

# Public Accounts Select Committee Agenda

Wednesday, 25 January 2017  
7.00 pm,

Committee room 2  
Civic Suite  
Lewisham Town Hall  
London SE6 4RU

For more information contact: Timothy Andrew (Tel: 0208 31 47916)

This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

## Part 1

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# Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 25 January 2017.

Barry Quirk, Chief Executive  
Tuesday, 17 January 2017

|  |  |
|--|--|
| Councillor Jamie Milne (Chair)         |  |
| Councillor Chris Barnham (Vice-Chair)  |  |
| Councillor Abdeslam Amrani             |  |
| Councillor Brenda Dacres               |  |
| Councillor Amanda De Ryk               |  |
| Councillor Sue Hordijkeno              |  |
| Councillor Mark Ingleby                |  |
| Councillor Roy Kennedy                 |  |
| Councillor Jim Mallory                 |  |
| Councillor Sophie McGeevor             |  |
| Councillor Alan Hall (ex-Officio)      |  |
| Councillor Gareth Siddorn (ex-Officio) |  |

## **MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE Wednesday, 30 November 2016 at 7.00 pm**

PRESENT: Councillors Jamie Milne (Chair), Chris Barnham (Vice-Chair), Amanda De Ryk, Sue Hordijkeno, Mark Ingleby, Jim Mallory and Sophie McGeevor

APOLOGIES: Councillors Brenda Dacres and Roy Kennedy

ALSO PRESENT: Councillor Simon Hooks, Timothy Andrew (Scrutiny Manager), David Austin (Head of Corporate Resources), Jack Fowler (Project Accountant), Freddie Murray (SGM Asset Strategy and Technical Support) and Selwyn Thompson (Head of Financial Services)

### **1. Minutes of the meeting held on 26 October 2016**

Resolved: that the minutes of the meeting held on 26 October 2016 be agreed as an accurate record.

### **2. Declarations of interest**

There were none.

### **3. Responses from Mayor and Cabinet**

There were none.

### **4. Income generation update**

4.1 Selwyn Thompson (Head of Financial Services) introduced the report; the following key points were noted:

- The report was presented in two parts: firstly, there was a section on income generation activities across the Council, which included an update on progress to implement the recommendations from the Committee's income generation review. Secondly, there was an update on the consultant's report about the Council's approach to income generation.
- Updates on advertising income; business intelligence; wireless concessions and fees and charges were provided in the report. Work was also taking place to deliver better deals as part of private finance initiative (PFI) arrangements and Council borrowing.

4.2 Selwyn Thompson (Head of Financial Services), David Austin (Head of Corporate Resources) and Jack Fowler (Project Accountant) responded to questions from the Committee; the following key points were noted:

- There had been a full audit of sites with the potential to deliver advertising income. The nature of the long-term agreements that were required to make income generation from advertising sites viable meant that the number of sites was limited.
- The wireless connections project would not produce as much revenue as had been anticipated.
- Reports from other boroughs on the income from their wireless concessions suggested that the anticipated levels of income had not been realised.

- There was an inherent level of risk involved in income generating activities.
- Projected levels of revenue from income generating projects should be viewed with caution because of the level of uncertainty involved.
- The consultant's report highlighted that there was a lack of 'commercial ethos' amongst officers. It was recognised that there were differences in the way that senior officers understood and applied ideas about income generation and commercial activities.
- There was no reason that Lewisham should be behind other authorities in terms of its income generating activities.
- The Council commissioned and managed a number of major contracts. Income generation also had to focus on commissioning and spending wisely.
- Income generation from traded activities with schools was led by officers in the Children and Young People directorate. Decisions about levels of charging were made in consultation with the schools' forum.
- The Council's levels of fees and charges were regularly reviewed but there were no targets set for generating income.
- Raising charges for services above inflation might be problematic, depending on the statutory and policy considerations related to the delivery of that service.
- Where the Council applied for grants or funding to deliver services, it was most often a requirement of the funding process to ensure that adequate staffing and resources were in place to spend the funding and to guarantee the delivery of the service.
- Most of Council's work was related to meeting the needs of vulnerable people. This did not lend itself easily to creation of markets or the stimulation of demand to increase income.
- The Council could not profit from the delivery of core services. Any profit making activity had to be delivered through a commercial vehicle.
- Many local authorities were looking at ways to sell their services to others. Lewisham had retained the refuse service 'in house' whereas many other authorities had commissioned these services out to private providers, which might enable the Council to provide this service commercially.
- There were some lessons to be learnt from the failed commercialisation model in Shropshire. Particularly, that strong governance arrangements needed to be in place as well as a full understanding of costs and overheads before embarking on this type of initiative.
- The Council had made a decision not to introduce performance related pay.

4.3 Councillor Kevin Bonavia (Cabinet Member for Resources) addressed the Committee, the following key points were noted:

- He was considering the Committee's comments on the consultant's report and would work with officers to produce a timeline of activity, and the resources available, to deliver the next stages of this work.
- In recent years, the Council had been under a substantial level of pressure just to maintain the delivery of day to day services.
- Income generation was a priority, but it was difficult because of the culture of the Council. This applied to both officers and Members.
- Progress was being made in changing the Council's culture but this was not as quick as Members might like.
- There was no 'template for income generation' to follow that had been provided by other authorities. Lewisham had to decide on its own approach and to have its own vision.

Resolved: that the Committee's views be referred to Mayor and Cabinet as follows:

- The Committee welcomes the 'Income Generation Opportunities Review' report by the commercialisation specialist appointed by the Council. Mayor and Cabinet are asked to consider closely the contents of the report.
- The Committee recognises the requirement for a clear commercial strategy. It also endorses the specialist's comments about the need for cultural change.
- The Committee believes that there is a need for focused leadership and accountability in this area. It welcomes proposals put forward by the Cabinet Member for resources to develop a timetable for delivery of activity. The Committee will consider a further update on income generation and commercialisation at its meeting in March 2017.

## **5. Asset management**

5.1 Freddie Murray (SMG Asset Strategy and Technical Support) introduced the report, the following key points were noted:

- The report was split into two parts: the first provided an update on asset management and the second set out the work that was ongoing to generate income from the Council's assets.
- The Council's new in-house asset management system would soon be fully operational.
- The number of Council assets, which were included in the so called 'grey estate' (of which the status was unknown) had been substantially reduced.
- The Council was consolidating assets where possible and better using office space.
- Assets, such as the old town hall in Catford, were also being used to support regeneration activities and economic development.
- Good management of the commercial estate had enabled income from lettings to grow by £200k this year.
- Officers were balancing decisions on land disposals with the potential for income generation from lettings.
- Officers were also considering new models of delivery, such as the pilot private rented sector scheme on Besson Street.
- Officers also gave consideration to meanwhile uses for vacant assets.
- Lewisham had aligned its policy objectives (to provide good quality affordable housing for rent, in the case of Besson Street) with its asset management objectives.
- Officers were also working with colleagues in partner organisations to explore the potential for consolidation of assets for the delivery of similar services.

5.2 Freddie Murray (SGM Asset Strategy and Technical Support) responded to questions from the Committee. The following key points were noted:

- Officers were keen to gather Councillors' local knowledge about the use of assets however, the current focus was on the redevelopment of Catford.
- The report provided a strategic view of the Council's asset management programme. Further financial information, figures and targets in the context of the Council's overall budget could be provided in future updates to the Committee.
- It was agreed that new models of asset management and regeneration being developed might require new kinds of consultation and engagement with local communities.

- There was scope to improve the income from the commercial estate. Officers were working through the current backlog of cases. Further details could be provided in future updates to the Committee.

Resolved: that the report be noted. The Committee also agreed that future updates should include additional details about the relevant budgets and the context of the savings being proposed.

**6. Select Committee work programme**

Resolved: that the Committee's work programme for the meeting on 25 January be agreed.

**7. Referrals to Mayor and Cabinet**

Resolved: that the Committee's views under item four be referred to Mayor and Cabinet.

The meeting ended at 9.15 pm

Chair:

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Date:

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| Public Accounts Select Committee |                          |                 |
|----------------------------------|--------------------------|-----------------|
| Title                            | Declaration of interests |                 |
| Contributor                      | Chief Executive          | Item 2          |
| Class                            | Part 1 (open)            | 25 January 2017 |

## Declaration of interests

Members are asked to declare any personal interest they have in any item on the agenda.

### 1. Personal interests

There are three types of personal interest referred to in the Council's Member Code of Conduct:

- (1) Disclosable pecuniary interests
- (2) Other registerable interests
- (3) Non-registerable interests

### 2. Disclosable pecuniary interests are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person\* for profit or gain
- (b) Sponsorship – payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person\* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member's knowledge, the Council is landlord and the tenant is a firm in which the relevant person\* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:
  - (a) that body to the member's knowledge has a place of business or land in the borough;

(b) and either

- (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person\* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

\*A relevant person is the member, their spouse or civil partner, or a person with whom they live as spouse or civil partner.

### 3. Other registerable interests

The Lewisham Member Code of Conduct requires members also to register the following interests:-

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party
- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25

### 4. Non registerable interests

Occasions may arise when a matter under consideration would or would be likely to affect the wellbeing of a member, their family, friend or close associate more than it would affect the wellbeing of those in the local area generally, but which is not required to be registered in the Register of Members' Interests (for example a matter concerning the closure of a school at which a Member's child attends).

### 5. Declaration and Impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take not part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in



consideration of the matter and vote on it unless paragraph (c) below applies.

- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their, family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.
- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

## **6. Sensitive information**

There are special provisions relating to sensitive interests. These are interests the disclosure of which would be likely to expose the member to risk of violence or intimidation where the Monitoring Officer has agreed that such interest need not be registered. Members with such an interest are referred to the Code and advised to seek advice from the Monitoring Officer in advance.

## **7. Exempt categories**

There are exemptions to these provisions allowing members to participate in decisions notwithstanding interests that would otherwise prevent them doing so. These include:-

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

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| <b>Public Accounts Select Committee</b> |  |                       |
|---|--|-----------------------|
| <b>Report Title</b>                     | Mayoral response to the comments of the Select Committee on Income Generation  |                       |
| <b>Key Decision</b>                     | No   | Item No 3             |
| <b>Ward</b>                             | All  |                       |
| <b>Contributors</b>                     | Executive Director for Resources & Regeneration (Head of Business & Committee) |                       |
| <b>Class</b>                            | Part 1   | Date: 25 January 2017 |

## 1. Summary

This report informs members of the response given at Mayor and Cabinet to a referral in respect of discussions which the Public Accounts Select Committee considered on 30 November 2016.

## 2. Purpose of the report

To report to members the response given at Mayor and Cabinet to recommendations made by the Select Committee regarding Income Generation.

## 3. Recommendation

The Select Committee is recommended to receive the Mayoral response to their comments on Income Generation.

## 4. Background

- 4.1 The Mayor considered the attached report entitled “Comments of the Public Accounts Select Committee on the income generation update” at the Mayor & Cabinet meeting held on January 11 2017.

## 5. Mayoral response

- 5.1 The Mayor received an officer report and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia.
- 5.2 The Mayor resolved that the comments and views of the Select Committee, as set out, be noted as requested and that the Select Committee should be informed that Officers were in the process of preparing an Action Plan which would be considered by the Select Committee before it was presented to Mayor & Cabinet. It was intended that the Action Plan should be completed in Spring 2017.

## **Background papers**

Mayor & Cabinet minutes 11 January 2017

If you have any queries on this report, please contact Sarah Assibey, Committee Support Officer, 0208 314 8975

| <b>PUBLIC ACCOUNTS SELECT COMMITTEE</b> |   |          |                 |
|---|---|----------|-----------------|
| <b>Title</b>                            | Temporary Accommodation Pressures & Pan-London Working Update |          |                 |
| <b>Key Decision</b>                     | No  | Item No. | 4               |
| <b>Ward</b>                             | All   |          |                 |
| <b>Contributors</b>                     | Executive Director for Customer Services                      |          |                 |
| <b>Class</b>                            | Part 1  | Date:    | 25 January 2017 |

## 1. Summary

- 1.1 In July 2015 Public Accounts Select Committee were presented with a financial forecast report for 2015/16. The report forecasted a £2.4m overspend in the Strategic Housing service for 2015/16, solely relating to expenditure on Nightly Paid temporary accommodation.
- 1.2 It was noted during the meeting that this was a London-wide issue and that the Council was undertaking a variety of activities to manage housing demand, increase supply and to reduce the costs in this area. This included participating in a pan-London scheme intended to restrict the ability of landlords to charge excessive rents to boroughs procuring temporary accommodation. Public Accounts Committee recognised that collaboration with other boroughs was needed to tackle this issue.
- 1.3 The report outlined that the number of households in Nightly Paid accommodation sourced by Lewisham had increased from 382 in May 2014 to 586 in May 2015, following a peak of 616 in February 2015. This sharp increase in the need for such accommodation was a significant factor in the anticipated overspend.
- 1.4 In March 2016 Public Accounts Select Committee noted that they would like an update on the outcomes of the Pan-London scheme mentioned in the report of July 2015.
- 1.5 The latest published figures from DCLG show that at the end of September 2016 over 53,000 households were housed in temporary accommodation by London Boroughs. Over 19,000 of these households were in Nightly Paid accommodation.
- 1.6 At the end of December 2016 there were over 1,810 households in temporary accommodation arranged by Lewisham, of which over 500 were in Nightly Paid accommodation.
- 1.7 The council has adopted an innovative and multi-faceted approach to reducing the number of households in Nightly Paid accommodation. Through this approach the council has been able to reduce and stabilise

the number of households in Nightly Paid accommodation despite a challenging housing climate.

- 1.8 The number of homelessness cases accepted by the Council has remained high since 2013/14 and shows no sign of abating. This is matched by a decrease in the number of lets available over this period, both of which have contributed to the significant increase in the number of households in temporary accommodation. However, the number of households in nightly paid accommodation has reduced from the high of 616 to 505 as at the end of December 2016 and has stabilised at this level during recent months.
- 1.9 House price increases in Lewisham have been higher than increases across London for the past year, providing landlords with an incentive to seek higher rents than the council can afford or to sell their property whilst prices remain high. This is further exacerbated by a shortfall of new supply of all forms of housing.

## **2. Recommendations**

It is recommended that the Public Accounts Select Committee:

- 2.1 Note the current situation, policy context and pressures concerning the use of temporary accommodation for homeless households.
- 2.2 Note the outcomes of Pan-London action to restrict Nightly Paid rates to date and the operation of the IBTAA to date.

## **3. Policy Context**

- 3.1 The contents of this report are consistent with the Council's policy framework. It supports the achievements of the Sustainable Community Strategy policy objectives:

- Ambitious and achieving: where people are inspired and supported to fulfil their potential.
- Empowered and responsible: where people can be actively involved in their local area and contribute to tolerant, caring and supportive local communities.
- Healthy, active and enjoyable: where people can actively participate in maintaining and improving their health and well-being, supported by high quality health and care services, leisure, culture and recreational activities.

- 3.2 The proposed recommendations are also in line with the Council policy priorities:

- Decent homes for all - Investment in social and affordable housing, improve housing conditions and tackle homelessness

3.3 It will also help meet the Council's Housing Strategy 2015-2020 in which the Council commits to the following key objectives:

- Helping residents at times of severe and urgent housing need
- Building the homes our residents need
- Greater security and quality for private renters
- Promoting health and wellbeing by improving our residents' homes

#### **4. Background**

4.1 Changes in the Local Housing Allowance introduced by the government in 2015, combined with the increasing cost of housing in London and a shortage of affordable homes have caused a significant increase in the number of households in nightly paid accommodation and the costs of such accommodation.

4.2 London Boroughs developed the Inter-Borough Temporary Accommodation Agreement (IBTAA) in 2004.

4.3 The IBTAA was updated in 2011 to take account of the changes that had occurred since the original agreement was signed.

4.4 The refreshed agreement was based on a number of underlying principles, designed to ensure that boroughs which were receiving larger numbers of placements than they were making were not unduly disadvantaged, to prevent authorities from competing to outbid each other, to safeguard vulnerable households and to ensure relevant data was shared across authorities.

4.5 Data is collected from boroughs on a quarterly basis for the purposes of monitoring and analysis in line with the agreed principles.

#### **5. Lewisham Context**

5.1 The shortage of supply of both social housing and affordable private rented accommodation in Lewisham continues to lead to high demand on the Housing Needs Service. There has been an 89% increase in the number of households in temporary accommodation between 2010/11 and 2015/16 – and as at the end of December 2016 there were over 1,810 homeless households in temporary accommodation.

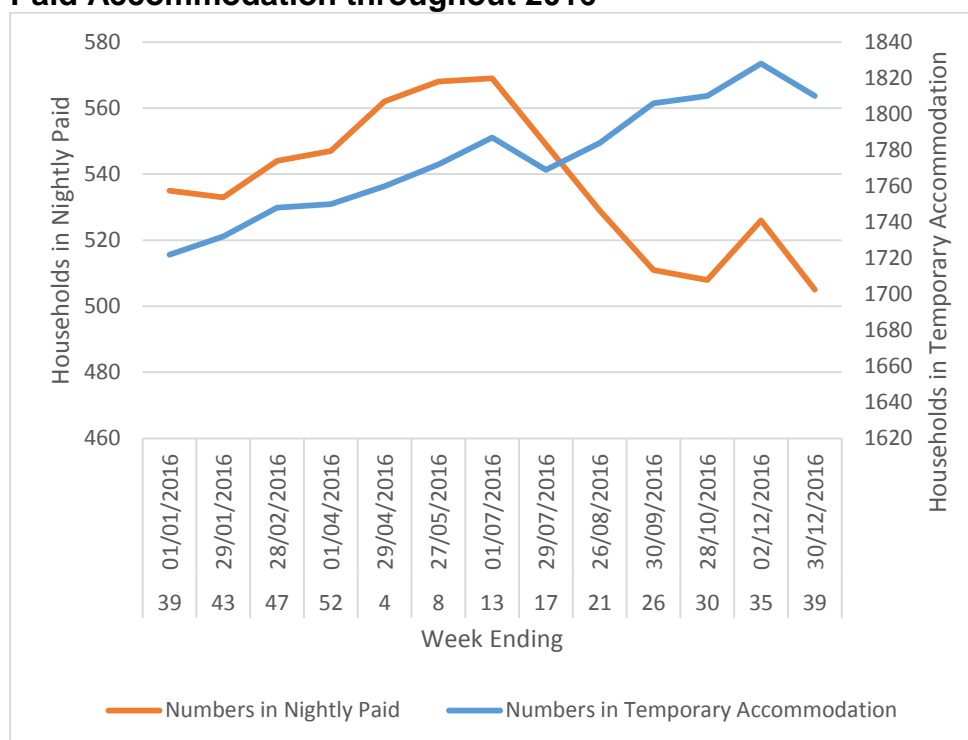
5.2 There has been a 45% increase in the number of households housed in temporary accommodation by London boroughs in the same period. As at the end of March 2011 there were 35,830 households in temporary accommodation sourced by London boroughs and at the end of March 2016 this was 51,940. The total number in temporary accommodation arranged by local authorities in England as at the end of March 2016 was

71,540, meaning that London boroughs were responsible for 73% of placements in England.

- 5.3 A wide range of approaches have been deployed to manage demand, by preventing homelessness wherever possible and increasing the supply of permanent housing. This has enabled officers to reduce the use of nightly paid accommodation, focussing on the most expensive properties, and to increase the quality of the accommodation that is available to the Council.
- 5.4 The Council has redesigned its Housing Options service and has renewed its focus on increasing Homelessness Prevention.
- 5.5 Policy changes have enabled the council to provide more affordable homes for homeless families out of the borough and out of London where this is appropriate and meets the needs of the family.
- 5.6 Working with Lewisham Homes and the Housing Needs Procurement Service a successful strategy has been deployed to increase the provision of temporary accommodation in-borough by over 130 properties. This includes acquiring over 60 properties on the open market, converting a former care home at Hamilton Lodge into 21 units of temporary accommodation, converting a long term empty office block at Kelvin House into 27 units of temporary accommodation and constructing 24 new two bedroom units for homeless families at PLACE Ladywell. These properties are more sustainable and less costly than the previously available alternatives.
- 5.7 The expansion of the council's temporary accommodation portfolio combined with a renewed focus on prevention and a redesigned service has enabled the council to reduce the number of households in Nightly Paid accommodation to 505 as at the end of December 2016. This represents a 16% reduction on the numbers in such accommodation in February 2015. The below graph outlines the ongoing increase in the number of households in temporary accommodation arranged by Lewisham in 2016 and the reduction in the use of Nightly Paid accommodation over the same period.



## Number of Households in Temporary Accommodation & Nightly Paid Accommodation throughout 2016



- 5.8 Between 2010/11 and 2015/16 the number of affordable properties to let has decreased by 40%. The Council has over 9,400 individuals and families on the Housing Register and this figure is increasing annually.
- 5.9 In the 2015-16 financial year, the Local Authority spent £14.6m on Bed and Breakfast type accommodation before income; with rental charges to clients, the net spend was £3.9m (an increase from £3.5m in 2014/15 and £1.5m in 2013/14). Additionally, in the 2015-16 financial year, £8.9m was spent on PSL and £2.3m on hostels before income.
- 5.10 For the past 3 financial years, the PSL & Hostel services have operated at no net cost to the council. However, as demand for temporary accommodation has consistently outstripped supply and continues to do so, it has not been possible to place all households into these forms of temporary accommodation.
- 5.11 LHA rates have been capped for the foreseeable future, which creates an additional pressure as the cost of renting increases rapidly in Lewisham and London more generally.
- 5.12 It is expected that demand for services will continue to increase as a consequence of government policies such as the Homelessness Reduction Bill, which recommends significant changes to the existing approach to homelessness is progressing through parliament and will have significant resource implications for the Council. The reduction of

the benefit cap from £26,000 per annum to £23,000 per annum is also anticipated to increase the demand for services.

## **6. Pan-London Agreement**

- 6.1 The existing Inter-Borough Accommodation Agreement refreshed in 2011 took account of ongoing changes to the funding allocation for temporary accommodation and to eligible LHA rates. The renewed agreement sought to reflect the new realities with regards to homelessness in London and to foster a collaborative approach that worked best for all boroughs.
- 6.2 Four key principles were re-iterated in the 2011 agreement and these form the essence of this Pan-London approach.
- All boroughs agree not to offer a landlord or supplier more than the host borough offers for a property in its area.
  - All boroughs placing a household in another borough will inform the host borough of the placement.
  - Boroughs will avoid placing the most vulnerable households in other boroughs.
  - RSLs procuring HALS or HALD will offer these properties to the host borough in the first instance.
- 6.3 The four principles seek to control costs through restricting councils from out-bidding each other, to support other boroughs through information sharing, to protect vulnerable households and to allow boroughs first choice on certain types of accommodation becoming available in their borough.
- 6.4 Rates are set across boroughs based on the LHA rate(s) which are applicable in the area. These rates also take into account the cost of accommodation across boroughs and include input from officers across authorities to ensure they are reflective of actual costs.
- 6.5 Where a placement is made which breaches the rates agreed in an area, authorities are requested to provide additional detail as to why this breach has occurred so this can be monitored.
- 6.6 The current maximum rates for Nightly Paid accommodation in Lewisham are as below:

**Self-Contained Nightly Paid Accommodation Rates (including utilities) and available LHA Rates**

|        | <b>Inner SE London</b> | <b>Inner SE London LHA Rate</b> | <b>Outer SE London</b> | <b>Outer SE London LHA Rate</b> |
|--------|------------------------|---------------------------------|------------------------|---------------------------------|
| Studio | £36                    | £30.19                          | £35.50                 | £25.74                          |
| 1 Bed  | £41                    | £38.35                          | £39                    | £30.19                          |
| 2 Bed  | £51.50                 | £44.29                          | £46                    | £35.24                          |
| 3 Bed  | £63                    | £59.12                          | £53.50                 | £44.29                          |
| 4 Bed  | £80                    | £73.96                          | £56                    | £56.15                          |

**Shared Nightly Paid Accommodation Rates (including utilities) and available LHA Rates**

|        | <b>Inner SE London</b> | <b>Inner SE London LHA Rate</b> | <b>Outer SE London</b> | <b>Outer SE London LHA Rate</b> |
|--------|------------------------|---------------------------------|------------------------|---------------------------------|
| Single | £27                    | £30.19                          | £25                    | £25.74                          |
| Double | £35                    | £30.19                          | £30                    | £25.74                          |
| Triple | £45                    | £30.19                          | £30                    | £25.74                          |
| Quad   | £51                    | £30.19                          | £30                    | £25.74                          |

6.7 Rates are also set to limit the amount which can be paid for temporary accommodation which is leased in the borough. These rates are as follows.

**Leased Temporary Accommodation Rates and available LHA Rates**

|        | <b>Inner SE London</b> | <b>Inner SE London LHA Rate</b> | <b>Outer SE London</b> | <b>Outer SE London LHA Rate</b> |
|--------|------------------------|---------------------------------|------------------------|---------------------------------|
| Studio | £249.08                | £211.34                         | £206.02                | £161.02                         |
| 1 Bed  | £249.08                | £211.34                         | £206.02                | £180.19                         |
| 2 Bed  | £310.29                | £268.47                         | £243.11                | £211.34                         |
| 3 Bed  | £375.72                | £310                            | £287.40                | £246.66                         |
| 4 Bed  | £462.02                | £413.84                         | £357.77                | £310                            |

**7. Impacts of the IBTAA**

- 7.1 Whilst the net expenditure on Nightly Paid accommodation increased by £1.75m between 2013/14 and 2014/15 and by £780,000 between 2014/15 and 2015/16, this was primarily a consequence of the significant increase in the number of households placed into temporary accommodation rather than any general increase in costs during this period.
- 7.2 Whilst the drivers behind the demands for - and cost of - temporary accommodation are varied, between April 2015 and September 2016, the average rate for Nightly Paid accommodation remained largely static.
- 7.3 Financial modelling undertaken in September 2015 sought to compare the projected cost of nightly paid accommodation if the rates paid remained the same, compared to what it would be if the rates charged were as those set by the IBTAA.

- 7.4 According to this model, if the Council was paying September 2015 rates for its current nightly paid portfolio, this would cost nearly £3.9m this financial year. However the Council is currently forecasting a spend of £3m on nightly paid accommodation this financial year.
- 7.5 This means that the Council is spending £900k a year less on TA than it would have had it continued to pay the rates it was paying in September 2015. This will be down to a number of factors, but the IBTAA will have made a significant contribution to this reduced spend.
- 7.6 Under 5% of recorded placements across London were in breach of the agreed rates in 2015/16, whilst in the first 2 quarters of 2016/17 just over 3% of all placements made into the borough of Lewisham were in breach of the agreed rate. This suggests that compliance with the IBTAA is generally high, and breaches are usually only due to the unavailability of any other accommodation at the time that emergency accommodation was required.

## **8. Future Pressures & Initiatives**

- 8.1 The Homelessness Reduction Bill is currently progressing through parliament. This bill recommends significant changes to the existing approach to homelessness and would have a significant cost impact to the authority, including a requirement for an additional enhanced service and the provision of additional temporary accommodation in some circumstances.
- 8.2 DCLG has undertaken an informal consultation regarding proposed changes to the existing Temporary Accommodation management fee structure. The new funding structure will apply as of 1<sup>st</sup> April 2017 and whilst guarantees have been made that no authority will be worse off in 2017/18 it is not known what impact this might have beyond 2017/18.
- 8.3 Nightly Paid Accommodation is currently forecast to come under budget in 2016/17 due to a combination of increased budget and the aforementioned work to reduce the numbers in Nightly Paid.
- 8.4 It is becoming increasingly challenging to keep the Private Sector Leasing scheme within budget. Properties which have been leased are being handed back at a quicker rate than new properties can be signed up for this scheme, as rising house prices and a shift in the market reduce the appeal of this particular offer.
- 8.5 Landlords are increasingly opting to sign up to a Privately Managed Accommodation agreement, in which the Council pays the maximum rate possible and the landlord or their agent provide a housing management service. This may have financial implications for the Council as it results in the management fee being paid to the landlord or

agent rather than being held by the authority, and as it is increasingly becoming the model for leasing properties from the private sector.

8.6 The acquisition programme has been successful in allowing Lewisham Homes to purchase suitable individual properties on the open market and to offer appropriate, flexible tenancies to households in a manner that the Council could not through a similar scheme. Over 60 properties have been acquired to date through this programme, the majority of which are being used as temporary accommodation. A further loan has been agreed to develop and expand this programme.

8.7 80% of two bedroom properties and 70% of three bedroom properties which become available through the councils Allocations scheme are being prioritised for Homeless families in accordance with the council's Annual Lettings Plan. Whilst in the short term this leads to a larger number of void properties and the according loss of revenue, this enables the council to move households out of expensive Nightly Paid accommodation quicker and thus generates a longer-term saving.

**9. Financial Implications**

9.1 There are no specific financial implications to this report.

**10. Legal Implications**

9.1 There are no specific legal implications to this report.

**10 Equality Implications**

10.1 There are no specific equalities implications to this report.

**11. Human Rights Implications**

11.1 There are no specific human rights implications to this report.

**12. Environmental Implications**

12.1 There are no specific environmental implications to this report.

**13. Background Documents and Report Author**

13.1 If you require further information about this report please contact

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# Agenda Item 5

| Public Accounts Select Committee |                           |                 |
|----------------------------------|---------------------------|-----------------|
| Title                            | ICT shared service update |                 |
| Contributor                      | Scrutiny Manager          | Item 5          |
| Class                            | Part 1 (open)             | 25 January 2017 |

## 1. Purpose

- 1.1 Officers requested that an urgent item on the implementation of the ICT shared service be added to the Public Accounts Select Committee agenda in order to provide the Committee with an update on the Council's ongoing work to expand the Service to incorporate the London Borough of Southwark. It is also proposed that the update include the implications of the proposed second phase of the implementation of the shared service for application support and staffing arrangements in Lewisham.

## 2. Recommendations

- 2.1 The Committee is recommended to receive the presentation and direct questions to officers in attendance at the meeting on 25 January 2017.

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| <b>Public Accounts Select Committee</b> |  |                 |
|---|--|-----------------|
| Title                                   | Financial Forecasts 2016/17  |                 |
| Contributor                             | Executive Director for Resources and Regeneration (Head of Financial Services) | Item 6          |
| Class                                   | Part 1 (open)  | 25 January 2017 |

## 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecasts for 2016/17 as at 30<sup>th</sup> November 2016, reporting on any exceptional items to the end of December 2016. The key areas to note are as follows:
- i. There is a forecast overspend of £11.6m against the directorates' net general fund revenue budget, an increase of £2m compared to the position reported in August 2016. This is set out in more detail in sections five to nine of this report. It compares to a final outturn of £3.1m for 2015/16 which resulted after applying £3.2m of funding for 'risks and other budget pressures' against the directorates' year-end overspend of £6.3m for that year.
  - ii. The Dedicated Schools Grant (DSG) is expected to be balanced at the year end.
  - iii. It is expected that there will be nine schools that require a licensed deficit. This is set out in more detail in section 11 of this report.
  - iv. It is expected that following the academy conversion order for Sedgehill School, the school's deficit will be written off against the schools' contingency.
  - v. The Housing Revenue Account (HRA) is currently projecting a surplus of £1.1m, but this will be reinvested to maintain a balanced budget position. This is set out in more detail in section 12 of this report.
  - vi. As at 30<sup>th</sup> November 2016, some 67.4% of council tax due and 74% of business rates due had been collected. At this point last year, 67.1% of council tax due and 78.7% of business rates due had been collected. This is set out in more detail in section 13 of this report.
  - vii. For the 2016/17 capital programme, at 30<sup>th</sup> November 2016 some £37.5m or 44% of the revised budget had been spent, which is below the profile figure expected if the programme is to be delivered in full. The comparable figure to 30<sup>th</sup> November last year was 42% of the budget of £130.9m, with the final outturn being 80% of the revised budget of £118.1m. This is set out in more detail in section 14 of this report.

## 2. PURPOSE

- 2.1 The purpose of this report is to set out the financial forecasts for 2016/17 as at the end of November 2016, and also reporting on any exceptional items to the end of December 2016, projected to the year end.

### 3. RECOMMENDATION

- 3.1 The Public Accounts Select Committee is recommended to:
- 3.2 Note the current financial forecasts for the year ending 31 March 2017 and the action being taken by the Executive Directors to manage down the forecasted year-end overspend.

### 4. POLICY CONTEXT

- 4.1 Reporting financial results in a clear and meaningful format contributes directly to the council's tenth corporate priority: inspiring efficiency, effectiveness and equity.

### 5. DIRECTORATE FORECAST OUTTURN

- 5.1 The forecasts against the directorates' general fund revenue budgets are shown in Table 1 below. In summary, a forecast year-end overspend of £11.6m is being reported as at the end of November 2016. At the same time last year, an overspend of some £8.1m was forecast. Members should note that for 2016/17, there is a sum of £3.75m held corporately for managing 'risks and other budget pressures' which emerge during the year. As in previous years, the Executive Director for Resources and Regeneration will give due consideration as to when it might be appropriate to apply this sum to alleviate budget pressures. This consideration will happen towards the end of the financial year, after assessing the progress that has been made to manage down the current forecast overspend.

**Table 1 – Overall Directorate position for 2016/17**

| Directorate                 | Gross budgeted spend | Gross budgeted income | Net budget   | Forecast Outturn 2016/17 | August 2016/17 Forecast |
|-----------------------------|----------------------|-----------------------|--------------|--------------------------|-------------------------|
|                             | £m                   | £m                    | £m           | £m                       | £m                      |
| Children & Young People (1) | 61.6                 | (14.0)                | 47.6         | 5.3                      | 4.5                     |
| Community Services          | 170.0                | (76.9)                | 93.1         | 3.4                      | 3.1                     |
| Customer Services (2)       | 101.5                | (57.0)                | 44.5         | 3.3                      | 2.2                     |
| Resources & Regeneration    | 73.9                 | (46.9)                | 27.0         | (0.4)                    | (0.2)                   |
| <b>Directorate Totals</b>   | <b>407.0</b>         | <b>(194.8)</b>        | <b>212.2</b> | <b>11.6</b>              | <b>9.6</b>              |
| Corporate Items             | 24.0                 | 0.0                   | 24.0         | 0.0                      | 0.0                     |
| <b>Net Revenue Budget</b>   | <b>431.0</b>         | <b>(194.8)</b>        | <b>236.2</b> | <b>11.6</b>              | <b>9.6</b>              |

(1) – gross figures exclude £309m of Dedicated Schools' Grant and other school related expenditure and matching grant income

(2) – gross figures exclude approximately £220m of matching income and expenditure for housing benefits.

- 5.2 Similar to the scale of the variances projected last year, the current overspending projections are significantly greater than those in recent earlier years. This suggests that the council continues to face budget pressures of a different order than normal.
- 5.3 Delivering a large package of revenue budget savings for 2016/17 is managerially complex and challenging. There is an inherent risk that some savings will be delivered later than planned, which would result in overspends within the year. As a result, officers will continue to focus on monitoring the progress of savings being implemented.

## 6. CHILDREN AND YOUNG PEOPLE'S SERVICES

- 6.1 As at the end of November 2016, the children and young people's directorate is forecasting a £5.3m overspend. At the same time last year, the year-end forecast was an overspend of £6.8m, with the actual year-end outturn being an overspend of £7.4m.

**Table 2 – Children & Young People Directorate**

| Service Area  | Gross budgeted spend | Gross budgeted income – including grants* | Net budget  | Forecast Outturn 2016/17 | Forecast over/ (under) spend |
|---|----------------------|---|-------------|--------------------------|------------------------------|
|   | £m                   | £m  | £m          | £m                       | £m                           |
| Children's Social Care – includes No Recourse to Public Funds | 43.4                 | (1.5)                                     | 41.9        | 45.7                     | 3.8                          |
| Education, Standards and Inclusion                            | 4.0                  | (2.7)                                     | 1.3         | 1.4                      | 0.1                          |
| Targeted Services and Joint Commissioning                     | 14.2                 | (8.5)                                     | 5.7         | 7.1                      | 1.4                          |
| Schools   | 0.0                  | (1.3)                                     | (1.3)       | (1.3)                    | 0.0                          |
| <b>Total</b>  | <b>61.6</b>          | <b>(14.0)</b>                             | <b>47.6</b> | <b>52.9</b>              | <b>5.3</b>                   |

\* The government grants include the Adoption Reform Grant, SEND reform grant, Troubled Families grant and Music grant

- 6.2 The most significant cost pressures for the directorate fall within the *children's social care* division which amounts to £3.8m. This includes a forecast underspend of £0.2m on the *no recourse to public funds* budget. The key issues relating to the directorate's budget pressures have been set out in the following paragraphs.
- 6.3 The placement budget for *looked after children* is currently forecast to overspend by £2.3m with the current number of looked after children totalling 452.
- 6.4 *Children leaving care* is currently forecast to overspend by £0.4m. The overspend as at the end of last year was £1.3m. The reduction has been achieved through better procurement of accommodation and reducing numbers.
- 6.5 There is an additional pressure on the *Section 17* unrelated to no recourse to public funds of £0.6m and on salaries and wages which show a forecast overspend of £0.7m. This has mainly been created by greater use of agency of the last three months.
- 6.6 The other main budget pressure in the rest of the directorate is on schools' transport within the partnerships and targeted services area. The final outturn on schools' transport at end of 2015/16 was an overspend of £0.9m. In 2016/17, it is expected to be £0.7m. Members should note that the review of fleet and passenger transport services continues to progress. This is a cross council review and is expected to report back on its initial findings in the new year.
- 6.7 There were savings proposals to put forward on Attendance and Welfare, occupational therapy, Education Psychologists and Multi agency planning that will not be delivered in full this year and a shortfall of £0.4m is expected. The short breaks budget is expected to overspend by £0.3m.

- 6.8 The key unit costs and activity levels within children’s social care are summarised in the following table.

**Table 3 – Fostering Client Numbers**

| Placement type            | Average weekly unit costs |               | Client numbers |
|---------------------------|---------------------------|---------------|----------------|
|                           | Nov’ 2016 (£)             | Nov’ 2015 (£) | November 2016  |
| Local authority fostering | 426                       | 414           | 183            |
| Agency fostering          | 912                       | 902           | 154            |
| Residential homes         | 3,723                     | 3,672         | 60             |

- 6.9 The unit cost information set out in the table above demonstrates the importance of the directorate’s strategy for shifting the balance of provision towards fostering, as well as reducing costs.

## 7. COMMUNITY SERVICES

- 7.1 As at the end of November 2016, the community services directorate is forecasting an overspend on £3.4m. At the same time last year, the year-end forecast was an underspend of £0.2m, with the actual year-end outturn being an underspend of £1.2m.

**Table 4 – Community Services Directorate**

| Service Area                        | Gross budgeted expenditure | Gross budgeted income | Net budget  | Forecast Outturn 2016/17 | Forecast over/ (under) spend |
|-------------------------------------|----------------------------|-----------------------|-------------|--------------------------|------------------------------|
|                                     | £m                         | £m                    | £m          | £m                       | £m                           |
| Adult Services Division             | 106.6                      | (36.3)                | 70.4        | 73.9                     | 3.5                          |
| Cultural and Community Development  | 18.9                       | (7.3)                 | 11.6        | 11.1                     | (0.5)                        |
| Public Health                       | 17.6                       | (18.1)                | (0.5)       | 0.8                      | 1.3                          |
| Crime Reduction & Supporting People | 18.5                       | (8.6)                 | 9.9         | 9.1                      | (0.8)                        |
| Strategy & Performance              | 12.9                       | (11.3)                | 1.7         | 1.6                      | (0.1)                        |
| <b>Total</b>                        | <b>174.5</b>               | <b>(81.5)</b>         | <b>93.1</b> | <b>96.5</b>              | <b>3.4</b>                   |

- 7.2 The *adult services* division is forecast to overspend by £3.5m. The placement budgets, which has a projected overspend £3.8m, remains volatile in particular. The increase since the last period reflects increased costs of residential care in older adults’ placements and changes associated with the reletting of contracts for home care at rates which include both travel time and London Loving Wage. The greatest pressures remain on learning disability where the costs of transition clients has added an estimated £2m to adult budgets over the past two financial years. This has been identified as a financial risk, but has not been funded. The increase since last period relates to transport costs.
- 7.3 The projected overspend includes expected pressures, identified as budget risks, from learning disability transition cases and Deprivation of Liberty Safeguards (DOLS) work of £0.2m. Revenue budget savings of £2.5m have been agreed for adult social care for 2016/17. Most of these have either already been achieved in full or will be achieved in the coming months. The impact of these is reflected in

the projections. The current projections also assume use of £0.4m of the Care Act funding which is being held corporately.

- 7.4 In 2015/16, underspends on the original Better Care Fund (BCF) plan were used to address pressures within adult social care. In 2016/17, there are again likely to be underspends against the BCF programme as several larger schemes have yet to start. No formal decisions have yet been taken about the application of this underspend, however it is likely that part of the projected £1.4m underspend against the original programme will be available to fund existing adult social care spend that meets the criteria of the BCF. Decisions on allocation will be taken by the Secion 75 Board, but the projections in this report assume that 50% (£700k) is applied to the ASC budget in 2016/17.
- 7.5 The *cultural and community services division* is forecasting an underspend of £0.5m. There is a projected underspend on the budget for the main leisure management contract and associated dilapidations budgets for the leisure centres of just over £0.3m. The core contract value has reduced over the last few years to reflect the increases in projected usage which were included in the original contract profile. There is potentially a further £0.3m underspend on the dilapidations budget. This is not currently being included in the monitoring position pending a decision on setting up an earmarked reserve/sinking fund to cover future capital investment in the leisure centre infrastructure. The current dilapidations budget forms part of the agreed package of savings totalling £1m for leisure management for the 2017/18 financial year and it is considered prudent to set some of this year's unused funding aside to cover future unforeseen events. An underspend of £0.15m is projected on the Libraries Service (including Deptford Lounge); this primarily reflects the decision to reduce discretionary service expenditure to address the budget pressures elsewhere in the directorate. There are a number of more minor variances across the division covering the budgets for the core staffing budget for *cultural and community development* team, the *Broadway Theatre, community sector grants* and *community centres* - at this stage these variances largely balance each other out.
- 7.6 In addition to the Council's £2m savings target across 2016/17 and 2017/18 for *public health*, these services are also subject to deliver a £2.08m reduction in grant funding in 2016/17 with further reductions expected in the next two financial years. Across 2016/17 and 2017/18, the service therefore has to identify savings in excess of £4m. Action has already been taken to reduce discretionary spend and a report to Mayor & Cabinet in October 2016 proposed consultation on a further set of disinvestments. However, it will not be possible to reduce spend in the current financial year by the full level of the funding reduction and an overspend of £1.3m is projected. This includes a pressure of £0.2m on school nursing budgets.
- 7.7 An underspend of £0.8m is projected on *crime reduction and supporting people*. There is a £0.4m projected underspend on the Supporting People Programme. This is arising mainly from the early achievement of the agreed 2017/18 contract savings. Elsewhere in the division, there is a projected underspend of £0.15m across staffing and operational budgets in the *crime, enforcement & regulation services*. There is also a further underspend of £0.2m in the budget for the *prevention & inclusion service*, primarily staffing related pending a restructure. There is also an underspend of £0.3m on *core drug & alcohol service*. Both of these services are largely funded via public health grant and these underspends are helping to ease the overall pressure on public health funding. The divisional underspends of £1.1m are being partially offset by the projected overspend of

£0.3m on the *youth offending service* budget. This overspend relates mainly to the budget for secure remand placements and has resulted from a combination of a reduction in government grant funding coupled with a significant upturn in the level of remand placements required by the courts.

- 7.8 The *strategy and performance* service which included the directorate management team budget is projected to underspend by £0.1m due to staff vacancies. This budget also includes the proportion of the BCF budget managed by the Clinical Commissioning Group.

## 8. CUSTOMER SERVICES

- 8.1 As at the end of November 2016, the forecast overspend for the Customer Services directorate is £3.3m. At the same time last year, the year-end forecast was an overspend of £3.6m, with the actual year-end outturn being an overspend of £3.9m.

**Table 5 – Customer Services Directorate**

| Service Area      | Gross budgeted spend | Gross budgeted income | Net budget  | Forecast Outturn 2016/17 | Forecast over/ (under) spend |
|-------------------|----------------------|-----------------------|-------------|--------------------------|------------------------------|
|                   | £m                   | £m                    | £m          | £m                       | £m                           |
| Strategic Housing | 25.7                 | (20.2)                | 5.5         | 6.2                      | 0.7                          |
| Environment       | 35.7                 | (16.8)                | 18.9        | 20.8                     | 1.9                          |
| Public Services*  | 32.5                 | (19.0)                | 13.5        | 13.9                     | 0.4                          |
| Strategy & IMT    | 7.6                  | (1.0)                 | 6.6         | 6.9                      | 0.3                          |
| <b>Total</b>      | <b>101.5</b>         | <b>(57.0)</b>         | <b>44.5</b> | <b>47.8</b>              | <b>3.3</b>                   |

\* -excludes £220m of matching income and expenditure in respect of housing benefits

- 8.2 The *strategic housing service* is projecting an overspend of £0.7m. This relates to the action taken to manage the demand for temporary accommodation in the borough.
- 8.3 The number of people in nightly paid accommodation tenancies as at end of November 2016 was 530, compared to 523 reported in October 2016. This compares to 563 reported at the same period in 2015/16. Whilst there has been a slight increase in cases this month, the reduction in numbers over the year, together with the actions taken to manage costs has resulted in a balanced nightly paid accommodation budget. Measures taken to achieve this has, however, resulted in additional costs elsewhere within the strategic housing budget.
- 8.4 The *private sector leasing scheme (PSL)* is currently showing an overspend of £0.6m. This is due to a higher turnover of tenants as a result of actions to reduce the number of families in nightly paid accommodation and an increasing number of landlords withdrawing from the scheme and returning to the more lucrative private sector market. Both scenarios result in a loss of rental income and increased repairs and maintenance costs. These costs can be partially offset by balances set aside at the beginning of the PSL scheme for this purpose, but this is only a short term solution. Officers are currently looking into longer term options to supplement or replace the PSL scheme.
- 8.5 Incentives paid to landlords also contribute to the overspend. The council is projecting to pay £0.6m in incentives as a means of reducing the cost of nightly paid accommodation either by preventing families becoming homeless or retaining

PSL landlords. The cost effectiveness of the incentive schemes are under constant review. The table below compares the average costs of a placement in a 2 or 3 bedroom property to the average incentive paid.

**Table 6 – Housing Placement Costs**

|            | Average incentive paid | Average cost per placement | Average saving per placement |
|------------|------------------------|----------------------------|------------------------------|
|            | £                      | £                          | £                            |
| Inner rate | 2,700                  | 5,000                      | 2,300                        |
| Outer rate | 2,700                  | 8,000                      | 5,300                        |

- 8.6 The current overspend set out above totals £1.2m. This is offset by additional income from temporary accommodation of £0.5m, giving a projected net overspend of £0.7m.
- 8.7 The *environment division* is forecasting an overspend of £1.9m and this projection assumes the £1m cost of the disposal of dry recyclables will be met from corporate resources.
- 8.8 The environment budget includes planned savings in respect of transport provision across the council. A proposal to save £1m over two years was approved by Mayor & Cabinet as a part of the 2016/17 budget process and a Transport Board established to oversee its implementation. The saving would be achieved partly by efficiency savings in the management of the direct provision of transport by the fleet and passenger services section within the environment division, and partly by managing demand and provision within CYP and Community Services, with the latter producing the bulk of the saving. It should be noted that before the saving can be achieved, a £2.1m overspend on the provision of transport needs to be addressed
- 8.9 Some £0.5m of the environmental services overspend relate to additional vehicle hire costs as a result of a number of vehicles coming to the end of their operational life. The procurement process for the purchase of new vehicles is underway, but delivery times mean that this is likely to have little impact on the projection for this financial year.
- 8.10 Waste disposal budgets are projected to overspend by £0.3m. Whilst initiatives such as the garden waste service are designed to reduce the amount of residual waste, the number of properties in the borough has increased by around 2,000 in the past year. This has increased the number of tonnes sent for disposal and costs are expected to increase by £0.2m. In addition to this, increases in disposal charges are expected to increase the total pressure to £0.3m.
- 8.11 A shortfall in commercial waste income of £0.1m is expected, partly as a result of the reduction in the number of properties in the corporate estate.
- 8.12 The *green scene* budgets are projecting an overspend of £0.1m largely as a result of the loss of income from the former Foxgrove Club. The future use of the premises is being considered as a part of the plans for Beckenham Place Park, but at present there is no clear scope for attracting the budgeted level of rental income.
- 8.13 For *bereavement services*, an overspend of £0.3m is projected. This has largely arisen from increased crematorium maintenance costs, initially planned to be

offset by lower fuel costs when the cremator was replaced, and lower than budgeted income levels. There has been significant pressure on the services income budgets over several years arising from ambitious savings targets in increased income. The service is currently freezing all agency cover to help contain the reported pressures.

- 8.14 The provision of automated public conveniences no longer funded as a part of the JC Decaux highways contract will result in a £0.1m overspend in the street management budgets.
- 8.15 The *public services division* is forecasting an overspend of £0.4m. This has partly arisen as a result of increased resources of £0.1m being needed to support the corporate complaints function.
- 8.16 One of the risk areas is the recently established enforcement service. Income is currently projected to be below budgeted levels. A review of collection rates and options to recover the situation are currently being considered but it should be noted that, despite being below budget, the service is still earning a net income to the council that would have previously been paid to external providers.
- 8.17 The *technology and change* division continues to forecast an overspend of £0.3m. This is mainly as a result in delays to the reduction of server usage in the data centre.

## 9. RESOURCES AND REGENERATION

- 9.1 As at the end of November 2016, the Resources and Regeneration directorate is forecasting an underspend of £0.4m. At the same time last year, the year-end forecast was an underspend of £2.4m, with the actual year-end outturn being an underspend of £3.8m.

**Table 7 – Resources and Regeneration Directorate**

| Service Area                  | Gross budgeted spend | Gross budgeted income | Net budget  | Forecast Outturn 2016/17 | Forecast over/ (under) spend |
|-------------------------------|----------------------|-----------------------|-------------|--------------------------|------------------------------|
|                               | £m                   | £m                    | £m          | £m                       | £m                           |
| Corporate Resources           | 4.9                  | (2.5)                 | 2.4         | 2.5                      | 0.1                          |
| Corporate Policy & Governance | 4.4                  | (0.1)                 | 4.3         | 4.0                      | (0.3)                        |
| Financial Services            | 4.8                  | (1.3)                 | 3.5         | 3.3                      | (0.2)                        |
| Executive Office              | 0.2                  | 0.0                   | 0.2         | 0.2                      | 0.0                          |
| Human Resources               | 3.0                  | (0.3)                 | 2.7         | 2.4                      | (0.3)                        |
| Legal Services                | 3.1                  | (0.4)                 | 2.7         | 2.7                      | 0.0                          |
| Strategy                      | 2.5                  | (0.3)                 | 2.2         | 1.8                      | (0.4)                        |
| Planning                      | 2.6                  | (1.4)                 | 1.2         | 1.2                      | 0.0                          |
| Regeneration & Asset Mgt      | 48.4                 | (40.1)                | 8.3         | 9.0                      | 0.7                          |
| Reserves                      | 0.0                  | (0.4)                 | (0.4)       | (0.4)                    | 0.0                          |
| <b>Total</b>                  | <b>73.9</b>          | <b>(46.9)</b>         | <b>27.0</b> | <b>26.6</b>              | <b>(0.4)</b>                 |

- 9.2 The *corporate policy & governance* division (£0.3m), the *financial services* division (£0.2m), the *human resources* division (£0.3m) and the *strategy* division (£0.4m) are all forecasting underspends which are principally driven by underspending on salaries costs.



- 9.3 In the *planning* division, high levels of planning fee income are again being forecast for 2016/17, but this is being offset by higher salaries and supplies and services costs in order to manage the additional workload.
- 9.4 The *regeneration & asset management* division is forecasting an overspend of £0.7m. There is currently a £0.45m underachievement of income forecast in relation to large format advertising and small cell wireless devices. This income target was agreed as part of setting the 2016/17 budget. Officers will continue to progress with the options for these proposals and will continue to update members as the year progresses. There is also an underachievement of income from utilities companies against the network management budget of £0.25m. There are other areas of budget pressure including the costs of running the corporate estate £0.4m overspend forecast. However, these are partly offset by areas of underspending including on salaries costs to result in the overall position for the division.
- 9.5 The *corporate resources* division is forecasting a £0.1m overspend due to increased motor insurance premiums. This is an area of the insurance market that is hardening with rising costs and a higher premium tax following last year's budget. The outturn position is subject to change when the actuarial review of claims for 2016/17 and 2017/18 are finalised.

## **10. CORPORATE PROVISIONS**

- 10.1 The *corporate financial provisions* include working balances, capital expenditure charged to the revenue account (CERA), and interest on revenue balances. These provisions are not expected to overspend although, with the impact of continued reductions in service budgets, there is ever greater pressure on working balances. Certainty on their outturn only becomes clear towards the end of the financial year.
- 10.2 The council's treasury management strategy continues to be focused on avoiding risk, wherever possible. With investment returns still at historically low levels, albeit with indications of modest rate rises possible by the end of the calendar year, there is little opportunity to seek higher returns. However, the council continues to keep its strategy under review and assess alternative investment strategies to find the appropriate balance in the trade-off between return and risk. Members should note that similar to last year, a sum of £3.75m is being held corporately to help manage 'risks and other pressures' during 2016/17.
- 10.3 Members should note that a report on the mid-year treasury management position is contained elsewhere on this agenda.

## **11. DEDICATED SCHOOLS' GRANT**

- 11.1 The Dedicated Schools' Grant (DSG) for 2016/17 now stands at £284.7m. The DSG is now £48m (or 20%) larger than the Council's net general fund budget. Further grants are given to schools and routed through the local authority. This includes the pupil premium (£17m), post 16 funding (£6m), and universal free school meals grant (£3m). Making total funds of £311m. In total this is £73m higher than the Council's net general fund.

## Schools

- 11.2 At the end of the 2015/16 financial year there were 11 schools that had deficits. This compares with the three schools that had a license deficit agreement in place for the year end.
- 11.3 The latest budget monitoring returns show that there are now 17 schools predicting to be in deficit at the year end. There are 52 schools who are operating an in-year deficit in 2016/17, the schools have balanced their budget by using their carry forward. There are 26 reporting a zero balance at the year end.
- 11.4 On the 14<sup>th</sup> December 2016, the Department for Education issued their response to the national school funding reform consultation which took place in the spring. Sitting alongside the response is a further consultation which runs to the 22<sup>nd</sup> March 2017. This gives greater details of the impact of the national funding formula for schools.

The impact is less severe than original anticipated due to:

1. The introduction of at least £200m of additional funding in 2018/19 and 2019/20
  2. The inclusion of a 3 per cent funding floor
  3. Additional funding for high needs, ensuring that no LA loses high needs funding as a result of the new formula
- 11.5 The government has also released a consultation on the high needs block. There is built into this a provision that in the first year no local authority will lose funding and Lewisham will have this protection. The full implementation date is set for April 2018 where individual schools funding will be delivered by national funding rates.

## Cost pressures in Schools

- 11.6 The Department for Education estimates that mainstream schools will have to find savings of £3bn (8.0%) by 2019/20 to counteract cumulative cost pressures, such as pay rises and higher employer contributions to national insurance and the teachers' pension scheme. The DFE expects that schools will need to make efficiency savings through better procurement (estimated savings of £1.3bn) and by using their staff more efficiently (the balance of £1.7bn). This is broadly in line with local estimates.
- 11.7 The national funding formula proposes reductions of 3% and the cost pressure above schools will have to find over the next three reductions of 11%. For the borough's largest secondary schools who have income of around £10m, this will mean savings of circa £1m.
- 11.8 The government has released a response to the consultation document on early years funding. While there is extra funding overall due to the funding of the new 30 hours child care for working families, the underlying position is a loss for Lewisham which will be £1.5m, but in the next two years there will be some protection and the loss will initially be £0.9m. The consultation closed on 22<sup>nd</sup> September 2016.

## Mutual Funds

- 11.10 Sedgehill School will transfer to an academy by order, although the exact date for conversion has not yet been confirmed. The national regulations under this type of academy conversion is that the deficit remains the responsibility of the local authority. In the first instance, it can be charged to the schools contingency if there are sufficient funds. Otherwise it is left as the responsibility of the council to meet the cost.
- 11.11 In Lewisham, the schools contingency is held by the Schools Forum as a mutual fund for all schools. The deficit to this school which is circa £1.3m, will be charged to this contingency.
- 11.12 It is likely the School non sickness supply insurance scheme will overspend. This will be recharged to schools

## **12. HOUSING REVENUE ACCOUNT**

- 12.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2016/17. The balanced HRA budget seen in the table includes a budgeted surplus of £1.1m, which is to be transferred to reserves at year end as a part of the 30 year HRA plan.
- 12.2 The forecast position for November 2016 is for an additional surplus of £1.1m. Within that position, an increase in housing needs running costs of £0.2m are offset by a net increase in expected income of £0.8m due to a slowdown in stock loss and an underspend of £0.5m in repairs and maintenance.

**Table 8 – Housing Revenue Account**

| <b>Service Area</b>         | <b>Expenditure Budget</b> | <b>Income Budget</b> | <b>2016/17 budget</b> | <b>Forecast over/ (under) spend</b> |
|-----------------------------|---------------------------|----------------------|-----------------------|-------------------------------------|
|                             | <b>£m</b>                 | <b>£m</b>            | <b>£m</b>             | <b>£m</b>                           |
| Customer Services – Housing | 11.7                      | (3.5)                | 8.2                   | 0.2                                 |
| Lewisham Homes & R&M        | 36.8                      | 0                    | 36.8                  | (0.5)                               |
| Resources                   | 2.0                       | 0                    | 2.0                   | 0                                   |
| Centrally Managed Budgets   | 50.5                      | (97.5)               | (47.0)                | (0.8)                               |
| <b>Total</b>                | <b>101.0</b>              | <b>(101.0)</b>       | <b>0</b>              | <b>(1.1)</b>                        |

## **13. COLLECTION FUND**

- 13.1 As at 30 November 2016, £77.9m of council tax had been collected. This represents 67.4% of the total amount due for the year of £115.6m. This is 0.5% below the profiled collection rate of 67.9% if the overall target for the year of 96% is to be met. At the same time last year, the collection rate to date was 67.1%.
- 13.2 Business rates collection is at 74.0%, a decrease of 4.7% compared to the same period last year, and 4.7% lower than the profiled collection rate if the overall target rate for the year of 99% is to be achieved. Officers are investigating the reasons for the lower than profiled performance.

## 14. CAPITAL EXPENDITURE

- 14.1 The overall spend to 30<sup>th</sup> November 2016 is £37.5m. This represents 44% of the revised budget of £84.7m. At this point last year, 42% of the revised budget of £130.9m had been spent, with the final outturn being 80% of the revised budget of £118.1m.
- 14.2 During 2015/16, the council established the Regeneration and Capital Programme Delivery Board comprising 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.
- 14.3 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 Board which is chaired by the Executive Director for Resources and Regeneration.

**Table 9 – Capital Programme**

| 2016/17 Capital Programme | Budget Report<br>(February 2016) | Revised Budget | Spend to 30 <sup>th</sup> Nov' 2016 | Spent to Date<br>(Revised Budget) |
|---------------------------|----------------------------------|----------------|-------------------------------------|-----------------------------------|
|                           | £m                               | £m             | £m                                  | %                                 |
| Community Services        | 0.4                              | 1.0            | 0.6                                 | 60                                |
| Resources & Regeneration  | 17.8                             | 14.2           | 6.3                                 | 44                                |
| CYP                       | 9.4                              | 17.0           | 9.3                                 | 55                                |
| Customer Services         | 0.7                              | 1.2            | 0.4                                 | 33                                |
| Housing (General Fund)    | 14.7                             | 14.6           | 6.2                                 | 42                                |
| <b>Total General Fund</b> | <b>43.1</b>                      | <b>48.0</b>    | <b>22.8</b>                         | <b>48</b>                         |
| Housing Matters Programme | 50.9                             | 14.8           | 6.2                                 | 42                                |
| Hostels Programme         | 0.4                              | 0.4            | 0.0                                 | 0                                 |
| Decent Homes Programme    | 34.8                             | 21.5           | 8.5                                 | 40                                |
| <b>Total HRA</b>          | <b>86.1</b>                      | <b>36.7</b>    | <b>14.7</b>                         | <b>40</b>                         |
| <b>Total Expenditure</b>  | <b>129.2</b>                     | <b>84.7</b>    | <b>37.5</b>                         | <b>44</b>                         |

- 14.4 The table below shows the current position on the major projects in the 2016/17 general fund capital programme (i.e. those over £1m in 2016/17).

**Table 10 – Major Capital Projects**

| <b>2016/17 Capital Programme</b>   | <b>Budget Report (February 2016)</b> | <b>Revised Budget</b> | <b>Spend to 30 Nov 2016</b> | <b>Spent to Date (Revised Budget)</b> |
|--|--------------------------------------|-----------------------|-----------------------------|---------------------------------------|
|  | <b>£m</b>                            | <b>£m</b>             | <b>£m</b>                   | <b>%</b>                              |
| Housing Regeneration Schemes (Kender, Excalibur, Heathside and Lethbridge) | 2.9                                  | 5.1                   | 1.7                         | 33                                    |
| School Places Programme  | 6.0                                  | 9.7                   | 4.9                         | 51                                    |
| BSF - Sydenham   | 1.2                                  | 2.2                   | 1.9                         | 86                                    |
| Other Schools Capital Works  | 1.5                                  | 3.9                   | 2.4                         | 62                                    |
| Disabled Facilities / Private Sector Grants                                | 1.3                                  | 1.7                   | 0.6                         | 35                                    |
| Highways and Bridges (TfL)   | 2.0                                  | 5.0                   | 1.3                         | 26                                    |
| Asset Management Programme   | 3.1                                  | 1.5                   | 0.7                         | 47                                    |
| Highways and Bridges (LBL)   | 4.0                                  | 3.5                   | 2.5                         | 71                                    |
| Acquisition – Hostels Programme  | 1.5                                  | 1.6                   | 1.1                         | 69                                    |
| Property Acquisition – Lewisham Homes                                      | 4.0                                  | 3.0                   | 1.3                         | 43                                    |
| Surrey Canal   | 0.6                                  | 1.0                   | 0.8                         | 80                                    |
| <b>Total Major Projects</b>  | <b>28.1</b>                          | <b>38.2</b>           | <b>19.2</b>                 | <b>50</b>                             |
| Other Projects   | 15.0                                 | 9.8                   | 3.6                         | 37                                    |
| <b>Total Projects - GF</b>   | <b>43.1</b>                          | <b>48.0</b>           | <b>22.8</b>                 | <b>48</b>                             |

- 14.5 The main sources of financing the programme are grants and contributions and capital receipts from the sale of property assets. A total of £24m has been received so far this year, comprising £0.2m in respect of previous year's Housing stock transfers, £10.3m (net) from Housing Right to Buy sales, £0.5m from other sales and £13.0m of Grants.

## **15. FINANCIAL IMPLICATIONS**

- 15.1 This report concerns the financial forecasts for the 2016/17 financial year. However, there are no direct financial implications in noting these.

## **16. LEGAL IMPLICATIONS**

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

## **17. CRIME AND DISORDER ACT IMPLICATIONS**

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

## **18. EQUALITIES AND ENVIRONMENTAL IMPLICATIONS**

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

## 19. CONCLUSION

- 19.1 The council has continued to apply sound financial controls. However, the short and medium-term outlook remains difficult and continued strong management and fiscal discipline will be required to enable the council to meet its financial targets for 2016/17 and beyond.

### BACKGROUND PAPERS AND APPENDICES

| Short Title of Report                        | Date                                 | Location                             | Contact         |
|--|--------------------------------------|--------------------------------------|-----------------|
| Financial Outturn for 2015/16                | 1 <sup>st</sup> May 2016 (M&C)       | 5 <sup>th</sup> Floor Laurence House | Selwyn Thompson |
| Financial Forecasts for 2016/17 – May 2016   | 13 <sup>th</sup> October 2016 (M&C)  | 5 <sup>th</sup> Floor Laurence House | Selwyn Thompson |
| Financial Forecasts for 2016/17 – Sept' 2016 | 19 <sup>th</sup> November 2016 (M&C) | 5 <sup>th</sup> Floor Laurence House | Selwyn Thompson |

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

| <b>Public Accounts Select Committee</b> |   |                 |
|---|---|-----------------|
| Title                                   | Select Committee work programme 2016-17 |                 |
| Contributor                             | Scrutiny Manager                        | Item 9          |
| Class                                   | Part 1 (open)                           | 25 January 2017 |

## 1. Purpose

- 1.1 To advise Committee members of the work programme for the 2016/17 municipal year, and to agree the agenda items for the next meeting.

## 2. Summary

- 2.1 In April, the committee drew up a draft work programme for the municipal year 2016/17.
- 2.2 The work programme can be reviewed at each Select Committee meeting to take account of changing priorities.

## 3. Recommendations

- 3.1 The Committee is asked to:
- Note the work plan attached at **Appendix B** and discuss any issues arising from the programme;
  - Look at the items scheduled for the next meeting and clearly specify the information and analysis required, based on desired outcomes, so that officers are able to meet expectations;
  - Review all forthcoming key decisions, attached at **Appendix C**, and consider any items for further scrutiny.

## 4. Work programme

- 4.1 The work programme for 2016/17 was agreed at the 20 April 2016 meeting.
- 4.2 The Committee is asked to consider if any urgent issues have arisen that require scrutiny and if any existing items are no longer a priority and can be removed from the work programme. Before adding additional items, each item should be considered against agreed criteria. The flow chart attached at **Appendix A** may help Members decide if proposed additional items should be added to the work programme. The Committee's work programme needs to be achievable in terms of the amount of meeting time available. If the committee agrees to add additional item(s) because they are urgent and high priority, Members will need to consider which medium/low priority item(s) should be removed in order to create sufficient capacity for the new item(s).

## 5. The next meeting

The following reports are scheduled for the meeting on 25 January 2017:

| Agenda item               | Review type            | Link to corporate priority                     | Priority |
|---------------------------|------------------------|--|----------|
| Audit panel update        | Performance monitoring | Inspiring efficiency, effectiveness and equity | High     |
| Lewisham future programme | Performance monitoring | Inspiring efficiency, effectiveness and equity | High     |

The Committee is asked to specify the information and analysis it would like to see in the reports for these item, based on the outcomes the committee would like to achieve, so that officers are clear on what they need to provide for the next meeting.

## 6. Date of next meeting

The date of the next meeting is Wednesday 15 March 2017.

## 7. Financial implications

There may be financial implications arising from some of the items on the work programme (especially reviews) and these will need to be considered when preparing those items/scoping those reviews.

## 8. Legal implications

In accordance with the Council's Constitution, all scrutiny select committees must devise and submit a work programme to the Business Panel at the start of each municipal year.

## 9. Equalities implications

The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. 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.

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.

There may be equalities implications arising from items on the work programme and all activities undertaken by the Committee will need to give due consideration to this.

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

There may be crime and disorder implications arising from some of the items that will be included in the work programme (especially reviews) and these will need to be considered when preparing those items/scoping those reviews.

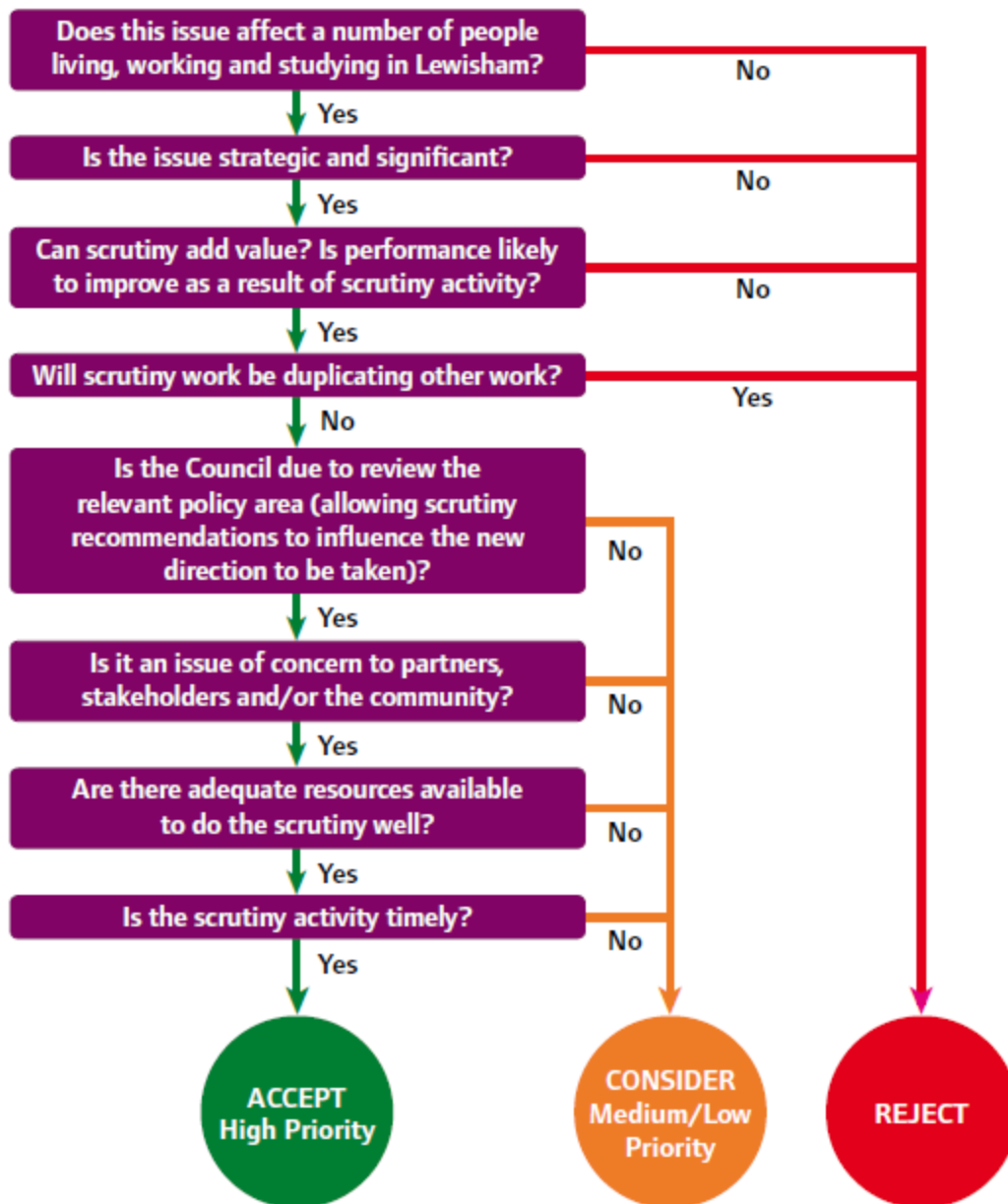
## **11. Background documents**

Lewisham Council's Constitution  
Centre for Public Scrutiny: The Good Scrutiny Guide

## **12. Appendices**

Appendix A – Committee's terms of reference  
Appendix B – Provisional work programme  
Appendix C – Key decision plan

## Scrutiny work programme – prioritisation process



Public Accounts Select Committee Work Programme 2016/17

Programme of work

| Work Item   | Type of review             | Priority | Strategic Priority | Delivery deadline | 20-Apr   | 01-Jun | 05-Jul | 22-Sep  | 26-Oct | 30-Nov | 25-Jan | 15-Mar |
|---|----------------------------|----------|--------------------|-------------------|----------|--------|--------|---------|--------|--------|--------|--------|
| Lewisham Future Programme   | TBC                        | High     | CP10               | Ongoing           |          |        |        | SAVINGS |        |        |        |        |
| Election of Chair and Vice-Chair  | Constitutional requirement | High     | CP10               | Apr               |          |        |        |         |        |        |        |        |
| Select Committee Work Programme 16/17   | Constitutional requirement | High     | CP10               | Ongoing           |          |        |        |         |        |        |        |        |
| Response to referral on work programme  | Performance monitoring     | Medium   | CP10               | Apr               | RESPONSE |        |        |         |        |        |        |        |
| Implementation of savings proposal 03 (creating an internal enforcement agency) | Performance monitoring     | Medium   | CP10               | Apr               |          |        |        |         |        |        |        |        |
| Shared Services   | Performance monitoring     | Medium   | CP10               | Apr               |          |        |        |         |        |        |        |        |
| Final Outturn 2015/16   | Standard item              | High     | CP10               | Jun               |          |        |        |         |        |        |        |        |
| Complaints and casework Review Update (request re savings proposal I3)          | Performance monitoring     | Medium   | CP10               | Jun               |          |        |        |         |        |        |        |        |
| Report Back on Public Realm Contract Monitoring                                 | Performance monitoring     | Medium   | CP10               | Jul               |          |        |        |         |        |        |        |        |
| Medium Term Financial Strategy  | Standard item              | High     | CP10               | Jul               |          |        |        |         |        |        |        |        |
| Financial forecasts 2016/17   | Standard item              | High     | CP10               | Jul               |          |        |        |         |        |        |        |        |
| Management report   | Performance monitoring     | Medium   | CP10               | Jul               |          |        |        |         |        |        |        |        |
| Income Generation - update  | Performance monitoring     | Medium   | CP10               | Jul               |          |        | UPDATE |         |        |        |        |        |
| Annual complaints report  | Performance monitoring     | Medium   | CP10               | Oct               |          |        |        |         |        |        |        |        |
| Mid-year Treasury Management Review   | Standard item              | High     | CP10               | Jan               |          |        |        |         |        |        |        |        |
| Business rates consultation   | Standard item              | High     | CP10               | Sep               |          |        |        |         |        |        |        |        |
| Future Asset Realisation  | Performance Monitorint     | Medium   | CP10               | Nov               |          |        |        |         |        |        |        |        |
| Temporary accomodation pressures/pan-London working                             | Performance monitoring     | Low      | CP10               | Jan               |          |        |        |         |        |        |        |        |
| Asset management update   | Standard item              | Medium   | CP10               | Nov               |          |        |        |         |        |        |        |        |
| Annual Budget 2017/18   | Standard item              | High     | CP10               | Jan               |          |        |        |         |        |        |        |        |
| ICT Strategy Update   | Standard item              | High     | CP10               | Jan               |          |        |        |         |        |        |        |        |
| Audit Panel update  | Constitutional Requirement | Higjh    | CP10               | Mar               |          |        |        |         |        |        |        |        |

|  |                    |
|--|--------------------|
|  | Item completed     |
|  | Item on-going      |
|  | Item outstanding   |
|  | Proposed timeframe |
|  | Item added         |

| Meetings |       |              |    |     |             |
|----------|-------|--------------|----|-----|-------------|
| 1)       | Wed   | 20 April     | 5) | Wed | 26 October  |
| 2)       | Wed   | 1 June       | 6) | Wed | 30 November |
| 3)       | Tue   | 5 July       | 7) | Wed | 25 January  |
| 4)       | Thurs | 22 September | 8) | Wed | 15 March    |

| Shaping Our Future: Lewisham's Sustainable Community Strategy 2008-2020 |                               |       |
|---|-------------------------------|-------|
|   | Priority                      |       |
| 1   | Ambitious and achieving       | SCS 1 |
| 2   | Safer                         | SCS 2 |
| 3   | Empowered and responsible     | SCS 3 |
| 4   | Clean, green and liveable     | SCS 4 |
| 5   | Healthy, active and enjoyable | SCS 5 |
| 6   | Dynamic and prosperous        | SCS 6 |

| Corporate Priorities |  |       |
|----------------------|--|-------|
|                      | Priority                                       |       |
| 1                    | Community Leadership                           | CP 1  |
| 2                    | Young people's achievement and involvement     | CP 2  |
| 3                    | Clean, green and liveable                      | CP 3  |
| 4                    | Safety, security and a visible presence        | CP 4  |
| 5                    | Strengthening the local economy                | CP 5  |
| 6                    | Decent homes for all                           | CP 6  |
| 7                    | Protection of children                         | CP 7  |
| 8                    | Caring for adults and older people             | CP 8  |
| 9                    | Active, healthy citizens                       | CP 9  |
| 10                   | Inspiring efficiency, effectiveness and equity | CP 10 |

## FORWARD PLAN OF KEY DECISIONS

### Forward Plan February 2017 - May 2017

This Forward Plan sets out the key decisions the Council expects to take during the next four months.

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin Flaherty, the Local Democracy Officer, at the Council Offices or kevin.flaherty@lewisham.gov.uk. However the deadline will be 4pm on the working day prior to the meeting.

A "key decision"\* means an executive decision which is likely to:

- (a) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
- (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards.

|                |   |                               |  |  |  |
|----------------|---|-------------------------------|--|--|--|
| November 2016  | <b>Budget Update</b>  | 11/01/17<br>Mayor and Cabinet | Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources |  |  |
| September 2016 | <b>Ashmead Primary School expansion and Addey &amp; Stanhope School expansion</b> | 11/01/17<br>Mayor and Cabinet | Sara Williams, Executive Director, Children and Young People and   |  |  |

| <b>FORWARD PLAN – KEY DECISIONS</b>  |   |  |   |                             |                                      |
|--------------------------------------|---|--|---|-----------------------------|--------------------------------------|
| <b>Date included in forward plan</b> | <b>Description of matter under consideration</b>                | <b>Date of Decision Decision maker</b> | <b>Responsible Officers / Portfolios</b>  | <b>Consultation Details</b> | <b>Background papers / materials</b> |
|                                      | <b>results of consultations</b>                                 |  | Councillor Paul Maslin,<br>Cabinet Member for<br>Children and Young<br>People   |                             |                                      |
| December 2016                        | <b>Council Tax Base Second Homes Discount and Income Review</b> | 11/01/17<br>Mayor and Cabinet          | Kevin Sheehan,<br>Executive Director for<br>Customer Services and<br>Councillor Kevin Bonavia,<br>Cabinet Member<br>Resources                           |                             |                                      |
| August 2016                          | <b>Discretionary Rate Relief Review</b>                         | 11/01/17<br>Mayor and Cabinet          | Aileen Buckton,<br>Executive Director for<br>Community Services and<br>Councillor Kevin Bonavia,<br>Cabinet Member<br>Resources                         |                             |                                      |
| December 2016                        | <b>Governing Bodies Reconstitution Rathfern Primary School</b>  | 11/01/17<br>Mayor and Cabinet          | Sara Williams, Executive<br>Director, Children and<br>Young People and<br>Councillor Paul Maslin,<br>Cabinet Member for<br>Children and Young<br>People |                             |                                      |
| September 2016                       | <b>Lewisham Music Business Plan and Transfer Terms</b>          | 11/01/17<br>Mayor and Cabinet          | Sara Williams, Executive<br>Director, Children and<br>Young People and<br>Councillor Paul Maslin,<br>Cabinet Member for<br>Children and Young<br>People |                             |                                      |
| January 2016                         | <b>New Bermondsey Housing</b>                                   | 11/01/17                               | Janet Senior, Executive   |                             |                                      |

| <b>FORWARD PLAN – KEY DECISIONS</b>  |  |   |   |                             |                                      |
|--------------------------------------|--|---|---|-----------------------------|--------------------------------------|
| <b>Date included in forward plan</b> | <b>Description of matter under consideration</b>         | <b>Date of Decision Decision maker</b>    | <b>Responsible Officers / Portfolios</b>  | <b>Consultation Details</b> | <b>Background papers / materials</b> |
|                                      | <b>Zone Bid Update</b>                                   | Mayor and Cabinet                         | Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor   |                             |                                      |
| April 2016                           | <b>New Homes Programme</b>                               | 11/01/17<br>Mayor and Cabinet             | Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing                            |                             |                                      |
| August 2016                          | <b>Regionalising Adoption</b>                            | 11/01/17<br>Mayor and Cabinet             | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People |                             |                                      |
| November 2016                        | <b>School Health Service - Award Report</b>              | 11/01/17<br>Mayor and Cabinet (Contracts) | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People |                             |                                      |
| May 2016                             | <b>Council Tax Reduction Scheme 2017-18</b>              | 18/01/17<br>Council                       | Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources                        |                             |                                      |
| December 2016                        | <b>Council Tax Base Second Homes Discount and Income</b> | 18/01/17<br>Council                       | Kevin Sheehan, Executive Director for   |                             |                                      |

| <b>FORWARD PLAN – KEY DECISIONS</b>  |  |   |  |                             |                                      |
|--------------------------------------|--|---|--|-----------------------------|--------------------------------------|
| <b>Date included in forward plan</b> | <b>Description of matter under consideration</b>   | <b>Date of Decision Decision maker</b>                  | <b>Responsible Officers / Portfolios</b>   | <b>Consultation Details</b> | <b>Background papers / materials</b> |
|                                      | <b>Review</b>  |   | Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources   |                             |                                      |
| January 2017                         | <b>Mayoral Response Broadway Theatre</b>   | 18/01/17 Council  | Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People |                             |                                      |
| November 2016                        | <b>Transforming Construction Skills - Lewisham Construction Hub, Training, Apprenticeship and Employment Service</b> | 31/01/17 Overview and Scrutiny Business Panel           | Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor                                      |                             |                                      |
| November 2016                        | <b>Transforming Construction Skills - Lewisham Construction Hub, Local Supply Chain Development Services</b>         | 31/01/17 Overview and Scrutiny Business Panel           | Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor                                      |                             |                                      |
| December 2016                        | <b>Contract Award Provision of School Kitchen Condition Surveys</b>  | 31/01/17 Overview and Scrutiny Education Business Panel | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People      |                             |                                      |
| November 2016                        | <b>Animal Welfare Charter</b>  | 08/02/17 Mayor and Cabinet                              | Kevin Sheehan, Executive Director for Customer Services and  |                             |                                      |



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|                               |   |                                 | Councillor Rachel Onikosi, Cabinet Member Public Realm  |                      |                               |
| December 2016                 | <b>Caretaker properties Disposal and Lease Award</b>  | 08/02/17<br>Mayor and Cabinet   | Janet Senior, Executive Director for Resources & Regeneration and Councillor Damien Egan, Cabinet Member Housing                      |                      |                               |
| January 2017                  | <b>Determination of Admission Arrangements</b>  | 08/02/17<br>Mayor and Cabinet   | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People |                      |                               |
| January 2017                  | <b>Approval to Transfer Our Lady &amp; St Philip Neri Primary School to Catholic Archdiocese of Southwark</b> | 08/02/17<br>Mayor and Cabinet   | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People |                      |                               |
| December 2016                 | <b>Results of Handypersons consultation</b>   | 08/02/17<br>Mayor and Cabinet   | Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing                            |                      |                               |
| January 2017                  | <b>IT Strategy</b>  | 08/02/17<br>Mayor and Cabinet   | Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia,   |                      |                               |

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|                               |  |                                 | Cabinet Member Resources   |                      |                               |
| December 2016                 | <b>Library Savings Programme update - Manor House</b>  | 08/02/17<br>Mayor and Cabinet   | Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People |                      |                               |
| November 2016                 | <b>Pay Statement</b>   | 08/02/17<br>Mayor and Cabinet   | Phil Badley and Councillor Kevin Bonavia, Cabinet Member Resources   |                      |                               |
| December 2016                 | <b>2017/18 Budget</b>  | 08/02/17<br>Mayor and Cabinet   | Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources                       |                      |                               |
| November 2016                 | <b>Waste &amp; Recycling Services Update</b>   | 08/02/17<br>Mayor and Cabinet   | Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm                         |                      |                               |
| December 2016                 | <b>Agreement to consult on changes to Targeted Short Breaks Offer for children and young people with complex needs</b> | 08/02/17<br>Mayor and Cabinet   | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young             |                      |                               |

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|                               |   |   | People  |                      |                               |
| August 2016                   | <b>The Wharves Deptford - Compulsory Purchase Order Resolution</b>  | 08/02/17<br>Mayor and Cabinet             | Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor                                 |                      |                               |
| November 2016                 | <b>Community Equipment Contract Award under London Consortium Framework Agreement</b>   | 08/02/17<br>Mayor and Cabinet (Contracts) | Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community       |                      |                               |
| November 2016                 | <b>Health Visiting and Children's Centres - Award Report</b>  | 08/02/17<br>Mayor and Cabinet (Contracts) | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People |                      |                               |
| November 2016                 | <b>Award of Contract for Specialist Short Breaks</b>  | 08/02/17<br>Mayor and Cabinet (Contracts) | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People |                      |                               |
| December 2016                 | <b>Stage 1 of 2-stage procurement for the proposed expansions of Ashmead Primary School and Addey &amp; Stanhope Secondary School</b> | 08/02/17<br>Mayor and Cabinet (Contracts) | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for                           |                      |                               |

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|                                      | <b>(Morningson Centre) and to enter into a Pre-Construction Services Agreement.</b> |  | Children and Young People  |                             |                                      |
| November 2016                        | <b>Young Person's Health and Wellbeing Service Award Report</b>                     | 08/02/17<br>Mayor and Cabinet (Contracts)        | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People      |                             |                                      |
| November 2016                        | <b>Budget Update</b>  | 15/02/17<br>Mayor and Cabinet                    | Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources                       |                             |                                      |
| January 2017                         | <b>Award of contract for Sexual Health clinics</b>                                  | 21/02/17<br>Overview and Scrutiny Business Panel | Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People |                             |                                      |
| May 2016                             | <b>Council Budget 2017-18</b>   | 22/02/17<br>Council                              | Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources                             |                             |                                      |
| November 2016                        | <b>Pay Statement</b>  | 22/02/17<br>Council                              | Phil Badley and Councillor Kevin Bonavia,  |                             |                                      |

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|                               |  |  | Cabinet Member Resources   |                      |                               |
| November 2016                 | <b>Opting in to the Public Sector Audit Appointments Limited (PSAA) framework</b>                  | 22/02/17 Council                       | Janet Senior, Executive Director for Resources & Regeneration and Councillor Jonathan Slater               |                      |                               |
| December 2016                 | <b>Brasted Close development</b>   | 01/03/17 Mayor and Cabinet             | Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing |                      |                               |
| December 2016                 | <b>New Homes Programme</b>   | 01/03/17 Mayor and Cabinet             | Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing |                      |                               |
| December 2016                 | <b>Lewisham Homes Management Agreement and Articles of Association</b>                             | 01/03/17 Mayor and Cabinet             | Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing |                      |                               |
| December 2016                 | <b>Proposed Heathside and Lethbridge Estate, Lewisham - Phase 6 Compulsory Purchase Order 2017</b> | 01/03/17 Mayor and Cabinet (Contracts) | Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing |                      |                               |
| December 2016                 | <b>Lewisham Construction Hub Contracts</b>   | 01/03/17 Mayor and Cabinet (Contracts) | Sara Williams, Executive Director, Children and Young People and   |                      |                               |

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|                                      |  |  | Councillor Alan Smith, Deputy Mayor  |                             |                                      |
| December 2016                        | <b>Statutory Funerals Contract</b>                   | 14/03/17<br>Overview and Scrutiny Business Panel | Aileen Buckton, Executive Director for Community Services and Councillor Rachel Onikosi, Cabinet Member Public Realm                       |                             |                                      |
| January 2017                         | <b>Award of contract for Sexual Health e-service</b> | 14/03/17<br>Overview and Scrutiny Business Panel | Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People |                             |                                      |
| December 2016                        | <b>Lewisham Place Planning Strategy 2017-2022</b>    | 22/03/17<br>Mayor and Cabinet                    | Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People      |                             |                                      |
| January 2017                         | <b>Catford Regeneration Programme Parts 1 and 2</b>  | 22/03/17<br>Mayor and Cabinet                    | Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor                                      |                             |                                      |
| August 2016                          | <b>Community Premises Management Contract Award</b>  | 19/04/17<br>Mayor and Cabinet (Contracts)        | Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank,  |                             |                                      |

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|                                      |  |  | Cabinet Member Third Sector & Community  |                             |                                      |

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