

MAYOR & CABINET

Financial Monitoring Report 2020/21 – Period 5 (August 2020)

Date: 11th November 2020

Key decision: No.

Class: Part 1

Ward(s) affected: N/A

Contributors: Executive Director for Corporate Resources

Outline and recommendations

This report sets out the financial forecasts for 2020/21 as at 31 August 2020, updated for any exceptional items to the end of October 2020.

The report covers the position on the Council's General Fund, DSG, HRA, Collection Fund and Capital programme and provides an update on the work being done to assess and monitor the financial implications of the Covid-19 response.

The key headline for members to note is that there is a forecast overspend of £6.7m against the directorates' net general fund revenue budget, after the application of £35.3m of additional government funding. The period 5 forecasts does not include potential coronavirus second wave costs or the likely costs of further national lockdown. The full extent of these costs will be difficult to estimate; much is dependent on the impact of Covid-19 on our economy, the increased level of support provided to our residents and our communities.

Work is ongoing to reduce the £10.4m non Covid-19 expenditure and additional expenditure controls have now been introduced that require sign-off of all purchase orders by Directors for expenditure up to £5k and Executive Directors for expenditure over £5k in the expectation that the additional scrutiny may reduce non essential expenditure. Staffing controls are also in place to ensure that any recruitment is essential to the provision of services.

Further to recommendations on the budget stabilisation report presented to Mayor & Cabinet, the position reported includes additional in-year cuts of £5.4m that officers are delivering on.

The Mayor and Cabinet are asked to note the current financial forecasts for the year ending 31 March 2021.

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecasts for 2020/21 as at 31 August 2020, noting any exceptional items to the end of October 2020. The key areas to note are as follows:
- i. There is a forecast overspend of £6.7m against the directorates' net general fund revenue budget, after the application of additional government funding to support the local authority's response to the Covid-19 pandemic.
 - ii. The Dedicated Schools Grant (DSG) is currently projected to overspend by between £2.6m and £4m at the end of the financial year. There are five schools with loans totalling £1.4m. This is set out in more detail in section 12 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 13 of this report.
 - iv. As at 31 August 2020, some 41.3% of council tax due and 52.2% of business rates due had been collected. At this point last year, 42.5% of council tax due and 54.4% of business rates due had been collected
 - v. The Capital Programme spend as at 31 August 2020 is £27.3m, which is 17% of the 2020/21 of the proposed revised capital budget of £163.6m. At this point last year, 25% of the revised budget had been spent, with the final outturn being 72% (£121.2m) of the revised budget of £169.1m. This has been set out in more detail in section 15 of this report.

2. PURPOSE

- 2.1 The purpose of this report is set out the financial forecasts for 2020/21 as at the end of August 2020, noting any exceptional items to the end of October 2020 and projected to the year end, 31 March 2021.

3. RECOMMENDATIONS

- 3.1 The Mayor & Cabinet is asked to:
- 3.3.1 Note the current financial forecasts for the year ending 31 March 2021 and request Executive Directors to complete detailed action plans to manage down budget pressures within their directorates;
 - 3.3.2 Note the proposed revision of the capital programme budget, as set out in section 14 of this report, with further detail attached at appendices 3 and 4.

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 All local authorities are under significant financial strain following the outbreak of the coronavirus with business rates, council tax and income levels from fees and charges all falling significantly. Maintaining Council income was always important to ensure these critical services can continue, but the cost of coronavirus in Lewisham is estimated to be

£60m this year and with the onset of the second wave coronavirus, these costs are expected to rise further. Without substantial extra funding from government then it will be extremely difficult for local authorities to balance their budgets whilst adequately maintaining essential services.

4.3 The level of support received from government to date has not been sufficient and additional funding is urgently needed. It will be essential that government recognises that local authorities are at the heart of the pandemic recovery and appropriate financial support is vital to all of those across the borough who rely on council services at this time.

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

4.4.1 Corporate Priorities

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

4.5 Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In delivering our duties, we are guided by the Council's four core values:

- We put service to the public first
- We respect all people and all communities
- We invest in employees
- We are open, honest, and fair in all we do.

5. FINANCIAL CONTEXT AND DIRECTORATE FORECAST OUTTURN

Council-wide Financial Position

5.1 The forecasts against the directorates' general fund revenue budgets are shown in Table 1. In summary, a forecast year-end gross overspend of £40.6m is being reported as at the end of August 2020 (before the application of cash reductions and Covid-19 funding), where £30.2m is considered Covid-19 related and the balance of £10.4m are classified as service directorate pressures.

- 5.2 The overspend is offset by in-year cash reductions identified by Directorates totalling £5.4m and additional government funding to provide financial support to councils to undertake additional activities in recognition of the unplanned costs which have been incurred in responding to Covid-19. The amount received by Lewisham to date, or due for imminent arrival for such purposes, totals £35.3m.
- 5.3 Once applied to the gross spend projections, this has the effect of reducing the overall pressure for these services down to £6.7m split between a covid related underspend of £3.7m and a non Covid-19 overspend of £10.4m. The position on covid related expenditure is due to additional grant of £8.2m being recently notified in October 2020. However, it is important to note that although not entirely captured in this report, the full extent of the Council's costs as a result of the coronavirus pandemic, including the losses on sales, fees and charges, losses on collection fund income and the potential second wave costs, go way beyond the existing resources provided by government to date. In addition to the COVID related service pressures and loss of income, the Council is also forecasting losses on its collection fund of over £20m.

Table 1 – Overall Directorate Position for 2020/21

| Directorate | Gross budgeted spend 2020/21 | Gross budgeted income 2020/21 | Net budget 2020/21 | Forecast Outturn 2020/21 As at end of August 2020 | Forecast Variance Over/ (Under) Spend August 2020 | Covid-19 Related Variance August 2020 | Non Covid-19 Service Variance August 2020 | Non Covid-19 Service Variance July 2020 | Non Covid-19 Service Variance June 2020 |
|--|------------------------------|-------------------------------|--------------------|---|---|---------------------------------------|---|---|---|
| | 1 | 2 | 3 (1+2) | 4 | 5 (4-3) | 6 | 7 (5-6) | 8 | 9 |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Children & Young People (1) | 223.8 | (163.5) | 60.3 | 76.0 | 15.7 | 5.7 | 10.0 | 12.4 | 12.3 |
| Community Services | 181.0 | (92.3) | 88.7 | 98.7 | 10.0 | 12.2 | (2.2) | 1.3 | 0.8 |
| Housing, Regeneration and Public Realm | 73.5 | (50.3) | 23.2 | 33.8 | 10.6 | 9.5 | 1.1 | 2.9 | 3.5 |
| Corporate Resources (2) | 53.1 | (18.2) | 34.9 | 38.8 | 3.9 | 2.5 | 1.4 | (0.3) | 0.6 |
| Chief Executive | 13.0 | (0.9) | 12.1 | 12.5 | 0.4 | 0.3 | 0.1 | 0.0 | 0.0 |
| Directorate Totals | 544.4 | (325.2) | 219.2 | 259.9 | 40.6 | 30.2 | 10.4 | 16.3 | 17.2 |
| Covid Grant Funding | N/A | N/A | N/A | N/A | (35.3) | (35.3) | 0.0 | 0.0 | 0.0 |
| Corporate Items | 29.4 | (0.0) | 29.4 | 29.4 | 1.4 | 1.4 | 0.0 | 0.0 | 0.0 |
| Net Revenue Budget | 573.8 | (325.2) | 248.6 | 289.3 | 6.7 | (3.7) | 10.4 | 16.3 | 17.2 |

(1) – gross figures exclude £180m Dedicated Schools' Grant expenditure and matching grant income

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

6. CHILDREN AND YOUNG PEOPLE DIRECTORATE

- 6.1 As at the end of August 2020, there is a projected overspend of £15.7m for the Children and Young People (CYP) Directorate. This represents a £0.6m increase compared to the figure reported at the end of July 2020. The overall figure reported to the end June, which was the last public report, was £22.5m. Of the projected overspend to the end of August, £5.7m relates specifically to pressures arising from Covid-19 activity, an increase from the July 2020 reported figure of £5.1m. This reflects an assumption that additional payments to carers such as foster carers will continue to the end of the financial year. This therefore leaves non Covid-19 related service directorate budget pressures of £10m for the year, no movement from the July position .
- 6.2 An outline of the budget recovery plan was set out in the first quarter report in July. Progress is being made on the £1.7m recovery plan devised by the directorate and an agreement to fund a previously reported overspend in the Access to Records Service from corporate funds. It should also be noted that the service budget has increased by £2.9m as a result of the Council restructure moving Estates Compliance and the Youth Offending Service (YOS) into the directorate. Budgets for YOS are projected to underspend by £0.3m. This is included in the projection above.

- 6.3 The figure above is anticipated to be the worst case scenario and officers from the directorate continue to work with officers from the financial services division on a financial recovery plan which seeks to reduce the projected overspend. The main overspend relates to Children's Social Care (CSC) and will continue to be closely monitored.
- 6.4 Members are asked to note that the service has progressed the following actions with a view to reducing costs:
- Strengthening processes to track the costs associated with the placement of children
 - Ensuring that partner contributions for such placements are obtained
 - The recently established high cost placements review board chaired by the Executive Director to ensure that high cost placements are kept to a minimum
 - Monthly review meetings to monitor directorate spend with a focus on budget areas where spend is high
 - Reviewing and reducing the number of interim and agency staff employed within the directorate
 - Introducing directorate specific recruitment controls
 - Reviewing all external contracts
- 6.5 The CSC service continues to be a volatile and high risk area with potential risks arising from Covid-19 and Brexit. The Covid projections has identified some level of risk relating to this area.
- 6.6 The overall position for the directorate has been set out in the table below.

Table 2 – Children & Young People Directorate

| Service Area | Gross budgeted Spend 2020/21 | Gross budgeted income 2020/21 – including grants* | Net budget 2020/21 | Forecast Outturn 2020/21 As at end of August 2020 | Forecast Variance Over/ (Under) Spend August 2020 | Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance July 2020 |
|--|------------------------------|---|--------------------|---|---|---------------------------------------|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Children's Social Care (1) | 53.1 | (12.0) | 41.1 | 54.8 | 13.7 | 3.7 | 10.0 | 10.0 |
| No Recourse to Public Funds | 2.9 | 0.0 | 2.9 | 2.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Education Services (1) (2) (3) | 154.6 | (143.9) | 10.7 | 14.6 | 3.9 | 2.0 | 1.9 | 1.9 |
| Joint Commissioning / Early Help (1) (4) (5) | 13.2 | (6.3) | 6.9 | 6.7 | (0.2) | 0.0 | (0.2) | (0.2) |
| Schools | 0.0 | (1.3) | (1.3) | (1.3) | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 223.8 | (163.5) | 60.3 | 77.7 | 17.4 | 5.7 | 11.7 | 11.7 |
| Management Action – Recovery plan | | | | (1.7) | (1.7) | 0 | (1.7) | (1.7) |
| Revised total | | | | 76.1 | 15.7 | 5.7 | 10.0 | 10.0 |

* (1) includes £9.8m of once-off funding for 2020/21 to be reviewed in 2021/22 (CSC £8.2m, ES £0.7m, EHJC £0.9m)

* (2) Includes £82m centrally managed DSG expenditure and income.

* (3) Includes transfer of Estates Compliance (£0.8m) from Housing, Regeneration & Public Realm.

* (4) Includes transfer of Youth Offending Services (£2.1m) from Community Services.

* (5) the actual shows a £250k underspend arising from the transfer of YOS service.

Cost of Covid-19

- 6.6 The estimated financial impact of the Covid-19 pandemic on base budgets for expenditure and income in Children and Young People directorate is £5.7m and as summarised in the table below.

Table 3 – Covid-19 Pressures for the CYP Directorate

| Service | Area | Total Cost August 2020 £m | Total Cost July 2020 £m |
|------------------------|--|------------------------------------|----------------------------------|
| Children's Social Care | Workforce | 0.4 | 0.4 |
| | Residential | 0.8 | 0.6 |
| | Care leavers | 0.2 | 0.2 |
| | Other | 0.9 | 0.6 |
| Education Services | SENS | 0.5 | 0.5 |
| | Home to School Transport | 1.0 | 1.0 |
| | School meals contract and Supporting Low income families with food hampers | 0.5 | 0.4 |
| Schools | Loss of income in schools | 0.0 | 0.0 |
| Children's Social Care | Unachieved savings | 1.4 | 1.4 |
| Total | | 5.7 | 5.1 |

6.7 The position for Covid-19, has now been revised upwards to £5.7m. This is to reflect the potential of making additional payment to carers, such as foster carers for the full financial year.

6.8 With regards to the estimated position, there are various assumptions around the post Covid-19 impact on CSC and assumes a 5% increase on the budget. It also assumes that the savings position will be compromised. As stated above, CSC is continuing to review processes, so therefore, this is being indicated as a potential risk. There is a continued concern that the post Covid-19 trauma of circumstances such as domestic abuse, mental illness, breakdown in families will result in higher demand for services.

6.9 Furthermore, there is also the potential impact on Special Educational Needs (SEN), especially around social distancing of £800k and travel permit transport of £200k. The Department for Education (DfE) and Transport for London (TfL) are continuing to provide assurance that there will be no impact on local authorities as a result of the withdrawal of the Under-18 travel permit. However, some clarity of guidance is still being sought on the position relating to pupils attending further education provision. For this reason a £200k estimate has been noted as a risk.

Children's Social Care

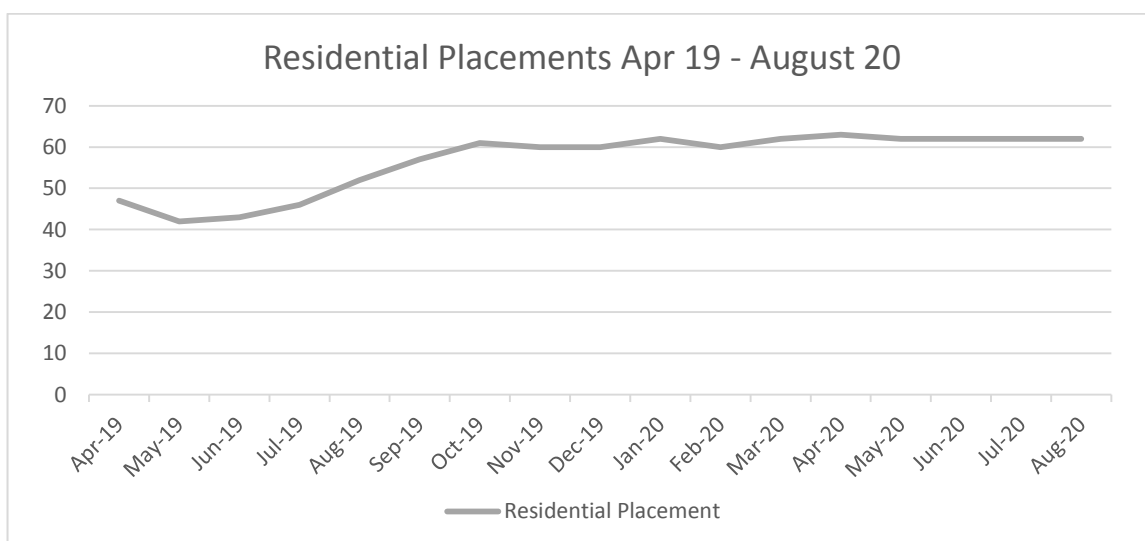
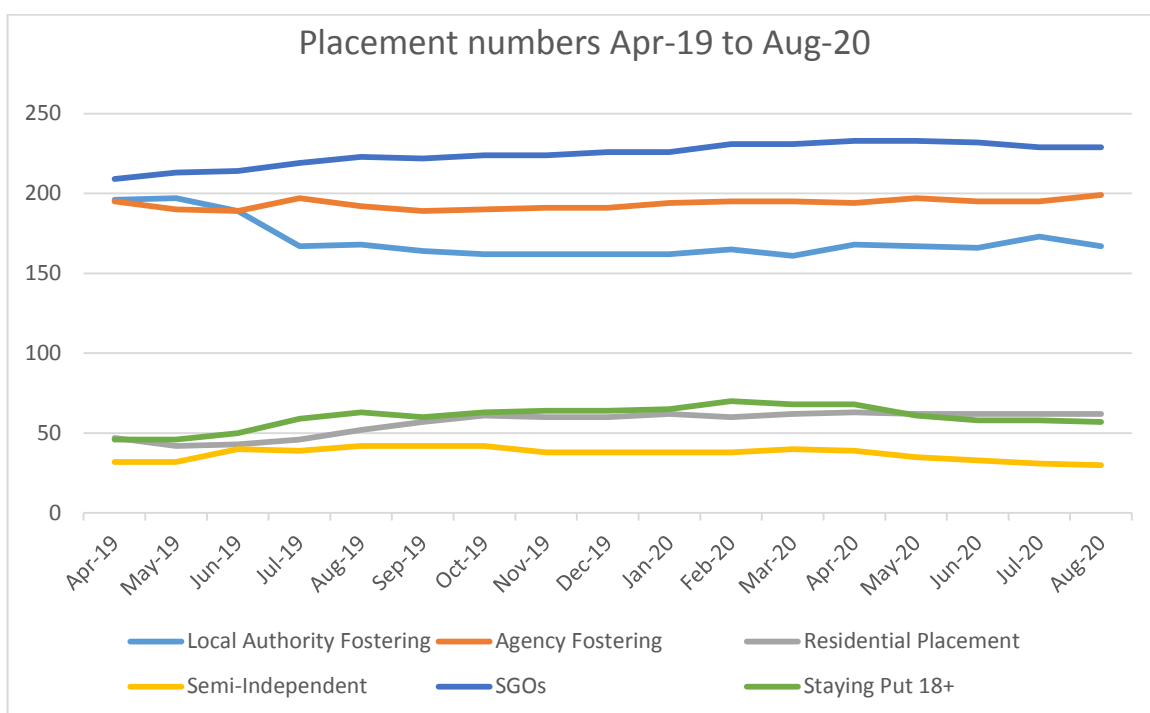
6.10 As at the end of August 2020, the *Children Social Care* division continues to report a budget pressures of £10m. The overspend is expected in the *placement* budgets which overspent by £4m in 2019/20. Further details are given in the following paragraphs. Other services are expected to finish the year within budget as a result of an allocation from corporate resources of £1.2m being allocated to cover historic pressures in legal fees, Section 17 costs and other care services. This excludes any additional costs relating to Covid-19 mentioned above. As identified in paragraphs above, the directorate is undertaking various actions to reduce this overspending position.

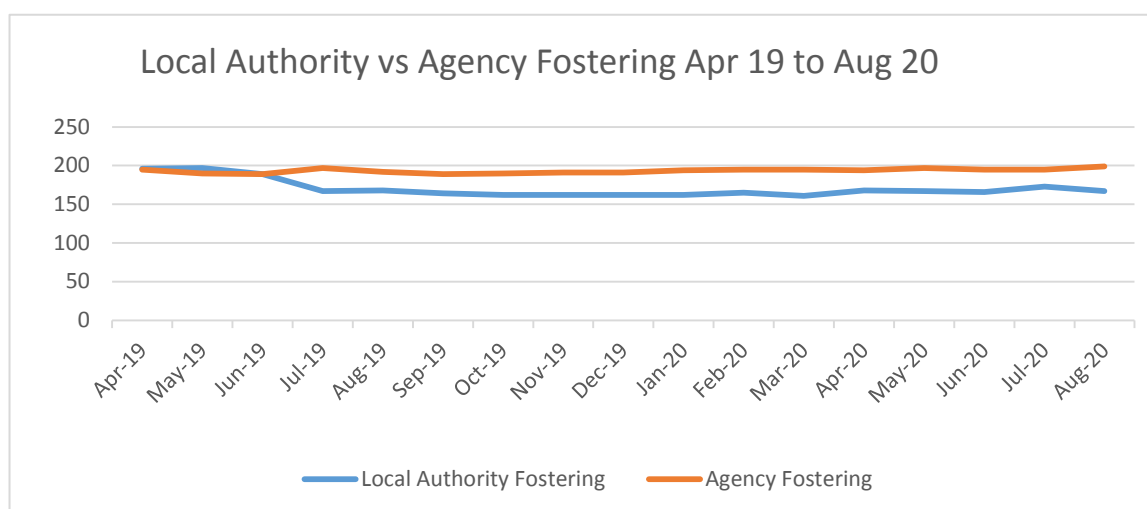
6.11 The CSC *staffing* review conducted through the first half of 2019 is currently being implemented. The budget for the new structure has been costed at £18m and the service is expecting to operate within budget, with a reduced reliance on agency staff, again subject to the constraint of Covid-19.

6.12 The *Placements* budget is £28.5m, having been reduced by £1.4m in 2020/21. The outturn in 2019/20 was £33.8m. Based on the current number of placements, the trend in the last quarter of last year and the average costs per case, calculated using actual costs, the spend for the year is expected to be in the region of £38.5m. This takes into account projected inflationary increases, but not additional costs related to Covid-19. This represents an overall overspend of £10m against the current budget. However, as stated above, the recovery plan will seek to reduce this financial pressure.

- 6.13 The graphical presentation below shows the number of Children Looked After and those Leaving Care at 18 plus for the period from April 2019 to August 2020. The total number of children has increased from 725 to 744 over this period. Whilst the total number of Children Looked After, i.e, those in residential, foster and semi-independent placements has dropped overall from 470 to 458, there has been a significant increase in the residential placements category which has increased from 47 to 62 children. Furthermore, for leaving care 18+ service, this has increased on average from 46 to 57 over the same period. Special Guardianship Orders have also increased during that period from 209 to 229.
- 6.14 The numbers for each category from April 2019 to August 2020 period has been attached at Appendix 2.

Charts for Children Looked After





No Recourse to Public Funds

- 6.15 The *No Recourse to Public Funds* budget is expected to remain within budget despite a small increase in numbers towards the end of the last financial year. The budget has been reduced by £1m in 2020/21. It is possible that if the numbers remain constant, then the budget may underspend. However, until there is a clearer trend on demand, it remains too early in the year to project anything other than a balanced budget.

Education Services

- 6.16 As at the end of August 2020, the Education Services division is projected to overspend by £2.2m. With regards to the position for July, the main cost pressure within the Education Services division relates to Special Educational Needs (SEN) transport with a projected overspend of £1.9m, and this is before taking into account additional costs as a result of Covid-19. The overspend is consistent with the position for the previous three financial years for this 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.

Joint Commissioning and Early Help

- 6.17 As at the end of August 2020, the *Joint Commissioning and Early Help* service is reporting budget pressure of £0.2m, no movement from the figure reported in July, but a reduction of £0.3m from the figure reported to the end of June.
- 6.18 The early help offer for families is funded mainly by the Troubled Families (TF) grant. Although the Council's TF claims are at the level expected by MHCLG, the service is again overspent by £1.1m. Some £0.9m was a legacy from the 2015/16 savings process, however corporate resources have been used to rectify this. This leaves a projected overspend of £0.2m. This is offset in the current financial year by an underspend in the Children's Centres budget of £0.2m.
- 6.19 A budget shortfall of £0.1m is expected relating to the provision of youth services. This is a £0.4m reduction in the projection reported in June resulting from negotiating terms for a further extension the Youth Service contract approved by Mayor & Cabinet at the end of June.

Progress on Savings for 2020/21

- 6.20 The progress on revenue budget savings and agreed cash reductions are set out in Appendix 1.

7. COMMUNITY SERVICES DIRECTORATE

- 7.1 As at the end of August 2020, there is a projected overspend of £10m for the Community Services Directorate. This is after once-off in-year measures of £2.3m. The overall position is an increase of £0.6m from the projected overspend of £9.4m reported to the end of July 2020 for the same services. It should be noted however that the August projection includes an overspend on bereavement services which formed part of the HRPR Directorate the previous month. Of the variance reported, £12.2m relates specifically to previously unanticipated Covid-19 budget pressures (£9.9m reported to the end of July). This therefore leaves a non Covid-19 related service directorate budget underspend of £2.1m for the year. For these specific service directorate variances, this represents an increase of £1.0m from the £1.3m overspend projected as at the end of June 2020. The projections include in-year cash reductions totalling £2.3m are set out in the table below.

Table 4 – Community Services Directorate

| Service Area | Gross budgeted Spend 2020/21 | Gross budgeted income 2020/21 | Net budget 2020/21 | Forecast Outturn 2020/21 As at end of August 2020 | Forecast Variance Over/ (Under) Spend August 2020 | Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance July 2020 |
|---------------------------------------|------------------------------|-------------------------------|--------------------|---|---|---------------------------------------|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Adult Social Care | 121.5 | (55.4) | 66.1 | 70.8 | 4.7 | 4.6 | 0.2 | 1.8 |
| Integrated Commissioning | 16.2 | (7.7) | 8.5 | 8.1 | (0.4) | 0.2 | (0.6) | (0.4) |
| Public Health | 16.2 | (16.5) | (0.3) | 1.3 | 1.7 | 2.5 | (0.9) | 0.4 |
| Communities, Partnerships and Leisure | 17.2 | (7.9) | 9.3 | 13.9 | 4.6 | 4.6 | 0.0 | 0.8 |
| Culture, Learning and Libraries | 8.8 | (4.8) | 4.0 | 3.9 | (0.1) | 0.3 | (0.4) | (0.1) |
| Strategy | 1.2 | 0 | 1.1 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reserves | 0.0 | 0 | 0.0 | (0.7) | (0.7) | 0.0 | (0.7) | (0.7) |
| Sub-total | 181.0 | (92.3) | 88.7 | 98.7 | 10.0 | 12.3 | 2.2 | 1.9 |
| Management action | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (2.1) |
| Total | 181.0 | (92.3) | 88.7 | 98.7 | 10.0 | 12.2 | (2.2) | (0.2) |

- 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.

Cost of Covid-19

- 7.3 The estimated financial impact of Covid-19 on base budgets for expenditure and income in Community Services is £12.2m. These pressures are included in projections below. These, and similar pressures in other directorates, will be alleviated by the Covid grant that the Council has received and from other specific grants. This is summarised as follows:

Table 5 – Covid-19 Pressures for the Community Services Directorate

| Service | Area | Total Cost August 2020 £m | Total Cost July 2020 £m |
|-------------------------------------|--|---------------------------------|-------------------------------|
| Adult Social Care | PPE and Infection Control | 2.2 | 2.2 |
| | Market Support | 1.4 | 1.9 |
| | Unachieved Savings | 2.5 | 2.5 |
| | Other | 0.5 | 0.6 |
| | Recharge to health for hospital discharges (net) | (2.1) | (2.1) |
| Integrated Commissioning | Prevention and Inclusion | 0.2 | 0.1 |
| Public Health | Test and Trace | 2.2 | 2.2 |
| | Volume pressure on contracts | 0.3 | 0.3 |
| | Other | 0.1 | 0.1 |
| Communities, Partnerships & Leisure | Community Hub | 0.5 | 0.6 |
| | Leisure – additional payments | 1.8 | 0.6 |
| | Leisure income | 0.1 | 0.1 |
| | Licensing income | 0.1 | 0.1 |
| | Green Scene income | 0.4 | 0.4 |
| | Bereavment | 1.6 | - |
| | Other | 0.1 | 0.1 |
| Culture, Learning & Libraries | ALL | 0.2 | 0.2 |
| | Other income | 0.1 | 0.1 |
| | | | |
| Total | | 12.2 | 9.9 |

7.4 The Council has been allocated £1.6m from the Infection Control Fund. In accordance with the fund's conditions 75% has been allocated to residential and nursing homes in the borough (£1 per bed); the remaining 25% has been allocated to other care services – supported accommodation, extracare and home care. The expenditure is included in the Adult Social Care figures below. An additional £1.4m of Infection Control Fund grant is expected, but not yet reflected in the figures shown.

7.5 The Council has also been allocated £2.2m for Test and Trace. This is included in the Public Health figures shown below.

7.6 Some £1.3bn has been awarded to Clinical Commissioning Groups (CCGs) nationally to fund the costs of hospital discharges since 19th March 2020. This projected income is included in the adult social care projections below as is the matching additional expenditure.

Adult Social Care Services

7.7 As at the end of August 2020, the *Adult Social Care Services* is reporting budget pressures of £4.7m, including Covid-19 related costs of £4.6m. This compares to the projected overspend of £4.6m reported to the end of July 2020.

7.8 The residual overspend is largely due to the cost of transition cases and delay in implementing the main IT systems used by the service. The main areas of Covid-related spend are: supporting the market, PPE & infection control and delay in achievement of savings.

7.9 Covid-19 has had a complex impact on activity and costs in adult social care. In March and April, there was an unusually high number of deaths of older service users, particularly in residential settings. In late March however, hospital discharge activity increased as hospitals prepared for an increase in Covid-19 cases. Discharges were largely to nursing

homes, but overall both nursing and residential numbers are down. New admissions have also dropped probably reflecting a reluctance of service users and their families to move into a residential settings in the current climate. As occupancy has fallen and costs have increased (need for staff cover, PPE etc.,) care providers have required financial support and the Council has increased its weekly rates on a short term basis in response.

- 7.10 Non-residential payments have varied less, but again the detail is complex. The Council has not increased hourly rates for the three lead providers of home care rates, but have continued to pay based on pre-Covid activity despite the fact that the number of hours delivered has dropped. This reduction in hours is attributable to a combination of death, less hospital discharge activity recently and the fact that some services are not required currently as families are able to provide more of the care. The Council has also continued to pay day care providers at pre-Covid rates, despite the fact building based care has not been possible (although some providers have been able to maintain an outreach service).
- 7.11 In addition to this impact on demand, Covid-19 has also changed the way social care activity has been carried out.
- 7.12 To date only part of the planned 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. However, there have been two obstacles to delivery: (a) the impact of Covid-19 (diversion of social work activity to dealing with hospital discharges and difficulty of carrying out face to face reviews with current social distancing rules) (b) delays in full implementation of the planned re-organisation of the social work function and (c) delays in carrying out improvements to the main systems used by adult social care staff (LAS and Controcc). An updated position of the progress of delivering the revenue savings has been set out in appendix 1 and 2.
- 7.13 Projections are still only indicative at this stage of the year. Overall numbers and costs of residential and nursing placements dropped significantly in April and May but have since increased, if not to pre-Covid levels. Costs of new or increased packages for patients who have been discharged from hospital are currently recharged to the CCG. These arrangements ended on 31st August. From 1st September 2020, costs will continue to be charged to the CCG until service users are formally assessed with NHS colleagues, this will be before the end of the financial year. The claim for the full year for this group of users is £4.6m.
- 7.14 It is likely that service user numbers will continue to increase as the incidence of Covid-19 recedes, but it is not certain this will happen for different services. Although the demand for residential and nursing placements has reduced overall, demand to clear hospital beds to address the second wave is underway. It can also not be said with any certainty at this point how quickly it will be possible to establish the new ways of working on which many of the planned savings depend.
- 7.15 Projections include management action totalling £1.6m.

Integrated Commissioning

- 7.16 The Integrated Commissioning division is expected to underspend by £0.4m; this position includes Covid-19 pressures of £0.2m, and is a £0.2m improvement on the position at the end of July.
- 7.17 The Prevention and Inclusion budget is expected to underspend by £35k on staffing budgets. The Supporting People budget is projected to underspend by £50k - this is primarily contract savings. The Drug and Alcohol budget is now expected to underspend by £200k - £21k contract savings, £25k on campaigns and £154k across detoxification and rehabilitation budgets which has meant treatment delays resulting from the impact of Covid-

19 on service providers. These underspends are offset by Covid-19 related costs of £180k which are mostly temporary increases in contact costs to providers.

Public Health

- 7.18 The *Public Health* division is projected to overspend by £1.7m as at end August (compared to £2.6m at July). This overspend includes spend against the £2.2m for track and trace will be offset in full by the grant received from central government for these purposes. The balance of the overspend is due to Covid-19, some £140k and £126k for costs associated with uncapping of sexual health e-services and the establishment of an online contraception offer to mitigate against the reduction in face-to-face sexual health clinic services during the pandemic, respectively; and a further £40k for the joint Lewisham and Birmingham work to address health inequalities in Black African and Black Caribbean communities.
- 7.19 An underspend of £0.9m is now expected on sexual health services. This reflects reduced activity and lower payments to out of borough clinics. The Public Health Grant released by this underspend will be used to fund eligible activity elsewhere in the Council.

Communities, Leisure and Partnerships

- 7.20 The *Communities, Leisure and Partnerships* service is currently projecting an overspend of £4.6m, which is entirely Covid-19 costs. This compares to a projected overspend of £3.1m reported to the end of July 2020. The new figure now includes the Bereavement Services following the transfer from HRPR. In total, the movement of services into this division has increased the overspend position by £2.8m.
- 7.21 The Leisure Management budget is expected to overspend by £2.1m. This includes estimated additional costs of £1.4m to reflect new contractual arrangements.
- 7.22 All leisure centres were closed for the first four months although Downham has now reopened. Emergency contract payments have been made to Fusion Lifestyles and 1-Life from the Covid-19 cost centre in Community Services (estimated cost £420k). In addition, there is a projected income shortfall of £105k on the Leisure Management Contract with Fusion Lifestyles and also a £50k pressure on the Downham PFI budget resulting from the annual inflationary increase on the unitary charge contract with Linteam which was not covered from non-pay inflation this year as part of the budget process.
- 7.23 The community sector grants programme is showing no variance. The new three-year programme came into effect on 1 August 2019 meaning that the full saving of £600k agreed as part of the 2019/20 budget process will be fully achieved for the 2020/21 financial year.
- 7.24 There is a projected overspend of £40k on the community centres budget which is resulting from the loss of regular room hire income as a result of Covid-19.
- 7.25 The estimated cost of the community hub set up to help residents of the borough who are shielding from Covid-19 is £0.5m.
- 7.26 The Community Safety budget is projected to underspend by £20k – underspends on staffing and operational budgets of £80k under the core Crime, Enforcement and Regulation budget are offset by a potential shortfall of £60k on Licensing income (primarily Gambling Act and Licensing Act) as a result of Covid-19. An overspend of £23k is expected on the CCTV budget for the Management and Operation of the CCTV control room – the phasing of the contract payments over the 5 year life of the new contract which started in February 2020 has created a pressure in the first year of operation.
- 7.27 The projected overspend for *Green Scene* services is £500k, of which £400k (primarily for pest control and parks income), relates to Covid-19. For services such as Parks, including Beckenham Place Park (BPP), events and associated income have been suspended whilst

on-going costs remain. The open water swimming has been shut temporarily and even after Covid-19 and its associated lockdown are lifted, it could be a while for this to pick up. Parks represent some £340k of this pressure, whilst the other two service areas account for the remaining £60k. There is a £100k pressure for Arboreal Services which is not deemed to be Covid-19 related. There are health and safety works required on old and damaged trees across the borough. This work is essential to mitigate the risks to the general public. The service will aim to contain this pressure within existing budgets. This will be monitored as the year progresses. The reported overpend will reduce in future months when budgets totalling £200k for Beckenham Place Park are transferred from HRPR

7.28 There is forecast overspend of £1.78m on Bereavement Services, of which £1.62m is Covid-19 related. This is an unchanged position from that reported at the end of July and includes the impact of management action of £40k. Due to the nature of the service, it is extremely difficult to forecast income. An in-year income increase measure of £140k was introduced in order to bring down the service overspend. Covid-19 costs of £1.62m have been forecast for the year. The majority of these costs are as a result of Lewisham's £1.266m contribution to the London Borough wide mortality management scheme spend incurred under the pandemic plan for London. Other costs include the cost of extra security, PPE, cleaning, and £30k for additional agency worker recruited to cover staff unable to work due to the virus.

7.29 There will be a staffing underspend of £20k on the budget for Community Development Management.

Culture, Learning and Libraries

7.30 The *Culture, Learning and Libraries* division is currently projecting no overall variance, this includes Covid-19 costs of £0.3m.

7.31 The Libraries budget is projected to underspend by £65k. There are projected staffing underspends of £125k due to vacant posts and associated recruitment drag during the library closures resulting from Covid-19. This is offset by an income shortfall on fees and charges income of £60k of which approximately 50% is linked to the closure of the libraries building during the pandemic.

7.32 The Broadway Theatre is expected to be closed for the whole 2020/21 financial year partly as a result of Covid-19 and partly to facilitate essential works. During this time, there will be ongoing staff costs which will not be able to be recovered from income and a budget pressure of £50k is projected. It has now been agreed that the annual Blackheath Firework event will not go ahead in November and this forms part of the management action described below. Although Peoples' Day did not go ahead in 2020, the funding of £35k has been earmarked against the Arts Service for the 'virtual culture' offer agreed by the Executive Management Team and so no variance is currently projected.

7.33 The Adult Learning budget is reliant of £500k of student fee income generated from the courses run by the service. As a result of the course closures brought about by Covid-19, the service has lost first term income of approximately £160k and with the future social distancing policies in place limiting class sizes will only be able to operate at a two thirds capacity for the two remaining terms. This is expected to result in a further loss of income of at least a £120k. Against this, there will now be potential costs savings of £80k on tutor sickness cover, tutor training and on course materials and resources. This will still leave a net budget pressure of £200k.

7.34 Projections include management action totalling £0.05m described below.

Strategy and Performance

7.35 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.

Trends in activity

7.36 The following tables illustrate some trends in activity for adult social care.

Table 6 – Number of 18+ Clients in service:

| Adults 18+ in each type of care (numbers) | | | | |
|---|--------|---------|---------|--------|
| | May-20 | June-20 | July-20 | Aug-20 |
| Residential | 421 | 422 | 426 | 426 |
| Nursing | 269 | 271 | 274 | 279 |
| Non-Residential | 2,142 | 2,154 | 2,160 | 2,171 |
| Total | 2,832 | 2,847 | 2,860 | 2,876 |

Table 7 – Average Weekly Cost of 18+ Clients in service:

| Adults 18+ in each type of care (average cost) | | | | |
|--|--------|---------|---------|--------|
| | May-20 | June-20 | July-20 | Aug-20 |
| Residential | £1,170 | £1,172 | £1,167 | £1,172 |
| Nursing | £849 | £852 | £875 | £876 |
| Non-Residential | £403 | £402 | £404 | £402 |
| Average Gross v. Numbers | £559 | £559 | £563 | £562 |

Table 8 – Weekly Gross Cost of 18+ Clients in service:

| Adults 18+ in each type of care (gross cost) | | | | |
|--|-------------|-------------|------------|------------|
| | May-20 | June-20 | July-20 | Aug-20 |
| Residential | £ 492,456 | £ 494,676 | £ 497,150 | £ 499,122 |
| Nursing | £ 228,502 | £ 230,827 | £ 239,647 | £ 244,297 |
| Non-Residential | £ 862,877 | £ 864,917 | £ 871,970 | £ 873,318 |
| Total | £ 1,583,835 | £ 1,590,420 | £1,608,768 | £1,616,736 |

Progress on Savings for 2020/21

7.37 The progress on revenue budget savings and agreed cash reductions are set out in Appendix 1.

8. HOUSING, REGENERATION AND PUBLIC REALM

8.1 As at the end of August 2020, there is a projected overspend of £10.6m. This comes after allowing once-off in year measures of £876k for the Housing, Regeneration and Public Realm Directorate. Of this sum, £9.5m relates specifically to previously unanticipated Covid-19 budget pressures. This therefore leaves non Covid-19 related service directorate budget pressures of £1.1m for the year.

8.2 Under the new Council structure, the Directorate has seen large changes to its make up. A number of services have moved to other Directorates whilst services for parking, economic development and environmental health have moved into the Directorate. The net budget change is (£12.7m).

8.3 A summary of the overall Directorate position is shown in the table below:

Table 9 – Housing, Regeneration and Public Realm Directorate

| Service Area | Gross budgeted Spend 2020/21 | Gross budgeted income 2020/21 | Net budget 2020/21 | Forecast Outturn 2020/21 As at end of August 2020 | Forecast Variance Over/ (Under) Spend August 2020 | Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance July 2020 |
|--------------------------|------------------------------|-------------------------------|--------------------|---|---|---------------------------------------|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Strategic Housing | 33.4 | (28.8) | 4.6 | 6.1 | 1.5 | 1.5 | 0.0 | 0.0 |
| Public Realm | 26.8 | (9.8) | 17.0 | 24.3 | 7.3 | 5.7 | 1.6 | 2.1 |
| Regeneration | 10.2 | (9.3) | 0.9 | 2.3 | 1.4 | 1.0 | 0.4 | 1.3 |
| Planning | 2.7 | (2.0) | 0.7 | 2.0 | 1.3 | 1.3 | 0.0 | 0.0 |
| Reserves/Provisions | 0.4 | (0.4) | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 |
| Management Action | | | | (0.9) | (0.9) | 0.0 | (0.9) | 0.0 |
| Total | 73.5 | (50.3) | 23.2 | 33.8 | 10.6 | 9.5 | 1.1 | 3.5 |

8.4 In order to address the non-covid related overspend, the Directorate is implementing in-year once off cash savings totalling £876k. These savings have been included in calculating the non-covid related variance above.

8.5 The most significant cost pressures for the directorate fall within the *Public Realm* division. The following sections provide a summary of the revenue forecast by division. They provide an explanation of the cause of the variances and identifies Covid-19 related costs and income losses. This section also provides a directorate summary table of the progress being made on delivering agreed savings for 2020/21 and what impact if any, slippage on those savings is having on the overall directorate position. It also provides a summary table of the in-year cash saving measures being introduced in order to reduce the projected overspend

Cost of Covid-19

8.6 The estimated financial impact of Covid-19 on base budgets for expenditure and income in Housing, Regeneration and Public Realm is £9.5m. These pressures are included in projections below. These, along with similar pressures in other directorates, will be alleviated by the Covid grant the Council received from central government. The Covid pressures are summarised as follows:

Table 10 – Covid-19 Pressures for the HRE Directorate

| Service | Area | Total Cost August 2020 £m | Total Cost July 2020 £m |
|-------------------|----------------------------|---------------------------|-------------------------|
| Strategic Housing | Housing Needs | 1.5 | 1.2 |
| | Private Sector Housing | 0.0 | 0.2 |
| Public Realm | Refuse Collection | 1.6 | 1.2 |
| | Strategic Waste | 0.3 | 0.3 |
| | Street Management | 0.2 | 0.2 |
| | Street Markets | 0.4 | 0.3 |
| | Highways and Transport | 0.6 | 0.5 |
| | Parking | 2.6 | 2.6 |
| Regeneration | Capital Programme Delivery | 1.0 | 0.3 |
| | Property Strategy | 0.0 | 0.9 |
| Planning | Development Management | 1.2 | 1.2 |
| | Land Charges | 0.1 | 0.1 |
| Total | | 9.5 | 10.0 |

Strategic Housing

- 8.7 As at the end of August 2020, the *Housing Services* division is reporting budget pressures of £1.3m, which is attributable to Covid-19 activity of £1.5m and an underspend of £231k. This compares to the projected overspend of £1.4m reported to the end of July 2020, which was entirely attributed to Covid 19. The underspend is a result of in-year cash saving measures the service will implement as a result of management actions introduced to address the overall directorate overspend.
- 8.8 There are overspends in the Housing Needs service of £1.5m which relates to increased costs that have materialised in dealing with homelessness due to the effects of Covid-19. This includes additional costs relating to;
- Rough Sleeping Costs £420k
 - Accommodation costs (block bookings, individual reservations) £125k
 - Accommodations costs (restriction on moving-on clients) £85k
 - Accommodation Costs (transfers from shared to self-contained) £100k
 - Furniture & Removals (related to transfers of clients etc.) £40k
 - PMA Void loss (over and above budgeted allowance) £111k
 - PSL Void loss (over and above budgeted allowance) £36k
 - Increase in bad debt (clients not paying, no recourse to funds etc.) £450k
- 8.9 In addition to the above, there will be costs incurred which will come through as additional Housing Benefit (HB) limitation recharges relating to clients who are in receipt of benefits, but should have moved on by now. Whilst the analysis in this area is complex as it requires further in-depth analysis of the current recharge levels, it is expected to be in the region of £150k.
- 8.10 The service is also forecasting an end of year non-Covid related overspend on salaries of £535k, this will be off-set by use of additional grant funding. It should be noted that the service has benefited from £4.6m of grant awarded for 2020/21 on a once-off basis to homelessness to cover the effects of the implementation of the Housing Reduction Act and compensation for the removal of Temporary Accommodation (TA) management allowances in the HB regulations. The service intends to use part of this grant to cover these non-Covid related overspends. There is currently no announcement on grant availability for the financial year 2021/22 onwards. Should grant not be available, then there will be an immediate pressure of at least £4.6m.

Public Realm

- 8.11 As at the end of August 2020, the newly formed *Public Realm* division is reporting a projected overspend of £6.8m (£7.3m before measures), £5.7m of which is attributable to Covid-19 related activity. The overspend excluding Covid costs and after in year measures is £1.1m. This compares to an overall projected overspend (based on the same structure) of £8.2m (£6m covid related) at the end of July 2020. The reduction in forecast overspend is due to in-year cash saving measures of £497k being introduced as part of the management actions aimed at reducing the overspend, and improved income generation. Details of these in-year management actions are provided in Table 15 below.
- 8.12 *Parking Services*
- 8.12.1 There is a projected overspend of £2.6m within Parking Services, which is entirely attributable to a drop in income due to Covid-19, the same as last month. Income has been significantly down in the first five months of the year due to the Covid-19 related restrictions. The full year income forecast is subject to much uncertainty in relation to the extent of Covid-19 related restrictions throughout the remainder of the year and the pace of the economic recovery.
- 8.13 *Environmental Health*

8.13.1 There is a projected underspend on the Environmental Health budget of £100k which is the same as last month. This still primarily relates to staffing in the Food Safety Team. During last year, there was a significant increase in staff turnover in the team and an ongoing difficulty in recruiting suitable replacement agency staff to carry out food inspection activity however we are currently in the process of advertising a number of vacant posts across both the Food and Environmental Protection Team and hope to have people in post earlier than previously projected.

8.14 Highways & Transport

8.14.1 The forecast overspend for *Highways & Transport* amounts to £516k. This compares to £701k forecast in July. The reduction in overspend is mainly due to in-year cash savings of £250k to be implemented from September. The service would have been reporting a forecast underspend of £56k, but for the extra Covid related forecast income loss of £572k.

8.14.2 The Covid-19 related forecast income losses are mainly as follows:

- Income Capital Fees of £349k. The underachievement of capital fees income is primarily as a result of the Transport for London (TfL) LIP funding for 2020/21 no longer being available. TfL have secured a funding settlement from government for the period to October 2020 and is making funding available for boroughs for temporary measures. Some of this funding is expected to be secured and other funding bids are being made to secure additional investment. The achievement of income to date is based on the first six months of the financial year and it is expected that additional income will be secured from October, subject to funding being available from TfL and Department for Transport.
- Income Other – Underachievement of income of £110k is from skips, crossovers and permits this is due to covid-19. The Transport service should have the ability to recover this later in the year.
- Income Electric Vehicles – The expected income of £68k including the saving of £50k is unlikely to be achieved this year, as this was reliant on getting further charging points delivered by the end of last year and throughout this year. Delivery was already hindered last year due to resourcing issues and this was further impacted as a result of the Covid lockdown. The latter meant that site works on a tranche of over 40 charging points had to be put on hold. Staff resource has now been diverted onto the Covid transport response. This has also had an impact on the site identification and design process for the subsequent phases.
- Bus Shelters Advertising - Under recovery of £38k.

8.15 Refuse Collection

8.15.1 The *Refuse Collection* service is projected to overspend by £2.1m. The majority of this pressure, some £1.6m, is attributable to Covid-19 activity. For the previous reporting period, the service was forecasting an overspend of £1.74m, of which 1.23m was attributed to Covid. The service has introduced in-year once-off cash saving measures of £32k to reduce the level of non-covid overspend. The increase in covid related spend is due to a reduction in the number of customers using the Garden Waste Service due to the effects of Covid-19. A further breakdown of the overspend is detailed in paragraphs below.

8.15.2 Refuse collection transport costs are forecast to overspend by £434k. During 2019/20, it was reported that there would be a £620k overspend. In March 2020, this reduced to £420k after rebate. It was anticipated that this overspend would drop significantly once the Council had received all of the replacement vehicles on order. Unfortunately, due to Covid-19, not all the replacement vehicles have been received to date. When they ultimately

arrive, the first 11 vehicles are set to replace those hired in, the remaining ones will replace the older vehicles, but as they are of a certain age, there is the higher risk of breakdown which in turn means hiring in external vehicles.

8.15.3 There is a forecast shortfall in income of £1.7m. There are a number attributable factors to this shortfall as detailed below:

- Covid-19 related £650k Commercial Waste income - due to the pandemic, a significant amount of income has been lost as many businesses were not operating, and therefore not charged, during the first three months of this financial year. Businesses have gradually reopened, but the customer base is not yet back to its pre-Covid levels. This level of lost income assumes that the customer database will return to its former level during the course of the financial year, i.e. businesses have not permanently closed due to the pandemic. This is being closely monitored and customers are being contacted.
- Commercial Waste £490k ongoing income shortfall based on 2019/20 income and current budget. As mentioned above, in-year measures have been introduced to reduce the effect of this income shortfall.
- Also within Commercial Waste there is an income budget of £30k for sales of items such as dustbins. Last year less than £4k income was achieved. A shortfall of £20k has been assumed.
- Garden Waste – income for this service is subject to the take up of full subscriptions. This uptake is greatly reduced so far this year in comparison to previous years and is taking longer than expected. Loss in income has been reviewed and treated as Covid 19 related on the premise that this service is not seen as a priority for people facing financial difficulty. We are currently showing a loss of income of £500k. This is being reviewed on a monthly basis and customers are being contacted to remind them to take up their subscriptions.

8.15.4 There is also a level of overspend attributable to the use of agency staff as a consequence of Covid-19. During the height of the lockdown period there were a number of staff that were self-isolating and off sick, and had to be replaced by agency staff.

8.16 Strategic Waste Management

8.16.1 For *Strategic Waste Management* services, there is a projected overspend of £970k. Some £200k of this overspend is represented by a 2% increase in tonnage rates in costs for the following contracts: SELCHP, Veolia Food/Garden waste and SELWDG. Due to the nature of the mix of waste and more people working from home, it is anticipated that more waste will go to recycling which is at a higher cost. A cost of £250k has been deemed to relate to Covid-19 activity. A further £600k relates to the new dry recyclable contract with Bywaters. Within the new contract, prices changed from £103 per tonne to an initial processing fee of £115.02 per tonne. Contamination levels up to 15% will be covered in the processing fee. Contamination levels between 16-20% will be charged at £133.42 per tonne and contamination over 21% will be charged at £147.11 per tonne. It is anticipated that the increase will be covered corporately.

8.16.2 The Civic Amenities service is again projecting an overspend of £68k mainly relating to staffing. There are units within the strategic waste management service that are projecting underspends based on their respective 2019/20 outturns, Street Cleaning disposal and Animal Welfare of £137k and £10k, respectively. The former will be reviewed and if necessary have budget redirected to one of the other waste disposal services.

8.17 Street Management

8.17.1 The Street Management service is projected to overspend by £180k. A projection of £336k was reported in the last period. The reduction of the forecast overspend is due to the service identifying in-year savings within Street Cleansing of £215k. Due to these in-year spend reductions, the service would have been in a position to report an underspend of £30k, but has a covid related forecast overspend of £210k.

8.17.2 The Covid overspend relates to an additional £80k potential loss in income within Cleansing Enforcement due to the Government announcing the cheaper option of obtaining a Pavement Licence in place of the Forecourt license to help small businesses through the Covid period till September 2021. There is also a Covid related overspend relating to street cleansing of £74k, due to the staffing levels required to achieve the level of service currently being provided, and a Covid-19 related loss of income on lumber collection of £30k and Cleansing Enforcement of £26k.

8.18 Street Markets

8.18.1 The Street Markets service is forecasting a loss of income of £420k, an increase of £90k from June), and is due to the closure of markets during the pandemic and lower returnees. The three council-run markets in the borough were closed. When the markets re-opened in July, the number of stall holders that returned was lower than anticipated. This loss of income is entirely Covid-19 related. There are approximately 180 stalls across the three markets, with mixed occupancies. The service is expecting to achieve a reduction in costs relating to street cleaning during this period. It is to be noted however, that reductions in costs achieved here may result in a loss of income to other internal services. There may be an increase in uptake later on in the year, this will be closely monitored.

8.19 Other Environmental Services

8.19.1 The services for Environmental Administration and Fleet, are projecting balanced budget positions by the year-end. The Director's salary budget is forecast to be overspent this year by £100k due to staffing and structure changes. The budget will be reviewed during the 2021/22 budget process.

Regeneration

8.20 The Regeneration Division (based on the new structure) is forecasting an overspend of £1.3m in 2020/21, £1m of which relates to Covid-19. This is after applying once-off in year savings of £62k. This compares to an overall projected overspend of £1.7m in July.

Commercial Investment and Delivery

8.20.1 The Commercial Investment and Delivery service is reporting £91k underspend due to vacancies.

8.21 Capital Programme Delivery

8.21.1 There is a forecast overspend of £1.4m in the Capital Programme Delivery (CPD) Service, £1m relating to Covid. The overspend is made up as follows:

- *Capital Delivery Service* – There is a forecast overspend of £100k (£250k last month) which is entirely Covid-19 related. All staffing costs for the CPD team are recharged to the relevant projects and external grants, but due to the impact of Covid-19, some of these projects may not be finished or even start.
- *Valuers Team* – There is a forecast underspend of £64k due to a staff vacancy and a reduction in agency costs this month.
- *Building Control* – There is a forecast overspend of £441k. Due to Covid-19, the service is not able to generate income of up to £404k, as all construction work was

put on hold during lockdown. Some of the overspend is forecast as the service was incurring higher than anticipated staffing costs due to the use of agency staff, the service is now looking to address this issue.

- *Commercial Properties* – There is an estimated income shortfall of £908k, which is partly due to Covid19 and resulting business failures and re-letting costs (542k). This figure, which represents 20% of the budget, will be kept under constant review, and is based on early indicators from commercial leaseholders and anticipated repercussions coming out of Covid-19. An additional income target of £750k was previously agreed, without factoring in a shortage of properties to let. Only £250k is likely to be achieved, leaving a £500k shortfall in income. The most significant challenge is that this relies on achieving income earmarked from significant one off projects such as the land disposal at Copperas St and growth in higher value retail parades. The delivery of Copperas St is now affected due to a change in corporate priorities over what the site should deliver, whilst the latter has been put on hold due to emerging social housing development plans. The service is working with tenants to increase its income and some tenants have now accepted payment plans rather than ending their tenancies.
- *Business Rates* – A forecast overspend of £49k is as a result of 2020/21 business rates increases.
- *Garages* – This service is expected to have a nil variance due to the demand for garages remaining higher than anticipated over the lockdown period. It is currently anticipated that the budget figure can be achieved.

8.23 Economic Development

- 8.23.1 It is currently anticipated that this service will have a nil variance, however the service is currently undergoing a major restructuring and more detailed information will be available for the next monitoring period.

8.24 Strategic Development

- 8.24.1 This service was previously reporting a nil variance, however in-year cash savings of £64k have been identified from an unfilled vacant post. It is therefore forecasting an underspend of £64k.

8.25 Property Strategy

- 8.25.1 There is a forecast overspend of £67k for this service (£150k in July). The reduction is due to lower agency staff costs as the service is working at reducing its costs.

Planning Service

- 8.26 The *Planning Service* is forecasting an overall £1.2m overspend in 2020/21. The Covid-19 related overspend is £1.275m due to loss of income, however the service is introducing £84k measures to reduce spend in 2020/21. The non-Covid forecast is therefore an underspend of £84k.
- 8.27 The in-year spending reduction of £84k will be achieved by holding vacancies in the service for the rest of the year.
- 8.28 The service is heavily reliant on income, but has had a large reduction in planning applications and pre-application enquiries. The projected loss of income in its entirety comes as a result of Covid-19.

- 8.29 Development Management accounts for £1.2m of the income shortfall. The service was hopeful that income would recover by Quarter 4 as the lockdown eased and confidence in the economy returned, however with the current possibility of further restrictions those assumptions are being reviewed and further actions identified to reduce expenditure. The service is anticipating that two large planning application fees, approximately £200k in total, will be received within the next nine months. Income levels and planning application volumes are being monitored on a weekly basis, and staffing costs will be reduced wherever possible in response to falling volume of applications.
- 8.30 The loss of fee income for land charges accounts for the remaining £100k. Local Land Charges' fee income in Quarter 1 was down 50% when compared to seasonal demand. This is due to Covid-19 impacting the housing market. July saw signs of recovery and income levels have improved, but the service is forecasting a £100k loss of income against budget due to Covid-19.

Progress on Savings for 2020/21

- 8.31 The progress on revenue budget savings and agreed cash reductions are set out in Appendix 1.

9. CORPORATE RESOURCES DIRECTORATE

- 9.1 As at the end of August 2020, there is a projected overspend of £3.9m for the Corporate Resources Directorate. This is a decrease of £1m from the overall projected overspend of £4.9m to the end of June 2020 for the former Corporate Services Directorate, but the comparison is distorted by the Council restructure described earlier in the report. Of this sum, £2.5m relates specifically to previously unanticipated Covid-19 budget pressures. This therefore leaves a non Covid-19 related service directorate projected overspend of £1.4m for the year. For these specific service directorate variances, this represents an increase of £1.7m from the £0.3m underspend projected as at the end of July 2020. The projections include in-year cash reductions totalling £0.4m.

Table 11 – Corporate Resources Directorate

| Service Area | Gross budgeted Spend 2020/21 | Gross budgeted income 2020/21 | Net budget 2020/21 | Forecast Outturn 2020/21 As at end of August 2020 | Forecast Variance Over/ (Under) Spend August 2020 | Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance July 2020 |
|-----------------------|------------------------------|-------------------------------|--------------------|---|---|---------------------------------------|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Corporate Services | 6.4 | (3.2) | 3.2 | 3.2 | 0.0 | 0.0 | 0.0 | (0.1) |
| Financial Services * | 5.6 | (1.5) | 4.1 | 4.8 | 0.7 | 0.0 | 0.7 | 0.2 |
| Executive Office | 0.2 | 0.0 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Services | 33.7 | (12.8) | 20.9 | 22.8 | 1.9 | 1.7 | 0.2 | (0.4) |
| IT & Digital Services | 7.3 | 0.0 | 7.3 | 8.6 | 1.3 | 0.8 | 0.5 | 0.0 |
| Reserves | 0.0 | (0.7) | (0.7) | (0.7) | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 53.1 | (18.2) | 34.9 | 38.8 | 3.9 | 2.5 | 1.4 | (0.3) |

* The variance for the Financial Services Division includes an overspend £700k which relates to the delay in implementing Human Capital Management (HCM), including Payroll Services as part of the Council-wide Oracle Cloud Programme.

Cost of Covid-19

- 9.2 The estimated financial impact of Covid-19 on base budgets for expenditure and income in Corporate Resources is £2.5m. These pressures are included in projections below. These,

along with similar pressures in other directorates, will be alleviated by the Covid grant the Council received from central government. The Covid-19 pressures are summarised in the following table.

Table 12 – Covid-19 Pressures for the Corporate Services Directorate

| Service | Area | Total forecast August 2020 £m |
|-------------------------|---|-------------------------------|
| IT and Digital Services | Emergency rollout of IT hardware, licences for software, buy your own IT scheme etc., | 0.8 |
| Public Services | Sundry Debt – Delay in Invest to Save to improve debt collection | 0.5 |
| | Revenues Services – Loss of income collected through enforcement and court fees | 0.6 |
| | Registrars – Loss of fee income | 0.2 |
| | Building cleaning, staffing etc., | 0.4 |
| Total | | 2.5 |

- 9.3 The *Corporate Services* and the *Executive Office* Divisions are not forecasting any significant budget variances.
- 9.4 The *Financial Services* division is forecasting an overspend on £0.7m. There is existing pressure on staffing budgets, including the delayed achievement of the savings on the wider Oracle Programme, as per the saving tracker included in this section of the report. It had previously been assumed that reserve funding would meet these costs, but it has been confirmed that no sums are available in reserves for this purpose.
- 9.5 The *IT & Digital Services* division is now forecasting a £0.5m non-covid related pressure. Following the 2020/21 budget setting process, ongoing service pressures and new commitments have been identified and funded. The service budget has increased by £1.4m for the new financial year. The forecast overspend is due to:
- Evosys (Oracle) support costs of £350k – unbudgeted but expected to be an ongoing requirement.
 - Extended reliance on contractors – the service has been unable to complete a restructure and create permanent posts. The service are currently trying to get an ER/VR panel convened to move this forwards.

Public Services Division

- 9.6 The Public Services division is forecasting a net overspend of £1.9m, of which £1.7m is covid-19 related. The £1.7m of covid-related pressures is made up of: loss of income in Revenues (£0.6m); unachieved sundry debt saving (£0.5m); loss of income in Registrars / Service Point (£0.2m); additional cleaning, security and miscellaneous costs (£0.4m).
- 9.7 There are significant pressures within Revenue services (£0.6m) due to loss of income collected by the Enforcement Team and loss of income from Court Fees. Courts have been closed during the pandemic, and the Enforcement Team has had to put much activity on hold. The forecast assumes a degree of recovery during the remainder of the year which is highly uncertain.
- 9.8 The Housing Benefit service area is forecasting an underspend of £0.1m. There is an overspend forecast on Housing Benefit subsidy of (£0.5m), but this is offset by forecast underspend on Housing Benefit Admin (£0.3m) and Concessionary Fares (£0.3m).

- 9.9 The Service Point area is now forecasting a Covid-19 related pressure due to reduced Registrar's fee income.
- 9.10 The Director of Public Services budget line includes a £480k saving in relation to Sundry debt collection. This is considered unachievable at present as much income recovery work has been on hold, and collected would in any case benefit the wider Council rather than directly benefit the Public Services Division budget.
- 9.11 The Facilities Management section is forecasting a pressure of £0.3m, mainly on Utilities which is forecasting a £350k overspend. Utility prices have risen over time and have not always been matched by budgetary increases. There are also legacy issues over unresolved debt with utility providers. The position is improved by a £0.1m in-year saving (Facilities Management - delay with the in-sourcing cleaning contract).

Progress on Savings for 2020/21

- 9.12 The progress on revenue budget savings and agreed cash reductions are set out in Appendix 1.

10. CHIEF EXECUTIVE'S DIRECTORATE

- 10.1 As at the end of August 2020, there is a projected overspend of £0.4m for the Chief Executive Directorate. Of this sum, £0.3m relates specifically to previously unanticipated Covid-19 budget pressures. This therefore leaves a non Covid-19 related service directorate projected overspend of £0.1m for the year. The projections include in-year cash reductions totalling £0.2m.

Table 13 – Chief Executive's Directorate

| Service Area | Gross budgeted Spend 2020/21 | Gross budgeted income 2020/21 | Net budget 2020/21 | Forecast Outturn 2020/21 As at end of August 2020 | Forecast Variance Over/ (Under) Spend August 2020 | Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance August 2020 | Non Covid-19 Related Variance July 2020 |
|---------------------------|------------------------------|-------------------------------|--------------------|---|---|---------------------------------------|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Assistant Chief Executive | 5.2 | (0.1) | 5.1 | 5.0 | (0.1) | 0.1 | (0.2) | 0.0 |
| Law, Governance & HR | 7.8 | (0.8) | 7.0 | 7.5 | 0.5 | 0.2 | 0.3 | 0.0 |
| Total | 13.0 | (0.9) | 12.1 | 12.5 | 0.4 | 0.3 | 0.1 | 0.0 |

Cost of Covid-19

- 10.2 The estimated financial impact of Covid-19 on base budgets for expenditure and income in the Chief Executive Directorate is £0.3m. These pressures are included in projections below. These, along with similar pressures in other directorates, will be alleviated by the Covid grant the Council received from central government. The Covid-19 pressures are summarised in the following table.

Table 14 – Covid-19 Pressures for the Chief Executive's Directorate

| Service | Area | Total forecast |
|---------|------|----------------|
|---------|------|----------------|

| | | August 2020 £m |
|-----------------------------|---|-------------------------------|
| Strategy and Communications | Increases in communications capacity to support response to the coronavirus pandemic. This is partly offset by delays in recruitment related to covid and pause on production of Lewisham Life magazine | 0.1 |
| Human Resources | Increases in HR capacity to support response to the coronavirus pandemic with regards to emergency recruitment and HR advice | 0.1 |
| Legal Services | Loss of income due to covid-related reduction in activity | 0.1 |
| Total | | 0.3 |

Assistant Chief Executive Division

- 10.3 In the Assistant Chief Executive Division, a £199k underspend is currently forecast in the Corporate Communications team. Activity, such as the production of the Lewisham Life magazine has been halted, which has reduced costs. There are also vacancies in the team, resulting in a significant forecast underspend.
- 10.4 The Mayor & Cabinet office is forecasting an underspend of £32k due to vacancies. The Chief Executive Management service area, including the Executive Support Office, is forecasting an underspend of £145k due to vacant posts.
- 10.5 Performance & Policy is forecasting an underspend of £50k in relation to an in-year saving (vacant post held for Service Development and Integration Manager).

Law, Governance & Human Resources Division

- 10.6 Legal Services is forecasting an overspend of £105k. There is an overspend of £20k on salaries due to additional payments and an overspend of £126k on various income targets due to covid-19. Income that is not recoverable at the moment includes RTBs, Capital, Court cost, Lease Extensions and name changes. Offsetting the overspend is a £41k underspend on supplies & services.
- 10.7 The Human Resources (HR) unit is forecasting an overspend of £301k. This is driven by forecast spend of £345k on the HR support cost centre, which is where staff supporting the Oracle project have been coded. There is no budget on this cost centre and costs in previous financial years have been funded from corporate reserves. It has been confirmed that there is no further earmarked reserves for this project, and therefore these costs must fall upon the core HR budget. There is a net underspend of £44k forecast across other areas of HR, and the budgets require some restructuring and realignment to improve monitoring.

Progress on Savings for 2020/21

- 10.8 The progress on revenue budget savings and cash reductions are set out in Appendix 1.

11. GOVERNMENT FUNDING

- 11.1 The Council has taken measures to support both businesses and residents who are facing financial hardship as a result of the Coronavirus (Covid-19) pandemic. The table below provides an overall summary of the additional resources which have been received the Council to date to help with this support.

Table 15 – Government Funding

| Funding Description | Lewisham's Allocation £m |
|---|---------------------------------|
| Section 31 – Infection Control Grant | 1.624 |
| Section 31 – Test, Track and Contain Grant | 2.267 |
| Section 31 – Food and Essential Supplies | 0.401 |
| Section 31 – Infection Control Grant – Round 2 | 1.354 |
| Covid-19 LA Support Grant (Tranches 1 to 4) | 29.395 |
| Reopening High Street Safely Fund | 0.272 |
| Reclaim for costs from the Health Sector | <i>In progress</i> |
| Claim for lost income to be offset by government grant | <i>TBC by MHCLG</i> |
| Sub-Total – for service costs | 35.313 |
| Funding allocated directly to residents and businesses | |
| Covid-19 Hardship Fund | 3.241 |
| Nursery Discount – Local Share | 0.905 |
| Expanded Retail Discount – Local Share | 29.511 |
| Business Support Grant (Small business grant fund and Retail, Leisure and Hospitality Fund) | 47.000 |
| Discretionary business grants (up to 5% of business support grant) | <i>TBC</i> |
| Sub-Total – for businesses and citizens | 80.657 |
| Grand Total | 115.970 |

Council Tax Payers

- 11.2 In March, the government announced a hardship grant would be provided to local authorities in response to Covid-19 to provide council tax relief to vulnerable people and households. Lewisham received £3.2m of hardship funding and has made these funds available to individual Council Tax payers through two routes:

- Grants aligned to the Council Tax Reduction Scheme
- Emergency support for residents.

- 11.3 The first is an additional grant of £150 per working age claimant of the Council's Council Tax Reduction Scheme (CTRS). On 8 July, 16,300 households' accounts were credited with £150. Any remaining balance of this funding is being used to support additional hardship claims for those in crisis via the local support scheme, where no other assistance is available. As at 30 August 2020, more than 400 applications had been received.

Businesses

- 11.4 Central government has turned to local authorities to deliver a number of new schemes aimed at supported local businesses who have been impacted by Covid-19.
- 11.5 For businesses, support measures include extended business rates relief for 2020/21, grants to small businesses and those in the retail, hospitality, and leisure sectors, and a grant to support Small and Medium Enterprises (SMEs) – those with less than 50 employees – not covered by the initial grant arrangements.
- 11.6 The Council has received £47m to distribute in grants of £10k or £25k to small business within certain rateable values and/or in the retail, hospitality, and leisure sectors. The Council had assessed all those who have applied and disbursed more than 3,225 grants to the 3,384 businesses eligible which equates to more than £41m. The scheme formally closed at the end of August.

Government grant for Council Services

- 11.7 The Council received £18m from the first two tranches of emergency government Covid-19 funding. A further £3.2m of funding (third tranche) was announced on 17 July 2020, followed by a fourth tranche of £8.2m in October. The Council will also receive £1.6m plus a further £1.4m in grants for 'infection control' and £2.2m for 'test, track and trace'. An allocation of £400k has been received for 'food and essential supplies'. Furthermore, an allocation of £300k was received as Lewisham's share of the 're-opening the high street safely' fund. This brings the overall total of funding for these council services to £35.3m. For the purpose of this report, the gross costs of the coronavirus response has been set out in each directorate section, expressing the financial position in gross terms and before the application of the £35.3m emergency government funding.

12. DEDICATED SCHOOLS' GRANT

- 12.1 The Dedicated Schools Grant (DSG) for 2020/21 is now confirmed at £264.251m. This figure is after the DfE recoupment for Academy Schools and the adjustment for the inter-borough use of high needs places. This is an overall reduction of £1.031m to the previously advised figure. The majority of this reduction of £0.951 relates to Early Years. This comes as a consequence of the pupil data clearance process relating to January 2020. In theory, the majority of this should be containable as that aspect relates to funding to providers for Early Years Provision. The reduction will have some impact on centrally managed aspect of this funding, for example circa £50k supporting managed functions supporting Early Years Provision.
- 12.2 The DfE has also confirmed the final 2019/20 allocation. Again and as previously reported, the DSG 2019/20 remains provisional until the clearance of the January 2020 data, and as a consequence there has been a reduction of £547k. This means that the 2019/20 revised closing position is now £655k. This will be the first call on the 2020/21 High Needs Block Allocation.
- 12.3 The allocation for the High Needs Block is £55m. The projection for 2020/21 suggests that it is anticipated to overspend by between £2.6m to £4m. The table below shows the increase in Education Health Care Plans (EHCP) of 45 pupils since April 2020 to July 20. The majority of the new plans appear to be within the under 5s and Primary age cohort who are then being placed out of borough. This could potentially increase the pressure by circa £750k. The position will be revised following the Autumn update incorporating secondary transfer for the next monthly report.

Table 16 – Education Health Care Plans (EHCP) – First Quarter 2020/21

| Phase - EHCPs | Under 5s | Primary | Secondary | Post-secondary | Grand Total |
|------------------------|----------|---------|-----------|----------------|-------------|
| 2020/21 April | 57 | 985 | 903 | 775 | 2,720 |
| 2020/21 July | 69 | 1010 | 910 | 776 | 2,765 |
| Increase on Baseline | 12 | 25 | 7 | 1 | 45 |
| Increase on Baseline % | 21.1% | 2.5% | 0.8% | 0.1% | 1.7% |

- 12.4 The service has been working on a mitigation plan from 2018/19 the outcomes of which are beginning to embed. However, there remains a concern that the demand coming through from pupil numbers and pricing is continuing to outweigh the benefits of the mitigation plan. Careful and considered monitoring of the position will need to continue throughout the year.
- 12.5 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. The baseline was determined when the scope was from 5 to 19 years old. The local authority's liability now covers the 0 to 25 age range. Overall, the number of EHCPs is continuing to increase coupled with increases in the severity of cases and prices. The table below shows the

increase in the number of EHCPs since 2017/18. Updated since the last report for July data.

Table 17 – EHCP since 2017/18

| Phase - EHCPs | Under 5s | Primary | Secondary | Post-secondary | Grand Total |
|------------------------------|----------|---------|-----------|----------------|-------------|
| FY17/18 Used As Base Line | 42 | 831 | 769 | 537 | 2,179 |
| FY18/19 | 24 | 889 | 821 | 626 | 2,360 |
| FY19/20 | 37 | 929 | 887 | 774 | 2,627 |
| FY20/21 current | 69 | 1,010 | 910 | 776 | 2,765 |
| Increase on Baseline Numbers | 27 | 179 | 141 | 239 | 586 |
| Increase on Baseline % | 64.3% | 21.5% | 18.3% | 44.5% | 26.9% |

12.6 The element for the early years block is provisionally set at £23.9m for 2020/21. The early years funding remains provisional as it is based on January 2020 and January 2021 pupil census data. Demand on the service remains uncertain in light of the covid pandemic, DfE position remains that providers are funded in line with anticipated takeup.

12.7 Further grants are given to schools and routed through the local authority. These include the pupil premium estimate (13.8m), post 16 funding (£4.5m), and the universal free school meals grant estimate (£3.4m). Furthermore, the Teachers' Pay Grant (£2m) and Teachers' Pension (£6m) making total funds of £293.9m.

Schools

12.8 Coming into 2020/21, there are now five schools with loans, totalling £1.4m. In total, there are 11 schools with deficits and 13 schools with balances that are within 8% of their delegated budget share. There are however 53 schools with balances in excess of 9%.

12.9 Budget plans have been received by most schools, these will be assessed in detail over the coming weeks with a view to formally advising schools of RAG rating based on their submission.

12.10 The Schools Finance Team will continue to work with schools in developing sustainable budget plans. Budget plans incorporating metrics management have been developed to support schools to review budgets with a strategic view. This enables schools to compare their deployment on leadership, teaching, support administration, contact time etc., Feedback from schools has been very positive.

13. HOUSING REVENUE ACCOUNT

13.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2020/21. The balanced HRA budget seen in the table includes a budgeted contribution from reserves of £47.8m, which is to be used to fund the HRA major works and new supply programme and is included as a part of the 30 year HRA business plan. At this relatively early stage of the financial year, a minor variation is being reported.

13.2 Repairs & Maintenance (R&M) continues to be forecasting spend to budget within the monitoring statement. However, Lewisham Homes is currently forecasting an underspend at this stage in the financial year. There was an underspend in this area in 2019/20. This area will continue to be closely monitored in 2020/21 to ensure that spend does not exceed budget and that costs can be contained within overall allocations.

13.3 The current 30 year HRA financial model has been recently refreshed, with the final outturn for 2019/20 as well as the latest updates for the general capital programme, revised stock

numbers and reserves allocations incorporated into the plans. Budgets have been updated in July 2020 to reflect starting stock numbers from 1 April 2020, as well as incorporating a May/June 2020 consolidation update for the new supply programme to reflect the latest position. The revisions to the budgets have been agreed with Lewisham Homes and has pushed some of the planned capital and new supply expenditure into 2021/22 due to a re-programming of works and programme delays due to the Covid-19 pandemic.

- 13.4 At the present time, the forecasts have been updated with costs related to Covid-19. Those costs which have currently been identified include additional bad debt impairments in the region of £500k, void losses on units unable to be let in the early period of the lockdown and there is a guarantee to Lewisham Homes that the local authority will cover up to £1.2m of operative workforce related pressures due to the slowdown of repairs works undertaken which will represent lost income to their trading account. These are all currently contained within current projections and use of reserves.
- 13.5 Additional income is currently being forecast from tenant's rents and service charges due to lower than budgeted void rates. There is also a surplus of garage rents for garages remaining in the HRA and subject to development proposals. These garages will continue to provide income until such time as they are decanted for the development to proceed.
- 13.6 There is a significant major works income budget of £6.1m, which is based on the General Capital Programme allocation of £47m. However, raising of bills is dependent on the Lewisham Homes Capital Programme undertaking works which can/are recharged to Leaseholders. As at week 21 (up to 29/8/20) a total of £245k has been charged to leaseholders. This are will be continually reviewed and forecasts updated where necessary.

Table 18 – Housing Revenue Account

| Service Area | Expenditure Budget 2020/21 | Income Budget 2020/21 | Net Budget 2020/21 | Forecast Variance over/ (under) spend August 2020 |
|---|----------------------------|-----------------------|--------------------|---|
| | £m | £m | £m | £m |
| Housing, Regeneration and Environment – Housing | 19.2 | (3.6) | 15.6 | (0.1) |
| Lewisham Homes & R&M | 38.4 | 0 | 38.4 | 0 |
| Resources | 1.6 | 0 | 1.6 | 0 |
| Centrally Managed Budgets | 90.3 | (145.9) | (55.6) | (1.0) |
| Total | 149.5 | (149.5) | 0 | (1.1) |

14. COLLECTION FUND

- 14.1 As at 31 August 2020, some £61.9m of council tax had been collected. This represents 41.1% of the total amount due for the year. This is below the profiled collection rate of 43.7% if the overall target for the year of 96% is to be met.

Table 19 – Council Tax collection to end of August 2020

| | Cash Collected (cumulative) | Cash needed to meet 96% Profile | difference between collected and 96% profile | Current Year Collection Rate% | Previous Year Collection Rate (2019-2020) | difference | Required Collection Rate to reach 96% | difference |
|---------------|-----------------------------|---------------------------------|--|-------------------------------|---|------------|---------------------------------------|------------|
| Apr-20 | 15,214,801.26 | 16,439,946.85 | -1,225,145.59 | 9.98% | 10.86% | -0.88% | 10.97% | -0.99% |
| May-20 | 26,675,961.23 | 28,990,328.54 | -2,314,367.31 | 17.49% | 19.01% | -1.52% | 19.35% | -1.86% |
| Jun-20 | 38,288,334.52 | 40,927,011.67 | -2,638,677.15 | 25.46% | 26.72% | -1.26% | 27.31% | -1.85% |
| Jul-20 | 50,775,906.85 | 53,530,031.48 | -2,754,124.63 | 33.83% | 34.87% | -1.04% | 35.72% | -1.89% |
| Aug-20 | 61,906,944.69 | 65,444,854.90 | -3,537,910.21 | 41.32% | 42.52% | -1.20% | 43.68% | -2.36% |

- 14.2 Business rates collection to 31 August is at 52.2%. This is an decrease of 2.2% compared to the same period last year, and 1.8% lower than the profiled collection rate if the overall target rate for the year of 99% is to be achieved. It should be noted though, that the collectible amount for the year has been reduced by over £30m due to Covid-19 related additional reliefs for businesses.

Table 20 – Business Rate collection to end of August 2020

| | Previous year (%) | | Current year (%) | | | Difference from previous year (%) | |
|---------------|-------------------|-------------------|-------------------|-------------------|---------|-----------------------------------|-------------------|
| | Excluding Credits | Including Credits | Excluding Credits | Including Credits | Profile | Excluding Credits | Including Credits |
| April | 22.35 | 22.39 | 20.40 | 18.24 | 11.87% | -1.95 | -4.15 |
| June | 31.00 | 31.09 | 33.44 | 33.04 | 26.28% | 2.44 | 1.96 |
| July | 37.82 | 37.96 | 37.56 | 38.90 | 36.54% | -0.25 | 0.94 |
| July | 45.55 | 45.74 | 46.35 | 47.60 | 45.61% | 0.80 | 1.86 |
| August | 53.97 | 54.39 | 51.03 | 52.15 | 53.97% | -2.94 | -2.25 |

15. CAPITAL EXPENDITURE

- 15.1 The Capital Programme spend as at 31 August 2020 is £27.3m, which is 17% of the proposed revised 2020/21 budget of £163.6m. At this point last year, 25% of the revised budget had been spent, with the final outturn being 72% (£121.2m) of the revised budget of £169.1m. Although this is still considered relatively early in the financial year, the current spend against the programme remains considerably lower than the levels expected at this stage of the year.
- 15.2 There continues to be considerable uncertainty for London over future property values and rents as the market has stalled during the Covid-19 response and the impact through recovery on employment is not yet understood. This comes on top of the Brexit uncertainties already in place going into this pandemic. Additionally, the Covid-19 response is beginning to show a shift of the ways of working of the Council and the current plans may no longer reflect the estate the Council needs to maintain.
- 15.3 For these reasons and while the programme is effectively stalled, a review of the capital programme set in the annual Budget is being undertaken as part of the Council's Covid-19 recovery planning phase. The budget for 2020/21 has been reviewed and spend on some schemes has been re-profiled into future years.
- 15.4 The table below shows the current position on the major projects in the 2020/21 Capital programme (i.e. those over £1m in 2020/21). Appendix 4 shows the major projects over the three year period 2020/21 to 2021/22, and Appendix 5 provides a reconciliation of the

latest capital programme budget for 2020/21 to the version presented to Mayor and Cabinet on 9th July 2020.

Table 21 – Capital Programme 2020/21 (Major Projects)

| 2020/21 Capital Programme | 20/21 Budget Report | Revised Budget (M&C 09/07/20) | Revised Budget (Sep 2020) | Spend to 31 Aug 2020 | Spent to Date (Revised Budget) |
|--|---------------------|-------------------------------|---------------------------|----------------------|--------------------------------|
| | £m | £m | £m | £m | % |
| GENERAL FUND | | | | | |
| School Places Programme | 10.5 | 9.1 | 4.7 | 0.5 | 11% |
| Schools - Other (inc. Minor) Capital Works | 0.1 | 6.3 | 5.7 | 1.8 | 32% |
| Highways & Bridges - LBL | 2.5 | 2.9 | 3.0 | 0.9 | 30% |
| Highways & Bridges – TfL | 0.0 | 0.0 | 1.2 | 0.0 | 0% |
| Highways & Bridges - Others | 0.8 | 1.1 | 0.6 | 0.0 | 0% |
| Catford town centre | 3.7 | 4.0 | 1.0 | 0.3 | 30% |
| Asset Management Programme | 1.7 | 2.4 | 1.3 | 0.2 | 15% |
| Other AMP Schemes | 7.3 | 3.7 | 1.1 | 0.2 | 18% |
| Lewisham Gateway (Phase 2) | 0.0 | 0.0 | 14.8 | 7.0 | 47% |
| Excalibur Regeneration | 1.2 | 1.4 | 0.3 | 0.1 | 33% |
| Lewisham Homes – Property Acquisition | 3.0 | 3.0 | 0.0 | 0.0 | 0% |
| Private Sector Grants and Loans (inc. DFG) | 3.3 | 1.6 | 0.6 | 0.1 | 17% |
| Achilles St. Development | 0.0 | 10.3 | 0.8 | 0.0 | 0% |
| Ladywell Leisure Centre Development Site | 1.1 | 1.3 | 0.1 | 0.1 | 100% |
| Edward St. Development | 9.0 | 9.0 | 9.0 | 0.7 | 8% |
| Residential Portfolio Acquisition – Hyde Housing Association | 0.0 | 2.9 | 2.9 | 2.2 | 76% |
| Travellers Site Relocation | 2.1 | 0.2 | 0.2 | 0.0 | 0% |
| Fleet Replacement Programme | 8.1 | 7.8 | 7.8 | 0.0 | 0% |
| Other General Fund schemes | 3.7 | 7.4 | 8.1 | 1.3 | 16% |
| TOTAL GENERAL FUND | 58.1 | 74.4 | 63.2 | 15.4 | 24% |
| HOUSING REVENUE ACCOUNT | | | | | |
| Building for Lewisham Programme | 97.5 | 78.4 | 36.5 | 2.1 | 6% |
| HRA Capital Programme (Decent Works) | 37.2 | 37.2 | 47.7 | 4.7 | 10% |
| Creekside Acquisition | 0.0 | 19.1 | 5.7 | 4.7 | 82% |
| Ladywell Leisure Centre Development Site | 0.0 | 0.0 | 4.5 | 0.3 | 7% |
| Achilles St. development | 0.0 | 0.0 | 4.3 | 0.0 | 0% |
| Mayow Road development | 0.0 | 0.0 | 1.1 | 0.0 | 0% |
| Other HRA schemes | 1.6 | 1.8 | 0.6 | 0.1 | 17% |
| TOTAL HOUSING REVENUE ACCOUNT | 136.3 | 136.5 | 100.4 | 11.9 | 12% |
| TOTAL CAPITAL PROGRAMME | 194.4 | 210.9 | 163.6 | 27.3 | 17% |

- 15.5 The main sources of financing the programme are grants and contributions, and capital receipts from the sale of property assets. Some £17.6m has been received so far this year, comprising £5.5m (net) from Housing Right to buy sales and other capital receipts and £12.1m of grants and contributions.

16. FINANCIAL IMPLICATIONS

- 16.1 This report concerns the financial forecasts for the 2020/21 financial year. However, there are no direct financial implications in noting these.
- 16.2 Even before the coronavirus crisis, Lewisham faced significant financial pressures. The additional work the Council is currently undertaking in its response to the pandemic and as part of the early phases of recovery, coupled with the impact of substantial reductions in income is putting its finances under considerable strain. Officers are joining other councils in the push for a commitment from the government that it will meet the extra costs local authorities are facing due to Covid-19.
- 16.3 The Council priority will always be to protect the most vulnerable people in our communities and officers are fully aware that this period has also brought considerable challenges for many of our residents and businesses. Although funding received by government to date has gone some way in alleviating some of the financial pressures being experienced, this still leaves a significant budget gap.
- 16.4 Taking the estimated costs and lost income considerations of the Covid-19 response and additional support from government into account, the Council has sufficient reserves to meet these financial commitments at present. However, without further investment, it is highly likely that members will be faced with some difficult choices and will be met by the inevitability that the Council will need to both look different and be required to reduce and cease services in the long term.

17. LEGAL IMPLICATIONS

- 17.1 The Council is under a duty to balance its budget and cannot knowingly budget for a deficit. It is imperative that there is diligent monitoring of the Council's spend and steps taken to bring it into balance. The proposals in the body of the report suggest this can be achieved this year by use of reserves.
- 17.2 Section 114 Local Government and Finance Act 1988 places a duty on the Council's Section 151 officer to prepare a report if the Council has taken or is about to take a course of action which if pursued to conclusion would be unlawful and likely to cause a loss or deficiency on the part of the Council. The effect of a s114 notice would be to prevent any further expenditure by the authority. This is effected with the approval of the s151 officer on the basis that it would prevent the financial situation worsening, to improve it or to prevent it recurring. The Council is not yet in that position, but the situation will have to be carefully monitored in future.
- 17.3 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended provide that if a decision is concerned with the Council's budget, borrowing or capital expenditure and is an executive function, the decision cannot be taken by the Executive if it would not be wholly in accordance with the Council's budget or plan/strategy relating to borrowing or capital expenditure. The Acting Chief Finance (s151) officer has advised that this situation has not yet arisen, but it will need to be borne in mind in relation to any future decisions.
- 17.4 Under Section 17 Crime and disorder Act 1998, the Council has a duty in the exercise of its functions to consider the impact of all their functions and decisions on crime and disorder in their local area.
- 17.5 Section 12 of the Health and Social Care Act inserted a new section 2B into the NHS Act 2006 to give a local authority a new duty to take such steps as it considers appropriate to improve the health of the people in its area. The steps in this report are consistent with that duty.

- 17.6 Under s3 Local Government Act 1999, the Council must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This duty remains even in these exceptional circumstances.

18. CRIME AND DISORDER ACT IMPLICATIONS

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

19. CLIMATE AND ENVIRONMENT IMPLICATIONS

- 19.1 There are no specific climate or environment implications directly arising from this report.

20. EQUALITIES IMPLICATIONS

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

- 20.2 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

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

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

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

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

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

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

- 20.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- The essential guide to the public sector equality duty
 - Meeting the equality duty in policy and decision-making
 - Engagement and the equality duty: A guide for public authorities
 - Objectives and the equality duty. A guide for public authorities
 - Equality Information and the Equality Duty: A Guide for Public Authorities
- 20.7 The essential guide provides an overview of the equality duty requirement including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

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

BACKGROUND PAPERS AND APPENDICES

| Short Title of Report | Date | Location | Contact |
|---|---------------------------------|--------------------------------------|-----------------|
| Financial Forecasts for 2020/21 (June 2020) | 9 th July 2020 (M&C) | 1 st Floor Laurence House | Selwyn Thompson |

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

Legal implications: Katharine Kazantzis, Principal Lawyer, Legal Services

APPENDIX 1 – Progress On Directorate Savings Taken For 2020/21

| Ref | Proposal | 2020/21 £'000 | 2020/21 £'000 | 2020/21 £'000 | Comment: |
|---|---|-------------------|------------------|------------------|--|
| CHIEF EXECUTIVE DIRECTORATE | | Agreed Savings | Achieved | Gap | |
| RES02 | Legal fees increase | 32 | 0 | 32 | Not being achieved due to Covid-19 |
| RES04 | Policy, service design and intelligence - reduction on staffing | 155 | 50 | 105 | On Track (n.b. saving was reduced to £50k) |
| RES10 | Cease graduate programme | 78 | 78 | 0 | On Track |
| Total for Chief Executive Directorate | | 265 | 128 | 137 | |
| CHILDREN & YOUNG PEOPLE DIRECTORATE | | | | | |
| CYP01 | More efficient use of residential placements | 300 | 0 | 300 | At Risk |
| CYP03 | More systematic and proactive management of the market | 600 | 0 | 600 | At Risk |
| CYP04 | Commission semi-independent accommodation for care leavers | 250 | 0 | 250 | At Risk |
| CYP05 | Residential framework for young people. Joint South East London Commissioning Programme | 200 | 0 | 200 | At Risk |
| CYP06 | Cease funding for former CYP funded post in Voluntary Action Lewisham | 25 | 0 | 25 | At Risk |
| CUS15 | No Recourse to Public Funds | 1,000 | 1,000 | 0 | On Track |
| Total for Children & Young People Directorate | | 2,375 | 1,000 | 1,375 | |
| COMMUNITY SERVICES DIRECTORATE | | | | | |
| COM02 | Ensuring support plans optimise value for money | 250 | 250 | 0 | Achieved |
| COM04 | Reduce costs for Learning Disability and Transitions | 1,000 | 200 | 800 | Partial Achievement, balance delayed |
| COM05 | Increased focus of personalisation | 482 | 350 | 132 | Largely achieved |
| COM06 | Reduction in Mental Health Residential care costs | 200 | 200 | 0 | Achieved |
| COM07 | Reduction in Adult Social Care contribution to Mental Health Integrated Community Services (Sirs) | 50 | 50 | 0 | Achieved |

| Ref | Proposal | 2020/21 £'000 | 2020/21 £'000 | 2020/21 £'000 | Comment: |
|--|--|------------------|------------------|------------------|--|
| COM08 | Change in the public engagement responsibilities for air quality and dedicated funding | 60 | 60 | 0 | Achieved |
| COM10 | Crime, Enforcement & Regulation reorganisation | 161 | 161 | 0 | Achieved |
| COM15 | Extended Use of Broadway Theatre | 50 | 0 | 50 | Savings offset by pressures funding |
| COM16 | Cultural & Community Development Service Staffing | 75 | 75 | 0 | On Track |
| COM18 | Funding inflationary increase from within the ASC Grant | 2,000 | 2,000 | 0 | Achieved |
| COM1A | Managing demand at the point of access to adult social care services | 1,000 | 100 | 900 | Partial Achievement, balance delayed |
| COM2A | Ensuring support plans optimise value for money | 500 | 0 | 500 | Delayed |
| COM3A | Increase revenue from charging Adult Social Care clients | 500 | 0 | 500 | Delayed |
| CUS06 | Bereavement Services increase income targets | 67 | 0 | 67 | At Risk |
| RES17 | Beckenham Place Park - income generation | 105 | 0 | 105 | At Risk |
| Total for Community Services Directorate | | 6,500 | 3,446 | 3,054 | |
| CORPORATE SERVICES DIRECTORATE | | | | | |
| CUS10 | Invest to save - create revenues protection team | 394 | 394 | 0 | Achieved |
| CUS11 | Process automation in Revenues and Benefits | 250 | 250 | 0 | On Track |
| CUS13 | Invest to save - improve sundry debt collection | 480 | 0 | 480 | Delayed due to Covid-19 related reduction in collection activity |
| RES01 | Benefits realisation of oracle cloud | 350 | 0 | 350 | Delayed |
| RES03 | Executive Office - Administrative Support Staff Reduction | 104 | 0 | 104 | At Risk |
| RES14 | Corporate Estate Facilities Management Contract Insourcing | 100 | 0 | 100 | At Risk |
| RES21 | Reduced allocation of inflation to contract cost | 1,000 | 1,000 | 0 | Achieved |

| Ref | Proposal | 2020/21 £'000 | 2020/21 £'000 | 2020/21 £'000 | Comment: |
|--|--|------------------|------------------|------------------|--|
| RES22 | Reduced allocation of inflation as dividend for improved ICT Provision | 1,500 | 1,500 | 0 | Achieved |
| Total for Corporate Services Directorate | | 4,178 | 3,144 | 1,034 | |
| HOUSING, REGENERATION & PUBLIC REALM DIRECTORATE | | | | | |
| CUS02 | Income generation - increase of garden waste subscription | 485 | 0 | 485 | Achievability affected by Covid-19 |
| CUS04 | Income generation - increase in commercial waste charges | 300 | 0 | 300 | Achievability affected by Covid-19 |
| CUS09 | Cost reductions in homelessness provision - income generation and net budget reductions | 696 | 696 | 0 | In 2020/21 this saving will not be achieved, but will be covered by once off funds |
| CUS14A | Parking service budget review | 500 | 0 | 500 | Achievability affected by Covid-19 |
| CUS16 | Operational savings in the private sector housing agency through service improvements | 175 | 175 | 0 | On Track |
| RES06 | Increase income supporting the Funding Officer post and review the Economy and Partnerships Function | 80 | 80 | 0 | Achieved |
| RES07 | Reduce corporate apprenticeships salaries budget | 55 | 55 | 0 | On Track |
| RES11 | Increase in pre-application fees | 100 | 0 | 100 | Achievability affected by Covid-19 |
| RES12 | Catford complex office rationalisation | 250 | 150 | 100 | Only £150k will be achieved |
| RES13 | Reduction in business rates for the corporate estate | 100 | 100 | 0 | On Track |
| RES15 | Commercial estate growth | 500 | 100 | 400 | Only £100k will be achieved |
| RES18 | Electric vehicle charging points | 50 | 0 | 50 | Achievability affected by Covid-19 |
| Total for Housing, Regeneration & Public Realm Directorate | | 3,291 | 1,356 | 1,935 | |
| GRAND TOTAL | | 16,609 | 9,074 | 7,535 | |

APPENDIX 2 – Looked After Children Data – August 2019 to August 2020

| Numbers | Local Authority Fostering | Agency Fostering | Residential Placement | Semi-Independent | SGOs | Staying Put 18+ | Total |
|---------|---------------------------|------------------|-----------------------|------------------|------|-----------------|-------|
| Apr-19 | 196 | 195 | 47 | 32 | 209 | 46 | 725 |
| May-19 | 197 | 190 | 42 | 32 | 213 | 46 | 720 |
| Jun-19 | 189 | 189 | 43 | 40 | 214 | 50 | 725 |
| Jul-19 | 167 | 197 | 46 | 39 | 219 | 59 | 727 |
| Aug-19 | 168 | 192 | 52 | 42 | 223 | 63 | 740 |
| Sep-19 | 164 | 189 | 57 | 42 | 222 | 60 | 734 |
| Oct-19 | 162 | 190 | 61 | 42 | 224 | 63 | 742 |
| Nov-19 | 162 | 191 | 60 | 38 | 224 | 64 | 739 |
| Dec-19 | 162 | 191 | 60 | 38 | 226 | 64 | 741 |
| Jan-20 | 162 | 194 | 62 | 38 | 226 | 65 | 747 |
| Feb-20 | 165 | 195 | 60 | 38 | 231 | 70 | 759 |
| Mar-20 | 161 | 195 | 62 | 40 | 231 | 68 | 757 |
| Apr-20 | 168 | 194 | 63 | 39 | 233 | 68 | 765 |
| May-20 | 167 | 197 | 62 | 35 | 233 | 61 | 755 |
| Jun-20 | 166 | 195 | 62 | 33 | 232 | 58 | 746 |
| Jul-20 | 173 | 195 | 62 | 31 | 229 | 58 | 748 |
| Aug-20 | 167 | 199 | 62 | 30 | 229 | 57 | 744 |

APPENDIX 3 – Capital Programme Major Projects 2020/21 – 2022/23

| Major Projects over £2m | 2020/21 | 2021/22 | 2022/23 | Total |
|---|--------------|--------------|--------------|--------------|
| | £m | £m | £m | £m |
| GENERAL FUND | | | | |
| Schools - School Places Programme | 4.7 | 9.1 | 2.4 | 16.2 |
| Schools – Minor Works Capital Programme | 3.9 | 0.1 | | 4.0 |
| Schools - Other Capital Works | 1.7 | 1.6 | | 3.3 |
| Highways & Bridges - LBL | 3.0 | 2.5 | 2.5 | 8.0 |
| Highways & Bridges – TfL and Others | 1.8 | 0.6 | 0.1 | 2.5 |
| Asset Management Programme | 1.3 | 3.1 | 2.5 | 6.9 |
| Other AMP Schemes | 1.1 | 5.7 | 1.7 | 8.5 |
| Beckenham Place Park (Inc. Eastern Part) | 0.7 | 1.7 | | 2.4 |
| Catford Phase 1 – Thomas Lane Yard/ CCC | 0.2 | 3.1 | | 3.3 |
| Lewisham Gateway (Phase 2) | 14.8 | 3.5 | 4.8 | 23.1 |
| Lewisham Homes – Property Acquisition | 0.0 | 3.0 | | 3.0 |
| Residential Portfolio Acquisition – Hyde Housing Ass. | 2.9 | | | 2.9 |
| Disabled Facilities Grant | 0.4 | 2.1 | | 2.5 |
| Private Sector Grants and Loans | 0.2 | 2.1 | | 2.3 |
| Edward St. Development | 9.0 | 8.4 | | 17.4 |
| Achilles St Development | 0.8 | 1.0 | | 1.8 |
| Mayow Rd Development | 0.6 | 6.6 | 1.1 | 8.3 |
| Canonbie Rd Development | 0.8 | 1.4 | 0.3 | 2.5 |
| Fleet Replacement Programme | 7.8 | 0.8 | 0.8 | 9.4 |
| Ladywell Leisure Centre Development Site | 0.1 | 2.7 | | 2.8 |
| Travellers Site Relocation | 0.2 | 3.6 | | 3.8 |
| Other Schemes | 7.2 | 2.8 | 1.5 | 11.5 |
| | 63.2 | 65.5 | 17.7 | 146.4 |
| HOUSING REVENUE ACCOUNT | | | | |
| Building for Lewisham Programme | 36.5 | 72.9 | 94 | 203.4 |
| Creekside Acquisition | 5.7 | 13.9 | 2.0 | 21.6 |
| HRA Capital Programme (Decent works) | 47.7 | 30.6 | 42.2 | 120.5 |
| Ladywell Leisure Centre Development | 4.5 | 15.4 | 43.4 | 63.3 |
| Achilles St. Development | 4.3 | 0.4 | 1.0 | 5.7 |
| Mayow Rd Development | 1.1 | 0.8 | | 1.9 |
| Other HRA Schemes | 0.6 | 1.0 | 1.0 | 2.6 |
| | 100.4 | 135.0 | 183.6 | 419 |
| TOTAL PROGRAMME | 163.6 | 200.5 | 201.3 | 565.4 |

APPENDIX 4 – Capital Programme revised 20/21 budget – reconciliation from budget in Finance Forecasts report to Mayor & Cabinet on 9 July 2020

| | Total | Total |
|---|--------------|----------------|
| | £'000 | £'000 |
| APPROVED CAPITAL PROGRAMME BUDGET | | |
| M&C – 9th July, 2020 | | 210,947 |
| New Schemes | | |
| Lewisham Market Scheme | 322 | |
| 20/21 LIP Programme | 1,220 | |
| Lewisham Gateway Phase 2 | 14,812 | |
| Catford Phase 1 – Thomas Lane Yard / Catford Constitution Club' | 200 | |
| Phoenix Acquisitions - S106 Funded | 450 | |
| Beckenham Place Park (Eastern Part) | 200 | 17,204 |
| Approved variations on existing schemes | | |
| Excalibur (Phase 3) | 200 | |
| Canonbie Road Development | 677 | 877 |
| Re allocated Budgets | | |
| Lewisham Library - Repairs & Refurb. | (1,000) | (1,000) |
| Re profiled Budgets | | |
| CYP CERA | (500) | |
| Achilles St. Development (Design Work) | (401) | |
| Achilles St. Development | (4,764) | |
| Ladywell Leisure Centre Development | 3,290 | |
| Unallocated AMP | (1,072) | |
| Excalibur (Phases 4&5) | (1,265) | |
| Milford Towers Decant | (2,769) | |
| Creekside Acquisition | 5,711 | |
| 19, Yeoman St. Improvements | 7 | |
| Deptford Southern Sites | (329) | |
| Lewisham homes property acquisition | (3,000) | |
| Schools Pupils Places Programme | (4,494) | |
| 2020 Schools Minor Works Capital Programme | (79) | |
| Heathside & Lethbridge | (244) | |
| Milford Towers Decant | (100) | |
| DFG & Disc Grants | (1,040) | |
| 9-19 Rushey Green | (250) | |
| Sydenham park footbridge | (489) | |
| Broadway Theatre - Works | (1,594) | |
| Acquisition of homes in inner LHA Area | (75) | |
| Watson Street Streetscape Improvements | (120) | |
| Refurbishment of 43-45 Bromley Road | (235) | |
| Essential footpath resurfacing parks | (7) | |

| | | |
|---|------------|-----------------------|
| Catford Broadway - Phase 2 | <u>(5)</u> | (13,824) |
| Re-Phasing Budgets | | |
| HRA | | (50,585) |
| Revised Capital Programme Budget 20/21 | | <u>163,619</u> |