

<b>MAYOR &amp; CABINET</b>			
<b>Report Title</b>	2011/12 Budget Update		
<b>Key Decision</b>	Yes	<b>Item No.</b>	4
<b>Ward</b>	All		
<b>Contributors</b>	Executive Director for Resources		
<b>Class</b>	Part 1	<b>Date:</b>	23 February 2011

## **REASONS FOR URGENCY AND LATENESS**

Urgency: Given the significance of the financial constraints that the Council will face over the next four years, it is essential that the Mayor and his Cabinet are updated on any changes affecting the 2011/12 Budget prior to endorsement by full Council. The reason for lateness was to ensure that officers allowed as much time as possible to be given confirmation of the GLA precept for 2011/12.

### **1 SUMMARY**

- 1.1 This report seeks the Mayor's approval to finalise the recommended 2011/12 budget for consideration and agreement by the Council on 1 March 2011.

### **2 PURPOSE**

- 2.1 The purpose of this report is to finalise the 2011/12 budget for consideration by the Council on 1 March 2011. The main budget report was presented to Mayor & Cabinet on 17 February 2011.

### **3 RECOMMENDATIONS**

That the Mayor:

- 3.1 Agrees that the Early Invention Grant proposal relating to 'Working with men' is to be reduced by £25k for 2011/12 and not the previously agreed £43k.
- 3.2 Considers the Section 25 Statement from the Chief Financial Officer. This is attached at Appendix A.
- 3.3 Re-affirms a recommended Council Tax for 2011/12 of £1,042.11 for the Council's element. This is an increase of 0%, based on a General Fund Budget Requirement of £281.099m for 2011/12.
- 3.4 Notes an overall increase in Council Tax for 2011/12 of 0%, which includes the Greater London Authority (GLA) precept being frozen at its existing 2010/11 level and agree to recommend to Council on 1 March 2011 the motion on the budget, attached at Appendix B.

### **4 UPDATE ON THE COUNCIL'S CURRENT FINANCIAL POSITION**

4.1 This report updates the main 2011/12 Budget Report through considering the following areas:-

- Revenue Budget Savings
- The Greater London Authority Precept
- Council Tax Capping Principles
- Final Level of Council Tax

#### 4.2 **Revenue Budget Savings**

4.2.1 On 17 February 2011, the Mayor agreed revenue budget savings of £8.698m. The impact of Mayor's agreement means that an additional £206k will be funded from Corporate Provisions in 2011/12 on an ongoing basis and a further £124.5k on a once basis, to be determined at outturn.

#### 4.3 **The Greater London Authority Precept**

4.3.1 The Mayor of London will confirm his budget proposals following consultation and consideration will be given by the Assembly. At its meeting on 23 February 2011, the Assembly is expected to approve the Mayor's proposal to agree a precept of £309.82. This represents a freeze at the 2010/11 level. The Band D amount for the financial contribution to support the costs of staging the 2012 Olympic and Paralympic Games in London, remains at £20.

4.3.2 With the Greater London Authority (GLA) expected to confirm it's precept at last year's level, the figures for Council Tax recommended in the main Budget Report on 17 February 2011, will be confirmed. Accordingly, the Mayor is asked to agree to recommend to Council on 1 March 2011, the motion, attached at Appendix B.

#### 4.4 **Council Tax Capping Principles**

4.4.1 The Secretary of State for Communities and Local Government released a statement on 9 February 2011, setting out the Council Tax capping principles that will apply to local authorities' budgets for 2011/12.

4.4.2 An authority will be considered to have set an excessive increase if:

- (a) the amount calculated by the authority as its budget requirement for 2011/12 is more than 92.5% of:
  - (i) the authority's alternative notional amount; or
  - (ii) where no such amount has been specified for the authority, the authority's budget requirement for 2010/11; and
- (b) the amount calculated by the authority as its Band D council tax for 2011/12 is more than 3.5% greater than the same amount calculated for 2010/11.

4.4.3 Moving forward, the Government intends to end the capping regime and replace it with a more democratic and localised measure to allow local residents to veto excessive Council Tax rises via a local referendum.

#### 4.5 **Final Level of Council Tax**

- 4.5.1 Table 1 shows Lewisham's overall Council Tax Calculation for 2011/12 and calculation of the Council Tax for Band D for 2011/12, based on the recommended budget requirement of £281.099m. There are no changes to the figures reported in the main budget report.

**Table 1: Calculation of Council Tax Requirement and Band D based on spend of £281.099m for 2011/12.**

	£
Assumed Budget Requirement for 2011/12	<b>281,098,756</b>
<b>Less:</b> Revenue Support Grant	44,050,748
<b>Less:</b> Redistributed Business Rates	142,511,600
<b>Less:</b> Council Tax Freeze Grant	2,305,539
<b>Less:</b> Surplus in collection fund	17,700
Council Tax requirement	<b>92,213,169</b>
<b>Divide by:</b> Council Tax Base (Band D)	88,486.96
<b>Council Tax for Lewisham Services (Band D)</b>	<b>1,042.11</b>
<b>Add:</b> Precept demand from GLA (estimated)	309.82
<b>Total Council Tax (Band D)</b>	<b>1,351.93</b>

- 4.5.2 The final calculation of Council Tax for different Council Tax bands is shown in Table 2, based on the Band D calculated in Table 1.

**Table 2 – Council Tax for different Council Tax Bands in 2011/12**

	Property Value	Fraction	Lewisham Council Tax	GLA Precept	Total Council Tax
	£'000		£	£	£
A	Up to 40	6/9	694.74	206.55	901.29
B	40-52	7/9	810.53	240.97	1,051.50
C	52-68	8/9	926.32	275.40	1,201.72
D	68-88	9/9	1,042.11	309.82	1,351.93
E	88-120	11/9	1,273.69	378.67	1,652.36
F	120-160	13/9	1,505.27	447.52	1,952.79
G	160-320	15/9	1,736.85	516.37	2,253.22
H	Over 320	18/9	2,084.22	619.64	2,703.86

## Conclusion

- 4.6 This report sets out the updated information for the Mayor to make recommendations to Council to set the 2011/12 budget. This includes finalising statutory requirements and comments from consultation undertaken to allow Council on 1 March 2011 to make final decisions.

## 5 FINANCIAL IMPLICATIONS

- 5.1 This entire report is concerned with the Council's budget.

## **6 LEGAL IMPLICATIONS**

6.1 For the legal implications, these are set out in detail in the main Budget Report to Mayor & Cabinet on 17 February 2011.

## **7 HUMAN RESOURCES IMPLICATIONS**

7.1 There are no specific human resources implications directly arising from this report. Any human resources implications have been set out in the main budget report.

## **8 CRIME & DISORDER IMPLICATIONS**

8.1 There are no specific crime and disorder implications directly arising from this report. Any crime and disorder implications have been set out in the main budget report.

## **9 EQUALITIES IMPLICATIONS**

9.1 There are no specific equalities implications arising from this report.

## **10 ENVIRONMENTAL IMPLICATIONS**

10.1 There are no specific environmental implications directly arising from this report. Any environmental implications have been set out in the main budget report.

## **11 BACKGROUND DOCUMENTS AND ORIGINATOR**

<b>Short Title of Document</b>	<b>Date</b>	<b>Location</b>	<b>Contact</b>	<b>Exempt</b>
2011/12 Budget	M&C 17 February 2011	1st floor, Town Hall	Selwyn Thompson	No

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

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## **APPENDIX A**

### **CHIEF FINANCIAL OFFICER'S STATEMENT REQUIRED UNDER SECTION 25 OF THE LOCAL GOVERNMENT ACT**

This statement makes reference to the 2011/12 Budget Report to Mayor & Cabinet circulated to all Members.

Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to an authority when it is making the statutory calculations required to determine its Council Tax. The Authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. This Statement also reflects the requirements of CIPFA's current Local Authority Accounting Panel Bulletin on 'Local Authority Reserves and Balances'.

#### **Generally**

The Council is entering a period of significant change in the next 4 years when it is required to make an estimated £88m of cuts. This is unprecedented in recent times and will require the Council to manage its budget in a robust manner.

The Council continues to take a prudent approach towards financial planning. During these times, the Council will need to weigh up the need to hold reserves and balances whilst going through this period of increased risk to the delivery of the budget versus the need to use reserves and balances when considering the need to set a balanced budget.

In setting this budget, the Council will utilise circa £2m of corporate balances. The Chief Financial Officer feels this is a reasonable decision to take in these circumstances. The Council will still hold corporate balances and reserves, which should be adequate to deal with any risk associated with the delivery of this budget. The Council commenced measures to deliver a balanced budget for 2011/12 in November. This has ensured that a number of proposals have already been implemented. That said, there are still risks associated with delivering the scale of savings required. The Chief Financial Officer recommends that the un-earmarked reserves are held at the current level of £11.5m. Should the need arise to call upon these reserves during the year, consideration should be given to replenish these as soon as possible.

#### Pressures on the Council's Revenue Budget in 2011/12 include:

The 2011/12 budget pressures being recommended to the Mayor for approval remain the same as stated in the main budget report. Table 3 is a summary of the key budget pressures which are to receive corporate funding in 2011/12.

**Table 3: Summary of key budget pressures**

<b>Detail</b>	<b>£'000</b>
Actuarial Valuation	500
Concessionary Fares	2,000
Fair Employment	1,895
London Pensions Fund Authority	280
Single Status	2,000
Street Lighting PFI	675
<b>Total</b>	<b>7,350</b>

As part of the budget setting exercise there are a range of budget further risks which will need to be carefully monitored throughout the year. As set put in the main Budget Report to Mayor & Cabinet on 17 February 2011, these are as follows:

Adult Social Care Commissioning – Investment in the *Adult Social Care* budget has been made in the last 4 years, 2007/08 to 2009/10, to recognise the pressures facing the service. In line with national trends, services for Adult Social Care in Lewisham have experienced an increase in the number of clients and price increases over recent years. This is partly due to the fact that: people are living longer; medical advances mean the life expectancy of young adults with severe physical and learning disabilities has increased; there is an ageing population; and the number of people requiring care is increasing, resulting in more expensive intensive care packages to keep people in their own homes, if not placed in residential establishments. The costs of contracts with the independent and voluntary sector sometimes also outstrip assumed inflation. These factors are expected to continue to put pressure on Lewisham’s Adult Social Care services.

With forecast increases in the volume of clients and with above inflation increases in unit costs, additional provision for Adult Social Care is anticipated. It is likely that the service will continue to face a number of risks in managing its budget.

Adult Social Care – Transitional Cases – Some £650k was provided as part of the budget in 2010/11. Additional net costs of £1m are estimated for 2011/12. These are costs of young people who were formerly funded by the Children & Young People Directorate, usually in high cost residential placements, who are transferring to adult budgets on or after their 18th birthday. They include clients with a learning disability and with mental health problems.

Looked After Children – The past couple of years has been an increasingly sensitive time nationally to ensure that the risk of another Baby Peter case is minimised. This resulted in an increase in contacts and assessment activity with a subsequent increase in numbers of Looked after Children. In 2010 there has been some evidence of a decline from the levels in 2009. The work continues to ensure that the best use of scarce resources are made through effective placement decisions and procurement work. There are currently 482 children being cared for, over and above the budget provision for 460. The budget pressure relates to volume increases, inflationary pressures have been held over the last year. Efficiency savings proposed on this budget for 2011/12 are planned to be £600k, if this is not achieved it would create a further budget pressure.

Property Services – The current overspend in this area for 2010/11 is forecast at £260k, however this is benefiting from NNDR rebates and electricity refunds. As expenditure is already being kept to Health & Safety issues only there is no way of reducing this. The overspend is currently being offset by underspends within Programme Management. These underspends will be given up as part of the savings process next year.

Planning Services – This service is currently receiving £450k from reserves to support the consultancy service for the North Lewisham Master plan. The actual cost this year is £600k, with the additional cost being met from surplus income. However the CLG are currently consulting on proposals for local authorities to set their own charges on a cost recovery basis. If this goes ahead then in theory income can be increased to meet costs and there will no longer be a pressure within.

Redundancy – The Council will seek to minimise the impact of savings on services and jobs. However, two thirds of the Council's budget goes on staff salaries and wages, so it will not be possible to make savings of £88m over a 4 year period without an impact on jobs. The cost of redundancy depends on the age, seniority and length of service of the individuals affected, and it is not possible to calculate the overall financial impact at this stage.

## **Budget assumptions**

### Inflation

The Treasury continues to use the Consumer Prices Index (CPI) as its principal measure of inflation. CPI is similar to the previously used measure of inflation, the Retail Price Index (RPIX), but has a few fundamental differences – primarily much less weighting is given to housing related costs in CPI than in RPIX. The Government's target rate for CPI inflation is 2%.

The Consumer Price Index inflation has been announced as 4% in January 2011. This is an increase of 0.3% compared to December 2010. The Governor of the Bank of England has named three factors that can account for the current high level of inflation:

- the rise in VAT relative to a year ago,
- the continuing consequences of the fall in sterling in late 2007 and 2008,
- and recent increases in commodity prices, particularly energy prices.

Furthermore, the Retail Price Index (RPI), which includes housing costs, rose to 5.1% in January 2011 up from 4.8% in December 2010 from 4.7%. The main factors affecting the CPI also generally affected the RPI.

Further information on the impact of inflation on the Council's budget are included in the main budget report.

For financial planning purposes, the Council has previously assumed an average pay inflation of 1% per annum., which equates to approximately £1.8m. Given the financial constraints the Council is facing, it is expected that there will be a pay freeze for 2011/12. In line with the Government's expectations, there will be a pay award for those Council employees who earn less £21k. Therefore, a total of £400k is being set aside for these purposes. For financial planning purposes, the Council assumes a non-pay inflation of 2.5% per annum.

Moving forward, officers will need to closely monitor inflationary pressure on contracts, particularly for those areas which are viewed as being particularly sensitive to contract price changes, such as Adult Social Care.

### Capital Programme

The risks related to the Capital Programme are managed programme-wide and scheme by scheme. Officers review anticipated capital receipts quarterly and projections are updated and reported in the regular reviews of the programme to Mayor & Cabinet.

Service volume pressure – For several years, the Council has maintained a Medium Term Financial Strategy and corporate budget model by which it attempts to identify and anticipate financial pressures. This is rolled forward annually by way of a report entitled ‘the Financial Survey’, the last one of which, was published in July 2010 and covers the financial years 2011/12 to 2013/14. The Financial Survey also sets the framework for the following year’s budget strategy.

The overall financial standing of the authority – Issues concerning the level of borrowing and debt outstanding are considered in Section 11 of the 2011/12 Budget Report.

### Control

It will be essential that the Council maintains its strong systems for monitoring expenditure and controlling expenditure through Directorate cash limits. When a material variance is being reported during the year, action plans are carefully monitored to ensure that spend can be contained within overall cash limits by the year-end. In more serious cases, Directorate Expenditure Panels and Central Expenditure Panels can be (and in the past have been) imposed.

The monitoring of the delivery of savings/cuts will become more significant than in previous years due to the sheer scale of the savings cuts being delivered in 2011/12

During 2010/11, the Executive Director for Resources re-affirmed instructions to budget managers to ensure tight spending on budgets and focus on bringing a Council overspending position, back into line with budget.

For 2011/12, the budget holders within Directorates are again being requested to endorse their cash limits before the start of the financial year and provide confirmation of an ability to deliver their services within the agreed allocated resources. Tight control will need to be exercised over ongoing expenditure and the delivery of savings/cuts. Consideration will also need to be given to the continued use of Departmental Expenditure Panels (DEPS) and potentially Corporate Expenditure Panels (CEPS).

### **Conclusion**

The Council has a robust and sophisticated approach for producing and maintaining its annual budget. Its financial plans and strategies, as detailed in the Financial Survey 2011/14, have contributed to the achievement of the Council’s corporate objectives.

Tight control will need to be exercised over the budget for 2011/12 given the levels of risk, as set out earlier in this statement.



## APPENDIX B

### MOTION FOR THE MAYOR TO RECOMMEND TO COUNCIL

Having considered the views of consultees and all documents before him and all representations made to him, the Mayor agreed, and where appropriate, to recommend to Council, to:

#### 1. Budget 2011/12

##### Capital Programme

(1) note the 2010/11 Quarter 3 Capital Programme monitoring,

(2) recommend that Council approves the 2011/16 Capital Programme of £369.573m,

(3) recommend prudential borrowing be used essentially to provide bridging Finance for the Heathside & Lethbridge capital;

##### Housing Revenue Account

(4) recommend that Council sets an increase of dwelling rents of £3.88 per week or 4.99% in accordance with the Rent Restructuring formula, Department for Communities and Local Government (DCLG) guidance and tenant rent panel recommendations;

(5) recommend that Council sets an increase in the hostels accommodation charge by £3.61 per week or 7.12% in accordance with the Rent Restructuring formula;

(6) recommend that Council approves the following average weekly increases for dwellings for service charges to non Lewisham Homes managed dwellings (Brockley):

- caretaking £0.50
- grounds £0.45
- communal lighting No increase
- Tenants Levy No increase

(7) the introduction of a new service charge for Brockley tenants and leaseholders for Lumber Collection at £0.30 per week and window cleaning at £0.05 per week;

(8) the introduction of a new service charge for Brockley leaseholders for Resident Involvement at £0.22 per week and Customer Services at £0.33 per week;

(9) to note that a Council consultation report on service charges to tenants and leaseholders in the Brockley area was presented to area panel

members on 6 January 2011,

(10) increases in service charges to Lewisham Homes managed dwellings:

- Caretaking 8.82% (£0.44)
- Grounds Maintenance 2.30% (£0.02)
- Lumber Collection 15.38% (£0.04)
- Window Cleaning -66.67% (-£0.04)
- Communal lighting No increase
- Tenants Levy No increase

(11) the introduction of a new service charge for Lewisham Homes tenants for Block Pest Control at an average of £1.81 per week for those who receive the service;

(12) note that a Lewisham Homes consultation report on Service Charges to tenants and leaseholders was presented to area panel members on 8 December 2010;

(13) recommend that the Council approves the following average weekly percentage increases for hostels and shared temporary units for:  
Service charges ( hostels) - caretaking/grounds 3.6% (£0.45). The overall rise in Hostel Service Charge will therefore be £0.45 per week and increase the weekly charge from £12.41 to £12.86 per week.

\*In lieu of Council Tax 0.0% (£0.45)

\* Members should note that although no rise in Council Tax for 2011/12 is being recommended, the charge to residents will rise due to the reconfiguration of hostel units resulting in lower overall numbers of units upon which Council Tax can be recovered;

(14) recommend that Council approves an increase in garage rents by inflation of 4.6% (£0.35 per week) for Brockley residents and 22.47% (£1.78 per week) for Lewisham Homes residents;

(15) note that there are no proposals to increase charges for sheltered housing and very sheltered housing;

(16) note that there are no proposals to increase Linkline Charge to tenants for Line rental and maintenance;

(17) note that Private Sector Leasing rents moved to the Local Housing Allowance (LHA) rate as at January 2011 according to bed size or capped LHA Limit;

(18) Housing Revenue Account budget strategy proposals in order to achieve a balanced budget in 2011/12;

#### Dedicated Schools Grant

(19) recommend to Council that the Dedicated Schools Grant allocation of £225m be the Schools Budget for 2011/12;

#### General Fund Revenue Budget 2011/12

(20) note the overall variance against the agreed 2010/11 revenue budget,

(21) note the already approved revenue budget savings of £11.823m for 2011/12;

(22) agree and refer to Council further revenue budget savings of £8.698m for 2011/12 which include the following variations to the printed report:

CUS 04 withdraw £40,000 for 2011/12 relating to Environment Health Residential

CUS 46 withdraw £126,000 for 2011/12 and £42,000 for 2012/13 (reflected in recommendation 31) relating to Noise Patrol

COM 35 Mayors Fund and Localities to be amalgamated with the overall reduction of £135,000 maintained – net neutral.

(23) note the implications of the final Local Government Finance Settlement for 2011/12, including the changes to specific grants;

(24) recommend to Council to fund revenue budget pressures of £7.350m in 2011/12,

(25) subject to decisions on the above proposals, to recommend to Council to set a General Fund Budget Requirement of £281.099m for 2011/12;

(26) agrees that the Executive Director for Resources issues cash limits to all Directorates once the 2011/12 Revenue Budget is agreed;

#### Council Tax

(27) subject to decisions above, an increase of 0% in Lewisham's Council Tax element for 2011/12 is recommended to Council on 1 March 2011;

(28) subject to final notification from the Greater London Authority (GLA), agrees that the overall increase in Council Tax for 2011/12 is 0%, which includes the indicative GLA precept for 2011/12 being frozen at its existing 2010/11 level;

#### Future Years' Revenue Budgets

(29) notes the implications of the provisional Local Government Finance Settlement for 2012/13, including changes to specific grants,

(30) note the prospects for the revenue budget for 2012/13 and future years;

(31) subject to proper process as appropriate, refer to Council further revenue budget savings of £12.434m (£8.978m for 2012/13 and £3.456m for 2013/14),

(32) ask officers to continue to develop firm proposals to help meet the forecast budget shortfalls in future years;

#### Treasury Strategy

(33) recommends Council to approve the prudential indicators and authorised

Limits;

(34) recommends Council to approve the 2011/12 Treasury Management Strategy, including the Investment Strategy and the revised credit rating criteria

(35) recommend that the Council agrees the credit rating criteria set out but that it formally delegates responsibility for managing institutions which meet these criteria to the Executive Director for Resources;

(36) recommend Council to delegate to the Executive Director for Resources authority during 2011/12 to make amendments to the Borrowing and Investment Strategies provided there is no change to the Council's authorised limit for borrowing;

(37) recommends that the Council adopts the revision to the Minimum Revenue Provision (MRP) policy;

#### Specific Recommendations for Appendix Y8 – Fees and Charges

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(38) approve the parking charges

(39) approve the school meals charges

(40) approve the early years nursery charges

(41) approve the highways charges

(42) approve the trade refuse charges

(43) approve the Community Education Lewisham charges

(44) approve the Registrars charges

(45) approve the Community Centres charges

(46) approve the pest control charges

(47) approve the local land charges

(48) approve the building control charges

(49) approve the court costs and debtors fees

(50) approve the recommendations in relation to libraries charges

(51) approve the proposed future policy for the review of Council charges;

#### Specific Recommendations for Appendix Y9 – Early Years

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(52) the closure of Amersham Early Years Centre;

(53) the closure date for Amersham Early Years Centre be August 2011;

(54) a formal consultation to start with staff at all three remaining Early Years Centres (Honor Oak, Ladywell and Rushey Green) to reduce costs through re-organisation;

(55) note that the final decision about re-organisation is delegated to the Executive Director for Children and Young People;

(56) officers progressing proposals to grant to a private or voluntary sector the lease of Rushey Green EYC and bring back the results of the consultation before making the final decision on the granting of the lease;

(57) the exploration of options for the delivery of Council provided child care at Ladywell and Honor Oak Early Years Centres being provided by a third party that secures the continuation of the specialist provision for children with complex needs, with the results of the exploration of options being brought back, before making the final decision about third party provision;

Specific Recommendations for Appendix Y10 – Early Interventions Grant  
Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(58) note the establishment of the Early Intervention Grant and the significant reductions in available resources;

(59) agree that consultation begin on the proposed priorities for expenditure of the Early Intervention Grant and future service design and ask officers to bring a report back to the Mayor and Cabinet on the outcome of that consultation at the earliest opportunity;

(60) to discontinue grant funding/service agreements with those organisations set out in the annex to the report at Y10, as proposed, with effect from 31 March 2011 with the following exceptions:

Working with Men saving reduced by £18,000 for 2011/12 - once-off  
St James saving reduced by £45,500 for 2011/12 - once-off  
Metro Centre saving of £21,000 not taken for 2011/12 - once-off  
Voluntary Action Lewisham Phase 1 saving of £20,000 and £20,000  
2011/12 saving not to be taken - ongoing  
20% reduction for Youth Projects amounting to £40,000 not to be taken – once-off;

(61) continue funding for organisations as shown in the appendix to the report at Y10 and to reduce funding by 20% for those organisations where this is proposed as suggested, with effect from 31st March 2011;

Specific Recommendations for Appendix Y11 – Connexions  
Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(62) revoke the decision made on 17th November 2010 to reduce by 20%

the amount spent by the Borough on Information, Advice and Guidance (IAG) to young people by renegotiating its current contract for Connexions IAG delivery with the Borough's provider, Babcock PLC;

(63) that the contract for IAG with Babcock be not renewed or re-let.

#### Specific Recommendations for Appendix Y12 - Libraries

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(64) note the budget strategy for the Library and Information Service;

(65) agree the closure of Blackheath Village Library, Sydenham Library, Crofton Park Library, New Cross Library and Grove Park Library with effect from 28 May 2011;

(66) request officers to pursue the potential for asset transfer to deliver community library services in the affected neighbourhoods, and report the outcome in due course to Mayor & Cabinet;

(67) instruct officers to immediately seek formal expressions from interested organisations with a view to agreeing terms if possible and report back by the 28 May 2011;

#### Specific Recommendations for Appendix Y13 – Adult Social Care

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(68) agree a new pathway for users of adult social care be established and that the care management and assessment teams be restructured accordingly;

(69) note that a reablement service will be an essential component of the new adult social care pathway and agree that:

(i) 30% of the reablement service required be commissioned from the external market; and

(ii) from the date of implementation, all other domiciliary care services be commissioned from external providers

#### Specific Recommendations for Appendix Y14 – Fairer Charging

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(70) increase the charge for meals from £3.00 to £3.50 from 1st April 2011;

(71) increase the percentage of net disposable income considered in Fairer Charging and Fairer Contributions assessments to 90% in April 2011 and 100% in April 2012;

(72) increase the maximum weekly charge for services from £290 to £395 in April 2011 and to £500 in April 2012;

(73) a minimum level of Disability Related Expenditure (DRE) should be taken

into account without the requirement to provide receipts, this rate to be £5 p.w. from 1 April 2011 and reviewed in April 2012;

(74) Disability Related Expenditure being taken into account for clients receiving or applying for a disability related benefit and that where clients do not apply for a disability related benefit consideration of DRE will be on a case by case basis;

(75) the Council's Fairer Contributions Policy will be based on 100% of service cost and that existing subsidies should be removed from in-house services over 3 years;

(76) the Income Support Buffer should remain at 35% in April 2011 but be reviewed for April 2012;

(77) carers services provided at home and reablement services to eligible clients will continue to be free for users;

(78) ask officers to develop options for charging for transport;

(79) ask officers to develop options for variable charges for meals prepared at Day centres;

(80) note that a post implementation review of the impact of the proposals on clients will be completed after 6 months of implementation.

#### Specific Recommendations for Appendix Y16, Y17 and Y18 – Loss of Grant 2011/14

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(81) the revenue reductions arising from the loss of grant set out in the report and more particularly in appendices Y16, Y17 and Y18;

(82) ask officers to conduct a review of the cumulative effect on disabled people of all public service cuts;

(83) ask officers to review the funding of supplementary schools and look at the impact caused by the loss of government grants;

(84) ask officers to report to the Constitution Working Party on the creation of a Remuneration Panel charged with reviewing the pay and conditions of senior officers; and

(85) ask the Constitution Working Party to undertake a fundamental review of the Council's governance arrangements; to include the consideration of the number of elected councillors;

(86) note that the impact of amending the proposals for General Fund reductions will require a further £206,000 to be found from corporate provisions in 2011/12, meaning £2.106 million will need to be found in future on an ongoing basis. In addition a further £124,500 will be funded on a one-off basis to be determined at out-turn.

2) It be noted that at its meeting on 20 January 2010, the Council calculated the number of 87,499 as its Council Tax base for 2010/11 in accordance with the Local Authorities

(Calculation of Taxbase) Regulations;

3) The following amounts be now calculated by the Council for the year 2011/12 in accordance with the Local Government Finance Act 1992:

a. £859,786,816 being the estimated aggregate of the amounts which the Council estimates for gross expenditure, calculated in accordance with Section 32(2) of the Act;

b. £578,688,060 being the estimated aggregate of the amounts which the Council estimates for income, calculated in accordance with Section 32(3) of the Act; This includes the Council Tax Freeze Grant income

c. £281,098,756 being the amount by which the aggregate of (a) above exceeds the aggregate of (b) above (net Expenditure), calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;

d. £186,562,348 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates and Revenue Support Grant, increased by the amount which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988;

e. £92,230,869 being the residual amount required to be collected from Council Tax payers. In addition to this income will be the Council Tax Freeze Grant of £2,305,329 which equates to 2.5% of the Council Tax charge.

f. £1,042.11 being the residual sum at (e) above, divided by the Council Tax base of 88,486.96 which is Lewisham's precept on the Collection Fund for 2011/12 at the level of Band D;

<b>Band</b>	<b>Council Tax (LBL)</b>
	<b>£</b>
A	694.74
B	810.53
C	926.32
D	1,042.11
E	1,273.69
F	1,505.27
G	1,736.85
H	2,084.22

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



3) It be noted that for the year 2011/12, 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	206.55
B	240.97
C	275.40
D	309.82
E	378.67
F	447.52
G	516.37
H	619.64

4) Having calculated the estimated aggregate amount in each case of the amounts at 2)(f) and 3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, assumed the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:-

<b>Band</b>	<b>Total Council Tax (LBL &amp; GLA)</b>
	<b>£</b>
A	901.29
B	1,051.50
C	1,201.72
D	1,351.93
E	1,652.36
F	1,952.79
G	2,253.22
H	2,703.86

