0.2)	82.4	84.4	2.0	3.2
Housing, Regeneration and Public Realm	95.4	100.6	5.2	(73.8)	(73.0)	0.8	21.6	27.6	6.0	5.5
Corporate Resources	205.1	205.1	0.0	(173.2)	(173.2)	0.0	31.9	31.9	0.0	5.7
Chief Executives	12.3	12.3	0.0	(0.6)	(0.6)	0.0	11.7	0.0	0.0	0.0
Salary and Energy Pressures	0.0	6.6	6.6	0.0	0.0	0.0	0.0	6.6	6.6	0.0
Directorate Totals	**966.8**	**984.4**	**17.7**	**-758.1**	**-757.4**	**0.6**	**208.7**	**215.3**	**18.3**	**18.1**
Covid Funding	0.0	0.0	0.0	0.0	(4.0)	(4.0)	0.0	(4.0)	(4.0)	(4.0)
Reserves	0.0	0.0	0.0	0.0	(6.6)	(6.6)	0.0	(6.6)	(6.6)	(6.6)
Provision	47.4	45.3	(2.1)	(7.8)	(7.8)	0.0	39.5	37.5	(2.1)	(1.0)
Corporate Budget	**47.4**	**45.3**	**(2.1)**	**(7.8)**	**(18.4)**	**(10.6)**	**39.5**	**26.9**	**(12.7)**	**(11.6)**
Total	**1,014.1**	**1,029.7**	**15.6**	**(765.9)**	**(775.8)**	**(9.9)**	**248.2**	**242.2**	**5.6**	**6.5**

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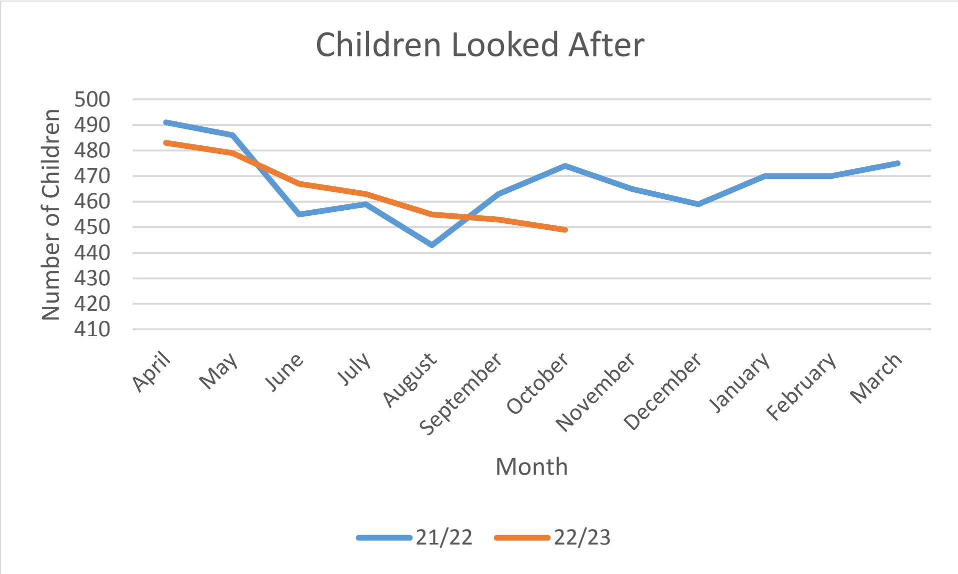
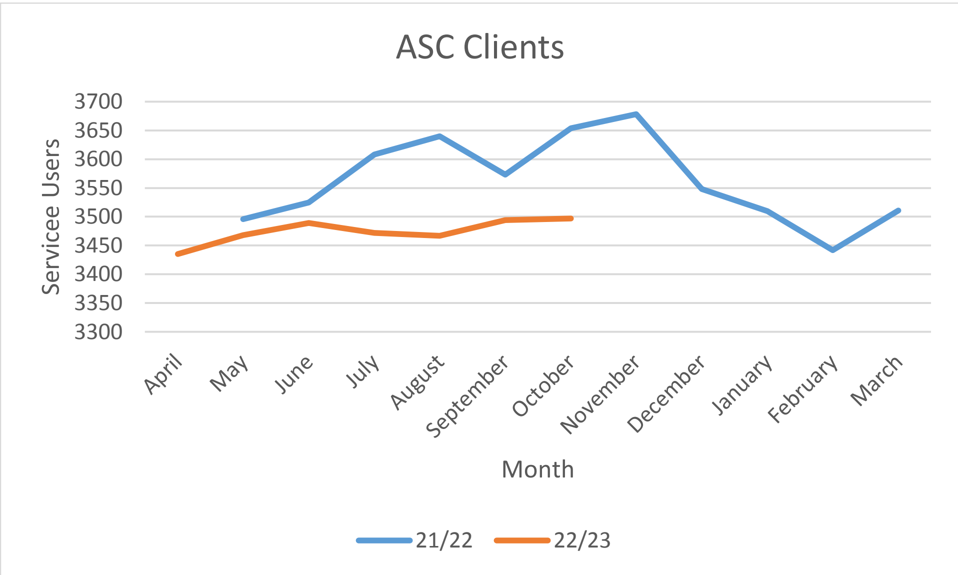
Appendix 4 – Performance Data

Measure 1 – Children Looked After



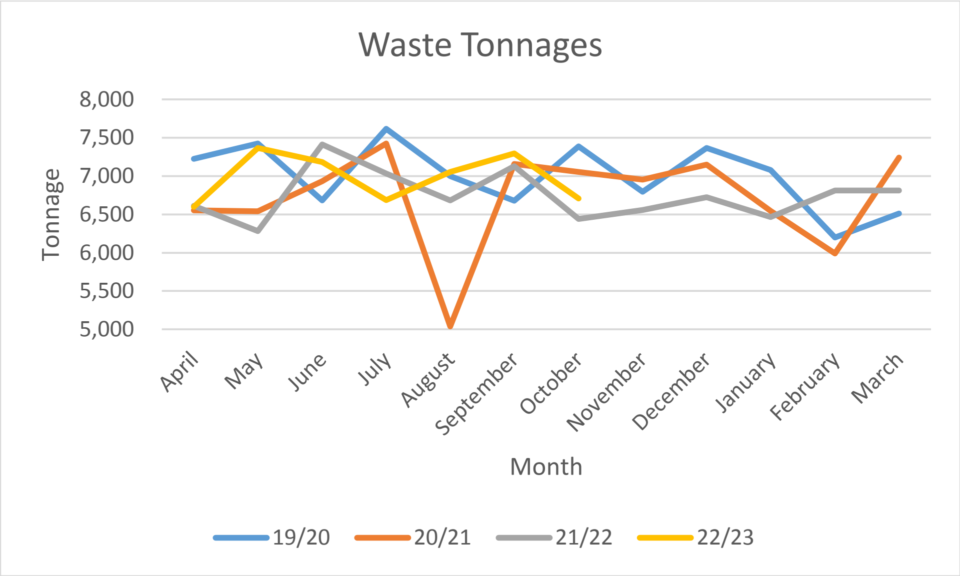
The number of children looked after in 22/23 is comparable (slightly lower) to 21/22, however the Children receiving care have more complex needs and are therefore more costly.

Measure 2 – Adult Social Care Service Users



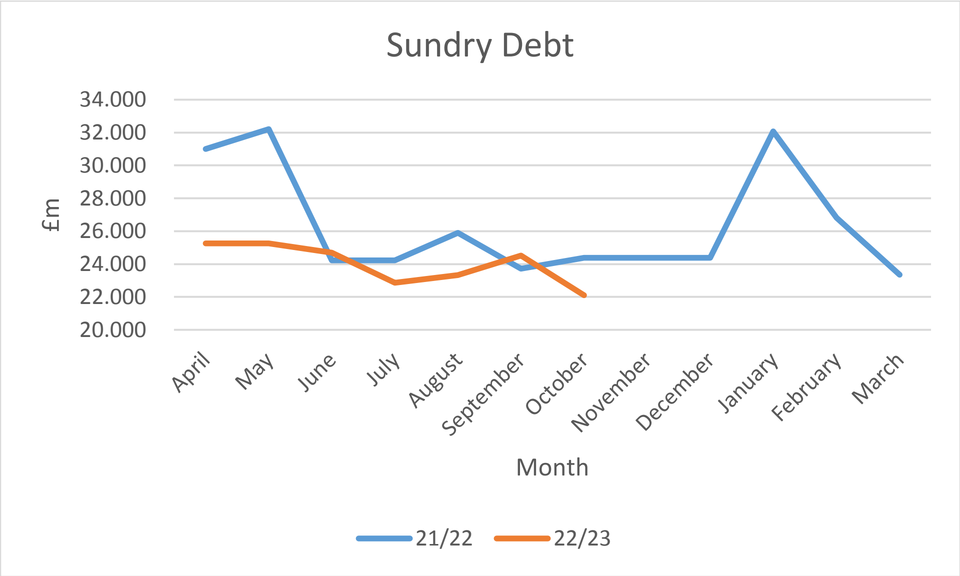
The number of Adults receving care packages is lower than in 21/22, however the cost of this care is higher, reflecting that those receiving the care have more complex and costly care needs.

Measure 3 – Waste Tonnages



The level of waste tonnage per month has been quite distorted in the past few years due to covid and lockdown periods. It should be noted the 22/23 tonnages are broadly comparable with 19/20 (pre covid).

Measure 4 – Sundry Debt



Sundry debt is consistently lower than it was in 21/22. Further work needs to be done as the debt is still c£22m.

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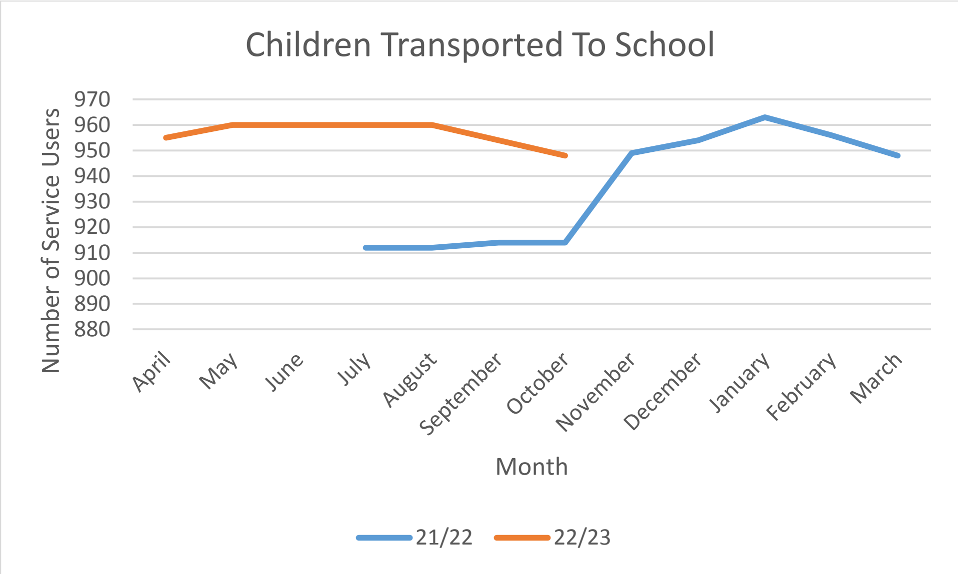
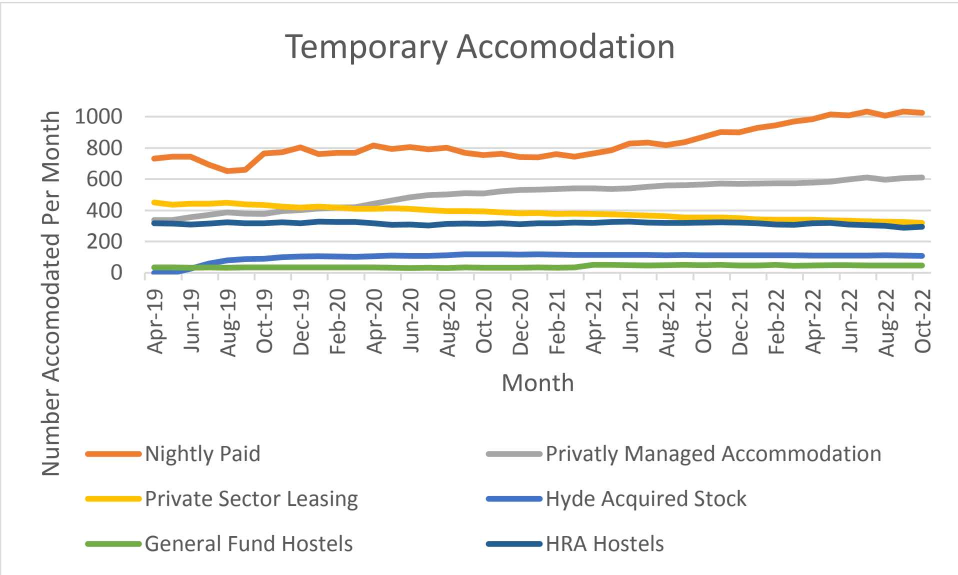
Measure 5 – Children Transported To School



The number of children transport to school is 34 higher than it was in October 2022.

Measure 6 – TA Monthly Numbers



Nightly paid is where we have seen the most significant increases since April 21 (c250 additional service users. The other accommodation types have remainder broadly consistent.

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