

Public Accounts Select Committee Agenda

Wednesday, 15 March 2017
7.00 pm,

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

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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, 15 March 2017.

Barry Quirk, Chief Executive
Tuesday, 7 March 2017

Councillor Jamie Milne (Chair)	
Councillor Chris Barnham (Vice-Chair)	
Councillor Abdeslam Amrani	
Councillor Brenda Dacres	
Councillor Amanda De Ryk	
Councillor Sue Hordijkenko	
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, 25 January 2017 at 7.00 pm

PRESENT: Councillors Jamie Milne (Chair), Chris Barnham (Vice-Chair), Brenda Dacres, Amanda De Ryk, Mark Ingleby, Roy Kennedy, Jim Mallory and Sophie McGeevor

APOLOGIES: Councillor Sue Hordijkeno

ALSO PRESENT: Councillor Kevin Bonavia (Cabinet Member Resources), Sir Steve Bullock (Mayor), Councillor Simon Hooks, Councillor James-J Walsh, Timothy Andrew (Scrutiny Manager), David Austin (Head of Corporate Resources), Duncan Dewhurst (Head of Service Change and Technology), Helen Glass (Principal Lawyer), Mark Humphreys (Group Finance Manager, Customer Services), Genevieve Macklin (Head of Strategic Housing), Robert Mellors (Finance Manager, Community Services and Adult Social Care), Dave Richards (CYP Group Finance Manager), Janet Senior (Executive Director for Resources & Regeneration) and Kevin Sheehan (Executive Director for Customer Services)

1. Minutes of the meeting held on 30 November 2016

Resolved: that the minutes of the meeting held on 30 November 2016 be agreed as an accurate record.

2. Declarations of interest

- Mayor Bullock declared a non-prejudicial interest in relation to item 4, as a Director of the Improvement and Development Agency Company of the Local Government Association, which is responsible for the management of the public sector audit appointments panel.
- Councillor Mallory declared a non-prejudicial interest in relation to item 4, as the Chair of Abbey Manor pupil referral unit.
- Councillor Mallory also declared a non-prejudicial interest in relation to item 6, because an immediate family member is under notice of eviction and is in receipt of support from the Council's advisory services in looking for alternative social housing.

3. Responses from Mayor and Cabinet

Resolved: that the response from Mayor and Cabinet be noted.

4. Annual budget 2017-18

The order of the agenda was changed. This was the first substantive item.

4.1 Sir Steve Bullock (Mayor of Lewisham) introduced the report; the following key points were noted:

- In 2010 it was assumed that by 2017 the Council would have finished making cuts. The expectation was that the size of the public sector would have

decreased and spending would have been constrained but that the process would be complete. However, there was not any end to the process in sight.

- Savings were more difficult to make each year and were taking longer to deliver. The process for 18/19 would have to start again early next year.
- There were rising deficits in a number of schools. This rise was concerning, but not surprising because schools were now being impacted by the same spending pressures as other parts of the public sector.
- The new formula for schools funding would be particularly disadvantageous to London. London Boroughs were working together to try to manage the changes and there had been some movement from government, but London would still suffer more than anywhere else as a result of the changes.
- The pressure on adult social care was sustained and significant. The crisis in the NHS was well reported and it was having an impact on councils across the country. Funding for social care was not sufficient.
- The maximum rise for council tax (4.99%) was proposed, including the 2.99% increase to fund social care. Any increase larger than this would require a referendum.
- In 217/18 the Council would receive some net advantage from the changes to the allocation of the new homes bonus to social care.

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

- The budget proposed that Council Tax be increased by the largest amount possible without triggering a referendum. Residents would notice this more than in previous years.
- Most other London authorities were planning to increase council tax; Lewisham would not be an outlier.
- There was an £11.9m overspend forecast for this 16/17 – which would be covered in several ways, with some of the shortfall met from reserves.
- Savings would need to be made early in the cycle next year in order that they could be successfully delivered.

4.3 David Austin (Head of Corporate Resources) provided an overview of the report, the following key points were noted:

- The draft budget was based on the provisional financial settlement. The final settlement would not be available until February.
- Confirmation was awaited from the Greater London Authority on its precept and on the consultation on business rates.
- There would be £232m in the general fund for 2017/18. Which incorporated the proposed increase in council tax and the welcome increase in the council tax base.
- In terms of savings – 2017/18 would be another significant year. £23m of savings had already been agreed.
- There were pressures in a number of areas (detailed in the financial forecasts).
- Implementation of the new valuations in business rates posed a risk, because of the likelihood of appeals.
- The Council would need to find funds to meet the requirements of the apprenticeship levy.

- The capital budget for 2017/18 would be £123.5m, with £78m in the Housing Revenue Account (HRA) and the majority of the balance used to provide school places.
- The HRA had a revenue turnover of £90m. However, 2017/18 would be the second year of the 1% compulsory rent reduction by the government.
- New funding arrangements for schools would be implemented over two years. It was expected that Lewisham schools would lose money under the new formula.
- Budgets for Public Health were being reduced annually in line with the reduction in government funding.
- The treasury management strategy included proposals for longer term and property related investments because of low interest rates and the difficulty of achieving good returns on Council investments.
- There would be additional detail on the proposal to invest to save in the Mayor and Cabinet report to be funded from the Council's reserves on a once off basis.
- Full Council would be asked to approve the Council's admission to the Public Sector Audit Appointments Panel (run by the Local Government Association), to provide selection and engagement of external audit, following the abolition of the Audit Commission.

4.4 Janet Senior (Executive Director for Resources and Regeneration); David Austin (Head of Corporate Resources); and Kevin Bonavia (Cabinet Member for Resources and Regeneration) and David Richards (Group Finance Manager, Children and Young People) responded to questions from the Committee; the following key points were noted:

Schools Budgets

- There was currently a budget pressure of £1.7m in the schools high needs spending block. This was as a result of the increased number of pupils with high needs.
- Next year, it was anticipated that there would be an extra 110 pupils who would need educating in special schools or who would need additional support in their existing schools.
- In the funding settlement for the dedicated schools grant, the Department for Education had built in growth of £500k. This would be used to support high needs block spending.
- There was a continued pressure on spending in schools. The schools forum recognised that all schools would have some reduction in their funding.
- There was an increase in schools operating deficits. Officers were putting in place a process with the schools forum to help schools manage their pressures. The pressure was most acutely felt in the secondary sector because of the relatively low number of secondary school pupils.
- As the bulge in pupil numbers worked its way through from primary to secondary schools, the budget pressures in secondary schools should ease.

No Recourse to Public Funds

- An operational budget would be provided to fund the Council's work with people who have no recourse to public funds. Previously, this had been provided on an annual basis for the successful pilot.

Budget Overspend

- It was unusual for the budget to be overspent by £11.6m at this time of the year. There were some areas where savings that were identified had not been made. There were others where income generating activities were not producing as much revenue as had been anticipated.
- Officers were attempting to achieve a balance between management action to control spending and accurate budget setting.
- There were significant pressures in children's and adult's social care.

Invest to Save

- The Children and Young People's directorate had been allowed to spend in order to save. The Committee might wish to review the implementation of this spending. There were few other areas which had once of funds available to them in order to enable improvement.
- There were some measures that could be implemented corporately to reduce budget pressures, but a decision had to be made about how stringent these should be. The departmental, corporate and recruitment expenditure panels were still in place.
- A proportion of the Council's reserves (approximately £10m) would be used on a one off invest to save basis.
- Officers were attempting to get the balance right between reducing budgets and ensuring that the Council retained capacity and resources in the right areas.

Adult Social Care precept

- The three year increase in Council tax would be implemented as 3% in the first year (2017/18) 1% in the second year (2018/19) and 2% in the third year (2019/20). The 3% increase could only be implemented in the first or second year of the three year period.
- Members agreed to discuss the rationale and the timing of the three year increase further outside of the meeting.

Treasury Management

- It was highly unlikely that the £25million of LOBO loans that could be called in in 2017/18 would be recalled by lenders.

Resolved: that the report be noted.

5. ICT strategy update

- 5.1 Duncan Dewhurst (Head of Technology and Change) introduced the report, the following key points were noted:

- The major outage that occurred on Monday 23 January was the result of a hardware failure at the Council's data centre.
- Officers would ensure that there was a full 'lessons learnt' exercise was carried out to prevent any similar issues in the future.
- The shared service arrangement with Brent Council would bolster future 'disaster recovery arrangements' so that in future, the system would be much more resilient.
- New recovery arrangements should be in place by the end of the financial year.
- Before the agreement with Brent, the Council didn't have any disaster recovery arrangements.
- The new technology being used by the shared service was much more resilient than the Council's old equipment.
- An opportunity had arisen to expand the shared service to include the London Borough of Southwark.
- Officers were confident that the shared service would work well across three authorities, but further work need to take place to review governance arrangements.

5.2 Kevin Sheehan (Executive Director of Customer Services) and Duncan Dewhurst (Head of Technology and Change) answered questions from the Committee, the following key points were noted:

- Further detailed work needed to take place with the London Borough of Southwark to assess its requirements.
- The intention was to make a decision in the summer. It was likely that the savings from the inclusion of Southwark in the shared service would be substantial.
- If the decision was taken in June to add Southwark to the service, then it might be ready to join in October.
- The joint arrangements between Lewisham and Brent were working at present. Some of the current arrangement would need to be reworked to include a third borough.
- Officers did not believe that the move from a partnership to a grouping of authorities would present a problem. There was no expectation that there would be any issue with majority decision making.
- Officers were confident that a shared IT service could work effectively as a partnership between three authorities because it relied mostly on business decisions rather than policy considerations.
- The failure of the Council's IT systems on Monday 23 January was as the result of hardware failure rather than hacking.
- The new IT system was more secure than it had ever been. The use of the three boroughs' data centres would make the IT infrastructure more resilient.
- Business processes were changing to accommodate new ways of working.

Resolved: that the update be noted.

6. Temporary accommodation pressures

6.1 Genevieve Macklin (Head of Strategic Housing and Regulatory Services) introduced the report and the following key points were noted:

- Pressures around homeless in Lewisham and across London had not reduced.
- Since 2011, the demand (numbers of households in temporary accommodation) had increased by 89%. At the same time supply (the number of homes available for homeless households and other households in need) had reduced by 40%.
- The greatest increase in demand was for nightly paid accommodation, because London boroughs were finding it increasingly difficult to find suitable private sector accommodation.
- Supply of affordable rented accommodation had also reduced.
- The Council was working to: manage demand; prevent homelessness; increase supply and; develop options for stable and less costly temporary accommodation.
- The proportion of housing available for homeless households had been increased. The majority of two and three bed homes were given to homeless households.
- The inter-borough accommodation deal was one of the ways the Council was looking to reduce the cost of temporary accommodation.
- If the Council had continued to pay for nightly paid accommodation at the same rate as September 2015, there would have been an additional £900k cost pressure.
- The number of households in temporary accommodation had fallen below 500 (it was currently 496) for the first time in many years.
- There were emerging pressures, including the homeless reduction bill, reduced access to the private sector leasing scheme and the ongoing impact of welfare reform.

6.2 Genevieve Macklin (Head of Strategic Housing and Regulatory Services) and Kevin Sheehan (Executive Director for Customer Services) responded to questions from the Committee, the following key points were noted:

- An estimate of the costs of the new homelessness prevention responsibilities for the Council would present a budget pressure of £2.4m.
- Most inner London authorities had estimated similar potential costs.
- Government funding for the new responsibilities was £48m nationally.
- London had 73% of homelessness. It was clear that the funding for pressures being provided by the government would not be sufficient.
- London authorities and the new London Mayor were putting in place plans to increase the supply of housing across all tenures but less than half of what was required was being built annually.
- Void properties were those which were empty and being prepared for letting.
- The number of voids increased as households were moved from temporary accommodation to permanent homes. The increase in voids also led to a reduction in rental income in private sector leasing.
- There were approximately 400 households placed outside of the borough across other parts of London and the South East.

Resolved: that the report be noted.

7. Financial forecasts 2016-17

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

- There were £11.6m in revenue budget pressures forecast to the end of the year. The pressures this year were of a different order compared with other years.
- There were substantial pressures in children and adults' social care and in the provision of temporary accommodation.
- Finance managers met with budget holders on a regular basis to review and manage budget pressures.
- Spending on the capital programme was reviewed on a quarterly basis by the capital programme delivery board.
- Work was taking place in preparing to close the annual accounts.

Resolved: that the report be noted.

8. Management report

Resolved: that the report be noted.

9. Select Committee work programme

The Committee discussed the work programme for its next meeting. It was agreed that alongside the audit panel and income generation updates – the Committee would consider an item on 'leaving the European Union' from the Head of Corporate Resources.

Resolved: that the work programme for the meeting on 15 March be agreed.

10. Referrals to Mayor and Cabinet

There were none.

The meeting ended at 9.15 pm

Chair:

Date:

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Public Accounts Select Committee		
Title	Declaration of interests	
Contributor	Chief Executive	Item 2
Class	Part 1 (open)	15 March 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 no 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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Public Accounts Select Committee		
Title	Report on the work of the Audit Panel in 2016/17	
Contributors	Head of Financial Services and Head of Corporate Resources	Item 4
Class	Part 1 (open)	15 March 2017

1. Purpose of the report

- 1.1. The purpose of this report is to update the members of the Public Accounts Select Committee (PASC) on the work of the Audit Panel at their March, June, September and December 2016 meetings.

2. Recommendations

- 2.1. It is recommended that the PASC note the contents of this report.

3. Background

- 3.1. Under the Terms of Reference (ToR) in the Council’s Constitution as at May 2016, the Audit Panel is required to report to the Public Accounts Select Committee (PASC) where appropriate.

- 3.2. Audit Panel review and advise the Council on the Internal Audit function, control environment, External Audit and the Council’s final accounts, Risk and Anti-fraud policies and procedures. The Audit Panel is also required to review the Council’s Constitution in respect of audit procedure rules, contract procedure rules, and financial regulations.

- 3.3. PASC are required to scrutinise the effectiveness of the Audit Panel. The link below takes you to the Council’s constitution, which contains the Terms of reference for both Audit Panel and PASC.

<http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/how-council-is-run/Documents/Constitution.pdf>

- 3.4. The Audit Panel consists of six non-executive councillors, one of whom is the Chair (currently Councillor Jonathan Slater), and three independent members (although it can contain up to four independent members). The two new independent members for 2016/17 were the former Technical Director of the Audit Commission and Director of Finance of Goldsmiths. The technical insights of the independent members are valued and appreciated by the Panel who extend their thanks to the independent members for their continued support.

4. External Audit and the Council’s Final Accounts

- 4.1. The final accounts and external audit work follow a regular cycle throughout the year. This covers accounts planning and interim audit work in the early Spring, preparation of the draft final accounts in late Spring, final accounts audit work in the Summer, final audit findings, recommendations and opinion in the Autumn, and the Whole of Government Accounts certification and grants certification work in the Autumn / Winter.

- 4.2. The following paragraphs briefly outline the reports and findings reported to each Audit Panel meeting in the year. The Council's appointed external auditors are Grant Thornton.

March 2016

- 4.3. At this meeting two reports were received, one gave an update on the final accounts planning and the interim external audit work and the other reported on the grant claims certification audit work. It was noted that the statutory deadline for final accounts and completion of external audit would be brought forward with effect from next year 2017/18, and therefore the closing timetable for 2016/17 would reflect this change, in order to act as a 'dry run' for 2017/18. Other than this, no significant issues were reported.

June 2016

- 4.4. The Panel received and noted the Pre-Audit Statement of Accounts (including the policies and notes). The position on general fund reserves was noted. The external audit plan report was also received and noted.

September 2016

- 4.5. The Panel received the findings and key matters arising from Grant Thornton's audit work on the Main accounts and the Pension Fund accounts. It was anticipated that both sets of accounts would be given an unqualified audit opinion. The key areas highlighted by the external auditors and agreed by officers were:
- on the Main accounts, there were a number of accounting errors relating to property, plant & equipment,
 - because of the enhanced closing timetable, the accounts and external audit process was further advanced compared to the previous year 2014/15, and
 - the audit of the Pension Fund accounts had been successful, with only minor errors found.
- 4.6. Officers responded that staff reductions / loss of experience had been a contributory factor in the errors in the accounts, but the enhanced accounts deadline had nonetheless been achieved by officers and bank reconciliations had been kept up to date.
- 4.7. There was some discussion between the Panel, auditors and officers concerning the possible effect of staff reductions, particularly with regard to financial controls and segregation of duties, and managing risks associated with the Brent IT contract and the six borough Oracle contract.
- 4.8. Accepting the above and noting the officers' planned actions, the Panel noted the expected unqualified opinions for both the financial statements and value for money work from Grant Thornton and requested an update from officers of the issues raised at the next Audit Panel.

December 2016

- 4.9. The Panel received Grant Thornton's Annual Audit Letter which confirmed that unqualified opinions on the accounts and Value for Money conclusion had been issued. It reported that significant adjustments had been necessary in respect of property, plant & equipment, NNDR and grant income. It also reported that the Council's submission for the HM Treasury Whole of Government Accounts was consistent with the final accounts, and that the grant claims audit work was largely complete.
- 4.10. The Chair of the Audit Panel met with the external auditors independently ahead of this meeting. No issues arising from this discussion required tabling at the subsequent meeting. In line with recognised good governance practice, these meetings will continue on an annual basis.

5. Internal Audit Service

March 2016

- 5.1. Unfortunately, this meeting was not quorum. A meeting did take place for information purposes only. However, all items that needed the Audit Panel's approval were taken to the June 16 meeting.

June 2016

- 5.2. Internal audit are required every five years to have an independent external assessment against the Public Sector Internal Audit Standards (PSIAS). This took place in February 2016 and confirmed that the service met the standards. A number of unconditional (advisory) recommendations were made. Of the recommendations made, two were for the Audit Panel to consider:
 - The Audit Panel and Internal Control Board should consider holding in-camera meetings with the Internal Audit Contract Manager to ascertain if this manager has any concerns as to the independence of the present arrangements.
 - The Audit Panel should consider annually completing an effectiveness assessment that includes an assessment of the effectiveness of the internal audit service and Head of Internal Audit.
- 5.3. The Audit Panel agreed with the first point; the Chair should meet with the Internal Audit Contract Manager at least annually. For 2016/17 this happened prior to the meeting in September. The Audit Panel deferred discussion of second point.
- 5.4. The Audit Panel received the internal audit annual assurance report. The Head of Corporate Resources (Head of Internal Audit) gave a 'Limited' opinion on the controls across the Council. This was down from the 'Satisfactory' opinion of previous years.
- 5.5. It was agreed that there would be a mid-year follow-up reported to the Panel on the three major core financial audits that had negative assurance opinions. They were: Accounts Payable; Accounts Receivable; and Banking. This would be in addition to the annual follow up work to keep a focus on the improvements agreed for these financial controls.

- 5.6. Based on a number of common audit findings, Members also questioned the approach and effectiveness of Contract Management in the Council and requested a briefing on current arrangements within the Council and identified good practices for local government.
- 5.7. The Audit Panel approved the internal audit plan and adopted the internal audit charter for 2016/17.

September 2016

- 5.8. The Audit Panel noted that the pace of implementing recommendations appeared to be slowing and asked that this be monitored closely and, for audits with multiple delays, that the responsible officer/s attend the next meeting to explain.
- 5.9. Members agreed not to implement the recommendation from the PSIAS report relating to an annual effectiveness self-assessment.
- 5.10. The Head of Financial Services and Head of Public Services updated members on the work in progress for the core financial systems flagged in the internal audit annual assurance opinion (see above for June). While there remained some finance system issues to resolve to close the recommendations, assurances were given that progress is being made and, although there was a lot of work to do, the officers hoped to complete it as soon as possible.

December 2016

- 5.11. While the number of overdue recommendations had reduced considerably, which is welcome, Members reiterated that it was important that the relevant officers attend the Audit Panel to explain significant delays in the implementation of recommendations. Members also requested that a summary of any recommendations that relate to controls in respect of the segregation of duties should become a standing item in the internal audit updates.
- 5.12. The Overview and Scrutiny Business Committee had requested that the annual internal audit report to Schools' Forum also be reported to the Audit Panel for information. This was done at the December meeting as the next available meeting following the October Schools Forum meeting.

6. Counter Fraud Arrangements

- 6.1. At each meeting the Panel reviews and asks questions of the Head of Corporate Resources on the update report for investigations completed and in progress by the Anti-Fraud & Corruption Team.

March 2016

- 6.2. The Panel were informed that a joint prosecution had been successfully concluded with the Royal Borough of Greenwich and that £153k had been recovered as Proceeds of Crime which would be shared between the boroughs. The Lewisham element of this recovery would be reinvested in the team in 2016/17, when the

DCLG grant monies would no longer be available, to continue to pursue housing tenancy frauds.

June 2016

- 6.3. Lewisham's Anti-Fraud arrangements were published in the report as required by the Local Government Transparency Code. The Panel discussed the risk of fraud in the areas of Right to Buy, subletting, and tenancy succession.

September 2016

- 6.4. The Panel discussed the notional savings used to record tenancies recovered by the team and noted that the work had a positive impact on the housing waiting list as properties able to be recycled were then available for legitimate tenants.
- 6.5. The Panel noted that regular Fraud Awareness training is made available to frontline officers.

December 2016

- 6.6. The Panel discussed approached to data analysis to detect fraudulent activities. The Panel agreed to move to an annual update from the Anti-Fraud & Corruption Team to form part of the June annual assurance report.

7. Financial Regulations and Contract Procedure Rules

- 7.1. The Head of Corporate Resources is responsible for maintaining the Finance Regulations, Scheme of Delegation, and Contract Procedure Rules. These were reviewed and updated in 2015 and submitted to the Constitution Working Party to be approved and onto full Council in January 2016 where they were adopted.
- 7.2. The next full review is starting not and will be in 2017/18, in part as there were no major reorganisations in 2016 requiring them to be updated. In the meantime the procurement handbook and guidance has been updated in 2016/17 to reflect the service level agreement with the London Borough of Lambeth and changes in OJEU limits.

8. Statement of Internal Control (SIC) / Annual Governance Statement

- 8.1. The statement of internal control now forms part of the wider Annual Governance Statement (AGS) published each year as part of the Council's financial statements. The draft AGS relating to 2015/16 was reviewed at the June Audit Panel meeting and agreed as final at the September meeting when the accounts were approved.
- 8.2. The AGS – in line with the external audit recommendation of the previous year – continues to be a short and concise summary of the key governance processes of the Council and two or three areas for continuous improvement. The main one for 2016/17 being the need for improvements in financial controls to address the findings of the auditors.

9. Other Business

- 9.1. Looking forward the Audit Panel will continue to manage its work on a similar basis for 2017/18.

10. Legal Implications

- 10.1. There are no legal implications arising directly from this report.

11. Financial Implications

- 11.1. There are no financial implications arising directly from this report.

12. Equalities Implications

- 12.1. There are no Equalities implications arising directly from this report.

13. Crime and Disorder Implications

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

14. Environmental Implications

- 14.1. There are no legal implications arising directly from this report.

Background Papers

The background papers are those tabled for the Audit Panel meetings in 2016/17.

<http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CId=148&Year=0>

If you have any questions about this report, please contact:

Selwyn Thompson, Head of Financial Services on 020 8314 6932, or

David Austin, Head of Corporate Resources on 020 8314 9114.

Public Accounts Select Committee		
Title	Report on Brexit (UK leaving the European Union)	
Contributor	Head of Corporate Resources	Item 5
Class	Part 1 (open)	15 March 2017

Lateness: This report was not available for the original dispatch because officers needing additional time to complete their review of the possible implications of Brexit.

Urgency: The report is urgent and cannot wait until the next meeting of the Committee as members have requested the update within this year’s work programme for which this is the last meeting.

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

1. Purpose of the Report

1.1. The purpose of this report is to update the members of the Public Accounts Select Committee (PASC) on some of the considerations in respect of the United Kingdom (UK) decision to withdraw from the European Union (EU), also known as Brexit.

2. Recommendations

2.1. It is recommended that the PASC note the contents of this report.

3. Background

3.1. The UK held a referendum in June 2016 with the option to vote for the UK to leave or remain in the EU.

3.2. The national turnout was high with over 30 million votes cast and the result was to leave.

Referendum Results	National	England	Lewisham
Leave	51.9%	53.4%	30.1%
Remain	48.1%	46.6%	69.9%
Turnout	72%	73%	63%

- 3.3. Since the referendum the UK Government has changed with a new Prime Minister and Cabinet and a new Department for Exiting the EU created to lead on negotiations to deliver Brexit. Following a court case at the Supreme Court it has also been confirmed that parliament must be consulted before triggering Article 50 of the Lisbon Treaty on the EU. The bill to do this has passed the House of Commons and is presented at Appendix A. It is currently with the House of Lords for scrutiny.
- 3.4. To date the EU have been clear that no discussions can begin until the UK has triggered Article 50. This will trigger the formal two year process to agreeing the terms of the UK's exit from the EU which has to be agreed by 20 of the 27 member states with at least 65% of the population and the European Parliament to be concluded – see schematic of process at Appendix C.
- 3.5. If an agreement is not reached under the terms of the Treaty an extension can be granted if agreed by all member states or the UK leaves as an independent country bound by international agreements only, in particular the World Trade Organisation (WTO) for matters of trade.

4. Considerations

- 4.1. This section looks at the international, national, London, and Local issues to hopefully put some structure to the breadth of matters to be addressed as Brexit preparations continue. In setting out some of the uncertainties, challenges, and questions to be answered the report does not claim to be comprehensive nor to present the points in any particular order to reflect their importance or ability to influence them.

International

- 4.2. There are potential issues for the union of Great Britain. These include:
 - 4.2.1. the Scottish electorate voted to remain and the leading SNP party point out that the 2015 independence referendum result reflected an assumption that England would remain in the EU. Now this may no longer be the case they may push for a second Scottish independence election to be held.
 - 4.2.2. Northern Ireland has an open border with the Republic and both are opted out of the EU Schengen agreement. This may not be sustainable if the UK has to revert to a hard border with all EU states, causing disruption to communities and trade. Furthermore the Irish Good Friday Agreement holds under EU law and there is a view that it may also have to be revisited as part of Brexit.
 - 4.2.3. Other areas of contention might for example include the status of Gibraltar which is contested by Spain and could impact UK residents there.
- 4.3. A number of economic adjustments in the global economy may influence Brexit positions and impact how the UK economy resets and trades with the world as it

withdraws from the EU. Currently the UK exports goods and services worth £230bn to the EU and imports £291bn. This covers a trading surplus of £28bn on services and a trading deficit of £89bn on goods. Areas where changes in economic relations will impact include:

- 4.3.1. The revaluation of sterling against other currencies – down 15% against the US dollar and 10% against the Euro since June 2016. This in turn has pushed up the rate of inflation in the UK economy (now above 2%) which runs a net trade deficit and the weaker currency has pushed up import costs.
 - 4.3.2. It is unclear how the quantitative easing of the last decade or so undertaken by the major developed economies (Japan, US, UK, Europe) will be paid down or inflated out over time. The former is harder and the latter acts as a drag on growth.
 - 4.3.3. The Eurozone also has its own economic tensions and imbalances to manage over time – the most visible being Greece but also Italy and others - that create different views when trying to generate a consensus for Brexit.
- 4.4. There are a number of national elections due in European countries in 2017, the results of which could significantly influence the approach each country takes to the Brexit negotiations. The main ones are in the Netherlands in March, France in May and Germany in September. However there are also presidential elections in Hungary, Serbia and Slovenia in 2017.
- 4.5. As well as the economic considerations noted above, there are changing attitudes to the pace and direction of globalisation in a number of major countries that also impact many emerging markets as well. For example;
- 4.5.1. China are strongly promoting an internationalist view to promote trade while in the USA the discussion is more about withdrawing from multi-lateral agreements to pursue stronger local growth or bi-lateral trade deals.
 - 4.5.2. It is clear though that the global and European economies have over the last 50 years or so built incredibly interconnected supply chains which are complex to unravel but also very sensitive to cost and time delays which in turn shift the patterns of significant amounts of foreign direct investment.
 - 4.5.3. As the UK is looking for more international trade with countries outside of the EU, the World Trade Organisation (WTO) concluded the Trade Facilitation Agreement (TFA) in February 2017 when it was ratified by 2/3 of members (over 110 countries). The TFA supports multi-lateral trading arrangements with the potential to reduce the time and cost of importing and exporting goods. To put this in context it is estimated that the cost to the UK of moving to WTO tariffs on its net trade with the EU would be £7.6bn or 0.4% of GDP.

National

- 4.6. In the discussions to date three key reasons have been repeatedly quoted as to why the UK electorate voted as it did. They were to: 1) reduce immigration; 2) reinstate the national sovereignty of parliament and the law, and 3) support economic growth.

- 4.7. The Government has presented its approach to Brexit in a paper from the Prime Minister in January 2017. This sets out the main objective as to negotiate a new, positive and constructive partnership between Britain and the EU. This objective is underpinned by five principles and 12 priorities. The Prime Minister's report is presented at Appendix B.
- 4.8. In summary the principles are for: 1) Certainty and Clarity; 2) A stronger Britain; 3) A fairer Britain; 4) A truly global Britain; and 5) A phased approach. The 12 priorities in short are:
- *Providing certainty and clarity* – We will provide certainty wherever we can as we approach the negotiations.
 - *Taking control of our own laws* – We will take control of our own statute book and bring an end to the jurisdiction of the Court of Justice of the European Union in the UK.
 - *Strengthening the Union* – We will secure a deal that works for the entire UK – for Scotland, Wales, Northern Ireland and all parts of England. We remain fully committed to the Belfast Agreement and its successors.
 - *Protecting our strong and historic ties with Ireland and maintaining the Common Travel Area* – We will work to deliver a practical solution that allows for the maintenance of the Common Travel Area, whilst protecting the integrity of our immigration system and which protects our strong ties with Ireland.
 - *Controlling immigration* – We will have control over the number of EU nationals coming to the UK.
 - *Securing rights for EU nationals in the UK, and UK nationals in the EU* – We want to secure the status of EU citizens who are already living in the UK, and that of UK nationals in other Member States, as early as we can.
 - *Protecting workers' rights* – We will protect and enhance existing workers' rights.
 - *Ensuring free trade with European markets* – We will forge a new strategic partnership with the EU, including a wide reaching, bold and ambitious free trade agreement, and will seek a mutually beneficial new customs agreement with the EU.
 - *Securing new trade agreements with other countries* – We will forge ambitious free trade relationships across the world.
 - *Ensuring the UK remains the best place for science and innovation* – We will remain at the vanguard of science and innovation and will seek continued close collaboration with our European partners.
 - *Cooperating in the fight against crime and terrorism* – We will continue to work with the EU to preserve European security, to fight terrorism, and to uphold justice across Europe.
 - *Delivering a smooth, orderly exit from the EU* – We will seek a phased process of implementation, in which both the UK and the EU institutions and the remaining EU Member States prepare for the new arrangements that will exist between us.
- 4.9. As well as delivering the Brexit agenda the Government has to continue to deliver business as usual while also preparing for day one post Brexit. In this context it is worth noting that over the last 43 years as a member of the EU a number of regulation functions have been transferred to the EU. And with public sector

austerity since 2010 the Civil Service has reduced by 20%. There are therefore real questions about the structures, capacity and skills to be rebuilt in government to manage the UK post Brexit. In particular;

- 4.9.1. There is a need to define and build a new framework for the way the UK government will operate at home and abroad, including the institutions required to support this.
 - 4.9.2. This will also require the implementation of systems and policies for day 1 post Brexit. For example; new immigration laws, border control agencies, an effective customs regime, and appropriate regulatory bodies for areas such as the environment, medicines, energy, communications, etc..
- 4.10. In terms of the legal framework that will apply, the government is proposing to pass a Great Repeal Bill. This is effectively a lift and shift of EU regulations into UK law from where they can then be amended, or removed over time. The Great Repeal Bill was announced to Parliament on 10 October 2016. The Bill has three primary elements:
- 4.10.1. First, it will repeal the European Communities Act 1972, and in so doing, return power to UK politicians and institutions.
 - 4.10.2. Second, the Bill will preserve EU law where it stands at the moment before we leave the EU. Parliament (and, where appropriate, the devolved legislatures) will then be able to decide which elements of that law to keep, amend or repeal once we have left the EU. The UK courts will then apply those decisions of Parliament and the devolved legislatures.
 - 4.10.3. Finally, the Bill will enable changes to be made by secondary legislation to the laws that would otherwise not function sensibly once we have left the EU, so that our legal system continues to function correctly outside the EU.
- 4.11. One area to be resolved that has already been noted is the reciprocal arrangements for EU nationals in the UK and the UK nationals in the EU. This covers their residency, worker and personal rights (e.g. reciprocal Healthcare costs). There are currently 2.8m Europeans resident on the UK and around 1.0m Brits living or working in the EU, plus the many millions more visiting each year.

London

- 4.12. London is dominated by the Financial Services industry for which it is one of the three global hubs along with New York and Singapore. Possible cracks in the integration of this work are already being seen in the take up of office space in other financial centres (notably Dublin, Paris and Frankfurt) and the collapse of the proposed merger between the Deutsche Bourse and the London Stock Exchange. As noted above this is an area of trade with the EU that delivers a surplus. Some of the considerations to be clarified as part of Brexit are:

- Regulatory framework to apply
- Ability to passport services cross border

- Attractiveness of place to support development of capabilities and skills
- Access to other markets, including transport hubs
- Centre of gravity for corporate listings, mergers and acquisitions, currently exchange, other..

4.13. Both the position of London as a global centre and the value of the trade are at risk if this industry reduces. For London this is a critical risk, for the sector and all the associated business and community implications it entails.

Lewisham

4.14. In terms of the more local implications for Lewisham and the Council as a major local employer along with other public sector organisations (in particular the Health and Education sectors) there three main challenges from Brexit: 1) People; 2) Costs; and 3) Funding streams.

- 4.14.1. People – the main concern is uncertainty in respect of workforce. In London some 20% of the population were born abroad, many in the EU. Where will the numbers and skills come from to supply the workforce needed in the future. At what costs to secure supply in the short time and with what training and development needs in the medium term
- 4.14.2. Costs – given the complexity of supply chains and business interconnections with Europe there will almost certainly be unintended consequences from Brexit. As noted above for London this will have implications for the cost of doing business, the access to global investments for pension funds, returns from London registered operations, and other changes to asset valuations (in particular in respect of property prices in London).
- 4.14.3. EU funding for research and economic development. A number of aspects of medical research, university study, skills training are currently funded by EU programmes. How these are funded in the future has to be resolved and against what priorities. For example; London is recognised as a congested and polluted city but will the UK post Brexit hold it to the same standards. At a more local level will schemes such as the Erasmus one to provide exposure to learning and culture in Europe continue to give young people in Lewisham the same opportunities as they currently have.

5. Timetable / Next Steps

- 5.1. Looking forward it is expected, whether the Lords have concluded their scrutiny or not, that the Prime Minister will trigger the Article 50 notification for the UK to withdraw from the EU in March 2017. This will set the two year countdown running, although this can be extended if all Member States agree.
- 5.2. Within this time the terms of Brexit will need to be negotiated and leave time for all Members to vote on the proposed terms, including some that under their constitutions need to hold referendum, and then the EU parliament.
- 5.3. The UK will then leave the EU at the end of March 2019 with or without an agreement. If there is no agreement the UK's relationship with the EU will fall back

on the wider international framework for international relations, in particular the WTO for all trading relationships.

- 5.4. A schematic overview of the timetable and steps to concluding Brexit is set out at Appendix C to this report.

6. Legal Implications

- 6.1. There are no legal implications arising directly from this report.

7. Financial Implications

- 7.1. There are no financial implications arising directly from this report.

8. Equalities Implications

- 8.1. There are no Equalities implications arising directly from this report.

9. Crime and Disorder Implications

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

10. Environmental Implications

- 10.1. There are no legal implications arising directly from this report.

11. Background Papers

- 11.1. There are no background papers to this report. If there are any queries, please contact: David Austin, Head of Corporate Resources on 020 8314 9114.

APPENDIX A

European Union (Notification of Withdrawal) Bill

26 January 2017

A **Bill** to

Confer power on the Prime Minister to notify, under Article 50(2) of the Treaty on European Union, the United Kingdom's intention to withdraw from the EU.

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Power to notify withdrawal from the EU

(1) The Prime Minister may notify, under Article 50(2) of the Treaty on European Union, the United Kingdom's intention to withdraw from the EU.

(2) This section has effect despite any provision made by or under the European Communities Act 1972 or any other enactment.

2 Short title

This Act may be cited as the European Union (Notification of Withdrawal) Act 2017.

APPENDIX B

Prime Minister Theresa May set out the Plan for Britain, including the 12 priorities that the UK government will use to negotiate Brexit.

Published 17 January 2017

A little over 6 months ago, the British people voted for change.

They voted to shape a brighter future for our country.

They voted to leave the European Union and embrace the world.

And they did so with their eyes open: accepting that the road ahead will be uncertain at times, but believing that it leads towards a brighter future for their children – and their grandchildren too.

And it is the job of this government to deliver it. That means more than negotiating our new relationship with the EU. It means taking the opportunity of this great moment of national change to step back and ask ourselves what kind of country we want to be.

My answer is clear. I want this United Kingdom to emerge from this period of change stronger, fairer, more united and more outward-looking than ever before. I want us to be a secure, prosperous, tolerant country – a magnet for international talent and a home to the pioneers and innovators who will shape the world ahead. I want us to be a truly Global Britain – the best friend and neighbour to our European partners, but a country that reaches beyond the borders of Europe too. A country that goes out into the world to build relationships with old friends and new allies alike.

I want Britain to be what we have the potential, talent and ambition to be. A great, global trading nation that is respected around the world and strong, confident and united at home.

A Plan for Britain

That is why this government has a Plan for Britain. One that gets us the right deal abroad but also ensures we get a better deal for ordinary working people at home.

It's why that plan sets out how we will use this moment of change to build a stronger economy and a fairer society by embracing genuine economic and social reform.

Why our new Modern Industrial Strategy is being developed, to ensure every nation and area of the United Kingdom can make the most of the opportunities ahead.

Why we will go further to reform our schools to ensure every child has the knowledge and the skills they need to thrive in post-Brexit Britain.

Why as we continue to bring the deficit down, we will take a balanced approach by investing in our economic infrastructure – because it can transform the growth potential of our economy and improve the quality of people's lives across the whole country.

It's why we will put the preservation of our precious Union at the heart of everything we do. Because it is only by coming together as one great union of nations and people that we can make the most of the opportunities ahead. The result of the referendum was not a decision to turn inward and retreat from the world.

Because Britain's history and culture is profoundly internationalist.

We are a European country – and proud of our shared European heritage – but we are also a country that has always looked beyond Europe to the wider world. That is why we are one of the most racially diverse countries in Europe, one of the most multicultural members of the European Union, and why – whether we are talking about India, Pakistan, Bangladesh, America, Australia, Canada, New Zealand, countries in Africa or those that are closer to home in Europe – so many of us have close friends and relatives from across the world.

Instinctively, we want to travel to, study in, trade with countries not just in Europe but beyond the borders of our continent. Even now as we prepare to leave the EU, we are planning for the next biennial Commonwealth Heads of Government meeting in 2018 – a reminder of our unique and proud global relationships.

A message from Britain to the rest of Europe

And it is important to recognise this fact. June the 23rd was not the moment Britain chose to step back from the world. It was the moment we chose to build a truly Global Britain.

I know that this – and the other reasons Britain took such a decision – is not always well understood among our friends and allies in Europe. And I know many fear that this might herald the beginning of a greater unravelling of the EU.

But let me be clear: I do not want that to happen. It would not be in the best interests of Britain. It remains overwhelmingly and compellingly in Britain's national interest that the EU should succeed. And that is why I hope in the months and years ahead we will all reflect on the lessons of Britain's decision to leave.

So let me take this opportunity to set out the reasons for our decision and to address the people of Europe directly.

It's not simply because our history and culture is profoundly internationalist, important though that is. Many in Britain have always felt that the United Kingdom's place in the European Union came at the expense of our global ties, and of a bolder embrace of free trade with the wider world.

There are other important reasons too.

Our political traditions are different. Unlike other European countries, we have no written constitution, but the principle of Parliamentary Sovereignty is the basis of our unwritten constitutional settlement. We have only a recent history of devolved governance – though it has rapidly embedded itself – and we have little history of coalition government.

The public expect to be able to hold their governments to account very directly, and as a result supranational institutions as strong as those created by the European Union sit very uneasily in relation to our political history and way of life.

And, while I know Britain might at times have been seen as an awkward member state, the European Union has struggled to deal with the diversity of its member countries and their interests. It bends towards uniformity, not flexibility.

David Cameron's negotiation was a valiant final attempt to make it work for Britain – and I want to thank all those elsewhere in Europe who helped him reach an agreement – but the blunt truth, as we know, is that there was not enough flexibility on many important matters for a majority of British voters.

Now I do not believe that these things apply uniquely to Britain. Britain is not the only member state where there is a strong attachment to accountable and democratic government, such a strong internationalist mindset, or a belief that diversity within Europe should be celebrated. And so I believe there is a lesson in Brexit not just for Britain but, if it wants to succeed, for the EU itself.

Because our continent's great strength has always been its diversity. And there are 2 ways of dealing with different interests. You can respond by trying to hold things together by force, tightening a vice-like grip that ends up crushing into tiny pieces the very things you want to protect. Or you can respect difference, cherish it even, and reform the EU so that it deals better with the wonderful diversity of its member states.

So to our friends across Europe, let me say this.

Our vote to leave the European Union was no rejection of the values we share. The decision to leave the EU represents no desire to become more distant to you, our friends and neighbours. It was no attempt to do harm to the EU itself or to any of its remaining member states. We do not want to turn the clock back to the days when Europe was less peaceful, less secure and less able to trade freely. It was a vote to restore, as we see it, our parliamentary democracy, national self-determination, and to become even more global and internationalist in action and in spirit.

We will continue to be reliable partners, willing allies and close friends. We want to buy your goods and services, sell you ours, trade with you as freely as possible, and work with one another to make sure we are all safer, more secure and more prosperous through continued friendship.

You will still be welcome in this country as we hope our citizens will be welcome in yours. At a time when together we face a serious threat from our enemies, Britain's unique intelligence capabilities will continue to help to keep people in Europe safe from terrorism. And at a time when there is growing concern about European security, Britain's servicemen and women, based in European countries including Estonia, Poland and Romania, will continue to do their duty.

We are leaving the European Union, but we are not leaving Europe.

And that is why we seek a new and equal partnership – between an independent, self-governing, Global Britain and our friends and allies in the EU.

Not partial membership of the European Union, associate membership of the European Union, or anything that leaves us half-in, half-out. We do not seek to adopt a model already enjoyed by other countries. We do not seek to hold on to bits of membership as we leave.

No, the United Kingdom is leaving the European Union. And my job is to get the right deal for Britain as we do.

Objectives and ambitions

So today I want to outline our objectives for the negotiation ahead. Twelve objectives that amount to one big goal: a new, positive and constructive partnership between Britain and the European Union.

And as we negotiate that partnership, we will be driven by some simple principles: we will provide as much certainty and clarity as we can at every stage. And we will take this

opportunity to make Britain stronger, to make Britain fairer, and to build a more Global Britain too.

Certainty and clarity

1. Certainty

The first objective is crucial. We will provide certainty wherever we can.

We are about to enter a negotiation. That means there will be give and take. There will have to be compromises. It will require imagination on both sides. And not everybody will be able to know everything at every stage.

But I recognise how important it is to provide business, the public sector, and everybody with as much certainty as possible as we move through the process.

So where we can offer that certainty, we will do so.

That is why last year we acted quickly to give clarity about farm payments and university funding. And it is why, as we repeal the European Communities Act, we will convert the 'acquis' – the body of existing EU law – into British law.

This will give the country maximum certainty as we leave the EU. The same rules and laws will apply on the day after Brexit as they did before. And it will be for the British Parliament to decide on any changes to that law after full scrutiny and proper Parliamentary debate.

And when it comes to Parliament, there is one other way in which I would like to provide certainty. I can confirm today that the Government will put the final deal that is agreed between the UK and the EU to a vote in both Houses of Parliament, before it comes into force.

A stronger Britain

Our second guiding principle is to build a stronger Britain.

2. Control of our own laws

That means taking control of our own affairs, as those who voted in their millions to leave the European Union demanded we must.

So we will take back control of our laws and bring an end to the jurisdiction of the European Court of Justice in Britain. Leaving the European Union will mean that our laws will be made in Westminster, Edinburgh, Cardiff and Belfast. And those laws will be interpreted by judges not in Luxembourg but in courts across this country.

Because we will not have truly left the European Union if we are not in control of our own laws.

3. Strengthen the Union

A stronger Britain demands that we do something else – strengthen the precious union between the 4 nations of the United Kingdom.

At this momentous time, it is more important than ever that we face the future together, united by what makes us strong: the bonds that unite us as a people, and our shared interest in the UK being an open, successful trading nation in the future.

And I hope that same spirit of unity will apply in Northern Ireland in particular over the coming months in the Assembly elections, and the main parties there will work together to re-establish a partnership government as soon as possible.

Foreign affairs are of course the responsibility of the UK government, and in dealing with them we act in the interests of all parts of the United Kingdom. As prime minister, I take that responsibility seriously.

I have also been determined from the start that the devolved administrations should be fully engaged in this process.

That is why the government has set up a Joint Ministerial Committee on EU Negotiations, so ministers from each of the UK's devolved administrations can contribute to the process of planning for our departure from the European Union.

We have already received a paper from the Scottish government, and look forward to receiving a paper from the Welsh government shortly. Both papers will be considered as part of this important process. We won't agree on everything, but I look forward to working with the administrations in Scotland, Wales and Northern Ireland to deliver a Brexit that works for the whole of the United Kingdom.

Part of that will mean working very carefully to ensure that – as powers are repatriated from Brussels back to Britain – the right powers are returned to Westminster, and the right powers are passed to the devolved administrations of Scotland, Wales and Northern Ireland.

As we do so, our guiding principle must be to ensure that – as we leave the European Union – no new barriers to living and doing business within our own Union are created,

That means maintaining the necessary common standards and frameworks for our own domestic market, empowering the UK as an open, trading nation to strike the best trade deals around the world, and protecting the common resources of our islands.

And as we do this, I should equally be clear that no decisions currently taken by the devolved administrations will be removed from them.

4. Maintain the Common Travel Area with Ireland

We cannot forget that, as we leave, the United Kingdom will share a land border with the EU, and maintaining that Common Travel Area with the Republic of Ireland will be an important priority for the UK in the talks ahead. There has been a Common Travel Area between the UK and the Republic of Ireland for many years.

Indeed, it was formed before either of our 2 countries were members of the European Union. And the family ties and bonds of affection that unite our 2 countries mean that there will always be a special relationship between us.

So we will work to deliver a practical solution that allows the maintenance of the Common Travel Area with the Republic, while protecting the integrity of the United Kingdom's immigration system.

Nobody wants to return to the borders of the past, so we will make it a priority to deliver a practical solution as soon as we can.

A fairer Britain

The third principle is to build a fairer Britain. That means ensuring it is fair to everyone who lives and works in this country.

5. Control of immigration

And that is why we will ensure we can control immigration to Britain from Europe.

We will continue to attract the brightest and the best to work or study in Britain – indeed openness to international talent must remain one of this country's most distinctive assets – but that process must be managed properly so that our immigration system serves the national interest.

So we will get control of the number of people coming to Britain from the EU.

Because while controlled immigration can bring great benefits – filling skills shortages, delivering public services, making British businesses the world-beaters they often are – when the numbers get too high, public support for the system falters.

In the last decade or so, we have seen record levels of net migration in Britain, and that sheer volume has put pressure on public services, like schools, stretched our infrastructure, especially housing, and put a downward pressure on wages for working class people. As home secretary for 6 years, I know that you cannot control immigration overall when there is free movement to Britain from Europe.

Britain is an open and tolerant country. We will always want immigration, especially high-skilled immigration, we will always want immigration from Europe, and we will always welcome individual migrants as friends. But the message from the public before and during the referendum campaign was clear: Brexit must mean control of the number of people who come to Britain from Europe. And that is what we will deliver.

6. Rights for EU nationals in Britain, and British nationals in the EU

Fairness demands that we deal with another issue as soon as possible too. We want to guarantee the rights of EU citizens who are already living in Britain, and the rights of British nationals in other member states, as early as we can.

I have told other EU leaders that we could give people the certainty they want straight away, and reach such a deal now.

Many of them favour such an agreement – 1 or 2 others do not – but I want everyone to know that it remains an important priority for Britain – and for many other member states – to resolve this challenge as soon as possible. Because it is the right and fair thing to do.

7. Protect workers' rights

And a fairer Britain is a country that protects and enhances the rights people have at work. That is why, as we translate the body of European law into our domestic regulations, we will ensure that workers rights are fully protected and maintained.

Indeed, under my leadership, not only will the government protect the rights of workers set out in European legislation, we will build on them. Because under this government, we will make sure legal protection for workers keeps pace with the changing labour market – and that the voices of workers are heard by the boards of publicly-listed companies for the first time.

A Truly Global Britain

But the great prize for this country – the opportunity ahead – is to use this moment to build a truly Global Britain. A country that reaches out to old friends and new allies alike. A great, global, trading nation. And one of the firmest advocates for free trade anywhere in the world.

8. Free trade with European markets

That starts with our close friends and neighbours in Europe. So as a priority, we will pursue a bold and ambitious free trade agreement with the European Union.

This agreement should allow for the freest possible trade in goods and services between Britain and the EU's member states. It should give British companies the maximum freedom to trade with and operate within European markets – and let European businesses do the same in Britain.

But I want to be clear. What I am proposing cannot mean membership of the single market. European leaders have said many times that membership means accepting the '4 freedoms' of goods, capital, services and people. And being out of the EU but a member of the single market would mean complying with the EU's rules and regulations that implement those freedoms, without having a vote on what those rules and regulations are. It would mean accepting a role for the European Court of Justice that would see it still having direct legal authority in our country.

It would to all intents and purposes mean not leaving the EU at all.

And that is why both sides in the referendum campaign made it clear that a vote to leave the EU would be a vote to leave the single market.

So we do not seek membership of the single market. Instead we seek the greatest possible access to it through a new, comprehensive, bold and ambitious free trade agreement.

That agreement may take in elements of current single market arrangements in certain areas – on the export of cars and lorries for example, or the freedom to provide financial services across national borders – as it makes no sense to start again from scratch when Britain and the remaining Member States have adhered to the same rules for so many years.

But I respect the position taken by European leaders who have been clear about their position, just as I am clear about mine. So an important part of the new strategic partnership we seek with the EU will be the pursuit of the greatest possible access to the single market, on a fully reciprocal basis, through a comprehensive free trade agreement.

And because we will no longer be members of the single market, we will not be required to contribute huge sums to the EU budget. There may be some specific European programmes in which we might want to participate. If so, and this will be for us to decide, it is reasonable that we should make an appropriate contribution. But the principle is clear: the days of Britain making vast contributions to the European Union every year will end.

9. New trade agreements with other countries

But it is not just trade with the EU we should be interested in. A Global Britain must be free to strike trade agreements with countries from outside the European Union too.

Because important though our trade with the EU is and will remain, it is clear that the UK needs to increase significantly its trade with the fastest growing export markets in the world.

Since joining the EU, trade as a percentage of GDP has broadly stagnated in the UK. That is why it is time for Britain to get out into the world and rediscover its role as a great, global, trading nation.

This is such a priority for me that when I became Prime Minister I established, for the first time, a Department for International Trade, led by Liam Fox.

We want to get out into the wider world, to trade and do business all around the globe. Countries including China, Brazil, and the Gulf States have already expressed their interest in striking trade deals with us. We have started discussions on future trade ties with countries like Australia, New Zealand and India. And President-Elect Trump has said Britain is not “at the back of the queue” for a trade deal with the United States, the world’s biggest economy, but front of the line.

I know my emphasis on striking trade agreements with countries outside Europe has led to questions about whether Britain seeks to remain a member of the EU’s Customs Union. And it is true that full Customs Union membership prevents us from negotiating our own comprehensive trade deals.

Now, I want Britain to be able to negotiate its own trade agreements. But I also want tariff-free trade with Europe and cross-border trade there to be as frictionless as possible.

That means I do not want Britain to be part of the Common Commercial Policy and I do not want us to be bound by the Common External Tariff. These are the elements of the Customs Union that prevent us from striking our own comprehensive trade agreements with other countries. But I do want us to have a customs agreement with the EU.

Whether that means we must reach a completely new customs agreement, become an associate member of the Customs Union in some way, or remain a signatory to some elements of it, I hold no preconceived position. I have an open mind on how we do it. It is not the means that matter, but the ends.

And those ends are clear: I want to remove as many barriers to trade as possible. And I want Britain to be free to establish our own tariff schedules at the World Trade Organisation, meaning we can reach new trade agreements not just with the European Union but with old friends and new allies from outside Europe too.

10. The best place for science and innovation

A Global Britain must also be a country that looks to the future. That means being one of the best places in the world for science and innovation.

One of our great strengths as a nation is the breadth and depth of our academic and scientific communities, backed up by some of the world’s best universities. And we have a proud history of leading and supporting cutting-edge research and innovation.

So we will also welcome agreement to continue to collaborate with our European partners on major science, research, and technology initiatives.

From space exploration to clean energy to medical technologies, Britain will remain at the forefront of collective endeavours to better understand, and make better, the world in which we live.

11. Co-operation in the fight against crime and terrorism

And a Global Britain will continue to co-operate with its European partners in important areas such as crime, terrorism and foreign affairs.

All of us in Europe face the challenge of cross-border crime, a deadly terrorist threat, and the dangers presented by hostile states. All of us share interests and values in common, values we want to see projected around the world.

With the threats to our common security becoming more serious, our response cannot be to co-operate with one another less, but to work together more. I therefore want our future relationship with the European Union to include practical arrangements on matters of law enforcement and the sharing of intelligence material with our EU allies.

I am proud of the role Britain has played and will continue to play in promoting Europe's security. Britain has led Europe on the measures needed to keep our continent secure – whether it is implementing sanctions against Russia following its action in Crimea, working for peace and stability in the Balkans, or securing Europe's external border. We will continue to work closely with our European allies in foreign and defence policy even as we leave the EU itself.

A phased approach

12. A smooth, orderly Brexit

These are our objectives for the negotiation ahead – objectives that will help to realise our ambition of shaping that stronger, fairer, Global Britain that we want to see.

They are the basis for a new, strong, constructive partnership with the European Union – a partnership of friends and allies, of interests and values. A partnership for a strong EU and a strong UK.

But there is one further objective we are setting. For as I have said before – it is in no one's interests for there to be a cliff-edge for business or a threat to stability, as we change from our existing relationship to a new partnership with the EU.

By this, I do not mean that we will seek some form of unlimited transitional status, in which we find ourselves stuck forever in some kind of permanent political purgatory. That would not be good for Britain, but nor do I believe it would be good for the EU.

Instead, I want us to have reached an agreement about our future partnership by the time the 2-year Article 50 process has concluded. From that point onwards, we believe a phased process of implementation, in which both Britain and the EU institutions and member states prepare for the new arrangements that will exist between us will be in our mutual self-interest. This will give businesses enough time to plan and prepare for those new arrangements.

This might be about our immigration controls, customs systems or the way in which we co-operate on criminal justice matters. Or it might be about the future legal and regulatory framework for financial services. For each issue, the time we need to phase-in the new arrangements may differ. Some might be introduced very quickly, some might take longer. And the interim arrangements we rely upon are likely to be a matter of negotiation.

But the purpose is clear: we will seek to avoid a disruptive cliff-edge, and we will do everything we can to phase in the new arrangements we require as Britain and the EU move towards our new partnership.

The right deal for Britain

So, these are the objectives we have set. Certainty wherever possible. Control of our own laws. Strengthening the United Kingdom. Maintaining the Common Travel Area with Ireland. Control of immigration. Rights for EU nationals in Britain, and British nationals in the EU. Enhancing rights for workers. Free trade with European markets. New trade agreements with other countries. A leading role in science and innovation. Co-operation on crime, terrorism and foreign affairs. And a phased approach, delivering a smooth and orderly Brexit.

This is the framework of a deal that will herald a new partnership between the UK and the EU.

It is a comprehensive and carefully considered plan that focuses on the ends, not just the means – with its eyes fixed firmly on the future, and on the kind of country we will be once we leave.

It reflects the hard work of many in this room today who have worked tirelessly to bring it together and to prepare this country for the negotiation ahead.

And it will, I know, be debated and discussed at length. That is only right. But those who urge us to reveal more – such as the blow-by-blow details of our negotiating strategy, the areas in which we might compromise, the places where we think there are potential trade-offs – will not be acting in the national interest.

Because this is not a game or a time for opposition for opposition's sake. It is a crucial and sensitive negotiation that will define the interests and the success of our country for many years to come. And it is vital that we maintain our discipline.

That is why I have said before – and will continue to say – that every stray word and every hyped up media report is going to make it harder for us to get the right deal for Britain. Our opposite numbers in the European Commission know it, which is why they are keeping their discipline. And the ministers in this government know it too, which is why we will also maintain ours.

So however frustrating some people find it, the government will not be pressured into saying more than I believe it is in our national interest to say. Because it is not my job to fill column inches with daily updates, but to get the right deal for Britain. And that is what I intend to do.

A new partnership between Britain and Europe

I am confident that a deal – and a new strategic partnership between the UK and the EU – can be achieved.

This is firstly because, having held conversations with almost every leader from every single EU member state; having spent time talking to the senior figures from the European institutions, including President Tusk, President Juncker, and President Schulz; and after my Cabinet colleagues David Davis, Philip Hammond and Boris Johnson have done the

same with their interlocutors, I am confident that the vast majority want a positive relationship between the UK and the EU after Brexit.

And I am confident that the objectives I am setting out today are consistent with the needs of the EU and its member states.

That is why our objectives include a proposed free trade agreement between Britain and the European Union, and explicitly rule out membership of the EU's single market. Because when the EU's leaders say they believe the 4 freedoms of the single market are indivisible, we respect that position. When the 27 member states say they want to continue their journey inside the European Union, we not only respect that fact but support it.

Because we do not want to undermine the single market, and we do not want to undermine the European Union. We want the EU to be a success and we want its remaining member states to prosper. And of course we want the same for Britain.

And the second reason I believe it is possible to reach a good deal is that the kind of agreement I have described today is the economically rational thing that both Britain and the EU should aim for. Because trade is not a zero sum game: more of it makes us all more prosperous. Free trade between Britain and the European Union means more trade, and more trade means more jobs and more wealth creation. The erection of new barriers to trade, meanwhile, means the reverse: less trade, fewer jobs, lower growth.

The third and final reason I believe we can come to the right agreement is that co-operation between Britain and the EU is needed not just when it comes to trade but when it comes to our security too.

Britain and France are Europe's only 2 nuclear powers. We are the only 2 European countries with permanent seats on the United Nations Security Council. Britain's armed forces are a crucial part of Europe's collective defence.

And our intelligence capabilities – unique in Europe – have already saved countless lives in very many terrorist plots that have been thwarted in countries across our continent. After Brexit, Britain wants to be a good friend and neighbour in every way, and that includes defending the safety and security of all of our citizens.

So I believe the framework I have outlined today is in Britain's interests. It is in Europe's interests. And it is in the interests of the wider world.

But I must be clear. Britain wants to remain a good friend and neighbour to Europe. Yet I know there are some voices calling for a punitive deal that punishes Britain and discourages other countries from taking the same path.

That would be an act of calamitous self-harm for the countries of Europe. And it would not be the act of a friend. Britain would not – indeed we could not – accept such an approach. And while I am confident that this scenario need never arise – while I am sure a positive agreement can be reached – I am equally clear that no deal for Britain is better than a bad deal for Britain.

Because we would still be able to trade with Europe. We would be free to strike trade deals across the world. And we would have the freedom to set the competitive tax rates and embrace the policies that would attract the world's best companies and biggest investors to Britain. And – if we were excluded from accessing the single market – we would be free to change the basis of Britain's economic model.

But for the EU, it would mean new barriers to trade with one of the biggest economies in the world. It would jeopardise investments in Britain by EU companies worth more than half a trillion pounds. It would mean a loss of access for European firms to the financial services of the City of London. It would risk exports from the EU to Britain worth around £290 billion every year. And it would disrupt the sophisticated and integrated supply chains upon which many EU companies rely.

Important sectors of the EU economy would also suffer. We are a crucial – profitable – export market for Europe's automotive industry, as well as sectors including energy, food and drink, chemicals, pharmaceuticals, and agriculture. These sectors employ millions of people around Europe. And I do not believe that the EU's leaders will seriously tell German exporters, French farmers, Spanish fishermen, the young unemployed of the Eurozone, and millions of others, that they want to make them poorer, just to punish Britain and make a political point.

For all these reasons – and because of our shared values and the spirit of goodwill that exists on both sides – I am confident that we will follow a better path. I am confident that a positive agreement can be reached. It is right that the government should prepare for every eventuality – but to do so in the knowledge that a constructive and optimistic approach to the negotiations to come is in the best interests of Europe and the best interests of Britain.

Conclusion

We do not approach these negotiations expecting failure, but anticipating success.

Because we are a great, global nation with so much to offer Europe and so much to offer the world.

One of the world's largest and strongest economies. With the finest intelligence services, the bravest armed forces, the most effective hard and soft power, and friendships, partnerships and alliances in every continent.

And another thing that's important. The essential ingredient of our success. The strength and support of 65 million people willing us to make it happen.

Because after all the division and discord, the country is coming together.

The referendum was divisive at times. And those divisions have taken time to heal.

But one of the reasons that Britain's democracy has been such a success for so many years is that the strength of our identity as one nation, the respect we show to one another as fellow citizens, and the importance we attach to our institutions means that when a vote has been held we all respect the result. The victors have the responsibility to act magnanimously. The losers have the responsibility to respect the legitimacy of the outcome. And the country comes together.

And that is what we are seeing today. Business isn't calling to reverse the result, but planning to make a success of it. The House of Commons has voted overwhelmingly for us to get on with it. And the overwhelming majority of people – however they voted – want us to get on with it too.

So that is what we will do.

Not merely forming a new partnership with Europe, but building a stronger, fairer, more Global Britain too.

And let that be the legacy of our time. The prize towards which we work. The destination at which we arrive once the negotiation is done.

And let us do it not for ourselves, but for those who follow. For the country's children and grandchildren too.

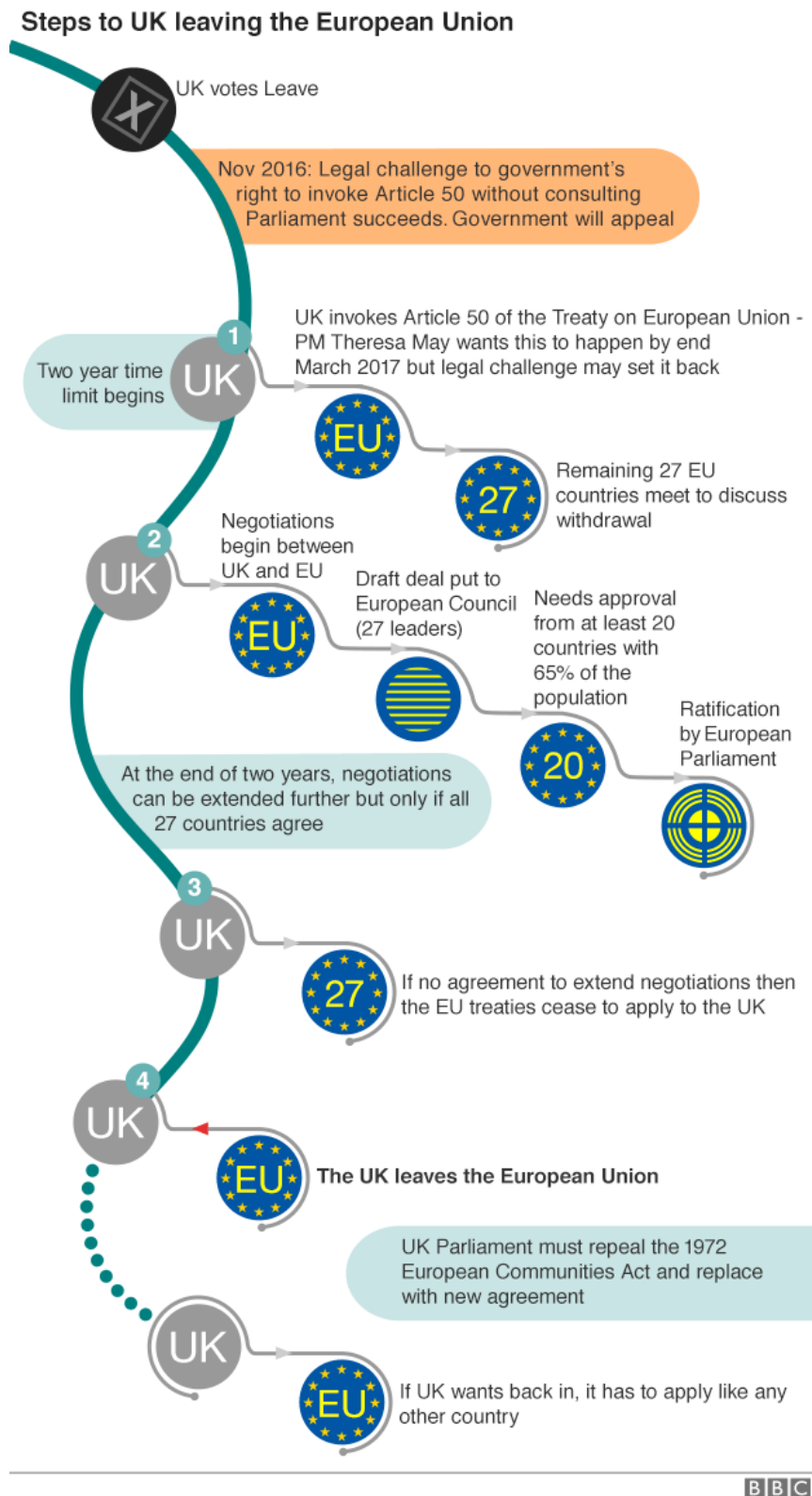
So that when future generations look back at this time, they will judge us not only by the decision that we made, but by what we made of that decision.

They will see that we shaped them a brighter future.

They will know that we built them a better Britain.

APPENDIX C

Overview of steps to leaving the EU (source: BBC)



Public Accounts Select Committee		
Title	Select Committee Work Programme	
Contributor	Scrutiny Manager	Item 6
Class	Part 1 (open)	15 March 2017

1. Purpose

- 1.1 To provide Members of the Select Committee with an overview of the work programme for 2016-17 and to advise the Committee about the process for agreeing the 2017-18 work programme.

2. Summary

- 2.1 At the beginning of the municipal year each select committee is required to draw up a work programme for submission to the Overview and Scrutiny Business Panel. The Panel considers the suggested work programmes and coordinates activities between select committees in order to maximise the use of scrutiny resources and avoid duplication.
- 2.2 The meeting on 15 March 2017 is the last scheduled meeting of the Public Accounts Select Committee in the 2016-17 municipal year. This report provides a list of the issues considered in 2016-17 (the completed work programme) and asks the Committee to put forward suggestions for the 2017-18 work programme.

3. Recommendations

- 3.1 The Select Committee is asked to:
- note the completed work programme attached at **Appendix B**;
 - review the issues covered in 2016-17 municipal year;
 - take note of the notice of key decisions attached at **Appendix C**;
 - consider any matters arising that it may wish to suggest for future scrutiny.

4. Public Accounts Select Committee 2016-17

- 4.1 The Public Accounts Select Committee had eight meetings in the 2016-17 municipal year:
- 20 April 2016
 - 01 June 2016
 - 05 July 2016
 - 22 September 2016
 - 26 October 2016
 - 30 November 2016
 - 25 January 2017
 - 15 March 2017

- 4.2 Along with all other select committees, the Public Accounts Select Committee has devoted considerable attention to the proposals put forward as part of the development and delivery of the Lewisham Future Programme. It is anticipated that all overview and scrutiny committees will be tasked with reviewing further Lewisham Future Programme proposals in the 2017-18 municipal year.
- 4.3 The Committee's completed work programme is attached at **Appendix B**.

5. Planning for 2017-18

- 5.1 Eight meetings will be scheduled for 2017-18 municipal year. A work programme report will be put forward at the first Public Accounts Select Committee meeting of the 2017-18 year for members to review, revise and agree. The report will take account of the Committee's previous work and may incorporate:

- issues arising as a result of previous scrutiny
- issues that the Committee is required to consider by virtue of its terms of reference
- items requiring follow up from Committee reviews and recommendations
- issues suggested by members of the public
- petitions
- standard reviews of policy implementation or performance which are based on a regular schedule
- suggestions from officers
- decisions due to be made by Mayor and Cabinet.

Issues arising from the 2016-17 work programme

- 5.2 The Committee has already indicated that, alongside the standard reports, there are some other matters it feels should be considered for further scrutiny:
- Business rate retention
 - Income generation
 - Asset management

Public Accounts Select Committee terms of reference

- 5.3 The Committee's terms of reference are included at **Appendix A**.
- 5.4 The Select Committee's role is to examine issues relating to the Council's finances and to make recommendations for best financial practice across the authority, including improving procurement practice.
- 5.5 The Committee is also tasked with consulting and commenting on the actual and proposed contents of the Council's budget.
- 5.6 The Committee has a specific role in relation to the Audit Panel, whose effectiveness it is responsible for scrutinising.

6. Financial implications

6.1 There are no financial implications arising from the implementation of the recommendations in this report. There will be financial implications arising from items on the agenda; these will need to be considered, as necessary.

7. Legal implications

7.1 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.

8. Equalities implications

8.1 Further to the passing of the Equality Act 2010, 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.

8.2 The Council's comprehensive equalities scheme (2016-20) reconfirms Lewisham's commitment to five enduring objectives:

1. tackling victimisation, discrimination and harassment
2. improving access to services
3. closing the gap in outcomes for all residents
4. increasing mutual understanding and respect within and between communities
5. increasing citizen participation and engagement

8.3 There may be equalities implications arising from items on the work programme and all activities undertaken by the Select Committee will need to give due consideration to this. In particular, the Committee should note the Council's planned approach to the delivery of its enduring objectives through the delivery of key strategies and plans.

Background documents

Lewisham Council's Constitution

Appendix A

Public Accounts Select Committee specific terms of reference

- To make reports and recommendations to the Council or the Executive which promote the better custodianship of the Council's finances and to make recommendations for best financial practice across the authority.
- To investigate the possibilities for improving the Council's financial management practice and to make reports and recommendations to Executive or Council as appropriate.
- To encourage the highest standards of financial custodianship where necessary overseeing training activity for all members in this area.
- To consult on and to comment on and make recommendations to the Executive in respect of the actual and proposed contents of the Council's budget and without limiting the general remit of the committee, to hold the Executive to account for its performance in respect of all budgetary matters.
- To receive reports as appropriate from the Audit Panel in respect of their overview of contract procedure rules and financial regulations.
- To make recommendations and reports for consideration by the Executive or Council to improve procurement practice.
- To scrutinise the effectiveness of the Audit Panel.

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	Feb								
Leaving the EU	Standard item	High	CP10	Mar								
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 March 2017 - June 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 0208 3149327, 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.

May 2016	Council Budget 2017-18	22/02/17 Council	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
November 2016	Pay Statement	22/02/17 Council	Phil Badley and Councillor Kevin Bonavia, Cabinet Member Resources		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
December 2016	Proposed Heathside and Lethbridge Estate, Lewisham - Phase 6 Compulsory Purchase Order 2017	01/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
November 2016	Children's Centres - Award Report	01/03/17 Mayor and Cabinet (Contracts)	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
January 2017	Health Visiting Contract Award	01/03/17 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	Young Person's Health and Wellbeing Service Award Report	01/03/17 Mayor and Cabinet (Contracts)	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
January 2017	Better Place Programme	02/03/17 Better Place Joint Committee	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
February 2017	Bill Payment Services Contract	09/03/17 Overview and Scrutiny Business Panel	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
December 2016	Statutory Funerals Contract	09/03/17 Overview and Scrutiny Business Panel	Aileen Buckton, Executive Director for Community Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
February 2017	Children and Young People's Advocacy Service	09/03/17 Overview and Scrutiny Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
February 2017	Volunteering Service for Children and Young People subject to Children in Need and Child Protection Plans	09/03/17 Overview and Scrutiny Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2016	Lewisham Homes Management Agreement and Articles of Association	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
December 2016	New Homes Programme	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
August 2016	The Wharves Deptford - Compulsory Purchase Order Resolution	22/03/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
December 2016	Brasted Close development	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
January 2017	Deptford Anchor Action Plan	22/03/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
February 2017	Excalibur Update - Part 1 & 2	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
February 2017	Deptford Southern Housing Sites - Part 1 & Part 2	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
January 2017	Approval to Transfer land at Our Lady & St Philip Neri Primary School to Catholic Archdiocese of Southwark	22/03/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2016	Lewisham Place Planning Strategy 2017-2022	22/03/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
December 2016	Library Savings Programme update - Manor House	22/03/17 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
January 2017	Annual Lettings Plan	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
February 2017	School Expansion Proposals Addey & Stanhope School and Ashmead Primary School	22/03/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Children and Young People		
December 2016	Results of Handypersons consultation	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
January 2017	Private Rented Sector Offer Policy	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
February 2017	Resettlement of Refugee Households	22/03/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
January 2017	Library Savings Programme Preferred Provider Manor House	22/03/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
December 2016	Stage 1 of 2-stage procurement for the proposed expansions of Ashmead Primary School and Addey & Stanhope Secondary School (Morningson Centre) and to	22/03/17 Mayor and Cabinet (Contracts)	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
	enter into a Pre-Construction Services Agreement.		People		
November 2016	Transforming Construction Skills - Lewisham Construction Hub, Training, Apprenticeship and Employment Service	22/03/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
November 2016	Transforming Construction Skills - Lewisham Construction Hub, Local Supply Chain Development Services	22/03/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
February 2017	Appointment of a Systems Integrator for Oracle Cloud	22/03/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
February 2017	Selection of Payroll & Human Resources Software Platform and System Integrator	22/03/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
February 2017	Provision of Passenger Transport Services - Establishment & Use of Dynamic Purchasing System	22/03/17 Mayor and Cabinet (Contracts)	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		

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February 2017	Replacement of Fleet Vehicles	22/03/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
January 2017	Appointment of Heritage Architects for Delivery of Beckenham Place Park Regeneration	04/04/17 Overview and Scrutiny Business Panel	Scrutiny Work Programme and Councillor Rachel Onikosi, Cabinet Member Public Realm		
January 2017	Award of contract for Sexual Health e-service	04/04/17 Overview and Scrutiny Business Panel	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
January 2017	Children and Young People's Advocacy Service	04/04/17 Overview and Scrutiny Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
January 2017	Volunteering Service for Children & Young People subject to Children in Need and Child Protection Plans	04/04/17 Overview and Scrutiny Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
February 2017	Short Term Contract Extension for Kitchen FM Services for Council Managed School Meals	04/04/17 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		
February 2017	Permission to award Stage 1 of a 2-stage procurement for proposed expansions Ashmead Primary School and Addey & Stanhope Secondary School (Morningson Centre) Pre-Construction Services Agreement	04/04/17 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		
February 2017	New Homes Programme	19/04/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
February 2017	Beckenham Place Park Programme Update	19/04/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
February 2017	Provision of Textile Collection Bring Back Service - Appointment to Framework	19/04/17 Mayor and Cabinet (Contracts)	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Public Realm		
February 2017	Award of Contract for two Extra Care Services at Cinnamon Court and Cedar Court	19/04/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
August 2016	Community Premises Management Contract Award	19/04/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		
February 2017	Appointment of Landscape Architects for Delivery of Beckenham Place Park Regeneration	02/05/17 Overview and Scrutiny Business Panel	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
January 2017	Catford Regeneration Programme Parts 1 and 2	10/05/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
February 2017	New Homes Programme	10/05/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		

FORWARD PLAN – KEY DECISIONS					
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February 2017	Award of Contract for Extra Care Service at Hazlehurst Court	10/05/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
February 2017	IT Network re-procurement	10/05/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
February 2017	Contract award report for 2 x bulge class schemes	23/05/17 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		
February 2017	Extending the shared IT service to Southwark	07/06/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
February 2017	New Homes Programme	07/06/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		

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February 2017	Telephony re-procurement	07/06/17 Mayor and Cabinet (Contracts)	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		

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