

# Overview and Scrutiny



## Public Accounts Select Committee Supplementary Agenda

Tuesday, 2 February 2021 7.00pm

Remote - on Microsoft Teams - the public are welcome to observe via the Council's website at:

<https://lewisham.public-i.tv/core/portal/home>

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

### Part 1

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## Public Accounts Select Committee

**Report title:** Draft 20221/22 Budget Report

**Date:** 02 February 2021

**Key decision:** Yes.

**Class:** Part 1

**Ward(s) affected:** None

**Contributors:** Executive Director for Resources

### Outline and recommendations

The purpose of this report is to present members of the Public Accounts Select Committee (PASC) with the draft 2021/22 Budget report for pre-scrutiny. The report will be presented to Mayor & Cabinet (M&C) on the 3 February 2021.

It is recommended that the PASC note this report.

### Reasons for Urgency and Lateness

**Lateness:** The report is late to enable officers to complete the report and ensure the same version was shared for PASC and M&C which is being held on the following day.

**Urgency:** Given the significance of the Budget as an annual statutory report setting the Council Tax for 2021/22 and allocating resources to services for their statutory services and to deliver against the corporate strategy it is important that the PASC have the opportunity to provide scrutiny of the report so that this can be shared with M&C and any changes made promptly ahead of the Budget report being presented to full Council on the 3 March 2021.

Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b),(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

## 1. Summary

- 1.1. The draft 2021/22 Budget report and supporting appendices are attached to this report.
- 1.2. The purpose of the budget report is to set out the overall financial position of the Council in relation to 2020/21 and to set the Budget for 2021/22. This report allows the Council Tax to be agreed and housing rents to be set for 2021/22. It sets the Capital Programme for the next three years and the Council's Treasury Strategy for 2021/22.
- 1.3. The report also provides summary information on the revenue budget cut proposals that were presented at Mayor & Cabinet on the 9 December 2020 and the 3 February 2021. The approval and successful delivery of these cuts is required in order to help balance the budget for 2021/22 and prepare to address the budget requirement for 2022/23.

## 2. Recommendations

- 2.1. It is recommended that the PASC note the appended report and its supporting appendices.

## 3. Policy Context

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

### Corporate Priorities

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

### Values

- 3.2 Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members,

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between the council and partners and between the council and citizens. In taking forward the Council's Budget Strategy, we are guided by the Council's four core values:

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

## 4. Background

- 4.1. The Council's budget is an annual statutory requirement which enable the Council Tax to be set of the year and Members to approve the allocation of resources and set a balanced budget.
- 4.2. The budget is proposed by the Mayor for approval at full Council which this year is scheduled for the 3 March 2021.

## 5. Structure of the Budget report and Appendices

- 5.1. The full draft 2021/22 Budget report and appendices are attached to this cover report for PASC.
- 5.2. The 2020/21 Budget Report is structured as follows:

Section 1	Summary
Section 2	Recommendations
Section 3	Policy Context
Section 4	Structure of the Report, Policy Context, and Background
Section 5	Background
Section 6	General Fund Revenue Budget and Council Tax
Section 7	Other Grants and Future Years' Budget Strategy
Section 8	Dedicated Schools Grant and Pupil Premium
Section 9	Housing Revenue Account
Section 10	Treasury Management Strategy
Section 11	Capital Programme
Section 12	Consultation on the Budget
Section 13	Financial Implications
Section 14	Legal Implications
Section 15	Equalities Implications
Section 16	Climate Change and Environmental Implications
Section 17	Crime and Disorder Implications
Section 18	Health and Wellbeing Implications
Section 19	Background Papers
Section 20	Glossary

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Section 21 Report Author and Contact

Section 22 Appendices

5.3. The appendices are:

**Capital Programme**

W1 2020/21 to 2023/24 Capital Programme – Major Projects

W2 Proposed Capital Programme – Original to latest Budget

**Housing Revenue Account**

X1 Proposed Housing Revenue Account Cuts 2021/22

X2 Leasehold and Tenants charges consultation 2021/22

X3 Leasehold and Tenants Charges 2021/22 Lewisham Homes

X4 Other Associated Housing Charges for 2021/22

X5 Garage Rent Increase Report 2021/22

X6 Tenants' rent consultation 2021/22

**General Fund**

Y1 Summary of previously agreed budget cuts for 2021/22 (Approved 2020)

Y2 Summary of previously agreed budget cuts for 2021/22 (Approved 2021)

Y3 Cuts Allocation to Base Budget and Overspend

Y4 Ready Reckoner for Council Tax 2021/22

Y5 Chief Financial Officer's Section 25 Statement – *To follow M&C 10 February 2021*

Y6 Council Tax and Statutory Calculations

Y7 Summary of risks and pressures to be funded

Y8 2021/22 Proposed Fees and Charges

Y9 Making Fair Financial Decisions

**Treasury Management**

Z1 Interest Rate Forecasts

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

Z3 Approved countries for investments

Z4 Requirement of the CIPFA Management Code of Practice

## **6. Financial implications**

6.1. The whole budget report concerns the finances of the Council and as such the financial implications are set out in the budget report. There are no specific financial implications arising directly for PASC.

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## **7. Legal implications**

- 7.1. The legal implications in respect of the budget report are set out in the appended report. There are no specific legal implications arising directly for PASC.

## **8. Equalities implications**

- 8.1. There are no specific equalities implications arising directly for PASC.

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

- 9.1. There are no specific climate change and environmental implications arising directly for PASC.

## **10. Crime and disorder implications**

- 10.1. There are no specific legal implications arising directly for PASC.

## **11. Health and wellbeing implications**

- 11.1. There are no specific health and wellbeing implications arising directly for PASC.

## **12. Background papers**

- 12.1. The background papers to this report are those set out in the attached budget report, in particular the Round 1 and 2 Budget Cuts proposals considered by PASC on the 2 December 2020 and 2 February 2021 respectively.

- 12.2. Appended to this report are the:

- Draft 2021/22 Budget Report for M&C, and
- Appendices W1 to Z4 which accompany the Budget report.

## **13. Report author and contact**

- 13.1. If there are any queries on this report, please contact David Austin, Director of Corporate Services, [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk)

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## Mayor and Cabinet

### **Report title: 2021/22 Budget Report**

**Date:** 03 February 2021

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Executive Director for Corporate Resources

### **Outline and recommendations**

The purpose of this report is to set out the overall financial position of the Council in relation to 2020/21 and to set the Budget for 2021/22. This report allows the Council Tax to be agreed and housing rents to be set for 2021/22. It sets the Capital Programme for the next three years and the Council's Treasury Strategy for 2021/22.

The report also provides summary information on the revenue budget cut proposals that were presented at Mayor & Cabinet on the 9 December 2020 and the 3 February 2021. The approval and successful delivery of these cuts is required in order to help balance the budget for 2021/22 and prepare to address the budget requirement for 2022/23.

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

## Timeline of engagement and decision-making

The first round of 2021/22 Revenue Budget cuts were approved by Mayor and Cabinet on the 9 December 2020.

The second round of 2021/22 Revenue Budget cuts were presented to Mayor and Cabinet on the 3 February 2021.

The Council Tax Base was approved by Council on the 20 January 2021,

### 1. Summary

1.1 This report sets out the context and range of budget assumptions which Council is required to agree to enable it set a balanced budget for 2021/22. These include the following:

#### 1.2 General Fund

- In respect of the General Fund, the assumed net revenue expenditure budget is £243.100m. This is made up of provisional Settlement Funding from government of £123.304m (revenue support grant and business rates), forecast Council Tax receipts including an increase in Council Tax of 4.99%, an estimated deficit in the Collection Fund from a reduction in the eligible Council Tax base and lower collection rates (both due to the impacts of Covid-19), and similar deficits in business rates collection offset by including a share of the growth from the pilot London Business Rates Pool retained in prior years.
- The changes to the prior year General Fund position to meet the 2021/22 net revenue budget of £243.100m are proposed on the basis of the following assumptions:
  - £28.016m of revenue budget cuts have been agreed for 2021/22, of which £10.000m are to address persistent service overspending pressures and £18.016m will be a reduction in Directorate cash limits;
  - £6.500m of corporate budget for risks and pressures in 2020/21 and the £1.500 gain from the reduced cost of concessionary fares, of which it is being recommended that the full £8.000m of specific identified budget pressures be funded from the start of the year;
  - An assumed 4.99% increase in Band D Council Tax for Lewisham's services for 2021/22; including the 1.99% increase in the core Council Tax as announced in the provisional Local Government Finance Settlement and 3% increase for the Social Care precept.

#### 1.3 Grants

- In addition to the Public Health grant, the Council will continue to receive the other main grants - New Homes Bonus, Better Care Fund, improved Better Care Fund (including winter pressures), and Social Care Grant as part of the one year settlement for 2021/22. In respect of the £2.4m of additional social care grant it is proposed this is put towards the recognised risks and pressures for 2021/22 in Children Social Care.

#### 1.4 Fees and Charges

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- This report also presents the 2021/22 proposed fees and charges and related annual increase for the majority of chargeable services, statutory and discretionary.

### 1.5 Medium Term Financial Outlook

- The report looks to the medium term financial outlook and notes the prospects for the budget in 2021/22, cuts required, and the continued work by officers to meet identified potential budget shortfalls in future years. These are estimated at circa £26m over the following three years, 2022/23 to 2024/25. Against this target £13m of cuts have been identified as part of the cuts being considered for this budget. The report provides an update on the Government's review of relative needs and resources which now has the revised later implementation date of 1 April 2022.

### 1.6 Schools

- Schools Funding - The provisional 2021/22 Dedicated Schools Grant (DSG) allocation is £313.60m, an increase of £17.32m on the 2020/21 budget. However, circa £9.06m of this increase relates to the Teachers' Pension and Pay Award grant (TPPG), which has been streamlined into the DSG, and is not additional funding, meaning that the net growth is £8.26m or 2.8%.
- Special Needs Funding - Net increase in High Needs Block of £5.99m for 2021/22 following additional funding from government, but that this remains under extreme pressure and a £1.068m transfer from the DSG was agreed by Schools Forum.
- Early Years Funding - Increase of 6p per hour for 3 and 4 year olds, and 8p per hours for 2 year olds, and supplementary funding to support the two Lewisham nursery schools for September 2021 to March 2022 is subject to change and has not yet been finalised.
- Pupil Premium - funding rates will remain the same as at present and the final allocation will be advised following the 2020 January Census. For reference the allocation for 2020/21 was £14.624m

### 1.7 Housing

- A proposed rent increase of 1.5% (an average of £1.46 per week) in respect of dwelling rents, 1.5% (average £0.53 per week) in respect of hostels, and a range of other proposed changes to service charges. The proposed annual expenditure for the Housing Revenue Account is £226.1m, including the capital and new build programme, for 2021/22;

### 1.8 Treasury

- The report updates the Council's Treasury Management Strategy for both borrowing and investments. The proposed approach and levels of risk the Council takes in its Treasury functions remain prudent in line with last year, and officers continue to explore alternative investment options and further opportunities to undertake debt restructuring in order to reduce balance sheet risk and best fund the capital plans set out. As noted in the capital plans, these are being reviewed in light of the Council's recovery planning from Covid-19 and the treasury requirements will be updated in-line with any revisions to the capital programme.

### 1.9 Capital

- The proposed Capital Programme (General Fund and Housing Revenue Account) budget for 2021/22 to 2023/24 of £517.5m, of which £184.2m is for 2021/22;

## 2. Recommendations

- 2.1 It is recommended that the Mayor and Cabinet considers the comments of the Public Accounts Select Committee of 2 February 2021 and notes that Mayor and Cabinet

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decisions on the budget report will then be taken formerly with the budget update report on the 10 February.

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

### **General Fund Revenue Budget**

- 2.3 notes and asks Council to note the projected overall variance of £3.2m (or 1.3%) against the agreed 2020/21 revenue budget of £248.714m as set out in section 6 of this report and that any year-end overspend will be met from corporate reserves and provisions;
- 2.4 endorses and asks Council to endorse the budget cut proposals of £28.016m as per the Mayor and Cabinet meetings of the 9 December 2020 and 3 February 2020, as set out in section 6 of the report and summarised in Appendix Y1 and Y2;
- 2.5 agrees and asks Council to agree the allocation of £6.500m in 2021/22 be set aside and use of £1.500m reduced contribution for concessionary fares for corporate risks and pressures;
- 2.6 agrees and asks Council to agree the allocation of £19.685m of corporate risks and pressures, social care precept, new homes bonus, social care grant, lower tier grant and legacy s31 monies in 2021/22 to be invested in funding quantified budget pressures and opportunities, both recurring and once-off as set out in section 6;
- 2.7 agrees to recommend to Council that a General Fund Budget Requirement of £243.100m for 2021/22 be approved;
- 2.8 asks Council to agree to a 4.99% increase in Lewisham's Council Tax element. This will result in a Band D equivalent Council Tax level of £1,379.96 for Lewisham's services and £1,743.62 overall. This represents an overall increase in Council Tax for 2021/22 of 5.91% and is subject to the GLA precept for 2021/22 being increased by £31.59 (i.e. 9.5%) from £332.07 to £363.66, in line with the GLA's draft budget proposals;
- 2.9 notes and asks Council to note the Council Tax Ready Reckoner which for illustrative purposes sets out the Band D equivalent Council Tax at various levels of increase. This is explained in section 6 of the report and is set out in more detail in Appendix Y4;
- 2.10 asks that the Executive Director for Corporate Resources issues cash limits to all Directorates once the 2021/22 Revenue Budget is agreed;
- 2.11 notes that the Executive Director for Corporate Resources Section 25 Statement will be presented in the Budget Update Report on the 10 February 2021 for approval;
- 2.12 agrees and asks Council to agree the draft statutory calculations for 2021/22 as set out at Appendix Y6;
- 2.13 notes and asks Council to note the prospects for the revenue budget for 2021/22 and future years as set out in section 6;
- 2.14 agrees and asks officers to continue to develop firm proposals to redesign and transform services and bring them forward in good time to support the work towards a cuts round to help plan early and meet the future forecast budget shortfalls;
- 2.15 notes and endorses the Council's withdrawal from the discontinued London Business Rates Pool for 2021/22.

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

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- 2.16 notes and asks Council to note the adjustments to and impact of various specific grants for 2021/22 on the General Fund as set out in section 7 of this report;

### **Fees and charges**

- 2.17 approves and endorses the approach to setting 2021/22 fees and charges for chargeable services in section 8 of the report and attached at Appendix Y8;

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

#### Schools Block

- 2.18 note and recommends that Council notes that the provisional Dedicated Schools Grant allocation of £222.769m be the Schools' Budget (Schools Block) for 2021/22;
- 2.19 notes that following the Schools Forum meeting on the 19 January, submission has been made to the Department for Education with regards to school funding formula, recommending the application of the National Funding Formula (including unit values) allowing for a 2% uplift in Minimum Funding Guarantee (MFG);
- 2.20 notes that after the funding allocation to schools there is a one-off remaining amount of Dedicated Schools Grant of £2.3m for 2021/22;
- 2.21 agrees and recommends that Council agrees, (as recommended by Schools Forum) the once-off transfer £1.068m of Dedicated Schools Grant to the High Needs Block and the set aside of £1.24m to support schools through measures such as the growth fund and the falling rolls fund;

#### Central Schools Services Block (CSSB)

- 2.22 notes, and asks Council to note, the construct and allocation of £4.261m for the CSSB block allocation for 2021/22;
- 2.23 notes an increase of £2.65 per pupil unit resulting in a net increase of £68.7k in the "pupil-led" funding element of the block;

#### High Needs Block (HNB)

- 2.24 notes, and asks Council to note, the provisional High Needs Block £62.4m to support the Council's statutory duty with regards Special Education Needs. This is a net increase of £5.99m relative to 2020/21;
- 2.25 notes that the HNB is expected to overspend by between £4-5m in 2020/21;
- 2.26 notes that the Schools Forum has agreed to transfer £1.068m to the block to support the Council to meet its statutory functions;

#### Early Years Block (EYB)

- 2.27 notes, and asks Council to note, the provisional Dedicated Schools Grant allocation of £24.17m to the block;
- 2.28 notes that the Department for Education increase in funding for "3 and 4 year old" from £5.70, to £5.76 (i.e. 6p per hour), and hourly rate for 2 year olds increase from £6.58 to £6.66 (i.e. 8p per hour) for 2021/22.
- 2.29 notes that the maintained nursery supplementary funding allocation for September 2021 to March 2022 is subject to change and has not yet been finalised;

#### Pupil Premium

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- 2.30 notes, and asks Council to note, that the pupil premium will continue in the 2021/22 financial year. The funding rates in the year will be same as 2020/21 but the census date has changed to January.

### **Housing Revenue Account**

- 2.31 notes the consultation report on service charges to tenants' and leaseholders in the Brockley area, presented to area panel members on 16 December 2020, as attached at Appendix X2;
- 2.32 notes the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 17 December 2020 as attached at Appendix X3;
- 2.33 sets an increase in dwelling rents of 1.5% (an average of £1.46 per week) – as per the formula rent calculations outlined in section 9 of this report;
- 2.34 sets an increase in the hostels accommodation charge by 1.5% (or £0.53 per week), in accordance with formula rent calculations;
- 2.35 approves the following average weekly increases/decreases for dwellings for:

- 2.35.1 service charges to non-Lewisham Homes managed dwellings (Brockley) to ensure full cost recovery and 2.1% inflationary uplift for 2021/22;

• caretaking	2.10%	(£0.66)
• grounds	2.10%	(£0.80)
• communal lighting	2.10%	(£0.06)
• bulk waste collection	2.10%	(£0.03)
• window cleaning	2.10%	(£0.00)
• tenants' levy	0%	(£0.00)

- 2.35.2 service charges to Lewisham Homes managed dwellings:

• caretaking	1.99%	(£0.13)
• grounds	1.94%	(£0.04)
• window cleaning	26.00%	(£0.02)
• communal lighting	2.55%	(£0.03)
• block pest control	2.20%	(£0.04)
• waste collection	23.20%	(£0.11)
• heating & hot water	1.62%	(£0.17)
• tenants' levy	0%	(£0.00)
• bulk waste disposal	0.00%	(£0.00)
• sheltered housing	0.00%	(£0.00)

- 2.36 approves the following average weekly percentage changes for hostels and shared temporary units for;
- service charges (hostels) – caretaking etc.; no change
  - energy cost increases for heat, light & power; no change

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- water charges increase; no change
- 2.37 approves an increase in garage rents by 1.1% (£0.17 per week) for Brockley and Lewisham Homes residents;
- 2.38 notes that the budgeted expenditure for the Housing Revenue Account (HRA) for 2021/22 is £226.1m, split £112.1m revenue and £114.0m capital, which includes the decent homes and new build programmes;
- 2.39 agrees the HRA budget strategy cut proposals in order to achieve a balanced budget in 2021/21, as attached at Appendix X1;
- 2.40 agrees to write off forty-one cases of Former Tenants' Arrears as set out in section 9 and Appendix X7, totalling £655,329.76;

### **Treasury Management Strategy**

- 2.41 approves and recommends that Council approves the prudential indicators and treasury indicators, as set out in section 10 of this report;
- 2.42 approves and recommends that Council approves the Annual Investment Strategy and Creditworthiness Policy, set out in further detail at Appendix Z2;
- 2.43 approves and recommends that Council approves the update to the Investment Strategy as set out in section 10 of this report, namely to allow investment in UK building societies with a minimum credit rating of BBB- from Fitch (or equivalent) for up to 3 months, and no more than £10m per institution;
- 2.44 notes and asks Council to note that the Capital Strategy 2021/22 will be brought forward during the year;
- 2.45 approves and recommends that Council approves the Minimum Revenue Provision (MRP) policy as set out in section 10 of this report;
- 2.46 agrees and recommends that Council agrees to delegate to the Executive Director of Corporate Resources authority during 2021/22 to make amendments to borrowing and investment limits provided they are consistent with the strategy and there is no change to the Council's authorised limit for borrowing;
- 2.47 approves and recommends that Council approves the overall credit and counterparty risk management criteria, as set out at Appendix Z2, the proposed countries for investment at Appendix Z3, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Corporate Resources;
- 2.48 approves and recommends that Council approves a minimum sovereign rating of AA- for non-UK investments;

### **Capital Programme**

- 2.49 notes the 2020/21 Quarter 3 Capital Programme monitoring position and the Capital Programme potential future schemes and resources as set out in section 11 of this report;
- 2.50 notes the significant proposed rise in prudential borrowing of more than £275m by 2023/24, primarily to fund the Building for Lewisham programme capital plans;
- 2.51 recommends that Council approves the 2021/22 to 2023/24 Capital Programme of £517.5m, as set out in section 11 of this report and attached at Appendices W1 and W2.

### 3. Policy Context

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

#### Corporate Priorities

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

#### Values

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

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

3.3 As noted in the 2020/21 budget, the Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.

3.4 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough, for new homes, school improvements, regenerating town centres, renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. Of

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

- 3.5 It remains clear that the Council cannot do all that it once did, nor meet all those expectations that might once have been met, for we are in a very different financial position than just a decade ago. Severe financial constraints have been imposed on Council services with cuts to be made year on year on year, and this on-going pressure is addressed in this report, incorporating further budget cuts for 2021/22 and noting the continued outlook for austerity to at least 2023/24. This is pending the Fair Funding Review (FFR) and Business Rates Retention (BRR) consultations now due to conclude for 2022/23 at the earliest.
- 3.6 Over the past eleven months, the Council's business, and the day to day lives of Lewisham's residents, has been turned on its head. In March 2020, Council activity simultaneously ground to a halt and ramped up in equal measure. With "non-critical" services wound down almost overnight and a new, urgent focus on "critical services", the Council's leadership team, members and vast range of services faced new demands, challenges, pressures and opportunities.
- 3.7 The pace, scope and scale of change has been immense: the pandemic has demanded agility, creativity, pace, leadership, organisational and personal resilience, strong communications and an unerring focus on the right priorities. Within the Council, the impact of the COVID-19 pandemic is felt acutely across all of our service areas and we are grappling with real challenges in how we keep services running for our residents and how we protect the most vulnerable. Across the borough, residents are looking afresh at our borough, their neighbourhoods, and seeing where they live through new eyes.
- 3.8 While we do not yet fully understand what all of the long-term implications of COVID-19 will mean for the borough, there have been many clear and visible impacts of the pandemic on our residents, Lewisham the place and also the Council. We know that coronavirus has disproportionately affected certain population groups in Lewisham, matching patterns that have been identified nationally and internationally: older residents, residents born in the Americas & the Caribbean, Africa or the Middle East & Asia, and residents in the most deprived areas of the borough have considerably higher death rates. We know that more Lewisham residents are claiming unemployment benefits compared to the beginning of this year and that food insecurity has increased in the borough.
- 3.9 The Council's finances have also been severely affected by the ongoing pandemic. The cost of coronavirus for Lewisham is estimated to be over £60m this year and rising. Despite government promises early in the pandemic, up to £20m remains unfunded in this financial year with further budget pressures for future years. Officers have taken management action to make in-year savings of £5.4m as well as introducing additional spending controls. During the latter half of the year we began the long, difficult process of identifying cuts of over £40m for the next three years (to April 2024) with £28m identified to be cut in 2021/22, which includes identified action to address the persistent overspend estimated at £10m.
- 3.10 At the same time, as set out at section 6 of the report, the use of resources to address risks and pressures through positive investments is an opportunity. These investments are also supported via the capital programme at section 11. This spending deals with existing pressures and supports the Council in refocusing and changing services where new opportunities and expectations for how the Council can better deliver them to support the community are identified. Being forward looking will support Lewisham's recovery from the Covid-19 pandemic and help the Borough thrive again.

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- 3.11 Infection rates continue to remain high (in our borough, across London and the UK as a whole) and the whole country is again enduring severe restrictions with new national lockdown measures now in place and possibly to remain so until at least the 31 March 2021, subject to review. We now face the challenge of needing to simultaneously respond to the pandemic, plan for the long-term recovery of the place, set a balanced budget for next year, and set the financial basis for the internal recovery of the Council in the coming years.

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

- 4.1 The 2020/21 Budget Report is structured as follows:

Section 1	Summary
Section 2	Recommendations
Section 3	Policy Context
Section 4	Structure of the Report, Policy Context, and Background
Section 5	Background
Section 6	General Fund Revenue Budget and Council Tax
Section 7	Other Grants and Future Years' Budget Strategy
Section 8	Dedicated Schools Grant and Pupil Premium
Section 9	Housing Revenue Account
Section 10	Treasury Management Strategy
Section 11	Capital Programme
Section 12	Consultation on the Budget
Section 13	Financial Implications
Section 14	Legal Implications
Section 15	Equalities Implications
Section 16	Climate Change and Environmental Implications
Section 17	Crime and Disorder Implications
Section 18	Health and Wellbeing Implications
Section 19	Background Papers
Section 20	Glossary
Section 21	Report Author and Contact
Section 22	Appendices

## **5. Background**

- 5.1 This section sets out the main national macro-economic and public spending position, the current position in respect of local government finance, the impact of Covid-19 on the Council and its recovery plans, and some of the key Council services as context for the Budget spending details.

### **National Context**

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- 5.2 This year all underlying assumptions have been put on hold due to the impact of the Covid-19 pandemic that has hit the global and UK economy hard. The government has had to borrow extensively to meet the costs of supporting businesses and individuals through the pandemic.
- 5.3 Looking forward this backdrop will be carried into and continue deep into 2021/22 and beyond from the current position of economic recession. The recovery plan for how the public finances will be stabilised and debt repaid is yet to be set out by the Chancellor. These decisions will impact how local government is financed in the future but for now planned funding changes have been deferred until at least 2022/23. This uncertainty makes it very difficult for the Council to plan effectively for the medium term.
- 5.4 The Bank of England December 2020 figures confirmed interest rates at 0.1%, quantitative easing totalling £895bn, and inflation at 0.6%. The office of budget responsibility forecasts were for £280bn of borrowing, but this was before the current lockdown was announced. The UK Gross Domestic Product (GDP) fell by 25% in the first months of the pandemic and, while this position has improved since, is now expected to be 11% lower for the year 2020/21. In this period and despite considerable support to businesses, including via the furlough scheme which is currently in place until April 2021, there are now over 700,000 fewer people in employment than at the start of the year.
- 5.5 The UK has now left the European Union. In the face of global economic uncertainty and as the understanding of the new economic relations between the UK and Europe emerge there remain further challenges to the UK economic outlook.

### **Local Government**

- 5.6 The provisional Local Government Finance Settlement was announced on 17 December 2020, with the final settlement expected around the 11 February 2021. This is another one year settlement only pending with the fair funding review, business rates reset and other local government finance changes pushed back again until at least 2022/23.
- 5.7 Along with the settlement announcement, the Government confirmed the continuation and an increase to 3% of the Social Care (SC) precept on Council Tax in 2021/22, created to give local authorities who are responsible for social care the ability to raise new funding to spend exclusively on Adult Social Care. In 2020/21, the Council applied a SC precept of 2%. In 2021/22, the Council is permitted to apply a maximum precept of 3% which will generate an extra £3.5m of revenue for Adult Social Care.
- 5.8 The Government also announced that the limit by which Councils can increase their core Council Tax (inclusive of levies) without a referendum, remains at the maximum level of 2%. This will generate approximately £2.3m of revenue for the Council.
- 5.9 The Government decided not to continue with the 75% Business Rates Pilot Pools, including the London pool for 2020/21. London Government through decisions made collectively by the London Councils Leaders Committee and the London Mayor agreed to extend its business rates retention pool in 2020/21 covering the GLA and the 33 London billing authorities. However, with the current uncertainties in the business rates base across London and without any 'no detriment' guarantees from government, London Government has confirmed it will stop the pooling arrangement for 2021/22.
- 5.10 The Mayor is asked to note that Lewisham will not continue its involvement in the London pool for 2021/22 and ask Council to endorse this.
- 5.11 With 2021/22 effectively being another roll forward year, the Government has deferred the fundamental review of the way local government is financed until at least 2022/23.

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The fair funding review will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best available evidence. Sitting alongside this is a review of the Business Rates retention arrangements, which aims to reform the elements of the business rates retention system in England.

- 5.12 Last year the Council was able to set its budget without needing to use reserves. This year again, the Council has identified the £18m of cuts necessary to set a balanced budget and reduce the £10m of persistent service overspending witnessed in some areas over recent years. This is on top of the £7m of cuts agreed for 2020/21 the delivery of which has been pushed back to 2021/22 due to the need to address Covid-19 priorities this year.
- 5.13 While this position is confirmed for one year only, officer's medium term assumptions are that this recognises this higher funding baseline, including the housing, health and social care grants, as the starting point for the fair funding review. Nonetheless, due to the uncertainty surrounding the public finances overall and the local government fair funding review in particular, combined with the expectation that there still remains significant pressure in future years on the Council's limited resources to meet the growing demands of the people it serves; the Council fully expected to have to continue to seek further cuts for future year's budgets. The use of reserves will need to be considered in 2021/22 to meet any cost of recovery from Covid-19 and from 2022/23 if sufficient measures are not found to set a balanced budget each year.
- 5.14 Budget cuts of £28m have so far been identified for 2021/22 under a thematic approach sponsored by Members and led by the Executive Management Team. Assuming the measures proposed and the 2021/22 budget as set out in this report are agreed, the Council can set a balanced budget for the next financial year.

### **Covid-19 and the Council**

- 5.15 With the third wave lockdown restrictions in place in Lewisham, realistically expected to extend into 2021/22 in some form, the Council is now acting once again to protect critical services and support vulnerable residents through another very challenging period. This in addition to supporting the scaling up of the national vaccination and track and trace programmes. While the Council may have to rely on its reserves for some of the impact of COVID-19, reserves by their nature once used are gone. They cannot therefore also be relied on to delay or avoid the difficult budget task of bringing spending into line with available resources.
- 5.16 Lewisham's recovery from coronavirus will be underpinned by the following anchoring principles which will continue to be at the heart of all decision-making, planning and action over the coming months:
- Tackling widening social, economic and health inequalities;
  - Protecting and empowering our most vulnerable residents;
  - Ensuring the Council's continued resilience, stability and sustainability;
  - Enabling residents to make the most of Lewisham the place; and
  - Collaborating and working together with our communities and partnership across the borough.
- 5.17 Recovery will mirror the Council's successful response structure, with two perspectives: internal (the Council's recovery) and external (the Borough's recovery).
- 5.18 The Council's internal recovery is to be driven by the lessons learned from responding to COVID-19, the known and emerging impacts on our communities and the need to

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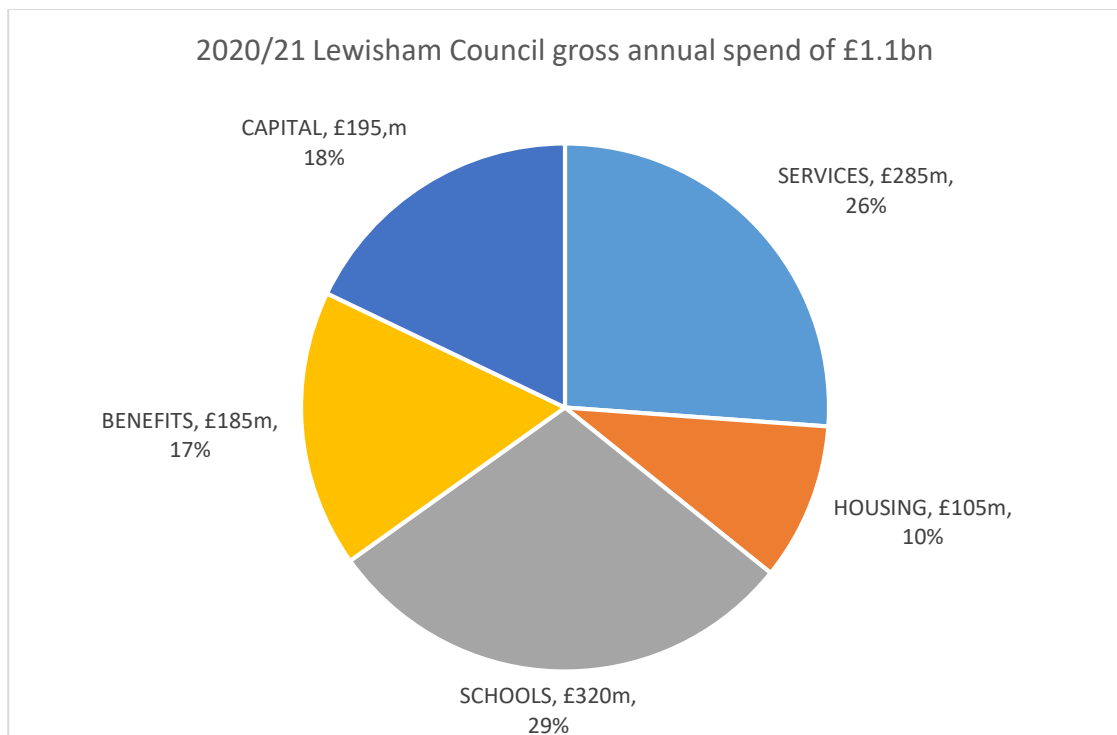
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deliver transformation at the scale needed to meet the current financial challenge. The 2021/22 budget-setting process is the first step in a three-year internal transformation programme to deliver cuts as set out on the Medium Term Financial Strategy (MTFS).

- 5.19 Officers will be applying a programme management approach to deliver the strategic budget proposals as set out in this report and the accompanying cuts reports, if agreed. Officers will be supported to ensure that the proposals identified are realistic and taken through the new Programme Management Office (PMO) assurance and governance processes, giving rigour to the structure and delivery of the individual projects including the important financial, legal, equalities and other implications.
- 5.20 This internal recovery approach is inherently linked to the 'external' recovery of the borough, the recovery of Lewisham the place. For Lewisham, a post-pandemic future could bring opportunities and it is vital our communities are able to make the most of what's on their doorstep. We look ahead to a huge opportunity to recover positively in partnership with our communities and partners and neighbours, to support community development and resilience, to nurture and develop Lewisham's vibrant cultural scene using the platform of Borough of Culture, to promote a sustainable and thriving local economy, to tackle health inequalities, to achieve a fairer zero-carbon future, and to support our borough's children and young people. The borough's long-term recovery will be led by the Mayor along with Councillors, as the borough's community leaders, who will shape and drive priorities for recovery across Lewisham.

### Budget context

- 5.21 The Council spends over £1.1bn annually on services for residents. In broad terms this splits as follows:

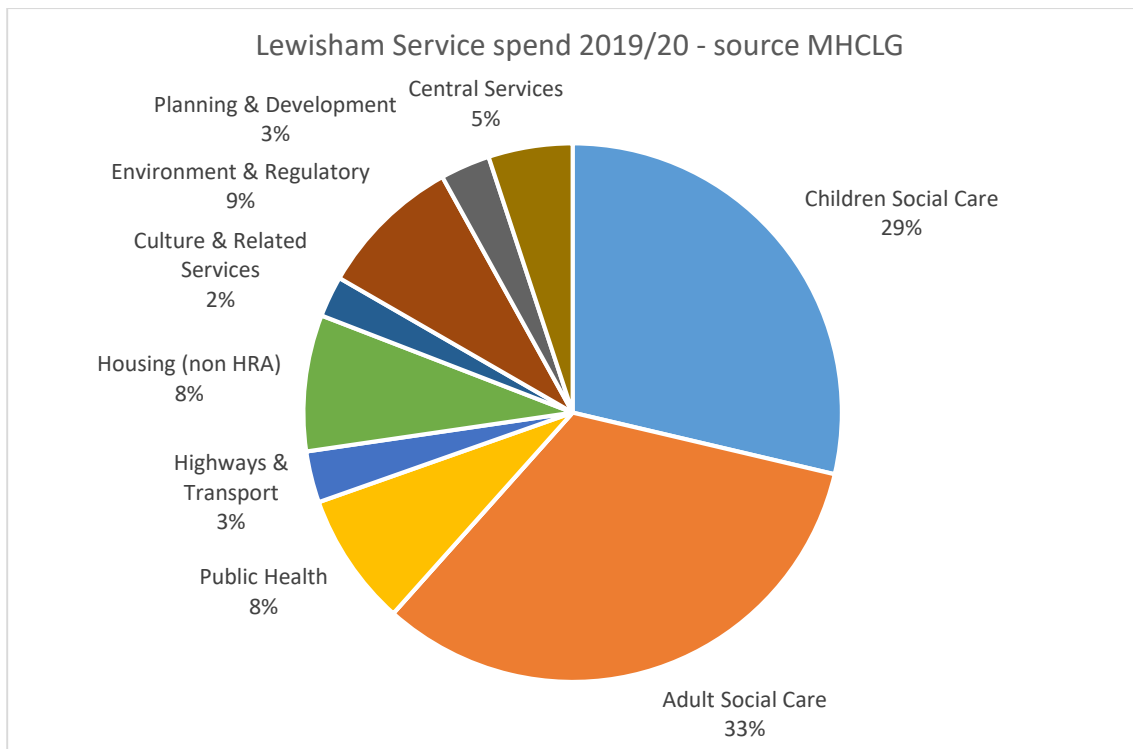


- 5.22 In respect of the £285m Services element of this annual spend, this is the gross spend built from the £248m general fund budget and income from grants, fees and charges, the money is directed as follows:

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- 5.23 The Council serves an estimated population of 305,000 people who live in 130,000 households. Residents of Lewisham are diverse, with people of more than 70 nationalities speaking over 170 languages. The number of residents is also growing; over 12% since the last census in 2011 and growth is forecast to continue with the population rising by 55,000 to 360,000 (or 18%) by 2041. These numbers will be reassessed with the 2021 census being undertaken this calendar year.
- 5.24 The Council works hard to be available for residents when they need it. Through the Customer Services access point, the Council responds to over 500,000 items of correspondence and receives over 18,000 visits a year. In addition, through the registry office, the Council processes over 7,500 births, deaths and marriages. While these activities have had to move on-line for 2020/21 due to the Covid-19 pandemic the Council has continued to support residents with these core services while also handling a significant rise in other customer services needs for businesses and residents in these challenging times.
- 5.25 In addition to supporting a diverse and growing population, the budget contributes to the Council's commitment to extend local democracy. With the Covid-19 pandemic the Council is jointly sponsoring research with the University of Birmingham into the impact on BAME communities alongside wider socio-economic factors. While the resettlement of refugees was paused due to the pandemic in 2020/21, in line with the corporate strategy Lewisham remains committed to resuming this work and welcoming more of those seeking asylum in the UK.
- 5.26 The budget supports a wide range of age groups across more than 600 individual services.
- 5.27 For young people, the schools' budget provides for 77 maintained schools from nursery level through to secondary. This means 85% (30,500) of all school age children attend one of our maintained schools.
- 5.28 Our Strategic Housing service benefits a large number of residents. The work done with partners to deliver Social Housing and Temporary Accommodation helps provide for the accommodation needs of a quarter of our households with 30,800 households

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in social housing and 2,500 in temporary accommodation. The numbers in temporary accommodation has been supplemented in 2020/21 through the pandemic to ensure everyone on the street was offered a place to stay.

- 5.29 The Borough has over 9,000 businesses registered and, in line with our corporate priority to assist with access to high-quality job opportunities, the budget funds adult education and apprenticeships. During 2020/21 over £50m of grants have been administered by the Council and passed to businesses along with a further £34m of business rates relief. At the same time the Council established a Business Taskforce with Member, partner, and senior officer representation to lead on improving and planning for economic recovery and employment as the Borough recovers from the Covid-19 pandemic. This includes support for kick start programmes and extending the opportunities for local apprenticeships.
- 5.30 The Adult Social Care service provides a range of support to vulnerable users that helps them remain active and independent: 2,350 (or 8%) of those over 65 and 1,265 (or 1%) of the 18-64 population received a service from Lewisham in 2019/20. As well as physical care needs, these services provide support to those with mental health or disability needs. The work of these services has been under particular scrutiny with the Covid-19 pandemic and the Council has worked closely with the NHS to help manage pressures in the system (in particular hospital discharges), as well as working with care providers in the Borough to support the safety of patients and workers, provision of protective equipment, guidance on infection control, and financially where needed to ensure the stability of the market.
- 5.31 The budget also maintains key universal services such as libraries; arts and entertainment centres and sports and recreation facilities. For much of 2020/21 these services have been closed or had their services reduced due to the pandemic. In these cases staff have redeployed to support the critical services response. At the same time recovery planning is being undertaken. For example, the Council moved its large leisure contract to GLL during the year, has maintained a click and collect library service, and agreed investment of £7m in the theatre as the Council looks forward to being the Borough of Culture next year.
- 5.32 Maintaining a clean and green environment is beneficial for all. The amount of waste recycled, composted or re-used is growing year on year. Each week Lewisham waste services collect 2,500 tonnes of waste from households. And thanks to the efforts of residents, the Council are currently able to keep 25% of that waste from being incinerated. These efforts have also resulted in over 18,000 tonnes of waste to be recycled this year. The level of waste collected in the Borough has risen in 2020/21 with lockdown and more working from home with the service responding and continuing despite the pandemic.
- 5.33 The Council is also responsible for maintaining 397km of roads and 12km of footpaths. The Environment service sweeps the town centres daily and main residential streets weekly. The Council also manages the parking service, including permits and enforcement. These are service areas which will play a significant part in supporting the delivery of a zero-carbon borough. Through the Covid-19 pandemic the Council has continued to support key workers by offering parking permits in response to health needs.
- 5.34 Residents enjoy the Borough's green spaces and the budget supports the work that the Green Scene service does to maintain the high standard of Lewisham's parks. There are 47 parks in the borough and 15 of these have the coveted 'Green Flag' rating. Our achievements in this service area have been recognised by our residents with 74% of residents who responded to the 2018 'Parks and Open Spaces survey' felt the standard of the parks in Lewisham has been maintained at a good or fair level. The Council also ranked first in the recent "Good Parks for London" group. These outdoor

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spaces have proved a valued lifeline for exercise and wellbeing activities for residents through the Covid-19 pandemic in 2020/21.

5.35 The rest of the report sets out the position of the financial settlements as they impact on the Council's overall resources:

- General Fund Revenue Budget for 2020/21;
- Council Tax level for 2020/21;
- Other Grants for 2020/21;
- Dedicated Schools Grant (DSG) for 2020/21;
- Housing Revenue Account (HRA) and level of rents for 2020/21;
- Treasury Management Strategy for 2020/21; and
- Capital Programme for 2019/20 to 2022/23.

## 6. General Fund Revenue Budget And Council Tax

6.1. This section considers the General Fund revenue budget and Council Tax. The General Fund budget for 2021/22, assuming a Council Tax increase of 4.99%, is £243.100m. Details of the cuts approved for 2021/22 are provided at Appendices Y1 and Y2.

6.2. It is structured as follows:

- Update on 2020/21 Revenue Budget;
- The Budget Model;
- Budget Cuts;
- Council Tax for 2021/22; and
- Overall Budget Position for 2021/22.

### Update on 2020/21 Revenue Budget

6.3. The Council's revenue budget for 2020/21 was agreed at Council on 26 February 2020. The general fund budget requirement was set at £248.714m.

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

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

6.6. An initial projected overspend was reported at the end of May 2020, post the application of the monies received to date from government to support the Council's

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response to Covid. Officers undertook management action to make in-year savings of £5.4m as well as introducing additional spending controls, and in the August monitoring report this overspend had reduced to £10.4m. The forecast non-Covid overspend had again further reduced to £3.6m in the October 2020 monitoring report.

- 6.7. In spite of the continued management action and temporary spending controls in place the persistent overspending projection and underlying service demands remain and therefore £10m has been included as part of the budget cuts proposals for 2021/22 to ensure that the Council can set a balanced budget for 2021/22.

### Directorates

- 6.8. Table A1 sets out the latest forecast budget variances on the General Fund by Directorate, separately identifying the Covid pressures from the non Covid directorate pressures, totalling £3.6m.

**Table A1: Forecast outturn for 2020/21 as at end of October 2020**

Directorate	Net budget 2020/21	Forecast Outturn 2020/21 As at end of October 2020	Forecast Variance Over/ (Under) Spend October 2020	Covid-19 Related Variance October 2020	Non Covid-19 Service Variance October 2020
	£m	£m	£m	£m	
Children & Young People (1)	60.3	71.7	11.4	4.5	6.9
Community Services	89.3	102.6	13.3	16.8	(3.5)
Housing, Regen' & Public Realm	23.2	32.7	9.5	9.7	(0.2)
Corporate Resources (2)	35.3	39.4	4.1	3.4	0.7
Chief Executive	12.2	12.3	0.1	0.4	(0.3)
<b>Directorate Totals</b>	<b>220.3</b>	<b>258.7</b>	<b>38.4</b>	<b>34.8</b>	3.6
Covid Grant Funding	N/A	N/A	(36.6)	(36.6)	0.0
Corporate Items	28.3	28.3	1.4	1.4	0.0
<b>Net Revenue Budget</b>	<b>248.6</b>	<b>287.0</b>	<b>3.2</b>	<b>(0.4)</b>	3.6

(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.

### Corporate Financial Provisions

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- 6.9. Corporate Financial Provisions are budgets that are held centrally for corporate purposes and which do not form part of the controllable expenditure of the service directorates. They include Capital Expenditure charged to the Revenue Account (CERA), Treasury Management budgets such as Interest on Revenue Balances (IRB) and Debt Charges, Corporate Working Balances and various provisions for items such as early retirement and voluntary severance. Spend of the Corporate Financial Provisions is expected to be contained within budget by the year-end.
- 6.10. Consideration is now being given to employing the use of corporate measures to balance the budget at year end. This will be to address any shortfall in support for Covid-19 costs as well as underlying service overspending. It is proposed to meet the 2020/21 budget overspend from provisions and reserves, with the final position declared in the outturn report to Members.

### **The Budget Model**

- 6.11. This section of the report sets out the construction of the 2021/22 base budget. This section is structured as follows:
- Budget assumptions, including: Cuts, Council Tax, and Inflation;
  - New Homes Bonus;
  - Budget pressures to be funded; and
  - Risks and other potential budget pressures to be managed.

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

- 6.12. The Council has made substantial reductions to its expenditure over the last ten years. Subject to the outcome of the multi-year Comprehensive Spending Review (CSR) now expected in 2021 for 2021/22 and the outcome of the government's fair funding review, the Council expects to continue to need to make further reductions for at least the next three to four years. This section of the report summarises a series of proposals that would enable the Council to set a balanced budget for 2021/22 as part of a sustainable financial strategy to 2024/25.

#### Council Tax

- 6.13. Since 2016/17, the government has allowed councils with social care responsibilities to apply a percentage increase on council tax (the Social Care precept), the funds of which are ring-fenced to Adult Social Care (ASC) services. To date, Lewisham has applied a 10% increase over the five year period. The government is once again allowing councils to apply a precept for 2021/22, up to a maximum of 3%. For 2021/22 this will generate £3.494m of additional income for ASC services. This report proposes that the Mayor recommends that Council approve the 3% ASC precept for 2021/22 to obtain the maximum benefit permitted.
- 6.14. The assumption used in the model for preparing the 2021/22 budget, subject to confirmation by Council, is for a total Council Tax increase (Lewisham element) of 4.99%. A 3% increase for the social care precept and a 1.99% increase in the core element under the revised referendum principle announced along with the provisional Finance Settlement on 17 December 2020.
- 6.15. Should Council choose to set a different Council Tax increase, Members will need to be mindful that any increase below this recommendation will result in additional budget pressures, resulting in greater use of resources in the short term and a higher cuts requirement going forward. Any increase in the core element above this

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recommendation would require support in a local referendum due to the limit set by the Secretary of State.

- 6.16. Further information on the options for Council when setting the Council Tax is set out in more detail towards the end of this section.

### Inflation

- 6.17. The Government's inflation target for the United Kingdom is defined in terms of the Consumer Price Index (CPI) measure of inflation which excludes mortgage interest payments. Since April 2011, the CPI has also been used for the indexation of benefits, tax credits, and public service pensions.
- 6.18. For financial planning purposes, the Council has previously assumed an average pay inflation of 2% per annum, which equates to approximately £2.5m. 2020/21 is the last year of the current pay settlement via the National Joint Council (NJC) for Local Government which saw an increase of 2.75%. The government has frozen public sector wages other than for health services for 2021/22.
- 6.19. Lewisham's lowest pay band exceeds the national and London living wage amounts. A provision of 2% (£2.6m) had been made to cover 2021/22 pay inflation in the MTFS which, due to the pay freeze, now forms part of the productivity cuts for the budget.
- 6.20. The Council budgets for a non-pay inflation rate budget of 1.5% per annum. This is higher than the forecast CPI inflation rates for 2021 to reflect the underlying commitments in Council contracts. This equates to approximately £1.3m (net) in 2020/21.
- 6.21. Unless pre-defined by statute or otherwise agreed, all services are expected to uplift their fees and charges annually in line with the Council's inflation assumptions, or for full cost recovery if this is higher, to allow for stability in real terms.

### New Homes Bonus

- 6.22. The New Homes Bonus (NHB) sits alongside the Council's planning system and is designed to create a fiscal incentive to encourage housing growth. The Ministry of Housing, Communities and Local Government (MHCLG) has been paying the NHB as un-ringfenced grant to enable local authorities to decide how to spend the funding. The scheme design sets some guidance about the priorities that spend should be focused on, in that it is being provided to 'help deliver the vision and objectives of the community and the spatial strategy for the area and in line with local community wishes'.
- 6.23. In the provisional Local Government Finance Settlement statement, the Secretary of State announced that for 2021/22 the NHB would 'roll forward' for one more year but without legacy payments.
- 6.24. The provisional allocation for 2021/22 in Lewisham is £2.652m. This is a reduction on the £6.176m received in 2020/21 as a result of the loss of legacy payments. Given the reducing and uncertain nature of this funding the NHB is being treated as one off monies to be used to support 'task and finish' activities, not recurring spend. For 2021/22 this will be for supporting Covid recovery work to make the most of the opportunities to deliver the place and community support needed in the Borough.

### Budget Pressures to be funded

#### 2020/21

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- 6.25. In 2020/21, the funds set aside in the budget model to meet specific identified budget pressures and potential budget risks was £6.5m. This was allocated in full to identified risks and pressures.

2021/22

- 6.26. The MTFs for 2021/22 sets aside a further £6.5m for budget pressures and risks. To this it is recommended the saving of £1.5m is added from reduced contributions required to the London concessionary fares scheme as a result of reduced demand through 2020/21. In addition, it is recommended that the £2.339m of additional social care grant (on top of the £8.434m received in 2020/21 and continuing for 2021/22) be used to address current pressures. These actions will provide £10.339m to be allocated to selected budget pressure and growth areas that will present as challenges in future budgets if not corrected.
- 6.27. In terms of accounting for these, it is proposed that these investments and pressures are allocated in line with the decisions of this budget from the corporate risk and pressures monies and £3.5m from the Social Care precept to the relevant Directorates when determining their cash limits for 2020/21.
- 6.28. To the funding of these pressures can be added the NHB of £2.652m, lower tier baseline grant of £0.700m, and corporate items to support one-off pressures identified as needing funding in 2021/22.
- 6.29. Using cash budgets (in particular grants such as the Social Care Grant) presents a risk for future years although the medium planning assumptions are that this level of funding for 2021/22 from government is in recognition of the pressures faced by local authorities and will effectively form the baseline pending fair funding review.
- 6.30. The budget pressures anticipated in 2021/22 have been reviewed and it is recommended that the following identified pressures are funded now, set against the Corporate Strategy priorities. These exclude pressures associated with services experiencing persistent overspends as these have been addressed via the cuts process.
- 6.31. Table A2 provides a summary of the corporate risk and pressures budget and those pressures and risks that are being recommended to be funded.

**Table A2: Summary of 2021/22 budget pressures to be funded**

Description	£'000	£'000
Social Care precept	3,494	3,494
<u>Ongoing</u>		
Risk & Pressures budget available in 2021/22	6,500	
Reduction in Concessionary Fares budget	1,500	
Social care grant (additional)	2,339	10,339
<u>Once-off</u>		
New Homes Bonus	2,652	
Lower tier grant	700	
Corporate items (legacy s31 grant)	2,500	5,852
<b>Total Resources Available for Risks and Pressures in 2021/22</b>		<b>19,685</b>
<b>Recommended Allocations</b>		

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Description	£'000	£'000
<b>Corporate Strategy priorities</b>		
<i>Open Lewisham</i>	-1,870	
Leisure		
Planning		
<i>Tackling the Housing Crisis</i>	-200	
Review of strategic housing		
<i>Giving Children the best start</i>	-4,040	
Children Social Care		
School Transport		
School catering contract		
Troubled Families		
<i>Building an inclusive economy</i>	-50	
Economy and partnerships		
<i>Defending health &amp; social care</i>	-3,494	
Social Care precept from Council Tax		
<i>Making Lewisham greener</i>	-2,632	
Environment Services - waste		
Tree safety		
Energy		
Fleet replacement (build capital fund)		
<i>Building a safer community</i>	-82	
Bereavement		
<b>Total Corporate Strategy priorities</b>		<b>-12,368</b>
<b>Organisational value for money</b>		<b>-3,220</b>
Corporate Services		
Technology and Digital		
Estate compliance		
<b>Transformation investment and contingency for unachieved savings</b>		<b>4,097</b>
<b>Grand Total Funded Pressures</b>		<b>-19,685</b>

*Open Lewisham – £1,870m*

- 6.32. The commitments to this priority include additional resource to support the new leisure contract for the initial two years of operation to ensure that the Council can provide a leisure offering that supports its residents' health and wellbeing. Linked to the emerging leisure strategy this will enable Lewisham's residents to access quality leisure facilities. There is also resources to support the Council in the preparation of neighbourhood plans to ensure that these come forward and best meet local needs.

*Tackling the housing crisis – £0.200m*

- 6.33. This is directed to an emerging pressure on the housing service budget, to enable a review of the delivery of strategic housing within the borough.

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*Giving Children the best start - £4,040m*

- 6.34. There is a statutory requirement to provide home to school transport for children with Educational Health & Care Plan where the plan specifies a transport service. From 2015 to 2019 the number of EHCPs in Lewisham increased by 65.5% from 1,408 to 2,344. The number of ECHPs in Lewisham now stands at 2,873, representing a further 22.5% increase since the January 2020 SEN2 census date. The service has committed to reduce the persistent overspend in this service, but it is proposed that this is part funded to enable a base budget that better reflects the increased level of need. In addition, new proposals for the schools catering contract and the reversal of a previous saving not achieved in the work with Troubled Families are proposed to be funded to enable these services to start the year with the correct budget and focus on changes for the future.

*Building an inclusive economy - £0.005m*

- 6.35. The long term impact of Covid on the economy and its residents and businesses has meant that it's vital that we increase the investment in the economy and partnerships team to promote employment and take up of the Kickstart scheme as part of the Council's inclusive growth strategy in 2021/22. This work, with the support of the Business Taskforce established in 2020, will be over seen by the expanded economy and partnerships team with £0.5m of Covid grant funding their work in 2021/22 and subject to review of the outcomes and ability to support this investment for future years.

*Defending Health & Social Care - £3.494m*

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

*Making Lewisham Greener - £2.632m*

- 6.37. The risk and pressures to be invested against this priority aim to support the Council's commitment to be carbon neutral by 2030 in line with the declared climate emergency. This includes investing in the Council's infrastructure, in particular its vehicles, to be compliant with low emission requirements, address the additional costs arising from separating waste to compost, re-use, and recycle more waste with less to land fill, and ensuring that the boroughs trees remain safe for residents and continue to contribute to residents' health and wellbeing.

*Building a Safer Community - £0.008m*

- 6.38. This funding for 2021/22 will be invested in our bereavement services to ensure that we not only meet our statutory duties but provide quality services that meet the needs of our communities.

*Organisational value for money - £3.220m*

- 6.39. In addition to the corporate strategy the Council is a large and complex organisation. Through the decade of austerity to 2021 the Council's support services have borne a

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significant proportion of the budget cuts. This was recognised in the 2019/20 budget round and this investment is to reverse some previously agreed cuts and enhance the resourcing for some of these services. In particular; finance and technology – which has underpinned the Council’s ability to continue to work effectively during the pandemic. In addition work as part of the capital strategy (section 11) is underway to assess the level of capital investment required to sustain the Council’s technology infrastructure in a secure, resilient, and optimal state. There is also the need to permanently fund the additional salary inflation as 2.0% was budgeted for in 2020/21 but 2.75% awarded.

#### Transformation investment - £4,097m

- 6.40. Lewisham’s recovery from coronavirus will be underpinned by the following anchoring principles which will be at the heart of all decision-making, planning and action over the coming months:
- Tackling widening social, economic and health inequalities;
  - Protecting and empowering our most vulnerable residents;
  - Ensuring the Council's continued resilience, stability and sustainability;
  - Enabling residents to make the most of Lewisham the place; and
  - Collaborating and working together with our communities and partnership across the borough.
- 6.41. Recovery will mirror the Council’s successful response structure, with two perspectives: internal (the Council’s recovery) and external (the Borough’s recovery).
- 6.42. The Council’s internal recovery is to be driven by the lessons learned from responding to COVID-19, the known and emerging impacts on our communities and the need to deliver transformation at the scale needed to meet the current financial challenge. This transformation will require investment and the continued (albeit reduced) availability of the New Homes Bonus to be invested to support improvement and change work.
- 6.43. This transformation investment is needed to improve the Council’s effectiveness and efficiency going forward. This transformation will enable; a better critical mass of key services to be marshalled together, inject some capacity where it can have the most impact; and enable different approaches to be adopted to tackle key issues.
- 6.44. Some of this allocation may be required in the event of unachieved savings or, if more significant in value the use of corporate provisions and reserves will be required pending the service identifying sufficient alternative cuts.

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

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

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- Unwinding Covid-19 critical response and recovery; and
- Unachieved cuts.

#### Adult Social Care, including Transition demands

- 6.47. As noted above this is an area of continuing pressure for the Council. This is expected to continue into future years. However, the impact of service configuration changes, national policy priorities, the additional funding committed to these services for 2021/22 through the Adult Social Care precept and improved Better Care Fund, and the changes arising from transformation cuts are not yet known or assessed so it is not possible to fully evaluate the risk at this time. This will form part of the service review being commissioned to report by the summer of 2021.

#### National / London Living Wage

- 6.48. The Council has for some years now ensured it pays the London Living Wage to staff and contractors where this has been possible to contract for. However, there have remained some areas where this has not always been possible – for example; sub-contractors on some works contracts and contracting for some care services. The recent increases in living wage and focus on modern slavery and ethical charter considerations in procurement rules go some way to closing this remaining gap to ensure all employees are paid a fair wage.
- 6.49. The budget impact of these changes is a risk of additional contract costs to the Council. These will vary according to the contract and areas of spend depending on past practice and how suppliers elect to pass on some or all of these costs. The risk cannot therefore be easily quantified at this time.

#### Temporary Accommodation / Homelessness

- 6.50. Government welfare changes, economic pressures on families and individuals, and the chronic supply shortage of affordable housing in London are pressures that directly impact the Council's housing services. From 2020/21 to this has been added the impact of Covid-19. These are recognised nationally, by the London Mayor and locally, of course, in Lewisham's strategies and plans. Some monies (e.g. homelessness trailblazer scheme), some policy changes (e.g. changes to the way Universal Credit is being introduced and powers against rogue landlords), and actions the Council are taking to develop and procure more and better accommodation are all being progressed. These should help reduce the risks and service pressures that arise from the growth in temporary accommodation and homelessness in Lewisham. These risks are being carefully monitored but remain significant and cannot be easily quantified in budgetary terms at this time.

#### Redundancy

- 6.51. The Council will seek to minimise the impact of cuts on services and jobs. However, a significant proportion of the Council's budget goes on staff salaries and wages, so it will not always be possible to make significant investments in service transformation and redesign to achieve budget cuts over the next four years without an impact on jobs. The cost of redundancy depends on age, seniority, and length of service of the individuals affected, and it is not possible to calculate the overall financial impact at this stage. With the introduction of the £95k cap in 2020 such costs may be reduced but further guidance and regulations are pending in respect of the local government pensions scheme. For these reasons the risk cannot be easily quantified at this time.

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### Unwinding Covid-19 critical response and recovery

- 6.52. The Covid-19 pandemic has significantly impacted the Council's finances and continues to change service priorities to enable resources to focus on critical services. The estimates for 2020/21 are for cost implications and forgone income estimates of over £60m. Against these there are a range of government funding streams to offset the losses, with new ones (e.g. track and trace, tier funding) being added and others (such as compensation for forgone income) still being worked through. These financial implications along with the operational challenges and opportunities to focus the recovery work in the Borough on community needs and improvements to the place are complete, will involve the whole Council, and take time. As such the risks and associated costs and investments cannot be easily quantified at this time.

### Unachieved Cuts

- 6.53. The delivery of the budget savings proposals will be through a strategic PMO approach. This will ensure robust management of delivery through the use of a newly developed Lewisham PMO framework and tools, and each directorate will have the support of a dedicated Strategic Transformation and OD Business Partner who will provide assurance, challenge and direction on delivery, and support to ensure the most suitable approach to delivery is being taken for each proposal. Specifically in relation to ensuring that equalities implications are considered in the delivery of every cut the Business Partners will work closely with the policy and communications team to ensure that both engagement and assessment of impact in the planning of delivery is timely, meaningful and considered across the programme. This will provide join up and assurance and identify any further compounding factors that have not yet been identified at the proposal stage.
- 6.54. The new strategic governance process through Thematic Boards and overseen by EMT will provide visibility of progress, risks, challenges and robust governance of the programme as a whole. Alongside, the PMO will be monitoring and reporting on programme-wide delivery of cuts, risks and equalities impact. Clear roles and responsibilities (between the PMO and service Directors) are being drawn up in order to ensure there are clear lines of accountability.
- 6.55. Staff will be further involved in the delivery of the cuts directly through discussions with managers in impacted services, but also strategically through our wider forums and staff engagement. Led directly by staff members in the Change Network, there is a project being developed to ensure that staff are involved strategically as well as directly in identifying further ways to change and deliver services in light of our financial challenges. Staff will be supported and empowered to bring forward ideas and develop them into specific change/cut proposals over the coming months. This will feed into both delivery of cuts proposals already identified, as well as the identification of additional proposals for the coming years
- 6.56. In the event that this approach cannot ensure the full delivery of the budget cuts and pressures arise in the year and are not able to be contained with Directorate budgets, they may become an additional call on corporate provisions and reserves until alternative cuts are agreed and implemented.

### Summary of Budget Pressures and Investment

- 6.57. In conclusion, it is a matter of good budgeting to make a general allowance for risk and uncertainty, particularly at such a time of rapid change in the local government sector.

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- 6.58. There are some pressures to be funded, which can be quantified within a reasonable range. These fully commit the available £6.5m allocation and additional resources received for 2021/22. Including the use of some funding to invest in change and support the transformation work necessary to redesign services and improve the Council's culture to further collaborative working.
- 6.59. There are also a number of other risks and potential budget pressures to consider which are less easy to quantify with any certainty which may become an additional call on reserves through the year if they arise. These will be regularly monitored and reported.

### **2021/22 Budget Cut Proposals**

- 6.60. On the 9 December 2020, the Mayor and Cabinet agreed £15.051m of budget cut proposals for 2021/22. A summary of these cuts is attached as Appendix Y1 to this report.
- 6.61. In addition, on the 3 February 2021, the Mayor and Cabinet have been asked to agree a further £12.965m worth of budget cuts for 2021/22. A summary of these cuts is attached as Appendix Y2 to this report.
- 6.62. These cuts totalling £28.016m have been included in the 2021/22 budget calculation. They must be achieved in order to maintain a balanced budget and manage the persistent overspend. The delivery of these cuts will be monitored, any shortfall will have to be covered, in the short term pending services offering alternative proposals, through the use of reserves.
- 6.63. No estimates for Settlement Funding Assessment (SFA) in 2022/23 have been provided by the Government. 2021/22 is effectively a roll forward year for the SFA, and the outcome of the fair funding review is due later on in 2021. The prospects for future funding remain uncertain.

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

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

#### Collection Fund

- 6.65. Collection Fund surpluses or deficits reflect whether the Council over or under achieves its Council Tax collection targets. Therefore, this requires a calculation to be made of how much the Council has already received for the Council Tax in the current and past years and how much of the outstanding debt it expects to collect.
- 6.66. The statutory calculation was carried out for the 15 January (date prescribed by the relevant statutory instrument). This calculation showed there is an estimated deficit on the Collection Fund in respect of Council Tax, for the years to 2020/21 of £3,129,000. This reflects the ongoing work of the Public Services team to carefully collect all monies owing to the Council but also the impact of Covid-19 to collection and rise in those eligible for the Council Tax Reduction scheme.
- 6.67. This deficit is shared with the precepting authority, the Greater London Authority (GLA), in proportion to relative shares of budgeted Council Tax income in the current financial year. This means that £2,498,000 of the total deficit has to be included in the calculation of Lewisham's budget as the additional Council Tax owed and collected in year. The remaining balance of £631,000 is allocated to the GLA.

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### Council Tax Reduction Scheme

- 6.68. Members should note that the Council agreed on the 20 January 2021 that no changes are to be made to the Council Tax Reduction Scheme (CTRS) for 2021/22 and that the Council should continue to pass on the government cuts in funding to working age claimants. Members agreed that the fixed percentage reduction in liability for the working age claimants of the scheme should remain at 25% for 2021/22. This means that everyone of working-age has to continue to pay a minimum of 25% of their council tax liability.

### Council Tax Levels

- 6.69. In the 2021/22 Local Government Finance Settlement, the Government announced a 2% limit to the amount by which Councils can increase their Council Tax (inclusive of levies) without a referendum. In addition, there is also the opportunity to increase Council Tax by up to a further 3%, for the Social Care Precept in 2021/22. The government's assumptions in the local government finance settlement 2021/22 include the raising of both Council Tax and the Social Care precept in each and every year to meet the recognised funding pressures faced by the sector.
- 6.70. In 2021/22, the recommendation is that the Council approve a 3% Social Care precept which will provide additional funding of £3.5m, ring fenced for Adult Social Care spend. If implemented this charge has to be identified on the face of the Council Tax bill and made clear in the accompanying guidance for rate payers.
- 6.71. At the same time an increase in core Council Tax of 1.99% (i.e. within the limit of the 2% referendum threshold) would provide additional funding of approximately £2.3m.
- 6.72. In considering cut proposals and the level of Council Tax, Members make political judgements, balancing these with their specific legal responsibilities to set a balanced budget for 2021/22 and their general responsibilities to steward the Council's finances over the medium term.
- 6.73. In 2020/21, the Band D Council Tax in Lewisham is £1,646.44 on a base of 90,099.3 Band D equivalent properties. Of this, £332.07 relates to the activities of the GLA which the Council pays over to them on collection, Lewisham's element is £1,314.37.
- 6.74. The GLA is consulting on a precept of £363.66 (Band D equivalent) for 2021/22, an increase of £31.59 or 9.51%, and a final decision is expected from them on or after the 25 February 2021.
- 6.75. For 2021/22, the Band D Council Tax in Lewisham is recommended to be £1,743.62 on a base of 88,614.3 Band D equivalent properties (the base was approved by Council on the 20 January). Of this, £363.66 relates to the activities of the GLA which the Council will pay over to them on collection. Lewisham's element will therefore be £1,379.95, which includes a 2021/22 increase of £65.59 (4.99%).
- 6.76. Table D5 below shows, for illustrative purposes, the Council Tax payable by a Lewisham resident in a Band D property in 2021/22 under a range of possible Council Tax increases, and the financial implications of this for the Council. A full Council Tax Ready Reckoner is attached at Appendix Y4.
- 6.77. The starting point is for an assumed 4.99% increase in Lewisham's Council Tax for 2021/22, which includes the maximum core increase permissible without a referendum. Any reduction from this level of increase will reduce the level of income the Council collects and will increase the draw on reserves for 2021/22 and the budget gap in future years.

### **Table A3 – Band D Council Tax Levels for 2021/22**

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Amounts payable by residents - Band D					
Change in Lewisham Council Tax	Lewisham element	GLA element	Total Council Tax	Increase in overall Council Tax	Lewisham Annual income forgone
	£	£	£	%	£m
4.99% increase	1,379.96	363.66	1,743.62	5.90	-
4.50% increase	1,373.52	363.66	1,737.18	5.51	-0.57
3.99% increase	1,366.95	363.66	1,730.61	5.11	-1.15
3.50% increase	1,360.38	363.66	1,724.04	4.71	-1.74
3.00% increase	1,353.80	363.66	1,717.46	4.31	-2.32
2.50% increase	1,347.23	363.66	1,710.89	3.91	-2.90
2.00% increase	1,340.66	363.66	1,704.32	3.52	-3.48
1.50% increase	1,334.09	363.66	1,697.75	3.12	-4.06
1.00% increase	1,327.52	363.66	1,691.18	2.72	-4.65
0.50% increase	1,320.94	363.66	1,684.60	2.32	-5.23
Council Tax Freeze	1,314.37	363.66	1,678.03	1.92	-5.81

6.78. In January 2021 at the Council meeting, Council set the Council Tax base for 2021/22 and agreed the maximum incentives available to bring properties back into use, charge for second homes, and complete works in the shortest possible time. Council also agreed to continue the Council Tax exemption for Care Leavers up to the age of 25 in the Borough.

#### Overall Budget Position for 2021/22

6.79. For 2021/22, the overall budget position for the Council is an assumed General Fund Budget Requirement of £243.100m, as set out in Table D6 below:

**Table A4 - Overall Budget Position for 2020/21**

Detail	Expenditure/ (Income) £m	Expenditure/ (Income) £m
Settlement Funding Assessment (SFA) for 2021/22	(123.304)	
Council Tax 2021/22 at 4.99% increase	(122.285)	
Deficit on Collection Fund	2.498	
NNDR pressure	1.000	
Business Rates S31 and Growth	(1.009)	

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Detail	Expenditure/ (Income) £m	Expenditure/ (Income) £m
<b>Assumed Budget Requirement for 2020/21</b>		<b>(243.100)</b>
Base Budget for 2020/21	248.714	
<b>Plus:</b> Additional Pay inflation	2.657	
<b>Plus:</b> Non-pay Inflation	1.251	
<b>Plus:</b> Budget pressures to be funded from 20/21 fund	6.500	
<b>Plus:</b> Adult Social Care Precept	3.494	
<b>Less:</b> Concessionary fares contribution	(1,500)	
<b>Plus:</b> Persistent overspend to be removed via cuts	10.000	
<b>Less:</b> Cuts proposed for 2021/22	(28.016)	
<b>Total</b>		<b>243.100</b>

- 6.80. The statutory calculation for the 2021/22 budget requirement is attached to this report at Appendix Y6.
- 6.81. At this time, on the budget assumptions for the General Fund set out above, no use of reserves is required for 2021/22 to enable the Council to set a balanced budget.

#### Fees and Charges – 2021/22

- 6.82. Lewisham Council is involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to support the cost of providing the service. The Local Government Act 2000 gave local authorities a wide power to act for the economic, social and environmental well-being of their areas. The general power to charge for discretionary services was included in the Local Government Act 2003.
- 6.83. The Fees and Charges report aims to ensure a structured, transparent process to review and approve the proposed fees and charges for the coming financial year. The report setting out the fees and charges for 2020/21 and the relevant service commentary are included at Appendix Y8.

#### Use of Provisions and Reserves

- 6.84. If the need should arise to balance the budget for any in-year pressures using reserves, the Executive Director for Corporate Resources advises that ongoing measures should be identified to rectify this position as quickly as possible and in any event, by the following year. The use of once off resources is therefore just delaying the need to make an equivalent level of saving in the following year.

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- 6.85. In addition to the above, as part of the accounts closing process, the ability for the Council to replenish reserves for ongoing work planned for over more than one year and the impact of any risks will be reviewed and assessed and reported on. These risks include:
- Government funding support for the impact of Covid-19 may be insufficient;
  - Agreed cuts experience delays or are not delivered;
  - Service pressures cause overspends;
  - Transformation and change projects overrun;
  - Capital programme overruns hit revenue;
  - Service disruption costs arising from the UK leaving the EU; and
  - Further cuts are not identified, putting strain on future budgets.
- 6.86. Further discussion of the use of reserves and planning for future budgets will be reviewed and brought back for Member consideration as part of the next Medium Term Financial Strategy update in July 2021.

## 7. Other grants and future years' budget strategy

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

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

- 7.3. The national Better Care Fund (BCF) was announced by the Government in the June 2013 Spending Round, to support transformation and integration of health and social care services to ensure local people receive better care. The BCF is a pooled budget paid to the National Health Service (NHS) that shifts resources into social care and community services for the benefit of the NHS and local government. The BCF does not represent an increase in funding but rather a realignment of existing funding streams with new conditions attached.
- 7.4. For Lewisham the value in 2020/21 is £23.287m. The allocation for 2021/22 is expected to be at least the same although local allocations have yet to be confirmed. The local plan must be agreed with the Clinical Commissioning Group (CCG) and will require the approval of NHS England.
- 7.5. The Fund must be used in accordance with the final approved plan and through a section 75 pooled fund agreement. The full value of the element of the Fund linked to non-elective admissions reduction target is to be paid over to Lewisham CCG at the start

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of the financial year. However, the CCG may only release the full value of this funding into the pool if the proposed admissions reduction target is met. If the target is not met, the CCG may only release into the pool a part of that funding proportionate to the partial achievement of the target. Any part of this funding that is not released into the pool due to the target not being met must be dealt with in accordance with NHS England requirements. The partners have agreed contingency arrangements to address this risk and they will continue into 2021/22.

- 7.6. In 2017/18, the government also introduced the improved Better Care Fund (iBCF) to work alongside the BCF. The iBCF in 2020/21 is £14.502m with the formerly separate winter pressures funding included and the grant is expected to continue at the same level in 2021/22. This is intended to fund adult social care activity. Plans for its use in 2021/22 will also require the agreement of local CCG. The grant is likely to be spent in substantially the same way as in 2020/21.

### **Public Health Grant**

- 7.7. In 2020/21, the Council's allocation for Public Health Grant is £24.8m. Indications are that there will be a small real terms increase in 2021/22 but allocations have not yet been published.
- 7.8. The grant remains ring-fenced and the agreed commitment of these funds will therefore need to be reviewed annually.

### **Social Care Grant**

- 7.9. The provisional Local Government finance settlement in December 2020 committed £300m more for Social Care grant nationally for 2021/22. This has increased Lewisham's grant from £8.434m in 2020/21 to £10.773m in 2021/22 (a 27.7% increase) with the discretion to spend this on both adults and children social care. The budget proposes the increase of £2.339 for 2021/22 will mainly be allocated to Children's Social Care to ease the pressure on placements spend during the year. This is consistent with the approach taken with the £8.4m in 2020/21. The detail is set out in the allocation of resources to pressures in section 6 above.

### **Social Care Precept**

- 7.10. The 3% precept on Council Tax for social care (expected to be £3.5m in 2021/22) will be used to address the increase in fees paid to providers of Adult Social Care and growth in demand from transitions. Fees are expected to increase above the general rate of inflation and in line with London Living Wage (LLW) / National Living Wage (NLW) rates. An indicative increase of 3.5% in the market would represent a cost pressure of approximately £3m on the Council's contracts.

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

### **Update on 2020/21 Dedicated Schools Grant**

- 8.1. The gross level of the Dedicated Schools' Grant (DSG) for 2020/21 is £296.28m. After the adjustment undertaken by the DfE to recoup funding for Academy Schools and the adjustment necessary for the inter-borough use of high needs places, this is £259.93m. The Early Years' element will be revised later in the year to take account of the pupil

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count which, for early years children, is undertaken in January 2021. The outcome will not be known until June 2021 and for this reason carries risk.

- 8.2. Overall, the 2020/21 DSG outturn is currently expected to be overspent by between £4m to £5m as a consequence of the pressure on the High Needs Block. Officers within the CYP directorate are progressing a detailed mitigation plan, the basis of which will be used to develop a Management Action Plan for submission to the DfE, this is a requirement where an overspend is forecast. The mitigation plan is being progressed in partnership with the Schools Forum, and this includes a working group of Head teacher representatives and Officers.
- 8.3. In 2020/21 there are 11 schools with deficits, and five schools with loans from the Council, totalling £1.4m. In addition to the 11 schools with deficits, there are 13 schools with balances that are within 8% of their delegated budget share, and 53 schools with balances in excess of 9%. In light of this, Schools have been asked to submit Budget Plans during the year. Review of these plans indicates that a significant number of schools expect to need to draw on their reserves to varying degrees in order to be able to set the required balanced 3 year budget plans. The use of reserves is needed to be able to meet the expected financial challenges arising from staffing restructures, movement in pupil numbers, and other unfunded pressures such as the higher than expected pay award in 2020/21.
- 8.4. Schools have faced enormous challenges this year to deliver the Schools Curriculum whilst complying with the necessary Covid regulations. It was noted with extreme disappointment that very limited funding support has been provided to schools. Schools Forum will be expressing their disappointment to the Secretary of State by a direct letter of concern.
- 8.5. The Schools Finance Team (SFT) will continue to work with schools in developing sustainable budget plans. These plans now incorporate management metrics which have been developed to enable schools to be more strategic in their approach to setting and managing budgets. For example, these metrics allow schools to compare and benchmark their resource deployment on leadership, teaching, support administration, and contact time to name a few. For 2020/21, the SFT has launched a process known as Deficit Prevention Plans which enable schools to work effectively towards a 3 year balanced budget position, and the feedback from schools has been very positive.

### **Dedicated Schools' Grant and Pupil Premium for 2021/22**

- 8.6. This section of the report considers the Dedicated Schools' Grant (DSG) and the Pupil Premium Grant for 2021/22.
- 8.7. The Dedicated Schools Grant is the main source of funding for Schools and Early Year Providers. The grant is constituted of four parts, the Schools Block, Central Services Schools Block (CSSB), High Needs Block (HNB), and the Early Years Block (EYB). There is a national funding formula which determines each of the blocks and collectively determines the overall DSG. The provisional allocation of DSG for 2021/22 is £313.60m, an increase of £17.32m on the 2020/21 budget. However, circa £9.06m of this increase relates to the Teachers Pension and Pay Award grant (TPPG), which has been streamlined into the DSG, and therefore is not additional funding, meaning that the net growth is £8.26m or approximately 2.8%.
- 8.8. It should be noted that this is the gross DSG allocation before the adjustment undertaken by the DfE to recoup funding for Academy Schools and the adjustment necessary for the inter-borough use of high needs places.
- 8.9. The Schools Block is the main basis to support the Schools Delegated budget share and following agreement from Schools Forum on the 19th January 2021, a submission

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has been made to the Department for Education (DfE) proposing funding at National Funding Formula including a 2% uplift in funding. This is the maximum that can be allocated to schools.

- 8.10. The High Needs Block which supports SEND is now under financial strain, despite the net increase in funding of circa £6m. For this reason, the Schools Block has supported a transfer of £1.068m has been agreed with forum to support the High Needs Block to meet pressures arising from meeting Statutory SEND requirements whilst services are reviewed as part of a mitigation plan. A further £1.243m remains which can be used to support schools pressures, e.g. Falling rolls Fund/Growth Fund.
- 8.11. The Central School Services Block has again been reduced in 2021/22 which reduces the funding available to support Local Authority Statutory functions. The service is currently working with Schools to consider how the delivery of Statutory and Regulatory services can be met within the reduced funding levels.
- 8.12. Early Years Funding – the funding for this area remains provisional subject to the finalisation of the January Census Count Date. The impact of Covid is likely to have a downward impact on the pupil numbers and therefore the associated funding. The final allocation will not be known until June/July of 2022. A very small increase of 6p, equivalent to approximately £34 for a pupil on universal entitlement of 15 hours, has been allocated to Lewisham. The protection funding for Nursery schools is also not confirmed but remains provisional.
- 8.13. The pupil premium will continue in the 2021/22 financial year. Funding rates for the Pupil Premium in financial year 2021/22 will stay the same as for 2020/21, which is effectively and real term reduction in funding, the 2020/21 allocation was £14.624m. However, for 2021/22, the DfE has also confirmed that the methodology for distribution will change from the January schools census to the October 2020 school census. At this stage, it is not clear if there will be any transitional support should there be any significant changes arising from this change in methodology. Further information is expected in the near future.
- 8.14. Whilst there is extra funding in the settlement, many costs are rising by more than funding, exasperated further where pupil numbers are falling, and the ongoing impact of Covid cannot be accurately forecast. Schools continue to face pressures in their budgets, for example, salary increments, non-teaching pay increase, contract price increases including utilities, and the Apprenticeship Levy.
- 8.15. Table B1 below sets out the gross DSG provisional allocation.

**Table B1: DSG Allocation**

	Schools block (£m)	Central school services block (£m)	High needs block (£m)	Early years block (£m)	Total DSG allocation (£m)
	A	B	C	D	E=A+B+C+D
<b>2021/22</b>	222.769	4.261	62.399	24.166	313.595
<b>2020/21</b>	212.135	4.645	55.586	23.914	296.279
<b>Movement</b>	10.634	-0.384	6.814	0.252	17.316

## Pupil Numbers

- 8.16. The total changes in pupil numbers are as shown in table B2 below. Overall there is a reduction in numbers of 608 which, whilst relatively small at present, is the third consecutive year of falls and a risk for the schools concerned as funding for schools is driven by pupil numbers and associated characteristics (e.g. Free School Meals). This reduction in numbers could potentially have implications for those schools directly affected.

**Table B2: Pupil Numbers**

	Oct-20	Oct-19	Change No	Change %
<b>Primary</b>	24,000	24,635	-635	-2.58%
<b>Secondary</b>	11,356	11,330	27	0.23%
<b>Net</b>	<b>35,356</b>	<b>35,964</b>	<b>-608</b>	<b>-1.69%</b>

## High Needs Block

- 8.17. In recognition of the pressures facing high needs, the Government has increased funding to Local Authorities to support high needs. The 2021/22 allocation for Lewisham is an overall net increase of £5.987m, which against the 2020/21 allocation of £55.585m is an 11% increase. This is partially due to an increase of 285 funded pupils.
- 8.18. It is expected that the High Needs Block will overspend for 2020/21 by up to £4m which will be the first call on this budget. It is further expected (assuming 2021/22 continues at the current levels of increase in EHCP) that 2021/22 will see an overspend position of approximately £4m to £5m. Schools Forum at its meeting of the 19th January 2021, agreed to support the High Needs Block with £1.068m. Additionally, there is a mitigation plan in place that is being progressed with Schools Forum. Recognising the funding pressure on Local Authorities, the Department for Education has now placed a new requirement on Local Authorities to submit Management Action Plans in the event of an overspend position. It is likely that Lewisham will need to submit this formally based on the scale of these projections.

## Potential Risks

- 8.19. As set out in this section, there remain a number of risks in respect of funding for schools. These include:
- Impact of any overspends and the resultant requirement to establish a deficit recovery plan if the overspend is greater than 1%. In the event that the deficit cannot be contained, this pressure could potentially fall on the Schools Block, or potentially the General Fund triggering a review of services within CYP;
  - In 2019, the DfE introduced changes which now mean that where schools have deficits, these must be held against the overall schools reserves not exceeding 40%. However, if, on conversion to an academy, a school has a deficit this must be supported by the local authority;
  - Schools continue to face pressures arising from changes in policy. Examples include teachers' pay awards, support staff pay award, and pension's changes. This could have varying degree of impact for Schools;

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- Budget plans from Schools suggest that some are operating with a structural deficit dependent on reserves. Schools Finance are working with these schools to mitigate this risk; and
- Risk of Covid-19 on schools balances; recognising that very limited funding has been made available to schools in terms of dealing with the associated costs of delivering the Schools' Curriculum during the pandemic.

## 9. Housing Revenue Account (HRA)

9.1. This section of the report considers the Housing Revenue Account (HRA). The budgeted expenditure for the HRA in 2021/22 is £226.1m, including the capital and new build programme.

9.2. It is structured as follows:

- Update on the HRA financial position for 2020/21;
- Update on the HRA Business Plan; and
- Future Years' Forecast.

### Update on the HRA financial position for 2020/21

9.3. The HRA is budgeted to spend over £100m in 2020/21. The latest forecast on the HRA for 2020/21, is that net expenditure can be contained within budget by the year end. There are currently minimal reported pressures which can, if necessary, be mitigated by the use of once-off contingencies, reserves and revenue working balances. Expenditure against repairs & maintenance budgets is expected to be contained within the sums allocated.

### Update on the HRA Business Plan

9.4. The Housing self-financing system was implemented on 1 April 2012 when the HRA subsidy scheme was abolished. The 30 year financial model has been developed based on current management arrangements and rental income estimates, updated for efficiencies and cost pressures. In addition, policy objectives such as sheltered housing and new build plans are incorporated into the modelling.

9.5. The plan underwent a major revision in 2015 for a 1% reduction in social rents applied each year for four years from 2016/17 to 2019/20. The impact of the change overall was assessed at £374.0m of resources lost over the life of the 30 year business plan.

9.6. The HRA financial model has been further updated for current guidance that from April 2020 government allows councils with social housing stock to return to the previous formula rent method of rent increase calculations until at least 2025. This method of rent increase is based on prior September's CPI + 1%. This has been implemented in Lewisham and become effective for rental increases applied from April 2020 onwards. For financial year 2021/22, as the September 2020 CPI was 0.5%, the overall increase will be 1.5% (0.5% + 1.0%).

9.7. In order to protect the business plan and provide the same level of investment and services, any reduction in income will need to be off-set though increased efficiencies and reprioritisation of investment requirements across stock condition and/or development plans.

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- 9.8. A review of current investment needs and priorities has been undertaken, based on updated surveys and inflation estimates. This includes assumptions on future liabilities, programmes, cuts, and other requirements. These assumptions will be used to inform the resource need and identify potential gaps in funding and opportunities for additional income and grants.
- 9.9. The plan also contains costs associated with the new build programme currently being implemented by the authority. Table B1 provides an illustration of the expected HRA budget for the next five years, which includes the current 1.5% rent increase estimates for 2021/22. The HRA debt cap which was imposed when the self-financing regime was implemented (£127.3m) has now been abolished. The HRA will now be subject to prudential borrowing rules (as per General Fund and as described more fully in the Treasury Strategy at section 10 below).

**Table C1: Update on the HRA Business Plan**

HRA Income & Expenditure Estimates - 5 year Forecast	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
<b>Income</b>					
Rental income	(71.6)	(74.9)	(80.5)	(82.7)	(85.9)
Tenants service charge income	(6.2)	(6.3)	(6.5)	(6.6)	(6.7)
Leasehold service charge income	(5.1)	(5.3)	(5.4)	(5.5)	(5.7)
Hostel charges and grant income	(1.3)	(1.4)	(1.4)	(1.4)	(1.4)
Major Works recoveries	(4.6)	(6.2)	(6.0)	(6.1)	(6.1)
Other income	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Interest earned on balances	(1.0)	(0.6)	(0.6)	(0.6)	(0.1)
<b>Total Income</b>	<b>(91.4)</b>	<b>(96.3)</b>	<b>(102.0)</b>	<b>(104.5)</b>	<b>(107.5)</b>
<b>Expenditure</b>					
Management costs	37.5	38.3	39.8	40.5	41.5
Repairs & maintenance	16.0	16.1	16.2	16.4	16.6

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PFI Costs	7.3	7.8	8.2	8.5	8.7
Interest & other finance costs	3.2	6.0	10.1	14.0	16.2
Depreciation	23.6	24.1	24.5	24.9	25.4
Revenue Contribution to Capital	24.5	3.5	2.6	0.0	0.0
<b>Total Expenditure</b>	<b>112.1</b>	<b>95.8</b>	<b>101.4</b>	<b>104.3</b>	<b>108.4</b>
<b>Surplus/(deficit)</b>	<b>(20.7)</b>	<b>0.5</b>	<b>0.6</b>	<b>0.2</b>	<b>(0.9)</b>
Opening HRA reserves	28.4	7.7	8.2	8.8	9.0
Contribution to/(Drawdown) from reserves	(20.7)	0.5	0.6	0.2	(0.9)
<b>Closing HRA Reserves</b>	<b>7.7</b>	<b>8.2</b>	<b>8.8</b>	<b>9.0</b>	<b>8.1</b>
<b>Forecast Capital Programme &amp; Funding</b>					
*Capital programme (including decent Homes)	35.2	46.7	45.8	46.4	46.0
New Build construction & on-going costs (Net)	78.8	102.8	106.5	70.8	60.0
<b>Total Capital Expenditure</b>	<b>114.0</b>	<b>149.5</b>	<b>152.3</b>	<b>117.2</b>	<b>106.0</b>
<b>Capital Programme Funded By:</b>					
MRR Opening Balance	0	0	0	0	0
Revenue Contribution to Capital	(24.5)	(3.5)	(2.6)	(0)	(0)
Depreciation	(23.6)	(24.1)	(24.5)	(24.9)	(25.4)

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Grants, Capital Receipts & Sales	(21.1)	(27.3)	(13.7)	(10.0)	(53.1)
Borrowing	(44.8)	(94.6)	(111.5)	(82.3)	(27.9)
<b>Total Capital Funding</b>	<b>(114.0)</b>	<b>(149.5)</b>	<b>(152.3)</b>	<b>(117.2)</b>	<b>(106.0)</b>
<b>Capital shortfall</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
HRA Actual Debt Level (Forecast)	101.3	195.9	307.4	389.7	417.6
HRA Self-financing Settlement Debt Level (was £127.3m)	n/a	n/a	n/a	n/a	n/a

\* The Capital programme allocations do not yet include the results of the recent stock condition survey. These will be analysed and the programme updated during 2021/22 once the analysis is complete and a revised programme of works established.

- 9.10. As can be seen from the above table, the expected total expenditure, before financing, for the HRA in 2021/22 is £226.1m, comprising £112.1m operational costs and £114.0m capital and new build costs.

#### **Future Years' Forecast**

- 9.11. The key purpose of the proposed HRA budget is to ensure that there are sufficient resources to support lifecycle works, such as; repairs and maintenance, the Decent Homes programme and, a key priority for the current administration, delivery of new social homes in the borough.
- 9.12. There is an ongoing process to identify opportunities for efficiencies to deliver services for improved value for money and this is described in Appendix X1. Although no direct savings have been identified so far for 2021/22, any savings and efficiencies delivered against the HRA business model and future budgets can be re-invested to off-set constrained rent rises or to help bridge any investment gap identified. Discussions are ongoing to identify appropriate savings and 'target' management and maintenance costs per unit. For example, there is already an assumed reduction in the Lewisham Homes fee in 2021/22 to reflect stock losses through Right to Buy Sales.
- 9.13. Separate reports which set out in detail the proposals relating to service charges for Brockley and Lewisham Homes residents are attached at Appendix X2 and Appendix X3, respectively.

#### Rental Income and allowances

- 9.14. Following completion of the legislative requirements for 4 years of rental contraction, Government have confirmed rents will return to the previous method of rent increase calculations for 2020/21 onwards. This is based on the previous formula rent calculation of CPI + 1%. This will be for a minimum 5 year period to financial year 2025/26. For the purpose of business and financial planning, it is assumed that that rental charges will be increased in line with this guidance.

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- 9.15. At the present time, the financial models used by the council forecast CPI to be within the range of 0.5% to 2.0% annually over this period (in line with the Office for Budget Responsibility forecasts). It should be noted that any variation to this could put additional pressure on the financial forecasts for the HRA. Each 0.5% will cost approximately £0.35m in the first year and represent a loss of £33m compounded over a 40 year period (the development lifecycle being considered for assets).
- 9.16. CPI at September 2020 was 0.5%, therefore rents are expected to increase by 1.5% for 2021/22 (0.5% + 1%), and rise by CPI + 1% for at least the next 4 years to 2025.
- 9.17. A 1.5% increase in average rents for 2021/22 will equate to an average increase of £1.46pw over a 52 week period. This will increase the full year average dwelling rent for the London Borough of Lewisham from £97.72 to £99.18 per week (pw). The proposed increase will result in additional income of £1.020m to the HRA when compared to 2020/21 income levels.
- 9.18. A rent rise higher than the rent limit calculation, set by Government, will result in additional recharges to the HRA via the Housing Benefit (HB) subsidy limitation charges. Any rise above this level will be lost through additional limitation recharges and therefore result in no benefit to the HRA.
- 9.19. Tenants were asked to provide comments and feedback on the proposed rent changes and illustration for inclusion in the Mayor & Cabinet budget report at meetings held with Brockley PFI and Lewisham Homes tenants (see Appendix X2).
- 9.20. The main comments received from Lewisham Homes' residents concerning the proposals for rents and garages was that there are issues of affordability given the current pandemic and increase in unemployment. The main comments regarding service charges were questioning value for money as charges are increasing but service delivery is not improving.
- 9.21. There were no specific comments received from RB3 Brockley residents concerning the proposals for rents, garages and service charges.
- 9.22. Details of the options for the rent & service charge changes for 2021/22 will be presented to the Housing Select Committee on 28 January 2021 and feedback, if any, will be reported in the Budget Update report.
- 9.23. Having regard to the outcomes of the consultations held in December 2020 as set out above (and with more detail in Appendices X1, X2, and X3), the Mayor is asked to make a recommendation to full Council that a 1.5% rent increase be agreed as per the rent calculation formula. The new average rent for 2021/22 is likely to be in the region of £99.18pw, an increase of approximately £1.46pw from 2020/21 levels.

#### Other Associated Charges

- 9.24. There are a range of other associated charges. These include: garage rents, tenants levy, hostels, Linkline, private sector leasing, heating and hot water. These charges and any proposed changes to them for 2021/22 are set out in detail in Appendix X4.

#### **Summary**

- 9.25. The gross budgeted expenditure for the HRA in 2021/22 is £226.1m, £112.1m revenue and £114.0m capital. Council is asked to approve a rent increase of 1.5% having considered tenant's feedback following consultation held in December 2020. The

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current average weekly rent is £97.72 in 2020/21. This will increase to £99.18pw in 2021/22.

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

- 9.26. The HRA self-financing of 2012 means that the Council now has considerably greater control over the long term planning of its Housing Revenue Account, and this longer term focus has allowed excellent progress to be made in delivering investment into new Council homes for the first time in 30 years.
- 9.27. As part of the annual review of the HRA and the setting of associated budgets, this long term focus also requires officers to review both the assumptions that underpin long term plans and the operational performance of delivering that plan. In that regard it is important for officers to consider at this time the likelihood of recovering all of the income to which the Council is due.
- 9.28. Lewisham Homes have improved the way its income collection processes work and has addressed the majority of historic arrears cases. The percentage of rent collected in 2019/20 was 99.15% and at the latest update, 98.56% had been collected in the current financial year. This high income collection rate strengthens the performance of the HRA and enables greater levels of investment for both existing residents and to build the new Council homes Lewisham so desperately needs.
- 9.29. However, there remains a limited number of historic bad debt cases in which Lewisham Homes, despite exhausting all possible options, has been unable to collect. In total there are 41 such cases, some of which date back more than a decade, which in total constitute outstanding arrears of £655,329.76. A summary of these cases is set out at Appendix X7. It is proposed that these are now written off.

## **10. Treasury Management Strategy**

### **Background**

- 10.1. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 10.2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 10.3. The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either for day-to-day revenue purposes or for

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larger capital projects. Treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund.

- 10.4. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, arising usually from capital expenditure, and are separate from the day to day treasury management activities.

### **Treasury Management Strategy for 2021/2022**

- 10.5. The Strategy for 2021/22 covers two main areas:
- i Capital Issues:
    - Capital Investment Plans
    - Capital Strategy
    - Prudential Indicators
    - Minimum Revenue Provision (MRP) Policy
  - ii Treasury Management Issues:
    - Borrowing Strategy & Treasury Indicators
    - Debt Rescheduling
    - Investment Strategy
    - Creditworthiness Policy
    - Updates to Investment Strategy
    - Prospects for Investment Returns

The Strategy will also summarise the Council's non-treasury investments, which are expanded on in the separate Capital Strategy.

- 10.6. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Ministry of Housing, Community and Local Government's (MHCLG) guidance on Minimum Revenue Provision (MRP) and Investments, and the CIPFA Treasury Management Code.

### **Capital Investment Plans**

- 10.7. The Treasury Management Strategy for 2021/22 incorporates the capital plans of the Council, as set out in section 6 of this Budget Report, which are a key driver of treasury management activity. The output of capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.
- 10.8. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet service activity and the Council's Capital Strategy. This involves both the management and monitoring of cash flows and, where capital plans require, the arrangement of appropriate borrowing facilities.

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## Capital Strategy

- 10.9. The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to produce a Capital Strategy, which will provide the following:
- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
  - An overview of how the associated risk is managed; and
  - The implications for future financial sustainability.
- 10.10. The aim of the strategy is to ensure that all elected Members on full Council fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.
- 10.11. The Capital Strategy is reported separately from the Treasury Management Strategy; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The Capital Strategy shows:
- The corporate governance arrangements for these types of activities;
  - Any service objectives relating to the investments;
  - The expected income, costs and resulting contribution;
  - The debt related to the activity and the associated interest costs;
  - The payback period (MRP policy);
  - For non-loan type investments, the cost against the current market value; and
  - The risks associated with each activity.
- 10.12. The 2021/22 Capital Strategy will be presented to Members later in 2021.

## Prudential Indicators

- 10.13. Forward projections for borrowing as at 31 March 2021 are summarised below in Table E1, which shows the actual external debt from treasury management operations and other long-term liabilities against the underlying capital borrowing need (the Capital Financing Requirement - CFR) which is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness, and its underlying borrowing need; any increase to capital expenditure which has not immediately been paid for through a revenue or capital resource will increase the CFR.
- 10.14. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 10.15. The CFR includes any other long-term liabilities (e.g. PFI liabilities). Whilst these increase the CFR and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI or PPP provider and so the Council is not required to separately borrow for these schemes.
- 10.16. Changes in external debt incorporate upcoming loan maturities and projected prudential borrowing requirements in both the General Fund and the Housing Revenue Account (HRA).
- 10.17. Table D1 below illustrates over/ (under) borrowing relative to the combined CFR for the General Fund and HRA.

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**Table D1: External Debt Projections**

	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Forecast £m	2022/23 Forecast £m	2023/24 Forecast £m
External Debt at 1 April	217.2	217.0	230.3	293.6	388.6
Change in External Debt	(0.2)	13.3	63.3	95.0	116.3
Other Long-Term Liabilities	228.1	219.1	209.8	218.9	207.3
<b>Gross Debt at 31 March</b>	<b>445.1</b>	<b>449.4</b>	<b>503.4</b>	<b>607.5</b>	<b>712.2</b>
CFR - HRA	55.5	55.5	100.3	193.8	301.8
CFR – General Fund and Other Long-Term Liabilities	464.3	468.5	473.4	478.9	468.7
<b>Total Capital Financing Requirement at 31 March*</b>	<b>519.8</b>	<b>524.0</b>	<b>573.7</b>	<b>672.7</b>	<b>770.5</b>
<b>Borrowing – over / (under)</b>	<b>(74.7)</b>	<b>(74.6)</b>	<b>(70.3)</b>	<b>(65.2)</b>	<b>(58.3)</b>

\*The Capital Financing Requirement includes the prudential borrowing figures shown in Table E2 of Section 11 - Capital Programme in the 2021/22 Budget Report. The previous year's forecast prudential borrowing for capital did not materialise as expected and there is a risk that this recurs. This will be monitored during the year and reported back. This is a more acute risk given the scale and ambition of the capital programme, particularly in the HRA. We will ensure that we only borrow as the need arises.

10.18. Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

10.19. To put the cost of borrowing into context, it represents 3% of the net general fund budget, or as a share of the Lewisham element of a band D property is £44 per year. This proportion has remained broadly flat, reducing slightly, over the past five years.

10.20. The Executive Director for Corporate Resources officer reports that the Council has complied with this prudential indicator in the current year to date and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

### **Limits to Borrowing Activity**

10.21. There are two measures of limiting external debt; the 'operational boundary' and 'authorised limit for external debt', which the Council reports on as part of its prudential indicators. Both are described in further detail in the following paragraphs.

#### The Operational Boundary for External Debt

10.22. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. The Council's operational boundary is set out in Table D2.

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**Table D2: Operational Boundary**

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Maximum External Debt at 31 March	230.3	293.6	388.6	504.9
Other Long-Term Liabilities	219.1	209.8	218.9	207.3
<b>Operational Boundary for Year</b>	<b>449.4</b>	<b>503.4</b>	<b>607.5</b>	<b>712.2</b>

#### The Authorised Limit for External Debt

10.23. This key indicator represents a control on the maximum level of borrowing, and provides a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term but is not sustainable in the longer term.

10.24. This is a statutory limit determined under Section 3(1) of the Local Government Act 2003, and needs to be set and revised by full Council. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.

10.25. The authorised limits are as set out in Table D3.

**Table D3: Authorised Limits for External Debt**

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
<b>Operational Boundary for Year</b>	<b>449.4</b>	<b>503.4</b>	<b>607.5</b>	<b>712.2</b>
Provision for Non Receipt of Expected Income	56.0	56.0	56.0	56.0
Additional 10% Margin	44.9	50.3	60.8	71.2
<b>Authorised Limit for Year</b>	<b>550.3</b>	<b>609.7</b>	<b>724.3</b>	<b>839.4</b>

#### **Minimum Revenue Provision (MRP) Policy Statement**

10.26. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision – VRP). The MRP must be determined by the Council as being a prudent provision having regard to the MHCLG Statutory Guidance on Minimum Revenue Provision.

10.27. The MRP is the amount the Council charges to the revenue account and does not correspond to the actual amount of debt repaid, which is determined by treasury related issues. Historically the Council has applied a consistent MRP policy which comprises prudential borrowing being repaid over the useful life of the asset concerned and previous borrowing being repaid at the rate of 4% (equivalent to 25 years) of the outstanding balance.

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10.28. In 2016/17, this policy was changed to reflect the useful lives of the specific asset classes on the Council's balance sheet. It moved to:

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

10.29. In 2017/18 a third element was added to the Council's MRP policy, whereby no MRP need be charged on capital expenditure where the Council has assessed that sufficient collateral is held at a current valuation to meet the outstanding CFR liability, and that should it be determined at any point that insufficient collateral is held to match the Council's CFR liability a prudent MRP charge will commence.

10.30. In 2019/20 the Council, on independent advice and as audited in the accounts, adjusted the MRP for an historic overcharge dating back to 2003/04. The details were set out in the 2020/21 budget report. The value of the overcharge has been calculated as £10.1m, which will be recovered from 2019/20 over a 10 year period via an annual reduction to MRP. The outstanding value of the overcharge to be recovered as at 31 March 2021 is £8.1m.

### **Borrowing Strategy**

10.31. The Council's external debt as at 31 March 2021, gross borrowing plus long term liabilities, is expected to be £449m. The Council's borrowing strategy is consistent with last year's strategy. The Council is currently maintaining an under-borrowed position in that the CFR is not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as an alternative funding measure. In the current economic climate, this strategy is considered prudent while investment returns are low and counterparty risk remains an issue to be considered.

10.32. The Executive Director for Corporate Resources will continue to monitor interest rates in the financial markets and adopt a pragmatic and cautious approach to changing circumstances. For instance, if it was felt that there was a significant risk of a sharp fall in long and short term rates then long term borrowing will be postponed and potential rescheduling from fixed rate funding into short-term borrowing considered. Any such decisions would be reported to Mayor and Cabinet and subsequently Council, at the next available opportunity.

10.33. Alternatively, if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast (perhaps arising from an acceleration in rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks) then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in future years. Once again, any such decisions would be reported to Mayor and Cabinet and subsequently Council, at the next available opportunity.

### **Policy on Borrowing in Advance of Need**

10.34. Members should note that the Council's policy is not to borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved forward CFR estimates,

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and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

### Treasury Indicators

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

10.36. The debt related indicators are:

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

10.37. The treasury indicators and limits are set out in Table D4 below:

**Table D4: Treasury Indicators and Limits**

Limits on Interest Rate Exposures	2021/22	2022/23	2023/24
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates:</b>			
• Debt only	100%	100%	100%
• Investments only:			
When total portfolio >£400m	90%	90%	90%
When total portfolio <£400m	85%	85%	85%
<b>Limits on variable interest rates</b>			
• Debt only	15%	15%	15%
• Investments only	75%	75%	75%
<b>Limits on Maturity Structure of Fixed Interest Rate Borrowing 2021/22</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	10%	
12 months to 2 years	0%	10%	
2 years to 5 years	0%	10%	
5 years to 10 years	0%	25%	
10 years to 20 years	0%	20%	
20 years to 30 years	0%	25%	
30 years to 40 years	0%	50%	
40 years to 50 years	0%	60%	

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**Limits on Maturity Structure of Variable Interest Rate Borrowing 2021/22**

	<b>Lower</b>	<b>Upper</b>
30 years to 40 years	0%	60%
40 years to 50 years	0%	40%

**Long Term Investments Indicator**

- 10.38. This indicator sets a limit on the total principal funds invested for greater than 365 days. This limit is set with regard to the Council's liquidity requirements and to manage the risks associated with the possibility of loss which may arise as a result of having to seek early repayment, or redemption of, principal sums invested.
- 10.39. The indicator is set out in Table D5 below. As at 31 March 2021, the Council is not expected to hold any investments for longer than 365 days.

**Table D5: Treasury Indicators and Limits**

<b>Maximum Principal Sums Invested for Longer than 365 days</b>			
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Limit on principal sums invested for longer than 365 days	50.0	50.0	50.0

**Debt Rescheduling**

- 10.40. As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate efficiencies by switching from long-term debt to short-term debt. However, these efficiencies will need to be considered in light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 10.41. The reasons for any rescheduling to take place will include:
- The generation of cash savings and/or discounted cash flow savings;
  - Helping to fulfil the Treasury Strategy;
  - Enhancing the balance of the portfolio (to amend the maturity profile and/or the balance of volatility).
- 10.42. The Council will continue to explore rescheduling opportunities as appropriate in respect of the financing of its PFIs and external loans.
- 10.43. The Council has £120m of LOBO loans at nominal value as at 31 March 2021 of which £47.5m will be in their call period in 2021/22. In the event that the lender exercises the option to change the rate or terms of the loans within their call period, the Council will consider the terms being provided and also the option of repayment of the loan without penalty.

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- 10.44. The Council continuously reviews its debt position to optimise its cash flow. Any consideration of debt rescheduling will be reported to Mayor and Cabinet and subsequently to Council at the earliest meeting possible.

## Annual Investment Strategy

### Investment Policy – Management of Risk

- 10.45. The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals predominantly with financial instruments (as managed by the Strategic Finance – Treasury Team); non-financial investments, essentially the purchase of income yielding assets, are summarised at the end of this report and covered in detail within the separate Capital Strategy.
- 10.46. The Council’s investment policy has regard to MHCLG’s Guidance on Local Government Investments (“the Guidance”), the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”), and CIPFA’s Treasury Management Guidance Notes 2018.
- 10.47. The Council’s investment priorities will be security first, liquidity second, then return. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.
- 10.48. The Council uses Link Group, Treasury Solutions as its external treasury management advisor. The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information including, but not solely, our treasury advisors. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 10.49. The Guidance and CIPFA TM Code place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long term ratings.
  2. **Other information**; ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end, the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings, as well as information on outlooks and watches. This is fully integrated into the credit methodology provided by the advisors in producing its colour

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codings which show the varying degrees of suggested institution creditworthiness. This has been set out in more detail at Appendix Z2.

3. **Other information sources** used will include the financial press, share prices and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
  4. The Council has defined the list of **types of investment instruments** that the treasury team are authorised to use in the financial year, and these are listed in Appendix Z2 under the categories of “specified” and “non-specified” investments
    - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
    - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
  5. **Lending limits** (amounts and maturity) for each counterparty will be set through applying the credit criteria provided by advisors, and are set out in Appendix Z2.
  6. **Interest rate limits** are set out in paragraph 11.36 and Table E4 and place restrictions on the exposure to variable and fixed rate investments.
  7. The Council has placed a limit on the amount of its investments which are invested for **longer than 365 days** (see paragraph 11.38 and Table E5).
  8. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 11.53).
  9. All investments will be denominated in **sterling**.
  10. As a result of the change in accounting standards for 2018/19 under IFRS 9, the Council will, on an ongoing basis, consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant changes at the end of the year to the General Fund. The MHCLG enacted a statutory override in 2018/19 for a five year period over the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year, giving local authorities time to initiate an orderly withdrawal of funds if required. The Council does not at present have any pooled investments, though has scope to do so as per the creditworthiness policy in Appendix Z2.
- 10.50. Investments will be made with reference to the core balances and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). In order to maintain sufficient liquidity, the Council will seek to utilise its notice accounts, money market funds and short-dated deposits (overnight to three months). The remainder of its investments will be placed in fixed term deposits of up to 24 months to generate improved returns, depending on prevailing market conditions.

### **Creditworthiness Policy**

- 10.51. The Council's Treasury Team applies the creditworthiness service provided by its advisors Link Group. This service employs a sophisticated modelling approach utilising

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credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

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

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

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

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

\*\*apart from exceptions where relevant and as set out in the policy.

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

### **Country limits**

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

### **Updates to Investment Strategy**

10.55. For the 2021/22 strategy an additional unspecified investment has been added to the creditworthiness policy at Appendix Z2, namely the ability to invest in UK building societies with a minimum credit rating of BBB- from Fitch (or equivalent), specifically those that are shown on Link Group's lending list only (but which may be rated 'No colour') for a maximum of three months and limited to £10m per institution.

10.56. Very few building societies have credit ratings assigned to them due to the lack of large ticket funding transactions that would warrant a formal credit rating being issued by one of the three main ratings agencies, and only a select few within the top ten by asset size have been issued with one. A credit rating of BBB- remains within the 'investment grade' category, subject to moderate credit risk, which is reflected by the monetary and duration limits as set out above.

10.57. This addition to the strategy has been made as a result of current economic conditions (described further from paragraph 11.57 onwards) and the reduced options available for investing at positive yields; in practice it opens up a limited number of two-three

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additional counterparties for consideration. Officers will continue to monitor the rating movements against these counterparties to ensure that any investments fall within the set criteria.

### **Prospects for Investment Returns**

- 10.58. Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years. The coronavirus outbreak has caused huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March 2020 to cut the Bank Rate to first 0.25%, and then to 0.10%, it has left the Bank Rate unchanged in subsequent meetings although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary.
- 10.59. Despite this, some deposit accounts are already offering negative rates for shorter periods, including the Government's Debt Management Account Deposit Facility (DMADF). Money market yields have continued to drift lower and some managers have resorted to trimming fee levels to ensure that net yields for investors remain in positive territory, or zero, where possible. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has resulted in a surplus of cash swilling around at the very short end of the market with only marginally positive returns.
- 10.60. The Council uses the services of its advisor, Link Group, to formulate a view on interest rates; their view is that there will be no increase in the Bank Rate in the immediate short-term up to at least March 2024 as economic recovery is expected to be gradual and therefore prolonged. Given this uncertainty, suggested investment returns are expected to remain low and money market related instruments will be sub 0.50% for the foreseeable future.
- 10.61. In light of these predictions for low returns the Council continues to assess, with support from its advisors, the potential risk and return offered by investing for longer (five or more years) in pooled asset funds. This policy is set with regard to the Council's liquidity requirements and to reduce the risk of a forced sub-optimal early sale of an investment; any investments entered into will be on the advice of the Council's advisors and will continue to meet the objectives of security, liquidity and return.
- 10.62. The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to some uncertainty due to the coronavirus, the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions. There is relatively little UK domestic risk of increases or decreases in the Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in the Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields (and so PWLB rates) in the UK.
- 10.63. A more extensive table of interest rate forecasts for 2021 onwards, including Public Works Loan Board (PWLB) borrowing rate forecasts, is set out in Appendix Z1.

### **Non-Treasury Investments**

- 10.64. Treasury management investments represent the placement of cash in relation to the S12 Local Government Act 2003 investment powers, i.e. they represent investments using the residual cash available to the authority from its day to day activities, under

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security, liquidity and yield principles.

- 10.65. The Council recognises that non-treasury investments in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful management. Such investments tend to be either:
- Policy type investments; whereby capital or revenue cash is advanced for a specific Council objective and will be approved directly through Committee. This may be an advance to a third party for economic regeneration, investments in subsidiaries and joint ventures, etc.
  - Commercial type investments; whereby the objective is primarily to generate capital or revenue resources to help facilitate Council services.
- 10.66. The Council's risk appetite for these investments is reviewed on a case-by-case basis depending on the scale and nature, and strategic fit, of the proposed investment. Where such non-treasury investments exist, they will be identified and summarised at high level within this strategy. The detail and rationale for non-treasury investments are covered in the separate Capital Strategy.

### **Subsidiary Companies**

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

#### Lewisham Homes Limited

- 10.68. Lewisham Homes is an arms-length management organisation (ALMO) set up in 2007 as part of the Council's initiative to deliver better housing services and achieve the Decent Homes Standard. The company manages approximately 18,000 homes.
- 10.69. The Council has to date agreed two separate loan facilities with Lewisham Homes, the first on proxy commercial terms financed from internal borrowing and the second on cost-neutral terms financed through the PWLB. Both loans allow Lewisham Homes to purchase properties to address temporary accommodation needs in the borough, and will be repaid on set maturity dates.
- 10.70. Agreement of the property acquisition programme and relevant loan agreements was obtained from Mayor and Cabinet. State Aid issues and other risks and mitigations were considered in the approval of the loan facilities, including for the second loan the requirement for collateral against the loan in order to obtain MRP exemption.
- 10.71. As at 31 March 2021 the Council expects to have advanced £17m of the available £20m commercial loan facility, and all £20m of the agreed facility financed from PWLB debt.

#### Catford Regeneration Partnership Limited (CRPL)

- 10.72. The CRPL is a property investment company created in January 2010 which owns the Catford Shopping Centre and several neighbouring properties used to generate income whilst driving forward a regeneration programme for the town centre and surrounding area.
- 10.73. The Council has existing loan agreements in place with the CRPL, currently on an

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interest only basis. As at 31 March 2021 the Council expects the outstanding loan principal to be approximately £14.5m.

10.74. The state aid compliant loans were advanced as part of the company's initial establishment and to finance new acquisitions as the company grew, approved through reports presented to Mayor and Cabinet. In 2020/21 a further £1.15m was advanced to the company as part of agreed loan commitments, and to support the company's cash flows through the uncertainty caused by the coronavirus outbreak; the debt is secured against the value of the company's assets.

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

#### **Besson Street Joint Venture**

10.75. The Council is an equal equity partner in a joint venture with Grainger Plc. to bring forward the development of the currently vacant Besson Street site to provide properties for the Private Rented Sector on long term tenancies. The Council has invested land at this stage and will be required to put forward an estimated £20m – 25m of cash to make up its share (50%) of the 40% equity, with 60% external long term borrowing, to be invested once the the scheme is built. This is currently forecast to be in early 2025.

10.76. The Council also holds minority stakes in the following:

- 10% in Lewisham Schools for the Future LEP Limited, a Local Education Partnership established under the Council's Building Schools for the Future (BSF) programme to rebuild and refurbish secondary schools within the borough.
- Less than 1% in South-East London Combined Heat and Power Ltd (SELCHP), a joint venture with the London Borough of Greenwich for the provision of waste disposal and waste to energy processes.
- A minority share in Newable Ltd (formerly Greater London Enterprise Ltd) which provides property management and consultancy services.
- Less than 1% in the London Collective Investment Vehicle the pension fund pool vehicle for London local government pension funds.
- Less than 1% in the Municipal Bonds Agency, a national body established by local authorities as a potential alternative source of borrowing to the PWLB.

## **11. Capital Programme**

11.1. In reviewing the Council's overall financial position the Capital Programme has to be considered to ensure that any revenue implications of capital decisions are taken into account in building the revenue budget. The Capital Programme budget for 2021/22 to 2023/24 is proposed at £517.5m of which £184.2m is for 2021/22.

11.2. This section of the report is structured as follows:

- Update on 2020/21 Capital Programme
- Proposed Capital Programme 2021/22 to 2023/24
- Future schemes and resources

#### **Update on 2020/21 Capital Programme**

11.3. Progress in delivering the 2020/21 Capital Programme has been reported to Mayor & Cabinet and the Public Accounts Select Committee throughout the year. The latest

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forecast projection was that the revised budget allocated for the year of £163.6m, and reported to Mayor and Cabinet on 11 November 2020, would be delivered this year. Since November the revised budget shows a slight net increase of £0.4m to the last reported budget figure due to the re-profiling of some budgets.

- 11.4. Overall spend to date on the re-profiled budget suggests at least 46% of the plan will be delivered in 2020/21. This significant under-delivery is mainly due to the impact of the Covid-19 pandemic where sites and works were paused at stages through the lockdowns of 2020. The Housing Revenue Account (HRA) in particular is behind plan. The Building for Lewisham programme and stock condition survey for the HRA capital programme are being reviewed. Assuming affordability and viability these delays in planned works will be rolled forward to future years and the plan updated to recover the delivery ambition.
- 11.5. The scale of the capital programme is growing in line with the Corporate Strategy priority for more homes. This is a significant and ambitious commitment and officers are working to improve their profiling of this work as schemes and timing of their delivery change.

**Current position on the major projects in the 2020/21 Capital Programme i.e. those over £0.5m in 2020/21**

2020/21 Capital Programme	Revised Budget (M&C 11/11/20)	Revised Budget- Dec 2020	Spend to 31 Dec 2020	Spent to Date (Revised Budget)
			£m	%
<b>GENERAL FUND</b>				
Schools - School Places Programme	4.7	3.4	1.3	38%
Schools - Other (Inc. Minor) Capital Works	5.7	5.7	3.5	61%
Highways & Bridges - LBL	3.0	3.0	1.7	57%
Highways & Bridges – TfL	1.2	1.3	0.6	46%
Highways & Bridges - Others	1.5	1.5	0.2	13%
Catford town centre	1.0	1.0	0.7	70%
Asset Management Programme	1.3	1.5	0.6	40%
Other AMP Schemes	0.7	0.7	0.1	14%
Broadway Theatre – Works	0.4	0.4	0.2	50%
Lewisham Gateway ( Phase 2)	14.8	14.8	13.4	91%
Private Sector Grants and Loans (Inc. DFG)	0.6	0.6	0.6	100%
Achilles St. Development	0.8	0.8	0.4	50%
Edward St. Development	9.0	9.0	2.9	32%
Deptford Southern Sites Regeneration	0.4	2.6	2.6	100%
Residential Portfolio Acquisition – Hyde Housing Association	2.9	2.9	2.1	72%
Fleet Replacement Programme	7.8	7.0	5.1	73%
Other General Fund schemes	7.4	7.4	1.8	24%
<b>TOTAL GENERAL FUND</b>	<b>63.2</b>	<b>63.6</b>	<b>37.8</b>	<b>59%</b>
<b>HOUSING REVENUE ACCOUNT</b>				
Building for Lewisham Programme	36.5	33.6	10.1	30%
HRA Capital Programme ( Decent Works)	47.7	47.7	21.0	44%
Creekside Acquisition	5.7	5.7	5.6	98%

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2020/21 Capital Programme	Revised Budget (M&C 11/11/20)	Revised Budget- Dec 2020	Spend to 31 Dec 2020	Spent to Date (Revised Budget)
			£m	%
Ladywell Leisure Centre Development Site	4.5	4.5	0.4	9%
Achilles St. Development	4.3	4.3	0.1	2%
Mayow Rd Development	1.1	1.1	0.0	0%
Other HRA schemes	0.6	3.5	0.3	9%
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>100.4</b>	<b>100.4</b>	<b>37.5</b>	<b>37%</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>163.6</b>	<b>164.0</b>	<b>75.3</b>	<b>46%</b>

### Proposed Capital Programme 2021/22 to 2023/24

11.6. The Council's proposed Capital Programme for 2021/22 to 2023/24 is currently £517.5m, as set out in Table E1:

**Table E1: Proposed Capital Programme for 2021/22 to 2023/24**

Major Projects over £1m	2020/21	2021/22	2022/23	2023/24	3 year Total
	£m	£m	£m	£m	£m
<b>GENERAL FUND</b>					
Schools - School Places Programme	3.4	10.4	2.4	0.0	12.8
Schools – Minor Works Capital Programme	3.9	0.1	0.0	0.0	0.1
Schools - Other Capital Works	1.7	1.6	0.0	0.0	1.6
Highways & Bridges - TfL	1.3	0.0	0.0	0.0	0.0
Highways & Bridges - LBL	3.0	2.5	2.5	0.0	5.0
Highways - Others	1.5	0.8	0.1	0.0	0.9
Catford town centre	1.0	0.3	0.3	3.4	4.0
Asset Management Programme	1.5	2.8	2.5	0.0	5.3
Other AMP Schemes	0.7	0.9	0.0	0.0	0.9
Broadway Theatre - Works	0.4	4.8	1.7	0.0	6.5
Catford Phase 1 – Thomas Lane Yard / Catford Constitution Club'	0.1	0.6	2.6	0.0	3.2
Catford Station Improvements	0.1	0.3	1.0	0.1	1.4
Lewisham Gateway ( Phase 2)	14.8	3.5	0.0	4.8	8.3
Beckenham Place Park	0.5	0.0	0.0	0.0	0.0
Beckenham Place Park ( Eastern Part)	0.2	1.7	0.0	0.0	1.7
Lewisham Homes – Property Acquisition	0.0	3.0	0.0	0.0	3.0

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Major Projects over £1m	2020/21	2021/22	2022/23	2023/24	3 year Total
	£m	£m	£m	£m	£m
Residential Portfolio Acquisition – Hyde Housing Ass.	2.9	0.0	0.0	0.0	0.0
Disabled Facilities Grant	0.4	2.1	0.0	0.0	2.1
Private Sector Grants and Loans	0.2	2.1	0.0	0.0	2.1
Edward St. Development	9.0	8.4	0.0	0.0	8.4
Achilles St. Development	0.8	1.0	0.0	3.6	4.6
Mayow Rd Development	0.6	6.6	1.1	0.1	7.8
Canonbie Rd Development	0.8	1.4	0.3	0.0	1.7
Ladywell Leisure Centre Development site (1,000 Homes Prog.)	0.1	2.7	0.0	0.0	2.7
Deptford Southern Sites Regeneration	2.6	0.3	0.0	2.1	2.4
Acquisition of Sydney Arms	0.0	3.8	0.0	0.0	3.8
Fleet Replacement Programme	7.0	0.8	0.8	0.8	2.4
Travellers Site Relocation	0.2	3.6	0.0	0.0	3.6
Other Schemes	4.9	4.1	1.3	0.0	5.4
<b>TOTAL GENERAL FUND</b>	<b>63.6</b>	<b>70.2</b>	<b>16.6</b>	<b>14.9</b>	<b>101.7</b>

<b>HOUSING REVENUE ACCOUNT</b>					
Building For Lewisham Programme	33.5	48.3	56.4	57.2	161.9
Creekside Acquisition	5.7	13.9	2.0	0.0	15.9
Ladywell Leisure Centre Development	4.5	15.4	43.4	27.7	86.5
Achilles St. Development	4.3	0.4	1.0	21.6	23.0
Mayow Rd Development	1.1	0.8	0.0	0.0	0.8
Decent Homes Programme	47.7	31.6	42.7	41.8	116.1
Other Schemes	3.5	3.6	4.0	4.0	11.6
	<b>100.4</b>	<b>114.0</b>	<b>149.5</b>	<b>152.3</b>	<b>415.8</b>
<b>TOTAL PROGRAMME</b>	<b>164.0</b>	<b>184.2</b>	<b>166.1</b>	<b>167.2</b>	<b>517.5</b>

11.7. The resources available to finance the proposed Capital Programme are as set out in Table E2 below:

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**Table E2: Proposed Capital Programme Resources for 2021/22 to 2023/24**

	20/21	21/22	22/23	23/24	3 Year Total
	£m	£m	£m	£m	£m
<b>General Fund</b>					
Prudential Borrowing	17.3	18.7	1.5	6.5	<b>26.7</b>
Grants and Contributions	29.4	24.5	4.1	4.9	<b>33.5</b>
Capital Receipts	7.6	7.4	0.8	2.7	<b>10.9</b>
Reserves / Revenue	9.3	19.6	10.2	0.8	<b>30.6</b>
	<b>63.6</b>	<b>70.2</b>	<b>16.6</b>	<b>14.9</b>	<b>101.7</b>
<b>Housing Revenue Account</b>					
Prudential Borrowing	0.0	44.8	94.6	111.5	<b>250.9</b>
Grants	8.6	14.8	16.2	5.2	<b>36.2</b>
Specific Capital Receipts	0.0	6.3	11.1	8.5	<b>25.9</b>
Reserves / Revenue	91.8	48.1	27.6	27.1	<b>102.8</b>
	<b>100.4</b>	<b>114.0</b>	<b>149.5</b>	<b>152.3</b>	<b>415.8</b>
<b>Total Resources</b>	<b>164.0</b>	<b>184.2</b>	<b>166.1</b>	<b>167.2</b>	<b>517.5</b>

- 11.8. A table of major projects can be found at Appendix W1 and a full list of changes to the Programme since last year's budget report is shown in Appendix W2.
- 11.9. Members will note that the General Fund resources available to finance capital projects decrease over the term of the Programme. This reflects the Council's prudent approach to long-term planning, with grants for later years not taken into account until they have been confirmed, and capital receipts only being taken into account when they have been received or are reasonably certain of being received. The Council prudently avoids entering into long-term expenditure commitments until there is more certainty as to how they can be financed.
- 11.10. Detailed proposals, specific scheme funding arrangements, and procurement approach will be brought forward to Members for decision as individual projects are worked up and brought forward. Should this lead to changes being required to the plan these will be reported as part of the regular monitoring information provided.
- 11.11. Members will also note the significant proposed rise in prudential borrowing of £250m, primarily to fund the Building for Lewisham Capital plans.
- 11.12. No changes are proposed at this stage to the existing General Fund revenue contributions to capital (CERA) of £2.0m per year from General Fund. The revenue funding line also includes amounts transferred to reserves in previous years for schemes which at that time, had not been delivered. Some of these may be at risk if the associated grants to support them are time limited, this is a particular risk to the use of right to buy receipts and government or GLA grants.
- 11.13. The Capital Programme will be further updated to include future grants, once these are known and will also include the year-end outturn expenditure and resourcing. This is expected to be reported to Members before the summer recess and will not impact on delivery of the Programme for 2021/22.

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- 11.14. The 2020/21 capital programme experienced significant disruption due to Covid-19 with less than 50% of the plan delivered. As the Council plans and builds for recovery from the Covid-19 pandemic there are a number of new or competing demands on the capital programme. New strategies are in development for key service areas such as waste management, libraries, leisure services, and others. These in turn inform the thematic review of use of Council assets, including the stock condition surveys currently concluding for the Council's housing and corporate assets. Alongside this the government funding mechanisms may be changing to meet policy objectives, in particular in respect of support for bringing forward more housing supply. In addition, while school rolls are falling, work is underway to assess the need in schools and related transition social care settings to consider whether the provision of dedicated suitable specialist places would be beneficial to those in need of these services.
- 11.15. These competing demands are expected to include significant capital requirements in both the short and medium term. If they are over and above the funding available above, they may require the Council to look at borrowing more (requiring further revenue savings cuts), re-profiling the current programme, stopping or amending certain schemes, and/or selling non-strategic assets to fund the programme. This work is ongoing and, as noted above, will be reported to Members for decision as the detail becomes known and recommendations can be made with regard to the Council's statutory obligations and corporate strategy priorities.
- 11.16. The paragraphs below summarise the key projects currently underway and major scheme plans with more detailed narrative provided in Appendix W1. They include:
- Schools**
- 11.17. Places programme currently has four schemes, three for schools catering for children with special needs, currently in development and delivery over the next three years. They are:
- Expanding Ashmead Primary to two forms of entry
  - New satellite facility at the former Brent Knoll site for 93 students of Greenvale school, Lewisham's community special school
  - Remodelling and refurbishment of the New Woodlands school, a special school
  - Review of plans for new teaching block at Watergate, Lewisham's primary special school, to accommodate 59 places.
- 11.18. Minor works programme is an ongoing programme of minor capital works to existing community school buildings, primarily relating to mechanical and electrical infrastructure and building fabric needs. The programme is grant funded by central government.
- Highways & Bridges**
- 11.19. The Council continues to invest resources in maintaining its 397km of highway borough roads, most notably through its annual programme of carriageway and footway resurfacing works.
- 11.20. The footway resurfacing programme aims to bring improvements to 17 roads where the Condition Index classifies as "Red" and thus in need of future works. Footways if the focus now the priority highway works have been completed.
- 11.21. For both highways and footways, once the red works are completed work will focus on the 'Amber' index alongside delivery of responsive repairs.

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- 11.22. The replacement of the span for the Sydenham Park footbridge is in planning and the Council is working to secure a delivery plan agreement with Network Rail.

### **Regeneration and Place making**

#### Catford Town Centre

- 11.23. The non-statutory public consultation process on the town centre framework commenced in November 2020. The Catford Town Centre Framework document will then be used as an evidence base for the emerging Local Plan.
- 11.24. Work with TfL has recommenced on the proposal to realign the South Circular A205. The Greater London Authority (GLA) Housing Infrastructure Funding (HIF) of £10m has been secured on condition that the road is delivered by TfL.
- 11.25. A series of public realm improvements to the areas around Catford stations aims to provide a better environment for movement around the stations in preparation for the recovery from the pandemic. Also with funding from the GLA in the form of the Good Growth Grant the refurbishment of the Catford Constitution Club (CCC) and the development of a mixed-use scheme up to Planning stage on the T/Lane car park site to provide a mix of business units and up to 100 homes that would realise multiple regeneration benefits including: jobs retention, business creation and potential early housing delivery and can also support the Post-Covid19 recovery plan.
- 11.26. Officers are in further negotiations with the GLA on additional funding following a successful bid to the GLA for Get Building Funding of just under £1m to secure additional town centre improvement schemes including public realm improvements to the pedestrian area on Holbeach Road and a partnership project to provide a public sector hub in the Old Town Hall.

#### Old Town Hall

- 11.27. Officers are developing a programme of investment works for the Old Town Hall. This is part of proposals to convert the Old Town Hall into a public sector hub for a number of public sector partners. There is currently no allocation in the capital programme to support this project so this is part of the ongoing re-prioritisation of the programme.

#### Broadway Theatre

- 11.28. Urgent work is required to address key risk areas and the proposed works include a rewire of the theatre, replacement fire detection equipment, new emergency lighting, new central heating and domestic water system, damp proofing and decorations, improvements to support disabled access, toilet expansion and external improvements. The theatre will be closed to enable the work to be carried out effectively and efficiently. The works are proposed to complete late 2022

#### Lewisham Gateway Development

- 11.29. The Council is supporting the delivery of Phase 2 of the Lewisham Gateway development by the provision of:
- (a) £9,558,850 of grant from its own resources being a commuted sum earmarked for affordable housing under a section 106 agreement relating to the Loampit Vale development.
  - (b) £13,500,000 of housing infrastructure fund (HIF) grant that comes from government via government's delivery partner, The Greater London Authority (GLA).
- 11.30. Phase 1 was completed in 2019 providing construction of the new highway layout and pedestrian crossings (including re-location of River Ravensbourne and Quaggy), 362 residential units, commercial café and retail space, Confluence Place Park: a public

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space connecting the river, station and public realm as well as a number of commercial food and beverage units

- 11.31. Phase 2 of the project will deliver four buildings to provide 530 residential apartments, 119 co-living units, retail units, a gym space and a cinema together with associated public realm (including hard and soft landscaping). A basement energy centre will also be provided in the building known as building block E.

#### Beckenham Place Park

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

### **Corporate and Service delivery priorities**

#### Asset Management Programme

- 11.34. A full condition survey of the corporate estate was completed in 2020 and is helping define the future investment need of the estate, the Asset Review, and underpin the use of the AMP capital programme funding for future years. A comprehensive Corporate Estate Maintenance Programme is being developed to start in 2021/22 (with some urgent health and safety works already underway).

#### Lewisham Library

- 11.35. There is currently no allocation in the capital programme to support this project. Mayor and Cabinet agreed that officers look at options that will sustain the library service provision into the future. A number of options are currently being explored

#### Fleet vehicle replacement

- 11.36. As agreed in the 2020/21 budget a sinking fund to procure future fleet as capital will be built at 800k per annum.

#### Smart Working Programme

- 11.37. The Smarter Working programme seeks to consolidate offices and release sites for future redevelopment in Catford town centre, as well as the refurbishment of the council's main office site, Laurence House, to ensure it is fit for purpose until new council offices can be built. Options are being considered to deliver improvements to the ground floor and the civic suite.

### **Housing**

#### Lewisham Homes – Property Acquisition

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

#### Edward Street

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- 11.39. Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. The tender and contract award has been completed.

Residential Portfolio Acquisition – Hyde Housing Association

- 11.40. The Council completed on the acquisition of a portfolio of 120 homes from Hyde Housing Association. Hyde Housing Association have offered the option of further acquisitions. The Council are currently considering this option and carrying out due diligence in relation to this.

Achilles Street

- 11.41. Residents on the Achilles Street Estate have voted for the redevelopment of the estate to go ahead. Work is underway to carry out due diligence and the procurement of the design team has commenced with estate residents. The scheme will deliver new homes for all existing residents as well as a significant number of new council owned homes for social rent.

Acquisition of Sydney Arms

- 11.42. In response to COVID-19 local authorities were instructed by the government to bring 'Everyone In' the acquisition and refurbishment of the Sydney Arms will allow up to 16 rough sleepers, or other households, to be accommodated in affordable accommodation with support available to meet their needs.

Ladywell Leisure Centre Development site

- 11.43. This mixed-use development will see approximately 69 new homes come forward in addition to retaining the 24 homes that are in the PLACE building. The Council, through Lewisham Homes, will directly deliver these new homes.

Mayow Road Development Site

- 11.44. The Mayow Road site we will deliver 26 family-sized homes for homeless families. These will consist of self-contained flats with two and three bedrooms, all with their own private amenity space. The homes will provide much-needed temporary accommodation, supporting residents to remain in their local community. We will also deliver six supported living homes for residents with learning disabilities or autism, helping them to remain in borough and live more independent lives.

Traveller's site relocation

- 11.45. The latest site search for a Gypsy and Traveller site has identified a site at Pool Court as the most appropriate location to develop a new Gypsy and Traveller site for the borough. The construction cost of the 6-pitch site is estimated at £1.8m including design fees and other costs. The acquisition cost of the Network Rail section of the site is estimated at up to £2m.

Building for Lewisham Programme update

- 11.46. The Building for Lewisham (BfL) supersedes the Housing Matters Programme. In January 2020, the Mayor and Cabinet approved recommendations to advance and expand the Council's housebuilding programme to meet the corporate objectives set for the period between 2018 and 2022.

- 11.47. The BfL programme will deliver a significant proportion of new council housing for the borough. Funding has currently been agreed for the continuation of the former New Homes Better Places programme and for a series of additional infill sites. In addition, funding for feasibility and preparation of planning and tender information for major strategic projects at Ladywell, Achilles Street Estate and Catford has been allocated; as well as funding for wider feasibility studies for sites across the borough.

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- 11.48. The Council, via its development agent, Lewisham Homes, is also investigating acquisition opportunities on land and sites from the market. These schemes may offer an opportunity to deliver more homes on an expedited timescale.
- 11.49. The current consolidation of the BfL programme notes funding for 1,686 new homes across a mix of tenures. This has been modelled over a 40 year period and has been inflation-adjusted accordingly. However, the assumptions used in this report represent an over-programming of developments and not all developments modelled will necessarily come forward. Therefore, this represents the most budget-intensive scenario. The financial and programme risk associated with the BfL programme will be monitored closely and mitigations implemented accordingly. Should any material changes to this budget be required, approval from Members will be sought.
- 11.50. Around 458 new social homes are forecast to achieve planning permission or start on site in 2021.

### **HRA Capital Programme**

- 11.51. Lewisham Homes are responsible for ensuring council owned stock under their management is brought up to and maintained to a decent homes level, covering both internal and external works. Lewisham Homes are leading on the delivery of the decent programme (under delegated powers) in consultation and agreement with the Council. This needs to incorporate fire safety works and the priorities on stock condition identified in 2020/21. These will be significant investments and, as noted at 6.14 and 6.15 above, will compete for the available capital resources in the programme. These considerations will be part of the ongoing review of projects and scope of works to ensure value for money is delivered and priority outcomes achieved. This work is ongoing and, as noted above, will be reported to Members for decision as the detail becomes known and recommendations can be made with regard to the Council's statutory obligations and corporate strategy priorities.

### **Future schemes and resources**

- 11.52. The Regeneration and Capital Programme Delivery Board comprises key officers involved in the planning and delivery of the capital programme. This Board has responsibility and accountability for the delivery of all regeneration and capital projects and programmes of the built environment and is also responsible for ensuring that all projects and programmes are adequately and appropriately resourced.
- 11.53. The key objectives of the Board are to ensure that a consistent and corporate approach is taken to the development and authorisation of all project and programme initiation documents and the associated financing and funding of projects and programmes. It meets every two months and ensures that a corporate approach is taken to the monitoring, management and delivery of all projects and programmes. It reports through to the Regeneration and Capital Programme Board which is chaired by the Executive Director for Housing, Regeneration & Environment.
- 11.54. The General Fund Capital Programme is financed by a number of sources, including capital receipts, central government grants, developer's contributions, the revenue budget and Prudential Borrowing. There is very limited scope to commit any further amounts of revenue budget to finance capital spend, and there is also a finite amount of capital receipts forecast. This means the Council will have to look to finance any new schemes going forward from either grant monies or Prudential Borrowing. Also contributions from developers via s106 and Community Infrastructure Levy (CIL) may be an increasingly important source of finance for the Council's plans.

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- 11.55. During 2021/22, updates on the Capital Programme will be reported to Mayor & Cabinet and the Public Accounts Select Committee on a regular basis. As capital receipts and other resources come into the Council, it may be possible to bring new schemes onto the programme. These additions to the programme will be put forward for approval by members as part of the Capital Programme update reports.

### **Summary**

- 11.56. The proposed 2021/22 to 2023/24 Capital Programme totals £517.5m (General Fund £101.7m and HRA £415.8m) and includes all the Council's capital projects. It sets out the key priorities for the Council over the next three financial years and will be reviewed regularly. The Capital Programme is set out in more detail in Appendices W1 and W2.

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

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

### Rent Setting and Housing Panel

- 12.2. As in previous years, tenants' consultation was undertaken via Housing Panel meetings. This provided tenant representatives of Lewisham Homes with an opportunity on 17 December 2020 at the joint Housing Panel meeting to consider the positions and to feedback any views to Mayor & Cabinet. Tenant representatives of Brockley convened their Brockley Residents' Board on 16 December 2020 to hear the proposals and fed back.

- 12.3. Details of comments from the residents' meetings have been set out in Appendix X2 and X3.

### Business Ratepayers

- 12.4. Representatives of business ratepayers are being consulted online on Council's outline budget between 11 January and 1 February 2021. The results of this consultation will be made available in the Budget Report Update presented to Mayor and Cabinet on 10 February 2021.

## **13. Financial implications**

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

## **14. Legal implications**

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

### Capital Programme

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

#### Housing Revenue Account

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

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it would be put.

### Balanced Budget

- 14.11. In accordance with the Local Government Act 1992 the Council must set its Council Tax for 2021/2022 before 11 March 2021. By law it may not set the Council Tax before receipt of confirmation of the precept from the precepting authority, the GLA which is anticipated on 26 February. A report will be prepared for the Council meeting on 3 March 2021 on the basis of indications from the GLA but the report will be despatched before their final decision. The Executive Director for Corporate Resources will update the Council accordingly before it makes its decision.
- 14.12. Following the introduction of the Local Authorities (Standing Orders)( Amendment) Regulations 2014 the Council's Constitution was amended to require that when the Council votes on key budget and Council Tax decisions, the vote must be recorded. This requirement will apply when the Council meets to set the Council Tax.
- 14.13. Members have a duty to ensure that the Council acts lawfully. It must set and maintain a balanced budget each year. The Council must take steps to deal with any projected overspends and identify cuts or other measures to bring the budget under control. If the Capital Programme is overspending, this may be brought back into line through cuts, slippage, or contributions from revenue. The proposals in this report are designed to produce a balanced budget in 2021/22.
- 14.14. In this context, Members are reminded of their fiduciary duty to the Council Tax payer, effectively to act as trustee of the Council's resources and to ensure proper custodianship of Council funds.

### An annual budget

- 14.15. By law, the setting of the Council's budget is an annual process. However, to enable meaningful planning, a number of cuts proposals for 2021/22 were anticipated in the course of the budget process. The first round of cuts were approved by Mayor and Cabinet on 9 December 2020. The second round is on the same agenda as this report and will be considered by Mayor and Cabinet before consideration of the recommendations in this report. They are listed in Appendix Y1 and Appendix Y2 respectively of this report. This report is predicated on taking all of the agreed and proposed budget cuts and those budget cuts being successfully implemented. If not, any shortfall will have to be met through adjustments to the annual budget in this report with the use of reserves.
- 14.16. The body of the report refers to the various consultation exercises (for example with tenants and businesses) which the Council has carried out/is carrying out in accordance with statutory requirements relating to this budget process. Mayor and Cabinet must consider the outcome of that consultation with an open mind before reaching a decision about the final proposals to Council. It is noted that the outcome of consultation with business rate payers will only be available from the 2 February 2021 and any decisions about the Mayor and Cabinet's proposals on the budget are subject to consideration of that consultation response which will be reported to Mayor and Cabinet in the budget update report scheduled for the 10 February. Until the outcome of the consultation and any relevant matters are considered by M&C, the decisions sought in this report cannot be final.

### Referendum

- 14.17. Sections 72 of the Localism Act 2011 and Schedules 5 to 7 amended the provisions

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governing the calculation of Council Tax. They provide that if a Council seeks to impose a Council Tax increase in excess of limits fixed by the Secretary of State, then a Council Tax referendum must be held, the results of which are binding. The Council may not implement an increase which exceeds the Secretary of State's limits without holding the referendum. Were the Council to seek to exceed the threshold, substitute calculations which do not exceed the threshold would also have to be drawn up. These would apply in the event that the result of the referendum is not to approve the "excessive" rise in Council Tax. Attention is drawn to the statement of the Secretary of State that the Council may impose a precept of 3% on the Council Tax, ring-fenced for social care provision, and may impose an additional increase of less than 2% without the need for a referendum. The maximum proposed Council Tax increase is 4.99% and therefore below the combined limit.

- 14.18. In relation to each year the Council, as billing authority, must calculate the Council Tax requirement and basic amount of tax as set out in Section 31A and 31B of the Local Government Finance Act 1992. These statutory calculations appear in Appendix Y6.

#### Robustness of estimates and adequacy of reserves

- 14.19. Section 25 of the Local Government Act 2003 requires, when the authority is making its calculations under s31 of the Local Government Finance Act 1992, the Chief Finance Officer to report to it on:-
- (a) the robustness of the estimates made for the purposes of the Calculations; and
  - (b) the adequacy of the proposed financial reserves.
- 14.20. The Chief Financial Officer's section 25 statement will be appended to the Budget Report update to Mayor & Cabinet on 10 February 2021 when the Mayor & Cabinet will be asked to agree their final recommendations to the Council in respect of the 2021/22 budget.

#### Treasury Strategy

- 14.21. Authorities are also required to produce and keep under review for the forthcoming year a range of indicators based on actual figures. These are set out in the report. The CIPFA Treasury Management Code of Practice says that movement may be made between the various indicators during the year by an Authority's Chief Finance Officer as long as the indicators for the total Authorised Limit and the total Operational Boundary for external debt remain unchanged. Any such changes are to be reported to the next meeting of the Council.
- 14.22. Under Section 5 of the 2003 Act, the prudential indicator for the total Authorised Limit for external debt is deemed to be increased by an amount of any unforeseen payment which becomes due to the Authority within the period to which the limit relates which would include for example additional external funding becoming available but not taken into account by the Authority when determining the Authorised Limit. Where Section 5 of the Act is relied upon to borrow above the Authorised Limit, the Code requires that this fact is reported to the next meeting of the Council.
- 14.23. Authority is delegated to the Executive Director for Corporate Resources to make amendments to the limits on the Council's counterparty list and to undertake Treasury Management in accordance with the CIPFA Treasury Management Code of Practice and the Council's Treasury Policy Statement.

#### Constitutional provisions

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

#### Statutory duties and powers

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

#### Reasonableness and proper process

- 14.28. Decisions must be made reasonably taking into account all relevant considerations and ignoring irrelevancies. Members will see that in relation to the proposed budget cuts there is a summary at Appendix Y1 and Y2. If the Mayor and Cabinet decides that the budget for that service must be reduced, the Council's reorganisation procedure applies if staffing numbers would reduce. Staff consultation in accordance with that procedure will be conducted and in accordance with normal Council practice, the final decision would be made by the relevant Executive Director under delegated authority.
- 14.29. It is also imperative that decisions are taken following proper process. Depending on the particular service concerned, this may be set down in statute, though not all legal requirements are set down in legislation.
- 14.30. For example, depending on the service, there may need to be a need to consult with service users and/or others. The requirement to consult may arise by statute or there may be a legitimate expectation of consultation. A legitimate expectation will arise if a specific promise has been made to do something (for example as in the Lewisham Compact with the voluntary sector) or if it has become practice to consult on particular matters. Where there is a requirement to consult, any proposals in this report must remain proposals unless and until that consultation is complete and the responses have been brought back in a further report for consideration with an open mind before any decision is made.

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### Staff consultation

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

### Best Value

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

### Integration with health

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

## **15. Equalities implications**

- 15.1. The Equality Act 2010 (the Act) introduced the public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 15.2. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 15.3. The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor and Cabinet, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which the Council can demonstrate that they have had ‘due regard’.
- 15.4. The Equality and Human Rights Commission issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with services and public functions. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does

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not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

- 15.5. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
  1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty
  4. Equality objectives and the equality duty
  5. Equality information and the equality duty
- 15.6. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties, and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>
- 15.7. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix Y9 and attention is drawn to its contents.
- 15.8. Assessing impact on equality is not an end to itself and it should be tailored to, and be proportionate to, the decision being made. Whether it is proportionate for the Council to conduct an Equalities Analysis Assessment of the impact on equality of a financial decision or not depends on its relevance to the Authority’s particular function and its likely impact on people from protected groups, including staff.
- 15.9. Where proposals are anticipated to have an impact on staffing levels, it will be subject to consultation as stipulated within the Council’s Employment/Change Management policies, and services will be required to undertake an Equalities Analysis Assessment (EAA) as part of their restructuring process.
- 15.10. It is also important to note that the Council is subject to the Human Rights Act, and should therefore, also consider the potential impact their particular decisions could have on human rights. Where particular cuts have such implications, they must be dealt with and considered in relation to those particular proposals before any final decision is made.

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

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

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## 17. Crime and disorder implications

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

## 18. Health and wellbeing implications

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

## 19. Background papers

Short Title of Report	Date	Location	Contact
Financial stabilisation - budget update and medium term plan	7 October 2020 (M&C)	1st Floor Laurence House	David Austin
Budget Cuts Proposal 2020/21 – round 1	9 December 2020 (M&C)	1st Floor Laurence House	David Austin
Budget Cuts Proposal 2020/21 – round 2	3 February 2020 (M&C)	1st Floor Laurence House	David Austin
Council Tax Base	20 January 2021 (Council)	1st Floor Laurence House	David Austin

## 20. Glossary

Term	Definition
Collection Fund	A statement that shows the transactions of the billing authority in relation to non-domestic rates and the Council Tax, and illustrates the way in which these have been distributed to preceptors and the General Fund.
General Fund	This is the main revenue account which summarises the cost of all services (except those related to Council Housing and Locally Managed Schools) provided by the Council.
Housing Revenue Account	Reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure and how this is met by rents, subsidy and other income.
Minimum Revenue Provision	The minimum revenue provision (MRP) is the minimum amount that must be charged to an authority's revenue account each year and set aside as a provision for debt repayment or other credit liabilities.

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Reserves	Amounts set aside for purposes falling outside the definition of provisions made above are considered as reserves.
Revenue Support Grant	A general grant paid by Central Government to local authorities to help them finance the cost of their services, distributed on the basis of government relative needs formulas.

## 21. Report author and contact

David Austin – Director for Corporate Resources [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk)

Katharine Nidd – Strategic Finance and Procurement [katharine.nidd@lewisham.gov.uk](mailto:katharine.nidd@lewisham.gov.uk)

Financial implications on behalf of the Executive Director for Corporate Resources were provided by the report authors.

Legal implications on behalf of the Monitoring Officer were provided by Katherine Kazantzis.

## 22. Appendices

### Capital Programme

W1 2020/21 to 2023/24 Capital Programme – Major Projects

W2 Proposed Capital Programme – Original to latest Budget

### Housing Revenue Account

X1 Proposed Housing Revenue Account Cuts 2021/22

X2 Leasehold and Tenants charges consultation 2021/22

X3 Leasehold and Tenants Charges 2021/22 Lewisham Homes

X4 Other Associated Housing Charges for 2021/22

X5 Garage Rent Increase Report 2021/22

X6 Tenants' rent consultation 2021/22

### General Fund

Y1 Summary of previously agreed budget cuts for 2021/22 (Approved 2020)

Y2 Summary of previously agreed budget cuts for 2021/22 (Approved 2021)

Y3 Cuts Allocation to Base Budget and Overspend

Y4 Ready Reckoner for Council Tax 2021/22

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- Y5 Chief Financial Officer's Section 25 Statement – *To follow M&C 10 February 2021*
- Y6 Council Tax and Statutory Calculations
- Y7 Summary of risks and pressures to be funded
- Y8 2021/22 Proposed Fees and Charges
- Y9 Making Fair Financial Decisions

### **Treasury Management**

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

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## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### APPENDIX W1

#### 2020/21 TO 2023/24 CAPITAL PROGRAMME - MAJOR PROJECTS

Major Projects over £2m	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m
<b>GENERAL FUND</b>					
Schools - School Places Programme	3.4	10.4	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 - TfL	1.3	-	-	-	1.3
Highways & Bridges - LBL	3	2.5	2.5	-	8.0
Highways - Others	1.5	0.8	0.1	-	2.4
Catford town centre	1.0	0.3	0.3	3.4	5.0
Asset Management Programme	1.5	2.8	2.5	-	6.8
Other AMP Schemes	0.7	0.9	-	-	1.6
Broadway Theatre - Works	0.4	4.8	1.7	-	6.9
Catford Phase 1 – Thomas Lane Yard / Catford Constitution Club'	0.1	0.6	2.6	-	3.3
Lewisham Gateway ( Phase 2)	14.8	3.5	-	4.8	23.1
Beckenham Place Park	0.5	-	-	-	0.5
Beckenham Place Park ( Eastern Part)	0.2	1.7			1.9
Lewisham Homes – Property Acquisition	-	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	-	3.6	5.4
Mayow Rd Development	0.6	6.6	1.1	0.1	8.4
Canonbie Rd Development	0.8	1.4	0.3	-	2.5
Ladywell Leisure Centre Development site (1,000 Homes Prog.)	0.1	2.7	-	-	2.8
Deptford Southern Sites Regeneration	2.6	0.3	-	2.1	5.0
Acquisition of Sydney Arms	0.0	3.8	-	-	3.8
Fleet Replacement Programme	7.0	0.8	0.8	0.8	9.4
Travellers Site Relocation	0.2	3.6	-	-	3.8
Other Schemes	5.0	4.4	2.3	0.1	11.8
	<b>63.6</b>	<b>70.2</b>	<b>16.6</b>	<b>14.9</b>	<b>165.3</b>
<b>HOUSING REVENUE ACCOUNT</b>					
Housing Matters Programme	33.6	48.3	56.4	57.2	195.5
Creekside Acquisition	5.7	13.9	2	-	21.6
Ladywell Leisure Centre Development	4.5	15.4	43.4	27.7	91
Achilles St. Development	4.3	0.4	1	21.6	27.3
Mayow Rd Development	1.1	0.8	-	-	1.9

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

Decent Homes Programme	47.7	31.6	42.7	41.8	163.8
Other Schemes	3.5	3.6	4.0	4.0	15.1
Total HRA	<b>100.4</b>	<b>114.0</b>	<b>149.5</b>	<b>152.3</b>	<b>516.2</b>
<b>TOTAL PROGRAMME</b>	<b>164.0</b>	<b>184.2</b>	<b>166.1</b>	<b>167.2</b>	<b>681.5</b>

The paragraphs below set out a descriptive overview of the key delivery objectives of the capital programme major schemes. Appendix W2 sets out the changes in these schemes from original budget.

### Schools – School Places Programme

Primary place demand has levelled off recently across London and the priority for school place delivery has shifted mainly to Special Educational Need and Disability provision. Four schemes are currently in development and delivery over the next 3 years to 2024. They include:

- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works commenced in April 2019 and are due to be completed by February 2021. The project will deliver a new standalone block adjacent to Lewisham Way, improved landscaping within the site and a new entrance and enhanced public realm area to the South of the site.
- Greenvale School, in Whitefoot ward, is Lewisham's community special school for children and young people between the ages of 11 and 19 years who have significant learning difficulties. A new satellite facility to accommodate an additional 93 students will be constructed on the site of the former Brent Knoll building in Perry Vale. The design stage is now complete, and works are expected to commence onsite in early 2021.
- New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and works to expand the facility took place over the summer holidays last year, ensuring that the school can provide a full curriculum. The works included minor remodelling and refurbishment of the existing building, provision of a new food technology practical room, and improvements to existing landscaping and external play areas. The final works to the boundary treatment were completed last summer, and final snagging works will be completed in February 2021.
- Watergate is Lewisham's primary special school for children between the ages of three and eleven years who have severe learning difficulties, located in Bellingham Ward. Approval has been granted to expand the school by 59 places through the construction of a new teaching block on the existing site, although further feasibility studies are currently being conducted to confirm whether this approach would cater for the need or if a different design solution is required.

### Schools – Minor Works Capital Programme

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

### Highways & Bridges

The Council continues to invest resources in maintaining its 397km of highway borough roads, most notably through its annual programme of carriageway and footway resurfacing works. The budget for highways has allowed 70 roads (or part of a road) to be resurfaced each year. Until 2017, the majority of these roads were those in the

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

worst condition and categorised as “Red” – lengths of road in poor overall condition and in need of immediate further engineering assessment with a planned maintenance soon.

In 2020/21, the carriageway resurfacing programme is to be carried out on up to 32 roads (or part of road) funded from the Council’s Capital programme. At the time of this report (November 2020) over 90% of the carriageway resurfacing programme has been completed. This programme is on course to deliver in time and within budget

Future carriageway resurfacing works will focus on roads classified with the Condition Index of “Amber” (lengths of road which, without a planned early intervention could result in further severe defects and move the Condition Index to “Red”). The Council also carries out ongoing responsive carriageway maintenance works that remedies localised hazards and defects caused through accidents and deterioration of the asset from wear, age, excavations and failures

The footway resurfacing programme aims to bring improvements to 17 roads where the Condition Index classifies as “Red” and thus in need of future works. At the time of this report (November 2020) approximately 75% of the current footway resurfacing programme has been completed, with an expectation to complete the full programme on time and within budget by February 2021.

Future Council Capital investment is to be aimed at the borough’s footways as over 20% of this asset requires essential maintenance works. Such works to the footways potentially will reduce future insurance claims.

The replacement of the span for the Sydenham Park footbridge is planning, and with active discussions about bridge design, method of construction, risk management and approvals underway, the Council in its client capacity is working closely with consultants to secure a delivery plan agreement with Network Rail. Subject to a Network Rail track possession agreement, the span replacement and associated works for the Sydenham Park Footbridge is scheduled for winter 2021.

### **Catford Town Centre**

On 16 September 2020 M & C approved the draft Catford Town Centre Framework document and the next steps to commence with a non-statutory public consultation process. Architects Studio Egret West have been retained in the event that any amendments are required to the Framework. The consultation began on 17 November 2020 and encompasses an invitation for the public to give feedback on the Catford consultation activities over the past four years that provided significant foundation to the document. Consultation is being delivered via various platforms including: a pull-out section within the Catford Chronicle magazine that is sent to 18,000 homes in Catford with a freepost return for comments, a series of Zoom presentation sessions with questions answered, visual displays at shop 24 Catford Precinct, feedback via phone, an email and via a website address. Officers plan to return to M&C in spring 2021 to provide the consultation results and to request endorsement of the final version of the Framework document. The Catford Town Centre Framework document will then be used as an evidence base for the emerging Local Plan.

Work with TfL has just recommenced following a temporary postponement of the programme due to the impact of Covid-19 and the furlough of the Transformation Team. There is an agreed proposal to realign the South Circular A205 through the Town Centre. The Greater London Authority (GLA) Housing Infrastructure Funding (HIF) of £10m has been secured on condition that the road is delivered by TfL. Officers have been seeking an extension to the grant agreement to accommodate the time lost on the project. TfL have confirmed that they are awaiting a new programme to begin extensive modelling of the preferred design option for the road. DfT require completion of this activity in order to confirm the provisional funding in the sum of £40M. Subject to an approved design, early work is expected to start in 2021/22.

Meanwhile, at the same meeting of M&C on 16 September 2020 officers received approval to commence with two projects in Catford town centre. The first will provide a

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series of public realm improvements to the areas around Catford stations to be funded from S.106 funding from the Catford Green development by Barratt's. This scheme aims to provide a better environment for movement around the stations in preparation for the recovery from the pandemic with an aim to be on site in early 2022. The second scheme has been enabled by successful funding from the GLA in the form of the Good Growth Grant that has been match funded by the Capital Programme. This will see the refurbishment of the Catford Constitution Club (CCC) and the development of a mixed-use scheme up to Planning stage on the T/Lane car park site to provide a mix of business units and up to 100 homes that would realise multiple regeneration benefits including: jobs retention, business creation and potential early housing delivery and can also support the Post-Covid19 recovery plan. This early investment proposal can be delivered independently but also corresponds fully with the vision set out in the draft Catford Framework document endorsed by Mayor & Cabinet on 16th September 2020, providing fundamental improvements to the public realm for Catford and meeting social and economic integration objectives, opportunities for town centre. The objective is to obtain Planning consent for both schemes by the end of summer 2021 and to deliver the CCC refurbishment in 2022.

Officers are in further negotiations with the GLA on additional funding following a successful bid to the GLA for Get Building Funding of just under £1m. The funding aims to secure additional town centre improvement schemes including public realm improvements to the pedestrian area on Holbeach Road and a partnership project to provide a public sector hub in the Old Town Hall.

### Lewisham Gateway Development

The Council is supporting the delivery of Phase 2 of the Lewisham Gateway development by the provision of:

- (a) £9,558,850 of grant from its own resources being a commuted sum earmarked for affordable housing under a section 106 agreement relating to the Loampit Vale development.
- (b) £13,500,000 of housing infrastructure fund (HIF) grant that comes from government via government's delivery partner, The Greater London Authority (GLA).

The Lewisham Gateway is a long-term regeneration project which is being delivered by Lewisham Gateway Developments Limited (**LGDL**), a special purpose vehicle which is a subsidiary of Muse Developments Limited. The project is being delivered via a development agreement dated 19th December 2006 between LBL, various public sector partners and LGDL. Amendments to this development agreement agreed by the parties in 2020. Phase 1 was completed in 2019 providing construction of the new highway layout and pedestrian crossings (including re-location of River Ravensbourne and Quaggy), 362 residential units, commercial café and retail space, Confluence Place Park: a public space connecting the river, station and public realm as well as a number of commercial food and beverage units

Phase 2 of the project will deliver four buildings to provide 530 residential apartments, 119 co-living units, retail units, a gym space and a cinema together with associated public realm (including hard and soft landscaping). A basement energy centre will also be provided in the building known as building block E

### Asset Management Programme

Funding from the Asset Management Programme (AMP) has continued to support reactive and much needed capital works across the operational corporate estate. This has included fabric works such as roof replacement and mechanical works; including, boiler replacements and lift repairs across the estate of approximately 90 buildings and sites. More recently, the programme has funded works to the Civic Suite, Registry Office and some essential works as part of the main Laurence House refurbishment programme. A full condition survey of the corporate estate was completed in 2020 and

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is helping define the future investment need of the estate, the Asset Review, and underpin the use of the AMP capital programme funding for future years. A comprehensive Corporate Estate Maintenance Programme is being developed to start in 2021/22 (with some urgent health and safety works already underway).

### **Broadway Theatre**

The Broadway Theatre building is not fully complaint in a number of areas, and is long overdue investment in its mechanical, electrical and fabric elements. Urgent work is required to address key risk areas of building failure.

The proposed works include rewire of the theatre, replacement fire detection equipment, new emergency lighting, new central heating and domestic water system, damp proofing and decorations, improvements to support disabled access and get-in, toilet expansion and external improvements

Given the significant amount of investment needed the theatre will be closed to enable the work to be carried out effectively and efficiently. The works are proposed to complete late 2022

### **Lewisham Library**

The roof of the library is in urgent need of repair. This was identified as part of recent condition survey of the building which also highlighted a number of key areas of failing across the building structure and M&E services. The roof's condition puts the entire building fabric and services at risk.

The report also found the mechanical and public health services (MEPH) within the building are generally at or past their life expectancy. The general condition of all elements is poor with some obvious signs of deterioration and failures including hot water plant and ventilation systems. In addition, the two lifts serving the building requires major overhaul. There is currently no allocation in the capital programme to support this project.

Mayor and Cabinet agreed that officers look at options that will sustain the library service provision into the future. A number of options are currently being explored

### **Old Town Hall**

Officers are developing a programme of investment works for the Old Town Hall. This is part of proposals to convert the Old Town Hall into a public sector hub for a number of public sector partners. Some of the investment will address immediate health and safety as well as compliance requirements of the building. It will aim to secure a new use for the building as a public sector hub supporting a number of public sector partners such as the NHS and DWP.

### **Lewisham Homes – Property Acquisition**

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

### **Fleet vehicle replacement**

The current year's budget is to finance the replacement of 65 vehicles in the Council's fleet in order to meet the approaching Low Emissions Zone (LEZ) changes in October 2020. As of the end of December 2020 all 65 vehicles have been delivered and are in service at a total cost of £7,022.536.

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Future fleet replacement capital budget for the years 2021 - 2024 of 800k per annum has been allocated.

### **Smart Working Programme**

The Smarter Working programme seeks to consolidate offices and release sites for future redevelopment in Catford town centre, as well as the refurbishment of the council's main office site, Laurence House, to ensure it is fit for purpose until new council offices can be built. The ground floor was refurbished in 2018 to provide a modern, welcoming and better functioning reception for the council and refurbishment work on floors 1 to 5 was completed in 2019. The works included improved welfare provision, delivering new meeting rooms and kitchens, improving the heating and ventilation system, new energy efficient LED lighting, decoration and a layout and furniture which supports and encourages agile working. Options are being considered to deliver improvements to the ground floor and the civic suite.

### **Edward Street**

Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. The tender and contractor appointment has been completed following Mayor and Cabinet approval. The manufacturing of the homes has commenced in the factory.

### **Residential Portfolio Acquisition – Hyde Housing Association**

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

The Council completed on the acquisition of a portfolio of homes from Hyde Housing Association earlier this financial year. Hyde Housing Association have offered the option of further acquisitions. The Council are currently considering this option and carrying out due diligence in relation to this.

### **Achilles Street**

Residents on the Achilles Street Estate have voted for the redevelopment of the estate to go ahead. Work is underway to carry out due diligence and the procurement of the design team has commenced with estate residents. The scheme will deliver new homes for all existing residents as well as a significant number of new council owned homes for social rent.

### **Acquisition of Sydney Arms**

In response to COVID-19 local authorities were instructed by the government to bring 'Everyone In'. The initial approach was to find and accommodate all rough sleepers, and those sleeping in night shelters, to minimise their potential risk to COVID-19. This approach ended in the summer, and authorities have been working with the government and the GLA to find permanent move on accommodation for those it has temporarily housed.

There has been an increase in rough sleeping. Since the start of the pandemic the Council has worked with nearly 200 rough sleepers, whereas over the entirety of 2019/20 there were 229 rough sleepers that services engaged with in Lewisham. The pandemic continues to pose a substantial health risk to residents, particularly rough sleepers, and the impact on homelessness of a severe economic shock is yet to be fully realised.

In response to the above pressures, the council has been using temporary accommodation to house rough sleepers it has identified. However, such



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accommodation is often expensive and does not come with support provision included. The council is projecting an expenditure of £800k during the course of 20/21 that it would not have spent in previous years, although a grant of £300k from government has been made available to cover some of that cost.

The acquisition and refurbishment of the Sydney Arms will allow up to 16 rough sleepers, or other households, to be accommodated in affordable accommodation with support available to meet their needs. The purpose of this accommodation will be to provide accommodation and support on a short to medium term basis whilst staff work with those accommodated to find secure longer-term homes for households to move into.”

### **Ladywell Leisure Centre Development site**

The redevelopment of the former Ladywell Leisure Centre Site continues to progress with planning applications due later in the summer of 2021. This mixed-use development will see approximately 69 new homes come forward in addition to retaining the 24 homes that are in the PLACE building. The Council, through Lewisham Homes, will directly deliver these new homes. In 2019, a budget of £2.55m was approved by Mayor and Cabinet to take the scheme forward to planning and to fund the feasibility of the relocation of PLACE/Ladywell

### **Mayow Road Development Site**

At the Mayow Road site we will deliver 26 family-sized homes for homeless families. These will consist of self-contained flats with two and three bedrooms, all with their own private amenity space. The homes will provide much-needed temporary accommodation, supporting residents to remain in their local community. We will also deliver six supported living homes for residents with learning disabilities or autism, helping them to remain in borough and live more independent lives. This will be supported by 24-hour on-site care and support staff. We are supporting these aims in partnership with NHS England’s transforming care Programme.

Planning has been secured and funding agreed for construction. A contractor has been appointed and a start on site has been achieved for this scheme. Work is ongoing.

### **Traveller’s site relocation**

The latest site search for a Gypsy and Traveller site has identified a site at Pool Court as the most appropriate location to develop a new Gypsy and Traveller site for the borough. The construction cost of the 6-pitch site is estimated at £1.8m including design fees and other costs.

A section of the identified site is owned by Network Rail and the rest by the Council. The acquisition cost of the Network Rail section of the site is estimated at up to £2m. The Capital programme already has an allocation of circa £1.1m, including historic GLA grant, to support the scheme. The total cost for the development of the Pool Court site to provide 6 pitches to meet the Gypsy and Traveller Housing need is approximately £3.8m, with additional budget of £2.7m now allocated in the plan.

### **Beckenham Place Park**

The restoration of Beckenham Place Park (to the western side of the railway) has been completed.

The listed stable block is now home to the new park café and environmental education centre, and the long anticipated restored landscape, with its reinstated lake, is being enjoyed by thousands of local people. The stable yard itself will become an arrival and visitor’s hub, as new tenants take up occupation of the cottages over the next year. The new play facilities are much loved, as part of the restored pleasure grounds, and

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the previously derelict Gardener's cottage is now fully restored and re-purposed as a hub for volunteer activity in the park, in the midst of the new community garden. Open water swimming now takes place on the lake, and visitors will be encouraged to explore the breadth and nature of Lewisham's largest park on new paths and trails.

Mayor & Cabinet on 24 April 2019 approved an additional capital contribution of up to £1.936m towards works on the eastern side of the park. Work is now underway to develop the scope of works to the eastern side of the park and it is hoped that this allocation could be used to lever in further support from the GLA and GLA and the Environment Agency.

Meanwhile, work has just begun to look at options on a route to secure the future of the other assets mainly in the western side of the park. These include the Mansion House and Foxgrove Club. A paper will be taken to Mayor & Cabinet in due cause setting out the options and next steps on a route to secure beneficial use of those assets.

### **Building for Lewisham Programme update**

The Building for Lewisham (BfL) supersedes the Housing Matters Programme. In January 2020, the Mayor and Cabinet approved recommendations to advance and expand the Council's housebuilding programme to meet the corporate objectives set for the period between 2018 and 2022. The M&C paper sets much of the context for the budget identified in this paper

The BfL programme will deliver a significant proportion of new council housing for the borough. Funding has currently been agreed for the continuation of the former New Homes Better Places programme and for a series of additional infill sites. In addition, funding for feasibility and preparation of planning and tender information for major strategic projects at Ladywell, Achilles Street Estate and Catford has been allocated; as well as funding for wider feasibility studies for sites across the borough.

The Council, via its development agent, Lewisham Homes, is also investigating acquisition opportunities on land and sites from the market. These schemes may offer an opportunity to deliver more homes on an expedited timescale.

The current consolidation of the BfL programme notes funding for 1,686 new homes across a mix of tenures. This has been modelled over a 40 year period and has been inflation-adjusted accordingly. However, the assumptions used in this report represent an over-programming of developments and not all developments modelled will necessarily come forward. Therefore, this represents the most budget-intensive scenario. The financial and programme risk associated with the BfL programme will be monitored closely and mitigations implemented accordingly. Should any material changes to this budget be required, approval from Members will be sought.

The programme is supported by grant funding from the GLA via the Building Council Homes for London Programme. This provides £37.7m at a rate of around £100,000 per social unit. In addition to this the Council have secured funding from the GLA through their Small Sites Small Builders Fund, Housing Capacity Fund and Accelerated Construction Fund. The NHS have also provide grant support for Supported Housing. In addition to this, the Council will continue to subsidise the programme with the use of Right to Buy 1-4-1 receipts.

The majority of spend for the remainder of 2020/21 relates to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site. Around 458 new social homes are forecast to achieve planning permission or start on site in 2021.

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### APPENDIX W2

#### PROPOSED CAPITAL PROGRAMME – ORIGINAL TO LATEST BUDGET

	Total	Total
	£'000	£'000
<b>GENERAL FUND</b>		
<b>Original Budget (Mayor &amp; Cabinet 9 July 2020)</b>		<b>210,947</b>
<b>New Schemes</b>		
Lewisham Market Scheme	322	
2020/21 LIP Programme	1,300	
Lewisham Gateway Phase 2	14,812	
82, Newland Park	176	
Holbeach Road Public Realm & Catford Hub	245	
Catford Station Improvements	82	
Catford Phase 1 – Thomas Lane Yard / Catford Constitution Club	49	
Brockley Rise Adult Learning Centre Frontage Works	146	
Improvements to the Calabash Centre	45	
Beckenham Place Park (Eastern Part)	200	
		17,377
<b>Approved variations on existing schemes</b>		
Excalibur (Phase 3)	200	
Canonbie Road Development	677	
		877
<b>Re-allocated Budgets</b>		
Lewisham Library – repairs and refurb	-1000	
		-1000
<b>Re-profiled Budgets</b>		
CYP CERA (capital charged to revenue account)	-500	
Achilles St. Development ( Design Work)	-401	
Achilles St. Development	-4,764	
Ladywell Leisure Centre Development	3,290	
Unallocated AMP	-792	
Excalibur ( Phases 4&5)	-1,265	
Milford Towers Decant	-2,769	
Creekside Acquisition	5,711	
19, Yeoman St. Improvements	7	
Deptford Southern Sites	1,826	
Lewisham homes property acquisition	-3,000	
Schools Pupils Places Programme	-5,794	

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2020 Schools Minor Works Capital Programme		-79		
Heathside & Lethbridge		-244		
Milford Towers Decant		-100		
DFG & Disc Grants		-1,040		
Fleet Vehicle Replacement		-800		
9-19 Rushey Green		-250		
Deptford Park Improvements		-40		
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		-5		
				-13,529
<b>Re-phasing Budgets</b>				
HRA				-50,585
<b>Revised Capital Programme Budget 2020/21</b>				<b>164,087</b>

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### **APPENDIX X1: Proposed Housing Revenue Account Savings 2021/22**

X1.1 The HRA strategy and self-financing assessments are continually updated and developed with the view to ensuring resources are available to meet costs and investment needs and are funded for 2021/22 and future years.

X1.2 Savings and efficiencies delivered in the 2021/22 budget can be re-invested to off-set constrained rent rises or to help bridge any investment gap identified. As a prudent measure the original financial model was developed with no savings identified. Subsequently, discussions have taken place regarding appropriate savings and 'target' management and maintenance costs per unit. For example, there is already an assumed reduction in the Lewisham Homes fee in 2021/22 to reflect stock losses through Right to Buy Sales. Although no direct efficiencies/savings are currently being considered for 2021/22, work continues to identify opportunities for cost reductions and efficiencies relating to the HRA business model. Where identified, these savings would be available to off-set future rental losses due to a constrained uplift to protect investment in stock or services.

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

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### APPENDIX X2: Leasehold and Tenants Charges Consultation 2021/22

Committee	<b>Brockley Residents Panel</b>	Item No	
Report Title	<b>Leasehold and Tenant Charges Consultation</b>		
Contributor	Regenter Brockley Operations Manager		
Class	<b>Decision</b>	Date	<b>16<sup>th</sup> December 2020</b>

#### 1 Summary

- 1.1 The report sets out proposals to increase service charges to ensure full cost recovery in line with Lewisham Council's budget strategy.
- 1.2 The report requests Brockley Residents Panel members to consider the proposals to increase service charges based on an uplift of **2.1%** for **2021/22** on specific elements. This is based on full cost recovery in line with previous years' proposals.

#### 2 Policy Context

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

#### 3. Recommendations

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

#### 4. Purpose

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

#### 5. Housing Revenue Account Charges

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



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- 5.1 A service charge levy is applied to Tenants for caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning. Tenants also pay a Tenants Fund Levy which is passed onto the Tenants Fund as a grant.
- 5.2 The key principles that should be considered when setting service charges are that:
- The charge should be fair and be no more or less than the cost of providing the service
  - The charge can be easily explained
  - The charge represents value for money
  - The charging basis allocates costs fairly amongst those receiving the service
  - The charge to all residents living in a block will be the same
- 5.3 The principle of full cost recovery ensures that residents pay for services consumed and minimises any pressures in the Housing Revenue Account in providing these services. This is in line with the current budget strategy.

In the current economic environment, it must however be recognised that for some residents this may represent a significant financial strain. Those in receipt of housing benefit will receive housing benefit on increased service charges. There are approximately 444 council tenants in receipt of housing benefit and 287 tenants on Universal Credit.

### 6. Analysis of full cost recovery

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

#### 6.2 Leasehold service charges

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

- 6.2.1 The uplift in leaseholder charges should reflect full cost recovery for the type of service undertaken. It is proposed that any uplift is applied at 2.1% [RPI (September 2020 being 1.1%) +1.00%].
- 6.2.2 The following table sets out the post audited current average weekly charge and the proposed increase for the current services provided by Regenter Brockley:

#### 6.3 Leasehold service charges

Service	Leasehold No.	Current Weekly Charge	Weekly Increase	New Weekly Amount	Increase (2.1%)

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<b>Caretaking</b>	397	£5.96	£0.13	£6.09	2.1%
<b>Grounds Maintenance</b>	397	£3.11	£0.07	£3.18	2.1%
<b>Communal Lighting</b>	397	£1.80	£0.04	£1.84	2.1%
<b>Bulk Waste</b>	397	£1.43	£0.03	£1.46	2.1%
<b>Window Cleaning</b>	222	£0.16	£0.00	£0.16	2.1%
<b>Resident Involvement</b>	563	£0.24	£0.01	£0.25	2.1%
<b>Customer Services</b>	563	£0.39	£0.01	£0.40	2.1%
<b>Ground Rent</b>	563	£0.00	£0.00	£0.00	set at £10 per annum
<b>General Repairs</b>	563	£3.62	£0.08	£3.70	2.1%
<b>Technical Repairs</b>	401	£0.71	£0.01	£0.72	2.1%
<b>Entry Phone</b>	140	£0.05	£0.00	£0.05	2.1%
<b>Lift</b>	236	£2.48	£0.05	£2.53	2.1%
<b>Management Fee</b>	563	£3.05	£0.06	£3.11	2.1%
<b>Total</b>		<b>£23.00</b>	<b>£0.49</b>	<b>£23.49</b>	

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

6.3.2 In addition, tenants pay a contribution of £0.15pw to the Lewisham Tenants Fund. At present there are no plans to increase the Tenants Fund charges.

6.3.3 As outlined in this report, the principle to be applied to service charges is that full cost recovery should be maintained wherever possible. The service charge increase applied for 2020/21 was set in November 2019 to be applied from 6th April 2020. However, in the period between these dates an increase in hourly rates (moving to London Living Wage) and increase in working hours was introduced within the services where there was a staffing element. This is not currently reflected within the service charge amounts currently being paid by tenants, as the changes were too late to be incorporated into the charges to be applied.

6.3.4 Therefore, the data in the tables have been reworked to reflect the charge applied for 2020/21 and amended to show what the charge rate should be based on the updated rates and working hours. Inflation has then been applied to this revised charge, as allowed for within the contract at a rate of 2.1% (RPI of 1.1% + 1.0)

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Overall, charges are suggested to be increased by an average of £1.55 per week which would move the current average weekly charge from £11.37 to £12.92.

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

Service	Current Weekly Charge	Adjustment Required (see 6.3.4)	Revised Weekly Charge	Increase @ 2.10%	New Weekly Amount
Caretaking	£5.43	£0.53	£5.96	£0.13	£6.09
Grounds Maintenance	£2.38	£0.73	£3.11	£0.07	£3.18
Communal Lighting	£1.78	£0.02	£1.80	£0.04	£1.84
Bulk Waste	£1.43	£0.00	£1.43	£0.03	£1.46
Window Cleaning	£0.20	£0.00	£0.20	£0.00	£0.20
Tenants fund	£0.15	£0.00	£0.15	£0.00	£0.15
<b>Total</b>	<b>£11.37</b>	<b>£1.28</b>	<b>£12.65</b>	<b>£0.27</b>	<b>£12.92</b>

6.3.6 The RB3 Board is asked for their views on these charges from April 2021 to March 2022. Results of the consultation will be presented to Mayor and Cabinet for approval in Spring 2021.

## 7. Financial implications

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

7.2 The principle of full cost recovery ensures that residents pay for services consumed and minimises any pressures in the Housing Revenue Account in providing these services. This is in line with the current budget strategy.

7.3 Those in receipt of housing benefit will receive housing benefit on increased service charges. There are approximately 444 council tenants in receipt of housing benefit and 287 tenants on Universal Credit.

## 8. Legal implications

8.1 Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Authority must review rents from time to time and make such changes as circumstances require. Within this discretion there is no one lawful option and any reasonable option may be looked at. The consequences of each

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option must be explained fully so that Members understand the implications of their decisions.

8.2 Section 76 of the Local Government and Housing Act 1989 provides that local housing authorities are under a duty to prevent a debit balance in the HRA. Rents must therefore be set to avoid such a debit.

8.3 Section 103 of the Housing Act 1985 sets out the terms under which secure tenancies may be varied. This requires: -

- the Council to serve a Notice of Variation at least 4 weeks before the effective date.
- the provision of enough information to explain the variation.
- an opportunity for the tenant to serve a Notice to Quit terminating their tenancy.

8.4 The timetable for the consideration of the 2021/22 rent levels provides an adequate period to ensure that legislative requirements are met.

8.5 Part III of Schedule 4 of the Local Government and Housing Act 1989 provides that where benefits or amenities arising out of the exercise of a Housing Authority's functions, are provided for persons housed by the authority, but are shared by the community as a whole, the authority shall make such contribution to their HRA from their other revenue accounts to properly reflect the community's share of the benefits or amenities.

8.6 Whereas an outcome of the rent setting process, there are to be significant changes in housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.

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

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

### **10. Equalities implications**

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

### **11. Environmental implications**

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

### **12. Conclusion**

12.1 Revising the level of charges ensures that the charges are fair, and residents are paying for the services they use.

12.2 The additional resources generated will relieve some of the current pressures within Housing Revenue Account and will contribute to the funding of the PFI contract which is contained within the authorities Housing Revenue Account.

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

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

Kate Donovan  
Area Manager  
or  
Sandra Simpson  
Project Manager

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

Or on 0207 635 1200.

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### APPENDIX X3: Leasehold and Tenants Charges 2021/22 Lewisham Homes

Meeting	Resident Engagement Panel	Item No.	X
Report Title	Service Charges 2021/22		
Report Of	Director of Finance and Technology - Rowann Limond		
Class	Information	Date	17 December 2020

#### 1. Purpose of the Report

- 1.1 This report sets out proposals for residents service charges in 2021/22. Residents are invited to comment on the proposals which will be fed back to the Mayor as part of the Council's budget setting process.

#### 2. Recommendations

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

#### 3. Background of the Report

- 3.1 The Council's Housing Revenue Account is a ring-fenced account. The account can only contain those charges directly related to the management of the Council's housing stock. By implication leaseholders must be charged the true cost of maintaining their properties, where the provision of their lease allows. This prevents tenants subsidising the cost to leaseholders, who have purchased their properties.
- 3.2 Each year a review of the actual costs is undertaken as part of the budget setting process and recommendations made to the council in respect of proposed charges.
- 3.3 Where possible we aim to keep these charges within the inflation rates. It should be noted that the inflation rates as at September 2020 were CPI 0.5% and RPI 2.4%. The overall increase to the weekly service charge is 2.07%.

#### 4. Tenant and Leasehold service charges 2021/22

- 4.1 The proposed 2021/22 charges as compared with 2020/21 are shown in Appendix 1
- 4.2 Changes to repairs and maintenance charges have been modelled on the last 3 years actual costs. These charges are estimates and leaseholders will receive a charge adjustment based on actual costs incurred. This charge adjustment will take place in September 2021.
- 4.3 A proposed increase in communal heating of 17p per week is due to an increase in energy costs.

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

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### Appendix 1

Existing Service	Tenant (T)/Leaseholders (LH)	Estimate (per week charge)		Change in weekly charge		
		2020/21	2021/22			
		£	£	£	%	
Caretaking	T & LH	6.36	6.49	0.13	1.99%	Increase
Ground Maintenance	T & LH	2.07	2.11	0.04	1.94%	Increase
Repairs and Maintenance - Building	LH	2.92	2.98	0.06	2.19%	Increase
Repairs and Maintenance Technical	LH	1.03	1.05	0.02	2.09%	Increase
Lifts	LH	2.69	2.69	0.00	0.00%	No change
Entry Phone	LH	0.74	0.75	0.01	1.79%	Increase
Block Pest Control	T & LH	1.79	1.83	0.04	2.20%	Increase
Ground Rent	LH	0.19	0.19	0.00	0.00%	No change
Sweeping	LH	1.02	1.04	0.02	2.33%	Increase
Management	LH	2.45	2.50	0.05	2.14%	Increase
Window Cleaning	T & LH	0.10	0.12	0.02	26.01%	Increase
Bulky House Hold Waste Collection Service	T & LH	0.47	0.58	0.11	23.20%	Increase
Bulk Waste Disposal	T & LH	0.85	0.85	0.00	0.00%	No change
Insurance	LH	0.94	0.96	0.02	1.92%	Increase
<b>Total excluding energy charges</b>		<b>23.61</b>	<b>24.14</b>	<b>0.53</b>	<b>2.24%</b>	
Communal Lighting	T & LH	1.07	1.10	0.03	2.55%	Increase
Communal Heating and Hot Water	T & LH	10.29	10.46	0.17	1.62%	Increase
<b>Total energy charges</b>		<b>11.37</b>	<b>11.56</b>	<b>0.19</b>	<b>1.71%</b>	
<b>Grand Total</b>		<b>34.98</b>	<b>35.70</b>	<b>0.72</b>	<b>2.07%</b>	



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### **APPENDIX X4: Other Associated Housing Charges for 2021/22**

#### **Garage Rents**

1. The detail of these charges and the changes are as set out in appendix X5 below.

#### **Tenants Levy**

2. As part of the budget and rent setting proposals for 2005/6, a sum of £0.13 per week was 'unpooled' from rent as a tenants service charge in respect of the Lewisham Tenants Fund. The current charge is £0.15pw.
3. No proposals have been put forward by Lewisham Tenants Fund (LTF) to vary this levy for 2021/22. Therefore the charge will remain at £0.15pw for 2021/22.

#### **Hostel charges**

4. Hostel accommodation charges are set based on current Government requirements and will increase by 1.5% (£0.53 per week).
5. Hostel service charges are set to achieve full cost recovery, following the implementation of self-financing. For 2021/22, the charge for Caretaking/management and Grounds Maintenance will remain at current levels. This will leave the average charge at £72.96 per unit per week.
6. In addition, the charge for Heat, Light & Power will also be held at current levels and will remain at £5.98pw. Water charges will not be increased and will remain at £0.20pw. The charge for Council Tax will be based on the total recharged received from Council Tax section. All charges will be based on the total number of hostel units and is forecast to remain unchanged for 2021/22.
7. Hostel residents were consulted on these proposals via individual letters. Officers also invited hostel residents to meet them to discuss the changes and how these may affect them. However, no comments or representations were received.

#### **Linkline Charges**

8. The delivery of the service to a 'full visiting service' to better reflect service need was implemented in 2018/19. The resulting annual charge to the HRA for 2020/21 was increased to £420k. Current indications are that an inflationary increase of 2.5% will be applied for 2021/22, increasing the HRA charge by £11k (to £431k for 2021/22). The current linkline charge to HRA residents is £6.10 per week, and does not fully recover the full charge applied to the HRA.
9. Consultation with HRA residents/current users of the service is due to be undertaken in the New Year. The results of any consultation will be reported to Mayor & Cabinet.

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Consultation would need to be completed by mid-February 2021 to comply with the 28 day statutory notice of charge increases and allow increased charges to be applied from April 2021. However, if consultation is delayed, the charge increase can only be applied from April 2022. There are no proposals to increase the maintenance charge, which will remain at £0.94 per week.

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

10. Rent income for properties used in the Private Sector Leasing (PSL) and Privately Managed Accommodation (PMA) scheme are General Fund resources. From April 2021, rents for homes let under these schemes will be charged at the applicable Local Housing Allowance (LHA) for private rented sector (PRA) properties. This will support the schemes to remain viable in the longer-term and reduce the General Fund subsidy that is presently required to keep them in operation.

### **Heating & Hot Water Charges**

11. As part of last year's rent setting process the Mayor agreed to continue with the current formula methodology for calculating increases in Heating & Hot Water charges to tenants and leaseholders. This formula was originally approved by Mayor & Cabinet in December 2004.
12. The current charging methodology allows a limited inflationary price increase plus a maximum of £2 per week per property increase on the previous year's charge. Consumption levels are also updated and included in the formula calculation.
13. The existing corporate contract for the supply of electricity is let by the property services team with Crown Commercial Services; an Executive Agency of the Cabinet Office. The contract frameworks have been designed to comply with the findings of the Pan Government Energy Project, which recommends that all public sector organisations adopt aggregated, flexible and risk-managed energy procurement with public sector buying organisations.
14. The proposal for 2021/22 is for an increase of £0.17pw or 1.62%. This will move the current charge from £10.29pw to £10.46pw. This is based on the latest available unit rates and consumption data.
15. The proposal for communal lighting is for an increase of 2.55% or £0.03 per week. This will move the current average charge from £1.07pw to £1.10pw. The increase is due to updated consumption rates.
16. Officers will review the costs, actual energy usage and new contact prices in both 2020/21 and 2021/22 as part of the monitoring regime. Once the new long-term energy supply contracts are in place, recommendations for changes to charges will be brought forward as part of the 2022/23 budget process.

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### APPENDIX X5: Garage Rent Increase Report 2021/22

INCLUSIVE REGENERATION Estates Team Report		
<b>Report Title</b>	Rental Increases for Garages from April 2021 – Lewisham Homes and Regenter RB3	
<b>Key Decision</b>	Yes	<b>Item No.</b>
<b>Contributors</b>	Directorate of Housing, Regeneration and Public Realm	
<b>Class</b>		<b>Date: November 2020</b>

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

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

#### **2. Recommendation**

It is recommended that the Council approves, in principle, an increase in rent for the garage portfolio of 1.1%, to be effective from April 2021. This increase is in line with the increase in the Retail Price Index for the current year.

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

#### **3. Policy Context**

The contents of this report are consistent with the Council's policy framework. It supports the achievements of the following corporate strategy objectives:

- Building an inclusive local economy – Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- Making Lewisham greener – Everyone enjoys our green spaces and benefits from a healthy environment as we work to protect and improve our local environment.

#### **4. Background**

For the forthcoming financial year from April 2021 it is intended that the increase imposed is an inflationary one only, in line with the Retail Prices Index, as is our usual practice.

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

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The current waiting list for garages is over 2,000 applicants.

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

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

The highest rent charged is £23.48 per week and the lowest is £5.80 per week. However, some garages are charged at less than the lowest rate per week. These are discounted rates (50% of the full charge) for tenants with blue badges.

### **5. Financial Implications**

The current annual rent roll for the garage portfolio is £1.403M, based on a basic average standard charge of £15.68 per week per garage (i.e. before discounts are applied).

If the rents are increased by RPI as proposed in April 2021, the revised annual rent roll will increase to approximately £1.419M, or £15.85 per week per garage, an uplift of 1.1%, or £0.17 per week on average, and a total increase of approximately £20,000 on the annual rent roll.

### **6. Legal Implications**

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

The Equality Act 2012 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

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

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

The duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should

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do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-actcodes-of-practice-and-technical-guidance/>

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

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

The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at <http://www.equalityhumanrights.com/advice-and-guidance/public-sectorequality-duty/guidance-on-the-equality-duty/>

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

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

### **8. Equalities Implications**

The proposed 1.1% increase will be applied across the portfolio to residents and non-residents. Blue badge holders will continue to receive a 50% discount on the weekly rent as existing.

### **9. Environmental Implications**

There are no specific environmental implications in this report.

### **10. Conclusion**

The proposed rental increase is considered to reflect market rent and be sustainable, and will raise additional revenue from the portfolio of approximately £20k.

### **11. Further Information**

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

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### Appendix X6: Tenants' rent consultation 2021/22

The Tenants' rent consultation meetings took place on 16<sup>th</sup> December 2020 with Regenter B3 (Brockley) managed tenants and 17<sup>th</sup> December 2020 with Lewisham Homes managed tenants.

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

	Lewisham Homes	Brockley PFI
No of representatives (excl Cllrs)	14	10+
<b>Rent Increase @ 1.5%</b>	See Below	No direct comments
<b>Savings Proposals:-</b>		
No Savings proposed	n/a	n/a
<b>Service Charges inc:</b>		
Heating & Hot Water Charges	See Below	No direct comments
Garage Rents	See Below	No direct comments
Tenants Fund	n/a – no increase proposed	n/a – no increase proposed

Summary of comments made by representatives;

The Lewisham Homes panel requested additional time to consider the proposals and provide feedback.

This was agreed and a deadline of 31<sup>st</sup> December 2020 was given for all responses to Lewisham Homes, who would then forward the feedback to the Council.

The following table provided a summary of the comments received on the night and general feedback.

A transcript of the meeting and comments received are contained at the end of this summary. There was no further feedback received from residents up to the extended deadline of 31<sup>st</sup> December 2020.

<p><b>Lewisham Homes Panel</b></p>	<p><b>Rent increase:</b></p> <p>Panel members felt that there are issues of affordability given the</p> <p>There was questioning relating to whether a rise in rents is needed at all and could this be changed.</p> <p>Officers responded by informing the panel that the authority is bound by legislation to ensure that the HRA does not fall into a deficit and that the rent rise would off-set increasing costs and provide resources for investment.</p> <p><b>Tenants Service Charges &amp; Heating &amp; Hot water Charge:</b></p> <p>A presentation was given on the proposals.</p> <p>A discussion was held on the issue of service standards and costs.</p> <p>There were questions of value for money as charges are increasing but service delivery is not improving.</p> <p>Lewisham Homes officers responded by requesting panel members to contact them with specific service queries, that they will note and respond to specific issues.</p> <p><b>Garage Charges:</b></p> <p>Panel members queried the need for the rise and questioned what is happening with all the void garage units which need to be brought back into use.</p> <p>Officers responded by requesting the details of the specific garages panel members referring to.</p>
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	<p>Members also queried if the additional income raised would be reinvested into the garage stock to bring them back into use.</p> <p>Officers responded by informing panel members that there is an investment programme in place for garages.</p> <p><b>Tenants Fund:</b></p> <p>n/a – no increase proposed</p> <p><b>Savings Proposals:</b></p> <p>n/a</p>
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The following is a full transcript of the panel meeting, comments and responses. No further comments/responses were received by Lewisham Homes by the agreed 31<sup>st</sup> December 2020 deadline;

### **Rent setting and service charge meeting. 17 December 2020 via Zoom**

**Staff attending:** Jon Kanareck (Lewisham Homes' Director of Resident Services), Simon Williams (Lewisham Homes' Head of Finance), Alys Exley-Smith (Lewisham Homes' Community Relations Manager), Fenella Beckman (Director of Housing Services), Rachel Dunn (Senior Group Manager - Housing Partnerships and Service Improvement), Tony Riordan (Lewisham council Principal accountant), David Lee (Lewisham council, garages), Gloria Biggs (Administrator, Lewisham Tenant's Fund)

14 residents attended

### **General update (Lewisham Homes and Lewisham council)**

- Decision made by Mayor and Cabinet. This feedback will form the feedback to mayor and cabinet
- Rent setting and rental for the financial year. Last year was the first year for a couple of years that there was rent rise. We continue to use this method of rent rise consumer price index +1%. Equates to 1.5% this year for 2021/21 financial year £1.46 per week over a 52 week period. The report shows the average rise per bed six
- We used to have discussions at REP about these things. Part of the framework is this change. Only 6 people came last year. 5 people voted against of the 6 for the increase but it happened anyway. The reason for this meeting is for these comms to go to Mayor and Cabinet.
- Comments will be fed in to the budget process. It depends on the decision that's made by mayor and cabinet on rent and service charge for this year. This meeting doesn't have any direct impact but comments are fed back and considered by the Mayor.
- As part of the decision making process which takes place further down the line. The Mayor and cabinet will be looking at the input from this meeting.
- Council has an obligation to balance its books. Inflationary costs affecting budgets

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### General resident feedback:

- Why increase on rent at this time, we are all facing crisis at the moment, some are not working, businesses are down. Why could this not wait till everything is settled and know where we are heading?
- This was far too short notice for what is meant to be a public meeting for all residents.
- There should be a follow up meeting discussing the issues with more tenants and residents.

### Rent setting

- Concerns the £50pw rent increase per year. It will take tenants over the threshold. Rent increase could put them over the threshold so they're charged more.
- **Lewisham council:** Confirmed housing benefit will raise to cover the increase.
- Resident stated they felt there was no justification for rent increase.

### Garage rent setting

- **Lewisham Council:** Similar to last year. Rate going up RPI, which this year is 1.1%. Last year it was 2.4%. The average uplift works about 17p a week a garage. Blue badge holders receive 50% discount at the moment and that will continue. The overall impact to the council is modest. Increases rents by about £20,000 per annum.
- **Resident:** asked if all void are used to maximise income.
- **Lewisham council:** Yes, some are too expensive to maintain (e.g., asbestos). Some may be potential development sites.
- **Resident:** Final point is on garages. £20,000 revenue for garages per year. Will it be invested in garages? Can you make them look ok and repair broken doors. Need electric points for cars

### Lewisham Tenant's Fund

- **LTF Administrator;** Residents association and training. Very little action this year. Last month this has picked up. We're not going to increase the 15p a week. Any money of underspend, will use it to fund new resident engagement structure. Jane will work with new TRA panel, she will be in contact with chairs 3-4 weeks before meeting to help set the agenda. Any other surplus for tenants and residents association for more IT equipment. Still a problem with broadband and cost implication. Any comments?
- **Resident:** One of the issues that comes up is that tenants get the money taken out of their rent directly. Much harder to get leaseholders contributions. Tenants associations deal with leaseholders too. Is there any progress on this to get leaseholders to pay through service charges.
- **LTF administrator:** There's nothing we can do at LTF. It's not written in to their leases so can't put it in to charges. The reason we fund leaseholders as active TRA members, there are lots of leaseholders on TRAs, but they do represent the TRAs and not just leaseholders. Building communities and caretaking, etc. which is why we also fund leaseholders, but we wouldn't fund leaseholder panel

### Service charges

- **Head of Finance:** Increase of 2.7%. Average of 72p for weekly service charges. They were audited over the summer. We've been looking at costs whilst working out what to pay for. Staffing element 2.5% increase in staff this year. CPI was 0/5%

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Looking at caretaking and grounds maintenance. Big cost is staffing, cost of living has increased, have tried not to put this on to residents as much as possible, whilst still delivering services we've committed to delivering.

Lifts kept the same. Entry phones 1p increase, we're incurring additional costs for contracts there, but trying to limit costs. Ground rent same. Sweeping has gone up, which is the staffing element. Window cleaning up by 2p per week. Bulk household waste has gone up, we've seen an increase here, has gone up by 11p. Disposal is the same. Insurance has gone up, affected by the insurance we're charged.

- **Resident:** Still getting complaints that caretaking isn't done properly. Same with grounds maintenance. Window cleaning has been done some blocks for over a year, should be twice a year. Bulk waste not paladin bins. Paying for service we're not receiving
- **Resident:** Maintenance is cheaper when buildings are maintained to good high quality.
- **Resident:** We also have problems with deep cleaning which does not seem to happen as charged.
- **Resident:** For repairs, it seems that management at LH knows how the job should be done well, but that doesn't translate into the operatives that carry out the job unfortunately. We have a case at Bence of a leak only recently repaired and still holes in the panel were not filled before painting. The resident was unhappy but said that they would do it themselves as the case was hopeless.
- **Resident:** Coordination between LH departments needs to be better - especially between Repairs and Major Works for example.
- **Lewisham Homes:** Bulk waste fly-tipping has been an increase. If there are service failures then you need to contact us and tell us you're not happy and why. Some of the day to day service affected by increase work by COVID. Increase itself is staff.
- **Resident:** Linkline. Call for help and there's nobody to help. Cleaning needs to be looked in to. Why is this poor?
- **Lewisham Homes:** Current linkline system is Tunstall, run on analogue, we are due to upgrade them, and are out to contract, hope to let it in early January. Will upgrade hardware so it works better. Work in some area at the moment is picking up that new fibre arrangement. Post summer, new system that works better.
- **Resident:** Some charges were duplicates. Operatives came back several times to do the same job. Model used by LH is that they are billed on current market value of what job will cost. LH staff charge 2-3 times for same jobs. On market value this isn't fair. In house staff and those associated with this, but costs are market value. We want to pay but want the building to be maintained. System isn't working well. We are charged quite large amounts but our external areas have many patches that are bare. Ground maintenance charges need to be more precise. It's not obvious where it's all happening.
- **Lewisham Homes:** Repair point, currently looking at this (modernisation) we use commercial spec at moment, will move to a more formula arrangement at property costs per annum. Moved away from individual bills to now on salaries for operatives, so not paid extra money for jobs they do. Working with council for potential new model. Modernisation program will stop billing being manual, sometimes there is a duplicate. Grounds maintenance contact with Glendale was maintenance only. We have been reinvesting. Talk to Grounds Maintenance team about whether some areas

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- have been replanted. Looking at reviewing how we charge service charges and will need to revisit this.
- **Resident:** Street sweeping service wasn't being done. Recently it has been done. Jackie came and visited. Concerned what is estate sweeping and grounds maintenance? It can be a blurred line. Repairs aren't being done properly. Damp problems in one home and have been told LH can do anything, happened since decent homes. Repairs reported several times with different job numbers and repairs are terrible. Costs rising slowly, but cuts in service. Hope there is some investment in maintenance to keep properties up to scratch
  - **Lewisham Homes:** Modernisation program because repairs program wasn't doing what it should, but will take a few months. Difficult at moment due to COVID and taking longer than they should. You should escalate if there are ongoing issues.
  - **Resident:** Liaising with waste collection at Lewisham council and impact on repairs charges. Bins weren't emptied by waste collection team and we're charged for unblocking it. Can be expensive when not working with council. They're under quite a lot of pressure at the moment. Will continue to work on the relationship. Caretakers also frustrated.
  - **Resident:** Separated in to different parts. Deep clean, etc. Is there a system of tracking? Are you refunding money for services not done? Am talking about communal windows
  - **Lewisham Homes:** Cost went up slightly. David Tutt is lead on this contract please contact us if there are concerns with this service. That's a service failure
  - **Resident:** Bins on street needs additional caretaking duties. Does rent impact on private sector leasing
  - **Lewisham Homes:** Purely private sector through the landlord
  - **Resident:** Paying for service not receiving. Can we provide the service ourselves? Have evidence of this complaining since last year.
  - **Lewisham Homes:** We'll need to discuss that. Council likes to deliver direct services and politicians like that, so unlikely it will be outsourced.
  - **Resident:** Lighting isn't good. If a cleaner can't see then how can know where to clean.

### Other feedback

- Resident:** A lot of complaints in block on water charges. Can we look for another provider? Not happy with services.
- Lewisham Homes:** Thames Water taken back responsibility for water. Not sure if you can with water.
- Lewisham council:** Will look in to this.

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<b>Brockley PFI Area</b>	<p><b>Rent increase:</b></p> <p>No direct comments received at the meeting.</p> <p><b>Tenants and Leaseholders Service Charges:</b></p> <p>No direct comments received at the meeting.</p> <p><b>Garage Charges:</b></p> <p>No direct comments received at the meeting.</p> <p><b>Tenants Fund:</b></p> <p>n/a – no increase proposed</p> <p><b>Savings Proposals:</b></p> <p>n/a</p>
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### Appendix X7 - Summary of 41 historic housing debt cases proposed for write off

#### Former Tenant Arrears Write Offs

Lewisham Homes' (LH) Income Team will initially pursue collection of debts from tenants who have left properties managed by LH.

Where the Income's Team efforts are unsuccessful, they pass the debt onto a Debt Collection Agency (DCA) to attempt recovery on LH's behalf. The DCA receives a proportion of any debts they recover.

Some debts are not passed to the DCA for example, where a tenant is deceased with no estate, or where the debt is Statute Barred and cannot be legally pursued.

LH took over management of Nightly Paid, PSL and PMA rent collection including former tenants from LBL in September 2016. LH are presenting Nightly Paid and PSL cases over £10,000 for write off for the first time. The Directors of Resident Services and Finance and Technology recommend the 41 write offs totalling £655,329.76.

A summary of the 41 historic debt cases totalling £655,329.76 proposed for write off is set out below. In each case all information that might be identifiable to a certain individual or property has been removed.

#### 1. Former tenant arrears cases over £10k and prepared for write off

##### Private Sector Leased Properties (x25)

Ref	Balance Including Court Costs	Tenancy End Date	Case Notes
1	£36,766.52	24/04/2011	HB stopped paying in October 2008. It transpired tenant was in prison, legal action taken and tenant was evicted. The debt is now statute barred.
2	£28,251.03	02/03/2014	Tenant evicted as failed to make payments and claimed HB were at fault. Case sent to Debt Collection Agency and they were unable to trace the tenant's new address and collect the debt.
3	£23,560.00	15/12/2019	HB was in full payment until tenant's death but someone was left in the property who failed to pay rent and arrears grew whilst we attempted to remove them. We were unable to recover the debt from the deceased tenant's estate.
4	£22,398.00	08/03/2009	Tenant was in prison and flat was empty for a long time. Legal action started late and courts were slow in issuing court date. Tenant was not eligible for HB as he failed to provide further info. Tenant was evicted. The debt is now statute barred.
5	£22,027.57	18/04/2010	Tenant went abroad; HB stopped and on his return he was advised to submit documents to HB but failed. Tenant was then sent to prison and a

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			Vacation Notice served to take back vacant possession. The debt is now statue barred.
6	£18,514.60	07/04/2013	HB stopped March 2012 when tenant left property. When trying to recover property discovered husband had moved in. Husband refused to leave which delayed eviction. We traced the tenant at their new address but were unable to collect the debt.
7	£18,195.27	23/07/2017	Tenant failed to make payments and HB stopped in 2016. Duty was discharged and legal proceedings started but there were delays which caused further arrears to accrue. Tenant was evicted. We traced the tenant at their new address but were unable to collect the debt.
8	£18,051.41	05/11/2017	Tenant made fraudulent homeless application and had duty discharged. Possession granted August 2017 and tenant was evicted. Case sent to Debt Collection Agency and they were unable to trace the tenant's new address and collect the debt.
9	£17,509.23	31/12/2017	Tenant failed to make sufficient payments to cover rent. Delay in legal process accrued further arrears. Tenant handed the keys back. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
10	£17,271.00	24/05/2009	Tenant was living in Stoke, an unauthorised occupant was living in the property. Social Services were involved which caused some delays. Eviction carried out to end tenancy and remove unauthorised occupant. The debt is now statue barred.
11	£16,184.00	28/07/2013	Tenant failed to provide evidence which caused long gap in HB. Legal action was taken to evict the tenant. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
12	£15,592.76	17/07/2016	Tenant failed to make payments as and when her HB fluctuated. Tenants HB stopped due to her income but tenant failed to make payments. Legal action was taken to get possession and tenant was evicted. The Debt Collection Agency traced the tenant at their new address but were unable to collect the debt.
13	£15,266.81	17/12/2017	Tenant failed to make payment to cover HB shortfall due to non-dependent deductions. Tenant was found intentionally homeless as she declined permanent accommodation. The Debt Collection Agency traced the tenant at their new address but were unable to collect the debt.
14	£13,555.80	16/06/2013	It was discovered tenant wasn't living at property, court action taken to recover property. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
15	£12,784.51	15/11/2015	Whilst tenant was in receipt of partial HB she failed to make sufficient payments. Legal action was taken to get possession and tenant was evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.



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16	£12,333.54	31/05/2015	Tenant was a student and struggled to pay. Paid no rent for 7 months and was evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
17	£12,053.93	30/04/2017	Tenant was a student but not making sufficient payments to cover HB shortfall and from 2016 failed to make any payments. Tenant gave up her property before the court date. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
18	£11,415.14	13/04/2008	Tenant failed to provide HB with further info and claim was suspended. Tenant was then moved to another property but failed to hand in the keys. Tenant was not eligible for dual HB. Tenancy was ended. Debt is now statute barred.
19	£11,335.32	13/12/2009	Tenant didn't engage and delayed providing evidence to HB. Eventually tenant engaged but wasn't eligible for HB due to her monthly income. Tenant was evicted. Debt is now statute barred.
20	£10,527.08	29/11/2015	Tenant failed to make sufficient payments from the start of her tenancy and when HB stopped failed to engage with her Support Worker to resolve issues. Legal action was taken to get possession. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
21	£10,500.00	24/02/2008	Tenant notified HB of change of circumstances very late. When claim assessed, tenant was not eligible for HB. Tenant was evicted. The debt is now statute barred.
22	£10,354.19	22/10/2006	Old case and no notes on the system to explain reason for arrears. Rent account shows HB stopped in March 2006 and tenancy ended October 2006 with an end reason of voluntary vacation. The debt is now statute barred.
23	£10,352.37	31/05/2015	Every time HB stopped tenant failed to make payments to cover HB shortfall. Tenant was evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
24	£10,348.80	06/12/2015	Tenant failed to make payments when HB stopped. Tenant also failed to give access for Occupancy Checks and was evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
25	£10,144.32	11/08/2013	Tenant failed to submit HB documents and then abandoned property in August 2013. The Debt Collection Agency traced the tenant at their new address but were unable to collect the debt.
<b>Total</b>	<b>£405,293.20</b>		

### Nightly Paid Properties (11)

Ref	Balance Including Court Costs	Tenancy End Date	Case Notes
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26	£28,406.00	20.03.2016	Tenant failed to make sufficient payments. NTQ served as tenant was not eligible for HB. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
27	£19,668.00	02.09.2019	Tenant failed to make payments and provide evidence to HB as she was working. NTV served but were unable to cancel booking due to partnership placement with Phoenix. Once tenancy ended, case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
28	£18,292.15	14.06.2018	Tenant failed to make payments whilst waiting to be moved due to condition of the property. Duty was discharged due to refusal of alternative property. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
29	£17,494.90	14.11.2014	Tenant was not entitled to HB and failed to make payments. Tenant was evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
30	£17,220.00	02.08.2018	Tenant failed to make payments and provide evidence to claim UC. NTV served. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
31	£12,204.00	02.10.2016	Tenant failed to make payments during the period he was not receiving HB. Based on his circumstances tenant was deemed not eligible for HB. Tenant evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
32	£12,026.91	19.06.2019	Tenant failed to make payments whilst waiting for a decision for her housing need. Based on her circumstances tenant was deemed not eligible for HB. Tenant evicted. The Debt Collection Agency traced the tenant but were unable to collect the debt.
33	£11,863.13	23.09.2018	Tenant is a Romanian national. She had no recourse to public funds. HOC were unable to discharge duty, tenant abandoned property. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
34	£10,921.00	14.03.2017	Tenants HB was suspended as tenant failed to provide requested evidence. Tenant refused to leave the B&B, which caused further arrears. Tenant was eventual evicted. The Debt Collection Agency traced the tenant but were unable to collect the debt.
35	£10,276.64	11.06.2017	Tenant did not hold a British passport and was not entitled to UC. Tenant was evicted due to non-payment of rent. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
36	£10,010.00	09.07.2017	Tenants HB stopped in Feb 2017. Tenant made no payments to cover rent. There were issues with tenants immigration status and the booking was cancelled. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.

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<b>Total</b>	<b>£168,382.73</b>
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### Hostel Properties (2)

Ref	Balance Including Court Costs	Tenancy End Date	Case Notes
37	£18,264.32	26.03.2018	HB overpayment of £17,834.94 was added to the rent account 19.3.2019 after the end of tenancy. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
38	£12,580.01	03.10.2018	There were various issues with backdating of benefits. Tenant evicted. The Debt Collection Agency traced the tenant but were unable to collect the debt
<b>Total</b>	<b>£30,844.33</b>		

### Privately Managed Agency Properties (3)

Ref	Balance Including Court Costs	Tenancy End Date	Case Notes
39	£22,618.93	27.05.2018	Tenant failed to engage and attend appointments to help with HB. Tenant abandoned the property but then returned, however failed to make any payments. Legal action was taken to get possession of the property and tenant was evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
40	£17,427.77	21.10.2018	Tenant was not residing at property but left his wife and children in the property. The wife was unable to apply for HB. LBL accepted duty to her. Legal action taken and tenant was evicted. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
41	£10,762.80	05.07.2015	Tenant failed to make sufficient payments to cover HB shortfall and had non-dependents. Tenants DHP application was also declined. Tenant was affected by Benefit Cap and various appointments were arranged to assist but tenant failed to attend or engage. Duty was discharged in 2015. Case sent to Debt Collection Agency who were unable to trace the tenant's new address and collect the debt.
<b>Total</b>	<b>£50,809.50</b>		

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### APPENDIX Y1 2021/22 Budget Cuts – Round 1 December 2020

Ref	Proposal	2021/22 £'000	2022/23 £'000	2023/24 £'000	TOTAL
<b>Theme A - Productivity</b>					
A-01	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	3,000	3,000	-	6,000
A-02	Hybrid roles - enforcement	-	50	50	100
A-03	Corporate Transport arrangements	100	150	50	300
A-04	Process automation in Revs and Bens	60	100	-	160
A-05	Revs and Bens - additional process automation	400	-	-	400
A-06	Revs and Bens - Generic roles	-	400	-	400
A-07	Housing - Productivity gains	202	-	-	202
A-08	Reduction in paper usage	35	-	-	35
<b>Total for Theme A - Productivity</b>		<b>3,797</b>	<b>3,700</b>	<b>100</b>	<b>7,597</b>
<b>Theme B – Joint working</b>					
B-02	Strategic recharging - improve partner contributions to the placement costs for children	600	600	-	1,200
B-04	Smoking cessation service	221	-	-	221
B-05	Recharge OT and housing officer costs to the Disabled Facilities Grant	425	-	-	425
B-06	Cuts to the main grants programme	-	800	-	800
B-07	Review of Council run events	70	30	-	100
B-08	Review the Power of Attorney service	160	-	-	160
B-10	Reduction in local assemblies service	45	178	-	223
<b>Total for Theme B – Joint working</b>		<b>1,821</b>	<b>1,608</b>	<b>-</b>	<b>3,429</b>
<b>Theme C – Service Reconfiguration</b>					
C-01	Redesign of the CYP Joint Commissioning service.	140	-	-	140
C-02	Adult Learning and Day Opportunities	50	100	-	150
C-03	Reduction in the use of agency social workers.	215	215	-	430
C-05	Housing needs and procurement service review	127	-	-	127
C-07	Review Short breaks provision.	65	50	50	165
C-08	IT - mobile telephony review	80	10	10	100
<b>Total for Theme C – Service Reconfiguration</b>		<b>677</b>	<b>375</b>	<b>60</b>	<b>1,112</b>
<b>Theme D – Asset Realisation</b>					
D-01	Generating greater value from Lewisham's asset base	-	-	500	500
D-02	Business Rates Revaluation for the estate	40	40	20	100
D-03	Facilities management general cost reduction	50	-	-	50

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

D-04	Operational estate - security	100	-	-	100
D-05	Operational estate - mothballing premises	-	50	-	50
D-06	Catford Campus - Estate Consolidation	674	11	12	697
D-07	Meanwhile use - Temporary Accommodation	25	25	25	75
D-08	Miscellaneous - income generation	-	25	-	25
<b>Total for Theme D – Asset Realisation</b>		<b>889</b>	<b>151</b>	<b>557</b>	<b>1,597</b>
<b>Theme E – Commercial Approach</b>					
E-01	Improved Debt collection	250	250	-	500
E-02	Income from building control	15	15	20	50
E-03	Review discretionary sales, fees and charges and increase to the point of full cost recovery.	150	-	-	150
E-04	Introduce charging for certain elements of self-funded care packages	82	-	-	82
E-05	Traded services with schools	50	50	-	100
E-06	Reduce care leaver costs	200	100	-	300
E-07	Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)	300	375	-	675
E-08	Contract Efficiencies – inflation management	500	-	-	500
E-09	Realising further benefits from the Oracle Cloud Solution and exploiting its functionality as a fully integrated enterprise resource planning solution.	100	100	-	200
E-10	Increase funeral charges	250	-	-	250
<b>Total for Theme E – Commercial Approach</b>		<b>1,897</b>	<b>890</b>	<b>20</b>	<b>2,807</b>
<b>Theme F – Demand Management</b>					
F-01	Adult Social Care Demand management	3,000	-	-	3,000
F-02	Children Social Care Demand management	500	500	1,000	2,000
F-03	Children Service reconfiguration - fostering	-	250	250	500
F-04	Special Guardianship Order payments	60	-	-	60
F-05	VfM commissioning and contract management - CSC	250	250	-	500
F-06	Adults with learning difficulties and 14 - 25yrs transitions costs	760	-	-	760
F-09	In house services reductions - adults passenger transport	600	-	-	600
F-10	In house Early Help service	200	-	-	200
F-11	Front door arrangements in CYP	50	-	-	50
F-12	Housing - No Recourse to Public Funds	300	-	-	300
F-15	Environment - environmental operations review	-	330	-	330
F-16	Environment - new waste strategy	-	-	250	250
F-17	Road safety enforcement	250	250	-	500
F-18	Controlled Parking Zone Extension	-	-	1,000	1,000
<b>Total for Theme F – Demand Management</b>		<b>5,970</b>	<b>1,580</b>	<b>2,500</b>	<b>10,350</b>
<b>GRAND TOTAL</b>					
		<b>15,051</b>	<b>8,304</b>	<b>3,237</b>	<b>26,592</b>

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### APPENDIX Y2 2020/21 2021/22 Budget Cuts – Round 2 February 2021

Ref	Proposal	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
<b>Theme A - Productivity</b>					
A-01a	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	1000	-	-	1000
A-09	Support to leadership	105	-	-	105
A-10	Elections services	55	-	-	55
A-11	Legal, governance service and elections review.	340	-	-	340
A-12	Rationalising Central Education Services functions	150	-	-	150
A-13	Children with complex needs (CWCN) revision	195	-	-	195
A-14	Replace Educational Psychology (EP) locums / Expand generic EP Team	200	-	-	200
A-16	Reduction of workforce development budget	50	-	-	50
A-17	Care leaver accommodation / housing costs	500	-	-	500
A-18	Library and Information Service	300	-	-	300
<b>Total for Theme A - Productivity</b>		<b>2,895</b>	<b>-</b>	<b>-</b>	<b>2,895</b>
<b>Theme B – Joint working</b>					
B-11	Improved usage of BCF Funding across partners	1000	-	-	1000
B-12	Adult Learning Lewisham - back office efficiencies	96	-	-	96
B-13	Early Years Funding Block	54	-	-	54
B-11	Improved usage of BCF Funding across partners	1000	-	-	1000
B-12	Adult Learning Lewisham - back office efficiencies	96	-	-	96
B-13	Early Years Funding Block	54	-	-	54
<b>Total for Theme B – Joint working</b>		<b>1,150</b>	<b>-</b>	<b>-</b>	<b>1,150</b>
<b>Theme C – Service Reconfiguration</b>					
C-09	Youth Offending Service (YOS) redesign	152	-	-	152
C-10	Housing Services Review	300	300	-	600
C-11	Reduced dependency on agency staff within Highways and Transportation Services	300	-	-	300
C-12	Weight management services	25	-	-	25
C-13	Sexual and Reproductive Health Services in Primary Care	100	-	-	100
C-14	Substance Misuse Cuts (Public Health Budget)	150	-	-	150
C-15	Integrated Sexual and Reproductive Health Services	150	-	-	150
C-16	Reduction of Management overheads for the Social Inclusion and Recovery Service (SLaM Lewisham Community Services)	50	-	-	50
C-17	Re-configuration of MH Supported Housing pay – Social Interest Group	100	150	-	250
C-21	Early Help and Prevention Re-commissioning	170	-	-	170
C-22	Reduction in LBL contribution to CAMHS service	250	-	-	250
C-23	Reduction in the Health Visiting contract	350	-	-	350
C-24	Culture Team Salaries & Borough of Culture	60	-	-	60

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

C-26	Reducing leisure spend – temporary closure of the Bridge	355	-	-	355
C-28	Supported Housing Services	169	84	-	253
C-29	Crime, Enforcement & Regulation Service Restructure	50	-	-	50
C-30	Rationalisation of Business support across Education services	70	-	-	70
<b>Total for Theme C – Service Reconfiguration</b>		<b>2,801</b>	<b>534</b>	<b>-</b>	<b>3,335</b>
<b>Theme D – Assets Realisation</b>					
D-09	Educational Assets	300	-	-	300
<b>Total for Theme D – Assets Realisation</b>		<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>
<b>Theme E – Commercial Approach</b>					
E-01a	Improved Debt collection	500	-	-	500
E-08a	Contract Efficiencies – inflation management	250	-	-	250
E-11	Environmental Enforcement – Use of Civil Enforcement Officers	100	-	-	100
<b>Total for Theme E – Commercial Approach</b>		<b>850</b>	<b>-</b>	<b>-</b>	<b>850</b>
<b>Theme F – Demand Management</b>					
F-15a	Environment - environmental operations review	-	567	-	567
F-19	Reduction in specialist legal advocacy and assessments for CYP proceedings	500	-	-	500
F-20	Emission based charging for Short Stay Parking	120	120	-	240
F-21	Road Safety Enforcement	250	375	-	625
F-22	Motorcycle parking charges	-	80	-	80
F-23	Home to school transport	250	-	-	250
F-24	Adult Social Care cost reduction and service improvement programme	3849	430	-	4279
<b>Total for Theme F – Demand Management</b>		<b>4,969</b>	<b>1,572</b>	<b>-</b>	<b>6,541</b>
<b>GRAND TOTAL</b>		<b>12,965</b>	<b>2,106</b>	<b>-</b>	<b>15,071</b>

TOTALS	2021/22 £'000	2022/23 £'000	2023/24 £'000	TOTAL
<b>Theme A - Productivity</b>				
Round 1	3,797	3,700	100	7,597
Round 2	2,895	-	-	2,895
<b>Theme B – Joint working</b>				
Round 1	1,821	1,608	-	3,429
Round 2	1,150	-	-	1,150
<b>Theme C – Service Reconfiguration</b>				
Round 1	677	375	60	1,112
Round 2	2,801	534	-	3,335
<b>Theme D – Assets Realisation</b>				
Round 1	889	151	557	1,597
Round 2	300	-	-	300
<b>Theme E – Commercial Approach</b>				
Round 1	1,897	890	20	2,807
Round 2	850	-	-	850
<b>Theme F – Demand Management</b>				
Round 1	5,970	1,580	2,500	10,350
Round 2	4,969	1,572	-	6,541
<b>GRAND TOTAL</b>				
Round 1	15,051	8,304	3,237	26,592
Round 2	12,965	2,106	-	15,071
<b>TOTAL</b>	<b>28,016</b>	<b>10,410</b>	<b>3,237</b>	<b>41,663</b>

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### APPENDIX Y3: Allocation of Cuts to Base Budget and Overspend

Ref	Round 1 Proposals	2021/22 £'000	O/spend	Base budget
<b>Theme A - Productivity</b>				
A-01	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	3,000	-	3,000
A-02	Hybrid roles - enforcement	-	-	-
A-03	Corporate Transport arrangements	100	-	100
A-04	Process automation in Revs and Bens	60	-	60
A-05	Revs and Bens - additional process automation	400	-	400
A-06	Revs and Bens - Generic roles	-	-	-
A-07	Housing - Productivity gains	202	-	202
A-08	Reduction in paper usage	35	35	-
<b>Total for Theme A - Productivity</b>		<b>3,797</b>	<b>35</b>	<b>3,762</b>
<b>Theme B – Joint working</b>				
B-02	Strategic recharging - improve partner contributions to the placement costs for children	600	600	
B-04	Smoking cessation service	221	-	221
B-05	Recharge OT and housing officer costs to the Disabled Facilities Grant	425	-	425
B-06	Cuts to the main grants programme	-	-	-
B-07	Review of Council run events	70	-	70
B-08	Review the Power of Attorney service	160	-	160
B-10	Reduction in local assemblies service	45	-	45
<b>Total for Theme B – Joint working</b>		<b>1,821</b>	<b>600</b>	<b>1,221</b>
<b>Theme C – Service Reconfiguration</b>				
C-01	Redesign of the CYP Joint Commissioning service.	140	140	
C-02	Adult Learning and Day Opportunities	50	-	50
C-03	Reduction in the use of agency social workers.	215	215	
C-05	Housing needs and procurement service review	127	-	127
C-07	Review Short breaks provision.	65	65	-
C-08	IT - mobile telephony review	80	80	-
<b>Total for Theme C – Service Reconfiguration</b>		<b>677</b>	<b>500</b>	<b>177</b>
<b>Theme D – Asset Realisation</b>				
D-01	Generating greater value from Lewisham's asset base	-	-	-



## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

D-02	Business Rates Revaluation for the estate	40	-	40
D-03	Facilities management general cost reduction	50	-	50
D-04	Operational estate - security	100	-	100
D-05	Operational estate - mothballing premises	-	-	-
D-06	Catford Campus - Estate Consolidation	674	-	674
D-07	Meanwhile use - Temporary Accommodation	25	-	25
D-08	Miscellaneous - income generation	-	-	-
<b>Total for Theme D – Asset Realisation</b>		<b>889</b>	<b>-</b>	<b>889</b>
<b>Theme E – Commercial Approach</b>				
E-01	Improved Debt collection	250	-	250
E-02	Income from building control	15	-	15
E-03	Review discretionary sales, fees and charges and increase to the point of full cost recovery.	150	-	150
E-04	Introduce charging for certain elements of self-funded care packages	82	-	82
E-05	Traded services with schools	50	-	50
E-06	Reduce care leaver costs	200	200	-
E-07	Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)	300	-	300
E-08	Contract Efficiencies – inflation management	500	-	500
E-09	Realising further benefits from the Oracle Cloud Solution and exploiting its functionality as a fully integrated enterprise resource planning solution.	100	-	-
E-10	Increase funeral charges	250	250	-
<b>Total for Theme E – Commercial Approach</b>		<b>1,897</b>	<b>550</b>	<b>1,347</b>
<b>Theme F – Demand Management</b>				
F-01	Adult Social Care Demand management	3,000	-	3,000
F-02	Children Social Care Demand management	500	500	-
F-03	Children Service reconfiguration - fostering	-	-	-
F-04	Special Guardianship Order payments	60	60	-
F-05	VfM commissioning and contract management - CSC	250	250	-
F-06	Adults with learning difficulties and 14 - 25yrs transitions costs	760	-	760
F-09	In house services reductions - adults passenger transport	600	-	600
F-10	In house Early Help service	200	200	-
F-11	Front door arrangements in CYP	50	50	-
F-12	Housing - No Recourse to Public Funds	300	300	-
F-15	Environment - environmental operations review	-	-	-
F-16	Environment - new waste strategy	-	-	-
F-17	Road safety enforcement	250	-	250
F-18	Controlled Parking Zone Extension	-	-	-
<b>Total for Theme F – Demand Management</b>		<b>5,970</b>	<b>1,360</b>	<b>4,610</b>
<b>GRAND TOTAL</b>		<b>15,051</b>	<b>3,045</b>	<b>12,006</b>

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

Ref	Proposal	2021/22 £'000	O/spend	Base budget
<b>Theme A - Productivity</b>				
A-01a	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	1000	-	1000
A-09	Support to leadership	105	-	105
A-10	Elections services	55	-	55
A-11	Legal, governance service and elections review.	340	-	340
A-12	Rationalising Central Education Services functions	150	-	150
A-13	Children with complex needs (CWCN) revision	195	-	195
A-14	Replace Educational Psychology (EP) locums / Expand generic EP Team	200	-	200
A-16	Reduction of workforce development budget	50	50	-
A-17	Care leaver accommodation / housing costs	500	500	-
A-18	Library and Information Service	300	-	300
<b>Total for Theme A - Productivity</b>		<b>2,895</b>	<b>550</b>	<b>2,345</b>
<b>Theme B – Joint working</b>				
B-11	Improved usage of BCF Funding across partners	1000	-	1000
B-12	Adult Learning Lewisham - back office efficiencies	96	-	96
B-13	Early Years Funding Block	54	-	54
<b>Total for Theme B – Joint working</b>		<b>1,150</b>	<b>-</b>	<b>1,150</b>
<b>Theme C – Service Reconfiguration</b>				
C-09	Youth Offending Service (YOS) redesign	152	-	152
C-10	Housing Services Review	300	-	300
C-11	Reduced dependency on agency staff within Highways and Transportation Services	300	-	300
C-12	Weight management services	25	-	25
C-13	Sexual and Reproductive Health Services in Primary Care	100	-	100
C-14	Substance Misuse Cuts (Public Health Budget)	150	-	150
C-15	Integrated Sexual and Reproductive Health Services	150	-	150
C-16	Reduction of Management overheads for the Social Inclusion and Recovery Service (SLaM Lewisham Community Services)	50	-	50
C-17	Re-configuration of MH Supported Housing pay – Social Interest Group	100	-	100
C-21	Early Help and Prevention Re-commissioning	170	170	-
C-22	Reduction in LBL contribution to CAMHS service	250	250	-
C-23	Reduction in the Health Visiting contract	350	350	-
C-24	Culture Team Salaries & Borough of Culture	60	-	60
C-26	Reducing leisure spend – temporary closure of the Bridge	355	355	
C-28	Supported Housing Services	169	-	169
C-29	Crime, Enforcement & Regulation Service Restructure	50	-	50
C-30	Rationalisation of Business support across Education services	70	-	70

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

<b>Total for Theme C – Service Reconfiguration</b>		<b>2,801</b>	<b>1,125</b>	<b>1,651</b>
<b>Theme D – Assets Realisation</b>				
D-09	Educational Assets	300	300	-
<b>Total for Theme D – Assets Realisation</b>		<b>300</b>	<b>300</b>	<b>-</b>
<b>Theme E – Commercial Approach</b>				
E-01a	Improved Debt collection	500	-	500
E-08a	Contract Efficiencies – inflation management	250	-	250
E-11	Environmental Enforcement – Use of Civil Enforcement Officers	100	-	100
<b>Total for Theme E – Commercial Approach</b>		<b>850</b>	<b>-</b>	<b>850</b>
<b>Theme F – Demand Management</b>				
F-15a	Environment - environmental operations review	-	-	-
F-19	Reduction in specialist legal advocacy and assessments for CYP proceedings	500	500	-
F-20	Emission based charging for Short Stay Parking	120	-	-
F-21	Road Safety Enforcement	250	-	-
F-22	Motorcycle parking charges	-	-	-
F-23	Home to school transport	250	250	-
F-24	Adult Social Care cost reduction and service improvement programme	3849	-	-
<b>Total for Theme F – Demand Management</b>		<b>4,969</b>	<b>750</b>	<b>4,219</b>
<b>GRAND TOTAL</b>		<b>12,965</b>	<b>2,725</b>	<b>10,240</b>

TOTALS	2021/22 £'000	O/spend	Base budget
<b>Theme A - Productivity</b>			
Round 1	3,797	35	3,762
Round 2	2,895	550	2,345
<b>Theme B – Joint working</b>			
Round 1	1,821	600	1,221
Round 2	1,150	-	1,150
<b>Theme C – Service Reconfiguration</b>			
Round 1	677	500	177
Round 2	2,801	1,125	1,651
<b>Theme D – Assets Realisation</b>			
Round 1	889	-	889
Round 2	300	300	-
<b>Theme E – Commercial Approach</b>			
Round 1	1,897	550	1,347
Round 2	850	-	850
<b>Theme F – Demand Management</b>			
Round 1	5,970	1,360	4,610
Round 2	4,969	750	4,219
<b>GRAND TOTAL</b>			
Round 1	15,051	3,045	12,006
Round 2	12,965	2,725	10,240
<b>TOTAL</b>	<b>28,016</b>	<b>5,770</b>	<b>22,246</b>

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**APPENDIX Y4: Ready Reckoner for Council Tax 2021/22**

	Budget	Council	Increase /	GLA	Total	Total
	Requirement	Tax	(Decrease)	Precept	Council	Increase /
	Lewisham		Lewisham		Tax	(Decrease)
		(Band D)		(Band D)	(Band D)	
	£m	£	%	£	£	%
<b>2020/21</b>	<b>248.714</b>	<b>1,314.37</b>	<b>3.99%</b>	<b>332.07</b>	<b>1,646.44</b>	<b>3.91%</b>
<b>2021/22</b>	<b>243.100</b>	<b>1,379.96</b>	<b>4.99%</b>	<b>363.66</b>	<b>1,743.62</b>	<b>5.90%</b>
	242.529	1,373.52	4.50%	363.66	1,737.18	5.51%
	241.947	1,366.95	4.00%	363.66	1,730.61	5.11%
	241.365	1,360.38	3.50%	363.66	1,724.04	4.71%
	240.782	1,353.80	3.00%	363.66	1,717.46	4.31%
	240.200	1,347.23	2.50%	363.66	1,710.89	3.91%
	239.618	1,340.66	2.00%	363.66	1,704.32	3.52%
	239.035	1,334.09	1.50%	363.66	1,697.75	3.12%
	238.453	1,327.52	1.00%	363.66	1,691.18	2.72%
	237.871	1,320.94	0.50%	363.66	1,684.60	2.32%
	237.288	1,314.37	0.00%	363.66	1,678.03	1.92%

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### APPENDIX Y6: Council Tax and Draft Statutory Calculations

#### Council Tax Calculation

As part of the Localism Act 2011, core Council Tax may not be increased by 2% or more (inclusive of levies) without triggering an automatic referendum of all registered electors in the borough. In addition, there is also the opportunity to increase Council Tax by up to a further 3% under the social care precept for 2021/22. This means, for 2021/22, an automatic referendum will be triggered if the Council Tax increase is 5% or above. The recommended social care precept for 2021/22 is 3%, therefore the recommended total increase is 4.99%. The statutory calculation for whether the Council is required to hold a referendum is based upon the 'relevant basic' amount of Council Tax, which under accounting regulations, includes levies. Any final recommendations on Council Tax levels will need to meet statutory requirements.

To date, Lewisham has so far received no formal notification from the three levy bodies for 2021/22. A zero percent increase has been assumed for these.

#### Council Tax and Levies

<b>'Relevant Basic' Amount of Council Tax</b>	<b>2020/21</b>	<b>2020/21</b>
Council Tax Base	<b>90,099.3</b>	<b>88,614.3</b>
Council Tax Requirement with Levy (£)	<b>118,423,817</b>	<b>122,284.176</b>
Basic Amount of Council Tax (£)	<b>1,314.37</b>	<b>1,379.96</b>
<b>Increase in basic amount of Council Tax (%)</b>	<b>3.99%</b>	<b>4.99%</b>

<b>Levy bodies for Lewisham</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>Change £</b>
LPFA	1,288,738	1,288,738	0
Lee Valley Regional Park	210,883	210,883	0
Environment Agency	201,262	201,262	0
<b>Total Levies</b>	<b>1,700,883</b>	<b>1,700,883</b>	<b>0</b>

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

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### Statutory Calculations

- 1) It be noted that at its meeting on 20 January 2021, the Council calculated the number of **88,614.3** as its Council Tax base for 2021/22 in accordance with the Local Authorities (Calculation of Tax base) Regulations;
- 2) The following amounts be now calculated by the Council for the year 2021/22 in accordance with the Local Government Finance Act 1992:
  - a. **£1,212,121,675** being the aggregate of the amounts which the Council estimates for gross expenditure, calculated in accordance with Section 32(2)A of the Act;
  - b. **£969,021,760** being the aggregate of the amounts which the Council estimates for income, calculated in accordance with Section 32(3)A of the Act;
  - c. **£243,099,915** being the amount by which the aggregate of 2(a) above exceeds the aggregate of 2(b) above, calculated by the Council, in accordance with Section 32A(4) of the Act, as its General Fund budget requirement for the year;
  - d. **£123,304,000** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of the Settlement Funding Assessment.
  - e. **£9,000** being the aggregate of the sums which the Council estimates will be transferred into its general fund from reserves, in relation to part of the 2020/21 London Pilot Pool Growth, S31 NNDR grant, and its share of NNDR deficit.
  - f. **£119,785,915** being the residual amount required to be collected from Council Tax payers. This includes a deficit on the Council's Collection Fund of £2,498,000.
  - g. **£1,379.96** being the residual sum at (f) above (adding the deficit on the Collection Fund), divided by the Council Tax base of **88,614.3** which is Lewisham's precept on the Collection Fund for 2021/22 at the level of Band D;

Band	Council Tax (LBL) £
A	919.97
B	1,073.30
C	1,226.63
<b>D</b>	<b>1,379.96</b>
E	1,686.62
F	1,993.27
G	2,299.93
H	2,759.92

Being the amounts given by multiplying the amount at (g) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council in accordance with Section 36(1) of the Act, as

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

3) It be noted that for the year 2021/22, the Greater London Authority is currently consulting on the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 (as amended), for each of the categories of dwellings shown below:-

<b>Band</b>	<b>GLA Precept</b>
	<b>£</b>
A	242.44
B	282.85
C	323.25
<b>D</b>	<b>363.66</b>
E	444.47
F	525.29
G	606.10
H	727.32

4) Having calculated the estimated aggregate amount in each case of the amounts at 2) (g) and 3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, assumed the following amounts as the amounts of Council Tax for the year 2021/22 for each of the categories of dwellings shown below:-

<b>Band</b>	<b>Total Council Tax (LBL &amp; GLA)</b>
	<b>£</b>
A	1,162.41
B	1,356.15
C	1,549.88
<b>D</b>	<b>1,743.62</b>
E	2,131.09
F	2,518.56
G	2,906.03
H	3,487.24

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### APPENDIX Y7

#### Summary of proposed budget pressures to be funded in 2021/22

Description	£'000 Base Budget	£'000 Once off	£'000 Total
Corporate Strategy priorities			
Open Lewisham			1,870
Leisure contracts support	600	1,200	
Neighbourhood planning	70		
Tackling the Housing Crisis			200
Strategic housing		200	
Giving Children the best start			4,040
Children Social Care	700		
School catering contract	690		
Troubled Families	200		
SEN Transport	1,000		
Transport pressures held centrally	750		
Adoption services	100		
Corporate provision for Schools DSG		600	
Building an inclusive economy			50
Support for the Kickstart Programme.	50		
Defencing health & social care			3,494
Social Care precept from Council Tax	3,494		
Making Lewisham greener			2,632
Tree works (to be held corporately)	300		
Energy	62		
Environment Services	70		
Waste costs	200		
Recycling and disposal	1,200		
Fleet replacement (build capital fund)	800		
Building a safer community			82
Bereavement	82		
Total Corporate Strategy priorities			<b>12,368</b>
<b>Organisational value for money</b>			<b>3,220</b>
Corporate Services	500		
Technology and Digital	1,115		



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Estate compliance	300		
PMO Support		350	
Salary inflation	955		
<b>Transformation investment and contingency for unachieved savings</b>		4,097	
<b>Grand Total Funded Pressures</b>	<b>13,538</b>	<b>6,447</b>	<b>19,685</b>



## Mayor and Cabinet

**Report title:** Proposed Fees and Charges for 2021/22  
**Date:** 3 February 2021  
**Key decision:** Yes  
**Class:** Part 1  
**Ward(s) affected:** None specific  
**Contributors:** Acting Director for Strategic Finance and Procurement

### Outline and recommendations

The purpose of this report is to present Mayor and Cabinet with the Fees & Charges that are proposed to be applied to services for the year 2021/22. Charges are broadly set within the Charging Policy and in accordance with legislative requirements.

Mayor and Cabinet are recommended to approve the proposed fees and charges for introduction as of 1 April 2021.

### Timeline of engagement and decision-making

26 February 2020 – Budget report to Council

## 1. Summary

- 1.1. The purpose of this report is to present Mayor and Cabinet with the Fees & Charges that are proposed to be applied to services for the year 2021/22. Charges are broadly set within the Charging Policy and in accordance with legislative requirements.

Those services not listed within this report will be subject to a separate fees and charges setting process.

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### 2. Recommendations

- 2.1. Mayor and Cabinet are recommended to:
- 2.2. approve the proposed fees and charges set out in this report for introduction as of 1 April 2021.

### 3. Policy Context

- 3.1. The Council's strategy and priorities drive the delivery of services for which the Council can levy fees and charges determined in accordance with legislation, policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:

#### Corporate Priorities

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

#### Values

- 3.2. Values are critical to the Council's role as an employer, regulator, securer of services, and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In taking forward the Council's proposed fees and charges, 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.

### 4. Background

- 4.1. Councils are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to support the cost of providing the service.
- 4.2. The Council provides both statutory and discretionary chargeable services. Where fees and charges apply to statutory services these are often set nationally, for example some planning and licensing fees. The majority of statutory services, Building Control being a notable

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exception, are not funded directly from fees and charges but instead from the Council's other main sources of revenue, i.e. government grants and local taxation. Examples of services funded in this way include Highways, Children's Services, Street Cleansing and Domestic Refuse services.

- 4.3. There may be circumstances where the charge is set for reasons such as, for example, where the Council wishes to manage demand, or deter or incentivise certain behaviours such as encouraging re-cycling, discouraging trade use of civic amenity waste sites etc.
- 4.4. The remaining chargeable services where the Council levies fees and charges are of a discretionary nature. These cover a wide range of services such as Libraries, Pest Control, Commercial Waste, Leisure & Recreation facilities, and Parking. Discretionary Services are those that an authority has the power to provide but is not obliged to. This report includes recommendations for the appropriate level of fees and charges for 2021/22 for the majority of these types of services.
- 4.5. The Council has an agreed Charging Policy that provides guidance for budget holders in how to set fees. The policy aims to encourage a consistent and cost effective approach to the setting of charges for services provided by the Council.

### 5. Summary of Proposed Changes 2021/22

- 5.1. The proposed 2021/22 charges as compared with 2020/21 are appended.

#### **Greenscene**

##### (a) Pest Control

- 5.2. The proposed increase to the fees and charges for the service as set out within the report follows a cost modelling and benchmarking exercise.
- 5.3. Officers conclude that the increases proposed meet the finally balanced choice between recovering costs and maintaining concessions for those who need them most.

##### (b) Allotment

- 5.4. Allotment rents will increased by 2.5% for 2021/22. The Allotment rents will be reviewed in more detail in the coming year 2021/22 as we look to refine the cost modelling of the service.

##### (c) Nature Conservation

- 5.5. Fees for the hire of Nature Conservation sites and facilities will increase as set out within the appendix and are informed by the need of the services to be able to support the repair and maintenance of the sites and facilities and data received via a London Wide benchmarking exercise. The revenues generated via the increase in charges for fee paying nurseries and schools, schools outside of Borough and businesses for using the sites and facilities will be standardised and will allow the service to recover a greater proportion of the costs of maintaining the sites and facilities while placing no additional financial burden on State Schools or Academies. The new Forest School Policy introduces set hourly prices for occasional hire but for regular (e.g. termly) bookings the service have retained more flexibility to be able to provide a reduced fee for groups who book long-term and/or provide additional services in order to reduce the fee (e.g. a social enterprise who might run additional sessions for the local community).

#### **Cleansing**

- 5.6. Domestic lumber has been increased for next financial year by 5%, the forecourt licence is a statutory licence and also remains unchanged.

#### **Building Control**

- 5.7. These are discretionary fees which will be increased in line with inflation of circa 2%.

#### **Planning**

- 5.8. The bulk of the Planning fees are statutory and set by Central Government. These were last

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increased 17 January 2018. The discretionary fees will be increased between 1.0% and 2.4%.

### Highways

- 5.9. In 2020/21, highways fees and charges were subjected to increases varying from 8% to 25% at its highest, those changes were in line with the rate of inflation of 2.5% over the last 4 years. The differing levels of increase reflect both the variety of fees and charges and the service review of these to ensure that the increase reflects benchmarking and cost recovery.
- 5.10. In 2021/22, the majority of the fees and charges will increase by approximately 2%, with figures rounded so they are whole amounts.
- 5.11. Some fees and charges, such as those for domestic crossover installations and extensions, could be affected by the contractual arrangements for the Highways Maintenance and Planned Works contract, which is currently under consideration. Should any changes to these fees need to be considered within the 2021/22 financial year a separate decision will be put forward.
- 5.12. A new administration fee has been introduced for (non S278/38) highways agreements (section 8 etc.), this cost is set at £1,500.00.
- 5.13. Stopping up and diversion orders (Town & Country Planning Act section 247 & 253) will attract a fee of £5,000.00.

### Street Naming and Numbering

- 5.14. The Council approved the introduction of charging for street naming and numbering on the 29 June 2016. The charges for this service have not been amended since. Whilst an increase had been proposed for 2020/21, this was not implemented.
- 5.15. Therefore, the fee increases now proposed ensure that the previous six years of cost inflation are properly recovered, maintaining full cost recovery, in setting the fees and charges for 2021/22.

### Private sector Housing Agency

- 5.16. The Private Sector Housing Agency intend to charge for the service of notices under Housing Act 2004. These include Improvement Notices and Prohibition Orders. Charges will be waived if the notice is complied with fully and within the timescales set out, or if there are other compelling reasons that make it unjust to charge this fee in the circumstances of the individual case. The Agency also intend to charge for a number of discretionary services dealing with property inspections and the property licensing process. In addition to the fees charged to licence properties that fall under the national mandatory and current additional schemes. These are Adequate Accommodation Assessments as required by the Immigration Rules 2016, drawing up floor plans required for HMO licence applications and assisting members of the public to complete the HMO licence application forms.
- 5.17. The Agency also intends to issue Civil Penalty Notices for permitted offences under Housing Act 2004, under the Smoke and CO Alarms (England) Regulations 2015 and under the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020.

### Licensing

- 5.18. The majority of fees and charges within Licensing are statutory and thus centrally determined and set.
- 5.19. Discretionary Fees for Sex Establishments were reviewed in 2018/19 and were decreased to bring them in line with London standard and EU regulations. New fees were set in 2018/19 for new legislation introduced under Animal Welfare Regulations 2018 which saw an increase from previous fees set under the repealed legislation. While the majority of Licensing fees are statutory, the service have committed to reviewing all discretionary fees and charges supported by the Income Generation team and reverting to Mayor and Cabinet during 2021/22.
- 5.20. A new temporary licensing regime was introduced under the Business and Planning Act 2020

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

in response to Covid-19 to allow businesses to apply for a pavement licence. The Authority can charge a discretionary fee up to a maximum of £100. The Authority currently charges this maximum amount and the licensing regime is in place until 30 September 2021 (unless further amended by statute).

### **Culture and Community Development**

- 5.21. These are discretionary fees for the use of Council tennis courts and are not proposed to increase for 2021/22.

### **Community centres**

- 5.22. Three community centres have been transferred to Adult Learning and 5 are to be transferred to Lewisham Homes. The proposed price increase is around 5% (subject to rounding) from 1<sup>st</sup> April 2021.

### **Library and Information Services**

- 5.23. These are discretionary fees for library services: loans (including reservations, and overdue and lost items); printing; sales; room hire; and various archive services. As the vast majority of fees are small, an increase in line with inflation would create significant rounding issues. The only way to meaningfully raise revenues would be to apply significant increases on some of the larger lines. Therefore, it is proposed that
- a. the standard charge of £0.50 for reservations – these relate to stock within the London Library Consortium – is abolished. This charge acts as a dis-incentive to borrow and limits the ability of residents to borrow from one library and collect from the one nearest to them. Abolishing the charge will increase the circulation of stock, which reflects on the fines collected.
  - b. an administrative charge of £5 is added to the cost of replacement of lost stock.
  - c. an administrative charge of £5 is added to the British Library reservations. It should be noted that the British Library reservation costs of £18.20 is not income to the Service, as an equal invoice from the British Library to the Service follows the satisfaction of the reservation. The new charge will be revenue income to the Service from now on, and
  - d. that the replacement cost for a lost library ticket is increased from £1 to £2. This cost has not changed for over a decade.

- 5.24. No other changes are proposed for 2021/22

### **Register Office**

- 5.25. The majority of fees and charges levied by the service are statutory and thus centrally determined and set.
- 5.26. The discretionary fees for ceremonies have been increased by 3%, with the exception of private citizenship ceremonies which have been reduced after a benchmarking exercise.

### **Revenues**

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

### **Parking**

- 5.28. The Council moved to an emissions based charging policy in 2020/21 and is not proposing to make any changes to these charges for the 1 April 2021. As part of its wider budget cuts proposals it has put forward further changes to parking policy which will be brought forward to Mayor and Cabinet in due course.
- 5.29. Penalty charge notices (PCNs) are set by London Council and not the London Borough of Lewisham.

### **Bereavement**

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- 5.30. An increase of 10% in the charge for interments and for the purchase of the Exclusive Rights of Burial for a grave is proposed and a 15% increase in cremation charges for adults. All other charges have been increased by a minimum of 3.5%. The cost of purchasing Exclusive Rights of Burial has remained relatively low for several years and as burial space becomes more and more limited, a 10% increase is considered reasonable. The option for a public burial is still available, whereby the Exclusive Rights of Burial remain with the Authority and the applicant only pays a reduced fee for the interment.
- 5.31. The 15% increase in cremation charges follows a two year period of reduced charges and therefore restores fees to the level at which they would have been by this point, had they been subject to the usual levels of annual increase. In response to ensuring as low a cost service for those who are financially vulnerable, the fee for Direct Cremations (no chapel service) has only been increased by 5% to £420 (a discount of 44% against full fees). This service option has been available since April 2020 but take-up to date has been low.

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

- 6.1. Katharine Nidd, Acting Director for Strategic Finance and Procurement, 020 8314 6651, [Katharine.nidd@lewisham.gov.uk](mailto:Katharine.nidd@lewisham.gov.uk)

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### SERVICE: Green Scene

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 20/21 (£)	Basic (£)	VAT 0.2 (£)	Total 21/22 (£)		
<b>Pest Control</b>									
Rats Domestic		0.00	0.00	0.00	58.33	11.67	70.00	100.0	Discretionary;
Rats Commercial	From	86.67	17.33	104.00	120.00	24.00	144.00	38.5	Discretionary;
Mice Domestic		86.67	17.33	104.00	100.00	20.00	120.00	15.4	Discretionary;
Mice Domestic Concessions		43.33	8.67	52.00	50.00	10.00	60.00	15.4	Discretionary;
Mice Commercial	From	86.67	17.33	104.00	120.00	24.00	144.00	38.5	Discretionary;
Cockroaches Domestic		116.67	23.33	140.00	125.00	25.00	150.00	7.1	Discretionary;
Cockroaches Domestic Concessions		58.33	11.67	70.00	62.50	12.50	75.00	7.1	Discretionary;
Cockroaches Commercial	From	116.67	23.33	140.00	150.00	30.00	180.00	28.6	Discretionary;
Pharaoh Ants Domestic		116.67	23.33	140.00	125.00	25.00	150.00	7.1	Discretionary;
Pharaoh Ants Domestic Concessions		58.33	11.67	70.00	62.50	12.50	75.00	7.1	Discretionary;
Pharaoh Ants Commercial	From	116.67	23.33	140.00	150.00	30.00	180.00	28.6	Discretionary;
Bed Bugs Domestic		96.67	19.33	116.00	125.00	25.00	150.00	29.3	Discretionary;
Bed Bugs Domestic Concessions		48.33	9.67	58.00	62.50	12.50	75.00	29.3	Discretionary;
Bed Bugs Commercial	From	96.67	19.33	116.00	150.00	30.00	180.00	55.2	Discretionary;
Fleas Domestic		86.67	17.33	104.00	100.00	20.00	120.00	15.4	Discretionary;
Fleas Domestic Concessions		43.33	8.67	52.00	50.00	10.00	60.00	15.4	Discretionary;

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Fleas Commercial	From	86.67	17.33	104.00	120.00	24.00	144.00	38.5	Discretionary;
Wasps Domestic		53.33	10.67	64.00	58.33	11.67	70.00	9.4	Discretionary;
Wasps Domestic Concessions		26.67	5.33	32.00	58.33	11.67	70.00	118.8	Discretionary;
Wasps Commercial	From	53.33	10.67	64.00	70.00	14.00	84.00	31.3	Discretionary;
Beetles Domestic		86.67	17.33	104.00	100.00	20.00	120.00	15.4	Discretionary;
Beetles Domestic Concessions		43.33	8.67	52.00	50.00	10.00	60.00	15.4	Discretionary;
Beetles Commercial	From	116.67	23.33	140.00	120.00	24.00	144.00	2.9	Discretionary;
Garden Ants		86.67	17.33	104.00	100.00	20.00	120.00	15.4	Discretionary;
Garden Ants Concessions		43.33	8.67	52.00	50.00	10.00	60.00	15.4	Discretionary;
Garden Ants Commercial	From	86.67	17.33	104.00	120.00	24.00	144.00	38.5	Discretionary;
Moths Domestic		86.67	17.33	104.00	100.00	20.00	120.00	15.4	Discretionary;
Moths Domestic Concessions		43.33	8.67	52.00	50.00	10.00	60.00	15.4	Discretionary;
Moths Commercial	From	86.67	17.33	104.00	120.00	24.00	144.00	38.5	Discretionary;
Squirrels Domestic		150.00	30.00	180.00	150.00	30.00	180.00	0.0	Discretionary;
Squirrels Commercial	From	86.67	17.33	180.00	180.00	36.00	216.00	20.0	Discretionary;
Call Out Fee Domestic		53.33	10.67	64.00	58.33	11.67	70.00	9.4	Discretionary;
Call Out Fee Commercial	From	86.67	17.33	64.00	70.00	14.00	84.00	31.3	Discretionary;
One Off Sprays Domestic		86.67	17.33	104.00	100.00	20.00	120.00	15.4	Discretionary;
One Off Sprays Commercial	From	86.67	17.33	104.00	120.00	24.00	144.00	38.5	Discretionary;

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### Clinical Waste

Commercial Collections *		50.00	10.00	60.00	52.00	10.40	62.40	4.0	Discretionary;
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\*2021/22 Changing to £6.50 per Unit with Minimum Collection Fee of £52 + Vat

### Allotments

Sites without water	Per Rod	8.10	0.00	8.10	8.30	0.00	8.30	2.5	Discretionary
Sites with water	Per Rod	10.46	0.00	10.40	10.70	0.00	10.70	2.9	Discretionary
Sites with locker and toilet facilities	Per Rod	11.58	0.00	11.60	11.90	0.00	11.90	2.6	Discretionary
Sites with shed only	Per Rod	10.87	0.00	10.90	11.20	0.00	11.20	2.8	Discretionary

### Nature Conservation

Devonshire Road Birthday hire	per session	56.00	0.00	57.40	58.84	0.00	58.84	2.5	Discretionary
Dacres wood Birthday Hire	per session	56.00	0.00	57.40	58.84	0.00	58.84	2.5	Discretionary
Free we grow home education hire Dacres Wood NR	per hour	10.25	0.00	10.51	13.00	0.00	13.00	23.7	Discretionary
Montessori nursery hire	per hour	5.12	0.00	5.25	8.00	0.00	8.00	52.4	Discretionary
Bonhoeffer kindergarten Hire Dacres Wood	per hour	5.12	0.00	5.25	8.00	0.00	8.00	52.4	Discretionary
Little explorers Dacres Wood Hire**	per hour	7.42	0.00	7.42	13.00	0.00	13.00	75.2	Discretionary
The Woodcraft Folk	per hour	10.25	0.00	10.51	13.00	0.00	13.00	23.7	Discretionary
Corporate volunteering	per 10 people	179.40	0.00	183.89	188.49	0.00	188.49	2.5	Discretionary

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Seedlings Garthorne Road	per hour	0.00	0.00	0.00	10.00	0.00	10.00	100.0	
Hire for LBL schools and academies	per hour	0.00	0.00	0.00	-	-	-	0.0	
Occasional Hire without Building (commercial education organisations in Lewisham)	per hour	0.00	0.00	0.00	10.00	0.00	10.00	100.0	
Occasional Hire with Building (commercial education organisations in Lewisham)	per hour	0.00	0.00	0.00	15.00	0.00	15.00	100.0	
Occasional Hire without Building (non-LBL Schools/Academies/fee paying nurseries)	per hour	0.00	0.00	0.00	15.00	0.00	15.00	100.0	
Occasional Hire with Building (non- LBL Schools/Academies/fee paying nurseries)	per hour	0.00	0.00	0.00	18.00	0.00	18.00	100.0	
Additional School sessions	per class	179.40	0.00	183.89	188.49	0.00	188.49	2.5	Discretionary

*\*\* Charging model changed from £1.06/child (avg. £7.42/ hour) to standard hourly rate with flexibility*

### SERVICE: Cleansing

	UNIT	Basic	VAT	Total	Basic	VAT	Total	% change	Basis for charging
		(£)	0.2	20/21 (£)	(£)	0.2	21/22 (£)		
Domestic Lumber Collection Service	maximum 3 items per collection 18/19 increased to 4 items 19/20	20.00	0.00	20.00	21.00	0.00	21.00	5.0	Discretionary
Fridge Collection Service	Per Fridge	30.00	0.00	30.00	30.00	0.00	30.00	0.0	Discretionary

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Forecourt Licences	Per square metre plus 30 admin. fee on application and renewal fee of 30.00 every 3 years.	5.50	0.00	5.50	5.50	0.00	5.50	0.0	Statutory
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### SERVICE: Building Control

Domestic Extensions - not more than 2 storeys high	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)		
			0.2			0.2			
									Discretionary
Floor area not exceeding 6m2		350.00	70.00	420.00	360.00	72.00	432.00	2.9	Discretionary
6m2 and under 40m2		575.00	115.00	690.00	595.00	119.00	714.00	3.5	Discretionary
40m2 and under 60m2		675.00	135.00	810.00	700.00	140.00	840.00	3.7	Discretionary
Over 60m2 (Charged based on estimated cost of work)									Discretionary
<b>Domestic single family loft conversion</b>									Discretionary
<b>Floor area not exceeding 6m2</b>		400.00	80.00	480.00	415.00	83.00	498.00	3.8	Discretionary
6m2 and under 40m2		600.00	120.00	720.00	620.00	124.00	744.00	3.3	Discretionary
40m2 and under 60m2		725.00	145.00	870.00	750.00	150.00	900.00	3.4	Discretionary
Over 60m2 (Charged based on estimated cost of work)									Discretionary
<b>Detached garages/outbuildings/carports</b>									Discretionary
Floor area not exceeding 30m2		450.00	90.00	540.00	465.00	93.00	558.00	3.3	Discretionary
<b>Floor area exceeding 30m2 BUT not exceeding 60m2</b>		550.00	110.00	660.00	570.00	114.00	684.00	3.6	Discretionary
Over 60m2 (Charged based on estimated cost of work)									Discretionary
<b>Window replacement (not competent persons)</b>									Discretionary
Estimated cost of work 0-2,000.00		120.00	24.00	144.00	125.00	25.00	150.00	4.2	Discretionary
Estimated cost of work 2,000 -10,000.00		170.00	34.00	204.00	175.00	35.00	210.00	2.9	Discretionary
Over 10,000.00 (Charged by estimated cost of work)									Discretionary

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Schedule 2 - Other Works	UNIT	Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)	% change	Basis for charging
0-1,000		150.00	30.00	180.00	155.00	31.00	186.00	3.3	Discretionary
<b>1,001-2,000</b>		225.00	45.00	270.00	235.00	47.00	282.00	4.4	Discretionary
2,001-10,000		300.00	60.00	360.00	310.00	62.00	372.00	3.3	Discretionary
10,001-11,000		361.00	72.20	433.20	375.00	75.00	450.00	3.9	Discretionary
11,001-12,000		372.00	74.40	446.40	385.00	77.00	462.00	3.5	Discretionary
12,001-13,000		383.00	76.60	459.60	395.00	79.00	474.00	3.1	Discretionary
<b>13,001-14,000</b>		394.00	78.80	472.80	405.00	81.00	486.00	2.8	Discretionary
14,001-15,000		405.00	81.00	486.00	420.00	84.00	504.00	3.7	Discretionary
15,001-16,000		416.00	83.20	499.20	430.00	86.00	516.00	3.4	Discretionary
16,001-17,000		427.00	85.40	512.40	445.00	89.00	534.00	4.2	Discretionary
17,001-18,000		438.00	87.60	525.60	455.00	91.00	546.00	3.9	Discretionary
<b>18,001-19,000</b>		449.00	89.80	538.80	465.00	93.00	558.00	3.6	Discretionary
19,001-20,000		460.00	92.00	552.00	475.00	95.00	570.00	3.3	Discretionary
20,001-21,000		469.25	93.85	563.10	485.00	97.00	582.00	3.4	Discretionary
21,001-22,000		478.50	95.70	574.20	495.00	99.00	594.00	3.4	Discretionary
22,001-23,000		487.75	97.55	585.30	505.00	101.00	606.00	3.5	Discretionary
23,001-24,000		497.00	99.40	596.40	515.00	103.00	618.00	3.6	Discretionary
24,001-25,000		506.25	101.25	607.50	525.00	105.00	630.00	3.7	Discretionary
25,001-26,000		515.50	103.10	618.60	535.00	107.00	642.00	3.8	Discretionary
<b>26,001-27,000</b>		524.75	104.95	629.70	545.00	109.00	654.00	3.9	Discretionary
27,001-28,000		534.00	106.80	640.80	555.00	111.00	666.00	3.9	Discretionary
28,001-29,000		543.25	108.65	651.90	560.00	112.00	672.00	3.1	Discretionary
29,001-30,000		552.50	110.50	663.00	570.00	114.00	684.00	3.2	Discretionary
30,001,31,000		561.75	112.35	674.10	580.00	116.00	696.00	3.2	Discretionary
31,001-32,000		571.00	114.20	685.20	590.00	118.00	708.00	3.3	Discretionary
32,001-33,000		580.25	116.05	696.30	600.00	120.00	720.00	3.4	Discretionary
33,001-34,000		589.50	117.90	707.40	610.00	122.00	732.00	3.5	Discretionary
34,001-35,000		598.75	119.75	718.50	620.00	124.00	744.00	3.5	Discretionary

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	UNIT	Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)	% change	Basis for charging
35,001-36,000		608.00	121.60	729.60	630.00	126.00	756.00	3.6	Discretionary
36,001-37,000		617.25	123.45	740.70	640.00	128.00	768.00	3.7	Discretionary
37,001-38,000		626.50	125.30	751.80	650.00	130.00	780.00	3.8	Discretionary
38,001-39,000		635.75	127.15	762.90	660.00	132.00	792.00	3.8	Discretionary
39,001-40,000		645.00	129.00	774.00	670.00	134.00	804.00	3.9	Discretionary
40,001-41,000		654.25	130.85	785.10	680.00	136.00	816.00	3.9	Discretionary
41,001-42,000		663.50	132.70	796.20	685.00	137.00	822.00	3.2	Discretionary
42,001-43,000		672.75	134.55	807.30	695.00	139.00	834.00	3.3	Discretionary
43,001-44,000		682.00	136.40	818.40	705.00	141.00	846.00	3.4	Discretionary
44,001-45,000		691.25	138.25	829.50	715.00	143.00	858.00	3.4	Discretionary
45,001-46,000		700.50	140.10	840.60	725.00	145.00	870.00	3.5	Discretionary
46,001-47,000		709.75	141.95	851.70	735.00	147.00	882.00	3.6	Discretionary
47,001-48,000		719.00	143.80	862.80	745.00	149.00	894.00	3.6	Discretionary
48,001-49,000		728.25	145.65	873.90	755.00	151.00	906.00	3.7	Discretionary
49-001-50,000		737.50	147.50	885.00	765.00	153.00	918.00	3.7	Discretionary



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### SERVICE: Planning

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)		
			0.2			0.2			
1.1.1 Not more than 2.5 hectares	per 0.1 hectare (or part thereof)	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory
1.1.2 More than 2.5 hectares	per 0.1 hectare (or part thereof)	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	0.00	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	0.00	£11,432 plus an additional £138 per 0.1 hectare (or part thereof) in excess of 2.5 hectares up to a maximum of £150,000	0.0	Statutory
1.2.1 The erection of new dwelling houses; including the building of new flats. (Total number of new units created is 50 or less)	Per dwelling house	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory
1.2.2 Erection of new dwelling houses; including the building of new flats. (Total number of new units created is more than 50)	Per dwelling house	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	0.00	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	0.00	£22,859 plus £138 per additional dwelling house / flat in excess of 50 up to a maximum of £300,000	0.0	Statutory

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	UNIT	Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)	% change	Basis for charging
1.2.3 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where there is <b>no gross floor</b> space created by the development		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory
1.2.4 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the development does not exceed 40 sq. m		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory
1.2.5 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the development exceeds 40 sq. m, but does not exceed 75 sq. m		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory
1.2.6 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the development exceeds 75 sq. m, but does not exceed 3,750 sq. m	75 sq. m (or part thereof)	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory

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	UNIT	Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)	% change	Basis for charging
1.2.7 Erection of buildings (not dwelling houses, agricultural, glasshouses, plant nor machinery); where the gross floor space created by the development exceeds 3,750 sq. m	75 sq. m (or part thereof)	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum of £300,000	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 3,750 sq. m up to a maximum of £300,000	0.0	Statutory
1.2.8 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development does not exceed 465 sq. m		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
1.2.9 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development exceeds 465 sq. m but does not exceed 540 sq. m		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory

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	UNIT	Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)	% change	Basis for charging
1.2.10 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development exceeds 540 sq. m but does not exceed 4215 sq. m	75 sq. m (or part thereof)	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	0.00	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	0.00	£462 for first 540 sq. m plus £462 for each 75 sq. m (or part thereof) in excess of 540 sq. m	0.0	Statutory
1.2.11 Erection of agricultural buildings other than glasshouses on land used for agricultural purposes; where the gross floor space to be created by the development exceeds 4,215 sq. m	75 sq. m (or part thereof)	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 75 sq. m (or part thereof) in excess of 4,215 sq. m up to a maximum of £300,000	0.0	Statutory
1.2.12 Erection of glasshouses on land used for the purpose of agriculture; where the gross floor space to be created by the development does not exceed 465 sq. m		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
1.2.13 Erection of glasshouses on land used for the purpose of agriculture; where the gross floor space to be		£2,580.00	0.00	£2,580.00	£2,580.00	0.00	£2,580.00	0.0	Statutory

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created by the development exceeds 465 sq. m									
1.2.14 Erection / alterations / replacement of plant and machinery where the site area does not exceed 5 hectares	per 0.1 hectare (or part thereof)	£462	0.00	£462.00	£462	0.00	£462.00	0.0	Statutory
1.2.15 Erection / alterations / replacement of plant and machinery where the site area exceeds 5 hectares	per 0.1 hectare (or part thereof)	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum of £300,000	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum of £300,000	0.00	£22,859 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 5 hectares up to a maximum of £300,000	0.0	Statutory
1.2.16 Re-submission within 12 months of the decision (or within 12 months of submitting an application that is subsequently withdrawn), where the applicant, the address (or site location) is the same as that for the previous application and the description of the resubmission is similar to that of the previous application.		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

2.1 Application for approval of reserved matters following outline approval. If a sum equal to or greater than what would be payable at current rates for approval of all the reserved matters has already been paid		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory
2.2 Application for approval of reserved matters following outline approval. If a sum equal to or greater than what would be payable at current rates for approval of all the reserved matters has NOT already been paid		Fee will the same as Full fee for that use carried out or operation	0.00	Fee will the same as Full fee for that use carried out or operation	Fee will the same as Full fee for that use carried out or operation	0.00	Fee will the same as Full fee for that use carried out or operation		Statutory
2.3 Resubmission within 12 months of the decision (or within 12 months of submitting an application that is subsequently withdrawn), where the applicant, the address (or site location) is the same as that for the previous application and the description of the resubmission is similar to that of the previous application.		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
3.1 Enlargement, improvement or other alteration of an existing single dwelling house or single flat		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0	Statutory

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

3.2 Enlargement, improvement or other alteration of existing dwelling houses or flats (two or more)		£407.00	0.00	£407.00	£407.00	0.00	£407.00	0.0	Statutory
Erection of a building, outhouse, workshop, large shed etc.		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0	Statutory
Erection or construction of gates, fences, walls or other means of enclosure along a boundary of the curtilage of an existing dwelling house		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0	Statutory
Enlargement, improvement or other alteration of an existing single dwelling house or single flat specifically for the benefit of a registered disable person		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
3.4 Resubmission within 12 months of the decision (or within 12 months of submitting an application that is subsequently withdrawn), where the applicant, the address (or site location) is the same as that for the previous application and the description of the resubmission is similar to that of the previous application.		0.00	0.00	0.00	0	0.00	0.00	0.0	Statutory

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

4.1.The construction of car parks, service roads or other accesses, including cross overs / drop curbs for existing uses		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory
4.2 Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction of storage of minerals); where the site area does not exceed 15 hectares	per 0.1 hectare (or part thereof)	£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory
4.3 Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction of storage of minerals); where the site area exceeds 15 hectares	per 0.1 hectare (or part thereof)	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.0	Statutory
5.1 Operations connected with exploratory drilling for oil or natural gas; where the site area does not exceed 7.5 hectares	per 0.1 hectare (or part thereof)	£508.00	0.00	£508.00	£508.00	0.00	£508.00	0.0	Statutory



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5.2 Operations connected with exploratory drilling for oil or natural gas; where the site area exceeds 7.5 hectares	per 0.1 hectare (or part thereof)	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	0.00	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	0.00	£38,070 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000	0.0	Statutory
5.3 Operations (other than exploratory drilling) for the winning and working of oil or natural gas; where the site area does not exceed 15 hectares	per 0.1 hectare (or part thereof)	£257.00	0.00	£257.00	£257.00	0.00	£257.00	0.0	Statutory
5.4 Operations (other than exploratory drilling) for the winning and working of oil or natural gas; where the site area exceeds 15 hectares	per 0.1 hectare (or part thereof)	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£38,520 plus £151 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.0	Statutory
5.5 Other operations (winning and working of minerals) excluding oil and natural gas; where the site area does not exceed 15 hectares	per 0.1 hectare (or part thereof)	£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory

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5.6 Other operations (winning and working of minerals) excluding oil and natural gas; where the site area exceeds 15 hectares	per 0.1 hectare (or part thereof)	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.00	£34,934 plus £138 for each additional 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000	0.0	Statutory
5.7 Other operations (not coming within any of the above categories) (calculated on site area)	per 0.1 hectare (or part thereof)	£234 per 0.1 hectare (or part thereof) up to a maximum of £2,028	0.00	£234 per 0.1 hectare (or part thereof) up to a maximum of £2,028	£234 per 0.1 hectare (or part thereof) up to a maximum of £2,028	0.00	£234 per 0.1 hectare (or part thereof) up to a maximum of £2,028	0.0	Statutory
6.1 Lawful Development Certificate Existing (Section 191 (1) (a) or (b) application for a certificate to establish the lawfulness of an existing land-use, or of development already carried out		Fee will be the same as Full fee for that use carried out or operation	0.00	Fee will be the same as Full fee for that use carried out or operation	Fee will be the same as Full fee for that use carried out or operation	0.00	Fee will be the same as Full fee for that use carried out or operation		Statutory

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6.2 Lawful Development Certificate Existing (Section 191 (1) (a) or (b) application for a certificate to establish the lawfulness of an existing land-use, or of development already carried out. Application for planning permission for the same development would be exempt from the need to pay a planning fee under any other planning fee regulation.		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
6.3 Lawful Development Certificate - Lawful not to comply with a particular planning condition. (Section 191 (1) (c) application for a certificate to establish that it was lawful not to comply with a particular condition or other limitation imposed on a planning permission.		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory
6.4 Lawful Development Certificate - Proposed (Section 192 application for a certificate to state that a proposed use would be lawful.		Fee will be half the normal planning fee if submitting a new application for that use or operation	0.00	Fee will be half the normal planning fee if submitting a new application for that use or operation	Fee will be half the normal planning fee if submitting a new application for that use or operation	0.00	Fee will be half the normal planning fee if submitting a new application for that use or operation	0.0	Statutory
6.5 Certificate of Lawfulness of Proposed Works to a listed building		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

7.1 Prior approval for permitted development rights for a larger single story home extension		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.2 Agricultural and Forestry buildings and operations		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.3 Demolition of buildings		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.4 Communications (previously referred to as "Telecommunications Code Systems Operators")		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory
7.5 Change of Use from Shops (Class A1), Professional and Financial Services (Class A2), Takeaways (Class A5), Betting Offices, Pay Day Loan Shops or Launderettes to Offices (Class B1a)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.6 Change of Use of a building and any land within its curtilage from Business (Use Class B1), Hotels (Use Class C1), Residential Institutions (Use Class C2), Secure Residential Institutions (Use Class C2A) or Assembly and Leisure (Use Class D2) to a State Funded School or Registered Nursery		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

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

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

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7.15 Change of Use of a building and any land within its curtilage from Amusement Arcades / Centres and Casinos (Sui Generis Uses) to Dwelling houses (Use Class C3)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.16 Change of Use of a building and any land within its curtilage from Amusement Arcades / Centres and Casinos (Sui Generis Uses) to Dwelling houses (Use Class C3); where it includes building operations in connection with the change of use		£206.00	0.00	£206.00	£206.00	0.00	£206.00	0.0	Statutory
7.17 Change of Use from Shops (Class A1), Professional and Financial Services (Class A2), Betting Offices, Pay Day Loan Shops (Sui Generis Uses) to Assembly and Leisure Uses (Use Class D2)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.18 Change of Use from Retail (Use Classes A1 and A2), Takeaways (Class A5), Betting Offices, Pay Day Loan Shops or Launderettes to Offices (Class B1a)		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.19 Development consisting of the Erection or Construction of a Collection Facility within the curtilage of a Shop		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory

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7.20 Temporary Use of Buildings or Land for the Purpose of Commercial Film-Making and the Associated Temporary Structures, Works, Plant or Machinery required in Connection with that Use		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.21 Installation, Alteration or Replacement of other Solar Photovoltaics (PV) equipment on the Roofs of Non-domestic Buildings, up to a Capacity of 1 Megawatt		£96.00	0.00	£96.00	£96.00	0.00	£96.00	0.0	Statutory
7.22 Prior approval application where a planning application for the same site is submitted at the same time by or on behalf of the same person		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
7.23 Additional storeys on a home (No fee set as at 10 Dec 20)		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
7.24 Construction of new dwelling houses- not more than 50 dwelling houses (from 2 Sept 20)					£334	0.00	£334		Statutory
7.25 Construction of new dwelling houses- more than 50 dwelling houses (from 2 Sept 20)					£16,525 plus £100 for each dwelling house in excess of	0.00	£16,525 plus £100 for each dwelling house in excess of		Statutory



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					50. Max. fee of £300,000		50. Max. fee of £300,000		
8.1 Application for removal or variation of condition following grant of planning permission		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory
8.2 Request to discharge one or more householder planning conditions	Per Request	£34.00	0.00	£34.00	£34.00	0.00	£34.00	0.0	Statutory
8.3 Request to discharge one or more non-householder planning conditions	Per Request	£116.00	0.00	£116.00	£116.00	0.00	£116.00	0.0	Statutory
8.4 Request to discharge planning conditions on new build developments	Per Request	£116.00	0.00	£116.00	£116.00	0.00	£116.00	0.0	Statutory
8.5 Request to discharge planning conditions related to listed building consent		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
8.6 Request to discharge planning conditions attached to applications resulting from a condition removing "permitted development rights"		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
9.1 Change of use of a building to use as between 1 and 50 separate dwelling houses	Per dwelling house	£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory

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9.2 Change of use of a building to use as more than 50 separate dwelling houses		£22,859 plus £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	0.00	£22,859 plus £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	£22,859 plus £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	0.00	£22,859 plus £138 per additional dwelling house in excess of 50 up to a maximum of £300,000	0.0	Statutory
9.3 Other change of use of a building or land		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory
10.1 Advertising displayed externally on business premises, the forecourt of business premises or other land within the curtilage of business premises relating to the business on the premises		£132.00	0.00	£132.00	£132.00	0.00	£132.00	0.0	Statutory
10.2 Advertisements for the purpose of directing members of the public to, or otherwise drawing attention to the existence of, business premises which are in the same locality as the site on which the advertisement is to be displayed but which are not visible from that site		£132.00	0.00	£132.00	£132.00	0.00	£132.00	0.0	Statutory
10.3 All other advertisements		£462.00	0.00	£462.00	£462.00	0.00	£462.00	0.0	Statutory

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10.4 Application for consent to display an advertisement following a withdrawal of an earlier application (before notice of decision was issued) and where the application is made by or on behalf of the same person		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
10.5 Application for consent to display an advertisement following refusal of consent for display of an advertisement and where the application is made by or on behalf of the same person		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
10.6 Application for consent to display an advertisement which results from a direction under Regulation 7 of the Control of Advertisements Regulations 1992, dis-applying deemed consent under Regulation 6 to the proposed advertisement		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
11.1 Applications in respect of householder developments		£34.00	0.00	£34.00	£34.00	0.00	£34.00	0.0	Statutory
11.2 Applications in respect of other developments		£234.00	0.00	£234.00	£234.00	0.00	£234.00	0.0	Statutory
12.1 Application for Permission in Principle	per 0.1 hectare (or part thereof)	£402.00	0.00	£402.00	£402.00	0.00	£402.00	0.0	Statutory
13.1 Listed Building Consent		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory

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13.2 Certificate of Lawfulness of Proposed Words to a listed building		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
13.3 Application relates to condition(s) on an application for Listed Building Consent		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
13.4 Demolition of a Listed Building		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
14.1 Demolition of unlisted buildings within conservation areas		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
14.2 Demolition of a Listed Building		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
15.1 Works to Trees in Conservation Areas		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
15.2 Works to Trees covered by Tree Preservation Orders		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
15.3 Hazardous Trees - 5 day notice		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
15.4 Tree Preservation Orders		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statutory
15.5 High Hedge Disputes		0.00	0.00	0.00	£500.00	0.00	£500.00		Statutory
16.1 Standard Review (up to and including 50 units) - First Review Meeting		£2560.00	£512.00	£3072.00	£2600.00	£520.00	£3120.00	1.6	Discretionary
16.2 Standard Review (up to and including 50 units) - Subsequent Review Meetings		£2050.00	£410.00	2460.00	£2090.00	£418.00	£2508.00	2.0	Discretionary
16.3 Standard Review (more than 50 units) - First Review Meeting		£4100.00	£820.00	£4920.00	£4180.00	£836.00	£5016.00	1.9	Discretionary

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16.4 Standard Review (more than 50 units) - Subsequent Review Meetings		£3590.00	£718.00	£4308.00	£3660.00	£732.00	£4392.00	1.9	Discretionary
16.5 Premium Review (2.5 hour review) - First Review Meeting		£7175.00	£1435.00	£8610.00	£7300.00	£1460.00	£8760.00	1.7	Discretionary
16.6 Premium Review (2.5 hour review) - Subsequent Review Meetings		£6150.00	£1230.00	£7380.00	£6260.00	£1252.00	£7512.00	1.8	Discretionary
16.7 Cancellation of meeting within 28 working days of meeting		£510.00	£102.00	£612.00	£520.00	£104.00	£624.00	2.0	Discretionary
16.8 Cancellation of meeting within 10 working days of meeting		£1025.00	£205.00	£1230.00	£1045.00	£209.00	£1254.00	2.0	Discretionary
16.9 Reorganisation of meeting date once meeting has been arranged (per reorganisation at customer request)					£200.00	£40.00	£240.00		Discretionary
<b>17. Planning Advice Services</b>									
17.1 Planning Information (Informal written feedback on simple planning queries)		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary
17.1.1 Submitting complete planning applications, including which forms to use and if you have filled them in correctly		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary
17.1.2 Whether or not you need planning permission to build or use a building differently		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary
17.1.3 Whether proposed alterations require listed building consent		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary

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17.1.4 Explanation of planning policy, including the evidence needed and how to apply planning policies in general		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary
17.1.5 Confirmation that a specific planning obligation has been discharged		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary
17.1.6 Confirmation that an identified planning condition has been met		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary
17.1.7 Confirmation that an identified planning enforcement notice has been met		£51.67	£10.33	£62.00	£52.50	£10.50	£63.00	1.6	Discretionary
17.2 Duty Planner Standard (20 minute meeting with Planning Officer)		£110.00	£22.00	£132.00	£111.67	£22.33	£134.10	1.5	Discretionary
17.3 Duty Planner Complex (20 minute meeting with Planning Officer)		£195.00	£39.00	£234.00	£197.67	£39.33	£236.00	1.4	Discretionary
17.4 Written confirmation if property is in a conservation area	Per property				£20.00	£4.00	£24.00		Discretionary
17.5 Written confirmation of tree preservation order	Per property				£20.00	£4.00	£24.00		Discretionary
<b>18. Listed Building Advice</b> (assessment of physical works on listed buildings). Fees are chargeable alongside fees required for general planning advice, including duty planner or pre-application									
18.1 Householder Written Advice		£390.00	£78.00	£468.00	£390.00	£78.00	£468.00	0.0	Discretionary
18.2 Householder Written Advice with one-hour meeting on site with conservation officer		£560.00	£112.00	£672.00	£560.00	£112.00	£672.00	0.0	Discretionary
18.3 Householder follow-up advice		£170.00	£34.00	£204.00	£170.00	£34.00	£204.00	0.0	Discretionary

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18.4 Non-householder Written Advice		£710.00	£142.00	£852.00	£710.00	£142.00	£852.00	0.0	Discretionary
18.5 Non-householder Written Advice with one-hour meeting on site with conservation officer and a planning officer		£1035.00	£207.00	£1242.00	£1035.00	£207.00	£1242.00	0.0	Discretionary
18.6 Non-householder follow-up advice		£510.00	£102.00	£612.00	£510.00	£102.00	£612.00	0.0	Discretionary
<b>19. Pre-application advice services</b>									
19.1 Concept Meeting (30 minute meeting to discuss principle of development and brief written response) - Single-plot subdivision (conversion of one house into two flats or one plot into two plots or addition of residential annexe)		£305.00	£61.00	£366.00	£308.33	£61.67	£370.00	1.1	Discretionary
19.2 Concept Meeting (30 minute meeting to discuss principle of development and brief written response) - All development except single-plot subdivision		£510.00	£102.00	£612.00	£516.67	£103.33	£20.00	2.0	Discretionary
19.3 Concept Meeting - Major Developments (part of PPA Service)		£1025.00	£205.00	£1230.00	£1045.00	£209.00	£1254.00	2.0	Discretionary
19.4 Pre application meeting									
19.4.1 Small minor development (One additional property (including conversion and annexe)) - First Meeting		£770.00	£154.00	£924.00	£780.00	£156.00	£936.00	1.3	Discretionary

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19.4.2 Small minor development (One additional property (including conversion and annexe)) - Follow-up Meeting (Single Issue)		£410.00	£82.00	£492.00	£416.67	£83.33	£500.00	1.6	Discretionary
19.4.3 Small minor development (2-4 new residential dwellings (including conversion and annexe)) - First Meeting		£1230.00	£246.00	£1476.00	£1250.00	£250.00	£1500.00	1.6	Discretionary
19.4.4 Small minor development (2-4 new residential dwellings (including conversion and annexe)) - Follow-up Meeting (Single Issue)		£615.00	£103.00	£738.00	£625.00	£125.00	£750.00	1.6	Discretionary
19.4.5 Small minor development (Change of use from 150 sq. m to 500 sq. m) - First Meeting		£1230.00	£246.00	£1476.00	£1250.00	£250.00	£1500.00	1.6	Discretionary
19.4.6 Small minor development (Change of use from 150 sq. m to 500 sq. m) - Follow-up Meeting (Single Issue)		£615.00	£123.00	£738.00	£625.00	£125.00	£750.00	1.6	Discretionary
19.4.7 Larger minor development (5-9 new residential dwellings (including conversion)) - First Meeting		£1540.00	£308.00	£1848.00	£1570.00	£314.00	£1884.00	1.9	Discretionary
19.4.8 Larger minor development (5-9 new residential dwellings (including conversion)) - Follow-up Meeting		£720.00	£144.00	£864.00	£735.00	£147.00	£882.00	2.0	Discretionary



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19.4.9 Larger minor development (Change of use from 500 sq. m to 999 sq. m non-residential floor space) - First Meeting	Per meeting	£1540.00	£308.00	1848.00	£1570.00	£314.00	£1884.00	1.9	Discretionary
19.4.10 Larger minor development (Change of use from 500 sq. m to 999 sq. m non-residential floor space) - Follow-up Meeting (Single Issue)		£720.00	£144.00	£864.00	£735.00	£147.00	£882.00	2.0	Discretionary
19.4.11 Small major development (10-30 new residential dwellings (including conversion)) - First Three Meetings	Per meeting	£2460.00	£492.00	£2952.00	£2500.00	£500.00	£3000.00	1.6	Discretionary
19.4.12 Small major development (10-30 new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	£1130.00	£226.00	£1356.00	£1150.00	£230.00	£1380.00	1.8	Discretionary
19.4.13 Small major development (1,000 - 1,999 sq. m non-residential floor space) - First Three Meetings	Per meeting	£2460.00	£492.00	£2952.00	£2500.00	£500.00	£3000.00	1.6	Discretionary
19.4.14 Small major development (1,000 - 1,999 sq. m non-residential floor space) - Meeting four onwards	Per meeting	£1130.00	£226.00	£1356.00	£1150.00	£230.00	£1380.00	1.8	Discretionary
19.4.15 Medium major development (31-99 new residential dwellings (including conversion)) - First Three Meetings	Per meeting	£3075.00	£615.00	£3690.00	£3135.00	£627.00	£3762.00	2.0	Discretionary

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19.4.16 Medium major development (31-99 new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	£1435.00	£287.00	£1722.00	£1460.00	£292.00	£1752.00	1.7	Discretionary
19.4.17 Medium major development (2,000 - 2,999 sq. m non-residential floor space) - First Three Meetings	Per meeting	£3075.00	£615.00	£3690.00	£3135.00	£627.00	£3762.00	2.0	Discretionary
19.4.18 Medium major development (2,000 - 2,999 sq. m non-residential floor space) - Meeting four onwards	Per meeting	£1435.00	£287.00	£1722.00	£1460.00	£292.00	£1752.00	1.7	Discretionary
19.23 Large major development (100-149 new residential dwellings (including conversion)) - First Three Meetings	Per meeting	£4100.00	£820.00	£4920.00	£4180.00	£836.00	£5016.00	2.0	Discretionary
19.24 Large major development (100-149 new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	£1845.00	£369.00	£2214.00	£1880.00	£376.00	£2256.00	1.9	Discretionary
19.25 Large major development (3,000 plus sq. m non-residential floor space) - First Three Meetings	Per meeting	£4100.00	£820.00	£4920.00	£4180.00	£836.00	£5016.00	2.0	Discretionary
19.26 Large major development (3,000 plus sq. m non-residential floor space) - Meeting four onwards	Per meeting	£1845.00	£369.00	£2214.00	£1880.00	£376.00	£2256.00	1.9	Discretionary

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19.27 Very large major development (150 and over new residential dwellings (including conversion)) - First Three Meetings	Per meeting	£5125.00	£1025.00	£6150.00	£5225.00	£1045.00	£6270.00	2.0	Discretionary
19.28 Very large major development (150 and over new residential dwellings (including conversion)) - Meeting four onwards	Per meeting	£2050.00	£410.00	£2460.00	£2090.00	£418.00	£2508.00	2.0	Discretionary
19.29 Very large major development (EIA Development) - First Three Meetings	Per meeting	£5125.00	£1025.00	£6150.00	£5225.00	£1045.00	£6270.00	2.0	Discretionary
19.30 Very large major development (EIA Development) - Meeting four onwards	Per meeting	£2050.00	£410.00	£2460.00	£2090.00	£418.00	£2508.00	2.0	Discretionary
19.31 Environmental Health specialist resource	Per hour	£102.50	£20.50	£123.00	£105.00	£21.00	£126.00	2.4	Discretionary
19.32 Highways specialist resource	Per hour	£102.50	£20.50	£123.00	£105.00	£21.00	£126.00	2.4	Discretionary
<b>20. Planning Performance Agreements (PPA)</b>									
20.1 Arrangement Fee		£2050.00	£410.00	£2460.00	£2083.33	£416.67	£2500.00	1.6	Discretionary
20.2 PPA Fee is based upon staff time (daily rates) across the project duration. Fee will be agreed as part of PPA negotiation process.	Based on required staff time / expertise	Negotiated	(0.20)	Negotiated	Negotiated	(0.20)	Negotiated		Discretionary
20.3.Environmental Health specialist resource	per hour	£102.50	£20.50	£123.00	£105.00	£21.00	£126.00	2.4	Discretionary
20.4 Highways specialist resource	per hour	£102.50	£20.50	£123.00	£105.00	£21.00	£126.00	2.4	Discretionary
<b>21. Local Land Charges Service</b>									

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21.1 Local Land Charges Register only		£43.00	0.00	£43.00	£44.00	0.00	£44.00	2.3	Discretionary
21.2 Optional Questions Only	Per question	£10.25	£2.05	£12.30	£10.45	£2.09	£12.54	2.0	Discretionary
21.3 CON 29		£92.25	£18.45	£110.70	£94.00	£18.80	£112.80	1.9	Discretionary
21.4 Additional Questions on Con29	Per question	£25.50	0.00	£25.50	£26.00	0.00	£26.00	2.0	Discretionary
21.5 Additional parcels	per parcel	£25.50	0.00	£25.50	£26.00	0.00	£26.00	2.0	Discretionary

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

**SERVICE: Highways**

**Charges 20/21**

**Proposed charges 21/22**

	UNIT	Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)	% change	Basis for charging
		0	0.2		0	0.2			
Domestic Crossover Application	Each	£110.00	£0.00	£110.00	£112.00	£0.00	£112.00	1.8	Discretionary
Domestic Crossover Installation	Each	£1,000.00	£0.00	£1,000.00	£1,020.00	£0.00	£1,020.00	2.0	Discretionary
Domestic Crossover Extension	Each	£300.00	£0.00	£300.00	£306.00	£0.00	£306.00	2.0	Discretionary
CPZ amendments due to crossovers	Each	£250.00	£0.00	£250.00	£255.00	£0.00	£255.00	2.0	Discretionary
Access Bars (road markings)	Each	£100.00	£0.00	£100.00	£102.00	£0.00	£102.00	2.0	Discretionary
Inspection of rechargeable works and other fees	Hr	£75.00	£0.00	£75.00	£77.00	£0.00	£77.00	2.7	Discretionary
Skip Licence	Per Month	£65.00	£0.00	£65.00	£66.00	£0.00	£66.00	1.5	Discretionary
Container Licence	Per Month	£110.00	£0.00	£110.00	£112.00	£0.00	£112.00	1.8	Discretionary
Scaffold Licence	3 months	£280.00	£0.00	£280.00	£288.00	£0.00	£288.00	2.9	Discretionary
Scaffold Licence renewal	3 months	£60.00	£0.00	£60.00	£61.00	£0.00	£61.00	1.7	Discretionary
Hoarding Licence	3 months	£195.00	£0.00	£195.00	£200.00	£0.00	£200.00	2.6	Discretionary
Hoarding Licence renewal	3 months	£60.00	£0.00	£60.00	£61.00	£0.00	£61.00	1.7	Discretionary
Materials licence	3 months	£65.00	£0.00	£65.00	£66.00	£0.00	£66.00	1.5	Discretionary
Emergency Temporary Traffic Order	Each	£400.00	£0.00	£400.00	£408.00	£0.00	£408.00	2.0	Discretionary
Temporary Traffic Order	Each	£2,000.00	£0.00	£2,000.00	£2,040.00	£0.00	£2,040.00	2.0	Discretionary
Highway Searches	Each	£75.00	£0.00	£75.00	£77.00	£0.00	£77.00	2.7	Discretionary
Crane Licence and oversail	3 months	£405.00	£0.00	£405.00	£413.00	£0.00	£413.00	2.0	Discretionary
Crane Licence and oversail extension	1 month	£110.00	£0.00	£110.00	£112.00	£0.00	£112.00	1.8	Discretionary
Section 50 Licence new apparatus	Each	£440.00	£0.00	£440.00	£450.00	£0.00	£450.00	2.3	Discretionary
Section 50 Licence existing apparatus	Each	£270.00	£0.00	£270.00	£275.00	£0.00	£275.00	1.9	Discretionary
Traffic order for permanent restrictions or changes	Each	£5,000.00	£0.00	£5,000.00	£5,100.00	£0.00	£5,100.00	2.0	Discretionary
Car club bay individual order	Each	£3,500.00	£0.00	£3,500.00	£3,640.00	£0.00	£3,640.00	4.0	Discretionary

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Notices for road humps and controlled crossings	Each	£3,500.0 0	£0.00	£3,500.00	£3,570.0 0	£0.00	£3,570.00	2.0	Discretionary
Stopping up and diversion orders of the highway (T&C Planning Act section 247 & 253)	Each				£5,000.0 0	£0.00	5000.00		Discretionary
Section 38 Road Adoption Agreement	% of estimated construction costs			8%			8%		Discretionary
Section 278 Works on highway by outside body	% of estimated construction costs			8%			8%		Discretionary
Application fee for S38/S278 Agreements where over £100k of works	Each	£5,000.0 0	£0.00	£5,000.00	£5,100.0 0	£0.00	£5,100.00	2.0	Discretionary
Application fee for highway agreements including S8s	Each				£1,500.0 0	£0.00	£1,500.00		Discretionary

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

**SERVICE: Street naming and numbering**

	UNIT	Charges 20/21*			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT	Total 20/21 (£)	Basic (£)	VAT	Total 21/22 (£)		
			0.2			0.2			
<b>New developments</b>									
New street name		350.00	0.00	350.00	400.00	0.00	400.00	14.3	Discretionary
New building name		350.00	0.00	350.00	400.00	0.00	400.00	14.3	Discretionary
One new property		50.00	0.00	50.00	55.00	0.00	55.00	10.0	Discretionary
Each additional property		10.00	0.00	10.00	12.00	0.00	12.00	20.0	Discretionary
<b>Existing properties</b>									
Adding a name		50.00	0.00	50.00	55.00	0.00	55.00	10.0	Discretionary
Changing a name or number		50.00	0.00	50.00	55.00	0.00	55.00	10.0	Discretionary
Each additional number or name change		10.00	0.00	10.00	12.00	0.00	12.00	20.0	Discretionary
Address confirmation letter		30.00	0.00	30.00	35.00	0.00	35.00	16.7	Discretionary

\* Increases proposed in 20/21 (see previous Fees and Charges report) were not implemented

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**SERVICE: Private Sector Housing Agency**

	UNIT	Charges 19/20			Proposed charges 20/21			% change	Basis for charging
		Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)		
			0.2			0.2			
Service first Improvement Notice/Suspended Improvement Notice	per notice	no charges			400.00	80.00	480.00		Discretionary
Service first Prohibition Order/Suspended prohibition Order	per notice	no charges			400.00	80.00	480.00		Discretionary
Service First Hazard Awareness Notice	per notice	no charges			400.00	80.00	480.00		Discretionary
First Emergency Remedial Action	per notice	no charges			400.00	80.00	480.00		Discretionary
Service Emergency Prohibition Order	per notice	no charges			400.00	80.00	480.00		Discretionary
Service second and subsequent Improvement/Suspended Improvement Notice	per notice	no charges			85.00	80.00	480.00		Discretionary
Service second and subsequent Prohibition Order/Suspended Prohibition Order	per notice	no charges			85.00	17.00	102.00		Discretionary
Service second or subsequent Hazard Awareness Notice	per notice	no charges			85.00	17.00	102.00		Discretionary
Second or subsequent Emergency Remedial Action	per notice	no charges			85.00	17.00	102.00		Discretionary
Service second or subsequent Overcrowding Notice	per notice	no charges			85.00	17.00	102.00		Discretionary
Service second or subsequent Emergency Prohibition Order	per notice	no charges			85.00	17.00	102.00		Discretionary
Adequate Accommodation Assessment (Immigration Rules 2016)	per inspection	no charges			190.00	38.00	128.00		Discretionary
Assistance in completing HMO application form	per application	no charges			50.00	10.00	60.00		Discretionary
Completion of floor plans for HMO licence application	per application	no charges			150.00	30.00	180.00		Discretionary



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Civil Penalty Notice First Breach (payment received in 14 days)	per notice	no charges			1250.00	250.00	1500.00		Statutory
Civil Penalty Notice first breach (payment received after 14 days)	per notice	no charges			2500.00	500.00	3000.00		Statutory
Civil Penalty Notice second breach (payment received in 14 days)	per notice	no charges			2500.00	500.00	3000.00		Statutory
Civil Penalty Notice second breach (payment received after 14 days)	per notice	no charges			5000.00	1000.00	6000.00		Statutory
Civil Penalty Notice third and any subsequent breach	per notice	no charges			5000.00	1000.00	6000.00		Statutory
Agency Fee (Disabled Facilities Grant)	by reference to cost of work on property	15% approved cost of works			17.5% approved cost of works				Statutory
Adaption Fee (Disabled Facilities Grant)	by reference to cost of work on property	10% approved cost of works			15% approved cost of works				Statutory
Agency Fee (Housing Regeneration Grant)	by reference to cost of work on property	10% approved cost of works			15% approved cost of works				Statutory

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### SERVICE: Licensing

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT	Total 19/20 (£)	Basic (£)	VAT	Total 20/21 (£)		
			0.20			0.20			
<b>1. Licensing Act 2003</b>									
1.1. Temporary Event Notice		21.00	0.00	21.00	21.0	0.0	21.0	0.0	Statutory
1.2 New Premises Licence Application		Variable	0.00		Variable	0.0		0.0	Statutory
1.3 Premises Licence - Transfer		23.00	0.00	23.00	23.0	0.0	23.0	0.0	Statutory
1.4 Premises Licence - Vary DPS		23.00	0.00	23.00	23.0	0.0	23.0	0.0	Statutory
1.5 Change name/address/copy licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Statutory
1.6 Minor Variation		89.00	0.00	89.00	89.0	0.0	89.0	0.0	Statutory
1.7 Full Variation		Variable	0.00		Variable	0.0			Statutory
1.8 New Club Premises Certificate		Variable	0.00		Variable	0.0			Statutory
1.9 Interim Authority Notice		23.00	0.00	23.00	23.0	0.0		0.0	Statutory
1.10 Provisional Statement		315.00	0.00	315.00	315.0	0.0	315.0	0.0	Statutory
1.11 New Personal Licence		37.00	0.00	37.00	37.0	0.0	37.0	0.0	Statutory
1.12 Annual Fees		Variable	0.00		Variable	0.0		0.0	Statutory
<b>2. Gambling Act 2005</b>									
2.1 New Small Society Lottery		40.00	0.00	40.00	40.0	0.0	40.0	0.0	Statutory
2.2 Small Society Lottery Renewal		20.00	0.00	20.00	20.0	0.0	20.0	0.0	Statutory
2.3 Premises Licence Annual Fees		Variable	0.00		Variable	0.0			Statutory
<b>Licensed Premises Gaming Machine Permits</b>									
2.4 Notification of Gaming Machine Permit		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory
2.5 New GMP Application		Variable	0.00		Variable	0.0			Statutory

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2.6 Variation of Permit		100.00	0.00	100.00	100.0	0.0	100.0	0.0	Statutory
2.7 Transfer of Permit		25.00	0.00	25.00	25.0	0.0	25.0	0.0	Statutory
2.8 Copy of Permit		15.00	0.00	15.00	15.0	0.0	15.0	0.0	Statutory
2.9 Annual Fee		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory
<b>Club gaming machines &amp; Club Gaming Permits</b>									
2.10 Grant New Operator		200.00	0.00	200.00	200.0	0.0	200.0	0.0	Statutory
2.11 Variation of Permit		100.00	0.00	100.00	100.0	0.0	100.0	0.0	Statutory
2.12 Annual Fee		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory
2.13 Copy of Permit		15.00	0.00	15.00	15.0	0.0	15.0	0.0	Statutory
2.14 Transfer of Permit		50.00	0.00	50.00	50.0	0.0	50.0	0.0	Statutory
<b>Prize Gaming Permit &amp; Family Entertainment Centres</b>									
2.15 Grant		300.00	0.00	300.00	300.0	0.0	300.0	0.0	Statutory
2.16 Renewal		300.00	0.00	300.00	300.0	0.0	300.0	0.0	Statutory
2.17 Transfer		25.00	0.00	25.00	25.0	0.0	25.0	0.0	Statutory
2.18 Copy of Permit		15.00	0.00	15.00	15.0	0.0	15.0	0.0	Statutory
<b>Gambling Premises Licences</b>									
<b>Adult Gaming Centre</b>									
2.19 Provisional Statement		2000.00	0.00	2000.00	2000.0	0.0	2000.0	0.0	Statutory
2.20 New Application		2000.00	0.00	2000.00	2000.0	0.0	2000.0	0.0	Statutory
2.21 Annual Fee		1000.00	0.00	Variable	1000.0	0.0	Variable		Statutory
2.22 Variation		1000.00	0.00	1000.00	1000.0	0.0	1000.0	0.0	Statutory
2.23 Transfer		1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory
2.24 Re-instatement of Licence		1200.00	0.00	1200.00	1200.0	0.0	1200.0	0.0	Statutory
<b>Betting Premises (Other)</b>									
2.25 Provisional Statement		3000.00	0.00	3000.00	3000.0	0.0	3000.0	0.0	Statutory
2.26 New Application		3000.00	0.00	3000.00	3000.0	0.0	3000.0	0.0	Statutory

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

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2.49 Provisional Statement		15000.00	0.00	15000.00	15000.0	0.0	15000.0	0.0	Statutory
2.50 New Application		15000.00	0.00	15000.00	15000.0	0.0	15000.0	0.0	Statutory
2.51 Annual Fee		15000.00	0.00	15000.00	15000.0	0.0	15000.0	0.0	Statutory
2.52 Variation		7500.00	0.00	7500.00	7500.0	0.0	7500.0	0.0	Statutory
2.53 Transfer		6500.00	0.00	6500.00	6500.0	0.0	6500.0	0.0	Statutory
2.54 Re-instatement of Licence		6500.00	0.00	6500.00	6500.0	0.0	6500.0	0.0	Statutory
<b>Large Casino</b>									
2.55 Provisional Statement		10000.00	0.00	10000.00	10000.0	0.0	10000.0	0.0	Statutory
2.56 New Application		10000.00	0.00	10000.00	10000.0	0.0	10000.0	0.0	Statutory
2.57 Annual Fee		10000.00	0.00	10000.00	10000.0	0.0	10000.0	0.0	Statutory
2.58 Variation		5000.00	0.00	5000.00	5000.0	0.0	5000.0	0.0	Statutory
2.59 Transfer		2150.00	0.00	2150.00	2150.0	0.0	2150.0	0.0	Statutory
2.60 Re-instatement of Licence		2150.00	0.00	2150.00	2150.0	0.0	2150.0	0.0	Statutory
<b>Small Casino</b>									
2.61 Provisional Statement		8000.00	0.00	8000.00	8000.0	0.0	8000.0	0.0	Statutory
2.62 New Application		8000.00	0.00	8000.00	8000.0	0.0	8000.0	0.0	Statutory
2.63 Annual Fee		5000.00	0.00	5000.00	5000.0	0.0	5000.0	0.0	Statutory
2.64 Variation		4000.00	0.00	4000.00	4000.0	0.0	4000.0	0.0	Statutory
2.65 Transfer		1800.00	0.00	1800.00	1800.0	0.0	1800.0	0.0	Statutory
2.66 Re-instatement of Licence		1800.00	0.00	1800.00	1800.0	0.0	1800.0	0.0	Statutory
<b>3. Animal Activity Licence</b>									
3.1 Part A = Application Fee		229.00	0.00	229.00	229.0	0.0	229.0	0.0	Discretionary
3.2 Part B = Grant Fee		437.00	0.00	437.00	437.0	0.0	437.0	0.0	Discretionary
<b>4. Dangerous Wild Animals</b>									
4.1 New Application		273.00	0.00	273.00	273.0	0.0	273.0	0.0	Discretionary

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4.2 Renewal		273.00	0.00	273.00	273.0	0.0	273.0	0.0	Discretionary
4.3 Copy of licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
<b>5. Zoo Licence</b>									
5.1 New Application		640.00	0.00	640.00	640.0	0.0	640.0	0.0	Discretionary
5.2 Copy of licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
5.3 Renewal		640.00	0.00	640.00	640.0	0.0	640.0	0.0	Discretionary
<b>6. Film Classifications</b>									
6.1 New Film Classification	Per Hour	95.00	0.00	95.00	95.0	0.0	95.0	0.0	Discretionary
<b>7. Hypnotism</b>									
7.1 Hypnotism - New		85.00	0.00	85.00	85.0	0.0	85.0	0.0	Discretionary
<b>8. Scrap Metal Licence - Site</b>									
8.1 New Application		680.00	0.00	680.00	680.0	0.0	680.0	0.0	Discretionary
8.2 Variation		280.00	0.00	280.00	280.0	0.0	280.0	0.0	Discretionary
8.3 Copy of Licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
8.4 Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
8.5 Transfer		280.00	0.00	280.00	280.0	0.0	280.0	0.0	Discretionary
<b>Scrap Metal Licence - Collector</b>									
8.6 New Application		340.00	0.00	340.00	340.0	0.0	340.0	0.0	Discretionary
8.7 Variation		280.00	0.00	280.00	280.0	0.0	280.0	0.0	Discretionary
8.8 Copy of Licence		10.50	0.00	10.50	10.5	0.0	10.5	0.0	Discretionary
Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
<b>9. Marriages</b>									
9.1 New Marriage Application		290.00	0.00	290.00	290.0	0.0	290.0	0.0	Discretionary
9.2 Marriage Renewal		290.00	0.00	290.00	290.0	0.0	290.0	0.0	Discretionary
9.3 Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
<b>10. Sex Establishments</b>									

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10.1 Part A -New Application Fee		2527.00	0.00	2527.00	2527.0	0.0	2527.0	0.0	Discretionary
10.2 Part B - New Application Fee		1223.00	0.00	1223.00	1223.0	0.0	1223.0	0.0	Discretionary
10.3 Surrender		0.00	0.00	0.00	0.0	0.0	0.0		Discretionary
10.4 Part A Variation		758.00	0.00	758.00	758.0	0.0	758.0	0.0	Discretionary
10.5 Part B Variation		122.00	0.00	122.00	122.0	0.0	122.0	0.0	Discretionary
10.6 Transfer		400.00	0.00	400.00	400.0	0.0	400.0	0.0	Discretionary
Duplicate Copy		24.00	0.00	24.00	24.0	0.0	24.0	0.0	Discretionary
<b>11. Fireworks - Health and Safety (Fees) Regulations 2016</b>									
<b>New</b> Explosives Licence where a minimum separation distance of greater than 0 metres is prescribed									
1 Year Licence		185.00	0.00	185.00	185.0	0.0	185.0	0.0	Statutory
2 Year Licence		243.00	0.00	243.00	243.0	0.0	243.0	0.0	Statutory
3 Licence		304.00	0.00	304.00	304.0	0.0	304.0	0.0	Statutory
4 Year Licence		374.00	0.00	374.00	374.0	0.0	374.0	0.0	Statutory
5 Year Licence		423.00	0.00	423.00	423.0	0.0	423.0	0.0	Statutory
<b>New</b> Explosives Licence where no minimum separation distance or a 0 metres minimum separation distance is prescribed									
1 Year Licence		109.00	0.00	109.00	109.0	0.0	109.0	0.0	Statutory
2 Year Licence		141.00	0.00	141.00	141.0	0.0	141.0	0.0	Statutory
3 Licence		173.00	0.00	173.00	173.0	0.0	173.0	0.0	Statutory
4 Year Licence		206.00	0.00	206.00	206.0	0.0	206.0	0.0	Statutory
5 Year Licence		238.00	0.00	238.00	238.0	0.0	238.0	0.0	Statutory
<b>Renewal</b> Explosives Licence where a minimum separation distance of greater than 0 metres is prescribed									
1 Year Licence		86.00	0.00	86.00	86.0	0.0	86.0	0.0	Statutory
2 Year Licence		147.00	0.00	147.00	147.0	0.0	147.0	0.0	Statutory

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3 Licence		203.00	0.00	203.00	203.0	0.0	203.0	0.0	Statutory
4 Year Licence		266.00	0.00	266.00	266.0	0.0	266.0	0.0	Statutory
5 Year Licence		326.00	0.00	326.00	326.0	0.0	326.0	0.0	Statutory
<b>Renewal Explosives Licence where no minimum separation distance or a 0 metres minimum separation distance is prescribed</b>									
1 Year Licence		54.00	0.00	54.00	54.0	0.0	54.0	0.0	Statutory
2 Year Licence		86.00	0.00	86.00	86.0	0.0	86.0	0.0	Statutory
3 Licence		120.00	0.00	120.00	120.0	0.0	120.0	0.0	Statutory
4 Year Licence		152.00	0.00	152.00	152.0	0.0	152.0	0.0	Statutory
5 Year Licence		185.00	0.00	185.00	185.0	0.0	185.0	0.0	Statutory
<b>Explosive Licence</b>									
Change of name of licensee or address of site		36.00	0.00	36.00	36.0	0.0	36.0	0.0	Statutory
Transfer		36.00	0.00	36.00	36.0	0.0	36.0	0.0	Statutory
Duplicate Copy		36.00	0.00	36.00	36.0	0.0	36.0	0.0	Statutory
<b>12. Business Planning Act 2020</b>									
Pavement Licence New Application		100.00	0.00	100.00	100.00	0.00	100.00	0.0	Discretionary



**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

- *Additional £2 / hr for floodlights at Ladywell Fields.*

**SERVICE: Culture & Community  
Development**

	UNIT	Charges 20/21			Proposed Charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 20/21 (£)	Basic (£)	VAT 0.2	Total 21/22 (£)		
Hire of tennis courts in parks (annual membership, providing free use of courts)		35.00	0.00	35.00	35.00	0.00	35.00	0.0	Discretionary
Hire of tennis courts in parks (Pay and play per hour -non member)		5.00	0.00	5.00	5.00	0.00	5.00	0.0	Discretionary

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**  
**SERVICE: Community Centres**

**Charges 20/21**

**Proposed charges 21/22**

	UNIT	Basic (£)	VAT 0.2	Total 19/20 (£)	Basic (£)	VAT 0.2	Total 21/22 (£)	% change	Basis for charging
Evelyn Community Centre (Main Hall) Mon-Fri	Per hour	22.00	0.00	22.00	23.00	0.00	23.00	4.5	Discretionary
Evelyn Community Centre (Main Hall) Sat / Sun before 6pm	Per hour	30.50	0.00	30.50	32.00	0.00	32.00	4.9	Discretionary
Evelyn Community Centre (Main Hall) Sat / Sun after 6pm	Per hour	43.50	0.00	43.50	45.50	0.00	45.50	4.6	Discretionary
Evelyn Community Centre (Hairdressing room)	Per hour	13.00	0.00	13.00	13.50	0.00	13.50	3.8	Discretionary
Honor Oak Community Centre Main Hall and garden	Per hour	60.00	0.00	60.00	63.00	0.00	63.00	5.0	Discretionary
Honor Oak Community Centre Main Hall, garden and lounge	Per hour	80.00	0.00	80.00	84.00	0.00	84.00	5.0	Discretionary
Honor Oak Community Centre lounge only	Per hour	30.00	0.00	30.00	31.50	0.00	31.50	5.0	Discretionary
Scotney Hall (Main Hall) Mon-Fri	Per hour	18.50	0.00	18.50	19.50	0.00	19.50	5.4	Discretionary
Scotney Hall (Main Hall) Sat / Sun before 6pm	Per hour	24.00	0.00	24.00	25.00	0.00	25.00	4.2	Discretionary
Scotney Hall (Main Hall) Sat / Sun after 6pm	Per hour	34.00	0.00	34.00	36.00	0.00	36.00	5.9	Discretionary
<b>(Concessionary rates – all sites)</b>									
	3 hour session	14.00	0.00	14.00	14.50	0.00	14.50	3.6	Discretionary
<b>(CIS rates – all sites)</b>									
	4 hours booking closing	46.80	0.00	46.80	49.00	0.00	49.00	4.7	Discretionary
<b>2. Leemore</b>									
Lower Ground Hall VCS weekdays	Per hour	31.00	0.00	31.00	32.50	0.00	32.50	4.8	Discretionary

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Lower Ground Hall VCS evenings & weekends	Per hour	34.00	0.00	34.00	35.50	0.00	35.50	4.4	Discretionary
Lower Ground Hall Commercial weekdays	Per hour	34.00	0.00	34.00	35.50	0.00	35.50	4.4	Discretionary
Lower Ground Hall Commercial evenings & weekends	Per hour	37.00	0.00	37.00	39.00	0.00	39.00	5.4	Discretionary
Hourly rate:	Per hour	22.00	0.00	22.00	23.00	0.00	23.00	4.5	Discretionary
Sat/Sun before 6pm:	Per hour	30.50	0.00	30.50	32.00	0.00	32.00	4.9	Discretionary
Sat/Sun after 6pm:	Per hour	43.50	0.00	43.50	46.00	0.00	46.00	5.7	Discretionary
Sat/Sun before 6pm	Per hour	21.00	0.00	21.00	22.00	0.00	22.00	4.8	Discretionary
Sat/Sun after 6pm:	Per hour	25.00	0.00	25.00	26.00	0.00	26.00	4.0	Discretionary
Hourly rate	Per hour	18.50	0.00	18.50	19.50	0.00	19.50	5.4	Discretionary
Sat & Sun before 6pm per hour	Per hour	24.00	0.00	24.00	25.00	0.00	25.00	4.2	Discretionary
Sat & Sun after 6pm per hour	Per hour	34.00	0.00	34.00	35.50	0.00	35.50	4.4	Discretionary

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

**SERVICE: Library & Information Services**

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 20/21 (£)	Basic (£)	VAT 0.2	Total 21/22 (£)		
<b>1 Charges for specific loan services</b>									
1.1 Hire of CDs		1.25	0.00	1.25	1.25	0.00	1.25	0.0	Discretionary
1.2 Hire of DVDs		3.00	0.00	3.00	3.00	0.00	3.00	0.0	Discretionary
<b>2 Charges for overdue items</b>									
2.1 Members aged 14-59	per day to max of 10	0.20	0.00	0.20	0.20	0.00	0.20	0.0	Discretionary
2.2. Members over 60	per day to max of 5	0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
2.3 DVDs	Repeat hire fee per loan period to max of 18	3.00	0.00	3.00	3.00	0.00	3.00	0.0	Discretionary
<b>3 Charges for lost items</b>									
3.1 Lost stock	current cost of item +	0.00	0.00	0.00	5.00	0.00	5.00	New charge	Discretionary
3.2 Lost tickets		1.00	0.00	1.00	2.00	0.00	2.00	100.0	Discretionary
<b>4 Charges for reserving specific items</b>									

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

**SERVICE: Library & Information Services**

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 20/21 (£)	Basic (£)	VAT 0.2	Total 21/22 (£)		
4.1 Standard reservations	per reservation	0.50	0.00	0.50	0.00	0.00	0.00	0.0	Discretionary
4.2 British Library book reservations	per reservation	15.80	0.00	15.80	15.80+ 5.00	0.00	15.80+ 5.00	0.0	Discretionary
4.3 British Library article reservations	per reservation, cost plus 10p per page	15.80	0.00	15.80	15.80+ 5.00	0.00	15.80+ 5.00	0.0	Discretionary
<b>5 Other services</b>									
5.1 Colour printing and copying A4	per sheet	0.50	0.00	0.50	0.50	0.00	0.50	0.0	Discretionary
5.2 Colour printing and copying A3	per sheet	1.00	0.00	1.00	1.00	0.00	1.00	0.0	Discretionary
5.3 Black and white printing and copying A4	per sheet	0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
5.4 Black and white printing and copying A3	per sheet	0.15	0.00	0.15	0.15	0.00	0.15	0.0	Discretionary
<b>6 Sales</b>									
6.1 Pen		0.15	0.00	0.15	0.15	0.00	0.15	0.0	Discretionary
6.2 Pencil		0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
6.3 A4 plain paper		0.05	0.00	0.05	0.05	0.00	0.05	0.0	Discretionary

**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

**SERVICE: Library & Information Services**

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 20/21 (£)	Basic (£)	VAT 0.2	Total 21/22 (£)		
6.4 A3 plain paper		0.10	0.00	0.10	0.10	0.00	0.10	0.0	Discretionary
<b>7 Room hire</b>									
7.1 Lewisham Library commercial hire	per hour	45.00	0.00	45.00	45.00	0.00	45.00	0.0	Discretionary
7.2 Lewisham Library non-commercial hire	per hour	25.00	0.00	25.00	25.00	0.00	25.00	0.0	Discretionary
7.3 Downham Library	per hour	17.00	0.00	17.00	17.00	0.00	17.00	0.0	Discretionary
<b>8 Local History and Archives Commercial reuse of images licensing</b>									
8.1 Commercial publication	Double for worldwide rights	20.00	0.00	20.00	20.00	0.00	20.00	0.0	Discretionary
8.2 Scholarly/non-profit publication		10.00	0.00	10.00	10.00	0.00	10.00	0.0	Discretionary
8.3 Commercial exhibition	Double for worldwide rights	40.00	0.00	40.00	40.00	0.00	40.00	0.0	Discretionary
8.4 Advertising		80.00	0.00	80.00	80.00	0.00	80.00	0.0	Discretionary

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**SERVICE: Library & Information Services**

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 20/21 (£)	Basic (£)	VAT 0.2	Total 21/22 (£)		
8.5 Merchandising	Double for worldwide rights	100.00	0.00	100.00	100.00	0.00	100.00	0.0	Discretionary
8.6 Commercial interior/exterior decoration	for up to 5 images	150.00	0.00	150.00	150.00	0.00	150.00	0.0	Discretionary
8.7 Film and television UK	for 5 years	60.00	0.00	60.00	60.00	0.00	60.00	0.0	Discretionary
8.8 Film and television additional years UK		30.00	0.00	30.00	30.00	0.00	30.00	0.0	Discretionary
8.9 Film and television worldwide rights		100.00	0.00	100.00	100.00	0.00	100.00	0.0	Discretionary
8.10 Film and television additional years worldwide rights		50.00	0.00	50.00	50.00	0.00	50.00	0.0	Discretionary
<b>9 Local History and Archives other charges</b>									
9.1 Microform printing		0.30	0.00	0.30	0.30	0.00	0.30	0.0	Discretionary
9.2 Copying Archive material A4		1.50	0.00	1.50	1.50	0.00	1.50	0.0	Discretionary
9.3 Copying Archive material A3		2.00	0.00	2.00	2.00	0.00	2.00	0.0	Discretionary
9.4 Scans 300dpi		5.00	0.00	5.00	5.00	0.00	5.00	0.0	Discretionary
9.5 Scans 600dpi		10.00	0.00	10.00	10.00	0.00	10.00	0.0	Discretionary

APPENDICES W1 to Z4 2021/22 BUDGET REPORT

SERVICE: Library & Information Services

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 20/21 (£)	Basic (£)	VAT 0.2	Total 21/22 (£)		
9.6 Photography permit	per day	5.00	0.00	5.00	5.00	0.00	5.00	0.0	Discretionary

SERVICE: Register Office

	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
	Basic (£)	VAT 0.2	Total 19/20 (£)	Basic (£)	VAT 0.2	Total 20/21 (£)		
<b>1. Birth, Death, Marriage or Civil Partnership Certificates</b>								
<i>1.1 Standard Service (Issued at time of registration or if requested later then processed within 15 working days.</i>								
1.1.1 Birth, death and marriage certificates	11.00	0.00	11.00	11.00	0.00	11.00	0.0	Statutory
1.1.2 Civil Partnership certificates	11.00	0.00	11.00	11.00	0.00	11.00	0.0	Statutory
<i>1.2 Priority Service (on or before next working day - orders up to 3pm)</i>								



**APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

1.2.1 Birth, death and marriage certificates	35.00(*2)	0.00	35.00(*2)	35.00(*2)	0.00	35.00(*2)	0.0	Statutory (Includes 2 <sup>nd</sup> class post, discretionary fee for 1 <sup>st</sup> class and Next Day Delivery)
1.2.2 Civil Partnership certificates	35.00(*2)	0.00	35.00(*2)	35.00(*2)	0.00	35.00(*2)	0.0	Statutory (Includes 2 <sup>nd</sup> class post, discretionary fee for 1 <sup>st</sup> class and Next Day Delivery)
<b>2. Fees for marriage and divorce</b>								
<i>2.1 Marriage by Superintendent Registrar's certificate</i>								
2.1.1 Entry of each notice of marriage for persons subject to the Home Office Referral and Investigation Scheme	47.00	0.00	47.00	47.00	0.00	47.00	0.0	Statutory
2.1.2 Entry of each notice of marriage for all other persons	35.00	0.00	35.00	35.00	0.00	35.00	0.0	Statutory
2.1.3 Consideration by Superintendent Registrar of a divorce obtained outside of the British Isles	50.00	0.00	50.00	50.00	0.00	50.00	0.0	Statutory
2.1.4 Consideration by the Registrar General of a divorce obtained outside of the British Isles	75.00	0.00	75.00	75.00	0.00	75.00	0.0	Statutory
<i>2.2 Attendance at the ceremony</i>								
2.2.1 At the register office	46.00	0.00	46.00	46.00	0.00	46.00	0.0	Statutory
2.2.2 At a registered building	86.00	0.00	86.00	86.00	0.00	86.00	0.0	Statutory
<b>3. Fees for Civil Partnership</b>								

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3.1 Entry of each notice of civil partnership for persons subject to the Home Office Referral and Investigation Scheme	47.00	0.00	47.00	47.00	0.00	47.00	0.0	Statutory
3.2 Entry of each notice of civil partnerships for all other persons	35.00	0.00	35.00	35.00	0.00	35.00	0.0	Statutory
3.3 Consideration by the registration authority of a civil partnership dissolution obtained outside of the British Isles	50.00	0.00	50.00	50.00	0.00	50.00	0.0	Statutory
3.4 Consideration by the Registrar General of a civil partnership dissolution obtained outside of the British Isles	75.00	0.00	75.00	75.00	0.00	75.00	0.0	Statutory
3.5 Attendance at civil partnership registration at the registrar office	46.00	0.00	46.00	46.00	0.00	46.00	0.0	Statutory
<b>4. Fees for the conversion of a civil partnership into marriage</b>								
4.1 Conversion of a civil partnership into marriage at the Register Office	45.00	0.00	45.00	45.00	0.00	45.00	0.0	Statutory
4.2 Two stage procedure on other premises								Statutory
4.2.2 Completing the declaration	27.00	0.00	27.00	27.00	0.00	27.00	0.0	Statutory
4.2.3 Signing the declaration in a religious building registered for the marriage of same sex couples	91.00	0.00	91.00	91.00	0.00	91.00	0.0	Statutory
<b>5. Fees for changes to initial registration (payable to Registrar / Superintendent Registrar)</b>								

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

<b>7. Ceremonies</b>								
<b>7.1 The Evelyn Suite, 368 Lewisham High Street. Ceremonies taking place between 0900 and 1700</b>								
7.1.1 Monday to Thursday	200.00	0.00	200.00	220.00	0.00	220.00	10.0	Discretionary (includes 46 statutory fee)
7.1.2 Friday	245.00	0.00	245.00	270.00	0.00	270.00	10.2	Discretionary (includes 46 statutory fee)
7.1.3 Saturday	291.00	0.00	291.00	320.00	0.00	320.00	10.0	Discretionary (includes 46 statutory fee)

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7.1.4 Sunday / Bank Holiday	495.00	0.00	495.00	Not available	0.00	Not available		Discretionary (No longer offering Sunday ceremony's WEF 01/04/2020)
<b>7.2 All external venues. Ceremonies taking place between 0900 and 1700.</b>								
7.1.1 Monday to Thursday	472.00	0.00	472.00	486.00	0.00	486.00	3.0	Discretionary
7.1.2 Friday	526.00	0.00	526.00	542.00	0.00	542.00	3.0	Discretionary
7.1.3 Saturday	659.00	0.00	659.00	679.00	0.00	679.00	3.0	Discretionary
7.1.4 Sunday / Bank Holiday	715.00	0.00	715.00	736.00	0.00	736.00	2.9	Discretionary
<b>8. Private Citizenship Ceremony</b>								
8.1 Monday- Friday	185.00	0.00	185.00	100.00	0	100.00	-45.1	Discretionary
8.2 Saturday	185.00	0.00	185.00	NA	NA	NA	NA	Discretionary

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**SERVICE: Revenues**

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Basis for charging
		Basic (£)	VAT 0.2	Total 19/20 (£)	Basic (£)	VAT 0.2	Total 20/21 (£)		
Summons application and liability order costs	per summons	172.50	0.00	172.50	172.50	0.00	172.50	0.0	Statutory
Summons application cost	per summons	72.50	0.00	72.50	72.50	0.00	72.50	0.0	Statutory
Liability order cost	per liability order	50.00	0.00	50.00	50.00	0.00	50.00	0.0	Statutory
Notice of Enforcement (Compliance)	per case	75.00	0.00	75.00	75.00	0.00	75.00	0.0	Statutory
Enforcement Fee	upon a visit	235.00	0.00	235.00	235.00	0.00	235.00	0.0	Statutory
Sale or disposal Stage	upon goods levied	110.00	0.00	110.00	110.00	0.00	110.00	0.0	Statutory

**SERVICE: Parking**

	UNIT	Charges 20/21			Proposed charges 21/22			% change	Comment	Basis for charging
		Basic (£)	VAT 0.20	Total 18/19 (£)	Basic (£)	VAT 0.2	Total 19/20 (£)			

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<b>Parking Permits</b>									
Resident Permit 3 Months			0.00			0.00			See Appendix 6A Section 3 Discretionary
Resident Permit 12 Months			0.00			0.00			See Appendix 6A Section 3 Discretionary
Resident Disabled Permit			0.00			0.00			See Appendix 6A Section 3 Discretionary
Resident Low Emission			0.00			0.00			See Appendix 6A Section 3 Discretionary
Resident Visitor Permit 1 Hour		1.60	0.00	1.60	1.60	0.00	1.60	0.0	Discretionary
Resident Visitor Permit Book of 10		16.00	0.00	16.00	16.00	0.00	16.00	0.0	Discretionary
Resident Visitor Permit 5 Hour		3.20	0.00	3.20	3.20	0.00	3.20	0.0	Discretionary
Resident Visitor Permit 1 Day		6.40	0.00	6.40	6.40	0.00	6.40	0.0	Discretionary
Resident Visitor Permit Weekly		25.60	0.00	25.60	25.60	0.00	25.60	0.0	Discretionary
Business Permit 6 Months			0.00			0.00			See Appendix 6A Section 3 Discretionary
Business Permit 12 Months			0.00			0.00			See Appendix 6A Section 3 Discretionary
Business Z Permit			0.00			0.00			See Appendix 6A Section 3 Discretionary
Car Club		500.00	0.00	500.00	500.00	0.00	500.00	0.0	Discretionary
Business Health Permits			0.00			0.00			See Appendix 6A Section 3 Discretionary
Hospital Staff 6 Months		255.00	0.00	255.00		0.00			See Appendix 6A Section 3 Discretionary
Hospital Staff 12 Months		500.00	0.00	500.00		0.00			See Appendix 6A Section 3 Discretionary
Staff 2 Days a Week		200.00	0.00	200.00		0.00			See Appendix 6A Section 3 Discretionary
Staff 3 Days a Week		300.00	0.00	300.00		0.00			See Appendix 6A Section 3 Discretionary
Staff 5 Days a Week		500.00	0.00	500.00		0.00			Discretionary
Charity Business		120.00	0.00	120.00	120.00	0.00	120.00	0.0	Discretionary
Market Trader Lewisham Market		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Discretionary
Market Trader Deptford Market 6 Months		125.00	0.00	125.00	125.00	0.00	125.00	0.0	Discretionary

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Market Trader Deptford Market 12 Months		250.00	0.00	250.00	250.00	0.00	250.00	0.0		Discretionary
Councillor Full		750.00	0.00	750.00	750.00	0.00	750.00	0.0		Discretionary
Councillor Discounted		500.00	0.00	500.00	500.00	0.00	500.00	0.0		Discretionary
Lawn Bowls 6 Months		30.00	0.00	30.00	30.00	0.00	30.00	0.0		Discretionary
<b>Suspensions</b>										
Residential Bay		50.00	0.00	50.00	50.00	0.00	50.00	0.0		Discretionary
Pay & Display (50 admin fee + 30 per bay per day)		80.00	0.00	80.00	80.00	0.00	80.00	0.0		Discretionary
Public Car Park (50 admin fee + 30 per bay per day)		80.00	0.00	80.00	80.00	0.00	80.00	0.0		Discretionary
Dispensation (50 per vehicle per day)		50.00	0.00	50.00	50.00	0.00	50.00	0.0		Discretionary
<b>Pay &amp; Display</b>										
Cashless 1 Hour (1.40 + 0.20 Convenience fee)		2.00	0.00	2.00	2.00	0.00	2.00	0.0		Discretionary
Cash 1 Hour		2.00	0.00	2.00	2.00	0.00	2.00	0.0		Discretionary
<b>PCN</b>										
Band A Full		130.00	0.00	130.00	130.00	0.00	130.00	0.0		Discretionary
Band A Discounted		65.00	0.00	65.00	65.00	0.00	65.00	0.0		Discretionary
Band B Full		110.00	0.00	110.00	110.00	0.00	110.00	0.0		Discretionary
Band B Discounted		55.00	0.00	55.00	55.00	0.00	55.00	0.0		Discretionary

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**Appendix 6A – Parking Charges 20/21 (no changes proposed - see narrative)**

Contents

- Recommended Emissions-Based Bands
- Introduction of New Permit Fees
- Recommended Permit Pricing
- Resident Permits
- Business Permits
- Business All Zones Permits
- Business Hospital Permits
- Health Permits
- Business Staff Permits
- Hospital Health Permits
- Visitor Permits



## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### Recommended Emissions-Based Bands

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

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

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

#### Introduction of new permit fees

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

#### Recommended Permit Pricing

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

#### Resident Permits

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

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

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

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

### Business Permits

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

The current price of a Business permit is 500.

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

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### Business All Zones Permits

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

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

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

### Business Hospital Permits

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

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

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### Health Permits

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

The current price of a Health permit is 200.

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

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

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

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### Business Staff Permits

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

The current price of the permit is 500.

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

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### Hospital Health Permits

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

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

The 50 diesel surcharge is applied

#### Visitor Permits

Current Visitor Permit pricing:

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

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

- 5hr = 2.80
- Daily = 5.60

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- Weekly = 20.00

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

### Recommended changes:

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

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

#### Visitor Permit Pricing Change

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

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



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### BEREAVEMENT SERVICES

	UNIT	Charges 20/21			Proposed 21/22			% change	Basis for charging
		Basic (£)	VAT	Total (£)	Basic (£)	VAT	Total (£)		
<b>1. Purchase of graves (50-year lease) - including first interment residents charge</b>									
1.1. Lawn grave, non border		3266.00	0.00	3266.00	3592.00	0.00	3592.00	10.0	Discretionary
1.2 Lawn grave, border		3588.00	0.00	3588.00	3946.00	0.00	3946.00	10.0	Discretionary
1.3 Full memorial grave, non border		3861.00	0.00	3861.00	4247.00	0.00	4247.00	10.0	Discretionary
1.4 Full memorial grave, border		4152.00	0.00	4152.00	4567.00	0.00	4567.00	10.0	Discretionary
1.5 Cremated remains or baby graves		946.00	0.00	946.00	1040.00	0.00	1040.00	10.0	Discretionary
<b>2. Burial fees - residents charges</b>									
2.1 Resident under 16 years old		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Discretionary
2.2 Resident over 16 years old		1666.00	0.00	1666.00	1832.00	0.00	1832.00	10.0	Discretionary
2.3 Additional fee for caskets and coffins 2'4" wide and over	sq ft	105.00	0.00	105.00	108.00	0.00	108.00	3.0	Discretionary
2.4. Public (cost of interment in public grave)		885.00	0.00	885.00	915.00	0.00	915.00	3.5	Discretionary
<b>3. Cremation costs</b>									
3.1 Adults, Monday to Friday (9am to 930am)		540.00	0.00	540.00	620.00	0.00	620.00	15.0	Discretionary
3.3 Adults, Monday to Friday (10am to 315pm)		650.00	0.00	650.00	750.00	0.00	750.00	15.0	Discretionary
3.2 Adults, Monday to Friday (4 pm)		665.00	0.00	665.00	755.00	0.00	755.00	15.0	Discretionary
3.3 Adults, Saturdays		976.00	0.00	976.00	1122.00	0.00	1122.00	15.0	Discretionary
3.4 Adults, Sundays		1302.00	0.00	1302.00	1497.00	0.00	1497.00	15.0	Discretionary
3.5 Resident child under 16		0.00	0.00	0.00	0.00	0.00	0.00	0.0	Discretionary
3.6 Non-resident child under 2 years		63.00	0.00	63.00	72.00	0.00	72.00	15.0	Discretionary
3.7 Non-resident child under 2-16		498.00	0.00	498.00	570.00	0.00	570.00	15.0	Discretionary
3.8 Adult Direct Cremation (no chapel service)		400.00	0.00	400.00	420.00	0.00	420.00	5.0	Discretionary
<b>4. Burial of cremated remains (ashes)</b>									

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4.1 Resident		246.00	0.00	246.00	270.00		270.00	<b>10.0</b>	Discretionary
4.2 Non-resident		855.00	0.00	855.00	855.00		855.00	<b>0.0</b>	Discretionary
<b>5. Memorial fees - residents charges</b>									
5.1 Permit to erect a memorial, full or lawn section		310.00	0.00	310.00	320.00	0.00	320.00	<b>3.5</b>	Discretionary
5.2 Permit to erect a memorial on a public grave		62.00	0.00	62.00	64.00	0.00	64.00	<b>3.5</b>	Discretionary
5.3 Addition inscription on existing memorial		88.00	0.00	88.00	91.00	0.00	91.00	<b>3.5</b>	Discretionary
<b>6. Chapel fees</b>									
6.1 Use of chapel		120.00	0.00	120.00	124.00	0.00	124.00	<b>3.5</b>	Discretionary
6.2 Use of chapel organ		27.00	0.00	27.00	28.00	0.00	28.00	<b>3.5</b>	Discretionary
6.3 Organist fee		75.00	0.00	75.00	78.00	0.00	78.00	<b>3.5</b>	Discretionary
<b>7. Exhumation and reburial fees</b>									
7.1 Resident exhumation		3312.00	0.00	3312.00	3428.00	0.00	3428.00	<b>3.5</b>	Discretionary
7.2 Each additional resident coffin removed		1042.00	0.00	1042.00	1078.00	0.00	1078.00	<b>3.5</b>	Discretionary
7.3 Non-resident exhumation		11342.00	0.00	11342.00	11342.00	0.00	11342.00	<b>0.0</b>	Discretionary
7.3 Each additional non-resident coffin removed		3527.00	0.00	3527.00	3527.00	0.00	3527.00	<b>0.0</b>	Discretionary
7.4 Resident reburial		1666.00	0.00	1666.00	1832.00	0.00	1832.00	<b>10.0</b>	Discretionary
7.5 Non-resident reburial		5716.00	0.00	5716.00	5716.00	0.00	5716.00	<b>0.0</b>	Discretionary
<b>8. Other charges</b>									
8.1 Searching register (up to 4 names)		44.00	0.00	44.00	48.00	0.00	48.00	<b>10.0</b>	Discretionary
8.2 Transfer ownership <b>without</b> probate		75.00	0.00	75.00	82.00	0.00	82.00	<b>10.0</b>	Discretionary
8.2 Transfer ownership with probate		60.00	0.00	60.00	66.00	0.00	66.00	<b>10.0</b>	Discretionary
8.3 Customs certificate or duplicate cremation certificate		31.00	0.00	31.00	33.00	<b>0.00</b>	33.00	<b>3.5</b>	Discretionary

**APPENDIX Y9**

**Making Fair Financial Decisions**



**Making fair financial decisions  
Guidance for decision-makers**

3<sup>rd</sup> edition, January 2015

## **APPENDICES W1 to Z4 2021/22 BUDGET REPORT**

### **Introduction**

With major reductions in public spending, public authorities in Britain are being required to make difficult financial decisions. This guide sets out what is expected of you as a decision-maker or leader of a public authority responsible for delivering key services at a national, regional and/or local level, in order to make such decisions as fair as possible.

The public sector equality duty (the equality duty) does not prevent you from making difficult decisions such as reorganisations and relocations, redundancies, and service reductions, nor does it stop you from making decisions which may affect one group more than another group. The equality duty enables you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of your community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on people with different protected characteristics.

Assessing the impact on equality of proposed changes to policies, procedures and practices is not just something that the law requires, it is a positive opportunity for you as a public authority leader to ensure you make better decisions based on robust evidence.

### **What the law requires**

Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

The protected characteristics covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.

The law requires that public authorities demonstrate that they have had 'due regard' to the aims of the equality duty in their decision-making. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had 'due regard'.

It is also important to note that public authorities subject to the equality duty are also likely to be subject to the Human Rights Act 1998. We would therefore recommend that public authorities consider the potential impact their decisions could have on human rights.

### **Aim of this guide**

## APPENDICES W1 to Z4 2021/22 BUDGET REPORT

This guide aims to assist decision-makers in ensuring that:

- The process they follow to assess the impact on equality of financial proposals is robust, and
- The impact that financial proposals could have on people with protected characteristics is thoroughly considered before any decisions are arrived at.

We have also produced detailed guidance for those responsible for assessing the impact on equality of their policies, which is available on our website at [www.equalityhumanrights.com](http://www.equalityhumanrights.com)

### The benefits of assessing the impact on equality

By law, your assessments of impact on equality must:

- Contain enough information to enable a public authority to demonstrate it has had 'due regard' to the aims of the equality duty in its decision-making
- Consider ways of mitigating or avoiding any adverse impacts.

Such assessments do not have to take the form of a document called an equality impact assessment. If you choose not to develop a document of this type, then some alternative approach which systematically assesses any adverse impacts of a change in policy, procedure or practice will be required.

Assessing impact on equality is not an end in itself and it should be tailored to, and be proportionate to, the decision that is being made.

Whether it is proportionate for an authority to conduct an assessment of the impact on equality of a financial decision or not depends on its relevance to the authority's particular function and its likely impact on people with protected characteristics.

We recommend that you document your assessment of the impact on equality when developing financial proposals. This will help you to:

- **Ensure you have a written record of the equality considerations** you have taken into account.
- **Ensure that your decision includes a consideration of the actions that would help to avoid or mitigate any impacts on particular protected characteristics.** Individual decisions should also be informed by the wider context of decisions in your own and other relevant public authorities, so that people with particular protected characteristics are not unduly affected by the cumulative effects of different decisions.
- **Make your decisions based on evidence:** a decision which is informed by relevant local and national information about equality is a better quality decision. Assessments of impact on equality provide a clear and systematic way to collect, assess and put forward relevant evidence.

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- **Make the decision-making process more transparent:** a process which involves those likely to be affected by the policy, and which is based on evidence, is much more open and transparent. This should also help you secure better public understanding of the difficult decisions you will be making in the coming months.

- **Comply with the law:** a written record can be used to demonstrate that due regard has been had. Failure to meet the equality duty may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

### When should your assessments be carried out?

Assessments of the impact on equality must be carried out at a **formative stage** so that the assessment is an integral part of the development of a proposed policy, not a later justification of a policy that has already been adopted. Financial proposals which are relevant to equality, such as those likely to impact on equality in your workforce and/or for your community, should always be subject to a thorough assessment. This includes proposals to outsource or procure any of the functions of your organisation. The assessment should form part of the proposal, and you should consider it carefully **before** making your decision.

If you are presented with a proposal that has not been assessed for its impact on equality, you should question whether this enables you to consider fully the proposed changes and its likely impact. Decisions not to assess the impact on equality should be fully documented, along with the reasons and the evidence used to come to this conclusion. This is important as authorities may need to rely on this documentation if the decision is challenged.

It is also important to remember that the potential impact is not just about numbers. Evidence of a serious impact on a small number of individuals is just as important as something that will impact on many people.

### What should I be looking for in my assessments?

Assessments of impact on equality need to be based on relevant information and enable the decision-maker to understand the equality implications of a decision and any alternative options or proposals.

As with everything, proportionality is a key principle. Assessing the impact on equality of a major financial proposal is likely to need significantly more effort and resources dedicated to ensuring effective engagement, than a simple assessment of a proposal to save money by changing staff travel arrangements.

There is no prescribed format for assessing the impact on equality, but the following questions and answers provide guidance to assist you in determining whether you consider that an assessment is robust enough to rely on:

- **Is the purpose of the financial proposal clearly set out?**

A robust assessment will set out the reasons for the change; how this change can impact on protected groups, as well as whom it is intended to benefit; and the intended outcome. You should also think about how individual financial proposals

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might relate to one another. This is because a series of changes to different policies or services could have a severe impact on particular protected characteristics.

Joint working with your public authority partners will also help you to consider thoroughly the impact of your joint decisions on the people you collectively serve.

**Example:** A local authority takes separate decisions to limit the eligibility criteria for community care services; increase charges for respite services; scale back its accessible housing programme; and cut concessionary travel. Each separate decision may have a significant effect on the lives of disabled residents, and the cumulative impact of these decisions may be considerable. This combined impact would not be apparent if the decisions were considered in isolation.

### • **Has the assessment considered available evidence?**

Public authorities should consider the information and research already available locally and nationally. The assessment of impact on equality should be underpinned by up-to-date and reliable information about the different protected groups that the proposal is likely to have an impact on. A lack of information is not a sufficient reason to conclude that there is no impact.

### • **Have those likely to be affected by the proposal been engaged?**

Engagement is crucial to assessing the impact on equality. There is no explicit requirement to engage people under the equality duty, but it will help you to improve the equality information that you use to understand the possible impact on your policy on different protected characteristics. No-one can give you a better insight into how proposed changes will have an impact on, for example, disabled people, than disabled people themselves.

### • **Have potential positive and negative impacts been identified?**

It is not enough to state simply that a policy will impact on everyone equally; there should be a more in-depth consideration of available evidence to see if particular protected characteristics are more likely to be affected than others. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take particular steps for certain groups to address an existing disadvantage or to meet differing needs.

### • **What course of action does the assessment suggest that I take? Is it justifiable?**

The assessment should clearly identify the option(s) chosen, and their potential impacts, and document the reasons for this decision. There are four possible outcomes of an assessment of the impact on equality, and more than one may apply to a single proposal:

**Outcome 1: No major change required** when the assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

**Outcome 2: Adjustments to remove barriers identified by the assessment or to better advance equality.** Are you satisfied that the proposed adjustments will remove the barriers identified?

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**Outcome 3: Continue despite having identified some potential for adverse impacts or missed opportunities to advance equality.** In this case, the justification should be included in the assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact, as discussed below.

**Outcome 4: Stop and rethink** when an assessment shows actual or potential unlawful discrimination.

### • Are there plans to alleviate any negative impacts?

Where the assessment indicates a potential negative impact, consideration should be given to means of reducing or mitigating this impact. This will in practice be supported by the development of an action plan to reduce impacts. This should identify the responsibility for delivering each action and the associated timescales for implementation. Considering what action you could take to avoid any negative impact is crucial, to reduce the likelihood that the difficult decisions you will have to take in the near future do not create or perpetuate inequality.

**Example:** A University decides to close down its childcare facility to save money, particularly given that it is currently being under-used. It identifies that doing so will have a negative impact on women and individuals from different racial groups, both staff and students.

In order to mitigate such impacts, the University designs an action plan to ensure relevant information on childcare facilities in the area is disseminated to staff and students in a timely manner. This will help to improve partnership working with the local authority and to ensure that sufficient and affordable childcare remains accessible to its students and staff.

### • Are there plans to monitor the actual impact of the proposal?

Although assessments of impact on equality will help to anticipate a proposal's likely effect on different communities and groups, in reality the full impact of a decision will only be known once it is introduced. It is therefore important to set out arrangements for reviewing the actual impact of the proposals once they have been implemented.

### What happens if you don't properly assess the impact on equality of relevant decisions?

If you have not carried out an assessment of impact on equality of the proposal, or have not done so thoroughly, you risk leaving yourself open to legal challenges, which are both costly and time-consuming. Legal cases have shown what can happen when authorities do not consider their equality duties when making decisions.

**Example:** A court overturned a decision by Haringey Council to consent to a large-scale building redevelopment in Wards Corner in Tottenham, on the basis that the council had not considered the impact of the proposal on different racial groups before granting planning permission.



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However, the result can often be far more fundamental than a legal challenge. If people feel that an authority is acting high-handedly or without properly involving its service users or employees, or listening to their concerns, they are likely to be become disillusioned with you.

Above all, authorities which fail to carry out robust assessments of the impact on equality risk making poor and unfair decisions that could discriminate against people with particular protected characteristics and perpetuate or worsen inequality.

As part of its regulatory role to ensure compliance with the equality duty, the Commission monitors financial decisions with a view to ensuring that these are taken in compliance with the equality duty and have taken into account the need to mitigate negative impacts, where possible.

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### APPENDIX Z1: Interest Rate Forecasts 2021 - 2024

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table provides Link's latest central view.

Period	Bank Rate	PWLB Borrowing Rates % (including certainty rate adjustment of 20 basis points)			
		%	5 year	10 year	25 year
Mar 2021	0.10	0.80	1.10	1.50	1.30
Jun 2021	0.10	0.80	1.10	1.60	1.40
Sep 2021	0.10	0.80	1.10	1.60	1.40
Dec 2021	0.10	0.80	1.10	1.60	1.40
Mar 2022	0.10	0.90	1.20	1.60	1.40
Jun 2022	0.10	0.90	1.20	1.70	1.50
Sep 2022	0.10	0.90	1.20	1.70	1.50
Dec 2022	0.10	0.90	1.20	1.70	1.50
Mar 2023	0.10	0.90	1.20	1.70	1.50
Jun 2023	0.10	1.00	1.30	1.80	1.60
Sep 2023	0.10	1.00	1.30	1.80	1.60
Dec 2023	0.10	1.00	1.30	1.80	1.60
Mar 2024	0.10	1.00	1.30	1.80	1.60

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

#### Annual Investment Strategy:

The key requirements of both the CIPFA Code of Practice on Treasury Management in the Public Services and MHCLG's Investment Guidance are to set an annual investment strategy, as part of its annual Treasury Management Strategy for the following year, covering the identification and approval of the following:

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

**Specified investments:** These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under twelve months. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

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

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

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

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fixed deposits with building societies that do not meet the basic security requirements of specified investments, corporate bonds, and property funds. Provision has been made in the Strategy to invest in a limited number of lower rated building societies within the restrictions set out, certificates of deposit with both banks and building societies, and pooled asset funds (should the relevant opportunity arise). The Council will seek guidance on the status of any pooled fund or collective investment scheme it may consider using, and appropriate due diligence will also be undertaken before investment of this type is undertaken.

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

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

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

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

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

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

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Term deposits with banks and building societies	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £25m £20m £15m Not for use**	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use**
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£40m £25m £20m £15m Not for use**	Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use**
Term deposits or CDs with building societies on Link's counterparty list rated 'No colour'	BBB-	£10m	Up to 3 months
Call accounts and notice accounts	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £25m £20m £15m Not for use	Liquid
Pooled asset funds		£50m	At least 5 years

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

\*\*except for those building societies rated BBB- or higher as set out elsewhere in the table.

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

Sole reliance will not be placed on the use of this external service. In addition, the Council will make use of market data and information on any external support for banks to help support its decision-making process.

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

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**Creditworthiness impact of COVID-19:** Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30/6/2020 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. However, during Q1 and Q2 2020, banks made provisions for expected credit losses and the rating changes reflected these provisions.

As we move into future quarters, more information will emerge on actual levels of credit losses (quarterly earnings reports are normally announced in the second half of the month following the end of the quarter). This has the potential to cause rating agencies to revisit their initial rating adjustments from 2020; these adjustments could be negative or positive, although it should also be noted that banks entered this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the Great Financial Crisis; indeed, the Financial Policy Committee (FPC) report on 6th August 2020 revised down their expected credit losses for the UK banking sector to "somewhat less than £80bn". It stated that in its assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the Monetary Policy Committee's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

All three rating agencies have reviewed banks around the world, with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

**CDS price impact of COVID-19:** Although bank CDS prices (market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. The Council's advisers, Link Group, monitor CDS prices as part of their creditworthiness service and the Council has access to this information via its Link-provided Passport portal.

**APPENDIX Z3: Approved Countries for Investment**

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

**AAA**

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

**AA+**

- Canada
- Finland
- USA

**AA**

- Abu Dhabi (UAE)
- France

**AA-**

- Belgium
- Hong Kong
- Qatar
- U.K.

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

#### **Treasury Management Scheme of Delegation**

##### **(i) Full Council**

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

##### **(ii) Public Accounts Committee**

- receiving and reviewing reports on treasury management policies, practices and activities.

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

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

- recommending treasury management policies for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- approval of the division of responsibilities;
- approving the organisation's treasury management practices;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that Members are adequately informed and understand the risk exposures



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taken on by an authority; and

- ensuring that the authority has adequate expertise, either in-house or externally, to carry out the above.