

MAYOR & CABINET / PUBLIC ACCOUNTS SELECT COMMITTEE

REPORT TITLE	Finance Report 2019/20 - Period 2		
KEY DECISION	No	Item No.	
WARD	N/A		
CONTRIBUTORS	Executive Director for Resources		
CLASS	Part 1	Date	10 th July 2019

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecasts for 2019/20 as at 31 May 2018, noting any exceptional items to the end of June 2019. The key areas to note are as follows:
- i. There is a forecast overspend of £4.6m against the directorates' net general fund revenue budget. This is set out in more detail in sections five to nine of this report. The main budget pressures are in the Children's & Young People and Customer Services directorates.
 - ii. The Dedicated Schools Grant (DSG) is expected to balance at the year end. There are nine schools with loans totalling £2.4m. This is set out in more detail in section 10 of this report.
 - iii. The Housing Revenue Account (HRA) is currently projecting a balanced budget position. This is set out in more detail in section 11 of this report.
 - iv. As at 31st May 2019, some 19.1% of council tax due and 31.0% of business rates due had been collected. At this point last year, 19.1% of council tax due and 31.5% of business rates due had been collected. This is set out in more detail in section 12 of this report.
 - v. The Capital Programme spend as at 31 May 2019 is £30.7m, which is 16% of the 2019/20 of the proposed revised capital budget of £197.3m. At this point last year, 8% of the revised budget had been spent, with the final outturn being 82% (£71.1m) of the revised budget of £87.0m. This has been set out in more detail in section 13 of this report and the appended documents.

2. PURPOSE

- 2.1 The purpose of this report is set out the financial forecasts for 2019/20 as at the end of May 2019, noting any exceptional items to the end of June 2019 and projected to the year end.

3. RECOMMENDATIONS

3.1 The Mayor is asked to:

3.3.1 Note the current financial forecasts for the year ending 31 March 2020 and the action being taken by the Executive Directors to manage down the forecasted year-end overspend.

3.3.2 Note the proposed revision of the capital programme budget, as set out in section 13 of this report, with further detail attached at appendices 1 and 2.

4. POLICY CONTEXT

4.1 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.

4.2 The information set out in the body of this report is consistent with the delivery of the Council's corporate priorities (contained within the new Corporate Strategy 2018-22), and is particularly relevant to the Council's strong and resilient framework for prioritising action has assisted the organisation in the face of austerity and on-going cuts to local government spending. This continues to mean, that even with the prospect of the most daunting financial challenges facing the Council and its partners, the Council continues to work alongside our communities to achieve more than it could by simply working alone.

5. DIRECTORATE FORECAST OUTTURN

5.1 The forecasts against the directorates' general fund revenue budgets are shown in Table 1 below. In summary, a forecast year end overspend of £4.6m is being reported as at the end of May 2019. At the same time last year, an overspend of some £14.8m was forecast.

Table 1 – Overall Directorate position for 2019/20

Directorate	Gross budgeted spend	Gross budgeted income	Net budget 2019/20	Forecast Outturn 2019/20	Variance 2019/20
	£m	£m	£m	£m	£m
Children & Young People (1) (3)	69.8	(10.9)	58.9	61.9	3.0
Community Services	177.6	(85.9)	91.7	89.6	(2.1)
Customer Services (2)	102.4	(59.6)	42.8	46.5	3.7
Resources & Regeneration	79.2	(53.2)	26.0	26.0	0.0
Directorate Totals	429.0	(209.6)	219.4	224.0	4.6
Corporate Items	23.6	(0.0)	23.6	23.6	0.0
Net Revenue Budget	452.6	(209.6)	243.0	247.6	4.6

(1) – gross figures exclude £290m Dedicated Schools' Grant expenditure and matching grant income

(2) – gross figures exclude approximately £213m of matching income and expenditure for housing benefits.

(3) – includes £5.4m of once-off funding for 2019/20 to be reviewed in 2020/21

6. CHILDREN AND YOUNG PEOPLE'S SERVICES

- 6.1 Based on the May 2019 financial position, there is an anticipated overspend of £3.0m for the Children and Young People's Directorate. This is a continuation of the pressures identified in 2018/19 supporting Special Educational Needs (SEN) Transport, Early Help (Troubled Families) and the Youth Service.

Table 2 – Children & Young People Directorate

Service Area	Gross budgeted Spend	Gross budgeted income – including grants*	Net budget	Forecast Spend 2019/20	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m	£m
Children's Social Care	43.6	(0.8)	42.8	43.8	1.0
No Recourse to Public Funds	4.0	(0.0)	4.0	3.0	(1.0)
Education, Standards and Inclusion	12.3	(2.8)	9.5	11.4	1.9
Joint Commissioning and Early Help	9.9	(5.6)	4.3	5.4	1.1
Schools	0.0	(1.7)	(1.7)	(1.7)	0
Total	69.8	(10.9)	58.9	61.9	3.0

* The government grants include the Adoption Reform Grant, SEND reform grant, Troubled Families grant.

- 6.2 The most significant pressures in the current financial year relate to transport for SEN pupils of £1.9m and Early Help of £1.1m.

6.3 Children's Social Care

- 6.3.1 In 2018/19, the *Children Social Care* division reported pressures of £6.9m. The pressures, net of savings, have been funded from corporate resources for 2019/20. The directorate is progressing a placements strategy that reviews all aspects of placements and strategy. The strategy sets out how changes in demand and in client needs will be met, and how resources will be managed. Members will receive regular updates on this as the programme progresses.
- 6.3.2 A staffing reorganisation is also underway, with an interim structure imminent, while progress is made towards a long term review.
- 6.3.3 The *No Recourse to Public Funds* service has significantly reduced the number of households that are being provided with support from 100 cases in April 2018, to 78 at the end of the last financial year. The vast majority of cases closed are because households have regularised their immigration status which provides them with recourse to public funds. This has resulted in an underspend of approximately £1m as at the end of the last financial year, 2018/19. Indications for this first finance report of this new financial year, 2019/20, suggests that this level of underspend is expected to continue.
- 6.3.4 The result of the additional funds, the review of placements and the staffing reorganisation is that the children's social care service is expected to spend to budget in 2019/20. It should be noted that the majority of the children's social care budget relates to non-staffing spend committed in the main to fund children's placements.

- 6.3.5 The table below shows placement numbers for the last four months, i.e. the last two months of 2018/19 and the first two months of the new financial year, 2019/20.

Table 3 – Looked After Children

Looked After Children Numbers (Average)				
	February 2019	March 2019	April 2019	May 2019
LA Fostering (incl. kinship)	199	197	197	199
Agency Fostering	197	196	197	193
Residential Children's Homes	48	45	47	42
Semi-Independent placements	38	36	32	32
Leaving Care 18+	46	46	60	58
Special Guardianship Orders	209	209	155	155
Total	737	729	688	679

6.4 Education, Standards and Inclusion

- 6.4.1 The main cost pressure within the *Education, Standards and Inclusion* division relates to SEN transport with a projected overspend of £1.9m. The overspend is consistent with the position for the previous two financial years. This is a demand led budget. Consistent with the national position, the Council has experienced an increase in the numbers of pupils with Education, Health and Care Plans (EHCPs). Officers are closely monitoring the impact of this.
- 6.4.2 Officers continue to progress work to manage demand. A review into the Council's use of transport is being undertaken this year, but it is still too early to anticipate the full benefits in this financial year.

6.5 Joint Commissioning and Early Help

- 6.5.1 The *Joint Commissioning and Early Help* service is reporting a budget pressure of some £1.1m for the first quarter of 2019/20. The early help offer for families is funded exclusively from the Troubled Families (TF) grant (attachment fees and payment by results). Although the Council's TF claims are at the level expected by the Ministry of Housing, Communities and Local Government (MHCLG), an unachievable savings income target set up in 2015/16, means that the service is again reporting a pressure of circa £0.9m. The TF grant may come to an end later this year and consideration will need to be given to future funding of this service.
- 6.5.2 A budget shortfall of £0.5m for the Youth Service contract, partially offset by an underspend in the Children's Centres budget of £0.3m accounts for the balance of the overspend. The contract is being reviewed as part of Early Help review which is currently underway.

6.6 Progress on Savings for 2019/20

- 6.6.1 The progress on revenue budget savings for the directorate have been set out in the table below. Saving proposals of £1.575m were agreed in setting 2019/20 budget. At the stage of the financial year it is expected that these savings are on track to be delivered in full.

Table 4 – CYP Savings Tracker for 2019/20

Ref	Description	Division	£k	Comment
CYP01	More efficient use of residential placements	CSC	500	On track
CYP02	Improved placement process and more efficient systems with rigorous control through operating model and IT	CSC	250	On track
CYP03	More systematic and proactive management of the market for independent fostering	CSC	350	On track
CYP04	Commission semi-independent accommodation for care leavers	CSC	250	On track
CYP05	Residential framework for young people - Joint South East London Commissioning Programme	CSC	200	On track
CYP06	Cease funding for former CYP funded post in Voluntary Action Lewisham	Joint Commissioning/ Early Help	25	On track
	Total		1,575	

7. COMMUNITY SERVICES

- 7.1 As at the end of May 2019, the Community Services directorate is forecasting an underspend of £2.1m. At the same time last year, the year-end forecast was an overspend of £0.3m, with the actual year-end outturn being an underspend of £2.8m.

Table 4 – Community Services Directorate

Service Area	Gross budgeted Spend	Gross budgeted income	Net budget	Forecast 2019/20	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m	£m
Adult Social Care	127.4	(54.8)	72.6	70.5	(2.1)
Cultural and Community Development	16.1	(7.8)	8.3	8.6	0.3
Public Health	14.9	(15.2)	(0.3)	(0.2)	0.1
Crime Reduction & Supporting People	18.0	(8.0)	10.0	9.6	(0.4)
Strategy & Performance	1.3	0	1.3	1.3	0
Total	177.7	(85.8)	91.9	89.8	(2.1)

- 7.2 The most significant cost variances for the directorate fall within the *Adult Social Care division*. The following sections provide a summary of the revenue forecast by division. It provides an explanation of the cause of the variance and any movements from the previous period. It also makes clear what the impact of any management action or other intervention will have on the forecast projected to the year-end. Where any variance is impacted upon by demand driven activity, then these are also set out and made clear in this section.

7.3 Adult Social Care Services

- 7.3.1 An underspend of £2.1m is projected in the *Adult Social Care* division. The budget has been increased in 2019/20 by the precept of £2m to fund the rise in London Living Wage costs and a rise in the improved Better Care Fund grant of £2.8m. There are cost pressures arising from transition and other demographic effects and from increased costs of care arising from London and National Living Wage. However, the effects of these is less than the new level of resource available for 2019/20.
- 7.3.2 Most of the revenue budget savings have been achieved. There has been improved management of enquiries and how these can be resolved by the staff who handle them. Such new approaches to demand management have reduced the numbers of older service users, particularly smaller care packages. An updated position of the progress of delivering the revenue savings has been set out in the table below.

Table 5 – Community Services Savings Tracker for 2019/20

Ref	Description	£k	Comment
COM01	Managing demand at the point of access to adult social care services	122	On track
COM02	Ensuring support plans optimise value for money	250	On track
COM03	Increase revenue from charging Adult Social Care clients	159	Saving now fully achieved despite auto charging and configuration still not complete – prospect to improve charging in 20/21
COM04	Reduce costs for Learning Disability and Transitions	900	Work in progress – partial achievement expected in 2019/20
COM05	Increased focus of personalisation	260	On track
COM06	Reduction in Mental Health Residential care costs	300	On track
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services	100	On track
COM09	Cut to intensive housing advice and support service	300	On track
COM10	Crime, Enforcement & Regulation reorganisation	255	On track
COM12	Cut to Main Grants budget	600	On track for full year; part year effect in 2019/20
COM13	Reduction in Arts, Development and Events Funding	85	On track
COM14	Reduce Local Assemblies funds	225	On track
COM16	Cultural and Community Development Service Staffing	75	On track
COM17	Ending the Small & Faith Fund	50	On track
	Total	3,681	

- 7.3.3 Consultation on a new staffing structure that is designed to increase the levels and skills mix of staff at the front door is currently in progress. This along with more effective use of short term interventions, such as enablement has contributed to some delay or reductions in the need for longer term care is being scoped. Work to improve systems with projected costs of £400k have been delayed. Once this is in place, further revenue savings on package and placement budgets will be possible through better demand management. These are difficult to quantify at this stage, and have currently not been reflected in the projections for this period.
- 7.3.4 Officers from within the services of Joint Commissioning and Adult Social Care are working proactively to identify appropriate and cost effective solutions that will reduce some of the costs associated with long term care and support. These reductions are work in progress and have not been factored into the projections.
- 7.3.5 The service is dealing with more complex levels of need from cases that are referred from the acute hospitals due to a reduced length of stay. In addition, the young people with special educational needs and/or disabilities that transition from children's services to adults' social care, tend to be more complex.
- 7.3.6 Additionally, there has been an unexpected increase in the number of residential and nursing placements for service users aged 18 to 65. Transition was expected to increase learning disabilities numbers, but there has been an increase of 20 placements (28%) on other client groups also. Officers are investigating the reasons for this and will consider whether they could be avoided.

7.4 Cultural and Community Development

- 7.4.1 The *Cultural and Community Development* service is currently projecting an overspend of £0.3m.
- 7.4.2 The community sector grants programme is showing an overspend of £0.2m. This was highlighted in the Main Grants Programme 2019-22 report to Mayor & Cabinet on 24th April 2019. A revenue budget saving of £600k was taken against the 2019/20 grants budget, however the new 3-year programme comes into effect on 1st August 2019 meaning that the existing programme was extended for four months resulting in the £0.2m budget pressure. The full £0.6m saving will be achieved in a full year for 2020/21 onwards.
- 7.4.2 There is a potential overspend of £50k on the community centres budget which is resulting from outstanding commercial rent agreements on several of the community hub buildings where voluntary sector organisations are in occupation. The negotiations are ongoing and once completed and agreements have been signed, then this potential pressure will be resolved for 2019/20.
- 7.4.3 There is a small projected variance on the Broadway Theatre budget of £25k due to additional staffing costs on marketing and promotion which is not expected to be covered from additional income generation. Any pantomime agreement for 2019/20 will be on a 'hire only' arrangement with the promoter excepting the risk and the hire fee fully covering our costs to prevent the risk of any potential overspend. There is a small overspend expected of £12k on the Blackheath Firework event due to a shortfall in potential contributions to the event. However, there are ongoing discussions with the Royal Borough of Greenwich with regard to their contribution to the event in an attempt to alleviate this pressure.

7.5 Public Health

7.5.1 The *Public Health* division has a planned revenue budget saving on staffing which has not yet been delivered in full and therefore an overspend of £0.1m is projected. Options for addressing this will be developed over the next three months.

7.6 Crime Reduction and Supporting People

7.6.1 The *Crime Reduction and Supporting People* service is currently projecting an underspend of £0.4m.

7.6.2 There is a projected underspend of £0.2m on the budget for secure remand placements in the Youth Offending Service. Due to better demand management, the level of remand activity has continued to be relatively low based on numbers for the April-May 2019 period. This budget can still be volatile as placements are at the discretion of the court based on the age/vulnerability of the young person and the nature of the offence. However, based on current remand numbers a similar level of underspend is projected as was the case in 2018/19.

7.6.3 There are a range of smaller variances across the division which total to a net underspend of £0.2m. These are as follows: environmental health staffing is projected to underspend by £50k due to staffing vacancies and difficulties recruiting suitable agency staff; youth offending core staffing budget is projected to underspend by £25k due to recruitment lag in filling new posts; crime, enforcement and regulation staffing budget is projected to underspend by £30k due to the recruitment lag filling a vacant post; prevention & inclusion staffing budget is expected to underspend by £50k due staff secondment; and there is also expected to be a saving of £50k for the supporting people service due contract savings.

7.7 Strategy and Performance

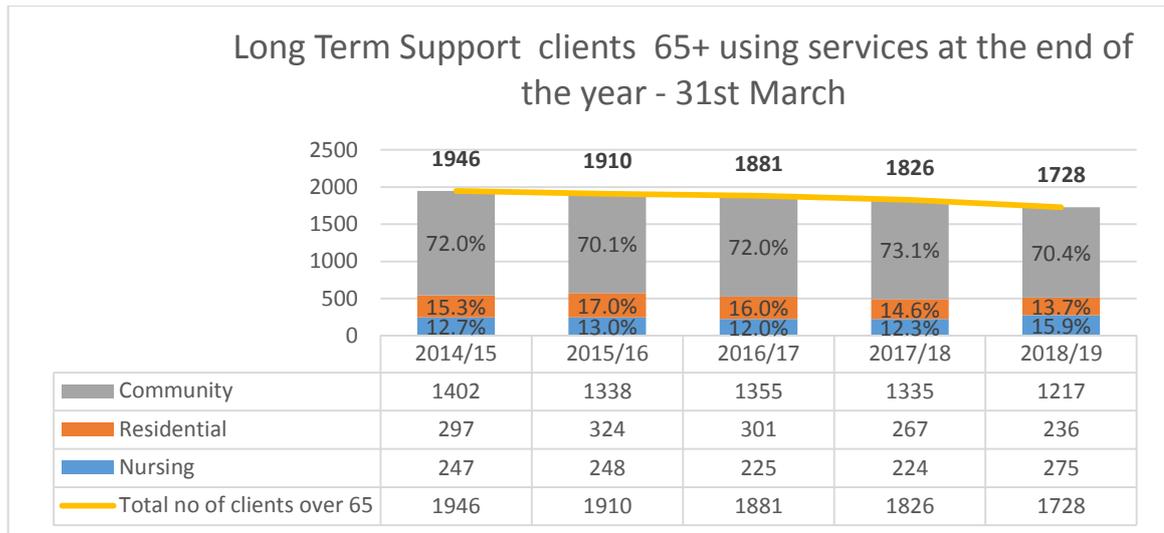
7.7.1 The *Strategy and Performance* division is reporting a nil variance at this stage of the year and is expected to spend to budget by the year-end.

7.8 Trends in activity

7.8.1 The following paragraphs show trends in activity in adult social care.

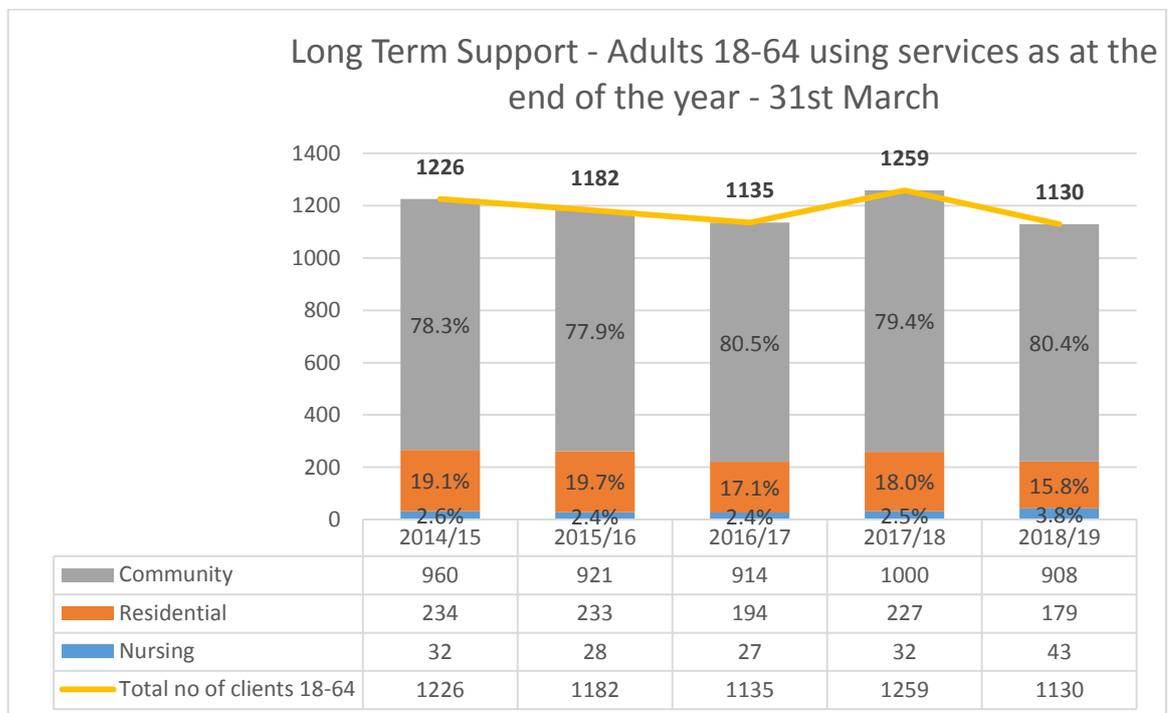
Overall Service Users

Table 6 – Adults 65+ in long term placements as at 31 March 2019



- The overall number of clients in receipt of a service at the end of the year decreased from 1,946 in 2014/15 to 1,728 in 2018/19, (an 11% decrease)
- The number of clients in residential placements decreased from 297 in 2014/15 to 263 in 2018/19, (an 11.4% decrease)
- However, the number of clients in nursing care placements increased by 23% over the period from 224 in 2017/18 to 275 in 2018/19

Table 7 – Adults 18-64 that received long term support as at 31 March



- The number of clients receiving a service at the end of the year decreased from 1,226 in 2014/15 to 1,130 in 2018/19, (an 8% decrease)

- However, the number of clients in nursing care placements at the end of the year increased by 34% over the period
- Residential placements showed 16% decrease over the period, typically the more complicated and expensive placements.

Table 8 – Increase in number of Personal Assistants

Date	Employers	In-Year Employee Numbers	In-Year Hours	In-Year Increase in Hours	Annual Saving Compared to Agency Cost
Apr 2017	385		454,582		
Apr 2018	419	889	498,969	44387	£197,523
Apr 2019	417	906	527,895	28926	£131,902

7.8.2 Although the number of employers is not increasing as quickly as would be desired, there is a significant amount of work that goes in to recruitment to keep the numbers up as client's Direct Payments (DP) cease, and/or employment ends. On average, 125 employees left DP employment each year in 2017/18 and 2018/19. Additionally, our In-Year PA hours have increased year on year. If those increased hours were provided by care agencies this would have increased costs by £197,523 in 2017/18 and £131,902 in 2018/19.

Table 9 – Increase in use of Shared Lives

Date	Number of Shared Lives carers	Number of long term service users
April 2016	15	16
April 2017	15	17
April 2018	20	18
April 2019	25	20

7.8.3 Lewisham has increased the numbers of Shared Lives carers by 10 since 2017, officers are planning a further recruitment campaign in September 2019 to further increase the number of carers. Currently, an additional four service users are going through their induction prior to becoming long term.

7.8.4 Learning disability division - the service has been working on various areas of care costs, they have focused their work where they felt they can purchase more cost effective solutions. Working collaboratively with services users and families on assessed care and support needs. Between April 2019 and mid June 2019, there has been a reduction of £273,092 in care costs.

8. CUSTOMER SERVICES

8.1 As at the end of May 2019, the Customer Services directorate is forecasting an overspend of £3.7m. At the same time last year, the year-end forecast was an overspend of £1.6m, with the actual year-end outturn being an overspend of £3.5m.

Table 10 – Customer Services Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn 2019/20	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m	£m
Strategic Housing	28.7	(23.2)	5.5	5.5	0.0
Environment	37.3	(17.4)	19.9	22.2	2.3
Public Services*	31.0	(19.0)	12.0	12.6	0.6
Technology & Change	5.4	0.0	5.4	6.6	0.8
Total	102.4	(59.6)	42.8	46.9	3.7

* (excludes £213m of matching income and expenditure in respect of housing benefits)

8.2 The most significant cost pressures for the directorate fall within the *Environment* division. The following sections provide a summary of the revenue forecast by division. It provides an explanation of the cause of the variance and any movements from the previous period. It also makes clear what the impact of any management action or other intervention will have on the forecast projected to the year-end. Where any variance is impacted upon by demand driven activity, then these are set out and made clear in this section also. This section also provides a directorate summary of the progress being made on delivering agreed savings for 2019/20 and what impact if any, slippage on those savings is having on the overall directorate position.

8.3 **Strategic Housing**

8.3.1 The net budget for *Strategic Housing* in 2019/20 is £5.5m. The forecast position for May 2019 is for spend to budget. However, pressures are developing through the provision of incentive payments, the identified budgets having been depleted. This is under review and will be expected to be addressed for future budgets.

8.3.2 The budget for bed & breakfast (B&B) is forecast to spend to budget after the use of grants given specifically for this purpose (covering the HB limitation recharge). Through the year, new units will continue to come on line in our own stock and the use of privately managed accommodation (PMA) has reduced the requirement for additional B&B spend.

8.3.3 Actual numbers in B&B are at 704 tenancies at the end of May 2019. This number has been kept relatively stable over the last few months due to the continuation of incentive payments to landlords and clients (finding their own accommodation to rent). In 2018/19, a total of 593 preventions were made using this resource. If this resource was not available and these clients had to be housed in nightly paid accommodation, then this would have cost an additional £3.558m to the service.

8.3.4 PMA as a product is a cost to the council and will contribute to the pressure in the Housing division, but at a lesser extent than if B&B accommodation was used. PMA is currently forecast to underspend by £149k. Again, this is after the use of specific grant given for this purpose (covering HB limitation recharge). The total number of PMA stock at the start of the financial year is 359 units.

8.3.5 The forecast overspend in the Housing Needs Group is mainly due to salaries cost overruns. This is being discussed with the service group managers to identify potential posts which should be funded via specific new burdens and flexible homelessness support grant funding.

8.4 Environment

8.4.1 The *Environment* division is forecasting a net overspend of £2.3m. This is set against an overspend of £1.9m in 2018/19 and £0.8m agreed revenue budget savings for 2019/20.

8.4.2 The refuse collection services is forecast to be £1.5m overspent, accounting for almost two thirds of the total overspend in Environment. As seen in previous years, the overspends on vehicle costs for refuse services are reducing following the purchase of a number of new vehicles in 2018/19. However, there are still nine hired in vehicles in use, which is expected to create an overspend position for this year of £0.6m, down from £0.7m last year. Members should note that a report elsewhere on this agenda is seeking the approval for the acquisition of a fleet of new Euro Low Emission Zone compliant vehicles. Once these vehicles have arrived, it will avoid the need to hire refuse vehicles.

8.4.3 There is also a shortfall of income projected for *trade refuse* of £0.3m, which is in line with the income shortfall in 2018/19. Work is being undertaken to analyse the customer base and develop more streamlined marketing contract and debt collection processes to increase the income stream from trade waste and in line with the recommendations of the APSE review. The staff costs are anticipated to exceed the budget by £0.6m, similar to 2018/19. An extra collection round was introduced at the beginning of 2018/19 to improve operational effectiveness with the expectation that this would not be required from 2019/20. However, this has not proved to be the case and is estimated to cost £0.2m per annum. The service will review the need for continuation of this additional round and assess whether the mix between permanent and temporary staff is optimal in order to secure efficiencies.

8.4.4 For strategic waste management services the forecast overspend of £0.3m is being reported, partly relating to claims by the Royal Borough of Greenwich for arrangements pertaining to the SELCHP contract in refuse disposal, unachievable income recharge budget, and overspends on staffing and supplies and services in civic amenities. Four new containers were purchased recently for the Landman Way site. A one year contract for the disposal of dry recyclables is expected to commence on 1st July 2019 as an interim position. The existing contract will have expired as the current contractor does not wish to extend so this will allow sufficient time for a thorough procurement process. The cost is estimated at £1.3m, an increase of £0.4m on 2018/19, with the expectation this will be funded from corporate reserves as in previous years. It is difficult to quantify the costs of this service early in the year as tonnages and cost per tonne vary. These rising costs described above, faced with a 9% fall in volumes over five years require further analysis. The service will work on getting a better understanding of waste disposal volumes and how this drives costs both in terms of disposal and collection rounds needed. The table below sets out waste disposal volumes for the last five years.

Table 11 – Waste Disposal Volumes

Waste Type	2014/15	2015/16	2016/17	2017/18	2018/19	April '19
Total waste sent for incineration	99,829	99,573	99,835	94,930	85,558	7,384
Total waste sent to landfill	372	856	958	499	362	28
Total waste sent for recycling	18,863	19,231	17,329	16,091	15,801	1,254
Total waste for composting	1,804	1,372	2,626	7,597	12,138	1,117
Total waste sent for re-use	725	992	1,303	1,050	811	68
Total waste sent for RDF	7,668	8,030	2,003	2,284	2,982	138
Total waste collected (tonnes)	129,260	130,055	124,055	122,451	117,653	9,988

- 8.4.5 The street management service is forecasting a £0.3m overspend, the same as 2018/19. Most of this overspend is due to staffing, with a small element of residual spend for public conveniences. Management are undertaking a detailed analysis of this staffing pressure to have a better understanding of the cost drivers.
- 8.4.6 *The green scene service is forecasting an overspend of £0.1m, partly in relation to the parks contract which expires on 1st March 2020. A balanced view has been taken on the likely contract cost for the year as there can be a significant degree of price volatility each month. There are shortfalls on the increased income budget of £0.1m and grounds maintenance costs in the arborists' service add £0.1m pressures. These pressures partially offset by £0.1m additional income in pest control.*
- 8.4.7 The passenger services budget is forecast to break even for 2019/20. The cost of passenger services for 2019/20 is £4.1m and this will be fully recharged to directorates, predominately CYP (for SEN transport) and Community Services. The overall cost of the service is expected to be £0.3m higher than 2018/19 costs of £3.8m.
- 8.4.8 Service for fleet is showing a net overspend of £0.1m in line with 2018/19 and 2017/18. Fleet hire rates are set at the beginning of the year to recover the costs of routine maintenance on the core fleet vehicles – the charges are expected to cover the cost of fleet staffing, external maintenance services and, parts. The costs of non-routine maintenance, fuel and hired in vehicles are all charged out to users at cost. The increasing age of the fleet has meant that the costs of routine maintenance are increasing each year and will not be fully recovered through the hire charges, resulting in the £0.1m variance.
- 8.4.9 Bereavement services is forecasting a net overspend of £0.1m due to increased charges for the *coroners court service* with the London Borough of Southwark. LB Lewisham's contribution to the Coroners Consortium this year is £476k, an increase of £66k on last year. With the increase in cost of burials from 1st April 2019, the expectation is a rise in income which is reflected in increased income budget of £41k to £396k. However, due to the nature of the service and the difficulty in predicting 'take-up' the service has projected a breakeven position in

the 1st quarter and expect to review position in the 2nd quarter. The service will incur additional expenditure in the year resulting from work to create four new burial plots at Hither Green and Grove Park Cemeteries; the cost of creating the plots is in the region of £27k and work has started. Cremation charges were reduced by 7.5% from 1st April 2019 with the aim of making services more affordable. There has been a drop in income during April and May when compared with the same period last year. However, the number of deaths registered in the borough is also lower for April and May this year compared with the same period last year and we have therefore carried out fewer cremations. This situation will be monitored over the coming months. Table 11 below sets out the numbers of burials, cremations undertaken by the service since 2011 and compares that to the total deaths in the Borough.

Table 12 – Burials and Cremations

Year	2011	2012	2013	2014	2015	2016	2017	2018
Burials	554	542	529	505	494	529	499	589
Cremations	1,303	1,203	1,249	1,141	1,257	1,223	1,235	1,340
Our Services	1,857	1,745	1,778	1,646	1,751	1,752	1,734	1,929
Deaths	1,607	1,500	1,494	1,536	1,599	1,467	1,906	1,743
Cremations %	81.08%	80.20%	83.60%	74.28%	78.61%	83.37%	64.80%	76.88%
Burials %	34.47%	36.13%	35.41%	32.88%	30.89%	36.06%	26.18%	33.79%
Total %	115.56%	116.33%	119.01%	107.16%	109.51%	119.43%	90.98%	110.67%
Cremations % Services	70.17%	68.94%	70.25%	69.32%	71.79%	69.81%	71.22%	69.47%

8.5 Public Services

- 8.5.1 The Public Services division is forecasting an overspend position of £0.6m at the year-end, compared to a £0.7m overspend in 2018/19.
- 8.5.2 For the Revenue services area, an overspend of £0.2m is anticipated, with £0.2m in the council tax administration and court grant area, primarily due to bank charges. A similar position was reported in 2018/19. The council tax administration team is anticipated to underspend by £0.2 on staffing costs. The cashiers team are forecasting an overspend of £0.2m whilst underspends for council tax management of £0.2m are expected in relation to ICT hardware and other supplies and services. A shortfall income of £0.1m is also anticipated for the enforcement service.
- 8.5.3 The Housing Benefits Service is projecting to overspend by £0.6m mainly due to a £0.5m forecast overspend on Housing Benefits Subsidy. The reductions in overpayment income and bad debt requirement are the main drivers for the ongoing budget pressure within Housing Benefit Subsidy. Overpayment income continues to reduce with a year-end projection of £1.6m, a reduction of 1.1m on 2018/19. The increase in bad debt provision is forecast to be £0.3m which is £0.9m lower than 2018/19, mainly due to a reduction in “older” overpayments which has released provision. In 2018/19 a net income of £1.4m was generated from the overpayment income and bad debt provision. The forecast for 2019/20 gives an income of £1.3m which is a reduction of £0.1m. The total spend for rent rebates is currently forecast to be 5% lower than 2018/19. However, when reviewing the breakdown for HRA and non HRA rent rebates this shows spend

for non HRA is currently 19.8% higher than 2018/19 with a reduction of 15.5% for HRA rent rebates. It is the ongoing increase in non HRA spend which is driving the increases in the homeless recharge which is currently forecast to be £0.7m higher than 2018/10. This is recharged to Housing so has no financial impact for HB subsidy, however, it is an increasing cost for the authority.

- 8.5.4 A full review of the budget related to housing benefits and universal credit will be undertaken once the announcement around funding arrangements are known. The concessionary fares budget is forecast to underspend by £0.2m. This is due to lower settlement figures from TfL based on the number of Freedom Pass holders. The local support scheme provides small loans and grants to at risk individuals in the case of a crisis or emergency. The service is funded from one off grant income received in previous years from the DWP. This funding is due to run out this year and officers are working to conclude the scheme. There is a risk that the funding will run out before the service has been concluded.
- 8.5.5 An overspend of £0.2m is forecast for the Emergency Planning & Administration service mainly due to a £0.3m overspend on agency staff in the Complaints, Casework and Information Governance team, partially offset by schools buy back income £0.1m more than budgeted; within the same service the Emergency Planning team has a very small overspend on permanent staff.
- 8.5.6 Service Point is also projecting a £0.1m overspend, due to staffing pressures in the service point access team and the in house printing service. The Front of House team is forecasting a small underspend. Re-alignment of the staffing budgets for the service point access and Front of House teams may be required once reviewed as there are outstanding budgetary disaggregation issues of the former Business Support team.
- 8.5.7 The gross costs of the *Parking service* are forecast at £0.2m above budget, due to the increase in bank charges arising from the rise in cashless parking charge payments. This is expected to be offset by a favourable variance of £0.3m from fixed penalty notices and pay and display charges, creating a £0.1m surplus for the service. Management are confident that this position will improve by the end of the financial year. However, it is too early to project what this sum will be as there are too many variants including the reliance on motorists' behaviour.

8.6 *IT and Digital Services*

- 8.6.1 The *IT and Digital Services* division is currently forecast to end the year with overspend by £0.8m due to anticipated additional costs of the Shared ICT Service (£0.6m). Following a licence review, settlement for Microsoft licensing of £400 is being funded as a once-off from corporate resources. There is also additional pressure within the Finance and HR systems (£0.2m) due to the introduction of Oracle Fusion.
- 8.6.2 The current service delivery and costs for the shared service remain under review as the required performance standards are not currently being met.

8.7 Progress on Savings for 2019/20

Table 13 Customer Services Progress on Savings

Ref	Proposal	19/20 Savings £'000	19/20 Forecast £'000	Comments
CUS01	Printing reduction	100	60	
CUS02	Income Generation – increase of Garden Waste Subscription	278	120	Based on current subscription of 9,000 customers @ 80 per annum
CUS03	Income Generation – Events in Parks	200	150	Based on current events planned
CUS04	Income Generation – increase in Commercial Waste Charges	150	0	Ongoing review of potential and existing trade customers and improved operational processes
CUS05	Increase charge for the collection of Domestic Lumbar from households	30	27	Agreed proposal is based on four items per visit which differs from original proposal based on 3 items per visit
CUS06	Bereavement Services – increase income targets	67	67	Income difficult to forecast dependant on death rate and uptake of services
CUS08	Close the four remaining Automated Public Toilets	92	92	Any overspend to be met by corporate as per proposal. Full closure expected July 2019.
CUS09	Cost reductions in homelessness provision – income generation and net	405	405	Risk remains the numbers in bed & breakfast will not reduce as planned
CUS10	Invest to save – create revenues protection team	806	806	Needs further review
CUS12	Invest to save – Housing Benefit overpayment recovery improved	480	480	Overpayment income forecast to decrease by £1.1m and provision to bad debt reduced by £0.9m compared to 2018/19.
CUS14	Parking Service revenue review	500	500	Challenging to meet 2020/21 income savings target
	Total savings	3,108	2,707	

9. RESOURCES AND REGENERATION

9.1 As at the end of May 2019, the Resources and Regeneration directorate is forecasting a balanced budget at year-end. At the same time last year, the year-end forecast was an underspend of £0.6m, with the actual year-end outturn being an underspend of £0.9m. The overall position has been set out in Table 13.

Table 14 – Resources and Regeneration Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn 2019/20	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m	£m
Corporate Resources	5.7	(3.2)	2.5	2.5	0.0
Corporate Policy & Governance	5.1	(0.3)	4.8	4.4	(0.4)
Financial Services	4.5	(1.4)	3.1	3.3	0.2
OD & Human Resources	2.7	(0.2)	2.5	2.3	(0.2)
Legal Services	3.4	(0.4)	3.0	3.0	0.0
Strategy	5.1	(2.8)	2.3	2.3	0.0
Planning	2.7	(2.0)	0.7	0.7	0.0
Regeneration & Place	50.0	(42.1)	7.9	8.4	0.4
Reserves	0	(0.8)	(0.8)	(0.8)	0.0
Total	79.2	(53.2)	26.0	26.1	0.0

9.2 The most significant cost pressures for the directorate fall within the *Regeneration & Place* division.

9.3 The *Corporate Resources* division is forecasting a balanced budget position at year end.

9.4 The *Corporate Policy and Governance* division is forecasting an underspend of £0.4m. This is mainly on staffing budgets, including the vacant Chief Executive's post.

9.5 The *Financial Services* division is forecasting a £0.2m overspend primarily on the staffing budget. This partly relates to a delayed budget saving as per paragraph 9.11.

9.6 The *Organisational Development and HR* division is forecasting a £0.2m underspend. There is an underspend on staffing budgets due to vacancies and also higher than budgeted income is being forecast in relation to Occupational Health and Learning & Development.

9.7 The *Legal Services* division is currently forecasting a balanced budget position at year-end.

9.8 The *Strategy* division is currently forecasting a balanced budget position at year-end.

9.9 The *Planning* division is currently forecasting a balanced budget position at year-end. It should, however, be noted that the Council is in the process of preparing a new Local Plan, a statutory planning document setting out the Council strategy and policies for future growth and change in the borough over a 15 year plan period; this has the potential to increase expenditure as a number of studies will need to be commissioned to contribute to the evidence base of the plan. This expenditure is likely to be incurred over 2019/20 and 2020/21 financial years.

9.10 The *Regeneration and Place* division is forecasting a £0.4m overspend. Income from commercial rents is projected to underachieve the budget by £0.1m, partly due to void rent loss and limited rent review opportunities this year. Utility costs are forecast to exceed the budget by £0.2m due to rising prices. Business rates have also increased across the corporate estate as a whole, resulting in a forecast £0.1m overspend. The Building Control service is forecasting a £0.1m overspend due to the transfer back in to the service of two members of staff from Customer Services Directorate. A number of minor underspends across other service areas bring the forecast overspend down to £0.4m overall.

9.11 The table below summarises the progress on delivering budget savings agreed for 2019/20:

Table 15 – Resources Savings Tracker for 2019/20

Ref	Description	Division	Amount	Comment
RES01	Benefits Realisation of Oracle Cloud	Finance	£90k	Delayed
RES02	Legal fees increase	Legal	£50k	On-track
RES05	Withdrawal of Councillor Car Run Delivery Service	Policy & Governance	£10k	Absorbed within existing budget
RES06	Increase income supporting the Funding Officer post and review the Economy and Partnerships Function	Strategy	£30k	On-track
RES08	Insurance costs – premium reduction	Corporate Resources	£30k	On-track
RES09	Insurance costs – self-insurance reserves	Corporate Resources	£200k	On-track
RES10	Cease graduate programme	OD & HR	£78k	On-track
RES11	Increase in pre-application fees	Planning	£100k	On-track
RES14	Corporate Estate Facilities Management Contract Insourcing	Regeneration & Place	£100k	On-track
RES16	Commercial Property Investment Acquisitions	Corporate Provisions	£140k	On-track
RES17	Beckenham Place Park – income generation	Regeneration & Place	£28k	On-track
RES18	Electric Vehicle charging points	Regeneration & Place	£50k	Delayed, awaiting contract sign off
Total			906k	

10. DEDICATED SCHOOLS' GRANT

10.1 The Dedicated Schools Grant (DSG) for 2019/20 has provisionally been set by the Department for Education at £290.9m, although this will change during the year to reflect updated pupil numbers. Of this, £24m relates to Early Years. This is a provisional figure which will be confirmed later in the year.

10.2 Further grants are given to schools and routed through the local authority. These include the pupil premium (£12.9m), post 16 funding (£5.7m) and the universal free school meals grant (£3.8m) making total funds of £313.3m. These figures are based on last year's allocation and have yet to be formally approved.

Schools

- 10.3 The cumulative revenue balances for the year to 2019/20 is a surplus of £18m. There were 11 schools with deficits at the year-end 31 March 2019 totalling £2.8m. General feedback from schools suggest that the position will remain similar for 2019/20, largely as the pay award and pension costs have been funded.

It should be noted that schools are continuing to use surpluses to balance budgets which indicates that the situation could potentially worsen in time subject to the outcome of the spending review. A clearer picture of the expected position at the end of this financial year will be available when the deadline for submitting school budget plans has passed at the end of June

- 10.3 There are 9 schools with loans with a total balance of £2.4m. Of this, 6 are secondary schools and 2 are Primary schools and 1 all through. Work in the coming year will focus on ensuring schools with deficits have a sustainable budget recovery plan.
- 10.4 The central side of the DSG is expected to end the year in balanced budget position.
- 10.5 The Dedicated Schools Grant (DSG) for 2019/20 has provisionally been set by the Department for Education at £290.9m, although this will change during the year to reflect updated pupil numbers. Of this, £24m relates to Early Years. This is a provisional figure which will be confirmed later in the year.
- 10.6 Further grants are given to schools and routed through the local authority. These include the pupil premium (£12.9m), post 16 funding (£5.7m) and the universal free school meals grant (£3.8m) making total funds of £313.3m. This figures are based on last year's allocation and have yet to be formally approved.

High Needs Support

- 10.7 To date Lewisham has successfully managed to provide its High Needs Support within the allocated DSG high needs budget. This has been a result of partnership working with Schools (and schools forum) and where possible Lewisham approach to place pupils in our own provision.
- 10.8 The funding for High Needs is based on a baseline that was determined in 2012/13, which was prior to the changes established as part of the SEND reforms. For example the LA liability is now 0 to 25 age. The baseline was determined when the scope was from 5 to 19 age. This is just an example. Overall the number of Education Health Care plans is continuing to increase coupled with increase in severity and price. A paper was presented to Schools forum in January noting the potential pressures on the High Needs Block. Schools Forum has agreed to support the High Needs Block with funds of circa £1m for 2019/20. We are continuing to work with Forum to review practices with a view to working within budget.
- 10.9 It is important to emphasise that this is a national issue and several meetings have now taken place with London councils as part of a lobby process.

11. HOUSING REVENUE ACCOUNT

- 11.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2019/20. The balanced HRA budget seen in the table includes a budgeted surplus of £3.0m, which is to be transferred to reserves at year end as a part of the 30 year HRA business plan. At this relatively early stage of the new financial year, no variation is being reported.
- 11.2 Repairs & Maintenance (R&M) is forecasting spend to budget. There was an overspend in this area in 2018/19. This area will be closely monitored in 2019/20 to ensure that this does not re-occur and costs contained within overall allocations.
- 11.3 The current 30 year HRA financial model has been recently refreshed, with the final outturn for 2018/19 as well as the latest updates for the new build programme and general capital programme incorporated into the plans. Budgets will be updated to reflect starting stock numbers from 1st April 2019 to reflect the latest position.

Table 16 – Housing Revenue Account

Service Area	Expenditure Budget	Income Budget	2019/20 budget	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m
Customer Services – Housing	17.3	(3.5)	13.8	0
Lewisham Homes & R&M	37.9	0	37.9	0
Resources	1.5	0	1.5	0
Centrally Managed Budgets	48.3	(101.5)	(53.2)	0
Total	105.0	(105.0)	0	0

12. COLLECTION FUND

- 12.1 As at 31st May 2019, some £27.8m of council tax had been collected. This represents 19.1% of the total amount due for the year. This is below the profiled collection rate of 19.3% if the overall target for the year of 96% is to be met.
- 12.2 Business rates collection is at 31.0% a decrease of 0.5% compared to the same period last year, and 4.7% higher than the profiled collection rate if the overall target rate for the year of 99% is to be achieved.

13. CAPITAL EXPENDITURE

- 13.1 The Capital Programme spend as at 31 May 2019 is £30.7m, which is 16% of the revised 2019/20 budget of £197.3m. At this point last year, 8% of the revised budget had been spent, with the final outturn being 82% (£71.1m) of the revised budget of £87.0m.
- 13.2 The table below shows the current position on the major projects in the 2019/20 Capital programme (i.e. those over £1m in 2019/20). Appendix 1 provides a

reconciliation of the latest capital programme budget for 2019/20 to the version approved in the 2019/20 Budget Report. Appendix 2 shows the major projects over the three year period 2019/20 to 2021/22.

Table 17 – Capital Programme 2019/20 (Major Projects)

2018/19 Capital Programme	Budget Report (February 2019)	Revised Budget	Spend to 31 May 2019	Spent to Date (Revised Budget)
	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	11.0	11.1	0.4	4%
Schools - Other (inc. Minor) Capital Works	1.4	5.9	0.1	2%
Highways & Bridges - LBL	3.5	3.5	0.1	3%
Highways & Bridges - TfL	0.0	2.2	0.0	0%
Highways & Bridges - Others	0.0	2.1	0.0	0%
Catford town centre	5.5	5.1	0.1	2%
Asset Management Programme	2.5	2.0	0.3	15%
Smart Working Programme	0.9	2.3	0.8	35%
Beckenham Place Park	2.5	2.4	0.9	38%
Heathside & Lethbridge Regeneration	0.0	0.6	0.0	0%
Excalibur Regeneration	0.0	1.7	0.2	12%
Lewisham Homes – Property Acquisition	6.0	3.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	1.3	3.8	0.1	3%
Achilles St. Development	0.0	7.3	0.0	0%
Ladywell Leisure Centre Development Site	0.0	1.0	0.0	0%
Edward St. Development	9.1	9.1	0.0	0%
Residential Portfolio Acquisition – Hyde Housing Association	0.0	45.7	25.5	56%
Travellers Site Relocation	1.1	1.1	0.0	0%
Fleet Replacement Programme	0.0	7.8	0.0	0%
Other General Fund schemes	2.2	5.6	0.0	0%
TOTAL GENERAL FUND	47.0	123.3	28.5	23%
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	37.3	21.0	0.3	1%
Decent Homes Programme	57.1	51.4	1.8	3%
Other HRA schemes	0.8	1.6	0.1	4%
TOTAL HOUSING REVENUE ACCOUNT	95.2	74.0	2.2	3%
TOTAL CAPITAL PROGRAMME	142.2	197.3	30.7	16%

13.3 The main sources of financing the programme are grants and contributions, and capital receipts from the sale of property assets. Some £5.8m has been received so far this year, comprising £4.1m (net) from Housing Right to buy sales and other capital receipts and £1.7m of grants and contributions.

13.4 The paragraphs below set out further detail regarding the major capital programmes:

13.5 Schools – School Places Programme

Primary place demand has levelled off recently across London and the priority for school place delivery has shifted mainly to Special Educational Need and Disability provision. Four schemes are currently in development and delivery over the next 3 years to 2021. They include:

- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works have commenced in April this year and are due to be completed by summer next year. The project will deliver a new standalone block adjacent to Lewisham Way, improved landscaping within the site and a new entrance and enhanced public realm area to the South of the site.

- Greenvale School, in Whitefoot ward, is Lewisham's community special school for children and young people between the ages of 11 and 19 years who have significant learning difficulties. A new satellite facility to accommodate an additional 93 students will be constructed on the site of the former Brent Knoll building in Perry Vale. The design stage is currently underway, and works are due to commence on site in October this year and complete in time for the start of the autumn term 2020.

- New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and works will take place over the summer holidays this year to ensure there are adequate facilities onsite to provide a full curriculum from September 2020. This will include minor remodelling and refurbishment of the existing building, provision of a new food technology practical room, and improvements to existing landscaping and external play areas.

- Watergate is Lewisham's primary special school for children between the ages of three and eleven years who have severe learning difficulties, located in Bellingham Ward. Approval has been granted to expand the school by 59 places through the construction of a new teaching block on the existing site. The design stage commenced in May this year, with works expected to be completed in early 2021.

13.6 **Schools – Minor Works Capital Programme**

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

13.7 **Highways & Bridges**

The Council continues to invest resources in maintaining its highway assets, most notably through its £3.5m programme of carriageway and footway resurfacing works. The budget for carriageways allows for 60 to 70 roads to be resurfaced each year and, until 2017, the majority of these roads were those in the worst condition and categorised as "Red" – lengths of road in poor overall condition and in need of immediate further engineering assessment with a planned maintenance soon. In 2018 we carried out resurfacing to 67 roads from the Council's programme. As a result of the resurfacing programme, the focus has now moved to works to roads classified with Condition Index of "Amber" – lengths of road which, without a planned early intervention, could result in further severe defects and move the Condition Index to "Red". Early intervention using appropriate design, based on carriageway coring information and other factors like bus routes, high volume of traffic, usage and environment will result in better value for money. There are still over 300 roads classified as Amber that require essential works and

the Council's long-term investment strategy is taking effect as since 2013, the number of annual insurance claims against the Council for carriageway defects has reduced by approximately 50%.

As progress continues on the condition of carriageways, the balance of focus is also moving towards the footways programme where there are still approximately 70 roads categorised as Red. The proposal is to carry out essential footway replacement works in at least 10 roads in 2019/20 and expanding this in future years.

13.8 Catford Town Centre

Architect's Studio Egret West has been appointed to develop a master plan to guide the regeneration of the Town Centre. The plan will be completed in Autumn of 2019 and will form the basis of any future plan for the Town Centre. It will be used as an evidence base for the emerging Local Plan. Work is also continuing with TfL on the agreed proposal to realign the South Circular A205 through the Town Centre and work is expected to start in 2021. Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team's work is expected to continue through the development of the master plan and beyond.

13.9 Asset Management Programme

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

13.10 Smart Working Programme

The Smarter Working programme seeks to consolidate offices and release sites for future redevelopment in Catford town centre, whilst refurbishing the council's main office site, Laurence House, to ensure it is fit for purpose until new council offices can be built. The ground floor has been refurbished to provide a modern, welcoming and better functioning reception for the council. It opened to staff and the public in October 2018. Work has commenced on refurbishing floors 1 to 5, improving and extending toilet provision, delivering new meeting rooms and kitchens, improving the heating and ventilation system, new energy efficient LED lighting, decoration and a layout and furniture which supports and encourages agile working. The programme of work will continue until the autumn of 2019, one floor at a time.

13.11 Beckenham Place Park

The restoration of Beckenham Place Park (to the western side of the railway) will be completed in 2019/20. Listed buildings, now restored, will become alive again with new uses and the long anticipated restored landscape, with its reinstated lake, will be enjoyed by thousands of local people. The Georgian stable block will

become the new park café, and a base for environmental education in the park. The stable yard itself will become an arrival and visitor's hub, with a terrace overlooking the expanded formal gardens. New play facilities will be available in the restored pleasure grounds, and the previously derelict Gardener's cottage will be re-purposed as a hub for volunteer activity in the park, in the midst of the new community garden. Open water swimming will take place in the lake, and visitors will be encouraged to explore the breadth and nature of Lewisham's largest park on new paths and trails.

13.12 Lewisham Homes – Property Acquisition

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

13.13 Achilles Street

Work is underway to deliver a Resident Ballot on the Achilles Street Estate in New Cross to determine if the estate should be redeveloped to provide additional new homes.

13.14 Edward Street

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

13.15 Residential Portfolio Acquisition – Hyde Housing Association

The acquisition of a portfolio currently comprising 120 residential properties from Hyde Housing Association, as per a report to Mayor & Cabinet on 13 March 2019.

13.16 Fleet vehicle replacement

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

13.17 Housing Matters Programmes update

The majority of spend in 2019/20 will relate to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site. Around 27 sites including 376 homes for social rent, are forecast to achieve planning permission by early 2020. 5 schemes delivering 85 homes are currently on site and a further 14 sites delivering 122 homes are forecast to start on site between April and January 2020.

13.18 Decent Homes Programme

Lewisham Homes are responsible for ensuring council owned stock under their management is brought up to and maintained to a decent homes level, covering both internal and external enveloping works. Lewisham Homes are leading on the

delivery of the decent homes programme (under delegated powers) in consultation / agreement with the Council.

14. FINANCIAL IMPLICATIONS

- 14.1 This report concerns the financial forecasts for the 2019/20 financial year. However, there are no direct financial implications in noting these.

15. LEGAL IMPLICATIONS

- 15.1 The Council must act prudently in relation to the stewardship of Council taxpayers' funds. The Council must set and maintain a balanced budget.

16. CRIME AND DISORDER ACT IMPLICATIONS

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

17. EQUALITIES AND ENVIRONMENTAL IMPLICATIONS

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

18. CONCLUSION

- 18.1 The council will continue to apply sound financial controls throughout the duration of the financial year. However, the short and medium term outlook remains difficult and challenging. Strong management and fiscal discipline will be required to enable the council to meet its financial targets for 2019/20 and beyond.

BACKGROUND PAPERS AND APPENDICES

Short Title of Report	Date	Location	Contact
Financial Outturn for 2018/19	26 th June 2019 (M&C)	1 st Floor Laurence House	Selwyn Thompson
2019/20 Budget	27 th February 2019 (Council)	1 st Floor Laurence House	David Austin

For further information on this report, please contact:
Selwyn Thompson, Director of Financial Services on 020 8314 6932

APPENDICES

Appendix 1 – Revised 2019/20 Capital Programme (Approved to Latest Budget)

	Total	Total
	£'000	£'000
APPROVED CAPITAL PROGRAMME BUDGET		
Full Council – 27 February 2019		142,158
Underspends carried-forward from 2018/19		6,876
New Schemes		
Residential Portfolio Acquisition – Hyde Housing Assoc	45,700	
Schools Minor Works Programme 19/20	3,249	
Fleet Vehicle Replacement Programme 19/20	7,798	
LIP Programme 19/20	2,196	
Ladywell Leisure Centre Development Site	1,000	
Chelwood Nursery Expansion 2019	290	
Brookmill Road Nature Reserve Environment Improvements	60	
19 Yeoman St. – Improvement works	52	
Foster Memorial Park Improvements	46	
Brockley Rise Centre – Lift Modernisation Project	130	60,521
Approved variations on existing schemes		
Disabled Facilities Grant	639	
Achilles St. Development	7,250	
Asset Management Programme	500	
Better Office Space	246	
Watson Street Streetscape Improvements	130	
School Places Programme	95	8,860
<u>Re- Phasing Budgets (Housing Revenue Account)</u>		
Housing Matters Programme	(16,240)	
Decent Homes Programme	(5,677)	
Other Schemes	801	(21,116)
Revised Capital Programme Budget 2019/20		197,299

Appendix 2 – Major Programmes over £2m (2019/20 to 2020/23)

Major Projects over £2m	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m
GENERAL FUND				
Schools - School Places Programme	11.1	8.0	1.2	20.3
Schools – Minor Works Capital Programme	3.9			3.9
Schools - Other Capital Works	2.0			2.0
Highways & Bridges - TfL	2.2			2.2
Highways & Bridges - LBL	3.5	3.5	3.5	10.5
Catford town centre	5.1	0.8	1.1	7.0
Asset Management Programme	2.0	2.4	2.5	6.9
Smart Working Programme	2.3			2.3
Beckenham Place Park	2.4	0.6	0.4	3.4
Lewisham Homes – Property Acquisition	3.0			3.0
Residential Portfolio Acquisition – Hyde Housing Assoc.	45.7			45.7
Disabled Facilities Grant	2.1	0.7		2.8
Private Sector Grants and Loans	1.7	0.6	0.6	2.9
Edward St. Development	9.1			9.1
Fleet Replacement Programme	7.8	0.8	0.8	9.4
Other Schemes	19.4	0.3	0.8	20.4
	123.3	17.7	10.9	151.8
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	21.0	46.0	86.1	153.1
Decent Homes Programme	51.4	37.2	30.6	119.2
Other Schemes	1.6	0.9	0.9	3.4
	74.0	84.1	117.6	275.7
TOTAL PROGRAMME	197.3	101.8	128.5	427.5