



AGENDA

MAYOR AND CABINET

Date: WEDNESDAY, 8 FEBRUARY 2017 at 6.00 pm

**Committee Rooms 1 & 2
Civic Suite
Lewisham Town Hall
London SE6 4RU**

**Enquiries to: Kevin Flaherty 0208 3149327
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MEMBERS

| | | |
|---------------------------|--------------------------------------|---|
| Sir Steve Bullock | Mayor | L |
| Councillor Alan Smith | Deputy Mayor - Growth & Regeneration | L |
| Councillor Chris Best | Health, Well-Being & Older People | L |
| Councillor Kevin Bonavia | Resources | L |
| Councillor Janet Daby | Community Safety | L |
| Councillor Joe Dromey | Policy and Performance | L |
| Councillor Damien Egan | Housing | L |
| Councillor Paul Maslin | Children & Young People | L |
| Councillor Joan Millbank | Third Sector and Community | L |
| Councillor Rachel Onikosi | Public Realm | L |

Members are summoned to attend this meeting

**Barry Quirk
Chief Executive
Lewisham Town Hall
Catford
London SE6 4RU
Date: Thursday, 09 February 2017**



INVESTOR IN PEOPLE

The public are welcome to attend our committee meetings, however occasionally committees may have to consider some business in private. Copies of reports can be made available in additional formats on request.

ORDER OF BUSINESS – PART 1 AGENDA

| Item No | | Page No.s |
|---------|---|-----------|
| 1. | Declaration of Interests | 1 - 4 |
| 2. | Minutes | 5 - 12 |
| 3. | Budget 2017-2018 | 13 - 135 |
| 4. | Matters Raised by Scrutiny and other Constitutional Bodies | 136 - 139 |
| 5. | Outstanding Scrutiny Matters | 140 - 141 |
| 6. | New Waste and Recycling Services | 142 - 154 |
| 7. | Animal Welfare Charter | 155 - 237 |
| 8. | School Admissions 2018-19 | 238 - 285 |
| 9. | Extending Shared Service to Southwark | 286 - 307 |
| 10. | Comments of the Sustainable Development Select Committee on work and skills | 308 - 309 |
| 11. | Comments of the Sustainable Development Select Committee on Catford | 310 - 311 |
| 12. | Pay Statement | 312 - 329 |
| 13. | Exclusion of Press and Public | 330 |
| 14. | Caretaker properties Disposal and Lease Award Report with Lease Plans | 331 - 345 |



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- tell the clerk to the meeting before the meeting starts;
- only focus cameras/recordings on councillors, Council officers, and those members of the public who are participating in the conduct of the meeting and avoid other areas of the room, particularly where non-participating members of the public may be sitting; and
- ensure that you never leave your recording equipment unattended in the meeting room.

If recording causes a disturbance or undermines the proper conduct of the meeting, then the Chair of the meeting may decide to stop the recording. In such circumstances, the decision of the Chair shall be final.

| MAYOR & CABINET | | |
|---------------------|---------------------------|-----------------------|
| Report Title | Declarations of Interests | |
| Key Decision | No | Item No. 1 |
| Ward | n/a | |
| Contributors | Chief Executive | |
| Class | Part 1 | Date: February 8 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; and
 - (b) 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)

Agenda Item 2

| MAYOR AND CABINET | | |
|---------------------|-----------------|-----------------------|
| Report Title | Minutes | |
| Key Decision | | Item No.2 |
| Ward | | |
| Contributors | Chief Executive | |
| Class | Part 1 | Date: February 8 2017 |

Recommendation

It is recommended that the minutes of that part of the meeting of the Mayor and Cabinet which were open to the press and public, held on January 11 2017 (copy attached) be confirmed and signed as a correct record.

MINUTES OF THE MAYOR AND CABINET

Wednesday, 11 January 2017 at 3.00 pm

PRESENT: Sir Steve Bullock (Mayor), Councillors Chris Best, Kevin Bonavia, Janet Daby, Joe Dromey, Damien Egan, Paul Maslin and Joan Millbank.

ALSO PRESENT: Councillor Alan Hall and Councillor John Muldoon.

Apologies for absence were received from Councillor Alan Smith and Councillor Rachel Onikosi.

543. Declaration of Interests

None were made.

544. Minutes

RESOLVED that the minutes of the meetings held on December 7 2016 and December 15 2016 be confirmed and signed as a correct record.

545. Outstanding Scrutiny Matters

RESOLVED that the report be noted.

546. Matters Raised by Scrutiny

Deptford Anchor

Councillor Alan Hall presented the Business Panel's referral which acknowledged the previous response of the Mayor and called for a firmer commitment to an Action Plan.

Councillor Joe Dromey informed the Mayor that along with Councillors Dacres and Smith he had met Deptford Society representatives in November and that costing proposals and sources of money were being investigated.

The Mayor said that as long as there was majority support for the restoration of the anchor within the community he was happy to call for a report and action plan for future Mayoral consideration.

RESOLVED that Officers be asked to produce a report and Action Plan for Mayoral consideration on the return of the Deptford Anchor.

547. New Homes Better Place Update

The report was presented by Councillor Damien Egan who confirmed the proposals had already been considered by Housing Select Committee. He said an addendum had been tabled withdrawing the Crofton Park proposal as more consultation was required.

Having considered an officer report and a tabled addendum, and a

presentation by the Cabinet Member for Housing, Councillor Damien Egan, the Mayor, for the reasons set out in the report:

RESOLVED that:

- (1) the progress made to date to deliver 500 new council homes by 2018 be noted;
- (2) statutory Section 105 consultation had been carried out for proposed infill development at Marnock Road and Crofton Park Road;
- (3) having considered the responses to the statutory Section 105 consultation, Lewisham Homes prepare and submit a planning application for Marnock Road; and
- (4) the proposal set out for officers to consider the potential of additional sites, at Burnt Ash Hill in Lee Green and at the former Home Park Office in Bellingham, for the provision of new homes for this programme be noted, and that further information in relation to these projects be brought back to Mayor & Cabinet as soon as possible.

548. Broadway Theatre Working Party final report response

The report was presented by Councillor Chris Best who proposed that the report suggesting the next steps for the Theatre should be submitted to the Council. She praised the hard work of the reorganised Theatre staff which was still able to produce well received programmes such as the Catford-on-Avon series prior to Christmas.

The Mayor added his thanks to the Theatre staff who had done an amazing job on limited resources. Councillor Millbank added that she had found the Lewisham Youth Theatre productions to be very impressive.

Having considered an officer report, and a presentation by the Cabinet Member for Health, Well-Being and Older People, Councillor Chris Best, the Mayor, for the reasons set out in the report:

RESOLVED that:

- (1) the responses made by the Executive Director for Community Services to the recommendations made in the Broadway Theatre Working Party Final Report be approved; and
- (2) the report be forwarded to full Council.

549. Discretionary Rate Relief Policy Review

Having considered an officer report, and a presentation by the Cabinet Member for the Third Sector, Councillor Joan Millbank, the Mayor, for the reasons set out in the report:

RESOLVED that:

- (1) the contents of the review be noted;
- (2) the revised policy as set out be approved; and
- (3) authority be delegated to the Executive Director for Community Services to award discretionary rate relief to organisations on the Cultural and Leisure sector list for the next 3 years.

550. Ashmead and Addey & Stanhope School Expansions

Having considered an officer report, and a presentation by the Cabinet Member for Children and Young People, Councillor Paul Maslin, the Mayor, for the reasons set out in the report:

RESOLVED that:

- (1) the results of the consultation on the proposal to enlarge Ashmead Primary School from 1 to 2 forms of entry with effect from September 2017 be noted;
- (2) the results of the consultation on the proposal to enlarge Addey and Stanhope School from 4 to 6 forms of entry with effect from September 2018 be noted;
- (3) officers commence the formal statutory process to consult on the proposal to enlarge Ashmead Primary School from 1 to 2 forms of entry with effect from September 2017;
- (4) officers commence the formal statutory process to consult on the proposal to enlarge Addey and Stanhope School from 4 to 6 forms of entry with effect from September 2018; and
- (5) officers report back to Mayor and Cabinet by the end of spring 2017 with the results of both 'Representation' periods requesting Mayoral decisions as the statutory decision maker.

551. Transfer of Lewisham Music Service

The report was presented by Councillor Paul Maslin who pointed out a financial addendum had been tabled indicating possible future options for Lewisham's exemplary Music Service.

The Mayor was addressed by Frank Doran, the Chair of the Music Service Trustees who thanked those officers who had been involved in the spin out. He said the Charity had considered the options carefully and believed Option 2 was unsustainable and would not ensure the viability of the Service after the initial three years of operation.

The Mayor stated he knew having attended the 'Turning of the Year' concert in Blackheath that the quality of musical productions for which the Service was responsible was outstanding. He believed Lewisham Music had made a

good start and he was pleased to be able to support the Service by adopting Option 1 which was the Trust's strong preference.

Having considered an officer report and tabled financial addendum, and presentations by the Chair of the Music Service Trust and the Cabinet Member for Children and Young People, Councillor Paul Maslin, the Mayor, from the options available and the reasons set out in the report:

RESOLVED that:

(1) the DfE undertaking that funding for music hubs will be maintained to 2020 be noted;

(2) Lewisham Music's status as a legal entity and a registered charity be noted;

(3) the Music Service (or Lewisham Music if the transfer goes ahead) be noted as a named resident organisation in the Fellowship Inn development under the management of Phoenix Housing Association and with approved Heritage Lottery Funding for the development and refurbishment of the site;

(4) Lewisham Music's trustees' letter be noted and the transfer of cost liabilities be dealt with in accordance with Option 1 in the financial addendum in order that the transfer can proceed, taking into account the interests of the Council and the Music Service;

(5) the commencement of formal consultation on TUPE transfer to Lewisham Music for the staff currently employed by the Council to operate the Music Service be approved;

(6) Lewisham Music's business plan and budget forecasts demonstrate that the transfer of Lewisham Music Service to Lewisham Music best safeguards music education in Lewisham whilst also providing a mechanism for future growth and development;

(7) the transfer of Lewisham Music Service's budget surplus and assets to Lewisham Music be approved; and

(8) transfer terms be finalised and signed off by the Executive Director for Children and Young People for the transfer to take place on 1 April 2017

552. Regionalising Adoption

Councillor Paul Maslin presented the report which he believed suggested a way forward for an already outstanding service. The Executive Director for Children and Young People's representative confirmed that all adoption agencies would be obliged to join a Region by 2020 and that this report requested an 'in principle' decision which would be followed by a fuller report at a later stage.

Having considered an officer report, and a presentation by the Cabinet Member for Children and Young People, Councillor Paul Maslin, the Mayor,

for the reasons set out in the report:

RESOLVED that:

(1), in principle approval be given to join a London Regional Adoption Agency, subject to detailed financial analysis and business case; and

(2) the Director Children's Social Care, in consultation with the Cabinet Member for Children & Young People, be authorised to progress arrangements relating to the development and Implementation of the London Regional Adoption Agency model.

553. Rathfern Primary School Instrument of Government

Having considered an officer report, and a formal presentation by the Cabinet Member for Children and Young People, Councillor Paul Maslin, the Mayor, for the reasons set out in the report:

RESOLVED that the Instrument of Government for Rathfern Primary School be made by Local Authority order dated 1 February 2017.

554. Local Authority Governor Nomination

Having considered an officer report, and a formal presentation by the Cabinet Member for Children & Young People, Councillor Paul Maslin, the Mayor,

RESOLVED that the following person be nominated as a local authority governor for the school indicated:

Joan Norris - Clyde Nursery School

555. Management Report

Having considered an officer report, and a presentation by the Cabinet Member for Member for Policy & Performance, Councillor Joe Dromey, the Mayor:

RESOLVED that the report be noted.

556. Response to SDSC - Catford Regeneration Programme

Having considered an officer report the Mayor:

RESOLVED that:

(1) the officer response to the referral by the Sustainable Development Select Committee on the Catford Regeneration Programme be approved; and

(2) the report be forwarded to the Select Committee.

557. Comments of the Public Accounts Select Committee on income generation

Councillor Kevin Bonavia presented the report and said he had attended the the meeting of Public Accounts Select Committee which had led to the production of a very helpful report. He added that in response, Officers were now working on an Action Plan which would be presented initially to the Select Committee in the Spring.

Having considered the Select Committee's report, the Mayor:

RESOLVED that the views of the Select Committee as set out be received and the Executive Director for Resources and Regeneration be asked to prepare an Action Plan for consideration by the Select Committee in the Spring.

558. Comments of the Sustainable Development Select Committee on Planning

Having considered the Select Committee's report, the Mayor:

RESOLVED that the views of the Select Committee as set out be received and the Executive Director for Resources and Regeneration be asked to prepare a response for Mayoral consideration.

559. Council Tax Base, Second Homes Discount and Income Review

Having considered an officer report, and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, the Mayor, for the reasons set out in the report:

RESOLVED that:

(1) the Council Tax Base calculation for 2016/17, as set out in the annual Council Tax Base government return, be noted;

(2) Council be recommended to agree a Council Tax Base of 81,087.65 Band D equivalent properties for 2017/18;

(3) Council be recommended to agree a budgeted Council Tax collection rate of 96.0%;

(4) Council be recommended to agree that the existing policy of a 0% discount for second homes for 2016/17 be continued for 2017/18;

(5) Council be recommended to agree that the existing policy of a 0% discount for empty homes Class A (an empty property undergoing structural alteration or major repair to make it habitable) be continued;

(6) Council be recommended to agree that the existing policy of a 100% discount awarded for a period of four weeks and then a 0% discount thereafter, for empty homes – Class C (a substantially empty and unfurnished property) be continued;

(7) Council be recommended to agree that the existing policy of an empty homes premium of 50% in respect of long term empty properties be

continued, as set out in section six of this report;

(8) Council be recommended to agree, consistent with the approach taken in 2016/17, to implement the Council Tax Reduction Scheme (CTRS) to reflect reductions in the Settlement Funding Assessment, which for 2017/18 will mean 33% is passed onto working age CTRS recipients;

(9) Council be recommended to note the proposed 2017/18 National Non Domestic Rate (NNDR) estimated net yield of £58.682m, based on current information available; and

(10) Council be recommended to delegate the approval of the final 2017/18 NNDR1 form to the Executive Director for Resources and Regeneration for submission by the deadline of 31st January 2017.

560. Budget Update

Having considered an officer report, and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, the Mayor from the options available and for the reasons otherwise set out in the report:

RESOLVED that:

(1) the updates from the Autumn Statement and provisional Local Government Finance Settlement as presented be noted;

(2) the current financial assumptions of the Medium Term Financial Strategy (MTFS) assume an annual 2% Adult Social Care precept is applied to the Council Tax Base for the next three years (option 1 in section 7) and that the Local Government Finance Settlement introduced new alternative options (2 to six) on which the budget could be modelled and that Option 4 should be recommended to the Council;

(3) the Council's budget be prepared with a reduced corporate risks and pressures budget of £6.5m (down from £7.5m in previous years) for the three years to 2019/20, thereby saving £1m in 2017/18 and £3m over the period.

The meeting closed at 3.58pm

Chief Officer Confirmation of Report Submission
Cabinet Member Confirmation of Briefing

Report for: Mayor
 Mayor and Cabinet
 Mayor and Cabinet (Contracts)
 Executive Director

Information Part 1 Part 2 Key Decision

Date of Meeting | 8 February 2017

Title of Report | Budget Report 2017/18

Originator of Report | Executive Director for Resources and Regeneration

At the time of submission for the Agenda, I confirm that the report has:

| Category | Yes | No |
|--|-----|----|
| Financial Comments from Exec Director for Resources | ✓ | |
| Legal Comments from the Head of Law | ✓ | |
| Crime & Disorder Implications | ✓ | |
| Environmental Implications | ✓ | |
| Equality Implications/Impact Assessment (as appropriate) | ✓ | |
| Confirmed Adherence to Budget & Policy Framework | ✓ | |
| Risk Assessment Comments (as appropriate) | | |
| Reason for Urgency (as appropriate) | ✓ | |

Signed:  _____ Executive Member

Date: 2 February 2017

Signed:  _____ Executive Director

Date 2 February 2017

Control Record by Committee Support

| Action | Date |
|---|------|
| Listed on Schedule of Business/Forward Plan (if appropriate) | |
| Draft Report Cleared at Agenda Planning Meeting (not delegated decisions) | |
| Submitted Report from CO Received by Committee Support | |
| Scheduled Date for Call-in (if appropriate) | |
| To be Referred to Full Council | |

| MAYOR & CABINET | | | |
|----------------------------|---|-----------------|-----------------|
| REPORT TITLE | 2017/18 Budget | | |
| KEY DECISION | Yes | Item No. | |
| WARD | All | | |
| CONTRIBUTORS | Executive Director for Resources & Regeneration | | |
| CLASS | Part 1 | Date | 8 February 2017 |

Lateness: This report was not available for the original dispatch because officers needing additional time to complete their review of the financial details through the report.

Urgency: The report is urgent and cannot wait until the next meeting of Mayor & Cabinet as their feedback on this this report will influence the preparation of the budget update report for Mayor and Cabinet on the 15 February and the final budget proposals to Council on the 22 February.

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. EXECUTIVE SUMMARY

1.1 This report sets out the range of budget assumptions which Council is required to agree to enable it to set a balanced budget for 2017/18. These include the following:

- The proposed Capital Programme (General Fund and Housing Revenue Account) budget for 2017/18 to 2020/21 of £336.6m, of which £123.5m is for 2017/18;
- The proposed rent decrease of 1.0% (an average of £0.97 per week) in respect of dwelling rents, 1.0% (average £0.35 per week) in respect of hostels, and a range of other proposed changes to service charges. The proposed annual expenditure for the Housing Revenue Account is £159.8m, including the capital and new build programme, for 2017/18;
- The provisional Dedicated Schools Grant allocation of £290.7m and a separate Pupil Premium allocation expected to be £16.0m for 2017/18.
- In respect of the General Fund, the assumed net revenue expenditure budget of £232.746m. This is made up of provisional Settlement Funding from government of £135.019m (revenue support grant and business rates), forecast Council Tax

receipts including an increase in Council Tax of 4.99%, and a surplus from growth in the Council Tax base and on collection of Council Tax in previous years from the Collection Fund.

- The changes to the prior year General Fund position to meet the 2017/18 net revenue budget of £232.746m are proposed on the basis of the following assumptions:
 - £22.236m of revenue budget savings have been previously agreed for 2017/18;
 - £1.000m reduction in the annual budget for corporate risks and pressures;
 - £6.500m of corporate budget for risks and pressures in 2017/18, plus £0.750m of the same no longer required from 2016/17; of which it is being recommended that £5.120m of specific identified budget pressures be funded now and £2.130m be set aside for identified but as yet un-quantified risks;
 - £5.0m use of the New Homes Bonus reserve for revenue purposes for one year with the position to be reviewed for 2018/19;
 - Once-off reserves are used to fund the current savings shortfall of £0.027m for 2017/18 to balance the budget, pending further proposals from the Lewisham Future Programme in 2017/18 to make this up; and
 - An assumed 4.99% increase in Band D Council Tax for Lewisham's services for 2017/18; including the 3% increase announced in the Local Government Finance Settlement for Social Care.

1.2 The report also looks to the medium term financial outlook and notes the prospects for the budget in 2018/19, savings required, and the continued work of the Lewisham Future Programme to meet identified potential budget shortfalls in future years. These are estimated at circa £32.6m over the following two years, 2018/19 and 2019/20.

1.3 The report updates the Council's Treasury Management strategy for both borrowing and investments. The proposed approach and levels of risk the Council takes in its treasury functions remain broadly the same. However, officers continue to explore the opportunity and timing to undertake debt restructuring to reduce balance sheet risk.

2. PURPOSE

2.1 The purpose of this report is to set out the overall financial position of the Council in relation to 2016/17 and to set the Budget for 2017/18. This report allows for the Council Tax to be agreed and housing rents to be set for 2017/18. It sets the Capital Programme for the next four years and the Council's Treasury Strategy for 2017/18.

2.2 The report also provides summary information on the revenue budget savings proposals that were presented at Mayor & Cabinet on 28 September 2016 and those agreed in previous budgets for implementation in 2017/18. The approval and successful delivery of these savings are required in order to help balance the budget for 2017/18 and to address the budget requirement for 2018/19.

3. RECOMMENDATIONS

3.1 It is recommended that the Mayor considers the comments of the Public Accounts Select Committee of 25 January 2017.

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

Capital Programme

- 3.3 notes and asks Council to note the 2016/17 Quarter 3 Capital Programme monitoring position and the Capital Programme potential future schemes and resources as set out in section 5 of this report;
- 3.4 recommends that Council approves the 2017/18 to 2020/21 Capital Programme of £336.6m, as set out in section 5 of this report and attached at Appendices W1 and W2;
- 3.5 recommends that Council agrees to write-off debt totalling £282,759.34 related to Building Control works at the former Hatcham Temple Grove School. Further detail is provided in Appendix W3;

Housing Revenue Account

- 3.6 notes and asks Council to note the consultation report on service charges to tenants' and leaseholders in the Brockley area, presented to area panel members on 13 December 2016, as attached at Appendix X2;
- 3.7 notes and asks Council to note the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 15 December 2016, as attached at Appendix X3;
- 3.8 recommends that Council set a decrease in dwelling rents of 1.0% (an average of £0.97 per week) – as per the requirements from government as presented in section 6 of this report;
- 3.9 recommends that Council set a decrease in the hostels accommodation charge by 1.0% (or £0.35 per week), in accordance with Government requirements;
- 3.10 approves the following average weekly increases/decreases for dwellings for:

3.10.1 service charges to non-Lewisham Homes managed dwellings (Brockley);

- caretaking 3.00% (£0.13)
- grounds 3.00% (£0.06)
- communal lighting 3.00% (£0.02)
- bulk waste collection 3.00% (£0.04)
- window cleaning 3.00% (£0.01)
- tenants' levy no change

3.10.2 service charges to Lewisham Homes managed dwellings:

- caretaking 1.99% (£0.12)
- grounds 0.69% (£0.01)

- window cleaning no change
- communal lighting 3.33% (£0.04)
- block pest control 1.88% (£0.03)
- waste collection -4.17% (-£0.02)
- heating & hot water no change
- tenants' levy no change
- bulk waste disposal -5.00% (-£0.04)
- sheltered housing 1.00% (£0.24)

3.11 approves the following average weekly percentage changes for hostels and shared temporary units for;

- service charges (hostels) – caretaking etc.; 2.00% (£1.42)
- energy cost increases for heat, light & power; 8.93% (£0.49)
- water charges increase; 5.56% (£0.01)

3.12 approves an increase in garage rents by Retail Price Inflation (RPI) of 2.00% (£0.23 per week) for Brockley residents and 2.00% (£0.23 per week) for Lewisham Homes residents;

3.13 notes and asks Council to note that the budgeted expenditure for the Housing Revenue Account (HRA) for 2017/18 is £159.8m which includes the capital and new build programmes;

3.14 agrees and asks Council to endorse the HRA budget strategy savings proposals in order to achieve a balanced budget in 2017/18, as attached at Appendix X1;

Dedicated Schools Grant and Pupil Premium

3.15 agrees and asks Council to agree, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £290.7m be the Schools' Budget for 2017/18 and notes and asks Council to

- note the proposed fair funding formula consultation on both the schools block and high needs block
- note the position on the early years block
- note the position on the schools block
- agree that a PFI factor should be introduced to the schools funding formula for Lewisham.
- note the latest financial position in schools
- note the likely future cost pressures on schools
- note the estimated pupil premium of £16.0m
- note the position on the Education Services Grant

General Fund Revenue Budget

- 3.16 notes and asks Council to note the projected overall variance against the agreed 2016/17 revenue budget of £11.6m as set out in section 8 of this report and that any year-end overspend will have to be met from reserves;
- 3.17 agrees and asks Council to agree officers' recommendation to opt in to the Public Sector Audit Appointments (PSAA) process to appoint an auditor for the 2018/19 financial year.
- 3.18 endorses and asks Council to endorse the previously approved revenue budget savings of £16.2m for 2017/18 and budget savings proposals of £6m as per the Mayor and Cabinet meeting of the 28 September 2016, as set out in section 8 of the report and summarised in Appendix Y1 and Y2;
- 3.19 agrees and asks Council to agree the transfer of £5.0m in 2017/18 from the New Homes Bonus reserve to the General Fund for one year to meet funding shortfalls and that the position be reviewed again for 2018/19;
- 3.20 agrees and ask Council to agree the use of £0.027m reserves to meet the budget gap in 2017/18;
- 3.21 agrees and ask Council to agree the remaining £2.75m of unallocated corporate risk and pressures monies in 2016/17 be transferred to Adult Social Care budgets from 2017/18;
- 3.22 agrees and asks Council to agree to a saving of £1.0m per year for three years from 2017/18 (£3m in total) from the reduction of the corporate risks and pressures budget to £6.5m;
- 3.23 notes and asks council to note that £0.75m of the 2016/17 risk and pressures monies allocated to Directorate budgets is no longer required and is to be recovered corporately and re-allocated in 2017/18, in addition to the £6.5m above;
- 3.24 agrees and asks Council to agree the allocation of £5.12m in 2017/18 to fund quantified budget pressures from the £7.25m (£6.5m plus £0.75m) set aside for corporate risks and pressures;
- 3.25 agrees and asks Council to agree to create a fund in respect of the identified but as yet un-quantified revenue budget risks in the sum of £2.13m in 2017/18 (the balance of budget for corporate risks and pressures), allowing the Executive Director for Resources & Regeneration to hold these resources corporately in case these pressures emerge during the year, and authorises the Executive Director for Resources and Regeneration to allocate these funds to meet such pressures when satisfied that those pressures cannot be contained within the Directorates' cash limit;
- 3.26 agrees to recommend to Council that a General Fund Budget Requirement of £232.746m for 2017/18 be approved, based on a 4.99% increase in Lewisham's Council Tax element. This will result in a Band D equivalent Council Tax level of £1,157.68 for Lewisham's services and £1,437.70 overall. This represents an overall increase in Council Tax for 2017/18 of 4.28% and is subject to the GLA precept for 2017/18 being increased by £4.02 (i.e. 1.5%) from £276.00 to £280.02, in line with the GLA's draft proposal;

- 3.27 notes and asks Council to note the Council Tax Ready Reckoner which for illustrative purposes sets out the Band D equivalent Council Tax at various levels of increase. This is explained in section 8 of the report and is set out in more detail in Appendix Y3;
- 3.28 asks that the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2017/18 Revenue Budget is agreed;
- 3.29 notes that the Chief Financial Officer's Section 25 Statement will be presented in the Budget Update Report on the 15 February 2017 for approval;
- 3.30 agrees and asks Council to agree the draft statutory calculations for 2017/18 as set out at Appendix Y5;
- 3.31 notes and asks Council to note the prospects for the revenue budget for 2018/19 and future years as set out in section 9;
- 3.32 agrees that officers continue to develop firm proposals and bring them forward as soon as possible as part of the Lewisham Future Programme to help meet the future forecast budget shortfalls;
- 3.33 agrees and asks Council to agree the use of up to £10.6m of once off corporate resources for transformation projects as set out in the report and at Appendix Y7 (£2.2m in 2016/17 and £8.4m in 2017/18 and future years).

Other Grants (within the General Fund)

- 3.34 notes and asks Council to note the adjustments to and impact of various specific grants for 2017/18 on the General Fund as set out in section 8 of this report;

Treasury Management Strategy

- 3.35 agrees and recommends that Council approves the prudential indicators and treasury limits, as set out in section 10 of this report;
- 3.36 agrees and recommends that Council approves the 2017/18 treasury strategy, including the authority to undertake debt restructuring and to invest for longer than one year in non-specified property investments (namely, pooled property funds and AAA Residential Mortgage Backed Securities), along with the investment strategy and the credit worthiness policy as set out at Appendix Z3;
- 3.37 agrees and recommends that Council approves the revised Minimum Revenue Provision (MRP) policy which confirms the asset life approach adopted in 2016/17 and adds an option to waive the MRP charge on borrowing where sufficient collateral and security is held against the relevant borrowing, as set out in section 10 of this report.
- 3.38 agrees and recommends that Council agrees to delegate to the Executive Director for Resources & Regeneration authority during 2017/18 to make amendments to borrowing and investment limits provided they are consistent with the strategy and there is no change to the Council's authorised limit for borrowing;

- 3.39 agrees and recommends that Council approves the credit and counterparty risk management criteria, as set out at Appendix Z3, the proposed countries for investment at Appendix Z4, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration; and
- 3.40 agrees and recommends that Council approves a minimum sovereign rating of AA-.

4. STRUCTURE OF THE REPORT, POLICY CONTEXT, AND BACKGROUND

4.1 The 2017/18 Budget Report is structured as follows:

- Section 1 Executive Summary
- Section 2 Purpose
- Section 3 Recommendations
- Section 4 Structure of the Report, Policy Context, and Background
- Section 5 Capital Programme
- Section 6 Housing Revenue Account
- Section 7 Dedicated Schools Grant and Pupil Premium
- Section 8 General Fund Revenue Budget, Savings, and Council Tax
- Section 9 Other Grants and Future Years' Budget Strategy
- Section 10 Treasury Management Strategy
- Section 11 Consultation on the Budget
- Section 12 Financial Implications
- Section 13 Legal Implications
- Section 14 Human Resources Implications
- Section 15 Crime and Disorder Implications
- Section 16 Equalities Implications
- Section 17 Environmental Implications
- Section 18 Conclusion
- Section 19 Background Documents and Further Information
- Section 20 Appendices

POLICY CONTEXT

4.2 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council's vision "together, we will make Lewisham the best place in London to live, work and learn" was adopted by the Lewisham Strategic Partnership as part of the Sustainable Community Strategy, along with six over-arching priorities:

Sustainable Community Strategy

- **Ambitious and achieving:** where people are inspired and supported to their potential.
- **Safer:** where people feel safe and live free from crime, antisocial behaviour, and abuse.
- **Empowered and responsible:** where people are actively involved in their local area and contribute to supportive communities.
- **Clean, green, and liveable:** where people live in high quality housing and can care for and enjoy their environment.
- **Healthy, active and enjoyable:** where people can actively participate in maintaining and improving their health and well-being.
- **Dynamic and prosperous:** where people are part of vibrant communities and town centres, well connected to London and beyond.

Corporate Priorities

The Council's ten 'enduring' priorities were agreed by full Council and are the principal mechanism through which the Council's performance is reported and through which the impact of saving and spending decisions are assessed. The Council's priorities also describe the Council's contribution to the delivery of Lewisham's Sustainable Community Strategy priorities.

- **Community Leadership and Empowerment:** developing opportunities for the active participation and engagement of people in the life of the community.
- **Young people's achievement and involvement:** raising educational attainment and improving facilities for young people through partnership working.
- **Clean, green, and liveable:** improving environmental management, the cleanliness and care for roads and pavements, and promoting a sustainable environment.
- **Safety, security, and a visible presence:** partnership working with the police and others to further reduce crime levels and using Council powers to combat anti-social behaviour.
- **Strengthening the local economy:** gaining resources to regenerate key localities strengthen employment skills and promote public transport.
- **Decent Homes for all:** investment in social and affordable housing to achieve the decent homes standard, tackle homelessness, and supply key worker housing.
- **Protection of children:** better safeguarding and joined up services for children at risk.
- **Caring for adults and older people:** working with health services to support older people and adults in need of care.
- **Active, healthy citizens:** leisure, sporting, learning, and creative activities for everyone.
- **Inspiring efficiency, effectiveness, and equity:** ensuring efficiency and equity in the delivery of excellent services to meet the needs of the community.

Values

4.2 Values are critical to the Council's role as an employer, regulator, securer of services and steward of public funds. The Council's values shape interactions and behaviours

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

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

4.3 As noted in the 2016/17 budget, the Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.

4.4 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough, for new homes, school improvements, regenerating town centres, new and renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. Of course, there is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to bring the Bakerloo Line extension here to support housing supply and businesses grow through to our nationally recognised programmes of care and support to some of our most vulnerable and troubled families.

4.5 However, it remains clear that the Council cannot do all that it once did, nor meet all those expectations that might once have been met, for we are in a very different financial position than just a few years ago. Very severe financial constraints have been imposed on Council services with cuts to be made year on year on year, and this on-going pressure is addressed here in this report, incorporating further budget savings for 2017/18 and noting the continued outlook for austerity to at least 2020/21.

BACKGROUND

4.6 At a national level the requirement to rebalance the public finances, and therefore the financial outlook for the Council, remains extremely challenging with significant real term reductions in local government resources forecast to continue into the next parliament (i.e. beyond 2020/21).

4.7 In the Autumn Statement, the Chancellor of the Exchequer announced the Government is no longer on course to balance the budget during the current Parliament and has formally dropped this ambition in a significant loosening of its fiscal targets. Public sector net borrowing is now expected to fall more slowly than forecast in March 2016, primarily reflecting weak tax receipts so far this year and a more subdued outlook for economic growth as the UK negotiates a new relationship with the European Union.

4.8 The Office for Budget Responsibility (OBR) provides independent analysis of the UK's public finances. However, given the uncertainty following the EU Referendum result in June 2016 surrounding the choices and trade-offs that the Government may have to make, and the consequences of different outcomes as the UK prepares to leave the

European Union (Brexit), the OBR has made limited judgements on the effect the outcome of Brexit will have on the economy and assumptions on GDP growth, unemployment etc.. The government has retained some borrowing headroom (£26bn) to provide some flexibility to meet these uncertainties. Any specific impacts for the local government sector remain unknown at the present time.

- 4.9 Based on these assumptions the OBR forecast the economy will grow more slowly than expected in March 2016 and has revised Gross Domestic Product (GDP) growth in 2017 down from 2.2% to 1.4% and cumulative growth over the whole forecast to 2020 revised down by 1.4%. A weaker outlook for investment and therefore productivity growth is the main cause. Inflation, measured by the Consumer Price Index (CPI), is forecast to peak at 2.6% and unemployment to rise modestly to 5.5 per cent during 2018. Subdued earnings growth and higher inflation will mean that real income growth stalls in 2017, putting pressure on household budgets. The budget deficit has been revised up by £12.7 billion for 2016/17, primarily due to weakness in income tax receipts that largely pre-dates the referendum. The weaker growth outlook means that their pre-policy-measures forecast revision rises to £18.1 billion by 2020/21.
- 4.10 The provisional Local Government Finance Settlement was announced on 15 December 2016, with the final settlement expected in early February 2017. Following the four year settlement offer in 2016, which 97% of councils have accepted (including Lewisham), the settlement for 2017/18 confirms the resource allocations consistent with the 2016 four year offer.
- 4.11 Along with the settlement announcement, the Government confirmed the continuation of the Adult Social Care (ASC) precept created last year to give local authorities who are responsible for social care the ability to raise new funding to spend exclusively on Social Care. Councils can raise the ASC precept on average by 2% per year for each of the four years from 2016/17 to 2019/20. New for 2017/18 in the settlement was some additional flexibility to allow councils to raise the ASC precept sooner by being able to raise up to 3% in each of 2017/18 and 2018/19 but by no more than 6% in total over the three years 2017/18 to 2019/20. The details of this were presented to Mayor & Cabinet in the budget update report on the 11 January. For Lewisham, taking the flexibility to add 3% for the ASC precept to Council Tax in 2017/18 will provide additional funding of £2.68m in 2017/18 for Social care.
- 4.12 Separate from the ASC precept implications for Council Tax, the settlement also confirmed the referendum principle for any Council Tax increase remains at 2%, i.e. any increase in Council Tax of 2% or more must be put to a full local referendum to be agreed before the budget can be confirmed.
- 4.13 More widely the direction of travel for local government finance continues, including:
- Government's intention to phase out the Revenue Support Grant;
 - Encouragement but no structured process (other than with requirement for Mayoral governance arrangements) for increased local devolution arrangements;
 - Changes to the Business Rates regime in anticipation of this moving to be 100% devolved to local government by 2020;
 - Changes, 'sharpening the incentives', to the New Homes Bonus (NHB) scheme (reducing payments from six to four years, introducing a minimum baseline growth threshold, and excluding properties for which planning is granted on appeal);

- Establishing more financial support for Social Care services; including, via the ASC precept mentioned above and redirecting the monies from NHB into an 'improved Better Care Fund' paid direct to local authorities.

- 4.14 Leaving all other previous assumptions (from the July 2016 Medium Term Financial Strategy) unchanged, the provisional estimate is that the forecast savings required in 2017/18 is now at £28.263m (before measures).
- 4.15 The Lewisham Future Programme Board was established to determine and progress cross-cutting and thematic reviews to deliver the savings required. The Council has already made savings of £138.4m to meet its revenue budget requirements since May 2010 and is proposing further savings of £23.2m in 2017/18.
- 4.16 Assuming the measures proposed and the 2017/18 budget as set out in this report are agreed, it is expected that the Council will need to identify further savings of circa £32.6m for the following two years, 2018/19 to 2019/20. This will bring the total savings in cash terms made by the Council in the decade to 2020 to just shy of £200m.
- 4.17 The rest of the report sets out the position of the financial settlements as they impact on the Council's overall resources:
- Capital Programme for 2016/17 to 2020/21;
 - Housing Revenue Account and level of rents for 2017/18;
 - Dedicated Schools Grant for 2017/18;
 - General Fund Revenue Budget for 2017/18;
 - Other Grants for 2017/18;
 - Council Tax level for 2017/18; and
 - Treasury Management Strategy for 2017/18.

5 CAPITAL PROGRAMME

- 5.1 In considering the Council's overall financial position, the Capital Programme is considered first. This is to ensure that any revenue implications of capital decisions are taken into account. The Capital Programme budget for 2017/18 to 2020/21 is proposed at £336.6m, of which £123.5m is for 2017/18.
- 5.2 This section of the report is structured as follows:
- Update on 2016/17 Capital Programme;
 - Proposed Capital Programme 2017/18 to 2020/21; and
 - Future schemes and resources.

Update on 2016/17 Capital Programme

- 5.3 Progress in delivering the 2016/17 Capital Programme has been reported to Mayor & Cabinet and the Public Accounts Select Committee regularly throughout the year. The latest forecast projection was that the revised budget allocated for the year of £87.4m, reported to Mayor and Cabinet on 19 October 2016, would be delivered this year. However, at this stage, the revised budget shows a slight decrease of £2.6m to £84.8m from the last reported budget figure. This change is mainly due to the reduction of the 2016/17 Schools Places Programme budgets.

- 5.4 The capital programme for 2016/17 has seen a number of schemes progress well with the main areas of capital spend involving the provision of school places and housing.

Proposed Capital Programme 2017/18 to 2020/21

- 5.5 The Council's proposed Capital Programme for 2017/18 to 2020/21 is currently £336.6m, as set out in Table A1:

Table A1: Proposed Capital Programme for 2017/18 to 2020/21

| | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 4 Year Total |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| | £m | £m | £m | £m | £m | £m |
| General Fund | | | | | | |
| Building Schools for the Future | 2.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Schools – Primary Places and other Capital Works | 14.3 | 20.6 | 14.1 | 0.0 | 0.0 | 34.7 |
| Highways, Footways and Bridges | 8.5 | 3.5 | 3.5 | 3.5 | 3.5 | 14.0 |
| Major Regeneration Schemes | 11.7 | 10.1 | 0.5 | 9.0 | 0.0 | 19.6 |
| Town Centres and High Street Improvements | 0.3 | 0.0 | 3.5 | 0.0 | 0.0 | 3.5 |
| Asset Management Programme | 1.5 | 3.8 | 3.9 | 2.5 | 2.5 | 12.7 |
| Other Schemes | 9.0 | 7.5 | 2.6 | 2.8 | 2.0 | 14.9 |
| | 48.1 | 45.5 | 28.1 | 17.8 | 8.0 | 99.4 |
| Housing Revenue Account | 36.7 | 78.0 | 68.2 | 40.4 | 50.6 | 237.2 |
| Total Programme | 84.8 | 123.5 | 96.3 | 58.2 | 58.6 | 336.6 |

- 5.6 The resources available to finance the proposed Capital Programme are as set out in Table A2 below:

Table A2: Proposed Capital Programme Resources for 2017/18 to 2020/21

| | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 4 Year Total |
|---|--------------|--------------|--------------|--------------|--------------|---------------------|
| | £m | £m | £m | £m | £m | £m |
| General Fund | | | | | | |
| Prudential Borrowing | 4.6 | 5.3 | 4.0 | 9.0 | 0.0 | 18.3 |
| Grants and Contributions | 19.3 | 21.0 | 15.0 | 0.7 | 0.7 | 37.4 |
| Specific Capital Receipts | 7.2 | 6.1 | 0.0 | 0.8 | 0.0 | 6.9 |
| General Capital Receipts / Reserves / Revenue | 17.0 | 13.1 | 9.1 | 7.3 | 7.3 | 36.8 |
| | 48.1 | 45.5 | 28.1 | 17.8 | 8.0 | 99.4 |

| | | | | | | |
|--------------------------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Housing Revenue Account | | | | | | |
| Prudential Borrowing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Specific Capital Receipts | 20.7 | 15.1 | 34.8 | 6.0 | 0.0 | 55.9 |
| Reserves / Revenue | 16.0 | 62.9 | 33.4 | 34.4 | 50.4 | 181.3 |
| | 36.7 | 78.0 | 68.2 | 40.4 | 50.6 | 237.2 |
| Total Resources | 84.8 | 123.5 | 96.3 | 58.2 | 58.6 | 336.6 |

- 5.7 Members will note that the General Fund resources available to finance capital projects decrease over the term of the Programme. This reflects the Council's prudent approach to long-term planning; with grants for later years not taken into account until they have been confirmed and capital receipts only being taken into account when they have been received or are reasonably certain of being received. The Council prudently avoids entering into long-term expenditure commitments until there is more certainty as to how they can be financed.
- 5.8 The Highways and Footways programme of £3.5m per year, agreed by Mayor & Cabinet, has been included. A full list of changes to the Programme is shown in Appendix W2.
- 5.9 No changes are proposed at this stage to the existing General Fund revenue contributions to capital (CERA) of £2.0m per year from General Fund. However, the £1.2m per year contribution from schools will cease with effect from 2017/18. The revenue funding line also includes amounts transferred to reserves in previous years for schemes which, at that time, had not been delivered.
- 5.10 The Capital Programme will be further updated to include future grants, once these are known and will also include the year-end outturn expenditure and resourcing. This is expected to be reported to Members before the summer recess and will not impact on delivery of the Programme for 2017/18.

Future schemes and resources

- 5.11 During 2015/16, the Council established the Regeneration and Capital Programme Delivery Board comprising key officers involved in the planning and delivery of the capital programme. This Board has responsibility and accountability for the delivery of all regeneration and capital projects and programmes of the built environment and is also responsible for ensuring that all projects and programmes are adequately and appropriately resourced.
- 5.12 The key objectives of the Board are to ensure that a consistent and corporate approach is taken to the development and authorisation of all project and programme initiation documents and the associated financing and funding of projects and programmes. It meets every two months and ensures that a corporate approach is taken to the monitoring, management and delivery of all projects and programmes. It reports

through to the Regeneration Board which is chaired by the Executive Director for Resources and Regeneration.

- 5.13 During the latter part of 2016, the Regeneration and Capital Programme Delivery Board invited officers to put forward bids for capital funding. Proposals totalling £43.3m were received, and can be broadly grouped into schemes that are ‘invest to save’ schemes, ‘growth to existing’ schemes, or new schemes that would help to achieve ‘corporate priorities’. The total funding required to fully deliver the proposed schemes is shown in table A3 below.

Table A3: Summary of proposed future schemes

| | 2017/18 | 2018/19 | 2019/20 | Total |
|----------------------------|---------------|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Invest to save schemes | 13,811 | 8,000 | 8,000 | 29,811 |
| Growth to existing schemes | 120 | 765 | 0 | 885 |
| Corporate priority schemes | 2,542 | 1,340 | 8,760 | 12,642 |
| TOTAL | 16,473 | 10,105 | 16,760 | 43,338 |

- 5.14 The ‘invest to save’ schemes include those that would improve the offer of the Council’s leisure centres to help maintain and increase revenue generation and schemes that could help the Council generate income through housing delivery. The ‘growth to existing’ schemes relate to environmental and housing schemes already underway but where further funding may be required to achieve the full potential. The ‘corporate priority’ schemes are those which could help the Council better achieve its environmental, housing and educational objectives.

Resources available to finance future schemes

- 5.15 The Council is forecasting capital receipts of £42m over the next three years. £26m of this will be applied to finance already approved schemes, leaving a balance of £16m available to finance new schemes. It is important to note, however, that actual amounts of capital receipts may differ from the forecasts as a result of future events and market conditions.
- 5.16 It is expected that section 106 receipts and CIL will be able to finance £1.6m in relation to invest to save and corporate priority schemes.
- 5.17 There is then a shortfall of approximately £25.5m between the value of the schemes that have been proposed for funding, and the estimated available future resources, as per the table A4 below:

Table A4: estimated financial resources for future schemes

| | 2017/18 | 2018/19 | 2019/20 | Total |
|---|---------------|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Future scheme proposals (see table A3) | 16,473 | 10,105 | 16,760 | 43,338 |
| Capital Receipts | 7,380 | 1,580 | 7,300 | 16,260 |
| S106 / CIL | 1,618 | | | 1,618 |
| Resources available | 8,998 | 1,580 | 7,300 | 17,878 |

| | | | | |
|---------------------------------|--------------|--------------|--------------|---------------|
| Resource shortfall (Gap) | 7,475 | 8,525 | 9,460 | 25,460 |
|---------------------------------|--------------|--------------|--------------|---------------|

- 5.18 During 2017/18, updates on the Capital Programme will be reported to Mayor & Cabinet and the Public Accounts Select Committee on a regular basis. As capital receipts and other resources come in to the Council, it may be possible to bring some of the future scheme proposals into the programme. These additions to the programme will be put forward for approval by members as part of the Capital Programme update reports.
- 5.19 In addition to the above, officers are recommending the write off of £283k irrecoverable debt which represents the Authority's proportion of uninsurable and irrecoverable losses relating to Hatcham Temple Grove School. Full details are set out in Appendix W3.

Summary

- 5.20 The proposed 2017/18 to 2020/21 Capital Programme totals £336.6m (General Fund £99.4m and HRA £237.2m) and includes all the Council's capital projects. It sets out the key priorities for the Council over the four year period and will be reviewed regularly. The Capital Programme is set out in more detail in Appendices W1 and W2.

6. HOUSING REVENUE ACCOUNT

- 6.1 This section of the report considers the Housing Revenue Account (HRA). The budgeted expenditure for the HRA in 2017/18 is £159.8m, including the capital and new build programme.
- 6.2 It is structured as follows:
- Update on the HRA financial position for 2016/17
 - Update on the HRA Business Plan
 - Future Years' Forecast

Update on the HRA financial position for 2016/17

- 6.3 The HRA is budgeted to spend over £100m in 2016/17. The latest forecast on the HRA for 2016/17, is that net expenditure can be contained within budget by the year end. There are currently minimal reported pressures which can, if necessary, be mitigated by the use of once-off contingencies, reserves and revenue working balances. Expenditure against repairs & maintenance budgets is expected to be contained within the sums allocated.

Update on the HRA Business Plan

- 6.4 The Housing self-financing system was implemented on 1 April 2012 when the HRA subsidy scheme was abolished. The 30 year financial model has been developed based on current management arrangements and rental income estimates, updated for efficiency savings and cost pressures. In addition, policy objectives such as sheltered housing and new build plans are incorporated into the modelling.
- 6.5 The plan has undergone a major revision following the Government's announcement in the July 2015 budget statement to legislate for a 1% reduction in social rents to be

applied each year for the next four years from 2016/17. The legislation was passed in March 2016.

- 6.6 The impact of the change in policy is a total reduction of forecast rental income within the business plan of £2.62m in 2017/18 (£1.90m for 2016/17). The expected cumulative rent reduction over the four years 2016/17 to 2019/20 is £25.0m, with £374.0m being lost over the life of the 30 year business plan.
- 6.7 As the Government's proposals are enacted by legislation, the authority has no choice other than to implement the rent reduction. In order to protect the business plan to provide the same level of investment and services, the reduction in income will need to be off-set through increased efficiencies and reprioritisation of investment requirements.
- 6.8 A review of current investment needs and priorities has been undertaken, based on updated surveys and inflation estimates. This includes assumptions on future liabilities, programmes, savings, and other requirements. These assumptions will be used to inform the resource need and identify potential gaps in funding and opportunities for additional income and grants.
- 6.9 The plan also contains costs associated with new build units and a target of 500 additional units by the end of the Mayor's current term. Table B1 provides an illustration of the expected HRA budget for the next 5 years, which includes the current 1% rent reduction estimates.

Table B1: HRA Income and Expenditure Estimates

| HRA Income & Expenditure Estimates - 5 year Forecast | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|--------------|--------------|--------------|--------------|--------------|
| | £M's | £M's | £M's | £M's | £M's |
| Income | | | | | |
| Rental income | -70.7 | -69.6 | -70.0 | -71.8 | -73.3 |
| Tenants service charge income | -5.9 | -5.9 | -6.1 | -6.2 | -6.3 |
| Leasehold service charge income | -4.3 | -4.5 | -4.6 | -4.7 | -4.8 |
| Hostel charges and grant income | -1.3 | -1.4 | -1.4 | -1.4 | -1.4 |
| Major Works recoveries | -4.9 | -5.8 | -6.1 | -9.8 | -9.3 |
| Other income | -1.5 | -1.5 | -1.5 | -1.4 | -1.4 |
| Interest earned on balances | -0.9 | -0.7 | -0.7 | -0.5 | -0.4 |
| Total Income | -89.5 | -89.4 | -90.4 | -95.8 | -96.9 |
| Expenditure | | | | | |
| Management costs | 35.4 | 35.5 | 35.7 | 36.1 | 36.5 |
| Repairs & maintenance | 15.6 | 15.7 | 15.9 | 16.0 | 16.2 |
| PFI Costs | 5.8 | 6.2 | 6.7 | 7.2 | 7.7 |
| Interest & other finance costs | 3.9 | 3.8 | 3.8 | 3.8 | 3.8 |
| Depreciation | 21.1 | 21.3 | 21.6 | 21.8 | 22.2 |
| Revenue Contribution to Capital | 0.0 | 6.0 | 14.8 | 30.9 | 26.7 |
| Total Expenditure | 81.8 | 88.5 | 98.5 | 115.8 | 113.1 |
| Surplus/(deficit) | 7.7 | 0.9 | -8.1 | -20.0 | -16.2 |
| Opening HRA reserves | 46.7 | 54.4 | 55.3 | 47.2 | 27.2 |
| Contribution to/(Drawdown) from reserves | 7.7 | 0.9 | -8.1 | -20.0 | -16.2 |
| Closing HRA Reserves | 54.4 | 55.3 | 47.2 | 27.2 | 11.0 |

| HRA Income & Expenditure Estimates - 5 year Forecast | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|----------------|----------------|----------------|----------------|----------------|
| | £M's | £M's | £M's | £M's | £M's |
| | | | | | |
| Forecast Capital Programme & Funding | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| | £M's | £M's | £M's | £M's | £M's |
| | | | | | |
| Capital programme (including decent Homes) | 37.1 | 34.0 | 35.5 | 50.2 | 50.4 |
| New Build construction & on-going costs | 40.9 | 34.2 | 4.9 | 0.4 | 0.6 |
| Total Capital Expenditure | 78.0 | 68.2 | 40.4 | 50.6 | 51.0 |
| | | | | | |
| Capital Programme Funded By: | | | | | |
| MRR Opening Balance | -49.5 | -7.7 | 0.0 | 0.0 | -2.1 |
| Revenue Contribution to Capital | 0.0 | -6.0 | -14.8 | -30.9 | -26.7 |
| Depreciation | -21.1 | -21.3 | -21.6 | -21.8 | -22.2 |
| Capital Receipts | -15.1 | -33.2 | -4.0 | 0.0 | 0.0 |
| Borrowing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Capital Funding | -85.7 | -68.2 | -40.4 | -52.7 | -51.0 |
| | | | | | |
| Capital shortfall | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | | |
| HRA - Actual Debt Level (Forecast) | 74.8 | 74.8 | 74.8 | 74.8 | 74.8 |
| | | | | | |
| HRA Self-financing Settlement Debt Level | 127.3 | 127.3 | 127.3 | 127.3 | 127.3 |

- 6.10 As can be seen from the above table, the expected total expenditure, before financing, for the HRA in 2017/18 is £159.8m, composing of £81.8m operational costs and £78.0m capital and new build costs.
- 6.11 The Council continually considers how best to respond to the challenges and opportunities of the HRA self-financing system. The combination of the new system and the significant housing pressures may, in due course, cause the Council to adopt new management arrangements in order to optimise delivery of policy objectives.

Future Years' Forecast

- 6.12 The key purpose of the proposed HRA budget is to ensure that there are sufficient resources to support lifecycle works, such as; repairs and maintenance, the Decent Homes programme and delivery of new homes in the borough.
- 6.13 There is an ongoing process to identify opportunities for savings and efficiencies to deliver services for improved value for money and this is described in Appendix X1. Although no direct savings have been identified so far for 2017/18, any savings and efficiencies delivered against the HRA business model and future budgets can be re-invested to off-set constrained rent rises or to help bridge any investment gap identified. Discussions are ongoing to identify appropriate savings and 'target' management and maintenance costs per unit. For example, there is already an assumed reduction in the Lewisham Homes fee in 2017/18 to reflect stock losses through Right to Buy Sales.

- 6.14 Separate reports which set out in detail the proposals relating to service charges for Brockley and Lewisham Homes residents are attached at Appendix X2 and Appendix X3, respectively.

Rental Income and allowances

- 6.15 The average weekly rent is currently £97.58 in 2016/17.
- 6.16 Due to the requirements to comply with Government legislation, rents are expected to reduce by 1% each year for a four year period starting 2016/17.
- 6.17 A 1% reduction in average rents for 2017/18 will equate to an average decrease of £0.97 over a 52 week period. This will reduce the full year average dwelling rent for the London Borough of Lewisham from £97.58 to £96.61 per week (pw). The proposed decrease will result in a loss of £0.722m of rental income to the HRA against 2016/17 income levels.
- 6.18 It is not yet clear what rent regime will be in place once the rental contraction requirements have been completed. However, for the purpose of business and financial planning, it is assumed that rental charges will be increased in line with prior Government guidance of CPI + 1%. Any variation to this could put additional pressure on the financial forecasts for the HRA.
- 6.19 A rent rise higher than the limit rent calculation, set by Government, will result in additional recharges to the HRA via the Housing Benefit (HB) subsidy limitation charges. Any rise above this level will be lost through additional limitation recharges and therefore result in no benefit to the HRA.
- 6.20 Tenants were asked to provide comments and feedback on the proposed rent changes and illustration for inclusion in the Mayor & Cabinet budget report at meetings held with Brockley PFI and Lewisham Homes tenants.
- 6.21 No comments were received from Lewisham Homes residents concerning the proposals for rents and service charges.
- 6.22 No comments were received from RB3 Brockley concerning the proposals for rents and service charges.
- 6.23 No comments were received from tenants in hostels or from the Excalibur TMO.
- 6.24 Details of the options for the rent & service charge changes for 2017/18 were presented to the Housing Select Committee on 10 January 2017. Members noted the contents.
- 6.25 Having regard to the outcomes of the consultations held in December 2016 as set out above (and with more detail in Appendices X1, X2 and X3), the Mayor is asked to make a recommendation to full Council that a rent decrease be agreed to accord with Government requirements. The new average rent for 2017/18 is likely to be in the region of £96.61pw, a reduction of approximately £0.97pw from 2016/17 levels.

Other Associated Charges

- 6.26 There are a range of other associated charges. These include: garage rents, tenants levy, hostels, Linkline, private sector leasing, heating and hot water. These charges and any proposed changes to them for 2017/18 are set out in detail in Appendix X4.

Summary

- 6.27 The gross budgeted expenditure for the HRA in 2017/18 is £159.8m. Council is asked to approve a rent decrease having considered Government requirements and tenant's feedback following consultation held in December 2016. The current average weekly rent is £97.58 in 2016/17. This will reduce to £96.61pw in 2017/18.

7. DEDICATED SCHOOLS GRANT AND PUPIL PREMIUM

- 7.1 This section of the report considers the Dedicated Schools' Grant (DSG) and level of Pupil Premium for 2017/18. This grant is formula based, calculated by the Government with the Council passing it onto schools. The respective budgets for 2017/18 are £290.7m and £16.0m.

- 7.2 It is structured as follows:

- Update on 2016/17 Dedicated Schools' Grant
- Dedicated Schools' Grant for 2017/18
- Pupil Premium
- Funding Consultation
- Cost Pressures in schools
- Early Years Funding
- Education Services Grant

Update on 2016/17 Dedicated Schools' Grant

- 7.3 The level of the Dedicated Schools' Grant (DSG) for 2016/17 is £284.7m. This will be revised later to take account of the pupil count which for early years children is undertaken in January 2017.
- 7.4 There are no budget pressures in the DSG apart from the individual school budgets. The central spend of the grant is expected to balance at the year end.
- 7.5 At the end of the 2015/16 financial year there were 11 schools that had deficits. Out of these three schools that had a license deficit agreement in place for the year end.
- 7.6 There are 9 schools who have submitted deficit budget plans this year. Looking further ahead the returns show another 8 schools going into deficit in 2017/18. There are 45 schools who are operating an in-deficit in 2016/17, having balanced their budget by using their carry forward. There are 26 schools reporting a zero balance at the year end.

Dedicated Schools' Grant for 2017/18

- 7.7 The DSG for 2017/18 has provisionally been set by the Department for Education (DfE) at £290.7m, although this will change during the year to reflect updated pupil numbers. The DSG is now approximately £58m (or 25%) larger than the Council's Net General Fund budget.
- 7.8 In comparison with last year, there is a £6.0m increase (1.5%) in the DSG. This is due to the following:
- An increase of £0.4m driven by the estimated increase in pupil numbers, largely in the primary age group, while the amount per pupil has been frozen in cash terms.
 - Nationally an extra amount of £130m has been added to the High Needs Block. Lewisham will receive an extra £0.5m or 1.7% of this extra amount.
 - As detailed below there has been a transfer from the Education Services Grant for retained duties of £0.6m
 - Extra funding of £2.8m has been built into the settlement to provide 30 hours of childcare for working parents. This is effective from 1 September 2017.
 - There is a transfer of £1.7m from the Education Funding Agency for the funding of High Needs pupils in FE institutions which will need to be met from the DSG in the future.
- 7.9 Individual Schools' Budgets (ISBs) vary year on year mainly due to changes to pupil numbers. The DfE's schools' Minimum Funding Guarantee (MFG) has been set at a negative figure of minus 1.5%, which relates to the funding level per pupil (i.e. the per-pupil funding in a school cannot fall by more than 1.5%).
- 7.10 The Schools Forum met on 17 January 2017 and recommended that the Mayor introduce a PFI funding factor into the schools funding formula for 2017/18. The intention is that this smooth the fixed PFI costs to schools against any significant shortfall in income. The PFI factor will fund any annual cost of a PFI scheme which equates to more than 10% of the school's individual formula budget.
- 7.11 Under the regulations the Schools Forum decides:
- Whether some elements of funding given to schools should no longer be delegated but instead managed centrally. This includes contingency funds, the administration of free meals, supply cover, and insurance.
 - The budget level of central spend which includes growth funds, early years expenditure, admissions, and capital expenditure from revenue. The budget of the latter, under the funding regulations, is capped at the 2015/16 level.
- 7.12 The Council has to consult the Schools Forum on arrangements for Special Education Need (SEN) children. The Forum's powers extend to giving a view but the final decision lies with the Council.
- 7.13 The projection for 2017/18 is an overspend of £1.7m on the High Needs Block through an annual forecast growth in pupil numbers of 110 children with Education, Health and Care plans.

- 7.14 The Schools Forum set up a task group to review the High Needs Pupils costs in 2013. This group made a number of recommendations to the Forum which met on the 8 December 2016 to consider them. The Forum agreed savings of to cover the £1.7m by
- A reduction in Special Schools' (excludes New Woodlands) budgets of £0.5m
 - That £1.0m of the capital expenditure from revenue (CERA) budget in the Schools Block of the DSG is used to offset the pressure *
 - the saving agreed last year on Alternative Provision of £0.2m covering both Abbey Manor College and New Woodlands

*The national regulations stipulate that this funding cannot be used for capital now.

- 7.15 The Special Education Need and Disability (SEND) Strategy 2016 to 2019 set out the local authority commitment to children and young people with SEND. As part of the action plan for the delivery of the strategy it was agreed that a review of the current banding system of high needs pupil should be undertaken to ensure equity, transparency and fairness across all schools sectors and that the banding levels should be based on the needs of pupils.
- 7.16 One of the key principles of the banding review was that any proposals should be cost neutral over the total budget across all special schools, although there may be impact on individual schools. The other main principle was to ensure that there is greater clarity in the system of which band a pupils fits into and to make sure that the system was easy to moderate. This clarity will be provided by ensuring the banding system is transparent, equitable and fair. To help this it was agreed there should be a single banding systems for all schools (special, mainstream and resource base) rather than having separate banding models for each of the three types of provision.
- 7.17 The Forum on the 8 December 2017 agreed the revised bandings, the funding rates for each band and set the implementation date as the 1 April 2017. An application has been made to the DfE to dis-apply the minimum funding guarantee as some schools lose more than the 1.5%.

Pupil Premium

- 7.18 In addition to the DSG, schools will continue to receive the pupil premium. The majority of the pupil premium is allocated to schools on the basis of the number of children on roll who were entitled to a free school meal in the past six years.
- 7.19 In 2017/18 the rate of funding is set at the same level as 2016/17. This is £1,320 per primary child, £935 per secondary child and £1,900 per child in Looked After Care. The DfE no longer provide forecasts of the total pupil premium. Officer's calculations are for £16.0m for 2017/18, which is now the expected level for 2016/17.

Funding Consultation

- 7.20 The DfE issued on the 14 December 2016 their response to the national school funding reform consultation that took place in the spring. Sitting alongside the response is a further consultation which runs to the 22 March 2017. This gives greater details of the impact of the national funding formula for schools and high needs by both local authority and by school.

- 7.21 The impact is less severe than original anticipated due to
- The introduction of at least £200m of additional funding in 2018/19 and 2019/20.
 - The inclusion of a 3 per cent funding floor.
 - Additional funding for high needs, ensuring that no local authority loses high needs funding as a result of the new formula.

7.22 The full implementation date is set for April 2018 where individual schools funding will be delivered by national funding rates.

Overall the position in Lewisham is:

| | | Total £m | Change £m |
|--------------------------|-------------------------------|---------------------|----------------------|
| 2016/17 baseline (£m) | Schools block | 208.764 | |
| | High needs block | 48.652 | |
| | Central school services block | 1.424 | |
| | Total | 258.841 | |

| | | | | |
|---|-------------------------------|----------------|---------------|--------|
| Illustrative NFF funding in first year of transition | Schools block | 205.870 | - 2.89 | -1.39% |
| | High needs block | 48.652 | | |
| | Central school services block | 1.459 | 0.03 | |
| | Total | 255.981 | - 2.86 | |

| | | | | |
|---|-------------------------------|----------------|---------------|--------|
| Illustrative NFF if fully implemented in 2016-17 | Schools block | 203.006 | - 5.76 | -2.76% |
| | High needs block | 48.652 | | |
| | Central school services block | 1.513 | 0.09 | |
| | Total | 253.171 | - 5.67 | |

7.23 The typical size Lewisham schools will see the following type of reductions over the two year period

| | £'000 |
|-----------------|--------------|
| Large Secondary | 200 |
| Small Secondary | 150 |
| Large Primary | 75 |
| Medium Primary | 50 |
| Small Primary | 30 |

The percentage reduction from the funding changes is standard at 2.8%. The reduction will be split evenly over the next two years.

Cost pressures in Schools

- 7.24 The DfE estimates that mainstream schools will have to find savings of £3.0 billion (8.0%) by 2019/20 to counteract cumulative cost pressures, such as pay rises and higher employer contributions to national insurance and the teachers' pension scheme. It expects that schools will need to make efficiency savings through better procurement (estimated savings of £1.3 billion) and by using their staff more efficiently (the balance of £1.7 billion). This is broadly in line with local estimates.
- With the proposed national funding formula reductions of 3% and the cost pressures above, schools will have to find reductions of 11% over the next three years. For Lewisham's largest secondary schools who have income of around £10m this will mean savings in the region of £1m.

Early Years Funding

- 7.25 The DfE have issued a new funding formula for Early Years providers. While all providers will fare differently under the Government proposals the overall outcome will be that Nursery schools will see very significant reductions in funding, Maintained school nursery classes will see some reduction, generally in the region of £9k and the Private, Voluntary and Independent (PVI) sector will see increases.
- 7.26 The proposed national funding formula for funding local authorities will receive is made up of:
- 89.5% Pupil numbers;
 - 8% KS1 FSM numbers;
 - 1.5% EAL numbers;
 - 1% DLA numbers; and
 - There is an area cost adjustment based on general labour market costs and rates bills.
- 7.27 Unlike schools funding, early years funding will continue to be distributed by Local Authorities through a local formula. The most significant change to the local funding formula used by local authorities to distribute the funding to providers is that there can only be one universal base hourly rate for all types or providers. Currently this is not the case in Lewisham. The rates we used are:
- £7.70 Nursery schools
 - £4.85/£5.13 Primary schools (dependent upon OFSTED)
 - £3.84/£4.67 PVI's (dependent upon OFSTED)
- 7.28 The schools forum set up a task group to look at the proposals in more detail. The Schools Forum has agreed that the Universal Base Rate can be deferred until April 2018. This would enable phasing in the school's reductions, but at the expense of PVI rates.
- 7.29 Currently additional hours are allocated to children deemed to have social needs. This will be reduced to a third of its current provision. Currently 279 children receive this and the budget is £900k. In the longer term it will not be permissible for Local Authorities to fund additional hours for these type of children.

7.30 The proposals include details of the implementation extra 30 hours of childcare from September 2017. This increase will only be available to working parents.

Educations Services Grant (ESG)

7.31 In 2016/17 the allocation of ESG for Lewisham is £3.5m. It is made up of two elements: a so called general fund which is referred to in this section of the paper as the ESG Central Fund (to avoid confusion with Lewisham's own General Fund which is used to fund core services) of £2.9m and a retained duties element of £0.6m.

7.32 The ESG central funding rate for local authorities in the 2016 to 2017 financial year is £77 per pupil in mainstream schools and £288.75 and £327.25 per place in pupil referral units and special schools respectively. This funding is being discontinued from September 2017.

7.33 The retained duties funding rate for local authorities is a flat rate of £15 per pupil **in all state funded schools**, which includes academies. There is no differential funding for Special Schools and pupil referral units for the retained duties element of the ESG.

The total ESG grant is to cover the following services

- School improvement
- Statutory and regulatory duties
- Education welfare service
- Central support services
- Asset management
- Premature retirement costs/redundancy costs (new provisions)
- Therapies and other health-related services
- Monitoring national curriculum assessment.

7.34 The funding previously allocated through the ESG retained duties rate (£15 per pupil) will be transferred into the schools block for 2017 to 2018. The DFE will allow local authorities to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG. The amount to be retained by the local authority needs to be agreed by the maintained schools members of the Schools Forum. Lewisham Schools Forum did this on the 8 December 2016. This amounted to £0.6m of the former £3.5m grant.

7.35 School Improvement Grant - The Department for Education have announced a separate grant that will be allocated to local authorities (LAs) to continue to monitor and broker school improvement provision for low-performing maintained schools and intervene in certain cases. That was previously met from the Education Services Grant. The grant for Lewisham is £187k and covers the period from September 2017 to March 2018.

8 GENERAL FUND REVENUE BUDGET AND COUNCIL TAX

- 8.1 This section considers the General Fund revenue budget and Council Tax. The General Fund budget for 2017/18, assuming a Council Tax increase of 4.99%, is £232.746m. Details of the savings anticipated for 2017/18 are provided at Appendices Y1 and Y2.
- 8.2 It is structured as follows:
- Update on 2016/17 Revenue Budget;
 - The Budget Model;
 - Saving proposals;
 - Council Tax for 2017/18; and
 - Overall Budget Position for 2017/18.

Update on 2016/17 Revenue Budget

- 8.3 The Council's revenue budget for 2016/17 was agreed at Council on 24 February 2016. The general fund budget requirement was set at £236.218m.
- 8.4 During the financial year, monthly monitoring is undertaken by officers and these monitoring reports have been presented quarterly to Mayor and Cabinet and scrutinised by the Public Accounts Select Committee. Significant attention continues to be directed towards volatile budget areas. These are those areas where small changes in activity levels can drive large cost implications. These include, for example: Looked After Children, No Recourse to Public Funds; Nightly Paid Accommodation; and Adult Social Care. These areas of activity are also informed by risk assessments which are continually reviewed.
- 8.5 Budget holders have been continually challenged to maintain tight control on spending throughout the year through the continuation and strengthening of Directorate Expenditure Panels (DEPs) and the additional layer of scrutiny added through the operation of the Corporate Expenditure Panel (CEP).
- 8.6 An initial projected overspend of £7.7m was reported at the end of May 2016. However, since this position was first reported, the position has worsened. This is in spite of the continued management attention given to seek the containment of costs and, where possible, accelerating service changes to reduce costs.
- 8.7 The current projected overspend at as the end of November 2016 is £11.6m. The most significant increases during this time has been in the area of adult social care, which has seen the overspend projection increase by nearly £2.5m. This is due to a number of factors, including the significant pressure being felt on the placements budget through the increased costs of residential care in older adults' placements and changes associated with the re-letting of contracts for home care. Increases elsewhere relate to children's social care and increased transport costs in the environment division.
- 8.8 Overall, this remains a significant overspending projection, and stringent management action must continue for the remainder of this year to help bring the projected overspend down.
- 8.9 It should be noted that a sum of £3.75m was held corporately as part of setting the 2016/17 budget for managing 'risks and other budget pressures' which emerge during the year. As in previous years, the Executive Director for Resources and Regeneration gives due consideration as to when it might be appropriate to apply this sum. To date during the year, corporately £1.0m has been committed to address the ongoing cost

pressures in the dry recycling contract, leaving a balance of £2.75m. If allocated in full this will have the effect of reducing the current projected overspend to £8.8m.

Directorates

- 8.10 Table C1 sets out the latest forecast budget variances on the General Fund by Directorate, before applying the sum for 'risks and other budget pressures'

Table C1: Forecast outturn for 2016/17 as at end of November 2016

| Directorate | Gross budgeted spend | Gross budgeted income | Net budget | Forecast over/ (under) spend Nov. 2016 |
|---------------------------|----------------------|-----------------------|--------------|--|
| | £m | £m | £m | £m |
| Children & Young People | 61.6 | (14.0) | 47.6 | 5.3 |
| Community Services | 170.0 | (76.9) | 93.1 | 3.4 |
| Customer Services | 101.5 | (57.0) | 44.5 | 3.3 |
| Resources & Regeneration | 73.9 | (46.9) | 27.0 | (0.4) |
| Directorate Totals | 407.0 | (194.8) | 212.2 | 11.6 |
| Corporate Items | 24.0 | 0.0 | 24.0 | 0.0 |
| Net Revenue Budget | 431.0 | (194.8) | 236.2 | 11.6 |

Auditor Appointment

- 8.11 There are three main ways to appoint an auditor under the new regime before 31 December 2017, in time for the 2018/19 financial year: by the authority itself acting independently, by the authority acting alongside other authorities or by Public Sector Audit Appointments (PSAA) through a national sector led scheme managed by PSAA and established under regulations made under the Act. The PSAA is an independent limited company incorporated by the Local Government Association (LGA). These arrangements are to enable the existing contracts to be retendered and replace those previously managed by the Audit Commission, now closed.
- 8.12 The Secretary of State for Communities and Local Government gave PSAA the task of establishing and managing audit appointments in England under the Local Audit (Appointing Persons) Regulations 2015 for authorities who want to opt into the scheme. This option means that authorities cede the power of appointing and managing the auditor to a central body, providing potential savings on procurement and removing the additional bureaucracy of creating an auditor panel. It reduces the involvement of authorities and saves time by delegating the decision-making to an independent checkpoint.
- 8.13 Authorities must opt in to realise these benefit and have until 9 March 2017 to do so. The regulations require a Full Council resolution to opt in. This will last for five years and authorities that choose not to opt in will have another opportunity to apply to join the national scheme subsequently for later financial years. It is expected that PSAA will appoint several audit firms, subject to receiving acceptable tenders, to ensure that no

single firm achieves market dominance. It must also consult each individual authority on the appointment of its auditor and will take into account the desirability of appointing the same auditor to authorities that share accounting and financial services, or that have made other joint arrangements that impact audit work.

- 8.14 Similar to the majority of local authorities, officers are recommending that Lewisham 'opts in' to take advantage of the national sector led scheme developed by PSAA.

Corporate Financial Provisions

- 8.15 Corporate Financial Provisions are budgets that are held centrally for corporate purposes and which do not form part of the controllable expenditure of the service directorates. They include Capital Expenditure charged to the Revenue Account (CERA), Treasury Management budgets such as Interest on Revenue Balances (IRB) and Debt Charges, Corporate Working Balances and various provisions for items such as early retirement and voluntary severance. The spend on Corporate Financial Provisions is expected to be contained within budget by the year-end.
- 8.16 Consideration is now being given to employing the use of corporate measures to balance the budget at year end. It is proposed to meet any 2016/17 budget overspend from reserves.

The Budget Model

- 8.17 This section of the report sets out the construction of the 2017/18 base budget. This section is structured as follows:
- Budget assumptions, including: Savings, Council Tax, and Inflation;
 - New Homes Bonus;
 - Budget pressures to be funded; and
 - Risks and other potential budget pressures to be managed.

Budget assumptions, including: Savings, Council Tax, and Inflation

- 8.18 The Council has made substantial reductions to its expenditure over the last seven years. On all credible economic forecasts, it will continue to need to make further reductions for at least the next three to four years. This section of the report summarises a series of proposals that would enable the Council to set a balanced budget for 2017/18 as part of a sustainable financial strategy to 2019/20. Looking beyond 2019/20 very much depends on the financial implications for the Council from government policy in the next parliament, the next Comprehensive Spending Review (including the impact from Brexit), details for how the introduction of 100% of business rates will be implemented and any related developments in respect of more devolution to London.

Council Tax

- 8.19 The assumption used in the model for preparing the 2017/18 budget, subject to confirmation by Council, is for the maximum 4.99% Council Tax increase (a 3% increase for the revised social care precept and a 1.99% increase under the referendum principle). This is consistent with the government's financial models for local government funding to 2019/20.
- 8.20 If Council choose to set a different Council Tax increase they will need to be mindful that any increase below this recommendation will result in additional budget pressures,

resulting in a higher savings requirement. And any increase above this recommendation would require support in a local referendum due to the limit set by the Secretary of State.

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

Inflation

- 8.22 The Government's inflation target for the United Kingdom is defined in terms of the Consumer Price Index (CPI) measure of inflation which excludes mortgage interest payments. Since April 2011, the CPI has also been used for the indexation of benefits, tax credits, and public service pensions.
- 8.23 In December 2016, the Office for National Statistics (ONS) reported that the rate of Gross Domestic Product (GDP) growth in the economy was greater than 2% with CPI inflation in the UK at 1.6% in December. The November Office of Budget Responsibility (OBR) forecasts for inflation, which were published alongside the Chancellor's Autumn Statement, are a rise to a peak of 2.6% in 2018 before returning to near the UK target of 2% annually thereafter, with GDP growth falling to 1.4% in 2017 before returning to 2% throughout the period to 2019/20.
- 8.24 For financial planning purposes, the Council has previously assumed an average pay inflation of 1% per annum, which equates to approximately £1.1m. In December 2015, a final offer was made to the unions of a 1% pay award for 2017/18 by the National Joint Council (NJC) for Local Government Services, with staff on very low pay being offered increases that will bring them up to the new National Living Wage (NLW) introduced by the government in 2015. The NLW is currently set at £7.50/hr from April 2017. Lewisham's lowest pay band exceeds this amount and therefore a provision of 1% per annum for 2017/18 has been made.
- 8.25 The Council currently applies a non-pay inflation rate of 2.5% per annum. This is close to the forecast inflation rates for 2017 and reflects the underlying commitments in Council contracts. This equates to approximately £2.5m per annum (net). This figure was put forward as an efficiency saving for three years starting from 2015/16, with 2017/18 being the final year of this measure.

New Homes Bonus

- 8.26 The New Homes Bonus (NHB) sits alongside the Council's planning system and is designed to create a fiscal incentive to encourage housing growth. The Department for Communities and Local Government (DCLG) is paying the NHB as un-ringfenced grant to enable local authorities to decide how to spend the funding. The scheme design sets some guidance about the priorities that spend should be focused on, in that it is being provided to 'help deliver the vision and objectives of the community and the spatial strategy for the area and in line with local community wishes'.
- 8.27 The NHB has historically been paid each year for six years. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.

- 8.28 In the provisional Local Government Finance Settlement statement, the Secretary of State announced that in 2017/18 and 2018/19 NHB legacy payments will be changed to five and four years respectively. The funding released by doing this will be re-invested back into local government to support social care and will be distributed on a needs basis. Going forward a baseline level of 0.4% growth will also be applied for which NHB will not be paid and the government is finalising the consultation which is expected to confirm that NHB will not be paid on properties for which planning is granted on appeal.
- 8.29 The provisional allocation for 2017/18 in Lewisham, including on-going payments, is £10.139m, with the years 1 and 2 allocations of £1.664m dropping out and with the allocation for Year 7 (2017/18) delivery being £2.072m. The impact of the changes noted above will be to reduce the level of NHB the Council receives by at least a third from the original scheme going forward.
- 8.30 The cumulative nature of the NHB is set out in summary in Table C6 below.

Table C6 – New Homes Bonus Allocation Profile

| | 2012/13 £m | 2013/14 £m | 2014/15 £m | 2015/16 £m | 2016/17 £m | 2017/18 £m |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Yr 1 - 6 yrs paid in full | 0.706 | 0.706 | 0.706 | 0.706 | 0.706 | - |
| Yr 2 – limited to 5 yrs | 0.958 | 0.958 | 0.958 | 0.958 | 0.958 | 0 |
| Yr 3 – limited to 5 yrs | | 2.150 | 2.150 | 2.150 | 2.150 | 2.150 |
| Yr 4 – limited to 4 yrs | | | 2.629 | 2.629 | 2.629 | 2.629 |
| Yr 5 – limited to 4 yrs | | | | 1.399 | 1.399 | 1.399 |
| Yr 6 – limited to 4 yrs | | | | | 1.889 | 1.889 |
| Yr 7 – limited to 4 yrs | | | | | | 2.072 |
| Total Allocation | 1.664 | 3.814 | 6.443 | 7.842 | 9.731 | 10.139 |
| Less: London LEP Top slice | 0 | 0 | 0 | -2.218 | 0 | 0 |
| Lewisham Total | 1.664 | 3.814 | 6.443 | 5.624 | 9.731 | 10.139 |

- 8.31 The Council produces an Annual Monitoring Report (AMR) which assesses the level of development which has taken place and reviews the performance on plan making and related steps being undertaken to progress the regeneration of the borough. The AMR provides a housing trajectory and identifies the anticipated amount of residential development over the coming years.
- 8.32 A significant amount of planned growth for the borough is yet to come. The AMR provides an update on the progress of strategic sites within the regeneration and growth areas, including Deptford and New Cross, Lewisham Town Centre and Catford Town Centre. Overall, strategic sites are progressing and are generally being constructed within anticipated timescales. The bringing forward of housing supply in London is a priority for the Council and the London Mayor. The AMR provides a housing trajectory and identifies the anticipated amount of residential development over the coming years.
- 8.33 In view of the planned growth in housing and associated infrastructure in the borough in future years it was agreed to commit £0.65m of the NHB allocation per annum to provide delivery support for this. This represents a year-on-year commitment for the Council. Given the planned growth in the Borough over the coming years, the funding will be used to support work to improve the borough's town centres, increase the

number of jobs in the borough, provide improved transport links to the rest of London, and build upon the necessary infrastructure such as schools, health facilities, and open spaces.

- 8.34 While initially being held with a view to funding future capital works, a review of the NHB has been conducted consistent with the government's commitment that NHB will continue (albeit at a reduced level) for the remainder of the parliament and the expectation that councils use their reserves. Given the pressures on the overall budget, and as in 2016/17 and consistent with previous years, it is proposed to use some of the NHB for revenue funding shortfalls. This will be effected by releasing £5.0m of the accumulated reserve balance from the NHB scheme to the General Fund for 2017/18 only.

Budget Pressures to be funded

2016/17

- 8.35 In 2016/17, £7.5m of funds were set aside in the budget model to meet specific identified budget pressures and potential budget risks. Of this £7.5m in the 2016/17 budget, £3.75m was allocated to services to fund quantified pressures, leaving £3.75m unallocated and held corporately against identified risks. As noted above in the 2016/17 financial forecast monitoring, £1.0m of this was allocated in the year for Dry Recycling, leaving £2.75m of corporate risks and pressures unallocated.
- 8.36 An ongoing area of significant financial pressure for the Council are the rising demands and costs of Adult Social Care, including Transition costs for young adults as well as costs for the elderly. The forecast overspend in this area for 2016/17 is £3.5m. And, if agreed, the Adult Social Care precept for 2017/18 will raise £2.7m.
- 8.37 The population of the Borough is forecast to increase by a net 3,000 annually for the foreseeable future. This growth combined with the demographic change being experienced nationally for people to live longer lives, even with severe disabilities, is creating particular pressure on health and social care services. In respect of adult social care, the Council is also experiencing an increase in the transfer of high cost packages and placements for young people with a learning disability from the Children & Young People's directorate to Adult Social Care. In the region of £1.0m annually. Additional provision also has to be made for a few new physical disability placements a year (brain injuries and other accidents).
- 8.38 The budget pressures in Adult Social Care have been reviewed and it is recommended that the remaining £2.75m of corporate risk and pressures unallocated in 2016/17 now be allocated to Adult Social Care.
- 8.39 In 2016/17 the Adult Social Care precept raised £1.7m. This was committed to funding the costs of paying the National / London Living Wage in all contracts. The additional £2.75m in 2017/18 will ensure all the Adult Social Care precept raised continues to be committed in this area.

2017/18

- 8.40 Following the Pension Fund valuation at the 31 March 2016 the annual corporate lump sum contribution is no longer required. It is therefore proposed to reduce the budget for pressures and risks in 2017/18 to £6.5m, from £7.5m. This generates a £1.0m annual

saving in the budget requirement. This saving can be offered as for the last three years £1.0m has been committed to support the Council's deficit pension fund position. Following the triennial actuarial valuation of the Pension Fund in 2016 this lump sum contribution is no longer required from April 2017, at least for the next three years. Not having to fund this pressure in the General Fund over this period will provide a saving of £3m in total, £1.0m each year from 2017/18 to 2019/20.

- 8.41 The budget pressures anticipated in 2017/18 have been reviewed and it is recommended that a number of these specific identified pressures are recovered or funded now. In terms of accounting for these, it is proposed that the budgets are recovered where appropriate and then allocated in line with the decisions of this budget from the corporate risk and pressures monies to the relevant Directorates when determining their cash limits for 2017/18.
- 8.42 Table C2 provides a summary of the corporate risk and pressures budget and those pressures and risks that are being recommended to be recovered or funded.

Table C2: Summary of 2017/18 budget pressures to be funded

| Description | £'000 | £'000 |
|---|--------|---------------|
| 2017/18 | | |
| Opening budget for 2017/18 | 6,500 | |
| Prior year corporate budget no longer required | | |
| Concessionary fares | 500 | |
| No Recourse to Public Funds - costs | 250 | |
| Risk & Pressures budget available in 2017/18 | | 7,250 |
| Previously committed | | |
| Highways & Footways (year 4 of 10) | -350 | |
| Licensing arrangements (year 2 of 5) | -200 | |
| No Recourse to Public Funds - operations | -500 | |
| Arising from policy changes | | |
| Business rates appeals | -500 | |
| Apprenticeship levy | -400 | |
| Unachieved elements of previous years savings | | |
| CYP – various in respect of Education Support | -400 | |
| Environment – waste disposal & parks income | -500 | |
| R&R – advertising and wireless income | -350 | |
| Demand pressures | | |
| Looked After Children | -1,200 | |
| Leaving Care | -200 | |
| CYP Transport | -500 | |
| Business Rates Discretionary Relief | -20 | |
| Risks & Pressures recommended to be funded | | -5,120 |
| Risks & Pressures budget recommend to be held against possible overspends in 2017/18 | | 2,130 |

Concessionary Fares - £0.50m to be recovered corporately

- 8.43 London Councils have advised on the expected Lewisham's Freedom Pass costs for 2017/18. The figure is £0.5m lower than in 2016/17. As this funding, previously committed from corporate resources, will no longer be required in 2017/18 it is being returned to the corporate budget for risks and pressures.

No Recourse to Public Funds, costs - £0.25m to be recovered corporately

- 8.44 As reported in previous budgets, the rise in number and costs of No Recourse to Public Funds cases has created significant pressures on the s17 budget in the Children and Young People Directorate in recent years. In 2014/15 the Council reorganised and created a team to pilot new ways of working and interventions focused solely on this area to bring costs down. Corporately these pressures were also recognised in the budgets of 2015/16 and 2016/17 with £4.1m of risk and pressures monies committed to this area.
- 8.45 The work of the team to ensure effective and fair assessments and control costs where families are accepted is working and an underspend on the No Recourse to Public Funds s17 costs is forecast in 2016/17. As these funds are no longer required it is proposed they are returned to the corporate budget for risks and pressures in 2017/18.

Highways and Footways pressure – £0.35m

- 8.46 The ten year investment programme for the resurfacing of highways and footways in the Borough came to an end in 2013/14 and future funding arrangements had to be established. In 2014/15 it was agreed that an ongoing highways resurfacing budget of £3.0m be established over a ten year period. In the first year, this was funded by a combination of pressures funding, reserves, and the release of existing prudential borrowing budgets as debt was repaid.
- 8.47 Corporate funding of £0.3m for 2017/18 will be provided with an additional £0.3m being added to the budget until 2020/21 and a balance of £0.1m in 2021/22. Therefore, the total allocation over the period is £2.2m, although this will eventually be offset by £0.8m of released budget arising from repaid prudential borrowing over the period 2024/25 to 2033/34.
- 8.48 It was also agreed in 2014/15 to create an ongoing budget of £0.5m for the replacement of footways over a ten year period 2014/15 until 2023/24. For 2017/18, a budget allocation of £0.05m will be needed with an additional £0.05m being added to the budget for each of the years to 2023/24.

Additional Licensing Scheme £0.20m

- 8.49 In 2015/16 Mayor and Cabinet approved the introduction of an “additional” licensing scheme in Lewisham to improve conditions of private rented flats above commercial premises (primarily over shops) across the borough.
- 8.50 The scheme agreed was at a cost of £1.0m over five years. This is the second of the five years of contributions.

No Recourse to Public Funds, operations – £0.50m

- 8.51 As noted above, the Council created a new team to focus on and manage the assessment of No Recourse to Public Fund cases. To date it has been funded in-year on an rolling annual basis as a pilot scheme from corporate resources.
- 8.52 The results and benefits of this approach are now understood and, while costs are being better controlled, this is still an area experiencing considerable demand. It is therefore

proposed to fund this work on a permanent basis by providing an ongoing operational budget to the Customer Services Directorate.

Business Rate appeals - £0.5m

- 8.53 The Valuation Office continues to hear appeals on valuations from the 2010 list. Any of these that are upheld will require the Council to return the backdated overpayment and reduce the ongoing level of rates to be collected. This cost can be amortised over five years.
- 8.54 In 2017 the new valuations from the 2015 list will be applied and, given the 36% rise in valuations for Lewisham, it is anticipated there will be a number of appeals under the new 'check, challenge, appeal' arrangements that will take time to be considered. The business rate base in Lewisham also has some particular concentrations, in particular around rateable values for technology infrastructure and the public sector assets, where there continues to be change.
- 8.55 Recognising these uncertainties and the real risk from business rates appeals in 2017/18 and the coming years, it proposed this be recognised and funded.

Apprenticeship Levy - £0.4m

- 8.56 The chancellor's Autumn Statement in November 2016 confirmed that, from April 2017, employers with a wage bill of more than £3 million will have to pay a 0.5 per cent levy to fund apprenticeships training.
- 8.57 In Lewisham for the non-schools pay bill that falls to the General Fund this levy equates to £0.4m.

Previous years unachieved savings - £1.25m

- 8.58 As is noted elsewhere in this report the Council has brought forward and implemented significant savings since 2010/11 and will continue to need to do so until at least 2020/21. In doing so not all of the savings are delivered in full, either in terms of timing or value, as the savings targets have been stretching in the face of the ambition and challenge the Council faces to live within its budget.
- 8.59 Where this arises the first action is for management to try to address the obstacles and find solutions so that the agreed savings are delivered. This is monitored through the financial forecast reporting and the management actions being taken to effect budgetary control. However, it may not always be possible to fully resolve the pressure and where this is the case it should be recognised.
- 8.60 Looking at the persistent overspends in the financial forecasts from the impact of partially achieved savings identifies the following where it is now proposed to inject corporate resource to reduce the budget pressures. This will release management attention so that for 2017/18 the focus can be on developing new savings proposals to address the remaining savings gap in the Medium Term Financial Strategy. By Directorate these include, with the original savings reference in brackets, the following:
- Children & Young People Directorate are reporting a mix of various overspends resulting from the partial achievement of prior year savings totalling £0.4m.

These include savings for: Attendance to Welfare (J2b), Occupational Therapy (Q3d), Educational Psychologists (Q3c), and Multi Agency Planning work (Q3f).

- Environment Services are reporting pressures on the cost of waste services as the number of properties in the Borough grows (as seen the in the Council Tax Base) and shortfalls in the income hoped to be generated from parks (N1 and N6). It is proposed to add £0.5m to these budgets to meet these pressures.
- Regeneration, Assets and Place are pursuing income from using more of the Council's assets to generate advertising income (G2a) and a return from supporting wireless connectivity (G2b) across the Borough. Despite this work the full income target is not going to be achieved and it is proposed to add £0.35m to these budgets for 2017/18.

Looked After Children and Children Leaving Care – £1.40m

- 8.61 The Looked After Children service provides social work support to all the children who are looked after by the London Borough of Lewisham. It performs all the statutory functions, including care planning and ensuring that their health and education needs are met. And that they are also supported when the time comes to leave care safely.
- 8.62 At the start of 2010, the number of Looked After Children peaked and then they started to decline. This continued until the summer of 2011 from when numbers were fairly stable. However, the numbers started to rise again in April 2013 and in 2016 are consistently above 400, often with extensive and expensive support costs required. Young People are the fastest growing section of Lewisham's population. The current demographics indicate that the pupil population is growing by 2.5% which, all other things being equal, roughly projects to an increase in the Looked After Children of one a month.
- 8.63 Even with the work to manage the budget pressure through effective and economic placement decisions, overall spend on these services is exceeding the available budget. It is therefore proposed to fund this service area by an additional £1.4m from 2017/18.

Transport Costs - £0.50m

- 8.64 There is an ongoing project to review the transport passenger service the Council provides. It is revisiting the options available to provide this service and looking at the best service configurations to drive down costs. This project has a savings target of £1.0m, half in 2016/17 and half in 2017/18.
- 8.65 It is recognised from the financial monitoring that a barrier to making this saving is that, in the Children & Young People Directorate in particular, there is already a demand pressure that is driving significant overspends year on year. It is therefore proposed to put an additional £0.5m into the transport budget to ensure the focus can be on the new ways of working and delivering the agreed saving.

Business Rates Discretionary Rates relief - £0.02m

- 8.66 From April 2017 businesses in Lewisham will be charged their business rates on the new 2015 valuations. Overall in Lewisham business rate valuations have increased 36% since the previous valuation by the Valuations Office Agency (VOA) in 2010. However, this increase in Lewisham is distorted by one particularly large technology

infrastructure business on the list. Excluding the particular circumstances of this business the average rise in the new rates in Lewisham is 23%.

- 8.67 The Council sets aside an annual budget of £86k to be able to offer a contribution as a discretionary business rates relief to community organisations that are not able to obtain relief through other discounts (for example, via charitable status) or which are in particular need. The proposal is therefore to increase this budget by 23% to £109k, uplift of £20k, so that the scale of benefit in Lewisham is sustained.

Risks and other potential budget pressures to be managed

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

Adult Social Care, including Transition demands

- 8.70 As noted above this is an area of continuing pressure for the Council. This is expected to continue into future years. However, the impact of the additional funding committed to these services for 2017/18 through the Adult Social Care precept and the changes arising from transformation savings are assessed it is not possible to fully evaluate the risk at this time.

Child Sexual Exploitation

- 8.71 This is a risk area across London which may, if the number of cases locally grows significantly, become a pressure in the future. At present the service is managing this risk by refocusing existing resources within their current budget and expects to be able to do so through 2016/17. Given these uncertainties it is not possible to fully evaluate the risk at this time.

National / London Living Wage

- 8.72 In 2015 the Chancellor announced the obligation for all employers to pay at least a national living wage. The Council has for some years now ensured it pays the London Living Wage to staff and contractors where this has been possible to contract for. However, there have remained some areas where this has not always been possible – for example; sub-contractors on some facilities contracts and contracting for some care services. New European procurement rules and the introduction of the national living wage go some way to closing this remaining gap to ensure all employees are paid a fair wage. The government has also confirmed that the minimum and living wages will rise faster than inflation to at least 2020.

- 8.73 The budget impact of these changes is a risk of additional contract costs to the Council. These will vary according to the contract and areas of spend depending on past practice and how suppliers elect to pass on some or all of these costs. The risk cannot therefore be easily quantified at this time.

Redundancy

- 8.74 The Council will seek to minimise the impact of savings on services and jobs. However, a significant proportion of the Council's budget goes on staff salaries and wages, so it will not be possible to make significant savings over the next four years without an impact on jobs. The cost of redundancy depends on age, seniority, and length of service of the individuals affected, and it is not possible to calculate the overall financial impact at this stage.

Unachieved savings

- 8.75 For those savings agreed there is a risk, as the detailed work to implement them progresses, of delay or changes to the proposals in response to consultations or other factors. These changes may impact the value of the saving that can be achieved, either in total or more often in terms of achieving a full year's financial impact.
- 8.76 Where these have been identified from savings for earlier years these are addressed in the funded pressures above. However, while management actions continue to be taken to fully implement savings for the coming year such pressures cannot be easily quantified at this stage. Should these pressures arise in the year and are not be able to be contained with Directorate budgets, they may need to be met from the risk fund or become an additional call on reserves.

Summary of Budget Pressures

- 8.77 In conclusion, it is a matter of good budgeting to make a general allowance for risk and uncertainty, particularly at such a time of rapid change in the local government sector.
- 8.78 There are some pressures to be funded, which can be quantified within a reasonable range. There are also a number of other risks and potential budget pressures to consider which are less easy to quantify with any certainty.
- 8.79 After allowing the allocation of corporate risk & pressures to be funded in 2017/18 as summarised in Table C2 above, an unallocated balance of £2.15m would remain. It is proposed that the Executive Director for Resources & Regeneration hold this fund corporately. This fund would be used to allocate resources to fund emergent budget pressures during the year (such as those described above) which cannot be quantified with certainty at this moment in time.

Saving proposals

- 8.80 On the 28 September 2016 the Mayor:
- Endorsed previously agreed savings proposals from the 2015/16 and 2016/17 budgets for implementation in 2017/18, totalling £16.3m.
 - Agreed and delegated £4.915m of saving proposals for 2017/18, and requested a further £1,084 worth of proposals be progressed and necessary consultations undertaken to then return to Mayor and Cabinet for decision.

- 8.81 The total savings included in the 2017/18 budget calculation is £23.236m (including the £1m reduction in budget pressures recommended in this report). The savings must be achieved in order to maintain a balanced budget. The final approval and delivery of these savings will be monitored, any shortfall will have to be covered, in the short term, through the use of reserves.
- 8.82 As anticipated in the Medium Term Financial Strategy (July 2016) and following the provisional Local Government Finance Settlement (December 2016), the Executive Director for Resources & Regeneration has been considering options to bridge a budget shortfall in order to balance the budget for 2017/18. It is proposed to use a small amount of corporate reserves (£0.027m) with the bulk of the gap being met from use of £5.0m of the New Homes Bonus reserve in 2017/18.
- 8.83 Estimates for Revenue Support Grant in 2018/19 to 2019/20 have been provided by the Government which has offered to provide a four year settlement on Revenue Support Grant from 2016/17 up to 2019/20. The Council submitted a four year efficiency plan in October 2016. The prospects for future years' budgets based on the provisional settlement figures are set out in more detail in section 9 of this report.

Council Tax for 2017/18

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

Collection Fund

- 8.85 Collection Fund surpluses or deficits reflect whether the Council over or under achieves its Council Tax collection targets. Therefore, this requires a calculation to be made of how much the Council has already received for the Council Tax in the current and past years and how much of the outstanding debt it expects to collect.
- 8.86 The statutory calculation was carried out for the 15 January (date prescribed by the relevant statutory instrument). This calculation showed there is an estimated surplus on the Collection Fund in respect of Council Tax, for the years 1994/95 to 2016/17 of £4.818m.
- 8.87 This surplus is shared with the precepting authority, the Greater London Authority (GLA), in proportion to relative shares of budgeted Council Tax income in the current financial year. This means that £3.853m of the £4.818m surplus has to be included in the calculation of Lewisham's budget as the additional Council Tax owed and collected in year. The remaining balance of £0.964m will be allocated to the GLA.
- 8.88 Members should note that the Council agreed on the 18 January 2016 to maintain the Council Tax Reduction Scheme (CTRS) approach of previous years, which is for the Council to continue to pass on the cumulative Settlement Funding Assessment cut from the previous years since the scheme's introduction. This now stands at 33%. This means that everyone of working-age has to pay a minimum of 33% of their council tax liability.

Council Tax Levels

- 8.89 The current position is still that Council Tax may not be increased by 2% or more (inclusive of levies) without a referendum. In addition, there is also the opportunity to increase Council Tax by up to a further 3% under the social care precept (2% in 2016/17). The government's assumptions in the local government financial settlement to 2019/20 include the raising of both Council Tax and the social care precept in each and every year to meet the recognised funding pressures faced by the sector.
- 8.90 In 2017/18, the Social care precept will work by giving local authorities the flexibility to raise council tax in their area by up to 3% above the existing referendum threshold. In Lewisham this will provide additional funding of £2.68m, ring fenced for adult social care spend in 2017/18. If implemented this charge has to be identified on the face of the Council Tax bill and made clear in the accompanying guidance for rate payers.
- 8.91 At the same time a general increase in Council Tax of 1.99% (i.e. within the limit of the 2% referendum threshold) would also provide additional funding of £1.78m.
- 8.92 In considering savings proposals and the level of Council Tax, Members make political judgements, balancing these with their specific legal responsibilities to set a balanced budget for 2017/18 and their general responsibilities to steward the Council's finances over the medium term.
- 8.93 In 2016/17, the Band D Council Tax in Lewisham is £1,378.66 on a base of 78,528.58 Band D equivalent properties. Of this, £276 relates to the activities of the GLA which the Council pays over to them on collection.
- 8.94 The GLA is consulting on a precept of £280.02 (Band D equivalent) for 2017/18, an increase of £4.02, or approximately 1.5% and a final decision is expected from them on or after the 20 February 2017. The entire precept increase will be applied to the policing budget.
- 8.95 For 2017/18, the Band D Council Tax in Lewisham is recommended to be £1,437.70 on a base of 81,087.65 Band D equivalent properties (the base was approved at Council on the 18 January). Of this, £280.02 relates to the activities of the GLA which the Council will pay over to them on collection.
- 8.96 Table C3 below shows, for illustrative purposes, the Council Tax payable by a Lewisham resident in a Band D property in 2017/18 under a range of possible Council Tax increases, and the financial implications of this for the Council. A full Council Tax Ready Reckoner is attached at Appendix Y3.
- 8.97 The starting point is for an assumed 4.99% increase in Council for 2017/18. Any reduction from this level of increase will reduce the level of income the Council collects and will increase the draw on reserves for 2017/18 and the savings gap in future years.

Table C3 – Band D Council Tax Levels for 2017/18

| Change in Council Tax | Amounts payable by residents – Band D | | | Lewisham | |
|-----------------------|---------------------------------------|---------------|-----------------|-----------------|-----------------------|
| | Lewisham element | GLA element | Total | Change in total | Annual income forgone |
| | £ | £ | £ | % | £m |
| 4.99% increase | 1,157.68 | 280.02 | 1,437.70 | +4.28% | 0.00 |

| Change in Council Tax | Amounts payable by residents – Band D | | | Change in total | Lewisham |
|-----------------------|---------------------------------------|-------------|----------|-----------------|-----------------------|
| | Lewisham element | GLA element | Total | | Annual income forgone |
| 4.50% increase | 1,152.28 | 280.02 | 1,432.30 | +3.89% | 0.438 |
| 4.00% increase | 1,146.76 | 280.02 | 1,426.78 | +3.49% | 0.886 |
| 3.50% increase | 1,141.25 | 280.02 | 1,421.27 | +3.09% | 1.333 |
| 3.00% increase | 1,135.74 | 280.02 | 1,415.76 | +2.69% | 1.780 |
| 2.50% increase | 1,130.22 | 280.02 | 1,410.24 | +2.29% | 2.227 |
| 2.00% increase | 1,124.71 | 280.02 | 1,404.73 | +1.89% | 2.674 |
| 1.50% increase | 1,119.20 | 280.02 | 1,399.22 | +1.49% | 3.121 |
| 1.00% increase | 1,113.68 | 280.02 | 1,393.77 | +1.09% | 3.568 |
| 0.50% increase | 1,108.17 | 280.02 | 1,388.19 | +0.69% | 4.015 |
| Council Tax Freeze | 1,102.66 | 280.02 | 1,382.68 | +0.29% | 4.462 |

Overall Budget Position for 2017/18

8.98 For 2017/18, the overall budget position for the Council is an assumed General Fund Budget Requirement of £232.746m, as set out in Table C4 below.

Table C4 - Overall Budget Position for 2017/18

| Detail | Expenditure/ (Income) £m | Expenditure/ (Income) £m |
|---|--------------------------------|--------------------------------|
| Settlement Funding Assessment (SFA) for 2017/18 | (135.019) | |
| Council Tax 2017/18 at 4.99% increase | (93.874) | |
| Surplus on Collection Fund | (3.853) | |
| Assumed Budget Requirement for 2017/18 | | (232.746) |
| Total Resources available for 2017/18 | | |
| Base Budget for 2016/17 | 236.218 | |
| Plus: Reversal of reserves drawn in 16/17 (once off) | 10.943 | |
| Plus: Additional Pay inflation | 0.978 | |
| Plus: Non-pay Inflation | 2.500 | |
| Plus: Education Support Grant changes for 17/18 | 2.870 | |
| Plus: Budget pressures to be funded from 17/18 fund | 5.120 | |
| Plus: Risks and other potential budget pressures | 2.130 | |
| Less: 16/17 pressures funding no longer required | (0.750) | |
| Less: Previously agreed savings for 2017/18 | (16.237) | |
| Less: September approved savings for 2017/18 | (5.999) | |
| Less: Use of New Homes Bonus reserve | (5.000) | |
| Less: Once off use of Corporate reserves | (0.027) | |
| Total | | 232.746 |

Use of Provisions and Reserves

2017/18 budget

- 8.99 Should all the above proposals be agreed, then this would leave a remaining gap of some £5.027m to be funded by the once off use of NHB and Corporate reserves in 2017/18. This is set out in the Table C4 above.
- 8.100 If the need should arise to balance the budget for any in-year pressures using reserves, the Executive Director for Resources & Regeneration advises that on going measures should be identified to rectify this position as quickly as possible and in any event, by the following year. The use of once off resources is therefore just delaying the need to make an equivalent level of saving in the following year.

Invest to Save

- 8.101 Through the work of the Lewisham Future Programme (LFP), the Council continues to review all areas of expenditure to identify and bring forward savings proposals that match the Council's priorities and risk profile for services. There are no easy 'efficiencies' remaining and the changes required to make further savings are more complex. They require greater transformation in culture, ways of working and the infrastructure to support them.
- 8.102 Savings of this nature typically take longer to implement, the outcomes are more uncertain, and (from the financial perspective) require an element of upfront investment to achieve them. The areas where this investment is currently being considered are consistent with the Lewisham 2020 priorities set by members and include: the digital transformation work to assist with more flexible ways of working, the restack of Laurence House to rationalise the corporate estate, and updates to the Council's key systems to improve efficiencies and control. The work of the transformation programme is set out in more detail in Appendix Y7.
- 8.103 The outline programme identifies the need for spend on these areas as set out in Table C5 below:

Table C5 – Invest to Save

| Invest to Save projects | 2016/17 £m | 2017/18 & future years £m | Total £m |
|------------------------------------|-----------------------|--|---------------------|
| Staff Costs – Digital Team | 0.300 | 1.700 | 2.000 |
| ASC / CYP Systems Improvement | 0.400 | 0.200 | 0.600 |
| Digital Programme | 0.306 | 1.520 | 1.826 |
| - Digital Programme | 1.006 | 3.420 | 4.426 |
| Wifi Upgrade | 0.150 | | 0.150 |
| Completing infrastructure upgrade | 0.250 | | 0.250 |
| - Technology Infrastructure | 0.400 | 0.000 | 0.400 |
| Laurence House Restack | 0.500 | 2.000 | 2.500 |
| Enterprise Resource Planning | 0.300 | 3.000 | 3.300 |
| Total | 2.206 | 8.420 | 10.626 |

- 8.104 These investments are and will be considered based on detailed business cases to assess the opportunity and regular updates provided to members. The costs are not built into ongoing Directorate revenue budgets and therefore need to be funded from once off corporate resources.

8.105 The Executive Director for Resources and Regeneration recommends that the use of up to £10.6m of once off corporate resources for transformation projects (£2.2m in 2016/17 and £8.4m in 2017/18 and future years) be approved.

9 OTHER GRANTS AND FUTURE YEARS' BUDGET STRATEGY

9.1 This section of the report considers three other funding streams which the Council currently receives and implications for future years. These other funding streams are Public Health, Better Care Fund, and various other grants. This section of the report is structured as follows:

- Better Care Fund 2017/18
- Public Health Grant 2017/18
- Various other grants 2016/17
- Future Years' Budget Strategy 2016/17 onwards

Better Care Fund

9.2 The national Better Care Fund (BCF) was announced by the Government in the June 2013 Spending Round, to support transformation and integration of health and social care services to ensure local people receive better care. The BCF is a pooled budget paid to the National Health Service (NHS) that shifts resources into social care and community services for the benefit of the NHS and local government. The BCF does not represent an increase in funding but rather a realignment of existing funding streams with conditions attached.

9.3 For Lewisham the value in 2016/17 is £21.218m out of a national total of £3.9bn. The local plan was approved by NHS England and the 2017/18 plan is currently being developed. In particular, the 2017/18 plan will take into account those service areas where spend has been lower than expected in 2016/17, with funds redirected to areas of greater need. Individual allocations have not yet been announced but as no significant increase is expected in the national total any local increase is likely to be limited to an adjustment for inflation.

9.4 The Fund must be used in accordance with the final approved plan and through a section 75 pooled fund agreement. The full value of the element of the Fund linked to non-elective admissions reduction target is to be paid over to Lewisham Clinical Commissioning Group (CCG) at the start of the financial year. However, the CCG may only release the full value of this funding into the pool if the proposed admissions reduction target is met. If the target is not met, the CCG may only release into the pool a part of that funding proportionate to the partial achievement of the target. Any part of this funding that is not released into the pool due to the target not being met must be dealt with in accordance with NHS England requirements. The partners have agreed contingency arrangements to address this risk and they will continue into 2017/18.

Public Health Grant

9.5 In 2016/17 the Council's allocation for Public Health Grant is £25.298m, including an increase of £7.6m to match the transfer of financial responsibility for health visiting and a reduction of £2.08m as part of a reduction in the level of grant nationally. Further

national reductions of 2.6% annually have been announced for the next three financial years and the 2017/18 Lewisham allocation is £24.967m.

- 9.6 The grant remains ring-fenced and the agreed commitment of these funds will therefore need to be reviewed annually and rebalanced to ensure the reductions are met and funds are directed to those services and activities with the greatest public health benefit. The report to M&C in September 2016 brought forward the savings for agreement to ensure this happens. These were agreed subject to a £260k shortfall which will need to be managed in 2017/18 or addressed along with the other savings due in 2017/18 to make the next year's reductions and keep spending in-line with the available grant.

Other Grants and Levies

- 9.7 Certain specific grants have changed for 2017/18. The main ones are:
- The removal of the ESG (£3.5m in 2016/17) with £0.6m now rolled into the DSG. This is set out in detail in section 7 above.
 - The changes to the NHB funding (£9.7m in 2016/17), the details for which are set out in section 8 above.
- 9.8 In 2017/18 the government is also introducing the improved Better Care Fund (iBCF) to work alongside the BCF which is described above. The iBCF for Lewisham is expected to be £1.2m in 2017/18. This funding is intended for meeting the costs of social care and supporting the integration work between health and social care systems. Also, there is a one off Adult Social Care grant for 2017/18 which for Lewisham will be £1.4m. Both of these grants in 2017/18 will be funded nationally from the reduction in NHB following the changes made to that grant.
- 9.9 As the NHB incentives sharpen and depending on the demand for adult social care in future years in Lewisham it is expected that the shift from NHB to iBCF experienced through these funding streams will increase.
- 9.10 It is expected that, as the funding on specific grants changes, the related cost of service provision will also be adjusted to ensure the Directorates manage their activities within the available resources.
- 9.11 The Council is also required to levy monies totalling in the region of £1.6m for other bodies, in addition to the Council Tax collected on behalf of the GLA (see Collection Fund). These bodies are the London Pension Fund Agency, Lee Valley Regional Park, and Environment Agency. At present the final amounts for 2017/18 have yet to be confirmed and it is therefore assumed these will stay at or close to their 2016/17 levels which are set out in Appendix Y5. Any variations will be absorbed in the corporate provisions and corrected for the following year.

Future Years' Budget Strategy 2017/18 onwards

Revenue Budget

- 9.12 The Medium Term Financial Strategy was reported to Mayor & Cabinet in July 2016. This set out that an estimated £45m of savings required from 2017/18 to 2019/20 over and above the £16.2m of savings already agreed at that time for 2017/18. This position has been superseded by the savings proposals submitted to Mayor and Cabinet in September 2016, the provisional local government finance settlement announced in December 2016 and annual review of the statutory calculation for the Collection Fund.

- 9.13 The revised profile for savings required is now broadly;
- £22m to be implemented in 2017/18;
 - £5m gap remaining for 2017/18 to be met from reserves;
 - £16m gap for 2018/19 against which £5m of outline proposals were set out in September and now need to be firmed up and extended; and
 - £11m gap for 2019/20 against which £9m of outline proposals were set out in September and now need to be firmed up and brought forward if possible.
- 9.14 If the budget for 2017/18, as set out in this report, is agreed the expected additional savings required are circa £32.6m by 2019/20. The Lewisham Future Programme (LFP) was established to carry out cross-cutting and thematic reviews to deliver these savings. The savings report received by the Mayor in September 2016 alongside this budget report presents the LFP work to date. This continues and further savings proposals will be brought forward in 2017/18 to close the budget gaps identified above.
- 9.15 In 2017/18 officers will update the MTF5 and look to extend the planning horizon to 2021/22 to include the impact of moving to the 100% retention of business rates.

10. TREASURY MANAGEMENT STRATEGY

- 10.1 This section sets out the Council's Treasury Management Strategy for 2017/18 and is structured as follows:
- Capital Investment Plans
 - Prudential Indicators
 - Minimum Revenue Provision (MRP) Policy
 - Borrowing Strategy including Treasury Indicators
 - Debt Rescheduling
 - Annual Investment Strategy
 - Credit Worthiness Policy
 - Prospects for Investment Returns
- 10.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department for Communities and Local Government guidance on Minimum Revenue Provision (MRP) and Investments and the CIPFA Treasury Management Code. The Council uses Capita Asset Services as its external treasury management advisors. The Council recognises that responsibility for Treasury Management decisions remain with the Council at all times and will ensure that undue reliance is not placed upon external service providers.

Capital Investment Plans

- 10.3 The Treasury Management Strategy for 2017/18 incorporates the capital plans of the Council, as set out in section 5 of this report.
- 10.4 The Council's cash position is organised in accordance with the relevant professional codes to ensure that sufficient funds are available to meet its obligations. This involves both the organisation of the cash flow and, where capital plans require, the arrangement of appropriate borrowing facilities.

- 10.5 The Council's expected treasury portfolio position at 31 March 2017, with forward projections is summarised below. Table D1 compares the actual external debt against the Capital Financing Requirement (CFR) which is the underlying capital borrowing need. This table illustrates over/(under) borrowing.

Table D1 – External Debt Projections

| | 2015/16 Actual £m | 2016/17 Expected £m | 2017/18 Forecast £m | 2018/19 Forecast £m | 2019/20 Forecast £m |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| External Debt at 1 April | 190.4 | 191.3 | 190.9 | 236.9 | 226.9 |
| Change in External Debt | 0.9 | (0.4) | 46.0 | (10.0) | 0 |
| Other Long-Term Liabilities | 247.8 | 243.8 | 236.2 | 228.3 | 220.7 |
| Gross Debt at 31 March | 439.1 | 434.7 | 473.1 | 455.2 | 447.6 |
| Capital Financing Requirement at 31 March* | 489.5 | 487.1 | 477.2 | 466.8 | 463.0 |
| Borrowing – over / (under) | (50.4) | (52.4) | (4.1) | (11.6) | (15.4) |

*The Capital Financing Requirement includes the prudential borrowing figures shown in Table A2 of Section 5 - Capital Programme.

Prudential Indicators

- 10.6 The prudential indicators comprise two parameters of external debt, the operational boundary, and authorised limits, which ensure that the Council operates its activities within well defined limits. The Council needs to ensure that its gross debt does not exceed the total of the CFR in the preceding year, plus the estimates of any additional CFR for the current and following two financial years. This allows some flexibility for limited early borrowing for future years and ensures that borrowing is not undertaken for revenue purposes.
- 10.7 The Executive Director for Resources and Regeneration reports that the Council has complied with this prudential indicator in the current year to date and does not envisage any difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report. The operational boundary and the authorised limits for external debt are described in further detail in the following paragraphs.

The Operational Boundary for External debt

- 10.8 This is the limit which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR, but may be lower depending on the levels of actual gross debt anticipated. The Council's operational boundary is set out in Table D2.

Table D2: Operational Boundary

| | 2016/17 Expected £m | 2017/18 Forecast £m | 2018/19 Forecast £m | 2019/20 Forecast £m |
|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Maximum External Debt at 31 March | 190.9 | 236.9 | 226.9 | 226.9 |

| | 2016/17 Expected £m | 2017/18 Forecast £m | 2018/19 Forecast £m | 2019/20 Forecast £m |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Other Long-Term Liabilities | 243.8 | 236.2 | 228.3 | 220.7 |
| Operational Boundary for Year | 434.7 | 473.1 | 455.2 | 447.6 |

The Authorised Limit for External Debt

- 10.9 This key prudential indicator represents a constraint on the maximum level of borrowing and is a statutory limit determined under Section 3(1) of the Local Government Act 2003. The Government retains the power to control either the total of all Councils' plans, or those of a specific Council.
- 10.10 This is the limit beyond which external debt is prohibited and needs to be set by full Council. It represents the level of external debt which, while not desired, could be afforded in the short-term (i.e. up to one month), but is not sustainable in the longer term. The Council is asked to approve the following authorised limits as set out in Table D3.

Table D3 – Authorised Limits

| | 2016/17 Expected £m | 2017/18 Forecast £m | 2018/19 Forecast £m | 2019/20 Forecast £m |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Operational Boundary for Year | 434.7 | 473.1 | 455.2 | 447.6 |
| Provision for Non Receipt of Expected Income | 56.0 | 56.0 | 56.0 | 56.0 |
| Authorised Limit for Year | 490.7 | 529.1 | 511.2 | 503.6 |

- 10.11 In addition, the Council is also limited to a maximum Housing Revenue Account (HRA) CFR by the DCLG through the self-financing regime. Table D4 sets out this limit:

Table D4 – HRA Debt Limit

| | 2016/17 Expected £m | 2017/18 Forecast £m | 2018/19 Forecast £m | 2019/20 Forecast £m |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| HRA Debt "Cap" (Statutory) | 127.3 | 127.3 | 127.3 | 127.3 |
| HRA Debt (CFR) at 31 March | (74.8) | (74.8) | (74.8) | (74.8) |
| HRA Borrowing "Headroom" | 52.5 | 52.5 | 52.5 | 52.5 |

Minimum Revenue Provision (MRP) Policy

- 10.12 A proportion of the Council's capital expenditure is not immediately financed from its own resources. This results in a debt liability which must be charged to the Council Tax over a period of time. This repayment, the Minimum Revenue Provision (MRP) must be

determined by the Council as being a prudent provision having regard to the CIPFA Prudential Code for Capital Finance.

- 10.13 The MRP is the amount the Council charges to the revenue account and does not correspond to the actual amount of debt repaid, which is determined by treasury related issues. Historically the Council has applied a consistent MRP policy which comprises prudential borrowing being repaid over the useful life of the asset concerned and previous borrowing being repaid at the rate of 4% (equivalent to 25 years) of the outstanding balance.
- 10.14 In 2016/17 this policy was changed to reflect the useful lives of the specific asset classes on the Council's balance sheet. It moved to:
- A straight line MRP of 14% equivalent to seven years for plant and equipment (such as IT and vehicles).
 - A straight line MRP of 2.5% equivalent to forty years for property (such as land and buildings).
- 10.15 The Authority is proposing to borrow and provide loan(s) to its Arms Length Management Organisation (ALMO) in 2017/18. The loan(s) will be used by the ALMO to fund capital expenditure and should therefore be treated by the Council as capital expenditure and a loan to a third party.
- 10.16 The Authority's Capital Financing Requirement (CFR) will increase by the amount of loans advanced (agreed at £20m by M&C in September 2016). Under the terms of the proposed contractual loan agreements these funds will be advanced on an interest only basis with the principal to be returned in full at the term of the loan and interest paid thorough out the life of the loan in line with the terms on which the Council borrows the funds. Once funds are returned to the Authority, they are classed as a capital receipt, and will be off-set against the CFR, which will reduce accordingly. As the funds will be returned in full and collateral as security to the loans advanced has been agreed, there is no need to set aside a prudent provision to repay the debt liability in the interim period, so there is no MRP application.
- 10.17 The risk is that at some point during the term of the loan the collateral held as security by the third party is not sufficient to meet the obligations recorded by the Council. The outstanding loan/CFR position will therefore be reviewed on an annual basis and if the likelihood of default increases, a prudent MRP policy will commence as a charge to the Council's revenue.
- 10.18 To enable the Council to apply this MRP exemption a change to the treasury policy is proposed. Namely, to add a variation to the Councils MRP policy as adopted in 2016/17 which adds a third element – that no MRP need be charged on capital expenditure where the Council has assessed that sufficient collateral is held at a current valuation to meet the outstanding CFR liability and that should it be determined at any point that insufficient collateral is held to match the Council's CFR liability a prudent MRP charge will commence.

Borrowing Strategy (including Treasury Indicators)

- 10.19 The Council's external debt as at 31 March 2017, gross borrowing plus long term liabilities, is expected to be £434.7m. The Council's borrowing strategy is consistent with last year's strategy. The Council is currently maintaining an under-borrowed position in that the CFR is not fully funded with loan debt, as cash supporting the

Council's reserves, balances and cash flow has been used as an alternative funding measure. In the current economic climate, this strategy is considered prudent while investment returns are low, counterparty risk is higher than historic averages, and borrowing rates are still relatively high.

- 10.20 The Executive Director for Resources and Regeneration will continue to monitor interest rates in the financial markets and adopt a pragmatic and cautious approach to changing circumstances. For instance, if it was felt that there was a significant risk of a sharp fall in medium to long-term interest rates (e.g. due to a marked increase of risks around a relapse into recession or risks of deflation in the economy), then long term borrowings will be postponed and potential rescheduling from fixed rate funding into short-term borrowing considered. Any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.
- 10.21 Alternatively, if it was felt that there was a significant risk of a sharp rise in medium to long-term interest rates than currently forecast (perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases or in world economic activity driving inflation up), then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn, whilst interest rates are still lower than forecast. Once again, any such decisions would be reported to Mayor & Cabinet and subsequently Council, at the next available opportunity.
- 10.22 Members should note that the Council's policy is not to borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Treasury Indicators

- 10.23 There are three debt related treasury activity limits which restrain the activity of the treasury function within certain limits. The purpose of these is to manage risk and reduce the impact of any adverse movement in interest rates. These limits need to be balanced against the requirement for the treasury function to retain some flexibility to enable it to respond quickly to opportunities to reduce costs and improve performance.
- 10.24 The debt related indicators are:
- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
 - Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
 - Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.
- 10.25 Council is asked to approve the following treasury indicators and limits:

Table D5: Treasury Indicators and Limits

| Interest rate exposures | 2016/17 | 2017/18 | 2018/19 |
|--|----------------|----------------|----------------|
| | Upper | Upper | Upper |
| Limits on fixed interest rates: | | | |
| • Debt only | 100% | 100% | 100% |
| • Investments only | 80% | 80% | 80% |
| Limits on variable interest rates | | | |
| • Debt only | 15% | 15% | 15% |
| • Investments only | 75% | 75% | 75% |
| Maturity structure of fixed interest rate borrowing 207/18 | | | |
| | Lower | Upper | |
| Under 12 months | 0% | 10% | |
| 12 months to 2 years | 0% | 10% | |
| 2 years to 5 years | 0% | 10% | |
| 5 years to 10 years | 0% | 25% | |
| 10 years to 20 years | 0% | 20% | |
| 20 years to 30 years | 0% | 25% | |
| 30 years to 40 years | 0% | 50% | |
| 40 years to 50 years | 0% | 60% | |
| Maturity structure of variable interest rate borrowing 207/18 | | | |
| | Lower | Upper | |
| 30 years to 40 years | 0% | 60% | |
| 40 years to 50 years | 0% | 40% | |

The maturity structure guidance for Lender Option Borrower Option (LOBO) loan defines the maturity date as being the next call date.

Debt Rescheduling

- 10.26 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during 2016/17. However, the Council continues to explore opportunities in respect of the financing of its PFIs and external loans.
- 10.27 The current Treasury indicators reflect that the existing fixed interest rate borrowing profile has been stable. This needs updating to recognise that the existing borrowing continues to mature. At the same time, following advice from our Treasury Advisors, it is proposed to introduce some headroom and flexibility in the indicators (i.e. so they add up to more than 100%). This will enable the Authority to take on additional borrowing with an appropriate level of maturity for the purposes the borrowing is required. The table below sets out the changes.
- 10.28 The Council has £114m of LOBO loans (Lender's Option Borrower's Option) of which £25m will be in their call period in 2017/18. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also the option of repayment of the loan without penalty.

10.29 The Council currently holds balances which are invested and has borrowing, for capital purposes. The Council continuously reviews the debt position to optimise its cashflow. Consideration is therefore being given to rescheduling of debt which will be reported to Mayor & Cabinet and subsequently to Council at the earliest meeting following its action.

Annual Investment Strategy

Investment Policy

- 10.30 The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.
- 10.31 In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- 10.32 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors in producing its colour codings which show the varying degrees of suggested institution creditworthiness. This has been set out in more detail at Appendix Z3.
- 10.33 Other information sources used will include the financial press, share prices and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 10.34 Investment instruments identified for use in the financial year are listed in Appendix Z3, under the 'specified' and 'non-specified' investments categories. The proposed counterparty limits for 2017/18 are presented to Council for approval in this same appendix.
- 10.35 In accordance with guidance from the Department for Communities and Local Government and CIPFA, and in order to minimise the risk to investments, officers have clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. This has been set out at Appendix Z3. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published information by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency.
- 10.36 Other information sources used include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

10.37 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoid a concentration of risk.

Credit Worthiness policy

10.38 The Council's Treasury Management Team applies the creditworthiness service provided by its treasury management advisors Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies, Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

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

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

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

**for UK Government debt, or its equivalent, constant net asset value money market funds and collateralised deposits where the collateral is UK Government debt*

The Council's creditworthiness policy has been set out at Appendix Z3.

Country limits

10.40 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix Z4. This list will be added to, or deducted from, by officers should country ratings change in accordance with this policy.

Investment Policy

10.41 Investments will be made with reference to the core balances and cashflow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 24 months). In order to maintain sufficient liquidity, the Council will seek to utilise its instant access call accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest. The remainder of its investments will be placed in fixed term deposits of up to 24 (previously 12 months) months to generate maximum return.

- 10.42 In the light of the continued predictions for low savings rates for sometime to come, the Council, with support from its advisors, is assessing the potential risk and return offered by investing for longer (five or more years) in pooled asset funds. This policy is set with regard to the Council's liquidity requirements and to reduce the risk of a forced sub-optimal early sale of an investment.
- 10.43 Officers are also recommending that the Council's investment policy be amended to include the option to invest in UK or European Residential Mortgage Backed Securities (RMBS). This would be a non-specified investment and provide the opportunity of diversification away from current concentration of credit risk in financial institutions through specified investments. RMBS are a type of bond which pays out at LIBOR plus a percentage. This is above the market rate the Council is able to obtain on its fixed term investments. The cashflows come from residential debt such as mortgages and home equity loans. A pool of mortgage loans created by banks or other financial institutions is used to provide security for the bond. They are traded with high liquidity. Only the highest rated (AAA) categories are being considered for the Council's policy. Stress tests indicate that losses at the UK AAA rated level would require a national fall in house prices of over 50% together with a mortgage default rate of 50%. The worst UK experience since 1989 has been a fall of 25% and 3% respectively.
- 10.44 If agreed, the Treasury Policy will be deemed amended to enable these types of non-specified investment to be entered into if, within the forecast cashflow for the Council and on advice from the Council's Treasury advisors, they continue to meet the objectives of the policy for security, liquidity and return.

Prospects for Investment Returns

- 10.45 Bank Rate is forecast to stay flat at 0.25% until quarter 2 2019 and not to rise above 0.75% by quarter 1 2020. Bank Rate forecasts for financial year ends (March) are:
- 2016/17 0.25%
 - 2017/18 0.25%
 - 2018/19 0.25%
 - 2019/20 0.50%
- 10.46 The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:
- 2016/17 0.25%
 - 2017/18 0.25%
 - 2018/19 0.25%
 - 2019/20 0.50%
 - 2020/21 0.75%
 - 2021/22 1.00%
 - 2022/23 1.50%
 - 2023/24 1.75%
 - Later years 2.75%
- 10.47 The overall balance of risks to these forecasts is currently probably slightly skewed to the downside in view of the uncertainty over the final terms of Brexit. If growth expectations disappoint and inflationary pressures are minimal, the start of increases in

Bank Rate could be pushed back. On the other hand, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace. A more extensive table of interest rate forecasts for 2017/18, including Public Works Loan Board (PWLB) borrowing rate forecasts is set out in Appendix Z1.

Summary

- 10.48 This section, in accordance with statutory requirements, sets out the Council's Treasury Management Strategy for 2017/18. The approach remains broadly the same as last year.
- 10.49 At the end of the financial year, the officers will report to the Council on investment activity for the year as part of its Annual Treasury Report (included in the Council's outturn report).

11 CONSULTATION ON THE BUDGET

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

Rent Setting and Housing Panel

- 11.2 As in previous years, tenants' consultation was in line with Residents' Compact arrangements. This provided tenant representatives of Lewisham Homes with an opportunity on 15th December 2016 at the joint Housing Panel meeting to consider the positions and to feedback any views to Mayor & Cabinet. Tenant representative of Brockley convened their Brockley Residents' Board on 13th December 2016 to hear the proposals and fed back.
- 11.3 Details of comments from the residents' meetings have been set out in Appendix X2.

Business Ratepayers

- 11.4 Representatives of business ratepayers are being consulted online on Council's outline budget between 20 January and 3 February 2017. The results of this consultation will be made available in the Budget Report Update presented to Mayor and Cabinet on 15 February 2017.

12. FINANCIAL IMPLICATIONS

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

13. LEGAL IMPLICATIONS

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

Capital Programme

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

Housing Revenue Account

- 13.5 Section 24 of the Housing Act 1985 provides that a local authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Council must review rents from time to time and make such charges as circumstances require.
- 13.6 Under the Local Government and Housing Act 1989, the Council is obliged to maintain a separate HRA (Section 74) and by Section 76 must prevent a debit balance on that account. Rents must therefore be set to avoid such a debit.
- 13.7 By Schedule 4 of the same Act where benefits or amenities arising out of a housing authority functions are provided for persons housed by the authority but are shared by the community, the Authority must make such contribution to the HRA from their other revenues to properly reflect the community's share of the benefits/amenities.
- 13.8 The process for varying the terms of a secure tenancy is set out in Sections 102 and 103 of the Housing Act 1985. It requires the Council to serve notice of variation at least four weeks before the effective date; the provision of sufficient information to explain the variation; and an opportunity for the tenant to serve a Notice to Quit ending their tenancy.

- 13.9 Where the outcome of the rent setting process involves significant changes to housing management practice or policy, further consultation may be required with the tenants' affected in accordance with section 105 of the Housing Act 1985.
- 13.10 Part 7 of the Localism Act 2011 abolished HRA subsidy and moved to a system of self financing in which Councils are allowed to keep the rents received locally to support their housing stock. Section 174 of the same Act provides for agreements between the Secretary of State and Councils to allow Councils not to have to pay a proportion of their capital receipts to the Secretary of State if he/she approves the purpose to which it would be put.

Balanced Budget

- 13.11 Members have a duty to ensure that the Council acts lawfully. It must set and maintain a balanced budget each year. The Council must take steps to deal with any projected overspends and identify savings or other measures to bring the budget under control. If the Capital Programme is overspending, this may be brought back into line through savings, slippage, or contributions from revenue. The proposals in this report are designed to produce a balanced budget in 2017/18.
- 13.12 In this context, Members are reminded of their fiduciary duty to the Council Tax payer, effectively to act as trustee of the Council's resources and to ensure proper custodianship of Council funds.

An annual budget

- 13.13 By law, the setting of the Council's budget is an annual process. However, to enable meaningful planning, a number of savings proposals for 2017/18 were anticipated in the course of the budget process. They were the subject of full report at that time and they are now listed in Appendix Y1 and Appendix Y2. Members are asked now to approve and endorse those reductions for this year. This report is predicated on taking all of the agreed and proposed savings. If not, any shortfall will have to be met through adjustments to the annual budget in this report.
- 13.14 The body of the report refers to the various consultation exercises (for example with tenants' and business) which the Council has carried out/is carrying out in accordance with statutory requirements relating to this budget process. The Mayor must consider the outcome of that consultation with an open mind before reaching a decision about his final proposals to Council. It is noted that the outcome of consultation with business rate payers will only be available from the 6 February 2017 and any decisions about the Mayor's proposals on the budget are subject to consideration of that consultation response.

Referendum

- 13.15 Sections 72 of the Localism Act 2011 and Schedules 5 to 7 amended the provisions governing the calculation of Council Tax. They provide that if a Council seeks to impose a Council Tax increase in excess of limits fixed by the Secretary of State, then a Council Tax referendum must be held, the results of which are binding. The Council may not implement an increase which exceeds the Secretary of State's limits without holding the referendum. Were the Council to seek to exceed the threshold, substitute calculations which do not exceed the threshold would also have to be drawn up. These would apply in the event that the result of the referendum is not to approve the "excessive" rise in

Council Tax. Attention is drawn to the statement of the Secretary of State that the Council may impose a precept of 3% on the Council Tax, ring-fenced for social care provision, and may impose an additional increase of less than 2% without the need for a referendum. The maximum proposed Council Tax increase is 4.99% and therefore below the combined limit.

- 13.16 In relation to each year the Council, as billing authority, must calculate the Council Tax requirement and basic amount of tax as set out in Section 31A and 31B of the Local Government Finance Act 1992. These statutory calculations appear Appendix Y5.

Robustness of estimates and adequacy of reserves

- 13.17 Section 25 of the Local Government Act 2003 requires, when the authority is making its calculations under s32 of the Local Government Finance Act 1992, the Chief Finance Officer to report to it on:-
- (a) the robustness of the estimates made for the purposes of the Calculations; and
 - (b) the adequacy of the proposed financial reserves.
- 13.18 The Chief Financial Officer's section 25 statement will be appended to the Budget Report update to Mayor & Cabinet on 15 February 2017.

Treasury Strategy

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

Constitutional provisions

- 13.22 Legislation provides that it is the responsibility of the full Council to set the Council's budget. Once the budget has been set, save for those decisions which he is precluded from, it is for the Mayor to make decisions in accordance with the statutory policy framework and that are not wholly inconsistent with the budget. It is for the Mayor to have overall responsibility for preparing the draft budget for submission to the Council to consider. If the Council does not accept the Mayor's proposals it may object to them and ask him to reconsider. The Mayor must then reconsider and submit proposals (amended

or unamended) back to the Council which may only overturn them by a two-thirds majority.

13.23 For these purposes the term “budget” means the “budget requirement (as provided for in the Local Government Finance Act 1992) all the components of the budgetary allocations to different services and projects, proposed taxation levels, contingency funds (reserves and balances) and any plan or strategy for the control of the local authority’s borrowing or capital expenditure.” (Chapter 2 statutory guidance).

13.24 Authorities are advised by the statutory guidance to adopt an inclusive approach to preparing the draft budget, to ensure that councillors in general have the opportunity to be involved in the process. However it is clear that it is for the Mayor to take the lead in that process and proposals to be considered should come from him. The preparation of the proposals in this report has involved the Council’s select committees and the Public Accounts Select Committee in particular, thereby complying with the statutory guidance.

Statutory duties and powers

13.25 The Council has a number of statutory duties which it must fulfil by law. It cannot lawfully decide not to carry out those duties. However, even where there is a statutory duty, the Council often has discretion about the level of service provision. Where a service is provided by virtue of a Council power rather than a duty, the Council is not bound to carry out those activities, though decisions about them must be taken in accordance with the decision making requirements of administrative law. In so far as this report deals with reductions in service provision in relation to a specific service, this has been dealt with in the separate savings report that accompanies this budget report.

Reasonableness and proper process

13.26 Decisions must be made reasonably taking into account all relevant considerations and ignoring irrelevancies. Members will see that in relation to the proposed savings there is a summary at Appendix Y2. If the Mayor decides that the budget for that service must be reduced, the Council’s reorganisation procedure applies. Staff consultation in accordance with that procedure will be conducted and in accordance with normal Council practice, the final decision would be made by the relevant Executive Director under delegated authority.

Staff consultation

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

Best Value

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

Integration with health

- 13.29 Members are reminded that provisions under the Health and Social Care Act 2012 require local authorities in the exercise of their functions to have regard to the need to integrate their services with health.

14 HUMAN RESOURCES IMPLICATIONS

- 14.1. There are no specific human resources implications arising from this report. Any such implications were considered as part of the revenue budget savings proposals presented to Mayor & Cabinet on 28 September 2016. A summary of the savings proposals are attached at Appendix Y2 to this report.

15. CRIME AND DISORDER

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

16. EQUALITIES

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

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

- 16.5. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
 1. The essential guide to the public sector equality duty
 2. Meeting the equality duty in policy and decision-making
 3. Engagement and the equality duty
 4. Equality objectives and the equality duty
 5. Equality information and the equality duty
- 16.6. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties, and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>
- 16.7. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. It appears at Appendix Y6 and attention is drawn to its contents.
- 16.8. Assessing impact on equality is not an end to itself and it should be tailored to, and be proportionate to, the decision being made. Whether it is proportionate for the Council to conduct an Equalities Analysis Assessment of the impact on equality of a financial decision or not depends on its relevance to the Authority’s particular function and its likely impact on people from protected groups, including staff.
- 16.9. Where savings proposals are anticipated to have an impact on staffing levels, it will be subject to consultation as stipulated within the Council’s Employment/Change Management policies, and services will be required to undertake an Equalities Analysis Assessment (EAA) as part of their restructuring process.
- 16.10. It is also important to note that the Council is subject to the Human Rights Act, and should therefore, also consider the potential impact their particular decisions could have on human rights. Where particular savings have such implications, they are dealt with in relation to those particular reports.

17. ENVIRONMENTAL IMPLICATIONS

- 17.1. Section 40 of the Natural Environment and Rural Communities Act 2006 states that: ‘every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity’. No such implications have been identified in relation to the reductions proposals.
- 17.2. There are no specific environmental implications arising from this report.

18. CONCLUSION

- 18.1. This report sets out the information necessary for the Council to set the 2017/18 budget. Updates will be made to this report at Mayor & Cabinet on 15 February 2017. Final decisions will be taken at the meeting of full Council on 22 February 2017.

19. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

| Short Title of | Date | Location | Contact |
|--|--|-----------------------------|--------------|
| Medium Term Financial Strategy | 13 July 2017 (M&C) | 5th Floor Laurence House | David Austin |
| Savings Proposals for 2017/18 | 28 September 2016 (M&C) 24 February 2016 (Council) | 5th Floor Laurence House | David Austin |
| Setting the Council Tax Base & Discounts for Second Homes and Empty Properties | 11 January 2017 (Council) | 5th Floor Laurence House | David Austin |

For further information on this report, please contact:

Janet Senior

Executive Director for Resources & Regeneration on 020 8314 8013

David Austin

Head of Corporate Resources on 020 8314 9114

Shola Ojo

Principal Accountant, Strategic Finance on 020 8314 7778

20. APPENDICES

Capital Programme

- W1 2016/17 to 2020/21 Capital Programme – Major Projects
W2 Proposed Capital Programme – Original to latest Budget
W3 Hatcham Temple Grove School – Debt Write-off

Housing Revenue Account

- X1 Proposed Housing Revenue Account Savings 2017/18
X2 Leasehold and Tenants charges consultation 2017/18
X3 Leasehold and Tenants charges and Lewisham Homes Budget Strategy 2017/18
X4 Other associated housing charges for 2017/18

General Fund

- Y1 Summary of previously agreed budget savings for 2017/18
- Y2 Summary of Proposed Revenue Budget savings 2017/18
- Y3 Ready Reckoner for Council Tax 2017/18
- Y4 Chief Financial Officer's Section 25 Statement – *To follow M&C 15th February 2017*
- Y5 Council Tax and Statutory Calculations
- Y6 Making Fair Financial Decisions
- Y7 Transformation Programme

Treasury Management

- Z1 Interest Rate Forecasts 2016 – 2019
- Z2 Economic Background
- Z3 Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)
- Z4 Approved countries for investments
- Z5 Requirement of the CIPFA Management Code of Practice

Glossary of abbreviations

APPENDIX W1: 2016/17 to 2020/21 Capital Programme – Major Projects

| Major Projects over £2m | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total |
|---|-------------|--------------|-------------|-------------|-------------|--------------|
| | £m | £m | £m | £m | £m | £m |
| GENERAL FUND | | | | | | |
| BSF - Sydenham (D&B) | 2.2 | | | | | 2.2 |
| Schools - Primary Places Programme | 9.7 | 14.4 | 14.1 | | | 38.2 |
| Schools – Minor Works Capital Programme | 3.0 | 3.3 | | | | 6.3 |
| Schools - Other Capital Works | 2.1 | 2.9 | | | | 5.0 |
| Highways & Bridges - TfL | 5.0 | | | | | 5.0 |
| Highways & Bridges - LBL | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 17.5 |
| Catford TC (inc Broadway & Milford Towers) Regeneration | 0.6 | 4.0 | 4.0 | | | 8.6 |
| Asset Management Programme - Non Schools | 1.5 | 3.8 | 3.9 | 2.5 | 2.5 | 14.2 |
| Excalibur Regeneration | 3.0 | 1.1 | | | | 4.1 |
| Heathside & Lethbridge Regeneration | 2.1 | 5.0 | | | | 7.1 |
| Lewisham Homes – Property Acquisition | 3.0 | | | 9.0 | | 12.0 |
| Acquisitions – Hostels Programme | 2.3 | | | 0.8 | | 3.1 |
| Disabled Facilities Grant | 1.0 | 0.7 | 0.7 | 0.7 | 0.7 | 3.8 |
| Private Sector Grants and Loans | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 3.1 |
| Other Schemes | 8.4 | 6.2 | 1.3 | 0.7 | 0.7 | 17.3 |
| | 48.1 | 45.5 | 28.1 | 17.8 | 8.0 | 147.5 |
| HOUSING REVENUE ACCOUNT | | | | | | |
| Aids and Adaptations | 0.0 | 0.4 | 0.4 | 0.4 | 0.4 | 1.6 |
| Hostels Programme | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 2.0 |
| Housing Matters Programme | 14.8 | 40.8 | 34.1 | 4.5 | | 94.2 |
| Decent Homes Programme (LH) | 21.5 | 36.4 | 33.3 | 35.1 | 49.8 | 176.1 |
| | 36.7 | 78.0 | 68.2 | 40.4 | 50.6 | 273.9 |
| TOTAL PROGRAMME | 84.8 | 123.5 | 96.3 | 58.2 | 58.6 | 421.4 |

APPENDIX W2: Proposed Capital Programme – Original to latest Budget

| | Total £000 | Total £000 |
|---|-----------------------|-----------------------|
| GENERAL FUND | | |
| Original Budget (Feb 2016) | | 85,401 |
| New Schemes during the year | | |
| 17/18 & 18/19 Schools Places Programme | 28,551 | |
| 17/18 Schools Minor Works Capital Programme | 3,345 | |
| Essential Footpath Resurfacing Parks, Cemeteries and Crematorium | 1,366 | |
| Day services remodelling & Community hub development | 709 | |
| Greystead Estate and Fairlawn School | 420 | |
| Thames Tideway Tunnel – Landscapping Masterpiece | 291 | |
| Louise House and Library Works | 108 | |
| Coulgate Street – Public Realm Scheme | 102 | |
| | <hr/> | 34,892 |
| 19/20 & 20/21 Rolling Programmes | | |
| LBL Highways | 3,500 | |
| ICT – Tech Refresh | 1,000 | |
| AMP Programme | 5,000 | |
| Disabled Facilities Grant | 1,400 | |
| Private Sector Grants – Disc | 1,200 | |
| Cash Incentive Scheme | 400 | |
| | <hr/> | 12,500 |
| Approved variations on existing schemes | | |
| 15/16 Underspends on various schemes | 8,976 | |
| 16/17 Schools Primary Places Programme – Additional funding | 3,714 | |
| 16/17 TfL Highways Programme | 2,988 | |
| New Homes, Better Places- Besson Street Development – Additional funding | 942 | |
| Education Catering Investment – Additional funding | 728 | |
| Borough Wide 20 MPH Zone – Additional funding | 1,120 | |
| Disabled Facilities Grant – Additional Grant | 353 | |
| Achilles Street Development – Additional | 212 | |

| | | |
|---|-----------|---------------|
| funding | | |
| Schools CERA –Funding discontinued | (3,600) | |
| Aids & Adaptations – Transferred to HRA | (800) | |
| Other variations | <u>85</u> | 14,718 |

| | | |
|----------------------|--|-----------------------|
| Latest Budget | | <u>147,511</u> |
|----------------------|--|-----------------------|

HOUSING REVENUE ACCOUNT

| | | |
|-----------------------------------|--|----------------|
| Original Budget (Feb 2016) | | 251,855 |
|-----------------------------------|--|----------------|

| | | |
|--|---------------|-----------------------|
| Re-phasing Budgets and addition of 20/21 Budgets | | |
| - Rephasing of HRA Budgets (16/17 to 19/20) | (29,702) | |
| - 20/21 HRA Budgets | <u>50,152</u> | 20,450 |
| Aids & Adaptations – Transferred from GF | | 800 |
| Aids & Adaptations – Rolling Programme | | <u>800</u> |
| Latest Budget | | <u>273,905</u> |

| | | |
|---|--|-----------------------|
| Latest Capital Programme 5 Year Budgets (16/17 to 20/21) | | <u>421,416</u> |
|---|--|-----------------------|

W3: Hatcham Temple Grove School – Debt Write-off

1. In June 2009, a Design and Build Contract for the redevelopment of the school facilities at Hatcham Temple Grove operated by the Haberdashers Askes Academy Trust (Trust) was entered into by the Authority and the Local Education Partnership (LEP). In April 2010 a fire that started in one of the areas of the facilities being worked on caused widespread damage to the areas being worked on at that time but also to areas that had been completed and handed over for use to the Trust.
2. Reports were brought to Mayor and Cabinet on the 5 December 2012 and the 6 March 2013 updating on the progress made to ensure the re-instatement of the school. These reports set out the complexity of the insurances position which necessitated both the assignment of the Authority's Contract works insurance proceeds to the Trust, and the entering into of a Development Agreement between the Authority and Trust to allow the Trust to act as a developer and deliver the re-instatement project. These reports set out the financial contribution that the Authority would make to the Trust for this scheme, and the potential for these monies to be re-couped via insurance claims.
3. The re-instatement project commenced in late 2013, completed in December 2014 and the school opened in January 2015. The Authority and the Trust worked together during 2015 and 2016 to pursue a single claim for insurable losses and reached a successful settlement with the Trust insurers in September 2016, thus avoiding court proceedings which generally result in reduced settlements and further legal costs. The settlement received by the Authority covered the contributions made to the Trust under the Development Agreement for the re-instatement works, as approved by M&C on 6 March 2013.
4. However, immediately following the fire the Authority's Building Control service attended site and deeming the remaining building to be a Dangerous Structure arranged for buttress scaffolding to be erected. This scaffolding remained in situ from 2010 until the re-instatement works in late 2013. The total cost of this scaffolding is £821k. The settlement reached has allowed for the repayment of the capital contribution for the re-instatement works and the allocation of £538k by the Trust towards the Building Control debt, resulting in irrecoverable debt of £283k. The irrecoverable debt represents the Authority's proportion of uninsurable and irrecoverable losses and Officers recommend that this debt now be written off.

APPENDIX X1: Proposed Housing Revenue Account Savings 2017/18

- X1.1 The HRA strategy and self-financing assessments are continually updated and developed with the view to ensuring resources are available to meet costs and investment needs and are funded for 2017/18 and future years.
- X1.2 Savings and efficiencies delivered in the 2017/18 budget can be re-invested to off-set constrained rent rises or to help bridge any investment gap identified. As a prudent measure the original financial model was developed with no savings identified. Subsequently, discussions have taken place regarding appropriate savings and 'target' management and maintenance costs per unit. For example, there is already an assumed reduction in the Lewisham Homes fee in 2017/18 to reflect stock losses through Right to Buy Sales. Although no direct efficiencies/savings are currently being considered for 2017/18, work continues to identify opportunities for cost reductions and efficiencies relating to the HRA business model. Where identified, these savings would be available to off-set future rental losses due to a constrained uplift to protect investment in stock or services.
- X1.3 An update of the HRA Strategy, Savings Proposals, proposed rent & service charge increases and comments from consultation with tenant representatives will be reported to Mayor & Cabinet as part of the HRA Rents and budget strategy report. Mayor & Cabinet will make the final budget decisions in the new year.

APPENDIX X2: Leasehold and Tenants Charges Consultation 2017/18

| | | | |
|--------------|--|---------|--------------------------------------|
| Committee | Brockley Residents Panel | Item No | |
| Report Title | Leasehold and Tenant Charges Consultation | | |
| Contributor | Regenter Brockley Operations Manager | | |
| Class | Decision | Date | 13th December 2016 |

1 Summary

- 1.1 The report sets out proposals to increase service charges to ensure full cost recovery in line with Lewisham Council's budget strategy.
- 1.2 The report requests Brockley Residents Panel members to consider the proposals to increase service charges based on an uplift of 3.00% for 2017/18 on specific elements. This is based on full cost recovery in line with previous years' proposals.

2 Policy Context

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

3. Recommendations

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

4. Purpose

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

5. Housing Revenue Account Charges

5.1 There are a number of charges made to residents which are not covered through rents. These charges are principally:

- Leasehold Service Charges
- Tenant Service Charges

5.2 A service charge levy is applied to Tenants for caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning. Tenants also pay a Tenants Fund Levy which is passed onto the Tenants Fund as a grant.

5.3 The key principles that should be considered when setting service charges are that:

- The charge should be fair and be no more or less than the cost of providing the service
- The charge can be easily explained
- The charge represents value for money
- The charging basis allocates costs fairly amongst those receiving the service
- The charge to all residents living in a block will be the same

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

5.5 In the current economic environment it must however be recognised that for some residents this may represent a significant financial strain. Those in receipt of housing benefit will receive housing benefit on increased service charges. Approximately 50% of council tenants are in receipt of housing benefit.

6. Analysis of full cost recovery

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

6.2 Leasehold service charges

The basis of the leasehold management charge has been reviewed and externally audited this summer to reflect the actual cost of the service. In line with best practice in the sector this is now a fixed cost rather than a variable cost. The management charge is £53.00 for street properties and £145.30 for blocks.

6.2.1 The uplift in leaseholder charges should reflect full cost recovery for the type of service undertaken. It is proposed that any uplift is applied at 3.00% [RPI (September 2016) +1.00%].

6.2.2 The following table sets out the average weekly increase for the current services provided by Regenter Brockley:

| Service | Leasehold No. | Current Weekly Charge | Weekly Increase | New Weekly Amount | Increase (%) |
|----------------------|---------------|-----------------------|-----------------|-------------------|--------------|
| Caretaking | 371 | £3.61 | £0.11 | £3.72 | 3% |
| Grounds Maintenance | 368 | £2.04 | £0.06 | £2.10 | 3% |
| Lighting | 389 | £0.75 | £0.02 | £0.77 | 3% |
| Bulk Waste | 362 | £1.23 | £0.04 | £1.27 | 3% |
| Window Cleaning | 221 | £0.09 | £0.00 | £0.09 | 3% |
| Resident Involvement | 549 | £0.24 | £0.01 | £0.25 | 3% |
| Customer Services | 549 | £0.35 | £0.01 | £0.36 | 3% |
| Ground Rent | 549 | £0.19 | £0.01 | £0.20 | 3% |
| General Repairs | 237 | £0.55 | £0.02 | £0.57 | 3% |
| Technical Repairs | 400 | £0.33 | £0.01 | £0.34 | 3% |
| Entry Phone | 139 | £0.05 | £0.00 | £0.05 | 3% |
| Lift | 235 | £0.30 | £0.01 | £0.31 | 3% |
| Management Fee | 549 | £1.65 | £0.05 | £1.70 | 3% |
| Total | | £11.38 | £0.34 | £11.72 | 3% |

6.3 Tenant service charges

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

6.3.2 In addition, tenants pay a contribution of £0.10pw to the Lewisham Tenants Fund. At present there are no plans to increase the Tenants Fund charges.

6.3.3 In order to ensure full cost recovery, tenant's service charges for caretaking, grounds maintenance and other services should be

increased in line with the percentage increase applied to leaseholder service charges. Overall, charges are suggested to be increased by an average of £0.25 pw which would move the current average weekly charge from £8.47 to £8.72.

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

| Service | Current Weekly Charge | Weekly Increase | New Weekly Amount | Increase (%) |
|----------------------------|------------------------------|------------------------|--------------------------|---------------------|
| Caretaking | £4.18 | £0.13 | £4.31 | 3% |
| Grounds Maintenance | £2.03 | £0.06 | £2.09 | 3% |
| Communal Lighting | £0.75 | £0.02 | £0.77 | 3% |
| Bulk Waste | £1.23 | £0.04 | £1.27 | 3% |
| Window Cleaning | £0.18 | £0.01 | £0.19 | 3% |
| Tenants fund | £0.10 | £0.00 | £0.10 | 0% |
| Total | £8.47 | £0.25 | £8.72 | 3% |

6.3.5 The RB3 Board is asked for their views on these charges from April 2017 to March 2018. Results of the consultation will be presented to Mayor and Cabinet for approval in February 2017.

7. Financial implications

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

8. Legal implications

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

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

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

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

8.4 The timetable for the consideration of the 2016/17 rent levels provides an adequate period to ensure that legislative requirements are met.

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

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

9. Crime and disorder implications

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

10. Equalities implications

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

11. Environmental implications

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

12. Conclusion

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

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

If you require any further information on this report please contact

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APPENDIX X3: Leasehold and Tenants Charges and Lewisham Homes Budget Strategy 2017/18

www.lewishamhomes.org.uk



Business Plan and Service Charge Consultation

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www.lewishamhomes.org.uk



Introduction

- Consult residents on changes in service charges
- Inform tenants of rent changes
- Consult residents on our Business Plan priorities

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Tenants rents & service charges

- No discretion on rent setting
- Required to reduce rents by 1% per annum
- This is not part of the consultation



Benchmarking our service charges

- The most recent comparison is for 12 London boroughs for 2014/15
- Lewisham Homes is cheaper than average for most charges
- Some boroughs charge tenants for items that we do not like door entry systems, CCTV and concierge, making their costs higher still



Charges in 2014/15 compared (1)

| Charges that are the same for leaseholders and tenants | Lewisham Homes | Average for 12 London boroughs | Number in average | Difference |
|--|----------------|--------------------------------|-------------------|---------------|
| Caretaking | £5.93 | £6.23* | 9 | -£0.30 |
| Grounds Maintenance | £0.97 | £1.70 | 11 | -£0.73 |
| Block Pest Control | £1.55 | £1.30 | 3 | £0.26 |
| Window Cleaning | £0.06 | £0.10 | 3 | -£0.04 |
| Bulk Waste Disposal | £0.48 | £0.34 | 3 | £0.14 |
| Communal Lighting | £0.86 | £1.38 | 10 | -£0.52 |
| Communal Heating and Hot Water | £9.88 | £13.52 | 8 | -£3.64 |
| Tenants levy | £0.10 | £0.10 | 2 | £0.00 |
| Total of above | £13.90 | £18.44 | | -£4.53 |

*£6.23 includes sweeping charges for other organisations

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Charges in 2014/15 compared (2)

| Weekly charges just for leaseholders | Lewisham Homes | Average for 12 London boroughs | Number in average | Difference |
|---|----------------|--------------------------------|-------------------|---------------|
| Sweeping | £0.87 | * | | |
| Repairs and Maintenance | £2.62 | £3.62 | 12 | -£1.00 |
| Lifts | £2.65 | £1.33 | 12 | £1.32 |
| Entry Phone | £0.36 | £0.25 | 4 | £0.11 |
| Man fee high (inc ASB, Customer services & R involve) | £3.35 | £3.95 | 11 | -£0.60 |
| Man fee low | £1.66 | £1.81 | 4 | -£0.15 |
| Total of above | £11.51 | £10.96 | | -£0.32 |

* Sweeping costs are included within caretaking costs for other organisations

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2016/17 compared to 2017/18

| Leaseholders and Tenants | 2016/17 | 2017/18 | Change | % change |
|---|---------|---------|--------|----------|
| Caretaking (L&T) | £5.89 | £5.95 | £0.06 | 1% |
| Ground Maintenance (L&T) | £1.63 | £1.64 | £0.01 | 1% |
| Repairs and Maintenance - Building | £2.67 | £2.32 | -£0.35 | -15% |
| Repairs and Maintenance Technical | £1.12 | £1.00 | -£0.12 | -12% |
| Lifts | £2.62 | £2.77 | £0.15 | 5% |
| Entry Phone | £0.65 | £0.76 | £0.11 | 14% |
| Block Pest Control (L&T) | £1.56 | £1.60 | £0.04 | 3% |
| Ground Rent | £0.19 | £0.19 | £0.00 | 0% |
| Sweeping | £0.77 | £0.87 | £0.10 | 11% |
| Management | £2.57 | £2.56 | -£0.01 | 0% |
| Window Cleaning (L&T) | £0.06 | £0.06 | £0.00 | 0% |
| Bulky House Hold Waste Collection Service | £0.48 | £0.49 | £0.01 | 2% |
| Bulk Waste Disposal (L&T) | £0.81 | £0.82 | £0.01 | 1% |
| Insurance | £1.16 | £1.18 | £0.02 | 2% |
| Communal Lighting (L&T) | £1.08 | £1.13 | £0.05 | 4% |
| Communal Heating and Hot Water (L&T) | £9.86 | £9.89 | £0.03 | 0% |

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Lewisham
Homes



Background to changes

- Repair, lift and entry phone costs vary significantly from year to year so we base the charge on the average cost over the previous 3 years
- 2016/17 sweeping charges were understated and these have been corrected for 2017/18
- The 1% increase in caretaking and grounds maintenance reflects the annual increase in pay

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Lewisham
Homes



The Business Plan

- BP sets out our plans for the year
- Annual report sets out what we have done
- We would like your views on whether we are focused on the right things

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Annual report 2015/16

- Our aim – Excellent Services
- Introduced on line Repairs
- Customer care training for all staff
- Tenant Satisfaction up from 71% to 77%
- Leasehold satisfaction up from 35% to 56%

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Annual report 2015/16

- Our Aim –Thriving Neighbourhoods
- 90% of homes meet the Decent homes standard
- 50 homes purchased to meet housing need
- 74 new homes started on site
- Delivering a range of Community Investment Initiatives

Delivering great housing services for thriving neighbourhoods



Annual report 2015/16

- Our Aim – Sustainable Future
- New efficient vehicle fleet for the Repairs service
- Tenant debt reduced by £2.3m since 2006
- Rent Collection up by £1.2m a year since 2006
- 1,286 residents saving £450,000 with the credit union

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Annual report 2015/16

- Our Aim - Employer of Choice
- Achieved IIP Gold
- 32 apprenticeships with LH and our contractors
- Fund raising cycle ride for Lewisham foodbank raised £3,000
- 91% of staff say it's a good place to work

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Business Plan 2016/19

- Our aim - Excellent Services
- More services online
- Better online engagement with residents
- Invest £360,000 in environmental improvements
- Resident scrutiny review of safety and security

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Business Plan 2016/19

- Our aim – Thriving Neighbourhoods
- 100% of homes meet the Decent Homes standard
- 500 new homes on site by March 2018
- Help people to get online
- Invest £4m in improving sheltered housing
- Deliver a community investment programme

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Business Plan 2016/19

- Our aim – Sustainable future
- Deliver value for money
- Better contract management
- Invest in technology
- Improving our business analysis to improve performance
- Grow Lewisham homes to deliver efficiencies

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Business Plan 2016/19

- Our aim – Employer of Choice
- 10 graduate training and apprenticeship places
- Invest in staff development
- Paying the Living wage
- Becoming a times top 100 company

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Your input

- Are we focussing on the right things
- Is there anything missing
- What would you like to see in our plan

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Next Steps

- Consultation feedback to the mayor
- Business plan feedback on our website (others having a chance to comment)
- Business plan to our April Board

APPENDIX X4: Other Associated Housing Charges for 2016/17

Garage Rents

1. Allowance has been made for a 2.00% inflationary increase to all garage rents across all managed areas, based on the RPI rate at September 2016. This equates to an average increase of £0.23 per week and raises the average basic charge from £11.59 to £11.82 per week.
2. Garage rents for the Brockley PFI managed area will therefore increase from an average of £8.89 per week to £8.96 per week. This is a change of £0.07 per week.
3. Garage rents for the Lewisham Homes managed area will therefore increase from an average of £11.59 per week to £11.82 per week. This equates to an increase of £0.23 per week.
4. The authority will be commissioning a review into rental values across the garage stock, with a view to reporting to Mayor & Cabinet sometime in the next year recommending rental values to take forward in the longer term. Any changes are likely to be consulted on and implemented for financial year 2018/19 onwards

Tenants Levy

5. As part of the budget and rent setting proposals for 2005/6, a sum of £0.13 per week was 'unpooled' from rent as a tenants service charge in respect of the Lewisham Tenants Fund. There was no increase in charges for the period 2009/10 to 2013/14 following consultation with Housing Panels.
6. Lewisham Tenants Fund (LTF) have proposed to leave the charge at its current level of £0.10pw for 2017/18. These were submitted to Housing Panels and agreed. Therefore, the levy for 2017/18 will remain at £0.10 per property per week.

Hostel charges

7. Hostel accommodation charges are set based on current Government requirements and will reduce by around 1.0% (£0.35 per week).
8. Hostel services charges are set to achieve full cost recovery, following the implementation of self-financing. For 2017/18, the charge for Caretaking/management and Grounds Maintenance are proposed to be increased by 2.00% or £1.42 per week to reflect inflationary increases. This will move the average charge from £72.96 per unit per week to £74.38 per unit per week.

9. In addition, the charge for Heat, Light & Power will increase from £5.49 to £5.98 an increase of £0.49pw. Water charges will increase from £0.18 to £0.19 an increase £0.01pw. The charge for Council Tax will be based on the total recharged received from Council Tax section. All charges will be based on the total number of hostel units and if forecast to remain unchanged for 2017/18.
10. Hostel residents were consulted on these proposals via individual letters. Officers also invited hostel residents to meet them to discuss the changes and how these may affect them. However, no comments or representations were received.

Linkline Charges

10. It is proposed to increase Linkline charges for 2017/18 by 2.5%, based on information received from the service provider. Charges will therefore increase from its current level of £5.42 per week to £5.56 per week, an increase of £0.14 per week. There are no proposals to increase the maintenance charge, which will remain at £0.94 per week.

Private Sector Leasing (PSL)

11. Rent income for properties used in the Private Sector Leasing (PSL) scheme is a General Fund resource. Following consultation, the Department for Work and Pensions (DWP) announced that the threshold for 2016/17 for housing benefits subsidy allowances will be based on the January 2011 Local Housing Allowance, less 10%, plus a management fee of £40 per property, subject to a maximum capped amount of £500 per week. It is recommended that rents for private sector leased properties are kept within the 2011/12 weekly threshold, as set out in Table B3 below.

Table B3 - Local Housing Allowances for 2017/18 (used for PSL purposes)

| Bed Size | Total LHA Inner Lewisham | Total LHA Outer Lewisham |
|-----------------|---------------------------------|---------------------------------|
| 1 Bed | £211.34 | £180.19 |
| 2 Bed | £268.47 | £211.34 |
| 3 Bed | £310.00 | £246.66 |
| 4 Bed | £413.84 | £310.00 |
| 5 Bed | £500.00 | £393.08 |

Heating & Hot Water Charges

12. As part of last year's rent setting process the Mayor agreed to continue with the current formula methodology for calculating increases in

Heating & Hot Water charges to tenants and leaseholders. This formula was originally approved by Mayor & Cabinet in December 2004.

13. The current charging methodology allows a limited inflationary price increase plus a maximum of £2 per week per property increase on the previous years charge. Consumption levels are also updated and included in the formula calculation.
14. The existing corporate contract for the supply of electricity and gas is due to expire on 31st December 2016 and officers are currently working on a 9 month extension to allow time for adequate tenant and leaseholder consultation whilst a new procurement method is developed. Consumption patterns remain under review and form part of the variable element of the contract.
15. The proposal for 2017/18 is for an increase of 0.30% or £0.03 per week for energy usage for communal heating. The increase is a result of updated energy consumption/usage rates and current purchase prices. This will move the current average charge from £9.86pw to £9.89pw.
16. The proposal for communal lighting is an increase of 4.42% or £0.05 per week. This will move the current average charge from £1.08pw to £1.13pw. The increase is due to updated consumption rates.
17. Officers will review the costs, actual energy usage and new contact prices (when available) in both 2016/17 and 2017/18 as part of the monitoring regime. Once the new long-term energy supply contracts are in place, recommendations for changes to charges will be brought forward as part of the 2018/19 budget process.

Tenants' rent consultation 2017/18

Appendix 1

The Tenants' rent consultation meetings took place on 13th December 2016 with Regenter B3 (Brockley) managed tenants and 15th December 2016 with Lewisham Homes managed tenants. Excalibur tenant's consultation took place via a report sent to the committee in December 2016

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

| | Lewisham Homes | Brockley PFI | Excalibur TMO |
|------------------------------------|-----------------------|---------------------|----------------------|
| No of representatives (excl Cllrs) | 19 | 7 | - |
| Rent Reduction @ % | No comments | No comments | No Comments |
| Savings Proposals:- | | | |
| No Savings proposed | n/a | n/a | n/a |
| Service Charges inc: | | | |
| Heating & Hot Water Charges | No comments | No comments | n/a |
| Garage Rents | No comments | No comments | n/a |
| Tenants Fund | No comments | No comments | No comments |

Summary of comments made by representatives

Lewisham Homes Panel

Rent reduction:

No comments

Tenants Service Charges & Heating & Hot water Charge:

No comments

Savings Proposals:

n/a

Brockley PFI Area

Rent reduction:

No comments

Tenants and Leaseholders Service Charges:

No comments

Excalibur TMO

Rent reduction:

No comments

Tenants and Leaseholders Service Charges:

n/a

APPENDIX Y1: Previously agreed budget savings for 2017/18

| Ref. | Description | 17/18 £'000 |
|----------|---|----------------|
| A | Smarter & deeper integration of social care & health | |
| A11 | Managing and improving transition plans | 300 |
| A12 | Reducing costs of staff management, assessment and care planning | 200 |
| A13 | Alternative Delivery Models for the provision of care and support services, including mental health | 700 |
| A14 | Achieving best value in care packages | 500 |
| A15 | New delivery models for extra care – Provision of Contracts | 900 |
| A16 | Health Protection | 23 |
| A16 | Redesign through collaboration | 580 |
| A17 | Sexual Health Transformation | 500 |
| | Total | 3,703 |
| D | Efficiency Review | |
| D1 | Feb 15 saving – annual reduction from inflation | 2,500 |
| | Total | 2,500 |
| E | Asset Optimisation | |
| E2 | Feb 2015 saving – efficiencies in facilities management contracts | 670 |
| E3 | Feb 2015 saving – additional income from corporate properties | 200 |
| E4 | Feb 2015 saving – additional income from commercial properties | 100 |
| E5 | Feb 2015 saving – energy efficiency measures | 15 |
| | Total | 985 |
| F | Business Support and Customer Transformation | |
| F1 | Feb 2015 saving – centralisation of business support services part 2 | 1,000 |
| F2b | Pushing customers to self-serve online wherever possible. | 52 |
| F3 | Customer Service Centre reorganisation. | 43 |
| | Total | 1,095 |
| G | Income Generation | |
| G2e | Parking: Review service level arrangements. | 250 |
| | Total | 250 |
| I | Management and Corporate Overheads | |
| I2a | Policy, performance, service redesign and intelligence | 180 |
| I2c | Governance | 75 |
| I5 | Commissioning and Procurement: undertake base lining of current activity and focus time only on value | 500 |

| Ref. | Description | 17/18 £'000 |
|----------|--|----------------|
| | add activities. | |
| I7 | Finance non-salary budget and vacancies review | 150 |
| I9a | HR support | 200 |
| I9d | Social Care Training | 100 |
| I10a | Revising infrastructure support arrangements and Contract, systems and supplies review | 1,000 |
| | Total | 2,205 |
| J | School Effectiveness | |
| J2b | Attendance and Welfare: We currently deliver our core statutory offer plus some traded services within this area. A further restructure and increase in traded services could result in further savings. | 75 |
| J2c | Schools Infrastructure: Schools Strategic IT support to be traded or stop | 58 |
| | Total | 133 |
| K | Drug and Alcohol | |
| K4 | Reducing the length of time that methadone (Heroin substitute) is prescribed, re-procurement of the main drug and alcohol service, and greater use of community rehabilitation | 340 |
| | Total | 340 |
| L | Culture and Community Services | |
| L5 | Reduce the level of grant funding to the voluntary sector by £1,000,000 from 1 April 2017/18. This will require the reduction/removal of funding from a range of organisations currently receiving funding. | 1,000 |
| L6 | Library and Information Service: 1. Creation of three Hub Libraries – Deptford Lounge, Lewisham and Downham Health & Leisure Centre – which will carry an enhanced role for face to face contact between the Local Authority and the public to support the digital by default agenda. 2. the extension of the Lewisham Community Library Model to Forest Hill, Torridon, and Manor House, in partnership with other council services and community organisations. And the integration of the library provision into the repurposed ground floor space within the Catford complex (Laurence House). 3. the regrading of front line staff to include new functions through the re-training and enhancement of front line roles. | 600 |
| L7 | Change in contractual arrangements relating the leisure services | 1,000 |
| | Total | 2,600 |

| Ref. | Description | 17/18 £'000 |
|----------|--|----------------|
| M | Housing strategy and non-HRA funded services | |
| M1 | Feb 2015 saving – Non-housing stock transfer from Housing Revenue Account to General Fund | 100 |
| | Total | 100 |
| N | Environmental Services | |
| N3 | Review of Lewisham's Waste Services (Doorstep collection & disposal) Transfer of estates Bulky Waste disposal costs to Lewisham Homes | 500 |
| N5 | Review of Lewisham's Passenger Transport Service. | 500 |
| N6 | To develop our Trade Waste customer base, improve efficiency, increase income. Increased share of income from Parks Events. | 250 |
| | Total | 1,250 |
| P | Planning and Economic Development | |
| P2c | Further increase in charges and changes to funding coupled with savings achievable from a corporate approach to and restructure of employment services. | 305 |
| P2d | Review of Statement of Community Involvement (SCI) on the way in which the service consults on planning applications. Efficiency savings based on paper, printing and postage costs. | 20 |
| | Total | 325 |
| Q | Safeguarding and Early Intervention | |
| Q1.5g | Feb 2015 saving – case management efficiencies between FIP & TFS | 111 |
| Q4a | Social care supplies and services reduced spend. | 240 |
| Q4b | Social care financial management through continued cost control on all areas of spend. | 50 |
| Q4c | Placements: continuing strategy to use local authority foster placements where possible. | 200 |
| Q5 | Youth Service: accelerate tapering of support to Youth Service to statutory minimum (will follow decision on creation of a mutual). | 150 |
| | Total | 751 |
| | Grand Total | 16,237 |

APPENDIX Y2: Saving Proposals to Mayor and Cabinet on 28 September 2016

| Ref. | Description | 17/18 £'000 | 18/19 £'000 | 19/20 £'000 | Total £'000 |
|----------|---|----------------|----------------|----------------|----------------|
| A | Smarter & deeper integration of social care & health | | | | |
| A18 | Widening the scope of charging for social care services | 500 | | | 500 |
| A19 | Reduction in the staffing costs for Assessment and Care Management | 200 | 301 | | 501 |
| A20 | Reduction in Day Care | 300 | | | 300 |
| A21 | Reduction in Mental Health spend | 500 | | | 500 |
| | Total | 1,500 | 301 | 0 | 1,801 |
| B | Supporting People | | | | |
| B3 | Re-procure floating support services | 500 | | | 500 |
| | Total | 500 | | | 500 |
| E | Asset Optimisation | | | | |
| E6 | Property investment acquisition | 150 | | | 150 |
| E7 | Development of Private Rental Schemes | 150 | | | 150 |
| | Total | 300 | | | 300 |
| I | Management and Corporate Overheads | | | | |
| I11 | Review insurance risk assessments | 250 | | | 250 |
| | Total | 250 | | | 250 |
| L | Culture and Community Services | | | | |
| L8 | Facilities management | 70 | 130 | | 200 |
| L10 | Adult Learning Lewisham subsidy | 40 | | | 40 |
| | Total | 110 | 130 | | 240 |
| M | Housing strategy and non-HRA funded services | | | | |
| M3 | Housing needs restructure | 60.8 | | | 60.8 |
| M4 | PLACE/Ladywell | 85 | | | 85 |
| M5 | Hostel Acquisition | 150 | | | 150 |
| M6 | Handyperson | 150 | | | 150 |
| M7 | No Recourse to Public Funds costs | 100 | | | 100 |
| | Total | 545.8 | | | 545.8 |
| Q | Safeguarding and Early Intervention | | | | |
| Q6 | Developing alternative pathways for care | 1,100 | 100 | | 1,200 |

| Ref. | Description | 17/18 £'000 | 18/19 £'000 | 19/20 £'000 | Total £'000 |
|------|---|----------------|----------------|----------------|----------------|
| Q7 | Review of Lewisham CAMHS | 94 | 50 | 100 | 244 |
| Q8 | Development of Fostering Service | 160 | | | 160 |
| Q9 | Reduction in Looked after Children based on edge of care developments | 555 | | | 555 |
| Q10 | Enhance family finding | 150 | | | 150 |
| Q11 | Review of Meliot Road Centre and contact arrangements | 734 | | | 734 |
| | Total | 2,793 | 150 | 100 | 3,043 |
| | Grand Total | 5,999 | 581 | 100 | 6,680 |

APPENDIX Y3: Ready Reckoner for Council Tax 2017/18

| Ready Reckoner for Council Tax 2017/18 | | | | | | |
|---|---------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------------|------------------------------|
| | Budget Requirement | Council Tax (Band D) | Increase / (Decrease) | GLA Precept (Band D) | Total Council Tax (Band D) | Increase / (Decrease) |
| | £'M | £ | % | £ | £ | % |
| 2016/17 | 236.218 | 1,102.66 | 3.99% | 276.00 | 1,378.66 | |
| Recommended | 232.747 | 1,157.68 | 4.99% | 280.02 | 1,437.70 | 4.28% |
| | 232.309 | 1,152.28 | 4.50% | 280.02 | 1,432.30 | 3.89% |
| | 231.861 | 1,146.76 | 4.00% | 280.02 | 1,426.78 | 3.49% |
| | 231.414 | 1,141.25 | 3.50% | 280.02 | 1,421.27 | 3.09% |
| | 230.967 | 1,135.74 | 3.00% | 280.02 | 1,415.76 | 2.69% |
| | 230.520 | 1,130.22 | 2.50% | 280.02 | 1,410.24 | 2.29% |
| | 230.073 | 1,124.71 | 2.00% | 280.02 | 1,404.73 | 1.89% |
| | 229.626 | 1,119.20 | 1.50% | 280.02 | 1,399.22 | 1.49% |
| | 229.179 | 1,113.68 | 1.00% | 280.02 | 1,393.77 | 1.09% |
| | 228.732 | 1,108.17 | 0.5% | 280.02 | 1,388.19 | 0.69% |
| | 228.285 | 1,102.66 | 0.0% | 280.02 | 1382.68 | 0.29% |

APPENDIX Y4: Chief Financial Officer’s Section 25 Statement

To follow in the Budget Update Report

APPENDIX Y5: Council Tax and Statutory Calculations

Council Tax Calculation

As part of the Localism Act 2011, Council Tax may not be increased by 2% or more (inclusive of levies) without triggering an automatic referendum of all registered electors in the borough. In addition, there is also the opportunity to increase Council Tax by up to a further 3% under the social care precept introduced for 2017/18. This means, for 2017/18, an automatic referendum will now be triggered when the Council Tax increase is 5% or above. The statutory calculation for whether the Council is required to hold a referendum is based upon the 'relevant basic' amount of Council Tax, which under accounting regulations, includes levies. Any final recommendations on Council Tax levels will need to meet statutory requirements.

To date, Lewisham has not received formal notifications from its levy bodies for 2017/18 – the Environment Agency, the LPFA and the Lee Valley Regional Park. A zero percent increase has been assumed.

Council Tax and Levies

| 'Relevant Basic' Amount of Council Tax | 2016/17 | 2017/18 |
|--|----------------|----------------|
| | | |
| Council Tax Base | 78,528.58 | 81,087.65 |
| Council Tax Requirement with Levy (£) | 86,590,324 | 93,873,550 |
| Basic Amount of Council Tax (£) | 1,102.66 | 1,157.68 |
| Increase in basic amount of Council Tax (%) | 3.99% | 4.99% |

| Levy bodies for Lewisham | 2016/17 £ | 2016/17 £ | Change £ |
|---------------------------------|----------------------|----------------------|---------------------|
| LPFA | 1,229,386 | 1,229,386 | 0 |
| Lee Valley Regional Park | 224,364 | 224,364 | 0 |
| Environment Agency | 178,500 | 178,500 | 0 |
| Total Levies | 1,632,250 | 1,632,250 | 0 |

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

Statutory Calculations

- 1) It be noted that at its meeting on 15 January 2017, the Council calculated the number of **81,087.65** as its Council Tax base for 2017/18 in accordance with the Local Authorities (Calculation of Taxbase) Regulations;
- 2) The following amounts be now calculated by the Council for the year 2017/18 in accordance with the Local Government Finance Act 1992:
 - a. **£976,670,456** being the aggregate of the amounts which the Council estimates for gross expenditure, calculated in accordance with Section 32(2)A of the Act;
 - b. **£743,924,466** being the aggregate of the amounts which the Council estimates for income, calculated in accordance with Section 32(3)A of the Act;
 - c. **£232,745,990** being the amount by which the aggregate of 2(a) above exceeds the aggregate of 2(b) above, calculated by the Council, in accordance with Section 32A(4) of the Act, as its General Fund budget requirement for the year;
 - d. **£135,019,440** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of the Settlement Funding Assessment.
 - e. **£97,726,550** being the residual amount required to be collected from Council Tax payers. This includes the surplus on the Council's Collection Fund of **£3,853,000**.
 - f. **£1,157.68** being the residual sum at (e) above (less the surplus on the Collection Fund), divided by the Council Tax base of **81,087.65** which is Lewisham's precept on the Collection Fund for 2017/18 at the level of Band D;

| Band | Council Tax (LBL) |
|-------------|--------------------------|
| | £ |
| A | 771.79 |
| B | 900.42 |
| C | 1,029.05 |
| D | 1,157.68 |
| E | 1,414.94 |
| F | 1,672.20 |
| G | 1,929.47 |
| H | 2,315.36 |

Being the amounts given by multiplying the amount at (f) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

3) It be noted that for the year 2017/18, the Greater London Authority is currently consulting on the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 (as amended), for each of the categories of dwellings shown below:-

| Band | GLA Precept |
|-------------|------------------------|
| | £ |
| A | 186.68 |
| B | 217.79 |
| C | 248.91 |
| D | 280.02 |
| E | 342.25 |
| F | 404.47 |
| G | 466.70 |
| H | 560.04 |

4) Having calculated the estimated aggregate amount in each case of the amounts at 2) (f) and 3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, assumed the following amounts as the amounts of Council Tax for the year 2017/18 for each of the categories of dwellings shown below:-

| Band | Total Council Tax (LBL & GLA) |
|-------------|--|
| | £ |
| A | 958.47 |
| B | 1,118.21 |
| C | 1,277.96 |
| D | 1,437.70 |
| E | 1,757.19 |
| F | 2,076.68 |
| G | 2,396.17 |
| H | 2,875.40 |



Making fair financial decisions

Guidance for decision-makers

3rd edition, January 2015

B Introduction

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

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

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

1B What the law requires

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

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

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

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

2B Aim of this guide

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

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

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

3B The benefits of assessing the impact on equality

By law, your assessments of impact on equality must:

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

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

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

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

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

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

Assessments of impact on equality provide a clear and systematic way to collect, assess and put forward relevant evidence.

- **Make the decision-making process more transparent:** a process which involves those likely to be affected by the policy, and which is based on evidence, is much more open and transparent. This should also help you secure better public understanding of the difficult decisions you will be making in the coming months.
- **Comply with the law:** a written record can be used to demonstrate that due regard has been had. Failure to meet the equality duty may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

4B When should your assessments be carried out?

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

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

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

5B What should I be looking for in my assessments?

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

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

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

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

A robust assessment will set out the reasons for the change; how this change can impact on protected groups, as well as whom it is intended to benefit; and the intended outcome. You should also think about how individual financial proposals might relate to one another. This is because a series of changes to different policies or services could have a severe impact on particular protected characteristics.

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

Example: A local authority takes separate decisions to limit the eligibility criteria for community care services; increase charges for respite services; scale back its accessible housing programme; and cut concessionary travel. Each separate decision may have a significant effect on the lives of disabled residents, and the cumulative impact of these decisions may be considerable. This combined impact would not be apparent if the decisions were considered in isolation.

- **Has the assessment considered available evidence?**

Public authorities should consider the information and research already available locally and nationally. The assessment of impact on equality should be underpinned by up-to-date and reliable information about the different protected groups that the proposal is likely to have an impact on. A lack of information is not a sufficient reason to conclude that there is no impact.

- **Have those likely to be affected by the proposal been engaged?**

Engagement is crucial to assessing the impact on equality. There is no explicit requirement to engage people under the equality duty, but it will help you to improve the equality information that you use to understand the possible impact on your policy on different protected characteristics. No-one can give you a better insight into how proposed changes will have an impact on, for example, disabled people, than disabled people themselves.

- **Have potential positive and negative impacts been identified?**

It is not enough to state simply that a policy will impact on everyone equally; there should be a more in-depth consideration of available evidence to see if particular protected characteristics are more likely to be affected than others. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take particular steps for certain groups to address an existing disadvantage or to meet differing needs.

- **What course of action does the assessment suggest that I take? Is it justifiable?**

The assessment should clearly identify the option(s) chosen, and their potential impacts, and document the reasons for this decision. There are four possible outcomes of an assessment of the impact on equality, and more than one may apply to a single proposal:

Outcome 1: No major change required when the assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

Outcome 2: Adjustments to remove barriers identified by the assessment or to better advance equality. Are you satisfied that the proposed adjustments will remove the barriers identified?

Outcome 3: Continue despite having identified some potential for adverse impacts or missed opportunities to advance equality. In this case, the justification should be included in the assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact, as discussed below.

Outcome 4: Stop and rethink when an assessment shows actual or potential unlawful discrimination.

• Are there plans to alleviate any negative impacts?

Where the assessment indicates a potential negative impact, consideration should be given to means of reducing or mitigating this impact. This will in practice be supported by the development of an action plan to reduce impacts. This should identify the responsibility for delivering each action and the associated timescales for implementation. Considering what action you could take to avoid any negative impact is crucial, to reduce the likelihood that the difficult decisions you will have to take in the near future do not create or perpetuate inequality.

Example: A University decides to close down its childcare facility to save money, particularly given that it is currently being under-used. It identifies that doing so will have a negative impact on women and individuals from different racial groups, both staff and students.

In order to mitigate such impacts, the University designs an action plan to ensure relevant information on childcare facilities in the area is disseminated to staff and students in a timely manner. This will help to improve partnership working with the local authority and to ensure that sufficient and affordable childcare remains accessible to its students and staff.

• Are there plans to monitor the actual impact of the proposal?

Although assessments of impact on equality will help to anticipate a proposal's likely effect on different communities and groups, in reality the full impact of a decision will only be known once it is introduced. It is therefore important to set out arrangements for reviewing the actual impact of the proposals once they have been implemented.

6B What happens if you don't properly assess the impact on equality of relevant decisions?

If you have not carried out an assessment of impact on equality of the proposal, or have not done so thoroughly, you risk leaving yourself open to legal challenges, which are both costly and time-consuming. Legal cases have shown what can happen when authorities do not consider their equality duties when making decisions.

Example: A court overturned a decision by Haringey Council to consent to a large-scale building redevelopment in Wards Corner in Tottenham, on the basis that the council had not considered the impact of the proposal on different racial groups before granting planning permission.

However, the result can often be far more fundamental than a legal challenge. If people feel that an authority is acting high-handedly or without properly involving its service users or employees, or listening to their concerns, they are likely to be become disillusioned with you.

Above all, authorities which fail to carry out robust assessments of the impact on equality risk making poor and unfair decisions that could discriminate against people with particular protected characteristics and perpetuate or worsen inequality.

As part of its regulatory role to ensure compliance with the equality duty, the Commission monitors financial decisions with a view to ensuring that these are taken in compliance with the equality duty and have taken into account the need to mitigate negative impacts, where possible.

APPENDIX Y7: Transformation Programme overview

The transformation programme work is overseen by the Digital and Transformation Board, supporting the work of the Lewisham Future Programme.

The transformation programme has a number of work strands, each with their own projects. The D&T Board:

1. sets the objectives and priorities for these projects;
2. monitors delivery against agreed milestones and budgets; and
3. tracks benefits realisation.

Currently the work programme has the following strands with a range of the projects either planned and/or underway.

Adults' social care

- Introducing mobile working for social workers.
- Rationalising social care processes
- Automating back office processes including payment systems
- Introducing a new 'Digital Front Door' for social care to improve user experience

Children's social care

- Introducing a Multi Agency Safeguarding Hub (MASH).
- Introducing mobile working for social workers.
- Rationalising social care processes

Customer services

- Website and Intranet refresh and replacement of SharePoint as Council's document management system
- Putting environmental services online and reducing call volumes.
- Improving the online experience for Revs and Bens and automating more back office processes

Digital Council

- Paperless office – including paperless Council meetings, digital payslips, digital courtrooms, new scanning and printing solutions
- Refresh of Active Directory and work on awareness and compliance with corporate policies – HR, IT, H&S, Finance, Legal etc..

- Upgrading WiFi to enable mobile working and renovation and changes to Laurence House access and reception arrangements
- Catford Complex improvements including lighting, heating, furniture/workstations, decoration and introducing 'hot-desking'
- Organisation development programme to support flexible working (in and out of the office) in terms of practice, management, and technology support
- Work on 'bring your own device', replacement laptops and provision of mobile (phone and ipad) tools to support safe and secure working
- Procurement and implementation of a new ERP system (Finance, HR, Payroll) and improvements to debt collection systems and processes
- Completing IT infrastructure upgrades and work on disaster recovery and business continuity arrangements to support wider ways of working changes

The 2017/18 budget report identifies the need for this work to be funded from once off corporate resources on an invest to save basis. Officers will update on progress with this programme regularly through 2017/18.

APPENDIX Z1: Interest Rate Forecasts 2017 - 2020

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Capita's central view.

| Annual Average % | Bank Rate % | PWLB Borrowing Rates % (including certainty rate adjustment) | | |
|------------------|-------------|---|---------|---------|
| | | 5 year | 25 year | 50 year |
| Mar 2017 | 0.25 | 1.60 | 2.90 | 2.70 |
| Jun 2017 | 0.25 | 1.60 | 2.90 | 2.70 |
| Sep 2017 | 0.25 | 1.60 | 2.90 | 2.70 |
| Dec 2017 | 0.25 | 1.60 | 3.00 | 2.80 |
| Mar 2018 | 0.25 | 1.70 | 3.00 | 2.80 |
| Jun 2018 | 0.25 | 1.70 | 3.00 | 2.80 |
| Sep 2018 | 0.25 | 1.70 | 3.10 | 2.90 |
| Dec 2018 | 0.25 | 1.80 | 3.10 | 2.90 |
| Mar 2019 | 0.25 | 1.80 | 3.20 | 3.00 |
| Jun 2019 | 0.50 | 1.90 | 3.20 | 3.00 |
| Sep 2019 | 0.50 | 1.90 | 3.30 | 3.10 |
| Dec 2019 | 0.75 | 2.00 | 3.30 | 3.10 |
| Mar 2020 | 0.75 | 2.00 | 3.40 | 3.20 |

APPENDIX Z2: Economic Background

United Kingdom

GDP growth rates in 2013, 2014 and 2015 of 2.2%, 2.9% and 1.8% were some of the strongest rates among the G7 countries. Growth is expected to have strengthened in 2016 with the first three quarters coming in respectively at +0.4%, +0.7% and +0.5%. The latest Bank of England forecast for growth in 2016 as a whole is +2.2%. The figure for quarter 3 was a pleasant surprise which confounded the downbeat forecast by the Bank of England in August of only +0.1%, (subsequently revised up in September, but only to +0.2%). During most of 2015 and the first half of 2016, the economy had faced headwinds for exporters from the appreciation of sterling against the Euro, and weak growth in the EU, China and emerging markets, and from the dampening effect of the Government's continuing austerity programme.

The **referendum vote for Brexit** in June 2016 delivered an immediate shock fall in confidence indicators and business surveys at the beginning of August, which were interpreted by the Bank of England in its August Inflation Report as pointing to an impending sharp slowdown in the economy. However, the following monthly surveys in September showed an equally sharp recovery in confidence and business surveys so that it is generally expected that the economy will post reasonably strong growth numbers through the second half of 2016 and also in 2017, albeit at a slower pace than in the first half of 2016.

The **Monetary Policy Committee, (MPC), meeting of 4th August** was therefore dominated by countering this expected sharp slowdown and resulted in a package of measures that included a cut in Bank Rate from 0.50% to 0.25%, a renewal of quantitative easing, with £70bn made available for purchases of gilts and corporate bonds, and a £100bn tranche of cheap borrowing being made available for banks to use to lend to businesses and individuals.

The **MPC meeting of 3 November** left Bank Rate unchanged at 0.25% and other monetary policy measures also remained unchanged. This was in line with market expectations, but a major change from the previous quarterly Inflation Report MPC meeting of 4 August, which had given a strong steer, in its forward guidance, that it was likely to cut Bank Rate again, probably by the end of the year if economic data turned out as forecast by the Bank. The MPC meeting of 15 December also left Bank Rate and other measures unchanged.

The latest MPC decision included a forward view that **Bank Rate** could go either up or down depending on how economic data evolves in the coming months. Our central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in quarter 2 2019 (unchanged from our previous forecast). However, we would not, as yet, discount the risk of a cut in Bank Rate if economic growth were to take a significant dip downwards, though we think this is unlikely. We would also point out that forecasting as far ahead as mid 2019 is highly fraught as there are many potential economic headwinds which could blow the UK economy one way or the other as well as political developments in the UK,

(especially over the terms of Brexit), EU, US and beyond, which could have a major impact on our forecasts.

The pace of Bank Rate increases in our forecasts has been slightly increased beyond the three year time horizon to reflect higher inflation expectations.

The August quarterly Inflation Report was based on a pessimistic forecast of near to zero GDP growth in quarter 3 i.e. a sharp slowdown in growth from +0.7% in quarter 2, in reaction to the shock of the result of the referendum in June. However, **consumers** have very much stayed in a 'business as usual' mode and there has been no sharp downturn in spending; it is consumer expenditure that underpins the services sector which comprises about 75% of UK GDP. After a fairly flat three months leading up to October, retail sales in October surged at the strongest rate since September 2015 and were again strong in November. In addition, the GfK consumer confidence index recovered quite strongly to -3 in October after an initial sharp plunge in July to -12 in reaction to the referendum result. However, in November it fell to -8 indicating a return to pessimism about future prospects among consumers, probably based mainly around concerns about rising inflation eroding purchasing power.

Bank of England GDP forecasts in the November quarterly Inflation Report were as follows, (August forecasts in brackets) - 2016 +2.2%, (+2.0%); 2017 1.4%, (+0.8%); 2018 +1.5%, (+1.8%). There has, therefore, been a sharp increase in the forecast for 2017, a marginal increase in 2016 and a small decline in growth, now being delayed until 2018, as a result of the impact of Brexit.

Capital Economics' GDP forecasts are as follows: 2016 +2.0%; 2017 +1.5%; 2018 +2.5%. They feel that pessimism is still being overdone by the Bank and Brexit will not have as big an effect as initially feared by some commentators.

The Chancellor has said he will do 'whatever is needed' i.e. to **promote growth**; there are two main options he can follow – fiscal policy e.g. cut taxes, increase investment allowances for businesses, and/or increase government expenditure on infrastructure, housing etc. This will mean that the PSBR deficit elimination timetable will need to slip further into the future as promoting growth, (and ultimately boosting tax revenues in the longer term), will be a more urgent priority. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting to boost economic growth and suggested that the Government would need to help growth e.g. by increasing investment expenditure and by using fiscal policy tools. The newly appointed Chancellor, Phillip Hammond, announced, in the aftermath of the referendum result and the formation of a new Conservative cabinet, that the target of achieving a budget surplus in 2020 would be eased in the Autumn Statement on 23 November. This was duly confirmed in the Statement which also included some increases in infrastructure spending.

The other key factor in forecasts for Bank Rate is **inflation** where the MPC aims for a target for CPI of 2.0%. The November Inflation Report included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017; (Capital Economics are forecasting a peak of just under 3% in 2018). This increase was largely due to the effect of the sharp fall in the value of sterling since the referendum, although during November, sterling has recovered some of this fall to end up 15% down against the dollar, and 8% down against the euro (as at the MPC meeting date – 15.12.16). This depreciation will feed through into a sharp increase in the cost of imports and materials used in production in the UK. However, the MPC is expected to look through the acceleration in inflation caused by external, (outside of the UK), influences, although it has given a clear warning that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise Bank Rate.

What is clear is that **consumer disposable income** will come under pressure, as the latest employers' survey is forecasting median pay rises for the year ahead of only 1.1% at a time when inflation will be rising significantly higher than this. The CPI figure has been on an upward trend in 2016 and reached 1.2% in November. However, prices paid by factories for inputs rose to 13.2% though producer output prices were still lagging behind at 2.3% and core inflation was 1.4%, confirming the likely future upwards path.

Gilt yields, and consequently PWLB rates, have risen sharply since hitting a low point in mid-August. There has also been huge volatility during 2016 as a whole. The year started with 10 year gilt yields at 1.88%, fell to a low point of 0.53% on 12 August, and hit a new peak on the way up again of 1.55% on 15 November. The rebound since August reflects the initial combination of the yield-depressing effect of the MPC's new round of quantitative easing on 4 August, together with expectations of a sharp downturn in expectations for growth and inflation as per the pessimistic Bank of England Inflation Report forecast, followed by a sharp rise in growth expectations since August when subsequent business surveys, and GDP growth in quarter 3 at +0.5% q/q, confounded the pessimism. Inflation expectations also rose sharply as a result of the continuing fall in the value of sterling.

Employment had been growing steadily during 2016 but encountered a first fall in over a year, of 6,000, over the three months to October. The latest employment data in December, (for November), was distinctly weak with an increase in unemployment benefits claimants of 2,400 in November and of 13,300 in October. **House prices** have been rising during 2016 at a modest pace but the pace of increase has slowed since the referendum; a downturn in prices could dampen consumer confidence and expenditure.

USA

The American economy had a patchy 2015 with sharp swings in the quarterly **growth rate** leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 at +0.8%, (on an annualised basis), and quarter 2 at 1.4% left average growth for the first half at a weak 1.1%. However, quarter 3 at 3.2% signalled a rebound to strong growth. The Fed. embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would

then be four more increases to come in 2016. Since then, more downbeat news on the international scene, and then the Brexit vote, have caused a delay in the timing of the second increase of 0.25% which came, as expected, in December 2016 to a range of 0.50% to 0.75%. Overall, despite some data setbacks, the US is still, probably, the best positioned of the major world economies to make solid progress towards a combination of strong growth, full employment and rising inflation: this is going to require the central bank to take action to raise rates so as to make progress towards normalisation of monetary policy, albeit at lower central rates than prevailed before the 2008 crisis. The Fed. therefore also indicated that it expected three further increases of 0.25% in 2017 to deal with rising inflationary pressures.

The result of the **presidential election** in November is expected to lead to a strengthening of US growth if Trump's election promise of a major increase in expenditure on infrastructure is implemented. This policy is also likely to strengthen inflation pressures as the economy is already working at near full capacity. In addition, the unemployment rate is at a low point verging on what is normally classified as being full employment. However, the US does have a substantial amount of hidden unemployment in terms of an unusually large, (for a developed economy), percentage of the working population not actively seeking employment.

Trump's election has had a profound effect on the **bond market and bond yields** rose sharply in the week after his election. Time will tell if this is a reasonable assessment of his election promises to cut taxes at the same time as boosting expenditure. This could lead to a sharp rise in total debt issuance from the current level of around 72% of GDP towards 100% during his term in office. However, although the Republicans now have a monopoly of power for the first time since the 1920s, in having a President and a majority in both Congress and the Senate, there is by no means any certainty that the politicians and advisers he has been appointing to his team, and both houses, will implement the more extreme policies that Trump outlined during his election campaign. Indeed, Trump may even rein back on some of those policies himself.

In the first week since the US election, there was a major shift in **investor sentiment** away from bonds to equities, especially in the US. However, gilt yields in the UK and bond yields in the EU have also been dragged higher. Some commentators are saying that this rise has been an overreaction to the US election result which could be reversed. Other commentators take the view that this could well be the start of the long expected eventual unwinding of bond prices propelled upwards to unrealistically high levels, (and conversely bond yields pushed down), by the artificial and temporary power of quantitative easing.

EZ

In the Eurozone, **the ECB** commenced, in March 2015, its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month. This was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March 2016 meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting

economic growth and in helping inflation to rise significantly from low levels towards the target of 2%. Consequently, at its December meeting it extended its asset purchases programme by continuing purchases at the current monthly pace of €80 billion until the end of March 2017, but then continuing at a pace of €60 billion until the end of December 2017, or beyond, if necessary, and in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim. It also stated that if, in the meantime, the outlook were to become less favourable or if financial conditions became inconsistent with further progress towards a sustained adjustment of the path of inflation, the Governing Council intended to increase the programme in terms of size and/or duration.

EZ GDP growth in the first three quarters of 2016 has been 0.5%, +0.3% and +0.3%, (+1.7% y/y). Forward indications are that economic growth in the EU is likely to continue at moderate levels. This has added to comments from many forecasters that those central banks in countries around the world which are currently struggling to combat low growth, are running out of ammunition to stimulate growth and to boost inflation. Central banks have also been stressing that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand and economic growth in their economies.

There are also significant specific political and other risks within the EZ: -

- **Greece** continues to cause major stress in the EU due to its tardiness and reluctance in implementing key reforms required by the EU to make the country more efficient and to make significant progress towards the country being able to pay its way – and before the EU is prepared to agree to release further bail out funds.
- **Spain** has had two inconclusive general elections in 2015 and 2016, both of which failed to produce a workable government with a majority of the 350 seats. At the eleventh hour on 31 October, before it would have become compulsory to call a third general election, the party with the biggest bloc of seats (137), was given a majority confidence vote to form a government. This is potentially a highly unstable situation, particularly given the need to deal with an EU demand for implementation of a package of austerity cuts which will be highly unpopular.
- The under capitalisation of **Italian banks** poses a major risk. Some **German banks** are also undercapitalised, especially Deutsche Bank, which is under threat of major financial penalties from regulatory authorities that will further weaken its capitalisation. What is clear is that national governments are forbidden by EU rules from providing state aid to bail out those banks that are at risk, while, at the same time, those banks are unable realistically to borrow additional capital in financial markets due to their vulnerable financial state. However, they are also 'too big, and too important to their national economies, to be allowed to fail'.
- **4 December Italian constitutional referendum** on reforming the Senate and reducing its powers; this was also a confidence vote on

Prime Minister Renzi who has resigned on losing the referendum. However, there has been remarkably little fall out from this result which probably indicates that the financial markets had already fully priced it in. A rejection of these proposals is likely to inhibit significant progress in the near future to fundamental political and economic reform which is urgently needed to deal with Italy's core problems, especially low growth and a very high debt to GDP ratio of 135%. These reforms were also intended to give Italy more stable government as no western European country has had such a multiplicity of governments since the Second World War as Italy, due to the equal split of power between the two chambers of the Parliament which are both voted in by the Italian electorate but by using different voting systems. It is currently unclear what the political, and other, repercussions are from this result.

- **Dutch general election 15.3.17**; a far right party is currently polling neck and neck with the incumbent ruling party. In addition, anti-big business and anti-EU activists have already collected two thirds of the 300,000 signatures required to force a referendum to be taken on approving the EU – Canada free trade pact. This could delay the pact until a referendum in 2018 which would require unanimous approval by all EU governments before it can be finalised. In April 2016, Dutch voters rejected by 61.1% an EU – Ukraine cooperation pact under the same referendum law. Dutch activists are concerned by the lack of democracy in the institutions of the EU.
- **French presidential election**; first round 13 April; second round 7 May 2017.
- **French National Assembly election June 2017.**
- **German Federal election August – 22 October 2017.** This could be affected by significant shifts in voter intentions as a result of terrorist attacks, dealing with a huge influx of immigrants and a rise in anti EU sentiment.
- The core EU, (note, not just the Eurozone currency area), principle of **free movement of people** within the EU is a growing issue leading to major stress and tension between EU states, especially with the Visegrad bloc of former communist states.

Given the number and type of challenges the EU faces in the next eighteen months, there is an identifiable risk for the EU project to be called into fundamental question. The risk of an electoral revolt against the EU establishment has gained traction after the shock results of the UK referendum and the US Presidential election. But it remains to be seen whether any shift in sentiment will gain sufficient traction to produce any further shocks within the EU.

Asia

Economic growth in **China** has been slowing down and this, in turn, has been denting economic growth in emerging market countries dependent on exporting raw materials to China. Medium term risks have been increasing in China e.g. a dangerous build up in the level of credit compared to the size of GDP, plus there is a need to address a major over supply of housing and surplus industrial capacity, which both need to be eliminated. This needs to be combined with a rebalancing

of the economy from investment expenditure to consumer spending. However, the central bank has a track record of supporting growth through various monetary policy measures, though these further stimulate the growth of credit risks and so increase the existing major imbalances within the economy.

Economic growth in **Japan** is still patchy, at best, and skirting with deflation, despite successive rounds of huge monetary stimulus and massive fiscal action to promote consumer spending. The government is also making little progress on fundamental reforms of the economy.

Emerging countries

There have been major concerns around the vulnerability of some emerging countries exposed to the downturn in demand for commodities from China or to competition from the increase in supply of American shale oil and gas reaching world markets. The ending of sanctions on Iran has also brought a further significant increase in oil supplies into the world markets. While these concerns have subsided during 2016, if interest rates in the USA do rise substantially over the next few years, (and this could also be accompanied by a rise in the value of the dollar in exchange markets), this could cause significant problems for those emerging countries with large amounts of debt denominated in dollars. The Bank of International Settlements has recently released a report that \$340bn of emerging market corporate debt will fall due for repayment in the final two months of 2016 and in 2017 – a 40% increase on the figure for the last three years.

Financial markets could also be vulnerable to risks from those emerging countries with major sovereign wealth funds, that are highly exposed to the falls in commodity prices from the levels prevailing before 2015, especially oil, and which, therefore, may have to liquidate substantial amounts of investments in order to cover national budget deficits over the next few years if the price of oil does not return to pre-2015 levels.

Brexit timetable and process

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: two-year negotiation period on the terms of exit. This period can be extended with the agreement of all members i.e. not that likely.
- UK continues as an EU member during this two-year period with access to the single market and tariff free trade between the EU and UK.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK may also exit without any such agreements.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.

- It is possible that some sort of agreement could be reached for a transitional time period for actually implementing Brexit after March 2019 so as to help exporters to adjust in both the EU and in the UK.

APPENDIX Z3: Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating (AAA) by a credit rating agency.
5. A body that is considered of a high credit quality (such as a bank or building society)

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is as described below.

Non-Specified Investments: These are any investments which do not meet the specified investment criteria. The Council does not currently invest in non-specified investments. However, in the light of the continued predictions for low savings rates for some time to come, the Council is considering changing this and investing in pooled asset funds for periods of over one year and 'AAA' UK or European Residential Mortgage Backed Securities. The Council will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

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

These factors are weighted and combined with an overlay of Credit Default Swap CDS spreads. The end product is a series of ratings (colour coded) to indicate the relative creditworthiness of counterparties. These ratings are used by the Council to determine the suggested duration for investments.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

| | Minimum credit criteria / colour band | Max % of total investments/ £ limit per institution | Max. maturity period |
|--|--|--|-----------------------------|
| DMADF – UK Government | N/A | 100% | 6 months |
| UK Government gilts | UK sovereign rating | £20m | 1 year |
| UK Government Treasury bills | UK sovereign rating | £60m | 6 months |
| Money market funds | AAA | £30m | Liquid |
| Local authorities | N/A | £10m | 1 year |
| Term deposits with banks and building societies | Yellow* | £30m | Up to 2 years |
| | Purple | £25m | Up to 2 years |
| | Blue | £40m | Up to 1 year |
| | Orange | £25m | Up to 1 year |
| | Red | £20m | Up to 6 Months |
| | Green | £15m | Up to 100 days |
| CDs or corporate bonds with banks and building societies | No Colour | 0 | Not for use |
| | Blue | £40m | Up to 1 year |
| | Orange | £25m | Up to 1 year |
| | Red | £20m | Up to 6 Months |
| | Green | £15m | Up to 100 days |
| | No Colour | 0 | Not for use |

| | | | |
|-----------------------------------|--|---|------------------|
| Call accounts and notice accounts | Yellow* Purple Blue Orange Red Green No Colour | £30m £25m £40m £25m £20m £15m 0 | Liquid |
| Pooled asset funds | | £50m | At least 5 years |

**for UK Government debt, or its equivalent, constant net asset value money market funds and collateralised deposits where the collateral is UK Government debt*

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Resources and Regeneration, and if required new counterparties which meet the criteria will be added to the list. Any fixed term investment held at the time of the downgrade will be left to mature as such investments cannot be broken mid term.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

APPENDIX Z4: Approved countries for investments

This list is based on those countries which have sovereign ratings of AA- or higher (we show the lowest rating from Fitch, Moody's and S&P) and also have banks operating in sterling markets which have credit ratings of green or above in the Capita Asset Services credit worthiness service.

AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- USA

AA

- Abu Dhabi (UAE)
- France
- Qatar
- U.K.

AA-

- Belgium

APPENDIX Z5: Requirement of the CIPFA Management Code of Practice

Treasury management scheme of delegation

(i) Full Council

- budget consideration and approval;
- approval of annual strategy.
- approval of/amendments to the organisation's treasury management policy statement

(ii) Public Accounts Committee

- receiving and reviewing reports on treasury management policies, practices and activities;

The treasury management role of the section 151 officer

The S151 (responsible) officer

- recommending treasury management policy for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- approval of the division of responsibilities;
- approving the organisation's treasury management practices;

APPENDIX: Glossary of terms used in the budget report

| | |
|-------|---|
| ALMO | Arms Length Management Organisation |
| AMR | Annual Monitoring Report |
| ASC | Adult Social Care |
| BCF | Better Care Fund |
| BoE | Bank of England |
| CCG | Clinical Commissioning Group |
| CDS | Credit Default Swap |
| CEP | Corporate Expenditure Panel |
| CERA | Capital Expenditure from Revenue Account |
| CFO | Chief Financial Officer |
| CFR | Capital Financing Requirement |
| CIL | Community Infrastructure Levy |
| CIPFA | Chartered Institute of Public Finance and Accountancy |
| CPI | Consumer Price Index |
| CQC | Care Quality Commission |
| CSR | Comprehensive Spending Review |
| Ctax | Council Tax |
| CTRS | Council Tax Reduction Scheme |
| DCLG | Department for Communities and Local Government |
| DEP | Directorate Expenditure Panel |
| DfE | Department for Education |
| DLA | Disability Living Allowance |
| DMT | Departmental Management Team |
| DSG | Dedicated Schools Grant |
| DWP | Department for Work and Pensions |
| EAA | Equalities Analysis Assessment |
| EAL | English as Additional Language |
| EHRC | Equality and Human Rights Commission |

| | |
|-------|---|
| EMT | Executive Management Team |
| ESG | Educaiton Support Grant |
| FSM | Fee School Meals |
| GDP | Gross Domestic Product |
| GLA | Greater London Authority |
| HB | Housing Benefit |
| HRA | Housing Revenue Account |
| iBCF | Improved Better Care Fund |
| IDACI | Income Deprivation Affecting Children Index |
| IFS | Institute for Fiscal Studies |
| IRB | Interest on Revenue Balances |
| ISB | Individual Schools' Budget |
| LA | Local Authority |
| LAC | Looked After Children |
| LFP | Lewisham Future Programme |
| LGA | Local Government Association |
| LGFS | Local Government Finance Settlement |
| LGPS | Local Government Pension Scheme |
| LLW | London Living Wage |
| LOBO | Lender Option Borrower Option |
| M&C | Mayor and Cabinet |
| MFG | Minimum Funding Guarantee |
| MRP | Minimum Revenue Provision |
| MTFS | Medium Term Financial Strategy |
| NHB | New Homes Bonus |
| NHS | National Health Service |
| NJC | National Joint Council |
| NLW | National Living Wage |
| NNDR | National Non Domestic Rates |
| OBR | Office for Budget Responsibility |

| | |
|--------|---|
| OFSTED | Office for Standards in Education |
| ONS | Office for National Statistics |
| pa | per annum |
| PASC | Public Accounts Select Committee |
| PFI | Private Finance Initiative |
| PSAA | Public Sector Audit Appointments |
| PVI | Private, Voluntary and Independent sector |
| pw | per week |
| PWLB | Public Works Loan Board |
| RMBS | Residential Mortgage Backed Securities |
| RPI | Retail Price Index |
| SEN | Special Educational Needs |
| SEND | Special Education Needs and Disability |
| SFA | Settlement Funding Assessment |
| TMS | Treasury Management Strategy |
| VOA | Valuation Office Agency |

Agenda Item 4

| MAYOR AND CABINET | | |
|---------------------|--|-----------------------|
| Report Title | Report Back On Matters Raised By The Overview And Scrutiny Business Panel or other Constitutional bodies | |
| Key Decision | No | Item No. |
| Ward | | |
| Contributors | Head of Business & Committee | |
| Class | Open | Date: February 8 2017 |

Purpose of Report

To report back on any matters raised by the Overview and Scrutiny Business Panel following their consideration of the decisions made by the Mayor on January 11 2017 or on other matters raised by Select Committees or other Constitutional bodies.

| MAYOR AND CABINET | | |
|--------------------------|---|-----------------------|
| Report Title | Report Back on Matters Raised by the Overview and Scrutiny Business Panel | |
| Key Decision | No | Item No. |
| Ward | | |
| Contributors | Senior Committee Manager | |
| Class | Part 1 | Date: 8 February 2017 |

1. Purpose of Report

To report back on matters raised by the Overview & Scrutiny Business Panel following their referral to Mayor and Cabinet on 11 January 2017.

New Bermondsey (Formerly Surrey Canal Triangle)

1.1 Following discussion at the Overview and Scrutiny Business Panel, Panel Members agreed to make the following additional comments on issues raised in their referral to Mayor and Cabinet on 11 January 2017. These issues had not been addressed and are not directly related to the CPO. Business Panel requests that the Cabinet:

- i. ask officers to respond to correspondence received from Eversheds and Shoosmiths.
- ii. ask officers to ensure that all Housing Action Zone bid documents are made available to Scrutiny Members, and a redacted copy made available to the public.
- iii. ask officers to ensure that the Section 106 Agreement is reviewed by Members of the Strategic Planning Committee.
- iv. notes that Business Panel remains unconvinced by the reported results of the investigation into the Lambeth Smith Hampton documents.

1.2 Business Panel also believe the Independent Inquiry into the CPO process and the Terms of Reference for the Inquiry should be overseen by full Council.

Response to the matters raised by Overview and Scrutiny Business Panel on 31 January 2017.

The draft minutes of Business Panel held on 31/1/17 show that the Committee resolved as follows:-

- (i) To ask officers to respond to correspondence from Eversheds and Shoosmiths.

Officers have responded to these letters.

- (ii) To ask officers to ensure that all Housing Action Zone bid documents are made available to Scrutiny members, and a redacted copy made available to the public.

A redacted copy can be viewed here.

<https://files.acrobat.com/a/preview/1934fab3-ee61-4701-bef6-08382209f496>

Renewal have agreed that members may have access to an unredacted copy. It was intended that this be available to members on a confidential basis when it is relied on as a background document in the report concerning the Memorandum of Understanding relating to the Housing Action Zone. Unredacted copies are available for inspection by all members on a confidential basis in Legal Services. Anyone wishing to view them should contact Siobhan Da Costa in Legal Services ext 49276

- (iii) To ask officers to ensure that the Section 106 Agreement is reviewed by members of the Strategic Planning Committee

It is officers' understanding that this request related to amendments arising out of the fact that the Housing Action Zone funding of £20 million is no longer to comprise solely of loan funding. Instead £12 million of this funding is to be by way of grant. Officers can reassure members that any changes to the Section 106 agreement would not be taken by officers but referred to Strategic Planning Committee for decision.

- (iv) Notes that the Business Panel remains unconvinced by the reported results of the investigation into the Lambert Smith Hampton documents

Officers note the views of the Business Panel. All of the documents which were supplied to the Council in relation to this matter are available for inspection by any member on a confidential basis in Legal Services. Anyone wishing to view them should contact Siobhan Da Costa in Legal Services ext 49276

Though not part of the matters resolved at Overview and Scrutiny Business Panel on 31st January 2017, the draft minutes state that the Business Panel believed that the independent inquiry and its terms of reference should be overseen by full Council. It is intended that a report on the establishment of the external investigation will be submitted to the Council at its meeting on 22nd February 2017. Once the investigation is complete, the outcome will be reported to full Council and made public.

Agenda Item 5

| MAYOR & CABINET | | |
|---------------------|--------------------------------|-----------------------|
| Report Title | Outstanding Scrutiny Items | |
| Key Decision | No | Item No. 3 |
| Ward | n/a | |
| Contributors | Head of Business and Committee | |
| Class | Part 1 | Date: 8 February 2017 |

1. Purpose of Report

To report on items previously reported to the Mayor for response by directorates and to indicate the likely future reporting date.

2. Recommendation

That the reporting date of the items shown in the table below be noted.

| Report Title | Responding Author | Date Considered by Mayor & Cabinet | Scheduled Reporting Date | Slippage since last report |
|--|-----------------------------|------------------------------------|--------------------------|----------------------------|
| Children and Young People Select Committee- Response to Review into Careers Information, Advice and Guidance | ED Children & Young People | 9 November 2016 | 15 February 2017 | No |
| Housing Select Committee and Sustainable Development Select Committee- Housing Zones | ED Resources & Regeneration | 9 November 2016 | 15 February 2017 | No |
| Response to Sustainable Development Select Committee Air Quality Action Plan | ED Community Services | 7 December 2016 | 15 February 2017 | No |
| Response to Safer Stronger Communities Main Grants Programme | ED Community Services | 7 December 2016 | 8 February 2017 | No |

| | | | | |
|--|-----------------------------|-----------------|------------------|-----|
| Response to Housing Select Committee on Handyperson Service | ED Customer Services | 7 December 2016 | 15 February 2017 | yes |
| Response to Sustainable Development Select Committee on Planning | ED Resources & Regeneration | 11 January 2017 | 22 March 2017 | No |

BACKGROUND PAPERS and AUTHOR

Mayor & Cabinet minutes 9 November 2016, 7 December 2016 & 11 January 2017 available from Kevin Flaherty 0208 3149327.

<http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CId=139&Year=0>

Agenda Item 6

| | | |
|--|---|--|
| Chief Officer Confirmation of Report Submission | | |
| Cabinet Member Confirmation of Briefing | | |
| Report for: Mayor | | |
| Mayor and Cabinet | | X |
| Mayor and Cabinet (Contracts) | | |
| Executive Director | | |
| Information <input type="checkbox"/> | Part 1 <input checked="" type="checkbox"/> | Part 2 <input type="checkbox"/> |
| | | Key Decision <input type="checkbox"/> |

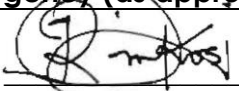
| | |
|------------------------|-------------------------------|
| Date of Meeting | 8 th February 2017 |
|------------------------|-------------------------------|

| | |
|------------------------|--|
| Title of Report | Update on Proposed Changes to Waste & Recycling Service |
|------------------------|--|

| | | |
|-----------------------------|----------|-----------------------------|
| Originator of Report | Sam Kirk | Ext. 42076 |
|-----------------------------|----------|-----------------------------|

At the time of submission for the Agenda, I confirm that the report has:

| Category | Yes | No |
|--|-----|----|
| Financial Comments from Exec Director for Resources | X | |
| Legal Comments from the Head of Law | X | |
| Crime & Disorder Implications | X | |
| Environmental Implications | X | |
| Equality Implications/Impact Assessment (as appropriate) | X | |
| Confirmed Adherence to Budget & Policy Framework | X | |
| Risk Assessment Comments (as appropriate) | | |
| Reason for Urgency (as appropriate) | | |

Signed:  Executive Member

Date: 30.01.2017

Signed:  Director/Head of Service

Date 30.01.2017

Control Record by Committee Support

| Action | Date |
|---|------|
| Listed on Schedule of Business/Forward Plan (if appropriate) | |
| Draft Report Cleared at Agenda Planning Meeting (not delegated decisions) | |
| Submitted Report from CO Received by Committee Support | |
| Scheduled Date for Call-in (if appropriate) | |
| To be Referred to Full Council | |

| MAYOR & CABINET | | |
|----------------------------|---|-----------------------|
| Report Title | Update on Proposed Changes to Waste & Recycling Service | |
| Key Decision | Yes | Item No. |
| Ward | All | |
| Contributors | Executive Director Customer Services | |
| Class | Open | Date: 8 February 2017 |

1. Summary

- 1.1. This paper updates on the progress taken to plan and implement the new waste & recycling services following Mayor & Cabinet approval to introduce new services in February 2016. There has been some movement in the original projections and this report outlines these.

2. Purpose

- 2.1. The purpose of this report is to update the Mayor on the progress of the new waste and recycling services and to propose a timetable for implementation.

3. Recommendations

The Mayor is recommended to:

- 3.1 Note the contents of this report including the progress to date.
- 3.2 Note the operational implications for the new service.
- 3.3 Approve the proposed timetable for implementing the new services.
- 3.4 Approve service policies.

4. Policy Context

- 4.1. The Government has stretching recycling targets to recycle and compost 50% by 2020. Further, there is an increasing requirement to improve the quality as well as the quantity of recycling, and this is partly being facilitated through the Waste Regulations 2012. From 1st January 2015, this piece of legislation required local authorities to separately collect paper, glass, plastics and metal unless it is not necessary to do so, or it is technically, environmentally or economically impractical to do so. This was discussed in detail in the February 2016 Mayor & Cabinet report.
- 4.2. The proposed new services contribute towards delivering the council's corporate and sustainable community priorities, especially in respect of 'clean, green and liveable' and 'inspiring efficiency, effectiveness and equity'.

5. Background

- 5.1. Previous reports have detailed the drivers for a potential change in Lewisham's waste & recycling services, but an outline of what these are, are detailed below.
- Improved environmental performance – Lewisham's recycling rate is one of the lowest in the country and by changing the services that are offered could have a significant impact on reducing waste in the first instance, increasing the amount that is recycled

or composted and reducing the carbon footprint of waste and recycling collected and disposed of.

- Financial – the waste & recycling services have had an efficiency review undertaken against the backdrop of identifying savings moving forward given the current climate of austerity. Further, the Council could face fines from Central Government if contribution to the 50% target is not improved upon.
- Legislative – the key legislative drivers are ensuring compliance with the Waste Regulations, which include applying the Waste Hierarchy (Regulation 12) and separately collecting paper, glass, metals and plastics (Regulation 13). There is a further requirement that the authority contributes to the London and national recycling targets.
- Future waste planning – The SELCHP Energy from Waste (EfW) contract ends in early 2024. The contract prices for EfW tend to be much higher than other forms of waste treatment and with a growing population potentially producing more waste and recycling, it is necessary to explore all options for managing waste and recycling effectively and efficiently.

5.2. Resulting from the above drivers the Council modelled a number of potential service scenarios and the option approved at Mayor & Cabinet in February 2016 were:

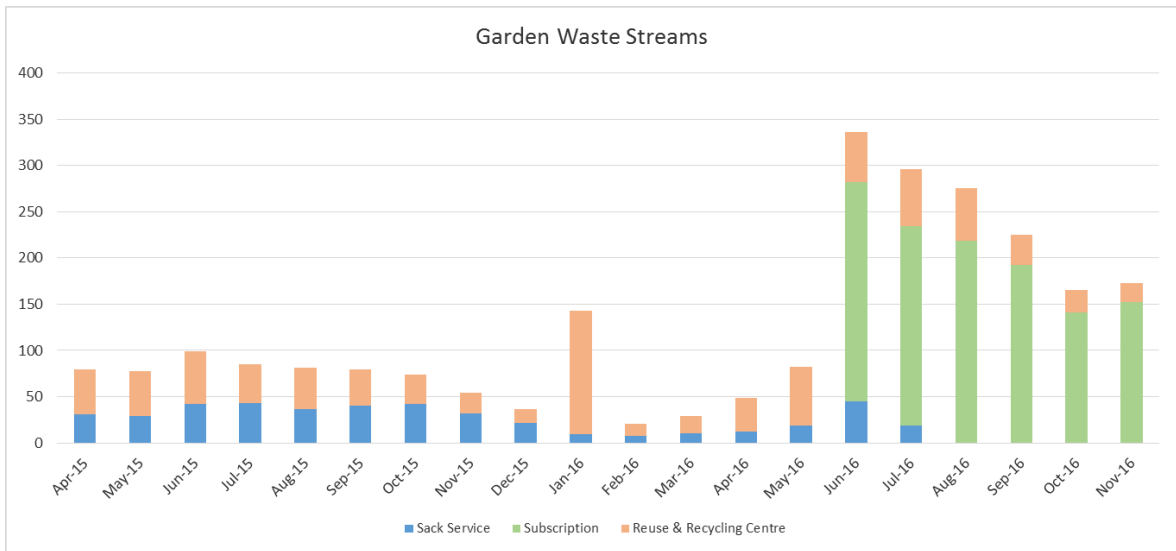
- Introduction of a subscription garden waste service;
- Introduction of a weekly food waste service;
- Reduction in the collection frequency of residual waste to fortnightly, and;
- Keeping the recycling collections comingled and weekly.

5.3. The below section provides information on progress to date with regards to the garden waste service and the estates lumber service.

6. Garden Waste Service

6.1. The garden waste subscription service was launched in February 2016. The service was offered at a ten month price of £45 from June 2016 until March 2017. Following an intensive communications campaign, subscribers at the start of the service going live in June reached 5,657. The majority of subscribers, at that time, came from a letter delivered with Lewisham Life. The number of subscribers at the end of November 2016 has reached over 8,200. Subscribers will be contacted in the new year to renew their subscription and further communication will take place to enlist new subscribers.

6.2. The graph below shows the tonnage that has been collected through the sack service, the Reuse and Recycling Centre and, from June, the new subscription service. At the end of November the new service had collected over 1,200 tonnes.

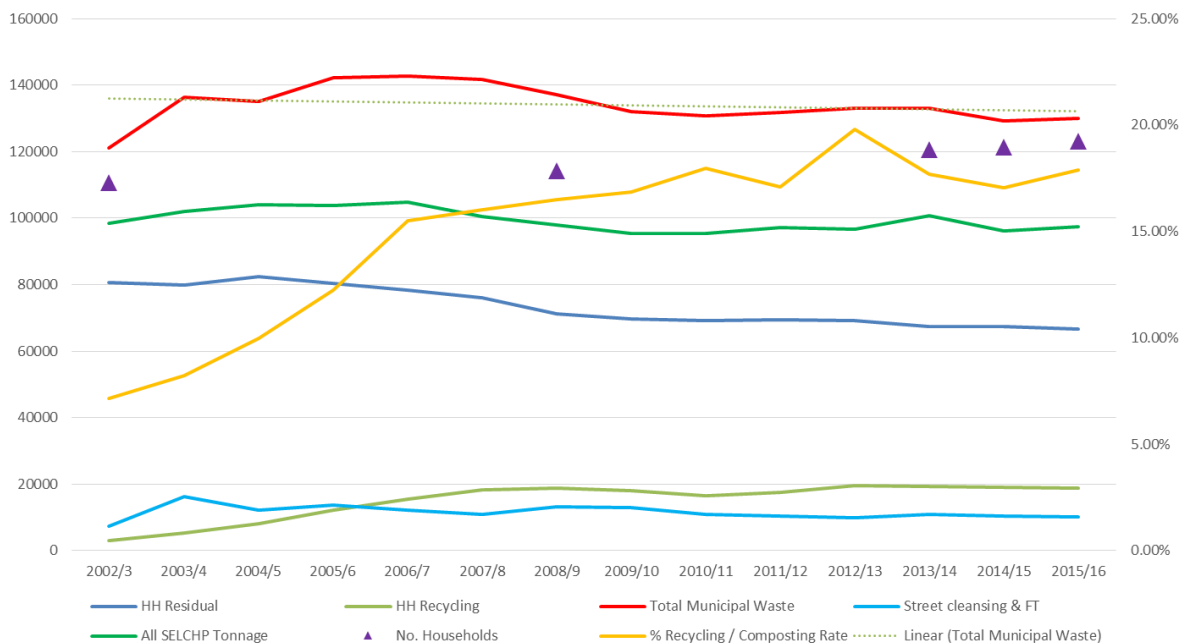


7. Estates Lumber Service

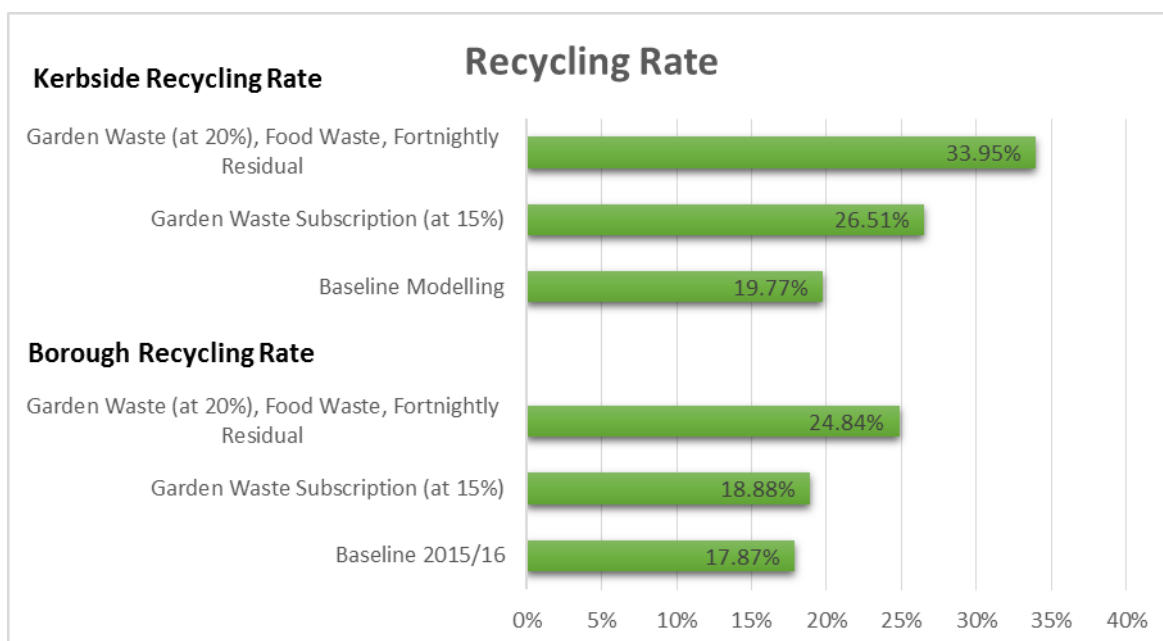
- 7.1. The estates lumber service was transferred to Lewisham Homes in April. The corresponding budget allocation for this service has reduced, contributing to the directorate’s saving target.
- 7.2. The below section provides information on the performance monitoring and benchmarking that has taken place to inform the new services.

8. Performance and Benchmarking

- 8.1. Officers have looked at historic performance data to identify trends and potential issues that may affect the implementation of the new services, for example how much residual waste is being reduced and how this may impact on capacity issues when reducing the residual waste collection frequencies.
- 8.2. The graph below shows that there is a general downward trend in all waste collected by the local authority. There is also a downward trend in the amount of residual waste collected from households, which is linked to an upward trend in the amount of recyclables collected from households.



- 8.3. It should be noted that there has been over an 11% increase in the number of households in Lewisham from 110,741 in 2002/3 to 123,252 in 2015/16, and despite this growth in number of households, waste growth has been contained.
- 8.4. Whilst a number of services have been introduced or efficiencies and improvements identified, the reason for this reduction in residual waste could also relate to a number of external factors such as smaller households and people producing less waste due to the economic climate.
- 8.5. The graph also shows the recycling rate. Whilst the recycling rate has increased over the years, it also shows the fluctuations which could have been influenced by purchasing habits changing e.g. not as many newspapers, and packaging technology changing such as plastic pouches instead of plastic bottles. Impacts to the recycling rate are also influenced by changing contracts, new materials that can (or can't) be collected as part of the contract, the impact of the commodities market and the subsequent effect of that on contamination levels.
- 8.6. The street cleansing and fly tipping has been plotted to identify whether the reduction in residual waste has been pushed to the street cleansing service and collected as side waste or fly tipped waste. The graph shows that this is unlikely to be the case and that the tonnage for street cleansing and fly tipping has remained fairly constant for the past few years. When compared to household growth, levels of litter and fly tipping have reduced per household in real terms.
- 8.7. In terms of moving forward tonnage and performance modelling has been undertaken, which shows the impact of the proposed new services on the recycling rate. The performance is shown in two ways, the top three bars show the impact on the kerbside recycling rate, as these are the services that will be impacted by the changes. The baseline modelling bar is taken from the original modelling in the efficiency review. The middle bar is based on the number of garden waste subscriptions at 15% take-up, and is the current take up of garden waste subscriptions. The top bar shows the rate if there is a 5% increase in the take up of garden waste subscriptions, the introduction of food waste and reducing the residual waste to fortnightly. The bottom three bars shows the impact on the recycling rate for the borough as a whole.



- 8.8. To further assist in the understanding of impacts, best practice in rolling out services and mitigating factors, officers have been undertaking benchmarking of London boroughs. Discussions have taken place with Ealing and Croydon who have recently undertaken

changes, as well as Bexley who have high recycling rates. Benchmarking data has also been collated for most of the London boroughs.

8.9. Key points to come out of the benchmarking include:

- Provide additional capacity for larger families and HMO properties;
- Implement a no side waste policy;
- There are no significant impact on levels of participation in food waste services when householders have to purchase their own caddy liners;
- Use an experienced distribution company to distribute caddies;
- Have people on the ground that can advise, assist and handle complaints in the initial roll out;
- No food wastes stickers on refuse bins assists with householders using the food waste service;
- Certain properties such as those on high density red routes, flats above shops and properties where there is no frontage should remain on a weekly residual collection;
- Don't assume behaviour change.

8.10. These key learning points have been embedded in the implementation timetable, the communication plan and the policies for the new services.

8.11. The below sections provide an update on the movement from the original proposal, progress made to date and puts forward proposals for the communications, policies and implementation timetable.

9. Movement from original proposal

9.1. The original proposal put forward to Mayor and Cabinet stated that the new service to kerbside properties would run with eight refuse vehicles, seven recycling vehicles and seven food and garden waste vehicles. The below table details the requirements of the current service, the service as agreed at Mayor & Cabinet and an updated service.

| | Current Service | Approved Service at M&C | Proposed New Service | Difference between Approved Service and Proposed New Service |
|--------------------------------|------------------------------|-----------------------------|-----------------------------|--|
| Residual | 13 Vehicles 52 Operatives | 8 Vehicles 32 Operatives | 8 Vehicles 32 Operatives | None |
| Recycling | 7 Vehicles 35 Operatives | 7 Vehicles 35 Operatives | 7 Vehicles 35 Operatives | None |
| Food & Garden Waste | N/A | 7 Vehicles 21 Operatives | 8 Vehicles 32 Operatives | 1 Vehicle 11 Operatives |
| Net Costs | £8.1m | £7.7m | £8.1m | |
| Movement from Current | - | -£0.4m | £0m | |

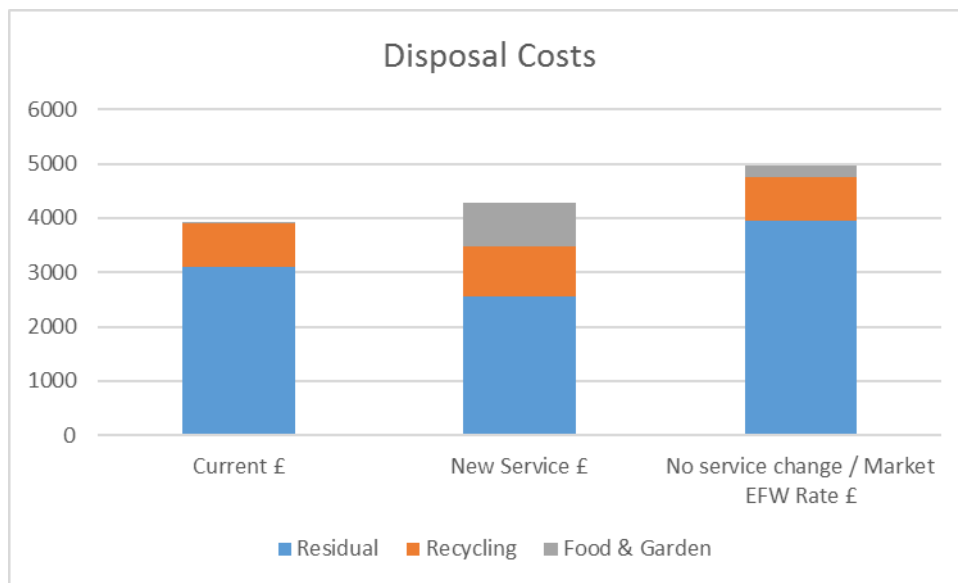
9.2. Officers have benchmarked the operational requirements with other authorities, and have adjusted the resources for the provision of the food and garden waste service to allow for any potential issues with capacity throughout a transitional period. Once the service has bedded in the resource requirements will be reviewed.

9.3. The original approved service at Mayor & Cabinet offered a saving of £0.4m. Following the adjustments the service will not offer an immediate saving.

9.4. However, there are potential future avoided disposal cost savings to take into account. The below graph demonstrates this. The disposal costs for the current service show the disposal

costs of the service before the garden waste subscription service was introduced at just below £3.9m. The introduction of fortnightly collections and the food and garden waste collections brings the disposal costs up to £4.2m. If the service continued as is, i.e. garden waste subscription, weekly recycling, weekly refuse and no food, and an average market rate at today's gate fees for energy from waste applied, the disposal costs would be £4.9m.

- 9.5. Therefore if the new services aren't implemented, the disposal costs are likely to increase. By implementing the new services, whilst in the short term disposal costs are slightly higher than the current costs, in the longer term the Council is ensuring future disposal cost avoidance.

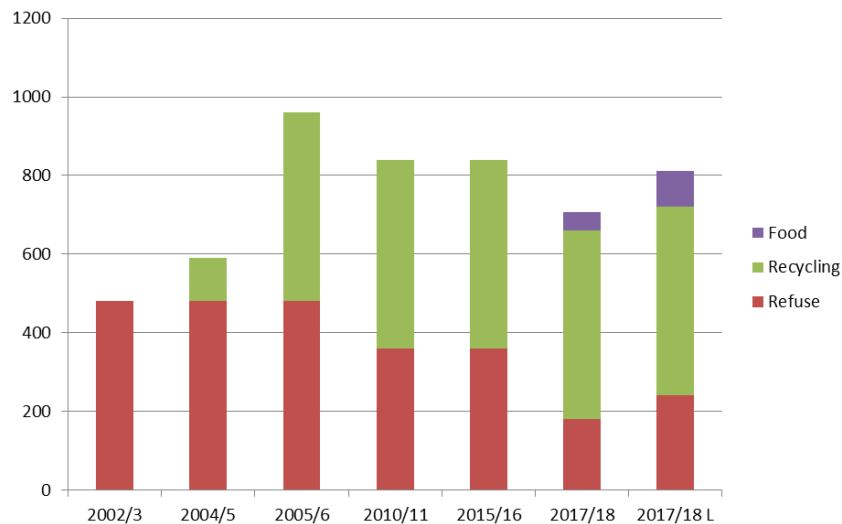


10. Weekly Food Waste Collections

- 10.1. The weekly food waste collection service would be provided to those properties that currently have a wheeled bin collection, except high density red routes. Properties will receive a 23 litre outside food caddy and a smaller 5 litre indoor kitchen food caddy.
- 10.2. An initial supply of biodegradable liners would be provided. Thereafter residents can purchase liners in supermarkets. It should be noted that the food waste will be going to an In Vessel Composting facility and the use of plastic bags as liners will therefore be a contaminant, although the use of newspaper and paper bags will be acceptable.
- 10.3. The food waste should be presented in the 23 litre caddy at the edge of the property on the day of collection. The food waste should not be mixed with the garden waste. Although this will be going in the back of the same collection vehicle, and going to the same processing plant, requesting the householder presents them separately will aid the cleanliness of the garden waste bin and ensure that messaging in the future should disposal options change be easier.
- 10.4. The new weekly food waste service is proposed to begin in June 2017.

11. Restricting Residual Waste Collection Frequency

- 11.1. As householders start to use the food waste service, the spare capacity in the residual (black) bin will increase and collection frequencies can therefore be reduced. The below chart details what the bin capacity has been for residents since 2002/3 over a two week period, i.e. householders in 2002/3 had a 240 litre refuse bin, equating to 480 litres over the two week period.



11.2. In 2004/5 55 litre recycling boxes were provided for residents to recycle paper, and in 2005/6 householders could request a 240 litre recycling bin for their recyclables as we introduced a number of additional materials such as plastic bottles, glass and cans.

11.3. In 2010/11 the Council rolled out to approx. 20,000 households 180 litre bins for refuse, and from that point the bin replacement programme stocked only 180 litre bins, which remains the current position today.

11.4. Since 2002/3 there has been an overall capacity increase of 75% (to 2015/16), with a residual bin capacity reduction of 25% over the same period.

11.5. The bars for 2017/18 show what the capacity will be for households when the new services will be implemented, and this equates to a reduction in overall capacity of 16%.

11.6. However, there will be instances whereby some households are unable to cope with that bin capacity, for example, large families, people living in HMO's, people with children in nappies or people with medical conditions. As such there would be provision to enable people to apply for additional capacity and the bar labelled 2017/18 L shows capacity of a 240 litre refuse bin and an additional food waste caddy. This will be a reduction of 3% on the capacity that they currently have. Although not shown in the bar above, these households can also request additional recycling capacity.

11.7. The changes to waste & recycling services being proposed present an adjustment to the status quo and this is likely to result in an initial backlash or rejection by some people. However, for the new services to be successful, there has to be a shift in behaviour. This is particularly important around getting residents to use the new food waste service. Waste compositional analysis in 2014 showed that 38% of what was in the black bin was food waste.

11.8. The potential risks around behaviour change include:

- No change in recycling behaviour (undermining the benefit of the service change);
- Deterioration in recycling behaviour, where people deliberately refuse to engage or find the changes too confusing;
- Ill-feeling towards the local authority, possibly resulting in complaints;
- Ill-feeling towards recycling processes, possibly resulting in increased cynicism about recycling in general, which could lead to stasis or deterioration in recycling behaviour in the future.

11.9. In implementing the new services there is a need to recognise the triggers that may result in negative attitudes and behaviour, but also ensure that there is spare capacity for those that need it and support householders with the change through education and awareness raising.

11.10. There are, of course, tangible benefits to the service change and some people will recognise this and be supportive of the new services.

12. Weekly Recycling Collections

12.1. Under the proposed service changes recycling collections will remain weekly with all the materials collected in the same bin.

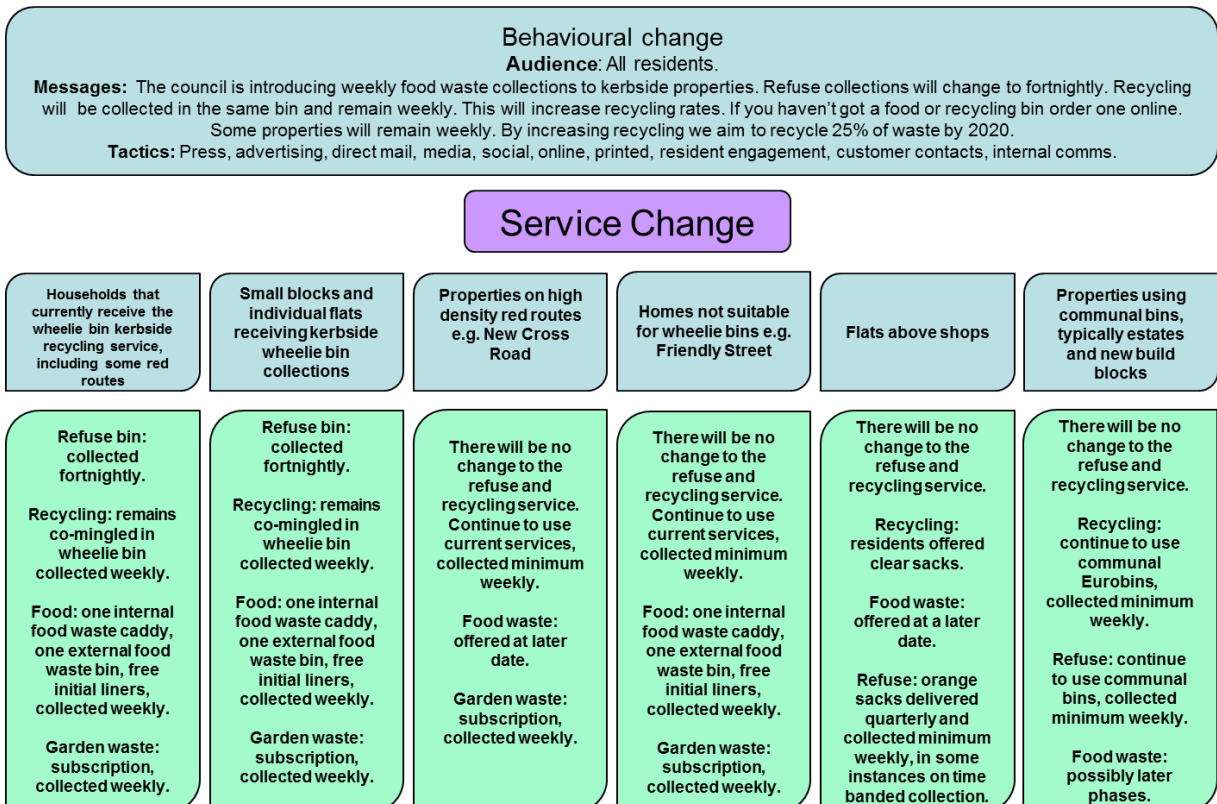
13. Communications

13.1. A comprehensive communications plan has been drawn up, and incorporates lessons from other boroughs as well as from Resource London and the Waste Resources Action Programme.

13.2. The communication required is for three different service changes and needs to be tightly controlled to ensure the messages are communicated effectively and that this instils behaviour change. The three service changes are:

- New food waste service is being introduced to some households;
- Collection days will be changing for some households;
- Refuse collections will now take place fortnightly to some households.

13.3. The illustration below shows the property types and how they will be affected by the service changes.



13.4. There is external funding for some communications elements and Lewisham is working on a joint project with Resource London to produce communication templates for food waste and restricting residual waste i.e. reducing refuse collections to fortnightly.

14. Policies

14.1. As discussed earlier, other boroughs have implemented policies to aid the implementation and potential success of their service changes. The proposed policies for the new services are outlined below.

14.2. Food Liner Policy

- Free initial supply of biodegradable bags issued with food caddies.

14.3. Additional Capacity Policy

- If the following criteria are met then households can request additional capacity:
 - Five or more permanent residents living in the property (4 or more for HMO's);
 - If there are two or more children in nappies;
 - If additional waste is being generated due to medical reasons (e.g. adult nappies, incontinence pads, cardboard boxes).
- The additional capacity provided, if the householder applies, will be:
 - Larger bin provided for refuse;
 - Additional food bin;
 - Additional bin provided for recycling.

14.4. Side Waste Policy

- Advise resident of side waste and do not collect.

14.5. Contamination Policy

- Recycling – Three stage contaminated bin process.
- Food – Resident informed to put contaminated food bin into refuse bin.
- Garden waste – resident to remove before next collection.
- Refuse – Resident informed that bin not emptied if too heavy or has DIY or electrical waste in. Resident to remove before next collection.

14.6. Placement of Bin Policy

- Resident to put on the edge of property for collection;
- Resident to return on to property after collection;
- There will be some instances where bins have to be kept on the street e.g. for health and safety reasons.

15. Implementation Timetable

15.1. The proposed timetable for rolling out the services is detailed in the table below.

| | Dec | Jan | Feb | Mar | Apr | May | June | July | August |
|-----------------------------|-----|-----|-----|-----|-----|-----|------|------|--------|
| Treatment facility SLA | | | | | | | | | |
| Service design | | | | | | | | | |
| Mayor's Briefing, SDSC, M&C | | | | | | | | | |
| Purchase containers | | | | | | | | | |
| Systems development | | | | | | | | | |
| Communications | | | | | | | | | |
| Distribution of containers | | | | | | | | | |
| Service rollout | | | | | | | | | |
| Monitoring & review | | | | | | | | | |

16. Financial Implications

- 16.1 As a part of the 2016/17 and 2017/18 budget strategy, the Environment Division offered an expected saving of £1m over 2 years arising from a review of the Council's waste strategy. To date, £0.6m has been successfully achieved by reducing the cost to the Council of lumber disposal costs from housing estates and the introduction of a garden waste service.
- 16.2 In working towards implementing the major services changes agreed as a part of the new strategy, the division has identified changes to the original plan necessary to ensure a smooth transition to the new service.
- 16.3 Implementing these changes, set out in paragraph 9, means that achieving the £0.4m balance of the savings will not be possible in the initial stages of the new service. Once the service transition to the new service is successfully completed, costs will be reviewed again.
- 16.4 By this time, the garden waste service would also have been in operation for a full year and a clear picture of the income earned by the service will have emerged. This will enable the service to reassess the achievability of the balance of the savings target.

17. Legal Implications

- 17.1. The revised Waste Framework Directive (2008/98/EC) ("The Directive") requires EU member states to set up separate waste collection where necessary and practicable. Where waste paper, metal, plastic or glass has been collected separately all reasonable steps must be taken to keep that stream separate from other waste streams wherever this is necessary to provide high quality recyclables.
- 17.2. Article 4 of The Directive sets out five steps for dealing with waste, ranked according to environmental impact – the 'waste hierarchy'. The 'waste hierarchy' has been transposed into UK law through The Waste (England and Wales) Regulations 2011 (as amended by the Waste (England and Wales) (Amendment) Regulations 2012). Consequently, from 1st January 2015, waste collection authorities, (LB Lewisham as a Local Authority is defined as a "waste collection authority",) must collect waste paper, metal, plastic and glass separately. It also imposes a duty on waste collection authorities, from 1st January 2015, when making arrangements for the collection of such waste, to ensure that those arrangements are by way of separate collection.
- 17.3. The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 17.4. In summary, the Council must, in the exercise of its functions, have due regard to the need to:

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

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

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

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

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

- The essential guide to the public sector equality duty
- Meeting the equality duty in policy and decision-making
- Engagement and the equality duty: A guide for public authorities
- Objectives and the equality duty. A guide for public authorities
- Equality Information and the Equality Duty: A Guide for Public Authorities

17.9. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

18. Equalities Implications

18.1. An Equalities Analysis Assessment has been conducted relating to the potential changes to the waste & recycling services and was detailed in the February 2016 Mayor & Cabinet Report.

19. Environmental Implications

19.1. Environmental considerations have been taken into account as part of the drivers for change, and were detailed in the February 2016 Mayor & Cabinet Report.

20. Crime & Disorder Implications

20.1. There are no direct crime and disorder implications.

21. Conclusion

21.1. This report has updated Mayor & Cabinet on the progress of the planned waste & recycling service changes. It further proposes an implementation timetable as described in Section 15.

22. Background Papers and Further Information

22.1. Background papers which can be found at Item 353 on this link <http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=3865> and include:

- a) 'Let's Talk Rubbish' Consultation Results & Waste Regulations Assessment for Proposed Changes to Waste & Recycling Service, Mayor & Cabinet Report February 2016
- b) Consultation on Potential Waste & Recycling Service Collections, Mayor & Cabinet Report, July 2015
- c) Let's Talk Rubbish Focus Group Report, October 2015
- d) Lewisham Citizen Forum Project Report, Ricardo E&E, October 2015
- e) Waste Regulations (TEEP) Assessment of Kerbside Collection Options, Anthesis, November 2015
- f) Equalities Analysis Assessment, November 2015

22.2. For further information relating to the report, please contact Sam Kirk, Strategic Waste & Environment Manager on 020 8314 2076 or email sam.kirk@lewisham.gov.uk.

| | | | |
|--|--------------------------------------|--|---------------------------------------|
| Chief Officer Confirmation of Report Submission | | | |
| Cabinet Member Confirmation of Briefing | | | |
| Report for: | Mayor | <input type="checkbox"/> | |
| | Mayor and Cabinet | <input checked="" type="checkbox"/> | |
| | Mayor and Cabinet (Contracts) | <input type="checkbox"/> | |
| | Executive Director | <input type="checkbox"/> | |
| Information | <input type="checkbox"/> Part 1 | <input checked="" type="checkbox"/> Part 2 | <input type="checkbox"/> Key Decision |


| | |
|------------------------|-------------------------------|
| Date of Meeting | 8 th February 2017 |
|------------------------|-------------------------------|

| | |
|------------------------|--|
| Title of Report | Animal Welfare Charter and Consultation Results |
|------------------------|--|

| | | |
|-----------------------------|----------|----------------------|
| Originator of Report | Sam Kirk | Ext. 42076 |
|-----------------------------|----------|----------------------|

At the time of submission for the Agenda, I confirm that the report has:

| Category | Yes | No |
|---|-----|----|
| Financial Comments from Exec Director for Resources | x | |
| Legal Comments from the Head of Law | x | |
| Crime & Disorder Implications | x | |
| Environmental Implications | x | |
| Equality Implications/Impact Assessment (as appropriate) | x | |
| Confirmed Adherence to Budget & Policy Framework | x | |
| Risk Assessment Comments (as appropriate) | | |
| Reason for Urgency (as appropriate) | | |

Signed:  Executive Member

Date: 30.01.2017

Signed:  Director/Head of Service

Date 30.01.2017

Control Record by Committee Support

| Action | Date |
|---|------|
| Listed on Schedule of Business/Forward Plan (if appropriate) | |
| Draft Report Cleared at Agenda Planning Meeting (not delegated decisions) | |
| Submitted Report from CO Received by Committee Support | |
| Scheduled Date for Call-in (if appropriate) | |
| To be Referred to Full Council | |

| MAYOR & CABINET | | |
|----------------------------|---|-----------------|
| Report Title | Animal Welfare Charter and Consultation Results | |
| Key Decision | Yes | Item No. |
| Ward | All | |
| Contributors | Executive Director for Customer Services | |
| Class | Open | 8 February 2017 |

1. Summary

1.1 This paper reports back on the results of the consultation on the proposed changes to the London Borough of Lewisham's Animal Welfare Charter.

2. Purpose

2.1 The purpose of the report details the findings of the 'Animal Welfare Charter' consultation and informs on the updated Animal Welfare Charter including changes in the Council's policies with regards to Animal Welfare.

3. Recommendations

3.1. The Mayor is recommended to:

- Note the results of the Animal Welfare Charter consultation;
- Approve and adopt the Animal Welfare Charter.

4. Policy Context

4.1. Adopting an Animal Welfare Charter is considered good practice and should outline the Council's commitment to animals and their welfare, serve as a guide to aid policy making and decisions.

4.2. The findings of the Animal Welfare Charter consultation and the Animal Welfare Charter contribute towards delivering the Council's corporate and sustainable community priorities, especially in respect of 'clean, green and liveable' and 'safety, security and visible presence'.

5. Background

5.1. In 1983 Lewisham Council adopted an Animal Welfare Charter to ensure that the needs of animals were taken into consideration when the Council carried out its duties. Since then there have been many changes to animal legislation and best practice, making the current Charter out of date. Lewisham Council is proposing to update its Charter to ensure

that high standards of animal welfare are maintained and shared throughout the borough. Details of the proposed changes are outlined in the next section.

6. Draft Animal Welfare Charter

6.1. The Charter adopted in 1983 covered companion animals, experiments on animals, factory farms and slaughtering, wildlife, performing animals and education. Many of the views contained within the original charter are now outdated and are no longer reflected by animal welfare professionals.

6.2. Guidance issued by the RSPCA suggests that an Animal Welfare Charter need not cover every aspect of animal welfare, but should address the main areas of the Council's responsibility for animal welfare. It may also include statements about issues on which they have no direct responsibility. An effective charter should look at each issue in turn, setting out the Council's policy and then addressing how that policy can be turned into action.

6.3. To reflect the changes in current legislation and to bring it in line with best practice the draft Animal Welfare Charter has been broken down into the following categories:

- Statutory Responsibilities
- Enforceable Legislation
- Responsible Animal Ownership
- Deceased Animals
- Performing Animals
- Procurement
- Wildlife and Habitat Conservation
- Emergency Planning
- Council Pledges

6.4. These categories best reflect the Council's statutory and legislative responsibilities and best reflect its continued commitment to ensuring that high standards of animal welfare are maintained throughout the borough.

6.5. A copy of the new Animal Welfare Charter is attached as Appendix 1.

7. Animal Welfare Charter Consultation

7.1. Consultation on the Animal Welfare Charter commenced on 24th October 2016 and ran until 2nd December 2016. The aim of the consultation was to garner resident's views about the proposed changes to the current Animal Welfare Charter.

7.2. Consultation was carried out via an online survey using uEngage. Participants were asked to read the Draft Animal Welfare Charter and then answer the questions relating to specific sections of the Charter.

7.3. The online survey was promoted via a variety of means including Lewisham Life e-zine and Twitter. To ensure that particular groups were targeted, 270 organisations were contacted inviting them to participate in the survey. These included all Primary and Secondary Schools, nurseries, businesses and charities involved in animal welfare and community groups. For a full list see Appendix 2.

7.4. The draft Animal Welfare Charter was also promoted at the Young Advisors Forum.

8. Animal Welfare Charter Consultation Results

8.1. The results of the online consultation and the Young Advisors Forum are detailed below. The full results of the consultation can be found in Appendix 3.

Animal Welfare Charter Online Survey

8.2. The online survey was completed by 119 people, these included 11 that responded on behalf of a business or organisation and there were 41 additional comments in the free text box of the survey. Of those that responded to the survey and provided the relevant information:

- 83% of respondents were of White ethnicity (70.59% were White British)
- 62% were female
- 55% were 50 years and older
- 8% consider themselves disabled
- 90% of people responded as an individual and 6.72% responded on behalf of a business or organisation

8.3. The results of this survey are not representative of Lewisham's demographic as per the 2011 census. According to the census 54% of the population are white (42% White British) and 15% consider themselves to be disabled.

8.4. The main findings of the online survey are summarised below and are broken down into the 9 main sections of the charter.

8.5. Updating the Animal Welfare Charter – 86% of respondents agreed with the Council regarding updating the Animal Welfare Charter to bring it in line with current legislation and best practice.

8.6. Promoting responsible animal ownership – The Council promotes responsible animal ownership in a variety of ways including through partnership working, the Borough Action for Responsible K9's (BARK) project and the Green Dog Walkers Scheme. 92% of respondents agree with this approach to promoting responsible animal ownership. This section received the largest number of free comments with individuals taking the opportunity to highlight issues and concerns.

8.7. Discouraging the keeping of animals in a classroom – Over half (55%) of respondents agreed with the Council's proposal to discouraging the keeping of animals in classroom, including hatching egg projects. However respondents were keen to point out the educative value of animals and suggested alternative ways in which children could still experience animals in a classroom environment.

8.8. Deceased animals – The Council has a policy to scan all deceased domestic animals to check for a microchip, and 96% of respondents agreed with this policy.

8.9. The banning of caged or performing animals for the purposes of entertainment – 94% of respondents agreed to the proposal to ban the use of caged or performing animals for the purposes with permitted exceptions, which are detailed in the Charter.

8.10. Performances being allowed following such considerations regarding banning of caged or performing animals – 70% of respondents agreed to performances being allowed once the additional checks and considerations had been carried out.

- 8.11. Sustainable Procurement Code of Practice – 83% of respondents agreed with the Councils current procurement code.
- 8.12. Sky lanterns and balloons – 43% of the organisations that responded disagreed with a ban on the use of sky lanterns on land and premises either owned or managed by the Council. The three respondents to this question were a faith group, a school and user group for green space. However these results do not correlate with the views of individual's that responded. 76% of respondents supported the proposed ban on the use of sky lanterns and 68% of respondents supported the proposed ban on the use balloons on land and premises either owned or managed by the Council.
- 8.13. Emergency Planning - To minimise the stress caused during emergencies the Animal Welfare Service works alongside the Emergency Planning Service to ensure that such situations are handled compassionately and efficiently. 86% of respondents agreed with the Councils approach to emergency planning.

Free Text Comments

- 8.14. In total there were 41 free text comments regarding the Animal Welfare Charter. After analysis 35 of them were broken down into the following main categories of the consultation.
- *The charter update* – Four comments were received about the charter update with 75% of those supporting the Councils decision to review and update it.
 - *Responsible animal ownership 1* – The twelve comments regarding this expressed opinions on greater enforcement of existing legislation, licensing of pet shops and neutering and microchipping.
 - *Responsible animal ownership 2* – There were six comments on the discouragement of keeping animals in the classroom. Five of these expressed concern regarding a ban on keeping animals in the classroom as they felt there was reduced potential for a child's opportunity to be exposed to animals and to learn about animals.
 - *Performing Animals* – the two comments received regarding performing animals questioned the specific criteria of the ban and whether there was scope for it to be extended.
 - *Procurement* – the comment on procurement suggested that the Council commit to the purchasing of free range eggs and that meat was offered as a choice less frequently at catered events as a cost saving measure.
 - *Wildlife and conservation* – there were ten comments regarding wildlife and conservation and included comments in support and in opposition to a ban on sky lanterns and balloons, issues regarding foxes, bees and the creation of wildlife areas. Two individuals also raised concerns regarding the use of fireworks and their impact on wildlife.

Young Advisors Meeting

- 8.15. During the consultation it was noted that all of the respondents were aged 25 years or older. Therefore a meeting was arranged with the Young Advisors to explain the Charter

and to garner their views. The Young Advisors were encouraged to complete the consultation.

9. Amendments to draft Animal Welfare Charter

9.1. Following analysis of the results there were no amendments to the draft Animal Welfare Charter. However, the Animal Welfare Service will provide additional guidance and assistance to schools, nurseries and community groups regarding the keeping of animals in classrooms if requested.

10. Financial Implications

10.1. There are no direct Financial Implications with regards to this report.

11. Legal Implications

11.1. Pursuant to sections 149 and 150 of the Clean Neighbourhoods and Environment Act 2005 ("2005 Act".) the Council has responsibility for the collection and detention of stray dogs. The Lewisham Dog Control Order (s. 75 of the 2005 Act is currently in force across the Borough. (Dog Control Order will be superseded by Public Space Protection Orders created under the Anti-Social Behaviour, Crime and Policing Act 2014 by the end of 2017.)

11.2. The Council also has numerous and relevant licensing responsibilities pursuant to the Animal Boarding Establishments Act 1963, Breeding of Dogs Acts, (1973 and 1991,) the Breeding and Sale of Dogs (Welfare) Act 1999 and the Pet Animals Act 1951.

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

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

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

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

11.6 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially

affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

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

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

- [The essential guide to the public sector equality duty](#)
- [Meeting the equality duty in policy and decision-making](#)
- [Engagement and the equality duty: A guide for public authorities](#)
- [Objectives and the equality duty. A guide for public authorities](#)
- [Equality Information and the Equality Duty: A Guide for Public Authorities](#)

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

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

12. Equalities Implications

12.1. An Equalities Analysis Assessment has been conducted relating to the proposed changes to the Animal Welfare Charter.

12.2. The protected characteristics that are most affected by the changes to the Animal Welfare Charter are Age and Ethnicity.

12.3. In analysing the data, research and equalities monitoring from the uEngage Survey and having due regard to the Equality Duty, the following plan has been developed. A copy of the Equalities Analysis Assessment is attached as Appendix 4.

| Possible Issues | Protected Characteristic Affected | Assessment of Potential Impact (+/-): High, Medium, Low, Neutral | Actions to be Taken | Expected Outcome |
|---|-----------------------------------|--|--|--|
| Reduced opportunity to learn about animals, their environment and their welfare. | Age | High (+) | <p>Develop and maintain a schools education program with an emphasis on Animal Welfare.</p> <p>Develop and strengthen partnerships with other animal welfare organisations and assist them in the delivery of their outreach programs.</p> | <p>Increased awareness of animals, their environment and their welfare needs by young people.</p> <p>Strengthened links between the Animal Welfare Service and schools and nurseries.</p> |
| Reduced opportunity to learn about responsible animal ownership | Age | High (+) | <p>Develop and maintain a schools education program with an emphasis on responsible animal ownership.</p> <p>Develop and strengthen partnerships with other animal welfare organisations and assist them in the delivery of their outreach programs.</p> <p>Liaise with schools and nurseries to develop potential wildlife areas and identify areas where schools can keep animals such as bees and chickens.</p> <p>Responsible dog ownership days to be delivered with the assistance of Housing Associations and Animal Welfare partners. These will enable residents the opportunity to participate in free microchipping scheme and learn about how to care for their animals.</p> | <p>Strengthened links between the Animal Welfare Service and schools and nurseries.</p> <p>Increased partnership working with external organisations.</p> <p>Increase in the number of people attending responsible animal ownership days and increase in the number of dogs microchipped.</p> |
| Ability to access the Animal Welfare Charter may affect the ability to comply with the recommendations set out in it. | Ethnicity and Religion | Medium (-) | <p>Ensure communications are in plain English and use images where possible.</p> <p>Engage with amenity groups and target organisations</p> | Residents will have the opportunity to be informed about the animal welfare charter. |

| Possible Issues | Protected Characteristic Affected | Assessment of Potential Impact (+/-): High, Medium, Low, Neutral | Actions to be Taken | Expected Outcome |
|-----------------|-----------------------------------|--|---|------------------|
| | | | who can communicate service changes with their communities. | |

13. Environmental Implications

13.1. There are no direct Environmental Implications relating to this report.

14. Crime & Disorder Implications

14.1. There are no direct crime and disorder implications.

15. Conclusion

15.1. Although Animal Welfare is a small service area it can be an emotive subject area and have an impact on a significant number of Lewisham residents, business and organizations.

15.2. The aim of the consultation was to find out the views of residents, businesses and organisations, on the proposed changes to the Animal Welfare Charter which outlines the Council's commitment to animal welfare and the way in which the Council delivers the Animal Welfare Service.

15.3. Respondents were supportive of the proposal to update the Charter and of the changes contained within it. The proposal to ban performances of caged or performing animals for the purposes of entertainment was strongly supported as was the ban on the use of both sky lanterns and balloons.

15.4. The proposal to discourage the keeping of animals in classroom also received strong support. However, concerns were raised regarding whether this would limit children's access to animals and therefore affect their ability to learn about animals, their needs and their environment.

15.5. It is therefore recommended to adopt the Animal Welfare Charter, that is both in keeping with the views of the respondents to this survey and with the Council's statutory and legislative obligations.

16. Background Papers and Further Information

16.1. For further information relating to the report, please contact Kay Foley, Animal Welfare Officer on 020 8314 3602 or email kay.foley@lewisham.gov.uk.

Appendix 1 – Animal Welfare Charter



Appendix%201%20Animal%20Welfare

Appendix 2 – List of Consultees



Appendix_2_Consultation_Activity.pdf

Appendix 3 – Consultation Results



Appendix_3_Animal_Welfare_Charter_Consultation_Activity.pdf

Appendix 4 – Equalities Analysis Assessment



Appendix_4_Equalities_Analysis_Assessment

ANIMAL WELFARE CHARTER

February 2017

Table of Contents

| | |
|--|----|
| Animal Welfare Charter | 3 |
| 1. Introduction..... | 3 |
| 2. Statutory Responsibilities..... | 3 |
| 2.1 Stray dogs..... | 3 |
| 2.2 Licensed establishments..... | 4 |
| 2.3 Animal health..... | 5 |
| 3. Enforceable legislation..... | 5 |
| 3.1 Animal Welfare Act 2006..... | 5 |
| 3.2 The Control of Horses Act 2015..... | 5 |
| 3.3 Dangerous Dogs Act 1991 | 6 |
| 3.4 Dog Control Orders | 6 |
| 3.5 Horse Passports Regulations 2009..... | 6 |
| 4. Responsible Animal Ownership..... | 6 |
| 4.1 Introduction..... | 6 |
| 4.2 Borough Action for Responsible K9's..... | 7 |
| 4.3 Housing Policies | 7 |
| 4.4 Animals in Schools and nurseries, including hatching egg projects..... | 8 |
| 5. Deceased Animals..... | 8 |
| 6. Performing Animals | 8 |
| 7. Procurement | 9 |
| 8. Wildlife and habitat conservation..... | 9 |
| 8.1 Lewisham's Biodiversity Partnership | 9 |
| 8.2 Sky / Chinese Lanterns and Balloon releases | 10 |
| 9. Emergency Planning | 10 |
| 10. Council Pledges..... | 11 |

Animal Welfare Charter

1. Introduction

This Charter has been adopted by the London Borough of Lewisham to reflect the concerns of local people who care about animal welfare and the cruel treatment, abuse or neglect of animals. This Charter sets out the Council's continued commitment to animal welfare.

The Council believes that animals have a positive impact on society and that through the conservation of their habitat and their companionship they can have psychological, emotional and social benefits to its residents.

The Charter supports the view that all animals have a right to life that is free from cruel treatment and unnecessary suffering. It also recognises that animals are capable of feeling, capable of enjoying a state of well being, and equally capable of suffering.

Section 9 (2) of the Animal Welfare Act 2006 sets out the five basic needs of animals and these are based on the five freedoms and are defined below:

- The need for a suitable environment;
- The need for a suitable diet;
- The need to be able to exhibit normal behaviour patterns;
- The need to be housed with, or apart from other animals;
- The need to be protected from pain, suffering, injury and disease.

The Council will take into account the five needs when exercising its statutory powers in relation to animal health and welfare matters and when developing future policy.

This Charter does not cover every aspect of animal welfare, but it does aim to detail those areas that the Council considers important and where it feels it can have some influence as a responsible and representative public body.

Where there are areas that the Council is unable to take direct action, as a responsible body it will make its views known, where it considers it appropriate to do so, via the Local Government Association and/or to Members of Parliament, the European Parliament and Government.

2. Statutory Responsibilities

2.1 Stray dogs

Under the Clean Neighbourhoods and Environment Act 2005 the Council has sole responsibility for the collection and detention of stray dogs. Sections 149 and 150 of the Environmental Protection Act 1990 (EPA 1990) outline the Council's duties with regards to discharging this role.

To comply with the legislation the Council will continue to appoint staff in the role of Animal Welfare Officers. Officers employed in this role will all be trained in dog handling and

behaviour by a recognised organisation or company. In particular officers will be trained to recognise the signs of nervous and aggressive behaviour and how to handle a dog appropriately, preventing further stress and risk of injury to both animal and handler. In particular the Animal Welfare Service will:

- Attend locations within the borough, where practicable, to apprehend and detain stray dogs during normal office hours (Monday – Friday, 9.00am – 5.00pm). At all other times the Council will operate a reception centre;
- Deal with all dogs in accordance to the stray dog procedure;
- Scan dogs for a microchip and check dogs for a tag and tattoo. Where identification is found, attempts will be made to contact the owner;
- Seek veterinary treatment for dogs where necessary. The Council has a comprehensive procedure to ensure that sick and injured stray dogs receive veterinary care.

Under the EPA 1990 dogs must be kept for a statutory seven day period, unless recommended to euthanize on welfare grounds. After this period the dog becomes the property of the Council and can be re-homed or euthanized. The Council recognises that seven days is a short period of time to find a lost dog and will therefore endeavour to keep dogs for a minimum of 10 days, where possible. Dogs will only be euthanized after this period on veterinary or behavioural advice.

Dogs will be boarded in kennels approved by the Councils Animal Welfare Service and where necessary a copy of the Boarding Establishments Licence will be attained. Officers will ensure that dogs are boarded in accordance with the Animal Welfare Act 2006, and if there are concerns for an animal's welfare these will be raised with the owner of the establishment and if necessary with the RSPCA and the Police.

For the last four years Lewisham Councils Animal Welfare Service has achieved a Gold in the RSPCA's Community Animal Welfare Footprint Awards for its stray dog services. These awards celebrate good practice by rewarding those organisations exceeding basic and statutory service requirements with the aim of achieving higher animal welfare standards. Each Footprint has three levels – bronze, silver and gold – which carry progressively more demanding criteria. Lewisham Council will continue to work towards maintaining a Gold Footprint Award service and ensuring that high standards of animal welfare are maintained when carrying out its statutory stray dog function.

2.2 Licensed establishments

The Council has a statutory obligation to licence certain establishments within the borough, these being:

- Pet shops;
- Dog breeding establishments;
- Dog and cat boarding establishments;
- Riding establishments;
- Owners of dangerous wild animals;
- Zoos.

The Council is committed to ensuring that high standards of animal welfare are achieved and maintained at all of its licensed premises. The Council will apply and regularly review conditions attached to licences to provide adequate protection for animals and promote their welfare within the bounds of licensing objectives.

Annual inspections and unannounced visits will be undertaken to verify that licence conditions are being adhered to and that licences should be granted or renewed. Records of these inspections will be kept and shared with partner agencies if requested. Inspections will be carried out by both Licensing and Animal Welfare Officers.

Lewisham Council will continue to seek advice from other agencies and appoint officers and vets to carry out inspections on their behalf if specialist knowledge is required, for example inspection of pet shops selling reptiles or the granting of a licence under the Dangerous Wild Animals Act 1991.

The Council will investigate reports of unlicensed activity and/or breach of licence conditions and take relevant actions.

2.3 Animal health

The Council has contingency plans with regard to notifiable disease, which aims to limit spread of the disease and prevent the subsequent suffering of healthy animals. The Council will work in partnership with Defra and other organisation to ensure that only staff that have been trained to work in these environments will do so.

3. Enforceable legislation

In addition to its statutory functions, the Council is authorised under a range of other legislation to aid it in preventing antisocial behaviour with animals and promoting high levels of animal welfare.

3.1 Animal Welfare Act 2006

The Council has a dedicated Animal Welfare Service and in addition to their statutory duties they also respond to animal welfare concerns and complaints raised by partner agencies and members of the public.

The Animal Welfare Act was introduced in 2006 and places a duty of care on people to ensure they take reasonable steps in all circumstances to meet the welfare needs of their animals to the extent required by good practice.

Officers are authorised under the Animal Welfare Act 2006 and will continue to support and assist the RSPCA and the Police in this role, to alleviate the suffering of animals in distress.

3.2 The Control of Horses Act 2015

Lewisham Council does not permit the grazing or tethering of horses on any Council land either owned or managed. Such practices pose a risk not only to the animals themselves but also to the wider public. Where horses are found the Control of Horses Act 2015 will be enforced.

3.3 Dangerous Dogs Act 1991

Under section 1 of the Dangerous Dogs Act it is prohibited to own one of the following four breeds of dog, unless they have been registered on the Index of Exempted Dogs.

- Pit Bull Terrier Type;
- Dogo Argentino;
- Fila Brasileiro;
- Japanese Tosa.

Section 3 of the Act makes it an offence for any dog to be out of control. A dog is considered to be out of control if it injures a person (or assistance dog) or behaves in such a way that there is reasonable fear that it will injure someone. The Council will continue to support the Police in enforcing the Dangerous Dogs Act 1991 and will refer any complaints which come under this Act to them.

3.4 Dog Control Orders

The Council recognises that owning a dog can bring a lot of enjoyment and happiness. However, owners need to ensure that they are responsible and that their dog does not cause a nuisance to others.

The Dog Control Orders apply borough wide and an offence under the Dog Control Orders can result in an on-the-spot £75 fine and fines of up to £1,000. Offences include:

- Fouling on land by dogs and failing to remove dog faeces;
- Not keeping a dog on a lead;
- Not putting, and keeping a dog on a lead when directed to do so by an authorised officer;
- Taking more than four dogs onto specified areas;
- Permitting a dog to enter land from which dogs are excluded.

The Dog Control Orders will be superseded by Public Space Protection Orders created under the Anti-Social Behaviour, Crime and Policing Act 2014 by the end of 2017.

Further information on the Dog Control Orders and any new Public Space Protection Orders can be found on the Council's website www.lewisham.gov.uk.

3.5 Horse Passports Regulations 2009

Under the Horse Passport Regulations 2009 all foals born after 1st July 2009 and all horses applying for a first passport must be microchipped. The Council supports the implementation of the regulations and will take action where complaints are raised.

4. Responsible Animal Ownership

4.1 Introduction

Whilst the Council supports animal ownership, it encourages its residents to thoroughly research the needs of the animal before acquiring one. It is a pet shop licence condition that free literature is available on each species of animal sold.

The Animal Welfare Service works closely with internal and external partners such as Battersea Dogs and Cats Home, the RSPCA and the Celia Hammond Animal Trust to promote responsible animal ownership by:

- Offering free microchipping of dogs when they have been collected as strays;
- Arranging events in the community to promote free microchipping and behaviour advice;
- Running a discounted neutering scheme for people on low income;
- Issuing the Dogs Trust discounted neutering vouchers;
- Running a schools education programme;
- Producing a Green Dog Walkers newsletter;
- Co-ordination of the Borough Action for Responsible K9's (BARK) – a multi-agency approach to dog related anti-social behaviour.

4.2 Borough Action for Responsible K9's

BARK is a multiagency project chaired by Lewisham Council to target the issues surrounding anti-social behaviour with dogs and the irresponsible use and mistreatment of dogs. Partners meet bi-monthly to discuss any issues raised and formulate a resolution. Its aims are:

- To educate the community on dog welfare and the implications of irresponsible ownership;
- To reduce the levels of anti-social behaviour linked with the misuse of dogs;
- To reduce the number of incidents where dogs are mistreated;
- To protect and reassure the community by reducing irresponsible activities involving dogs, with the appropriate use of education, information and legislation.

The partnership does this through:

- Reassurance – Holding events to promote awareness of current legislation, provide advice and assistance and to inform the residents of Lewisham that issues regarding dogs are being addressed.
- Intelligence – The sharing of information between partnership organisations to tackle dog related issues.
- Prevention – Schools education programme, community talks and visits to educate members of the public about responsible animal ownership and current animal legislation.
- Enforcement – Regular multi-partnership patrols across the borough, proactively intervening where offences or mistreatment of dogs is apparent, making use of welfare legislation where appropriate.

4.3 Housing Policies

The Council will continue to support and assist Housing Partners in ensuring its residents meet high standards of welfare for the animals they own.

Where concerns are raised the Animal Welfare Service will work in partnership with the provider to ensure that its residents are educated on what is required to improve the animal's welfare and where necessary ensure that enforcement action is taken.

4.4 Animals in Schools and nurseries, including hatching egg projects

In line with advice from the RSPCA, the Council discourages the keeping of animals in a classroom environment. Classrooms can be noisy and frightening places for some animals and it is very difficult to look after any animals needs properly in these environments. Furthermore it is difficult to guarantee the welfare of animals bred in the school environment.

5. Deceased Animals

The Council recognises that losing an animal can be very distressing for its owners. Therefore the Council has a policy to check all deceased domestic animals collected on a public highway for a microchip. Where a microchip is identified the Animal Welfare Service will attempt to contact the owner and inform them. Where possible owners will be given the opportunity to claim their pet.

6. Performing Animals

The Council will not allow its premises or land, either owned or managed, to be used by circuses, animal exhibitions or shows and other like enterprises of entertainment where caged and / or performing wild animals are used.

Permitted performances involving animals will include, but are not limited to, the following:

- Dog shows;
- Bird of Prey Displays;
- Animals used in theatre shows or filming;
- Dog agility events;
- Performances involving equestrian acts;
- The showing of domestic animals.

The Performing Animals (Regulation) Act 1925 requires any person who exhibits or trains performing (vertebrate) animals to be registered with a local authority. This provision applies to circuses and also other situations, such as filmmaking and plays which involve animal performances.

This Act does not apply to the training of animals for legitimate military, police, agricultural or sporting performances or the exhibition of these animals in demonstrations or similar events. The Licensing Department will be responsible for enforcing this Act.

Permission for performances or displays of any animals on Council land or premises, either owned or managed, must be applied for in writing and submitted to Lewisham Council's Animal Welfare Department and the Contractor and / or organiser responsible for managing the land / premises if appropriate, at least eight weeks prior to the event.

Under the Animal Welfare Act 2006 a person that is responsible for an animal has a duty of care to provide for that animal's needs. This includes any person who may be in direct control of the animal as well as the owner. In some circumstances those commissioning the

use of animals may share in this duty of care. It is therefore recommended that all parties are aware of the relevant current legislation and information to ensure compliance and that the welfare of any animals involved is assured.

Permission will be considered individually and the decision to grant or refuse such applications will be based on a range of considerations, including animal welfare. When considering the application the following will be taken into account:

- The type of animals used;
- Duration of performance;
- Compliance with the Animal Welfare Act 2006.

7. Procurement

The Council has a Sustainable Procurement Code of Practice for all organisations who wish to contract with the Council.

Lewisham Council will not procure or license products that make use of any fur, skins, food or food ingredients of plant or animal origin (including fish) of any species specified in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species. Contractors, suppliers and service providers should seek to ensure that all hides used in their products, including packaging, are a by-product of the food industry.

Suppliers, contractors and service providers should also ensure high standards of animal welfare both for animals that are raised for meat and dairy products, and for animals used for work and transport.

Where food products are supplied, the supplier or contractor should also ensure that the following minimum standards of environmental protection are maintained:

- Eggs are from cage-free hens;
- All fish and seafood must come from sustainable sources and have Marine Stewardship Council (MSC) (or equivalent) certification;
- Meat and dairy products are from farms which satisfy UK welfare standards.

Lewisham Council encourages its contractors, suppliers and service providers to source UK and seasonal products where possible.

Lewisham is a Fairtrade borough and we expect suppliers to work with the Council in offering value for money, certified Fairtrade products.

8. Wildlife and habitat conservation

8.1 Lewisham's Biodiversity Partnership

Lewisham Council has a long tradition of acting to conserve and enhance Lewisham's natural environment for the benefit of all.

Lewisham Council will continue to work within the framework laid out in the Lewisham Biodiversity Partnership to promote biodiversity within Lewisham and ensure that it is protected and enhanced within the core duties of the Council.

The Partnership was established to consolidate the interests and expertise of a range of organisations and individuals with a duty to, or interest in, conserving the Borough's wildlife and natural environment. It is there to ensure that the diverse range of views on Lewisham's biodiversity is effectively represented. It will promote innovation and best practice and, although the Partnership is not a campaigning organisation, it will challenge partners and others where necessary to conserve wildlife and habitat in the borough.

8.2 Sky / Chinese Lanterns and Balloon releases

The lighting of sky lanterns and balloon releases have become an increasingly popular way to celebrate and commemorate occasions. Mass balloon releases and races have also become a popular way to raise money for charities. However the release of sky lanterns and balloons can be harmful to wildlife and often have deadly consequences for animals.

Birds and wildlife can become entangled in the wire or bamboo frames leading to injury or death. Animals can accidentally eat fallen lantern and balloon parts which can cause death by blocking the digestive and / or respiratory tracts, or internal bleeding, leading to a slow painful death. Animals can also be frightened by sky lanterns causing them to bolt, risking serious injury to themselves and their owners.

Even small-scale releases and balloon races may have a serious effect on the environment and animals: the balloons are often not adequately inflated and the attached strings and ribbons may entangle animals. Many balloons are also intentionally weighted with tags, further increasing the likelihood of returning to land where it may be ingested by an animal.

In addition, sky lanterns and balloons pose a litter risk as well as a health and safety risk and several fires have been attributed to sky lanterns. In accordance with current RSPCA advice the use of sky lanterns is banned on all Council owned land either owned or managed. People wishing to hold balloon releases and races are encouraged to participate in virtual balloon races.

9. Emergency Planning

The Council recognises that having to evacuate your home, even for a short while can be distressing for both the owner and the animal. To minimise the stress caused the Animal Welfare Service works alongside the Emergency Planning Service to ensure that such situations are handled compassionately and efficiently. The Animal Welfare Service:

- Offers advice on what to do with your animal, which is promoted through Council literature and is on the Council's website;
- Run briefing sessions to Council response staff such as Local Authority Liaison Officers (LALO's) and Reception Centre Staff;
- Are involved in Emergency Planning training exercises;
- Are designated as Bronze officers and can be called to assist in an emergency and are on call 24 hours a day.

The RSPCA Community Animal Welfare Footprint Awards recognises good practice in Contingency Planning. There are three levels of award – bronze, silver and gold – which carry progressively more demanding criteria. Lewisham Council's Emergency Planning and Animal Welfare Services will continue to work towards achieving a Gold Footprint Award ensuring that Animal Welfare is considered in the Emergency Planning process.

10. Council Pledges

The Council will ensure that this Charter is widely available and welcomes comments to enable a review at a later date.

This Charter will be reviewed biannually, and revised where necessary to ensure that it is in line with changes in legislation, policy, the of needs animals and of the local community.

Appendix 2 - Animal Welfare Charter Consultation

October – December 2016

| Consultation Activity | How / Who |
|------------------------------------|---|
| General Promoting of Survey | Website Lewisham and EnviroLewishamTwitter Lewisham Life E-Zine Staff on the Employee Notice Board Ward Assembly Co-ordinators |
| Direct Promotion of Survey | 170 Community Project 2000 Community Action Centre 5 Steps Community Nursery 60 up club Abacus Day Nursery Abbey Manor College ABC Day Nursery Group Academy Achievers at REAP Youth Club Action for Community Development Action for Refugees in Lewisham Adamsrill Primary School Addey and Stanhope Secondary School Affinity Sutton Afghanistan & Asian Community of London Age Exchange : Number Eleven Age UK Lewisham and Southwark Aging Well In Lewisham LCC All Pets Catford All Saints' Church of England Primary School Amimars Nursery Ashmead Primary School Association Of Tamil Parishioners UK Athelney Primary School Avalon Pre-School & Creche Baby Lambs Day Nursery Baring Primary School BARK Barnes Wallis Centre Battersea Dogs & Cats Home Baxter Fields Bay Tree House Day Nursery |

| | |
|--|--|
| | <p>Beckenham Place Park</p> <p>Beecroft Primary School</p> <p>Bellingham Community Project</p> <p>Bench outreach</p> <p>Beresford vets</p> <p>Blackheath Joint working party</p> <p>Blackheath Montessori Centre</p> <p>Blackheath Society</p> <p>Blooming Kidz</p> <p>Blossom Years Nursery Bromley</p> <p>Blue Cross</p> <p>Bonus Pastor Catholic College</p> <p>Brindishie Green Primary School</p> <p>Brindishie Lee Primary School</p> <p>Brindishie Manor Primary School</p> <p>Broadfields Nursery</p> <p>Brockley Baptist Church</p> <p>Brockley Society</p> <p>Brookmill Park / Broadway Fields</p> <p>Bunny Hop Day Nursery</p> <p>Burnt Ash Hill Vets</p> <p>Camelot Pre-School</p> <p>Carers Lewisham</p> <p>Catford and Bromley Synagogue Trust</p> <p>Catherine House Day Nursery (London)</p> <p>Cats Protection</p> <p>Chairbears Day Nursery</p> <p>Cherish Day Nursery</p> <p>Cherry Blossom Pre-School</p> <p>Cherryli Nursery</p> <p>Cherubins Day Nursery - Ladywell Lodge</p> <p>Childeric primary School</p> <p>Church of the Good Shepherd, Downham</p> <p>Citizen's Advice Bureau Downham and Whitefoot</p> <p>City of London</p> <p>Community Connections</p> <p>Community Teach Sport</p> <p>Conisborough College - a Colfe's Associate School</p> <p>Coopers Lane Primary School</p> <p>Corbetts Residents Association</p> <p>Creative Stars Day Nursery</p> <p>Crofton Park Baptist Church</p> <p>Cuddly Bear Day Care Ltd</p> <p>Dacres Road</p> <p>Dalmain Athletic Girls 'Footy'</p> <p>Dalmain Primary School</p> |
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| | <p>David Streatly Futsall Club</p> <p>Delicious Most Nutritious</p> <p>Deptford Green School</p> <p>Deptford Park Primary School</p> <p>DeptfordFolk</p> <p>Devonshire road nature reserve</p> <p>Dogs Trust</p> <p>Dovie's Day Care</p> <p>Dowderry Children's and Family Centre</p> <p>Dowderry Primary School</p> <p>Downham BLC church</p> <p>Downham Brook Lane Community Church</p> <p>Downham Celebrates Committee</p> <p>Downham Churchdown Christian Centre (LCM)</p> <p>Downham Elderly Health Project</p> <p>Downham Green (behind DHLC)</p> <p>Downham Inter-faith Group</p> <p>Downham King's church</p> <p>Downham Library at Downham Health & Leisure Centre</p> <p>Downham Local Assembly</p> <p>Downham Nutrition Partnership</p> <p>Downham Tamil Association</p> <p>Downham Tavern</p> <p>Downham Wesley Halls Community Centre</p> <p>Drumbeat School</p> <p>Eco Communities</p> <p>Edmund Waller Primary School</p> <p>Elfrida Primary School</p> <p>Eliot Bank Primary School</p> <p>Excell Learning Centre Ltd</p> <p>Fairlawn Primary School</p> <p>Faith Montessori Nursery Ltd</p> <p>Federation of Refugees from Vietnam in Lewisham</p> <p>Forest Hill Community Church</p> <p>Forest Hill School</p> <p>Forest Hill Society</p> <p>Forster Park Primary School</p> <p>Friends and Users of Manor House Library</p> <p>Friends and Users of Staplehurst Road</p> <p>Friends of Blythe Hill Fields</p> <p>Friends of Brockley and Ladywell Cemetery</p> <p>Friends of Chinbrook Meadows</p> <p>Friends of Downham Woodland Walk</p> <p>Friends of Fordham Park</p> <p>Friends of Frensbury Gardens</p> <p>Friends of Hilly Fields</p> |
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| | <p> Friends of Home Park Friends of Manor House Garden Friends of Manor House Gardens Friends of Mayow Park Friends of Mountsfield Park Friends of Telegraph Hill Park Glendale Goldsmiths College Nursery Goldsmith's Community Centre Good Shepherd Church Good Shepherd Roman Catholic School Good Shepherd Youth Club Gordonbrock Primary School Gospel Lighthouse Fellowship Downham Boys Club Grace's Day Nursery Green Dog Walkers Newsletter Green Man Phoenix Greenvale School Grinling Gibbons Primary School Haberdashers' Aske's Hatcham College Haberdashers' Aske's Hatcham College - Temple Grove Haberdashers' Aske's Hatcham College - Temple Grove Free School Haberdashers' Aske's Knights Academy Haberdashers' Aske's Knights Academy (Primary School) HAKA sports Complex at Haberdasher Aske's Knight's Academy Happy Little Bunny Day Nursery Sydenham Haseltine Primary School Head Start Day Nursery and Preschool Healthwatch Hillyfields Day Nursery Hither Green Association Holbeach Primary School Holy Cross Primary School Holy Trinity Catholic Primary School Holy Trinity Church of England School Horizons Day Nursery & Pre-school Horniman Primary School Hyde Housing Indo-Chinese Little Rainbow Day Nursery John Ball Primary School John Stainer Primary School Kelvin Grove Primary School Kendale Road Allotments Kender Primary School Kennel Club Kiddies Arena Day Nursery </p> |
|--|--|

| | |
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| | <p> Kilmorie Primary School Kinder at Lewisham L&Q Ladywell Friends User Group Ladywell Pre-school Ladywell Society Langthorne Court Community Hall Launcelot Primary School Lay Witnesses For Christ International Lee Fair Share Lee Green Lives Lee Green Women's Institute Lee Manor Society Lee Park Nursery and Preschool LEMP Lewisham Disability Coalition Lewisham Homes Lewisham Indochinese Centre Lewisham Islamic Centre Lewisham Mencap Lewisham MS Society Lewisham Muslim Women's Group Lewisham Park RA Lewisham Pensioners Forum Lewisham Refugee and Migrant Network Lewisham Somali Community LGBT Forum Lillingtons Montessori Nursery Little Acorns Pre-School Nursery Little Butterfly Daycare Nursery, Breakfast & After School Club Little Cherubs Nursery Little Elms Daycare Catford Little Elms Daycare Nursery Lee Little Elms Daycare Nursery Sydenham Little Elms Daycare Nursery Sydenham Little Fingerprints Nursery Little Gems Day Nursery Little Pumpkins Nursery London Sivan Koil Lucas Vale Primary School LWFCI Sports Club Lysth Nursery Manor Park User Group Mark Drinkwater - NHS LEWISHAM CCG Marsha Phoenix Trust Marvels Lane Health Centre </p> |
|--|--|

| | |
|--|---|
| | <p> Marvels Lane Primary School Mayow vets Meadows Community Centre Merlin School Primary School Met Police Status Dogs Unit Methodist Church (Forest Hill) Micah Christian Ministries Monkey Puzzle Day Nursery Catford Myatt Garden Primary School New Cross Community Nursery New Cross Gate Trust New Woodland's (on boarder with Whitefoot) North Downham Training Project Northbrook Park Community Group Northover and Southbrook Rd Community Mental Health Centres Northover Fruit Tree Day Nursery Oak Hill Community Nursery Oak Tree Day Nursery Oakridge Road Health Centre Oldstead Community Gardens Olivia Heriette - Youth First Our Lady and St Philip Neri RC Infant School Our Lady and St Philip Neri RC Junior School Parkview Surgery Pavilion Nursery PDSA Peabody Pendragon School Primary School Perrymount Primary School Phoenix Pinnacle Pitta Patta Day Nursery Playhouse Community Nursery Police Cadets Bromley Road Police Safer Neighbourhood Teams Prendergast Ladywell School Prendergast Ladywell School (primary) Prendergast School Prendergast Vale School (primary) Rangefield Primary School Rathfern Primary School Ravensbourne Community Centre Ravensbourne Park REAP Centre REAP Youth Club </p> |
|--|---|

| | |
|--|--|
| | <p> Rehoboth Day nursery Rose House Montessori Forest Hill Rose House Montessori Sydenham RSPCA Rubadubs Nursery Rushey Green Nursery Rushey Green Primary School Sandhurst Infant School Sandhurst Junior School Sankofa Day Nursery Scallywags II Day Nursery Sedgehill Community Centre Sedgehill Secondary School Seedlings Day Nursery Sir Francis Drake Primary School Small Wonders DayCare Sommerville Day Nursery South Lewisham Group Practice South London Interfaith Group Sport4All St Andrew's Community Nursery St Andrews the Apostle St Augustine's Catholic Primary School and Nursery St Bartholomew's CE Primary School St Dunstan's College St George's Church of England Primary School St James' Hatcham CE Primary School St John Baptist CE Primary School St Joseph's Catholic Primary School St Luke's Church St Margaret's Lee St Margaret's Lee CE Primary School St Mary Magdalen's Catholic Primary School St Mary's CE Primary School St Matthew Academy (reception to Year 6) St Matthew Academy (Year 7 onwards) St Michael's CE Primary School St Michael's Community Centre St Paul's Church Deptford St Saviour's RC Primary School St Stephen's CE Primary School St William of York Catholic Primary School St Winifred's Catholic Infant School St Winifred's Catholic Junior School St. Barnabas </p> |
|--|--|

| | |
|--|--|
| | <p>St. John's the Baptist Church</p> <p>St. Mark's</p> <p>Step by Step Day Nursery</p> <p>Stepping Stones Montessori Nursery Ltd</p> <p>Stillness Infant School</p> <p>Stonewall</p> <p>SunriSE Community Nurseries</p> <p>Sunshine Day Nursery</p> <p>Sydenham High School</p> <p>Sydenham Secondary School</p> <p>Sydenham Wells Improvement Group</p> <p>Talabiar Mosque</p> <p>Ten-Em-Bee Sport Development Centre</p> <p>The Animal Clinic</p> <p>The Black and Multicultural Forum</p> <p>The Blackheath society</p> <p>The Cottage Day Nursery</p> <p>The Downham Clinic</p> <p>The Growing Patch Nursery</p> <p>The Neighbourhood Vet - Crofton Park</p> <p>The Park Nursery</p> <p>The Tabernacle Church</p> <p>The Village Nursery</p> <p>Therapy Through Music at REAP Youth Club</p> <p>Tidemill Academy</p> <p>Tiny Acorns Day Nursery</p> <p>Torridon Infant School</p> <p>Torridon Junior School</p> <p>Townsend Montessori @ Forest Hill</p> <p>Trinity Church of England School, Lewisham (secondary school)</p> <p>Trinity Lewisham CE School (primary school)</p> <p>Turnham Primary School</p> <p>Twinkle Gem Nursery</p> <p>Valeswood Day Nursery Ltd</p> <p>Voluntary Action Lewisham</p> <p>Volunteer Centre Lewisham</p> <p>Wandle</p> <p>Watergate School</p> <p>Whitefoot and Downham Community Food Plus Project</p> <p>Whitefoot Christian Centre</p> <p>Whitefoot Local Assembly</p> <p>Whitefoot Mosque</p> <p>Winlaton Surgery</p> <p>Young and Smart Nursery</p> <p>Young Employee Network</p> |
|--|--|

| | |
|----------------------|---|
| | Young Mayor Young Oaks Day Nursery Zeeba Daycare Zoom Nurseries (Beacon Road) Ltd Zoom Nurseries (Brockley) Ltd Zoom Nurseries (Maythorne) Ltd |
| Presentations | Young Mayor Advisors |

Additional engagement with specific groups or communities within Lewisham

To further reach specific groups or communities within Lewisham, we sought opportunities with the following groups to hold focus groups and promote the 'Animal Welfare Carter' online survey. Below is a summary of some of the outreach activities that took place.

Young People

We presented at the Young Advisors meeting, held in the Civic Suite, to approximately 20 people within the 'Under 18 years' and '18-24' age groups, many of whom were also from BAME backgrounds. Despite interest being expressed in the consultation no-one under the age of 24 filled in the consultation.

Officers direct emailed all primary and secondary schools in the borough.

Black, Asian and Minority Ethnic (BAME) Groups

A direct email to promote the survey was also sent out to many community groups that included people from BAME backgrounds.

Report Settings Summary

Table .1

| | |
|-------------------|-------------------------------|
| Event | Animal Welfare Charter |
| Total Responses | 119 |
| Total Respondents | 2 |
| Questions | All |
| Filter | <i>(none)</i> |
| Pivot | <i>(none)</i> |
| Document Name | |
| Created on | 2016-12-08 14:12:49 |
| Created by | Stewart Snellgrove |

| | |
|-----------------------------------|----|
| Introduction | 5 |
| Resident of Lewisham | 6 |
| Respondent type | 7 |
| Business/Org name | 8 |
| Introduction | 9 |
| Responsible Animal Ownership 1 | 10 |
| Responsible Animal Ownership 2 | 11 |
| Deceased Animals | 12 |
| Performing Animals 1 | 13 |
| Performing Animals 2 | 14 |
| Procurement | 15 |
| Wildlife and Habitat Conservation | 16 |
| Emergency Planning | 18 |

| | |
|---|----|
| Conclusion | 19 |
| Age | 20 |
| Ethnicity | 22 |
| Any other White background (please specify) | 24 |
| Any other mixed/ multiple ethnic background (please specify) | 25 |
| Any other Asian background (please specify) | 26 |
| Any other Black/ African/ Caribbean background (please specify) | 27 |
| Any other ethnic group (please specify) | 28 |
| Gender | 29 |
| Transgender | 30 |
| Disability | 31 |
| Please state the type of impairment that applies to you | 32 |
| Any other disability (please specify) | 34 |

| | |
|---|----|
| Religion and belief | 35 |
| Any other religion (please specify) | 36 |
| Sexual Orientation | 37 |
| other sexual orientation (please specify) | 38 |
| Pregnancy & Maternity | 39 |
| Lewisham Life Enewsletter | 40 |
| Lewisham life Enewsletter | 41 |
| Thank you | 42 |

Introduction

There is no data to display for this question

Resident of Lewisham

Question responses: **106 (89.08%)**

Are you a resident in the London Borough of Lewisham?

Table .1

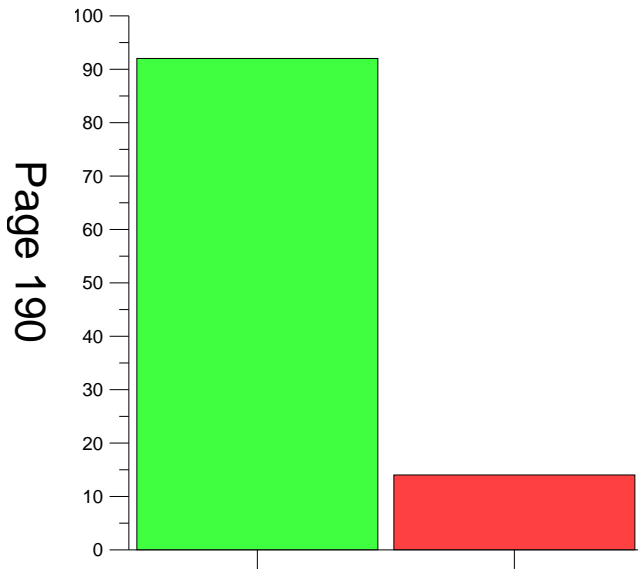


Table .2

| | % Total | % Answer | Count |
|---|----------------|-----------------|--------------|
| <input checked="" type="checkbox"/> Yes | 77.31% | 86.79% | 92 |
| <input checked="" type="checkbox"/> No | 11.76% | 13.21% | 14 |
| <input type="checkbox"/> [No Response] | 10.92% | -- | 13 |
| Total | 100.00% | 100.00% | 119 |

Respondent type

Question responses: 119 (100.00%)

In what capacity are you responding to this consultation?

Table .1

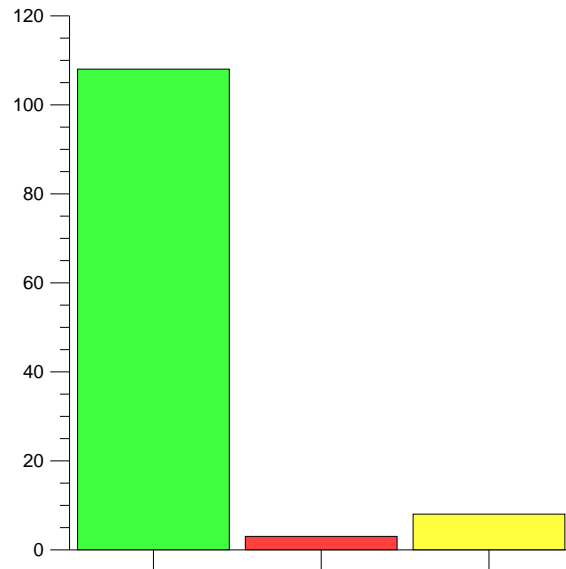


Table .2

| | % Total | % Answer | Count |
|------------------------------|----------------|----------------|------------|
| As an individual | 90.76% | 90.76% | 108 |
| On behalf of a business | 2.52% | 2.52% | 3 |
| On behalf of an organisation | 6.72% | 6.72% | 8 |
| Total | 100.00% | 100.00% | 119 |

Business/Org name

Question responses: **9 (7.56%)**

Please provide the name of the business or organisation, if you are responding on their behalf:

Table .1

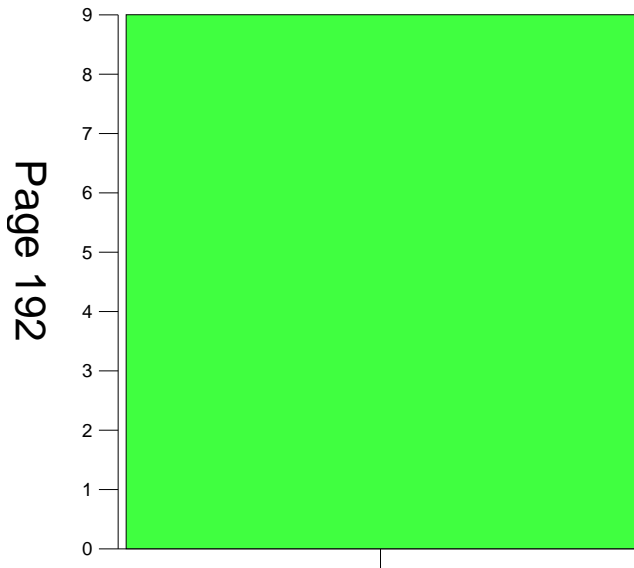


Table .2

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| <input checked="" type="checkbox"/> [Responses] | 7.56% | 100.00% | 9 |
| <input type="checkbox"/> [No Response] | 92.44% | -- | 110 |
| Total | 100.00% | 100.00% | 119 |

Introduction

Question responses: 118 (99.16%)

To what extent do you agree with the update of the Animal Welfare Charter?

Table .1

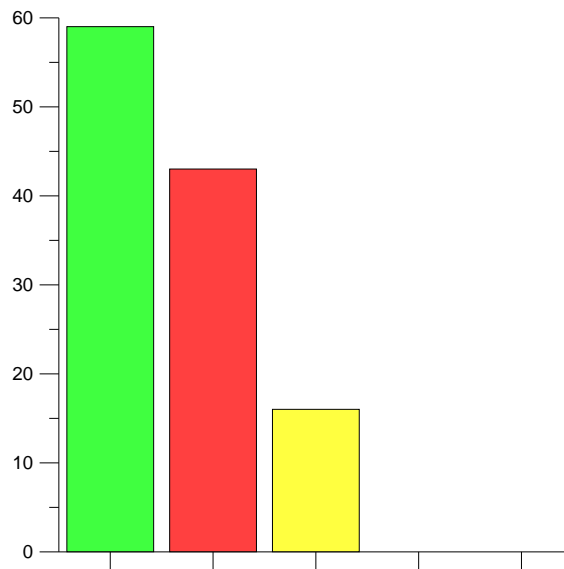


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| ■ Strongly agree | 49.58% | 50.00% | 59 |
| ■ Agree | 36.13% | 36.44% | 43 |
| ■ Neither agree nor disagree | 13.45% | 13.56% | 16 |
| ■ Disagree | 0.00% | 0.00% | 0 |
| ■ Strongly disagree | 0.00% | 0.00% | 0 |
| ■ [No Response] | 0.84% | -- | 1 |
| Total | 100.00% | 100.00% | 119 |

Responsible Animal Ownership 1

Question responses: 116 (97.48%)

To what extent do you agree with the Council's approach to promoting responsible animal ownership?

Table .1

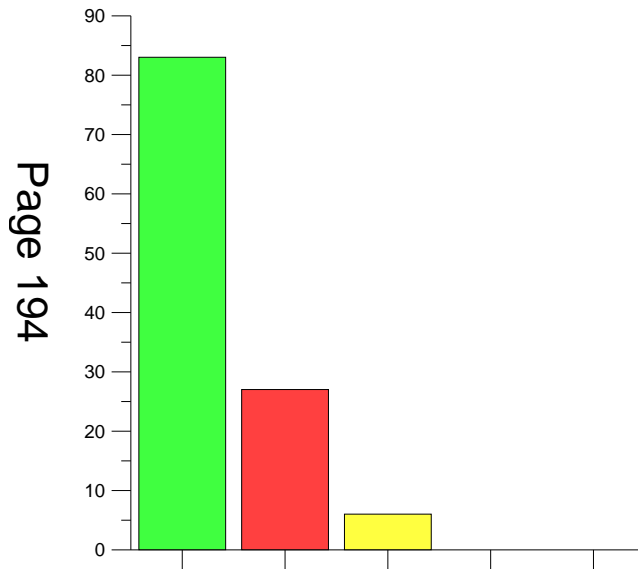


Table .2

| | % Total | % Answer | Count |
|--|----------------|----------------|------------|
| ■ Strongly agree | 69.75% | 71.55% | 83 |
| ■ Agree | 22.69% | 23.28% | 27 |
| ■ Neither agree nor disagree | 5.04% | 5.17% | 6 |
| ■ Disagree | 0.00% | 0.00% | 0 |
| ■ Strongly disagree | 0.00% | 0.00% | 0 |
| ■ [No Response] | 2.52% | -- | 3 |
| Total | 100.00% | 100.00% | 119 |

Responsible Animal Ownership 2

Question responses: 117 (98.32%)

To what extent do you agree with discouraging the keeping of animals in a classroom environment?

Table .1

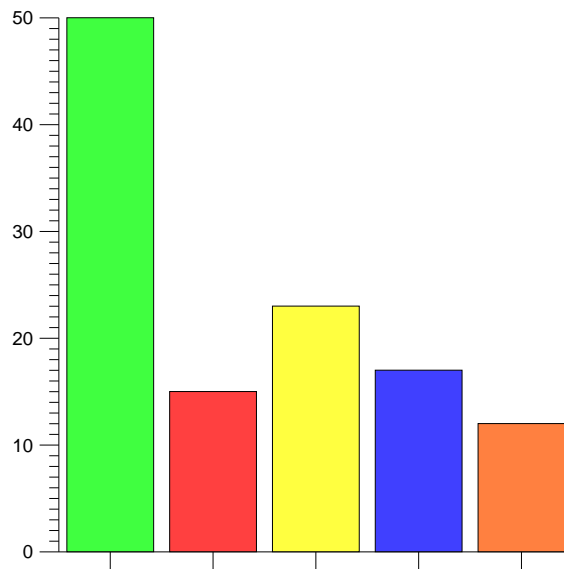


Table .2

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| <input type="checkbox"/> Strongly agree | 42.02% | 42.74% | 50 |
| <input type="checkbox"/> Agree | 12.61% | 12.82% | 15 |
| <input type="checkbox"/> Neither agree nor disagree | 19.33% | 19.66% | 23 |
| <input type="checkbox"/> Disagree | 14.29% | 14.53% | 17 |
| <input type="checkbox"/> Strongly disagree | 10.08% | 10.26% | 12 |
| <input type="checkbox"/> [No Response] | 1.68% | -- | 2 |
| Total | 100.00% | 100.00% | 119 |

Deceased Animals

Question responses: 119 (100.00%)

To what extent do you agree with this policy?

Table .1

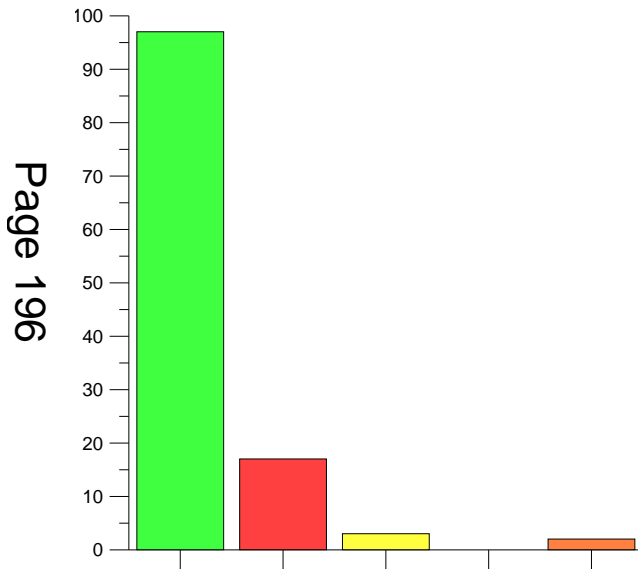


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| ■ Strongly agree | 81.51% | 81.51% | 97 |
| ■ Agree | 14.29% | 14.29% | 17 |
| ■ Neither agree nor disagree | 2.52% | 2.52% | 3 |
| ■ Disagree | 0.00% | 0.00% | 0 |
| ■ Strongly disagree | 1.68% | 1.68% | 2 |
| Total | 100.00% | 100.00% | 119 |

Performing Animals 1

Question responses: 118 (99.16%)

With the permitted exceptions, to what extent do you support the ban of caged or performing animals for the purposes of entertainment?

Table .1

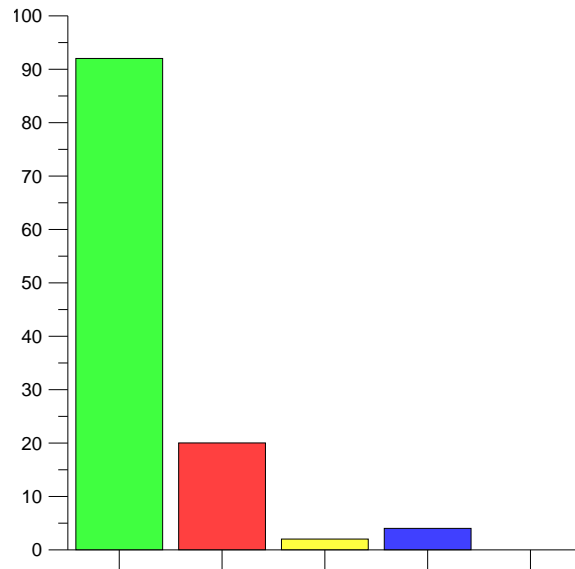


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| ■ Strongly agree | 77.31% | 77.97% | 92 |
| ■ Agree | 16.81% | 16.95% | 20 |
| ■ Neither agree nor disagree | 1.68% | 1.69% | 2 |
| ■ Disagree | 3.36% | 3.39% | 4 |
| ■ Strongly disagree | 0.00% | 0.00% | 0 |
| ■ [No Response] | 0.84% | -- | 1 |
| Total | 100.00% | 100.00% | 119 |

Performing Animals 2

Question responses: 119 (100.00%)

To what extent do you agree with performances being allowed following such considerations?

Table .1

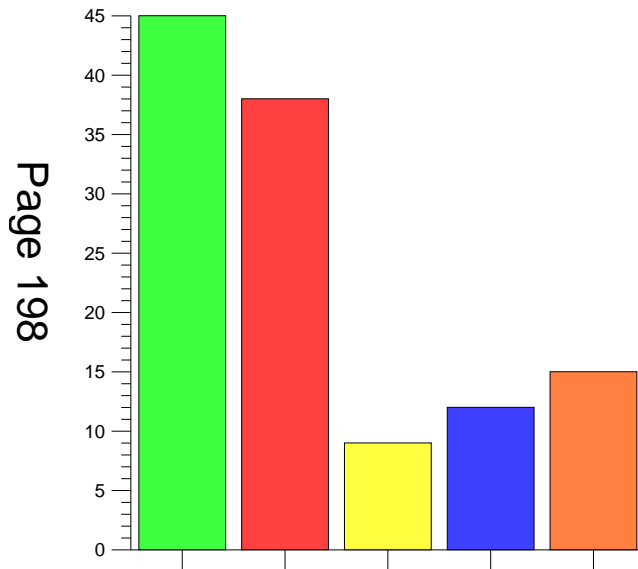


Table .2

| | % Total | % Answer | Count |
|----------------------------|---------|----------|-------|
| Strongly agree | 37.82% | 37.82% | 45 |
| Agree | 31.93% | 31.93% | 38 |
| Neither agree nor disagree | 7.56% | 7.56% | 9 |
| Disagree | 10.08% | 10.08% | 12 |
| Strongly disagree | 12.61% | 12.61% | 15 |
| Total | 100.00% | 100.00% | 119 |

Procurement

Question responses: 117 (98.32%)

To what extent do you agree with the measures that the Council has in place in the Sustainable Procurement Code of Practice?

Table .1

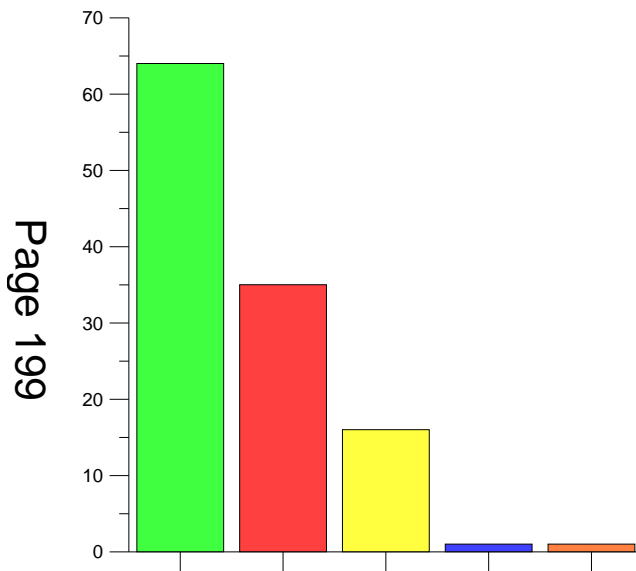


Table .2

| | % Total | % Answer | Count |
|----------------------------|----------------|----------------|------------|
| Strongly agree | 53.78% | 54.70% | 64 |
| Agree | 29.41% | 29.91% | 35 |
| Neither agree nor disagree | 13.45% | 13.68% | 16 |
| Disagree | 0.84% | 0.85% | 1 |
| Strongly disagree | 0.84% | 0.85% | 1 |
| [No Response] | 1.68% | -- | 2 |
| Total | 100.00% | 100.00% | 119 |

Wildlife and Habitat Conservation

Question responses: 117 (98.32%)

Sky lanterns

Question responses: 117 (98.32%)

Table .1

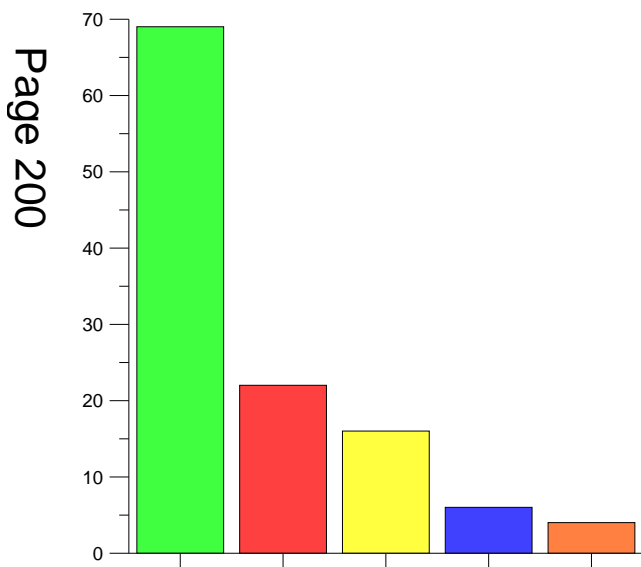


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| ■ Strongly agree | 57.98% | 58.97% | 69 |
| ■ Agree | 18.49% | 18.80% | 22 |
| ■ Neither agree nor disagree | 13.45% | 13.68% | 16 |
| ■ Disagree | 5.04% | 5.13% | 6 |
| ■ Strongly disagree | 3.36% | 3.42% | 4 |
| ■ [No Response] | 1.68% | -- | 2 |
| Total | 100.00% | 100.00% | 119 |

Balloons

Question responses: 114 (95.80%)

Table .3

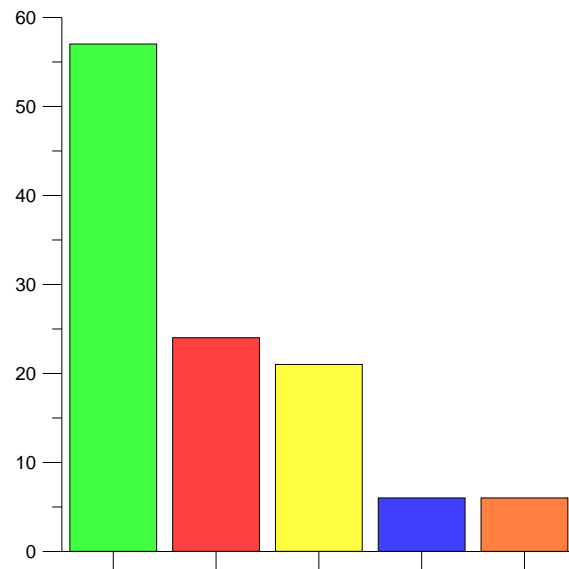


Table .4

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| ■ Strongly agree | 47.90% | 50.00% | 57 |
| ■ Agree | 20.17% | 21.05% | 24 |
| ■ Neither agree nor disagree | 17.65% | 18.42% | 21 |
| ■ Disagree | 5.04% | 5.26% | 6 |
| ■ Strongly disagree | 5.04% | 5.26% | 6 |
| ■ [No Response] | 4.20% | -- | 5 |
| Total | 100.00% | 100.00% | 119 |

Emergency Planning

Question responses: 115 (96.64%)

To what extent do you agree with the Council's approach to Animal Welfare with regards to preparing for and responding to emergencies?

Table .1

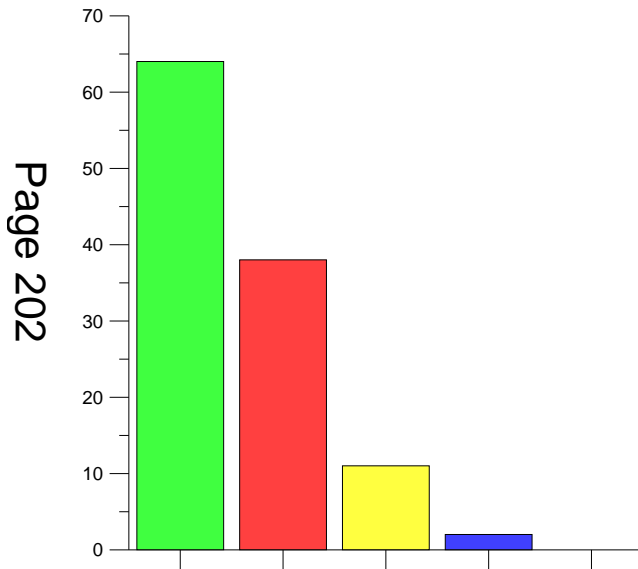


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| ■ Strongly agree | 53.78% | 55.65% | 64 |
| ■ Agree | 31.93% | 33.04% | 38 |
| ■ Neither agree nor disagree | 9.24% | 9.57% | 11 |
| ■ Disagree | 1.68% | 1.74% | 2 |
| ■ Strongly disagree | 0.00% | 0.00% | 0 |
| ■ [No Response] | 3.36% | -- | 4 |
| Total | 100.00% | 100.00% | 119 |

Conclusion

Question responses: **41 (34.45%)**

Do you have any other comments that you would like to add about the Animal Welfare Charter?

Table .1

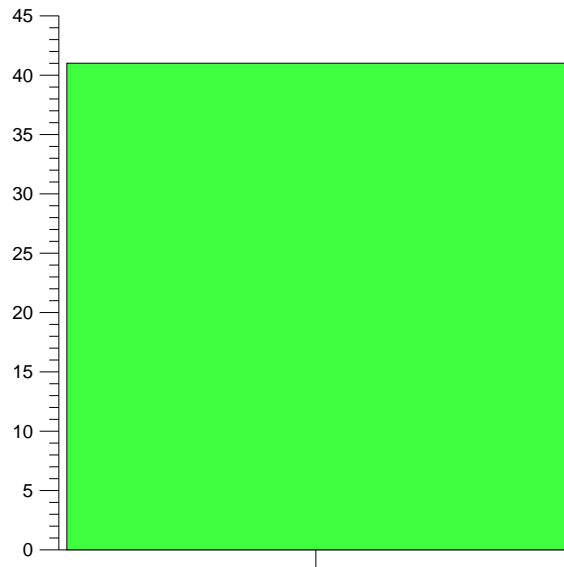


Table .2

| | % Total | % Answer | Count |
|---|----------------|-----------------|--------------|
| <input checked="" type="checkbox"/> [Responses] | 34.45% | 100.00% | 41 |
| <input type="checkbox"/> [No Response] | 65.55% | -- | 78 |
| Total | 100.00% | 100.00% | 119 |

Age

Question responses: 111 (93.28%)

Please select your age group

Table .1

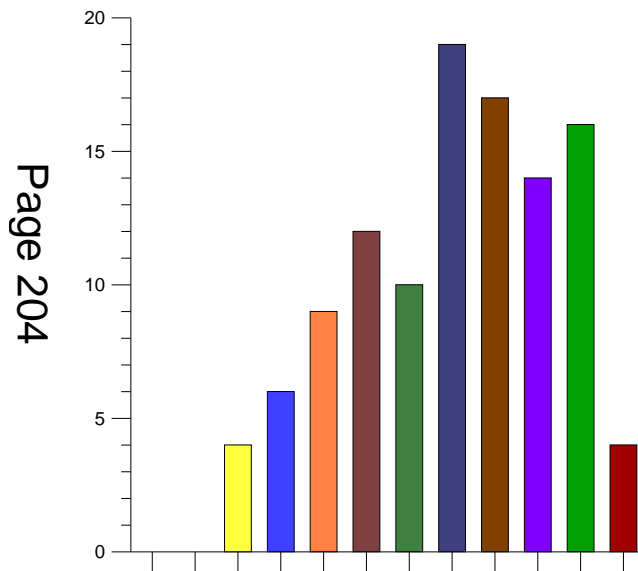


Table .2

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| ■ Under 18 years | 0.00% | 0.00% | 0 |
| ■ 18-24 | 0.00% | 0.00% | 0 |
| ■ 25-29 | 3.36% | 3.60% | 4 |
| ■ 30-34 | 5.04% | 5.41% | 6 |
| ■ 35-39 | 7.56% | 8.11% | 9 |
| ■ 40-44 | 10.08% | 10.81% | 12 |
| ■ 45-49 | 8.40% | 9.01% | 10 |
| ■ 50-54 | 15.97% | 17.12% | 19 |
| ■ 55-59 | 14.29% | 15.32% | 17 |
| ■ 60-64 | 11.76% | 12.61% | 14 |
| ■ 65+ | 13.45% | 14.41% | 16 |
| ■ I'd rather not say | 3.36% | 3.60% | 4 |

| | % Total | % Answer | Count |
|--|----------------|-----------------|--------------|
| <input type="checkbox"/> [No Response] | 6.72% | -- | 8 |
| Total | 100.00% | 100.00% | 119 |

Ethnicity

Question responses: 109 (91.60%)

What is your ethnic group?

Table .1

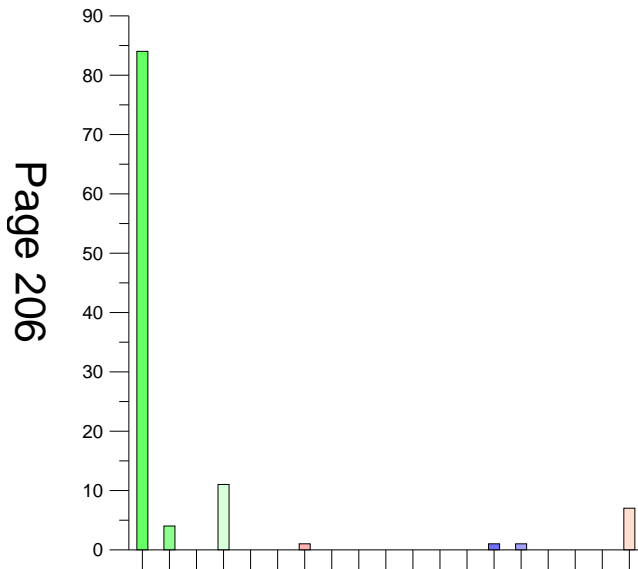


Table .2

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| White | | | |
| English/Welsh/Scottish/Northern Irish/British | 70.59% | 77.06% | 84 |
| Irish | 3.36% | 3.67% | 4 |
| Gypsy or Irish Traveller | 0.00% | 0.00% | 0 |
| Any other White background | 9.24% | 10.09% | 11 |
| Mixed/Multiple Ethnic Groups | | | |
| White and Asian | 0.00% | 0.00% | 0 |
| White and Black African | 0.00% | 0.00% | 0 |
| White and Black Caribbean | 0.84% | 0.92% | 1 |
| Any other mixed/ multiple ethnic background | 0.00% | 0.00% | 0 |
| Asian/Asian British | | | |

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| Chinese | 0.00% | 0.00% | 0 |
| Bangladeshi | 0.00% | 0.00% | 0 |
| Pakistani | 0.00% | 0.00% | 0 |
| Indian | 0.00% | 0.00% | 0 |
| Any other Asian background | 0.00% | 0.00% | 0 |
| Black/ African/ Caribbean/ Black British | | | |
| African | 0.84% | 0.92% | 1 |
| Caribbean | 0.84% | 0.92% | 1 |
| Any other Black/ African/ Caribbean background | 0.00% | 0.00% | 0 |
| Any other ethnic group | | | |
| Arab | 0.00% | 0.00% | 0 |
| Other ethnic group | 0.00% | 0.00% | 0 |
| I'd rather not say | 5.88% | 6.42% | 7 |
| [No Response] | 8.40% | -- | 10 |
| Total | 100.00% | 100.00% | 119 |

Any other White background (please specify)

Question responses: **9 (7.56%)**

Any other White background (please specify)

Table .1

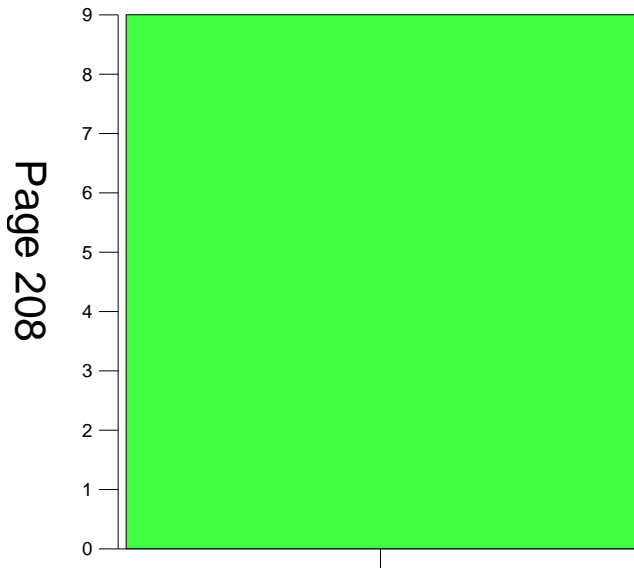


Table .2

| | % Total | % Answer | Count |
|---|----------------|-----------------|--------------|
| <input checked="" type="checkbox"/> [Responses] | 7.56% | 100.00% | 9 |
| <input type="checkbox"/> [No Response] | 92.44% | -- | 110 |
| Total | 100.00% | 100.00% | 119 |

Any other mixed/ multiple ethnic background (please specify)

Question responses: 0 (0.00%)

Any other mixed/ multiple ethnic background (please specify)

Table .1

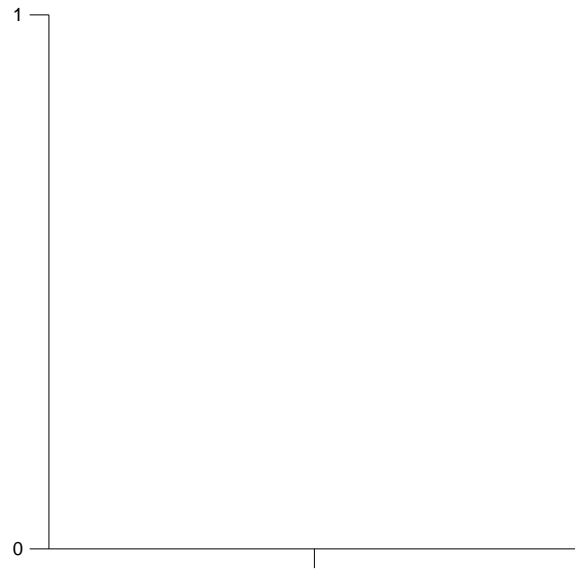


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| <input type="checkbox"/> [Responses] | 0.00% | 0% | 0 |
| <input type="checkbox"/> [No Response] | 100.00% | -- | 119 |
| Total | 100.00% | 0% | 119 |

Any other Asian background (please specify)

Question responses: 0 (0.00%)

Any other Asian background (please specify)

Table .1

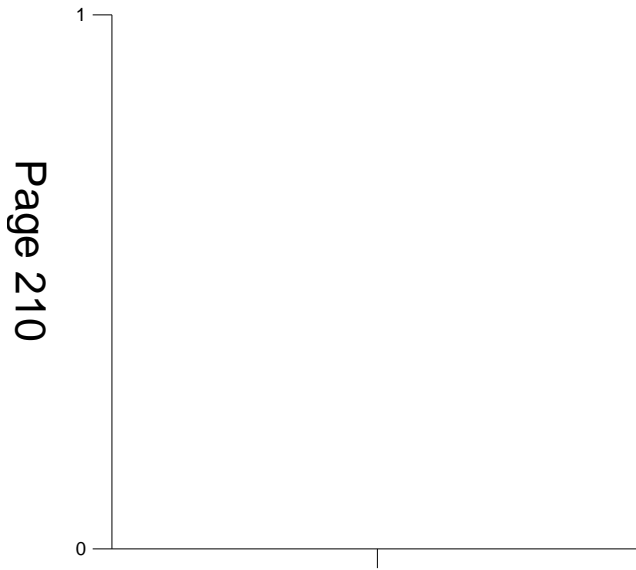


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| <input type="checkbox"/> [Responses] | 0.00% | 0% | 0 |
| <input type="checkbox"/> [No Response] | 100.00% | -- | 119 |
| Total | 100.00% | 0% | 119 |

Any other Black/ African/ Caribbean background (please specify)

Question responses: 0 (0.00%)

Any other Black/ African/ Caribbean background (please specify)

Table .1

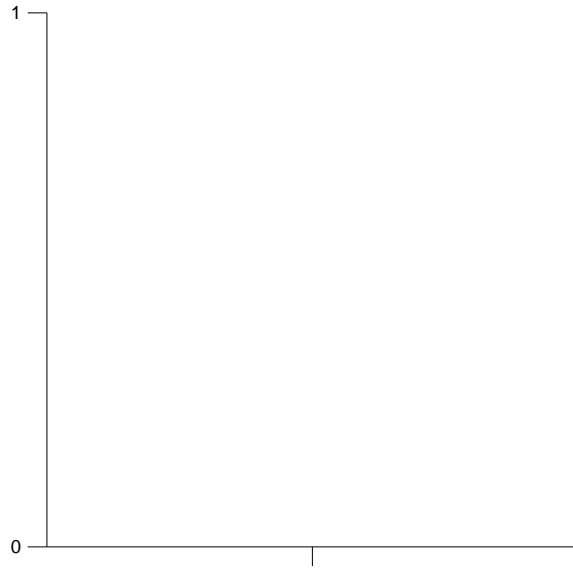


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| <input type="checkbox"/> [Responses] | 0.00% | 0% | 0 |
| <input type="checkbox"/> [No Response] | 100.00% | -- | 119 |
| Total | 100.00% | 0% | 119 |

Any other ethnic group (please specify)

Question responses: 1 (0.84%)

Any other ethnic group (please specify)

Table .1

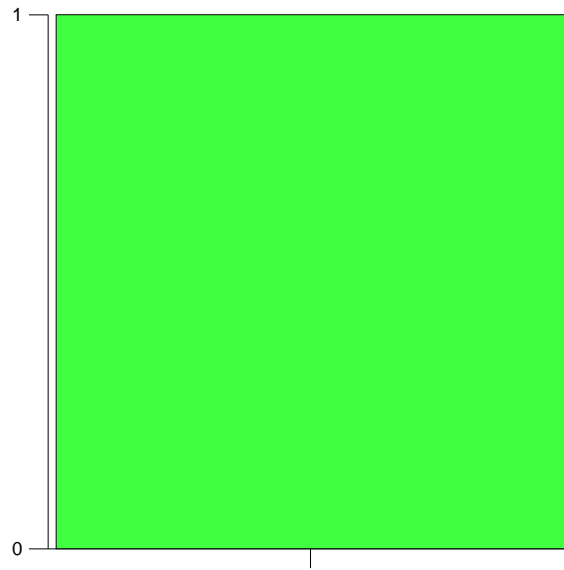


Table .2

| | % Total | % Answer | Count |
|---|----------------|----------------|------------|
| <input checked="" type="checkbox"/> [Responses] | 0.84% | 100.00% | 1 |
| <input type="checkbox"/> [No Response] | 99.16% | -- | 118 |
| Total | 100.00% | 100.00% | 119 |

Gender

Question responses: 109 (91.60%)

Are you:

Table .1

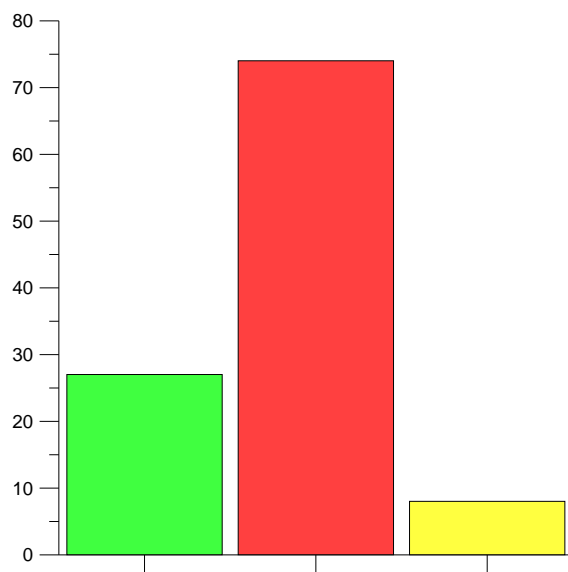


Table .2

| | % Total | % Answer | Count |
|--------------------|----------------|----------------|------------|
| Male | 22.69% | 24.77% | 27 |
| Female | 62.18% | 67.89% | 74 |
| I'd rather not say | 6.72% | 7.34% | 8 |
| [No Response] | 8.40% | -- | 10 |
| Total | 100.00% | 100.00% | 119 |

Transgender

Question responses: 87 (73.11%)

Is your gender identity different from the gender you were assigned at birth?

Table .1

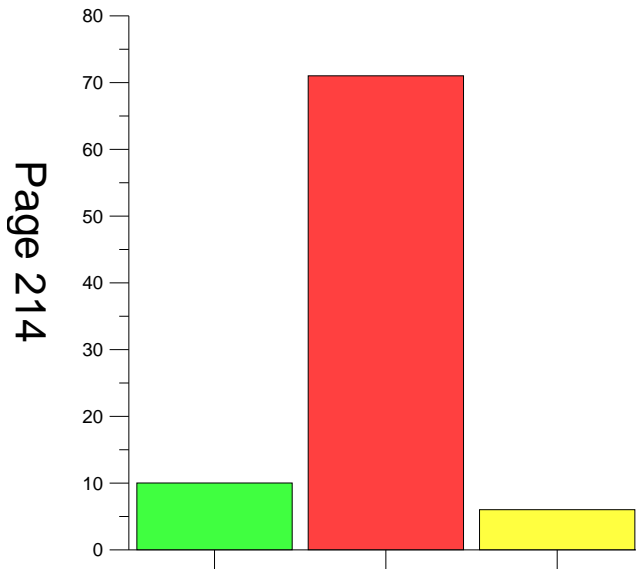


Table .2

| | % Total | % Answer | Count |
|--------------------|----------------|----------------|------------|
| Yes | 8.40% | 11.49% | 10 |
| No | 59.66% | 81.61% | 71 |
| I'd rather not say | 5.04% | 6.90% | 6 |
| [No Response] | 26.89% | -- | 32 |
| Total | 100.00% | 100.00% | 119 |

Disability

Question responses: 107 (89.92%)

Do you consider yourself to be a disabled person?

Table .1

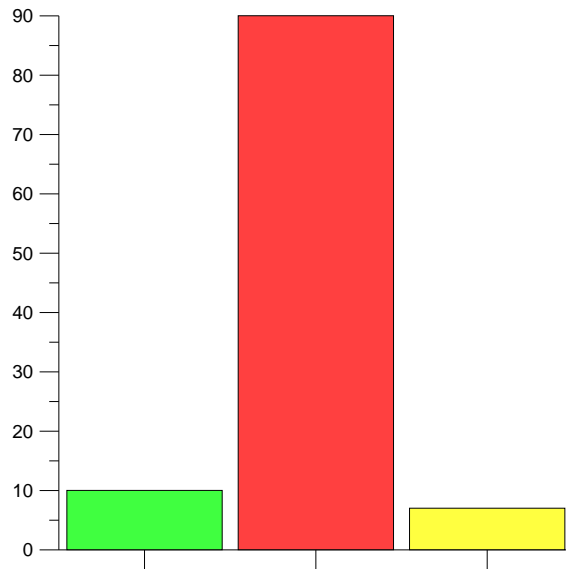


Table .2

| | % Total | % Answer | Count |
|--|---------|----------|-------|
| ■ Yes | 8.40% | 9.35% | 10 |
| ■ No | 75.63% | 84.11% | 90 |
| ■ I'd rather not say | 5.88% | 6.54% | 7 |
| ■ [No Response] | 10.08% | -- | 12 |
| Total | 100.00% | 100.00% | 119 |

Please state the type of impairment that applies to you

Question responses: 13 (10.92%)

Please state the type of impairment that applies to you.

Table .1

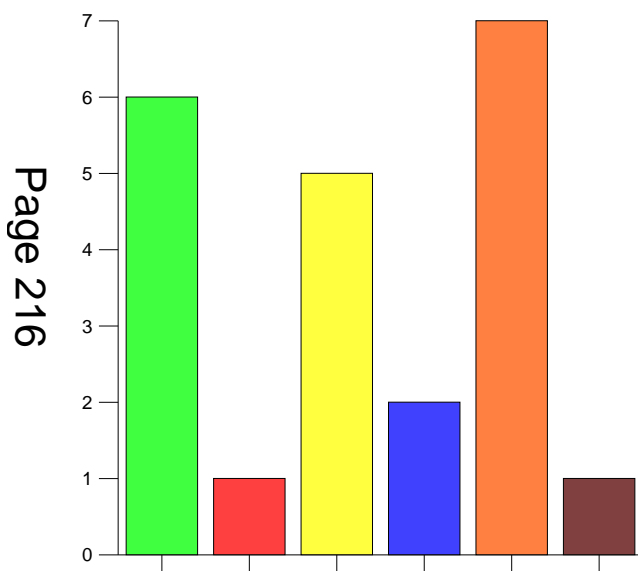


Table .2

| | % Total | % Answer | Frequency | Count |
|---|---------|----------|-----------|-------|
| Physical impairment, such as difficulty using your arms or mobility issues which means using a wheelchair or crutches | 4.69% | 27.27% | 5.04% | 6 |
| Sensory impairment, such as being blind/ having a serious visual impairment or being deaf/ having a serious hearing impairment | 0.78% | 4.55% | 0.84% | 1 |
| Mental health condition, such as depression or schizophrenia | 3.91% | 22.73% | 4.20% | 5 |
| Learning disability/difficulty, such as Down's Syndrome or dyslexia or cognitive impairment, such as autistic spectrum disorder | 1.56% | 9.09% | 1.68% | 2 |
| Long-standing illness or health condition such as cancer, HIV, diabetes, chronic heart disease or epilepsy | 5.47% | 31.82% | 5.88% | 7 |
| Other | 0.78% | 4.55% | 0.84% | 1 |

| | % Total | % Answer | Frequency | Count |
|--|----------------|-----------------|------------------|--------------|
| <input type="checkbox"/> [No Response] | 82.81% | -- | 89.08% | 106 |
| Total | 100.00% | 100.00% | 0% | 128 |

Any other disability (please specify)

Question responses: **3 (2.52%)**

Any other disability (please specify)

Table .1

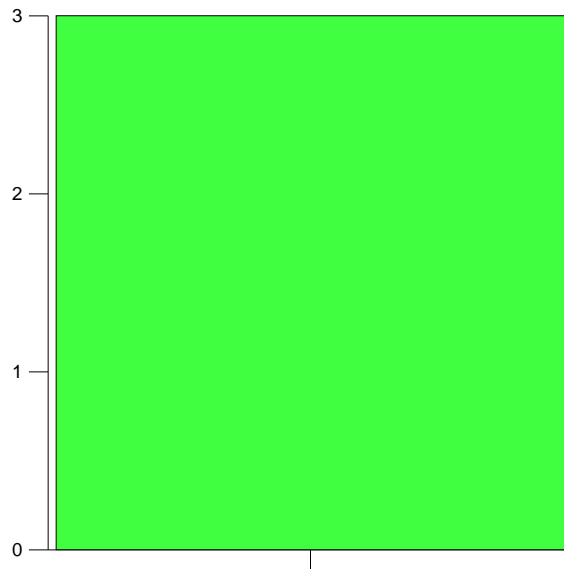


Table .2

| | % Total | % Answer | Count |
|---|----------------|-----------------|--------------|
| <input checked="" type="checkbox"/> [Responses] | 2.52% | 100.00% | 3 |
| <input type="checkbox"/> [No Response] | 97.48% | -- | 116 |
| Total | 100.00% | 100.00% | 119 |

Religion and belief

Question responses: 107 (89.92%)

Table .1

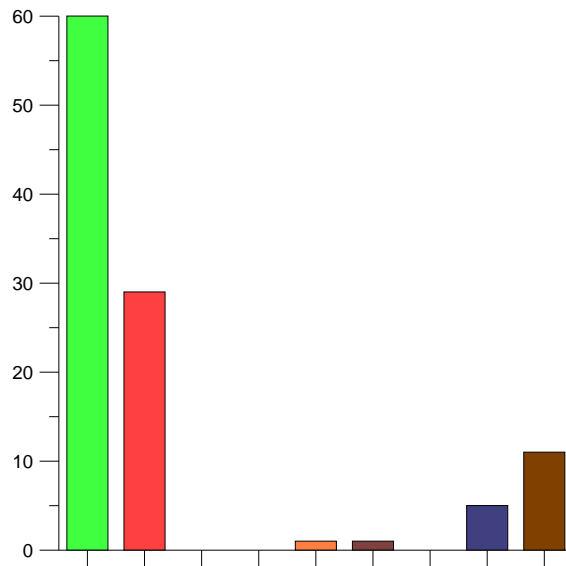


Table .2

| | % Total | % Answer | Count |
|-------------------------------|----------------|----------------|------------|
| None | 50.42% | 56.07% | 60 |
| Christian (all denominations) | 24.37% | 27.10% | 29 |
| Buddhist | 0.00% | 0.00% | 0 |
| Hindu | 0.00% | 0.00% | 0 |
| Jewish | 0.84% | 0.93% | 1 |
| Muslim | 0.84% | 0.93% | 1 |
| Sikh | 0.00% | 0.00% | 0 |
| Any other religion/ belief | 4.20% | 4.67% | 5 |
| I'd rather not say | 9.24% | 10.28% | 11 |
| [No Response] | 10.08% | -- | 12 |
| Total | 100.00% | 100.00% | 119 |

Any other religion (please specify)

Question responses: **5 (4.20%)**

Any other religion (please specify)

Table .1

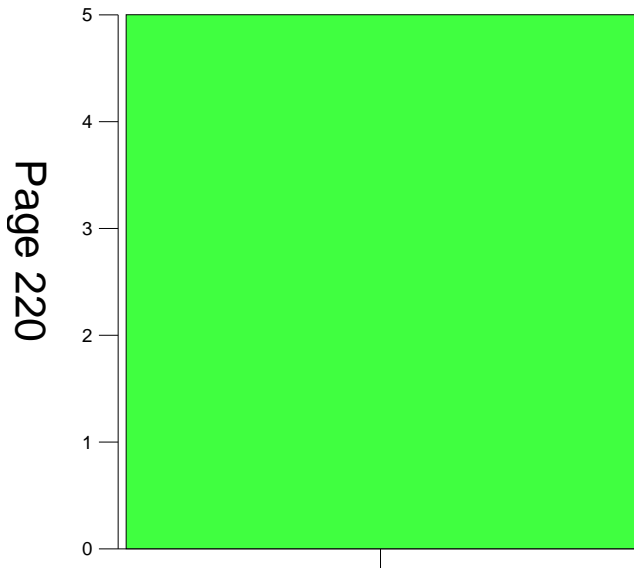


Table .2

| | % Total | % Answer | Count |
|---|----------------|-----------------|--------------|
| <input checked="" type="checkbox"/> [Responses] | 4.20% | 100.00% | 5 |
| <input type="checkbox"/> [No Response] | 95.80% | -- | 114 |
| Total | 100.00% | 100.00% | 119 |

Sexual Orientation

Question responses: **109 (91.60%)**

How would you define your sexual orientation?

Table .1

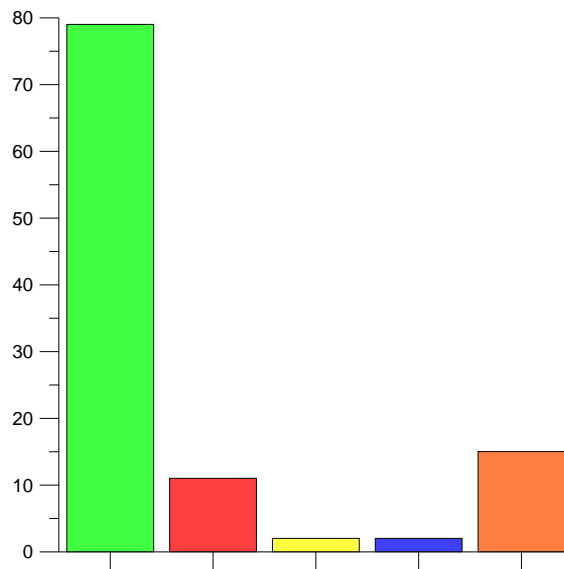


Table .2

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| ■ Straight/ heterosexual | 66.39% | 72.48% | 79 |
| ■ Gay/ lesbian | 9.24% | 10.09% | 11 |
| ■ Bisexual | 1.68% | 1.83% | 2 |
| ■ Other | 1.68% | 1.83% | 2 |
| ■ I'd rather not say | 12.61% | 13.76% | 15 |
| ■ [No Response] | 8.40% | -- | 10 |
| Total | 100.00% | 100.00% | 119 |

other sexual orientation (please specify)

Question responses: 2 (1.68%)

Any other sexual orientation (please specify)

Table .1

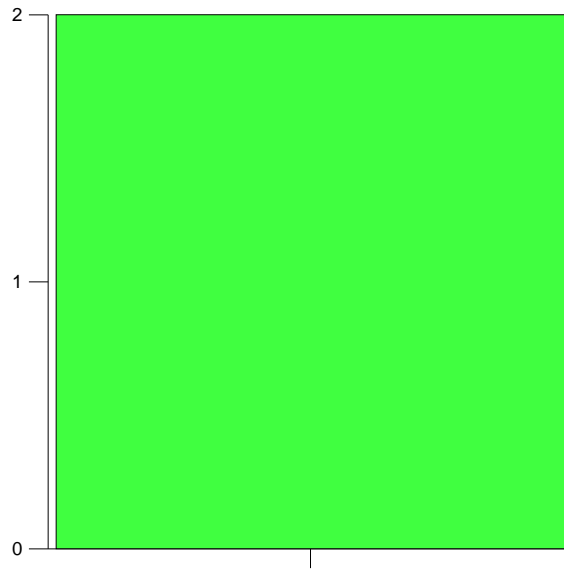


Table .2

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| <input checked="" type="checkbox"/> [Responses] | 1.68% | 100.00% | 2 |
| <input type="checkbox"/> [No Response] | 98.32% | -- | 117 |
| Total | 100.00% | 100.00% | 119 |

Pregnancy & Maternity

Question responses: 106 (89.08%)

Are you pregnant or on maternity leave?

Table .1

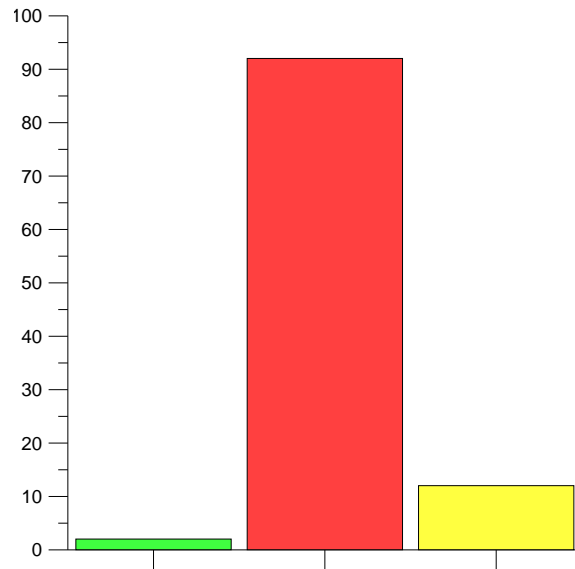


Table .2

| | % Total | % Answer | Count |
|---|---------|----------|-------|
| ■ Yes | 1.68% | 1.89% | 2 |
| ■ No | 77.31% | 86.79% | 92 |
| ■ Prefer not to say | 10.08% | 11.32% | 12 |
| ■ [No Response] | 10.92% | -- | 13 |
| Total | 100.00% | 100.00% | 119 |

Lewisham Life Enewsletter

Question responses: **102 (85.71%)**

Would you like to receive the Lewisham Life e-newsletter for local events and things to do, news, discounts and other consultations?

Table .1

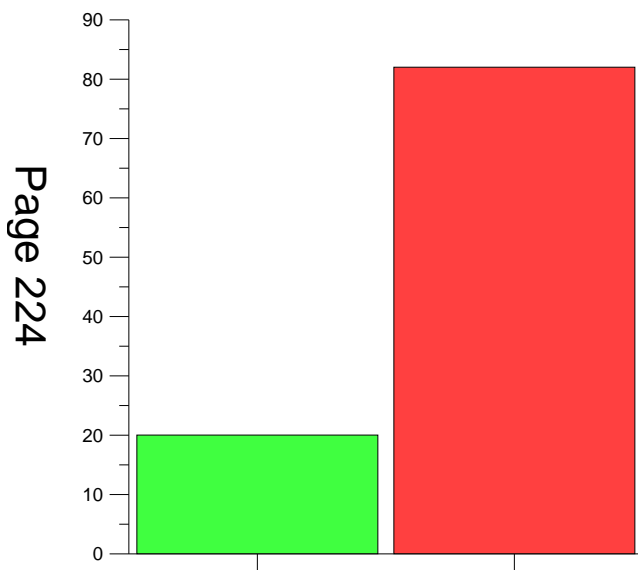


Table .2

| | % Total | % Answer | Frequency | Count |
|--|----------------|-----------------|------------------|--------------|
| <input type="checkbox"/> Yes please | 16.81% | 19.61% | 16.81% | 20 |
| <input type="checkbox"/> No thanks | 68.91% | 80.39% | 68.91% | 82 |
| <input type="checkbox"/> [No Response] | 14.29% | -- | 14.29% | 17 |
| Total | 100.00% | 100.00% | 0% | 119 |

Lewisham life Enewsletter

Question responses: **18 (15.13%)**

If yes please provide your email address

Table .1

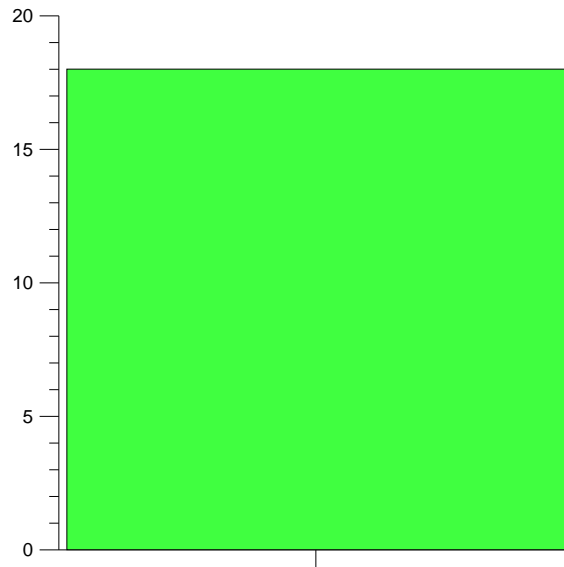


Table .2

| | % Total | % Answer | Count |
|---|----------------|-----------------|--------------|
| <input checked="" type="checkbox"/> [Responses] | 15.13% | 100.00% | 18 |
| <input type="checkbox"/> [No Response] | 84.87% | -- | 101 |
| Total | 100.00% | 100.00% | 119 |

Thank you

There is no data to display for this question

Equalities Analysis Assessment January 2017

Animal Welfare Charter

1. Introduction

Equality Analysis Assessments (EAA) are a tool that the Council's uses for assessing the possible impact (positive and negative) of policies, service delivery plans, strategies, projects, programmes, commissioning activities or other initiatives. EAA's are a mechanism through which the Council demonstrates compliance with the Equality Act 2010. The Equality Act 2010 replaced all the previous anti-discrimination laws and brought them together into a single Act, including a new public sector Equality Duty which came into force in April 2011.

In addition to its statutory obligations under the Equality Act 2010, the Council has set its own equality objectives that underpin the Comprehensive Equalities Scheme (2012-2016). These five equality objectives are as follows:

1. Tackle victimisation, harassment and discrimination;
2. To improve access to services;
3. To close the gap in outcomes for citizens;
4. To increase understanding and mutual respect between communities; and
5. To increase participation and engagement.

In addition to the above, particular groups are covered against discrimination as they have "Protected characteristics".

This Equality Analysis Assessment considers the impact of the potential changes to the Animal Welfare Charter on the 'Protected Characteristics'. It is influenced by the requirements of the Public Sector Equality Duty and the Council's own equality objectives, and is proportionate in approach. It should be noted that there is no legal requirement on the Council to produce a formal Equality Analysis Assessment as part of this policy review, but to do so is currently considered to be best practice by the Council.

2. Potential Changes

An Equality Analysis is being undertaken as the Council is looking at updating the Animal Welfare Charter to bring it in line with current legislation and best practice. The drivers for this potential change are detailed below.

Legislation – The previous Animal Welfare Charter was adopted over 10 years ago and since then new legislation has been introduced that has significantly affected the way in which both commercial and companion animals are treated. The most notable of these are detailed below:

1. The Animal Welfare Act 2006 – This Act places a duty of care on owners and keepers of animals ensuring that their welfare needs are met. These include the need:
 - for a suitable environment
 - for a suitable diet
 - to exhibit normal behaviour patterns
 - to be housed with, or apart from, other animals (if applicable)
 - to be protected from pain, injury, suffering and disease
 -

The Council authorise officers to assist in implementing and enforcing this Act.

2. Clean Neighbourhood and Environment Act 2005 – Under this Act the Council has sole responsibility for the collection and detention of stray dogs. Sections 149 and 150 of the Environmental Protection Act 1990 outline the Council's duties with regards to discharging this role.

Best Practice - DEFRA and the RSPCA have published numerous documents aimed at improving the welfare of animals these include:

- Code of Practice for the Welfare of Cats
- Code of Practice for the Welfare of Dogs
- Housing and Animal Welfare
- Contingency Planning and Animal Welfare
- Ensuring the Welfare of Seized Dogs
- Behaviour and handling of dogs.

The London Animal Welfare Forum was set up to share best practice amongst London Local Authorities. The Forum is now chaired by the Corporation of London and meets once a year, and contact with the Working Group is throughout the year online.

3. Impact of Proposed Changes

As a result of the Animal Welfare Charter consultation a set of recommendations have been proposed for consideration by Mayor and Cabinet in February 2017.

Table 1 below identifies how these proposed recommendations might impact on equalities, and in particular the characteristics 'protected' under the Equality Act 2010.

Table 1: Equalities Analysis Scoping Table

| Protected Characteristic | Assessment of Potential Impact (+/-) – High, Medium, Low, Neutral | Reason for this assessment |
|--------------------------|---|--|
| Age | (+/-) Medium | Potential for reduced opportunity to learn about animal welfare issues if access to animals in classrooms is restricted. Potential to develop awareness of Animal Welfare issues by delivering education programmes through young people's forums e.g. schools, Young Advisors etc. |
| Disability | Neutral | The proposed changes to the Animal Welfare Charter should not adversely affect this protected characteristic. |
| Gender re-assignment | Neutral | The proposed changes to the Animal Welfare Charter should not adversely affect this protected characteristic. |
| Pregnancy and maternity | Neutral | The proposed changes to the Animal Welfare Charter should not adversely affect this protected characteristic. |
| Ethnicity | (+/-) Medium | Ability to access the Animal Welfare Charter may affect the ability to comply with the recommendations set out in it. Potential to develop awareness of Animal Welfare issues by delivering education programs BME forums, community groups etc. |
| Religion or belief | (-) Low | Potential religious or other beliefs may restrict participation in practices recommended in the Animal Welfare Charter. |

| | | |
|--------------------|---------|--|
| | | Potential to develop awareness of Animal Welfare issues by delivering education programs through Religious or faith groups e.g. schools, churches, community groups. |
| Sex | Neutral | The proposed changes to the Animal Welfare Charter should not adversely affect this protected characteristic. |
| Sexual orientation | Neutral | The ability to access and use the proposed new services should not adversely affect this protected characteristic. |

Scoping the assessment and determining where to focus attention has flowed from the analysis of potential impacts set out in the scoping table above. Proportionally, the assessment needs to concentrate on areas with highest potential impact. Key issues for consideration include:

- Tackling potential barriers to accessing information and utilizing services regarding Animal Welfare in particular relating to the protected characteristics of 'Age', 'Ethnicity' and 'Religion or Belief'.
- Tackling potential barriers to access to information and awareness raising in particular relating to the protected characteristics of 'Age', 'Ethnicity' and 'Religion or Belief'.

4. Equalities Monitoring

Equalities monitoring has been undertaken as part of the consultation on the proposed changes to the Council's Animal Welfare Charter.

The consultation was in the form of a self-completion survey, which captured the protected characteristics of those 119 respondents that chose to provide this information about themselves. Promotion of the survey ensured that groups and individuals were targeted that represent the interests of particular protected characteristics (e.g. age and disability).

In addition to the online survey a meeting was held with the Young Advisors to inform them of the consultation and garner their views.

The following section examines each of the characteristics protected under the Equality Act 2010, and identifies key data and analysis that should be considered as part of the decision-making process during the development of any new services. Each of the protected characteristics are discussed in turn below.

1. Age

Age is defined by reference to a person's age group. An age group can mean people of the same age or people of a range of ages.

Data Summary for Age

According to the 2011 Census:

- 70,100 Lewisham residents are aged between 0-19 (25% of the population);
- 179,800 Lewisham residents are aged between 20-64 (65% of the population);
- 26,200 Lewisham residents are older people aged 65 and over (9.5% of the population).

Analysis of responses to the survey questions by the protected characteristic of age, revealed the following findings:

- There were no responses received below the age of 25.
- The largest number of responses received was from the 55-59 age group. As a group over 90% strongly agreed / agreed with the Council's approach to responsible animal welfare ownership and a ban on performing animals. However, only 50% strongly agreed or agreed on discouraging the keeping of animals in a classroom environment.
- Those aged 30-34 strongly agreed or agreed (100%) to discouraging the keeping of animals in a classroom environment. Compared to 55% of the total number of respondents to the survey.
- Those aged 35-39 were the only age group to proportionately disagree or strongly disagree to the proposal discouraging the keeping of animals in a classroom environment (including hatching egg projects).

Analysis of the available qualitative feedback on the themes has highlighted a key issue that has been specifically attributed to age as a protected characteristic.

- 5 respondents expressed concern that discouraging the keeping of animals in a classroom environment would limit children's access to animals and reduce their potential to learn about animal welfare. Some respondents also highlighted that not all schools have a wildlife area and therefore in some cases classroom animals are their only opportunity to interact with animals and learn about their environment.

2. Disability

A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities. A summary of data on disability is set out below.

Data Summary for Disability

According to the 2011 Census:

- 7.1% (19,523) Lewisham residents indicated that their day-to-day activities were limited a lot, and 7.3% (20,212) indicated that their day-to-day activities were limited a little;
- 5.3% (14,318) Lewisham residents indicated that they are in bad health or very bad health;
- 8.1% (22,521) Lewisham residents provide some form of unpaid care;
- Over 5,000 Lewisham residents provide 50+ hours of unpaid care per week;
- 160 Lewisham residents indicated that sign language was their main language.

Analysis of responses to the survey questions by the protected characteristic of disability, revealed the following findings:

- 8% respondents indicated that they were disabled, of these over half indicated that their disability related to physical impairment.

- 100% of respondents with a disability strongly agree/agree to the proposed update of the charter compared to 86% of the total number of respondents to the survey.
- Over three quarters (76%) of the total number of people who responded to the survey strongly agree/agree with the proposal to ban sky lanterns, this compares to 67% of those who indicated they had a disability.

Analysis of the available qualitative feedback has revealed that there are no key issues that have been specifically attributed to disability as a protected characteristic.

3. Gender

Gender has the meaning usually given to it and refers to whether a person is male or female. A summary of data on gender is set out in the box below.

Data Summary for Gender

According to the 2011 Census:

- There are 135,000 males living in Lewisham and 140,900 females;

According to the 2015 mid-year population estimates:

- Total Population is 292,000;
- Females are more numerous than males with numbers at 148,412 and 143,521 respectively.

Analysis of responses to the survey questions by the protected characteristic of gender, revealed the following findings:

- 57 women completed the survey compared to 21 men.
- Both males and females agreed with the proposed updating of the charter and the Councils approach to responsible dog ownership.
- Females felt more strongly than males that the keeping of animals should be discouraged in a classroom environment: 70% of females strongly agree/agree compared to 52% of males. 24% of males disagree/strongly disagree with this proposal compared to 26% of females.
- Over 90% of both Males and females agreed with the proposal to ban performing animals on land owned or managed by the Council. However, only 66% of females strongly agreed/agree to allow performances following certain consideration's compared to 80% of males.

Analysis of the available qualitative feedback has revealed that there are no key issues that have been specifically attributed to gender as a protected characteristic.

4. Gender reassignment

People who are proposing to undergo, are undergoing, or have undergone a process (or part of a process) to reassign their sex by changing physiological or other attributes of sex have the protected characteristic of gender reassignment. A summary of data on gender reassignment is set out in the box below.

Data Summary for Gender Reassignment

- In 2006-07 Lewisham Council commissioned a research study of the LGBT populations who lived, worked, studied or socialised in the borough;
- Of the 316 respondents, seven identified as trans-people, which was insufficient to draw quantitative conclusions.

Analysis of responses to the survey questions by the protected characteristic of gender reassignment, revealed the following findings:

- 8 respondents indicated that their gender is different to their gender at birth.
- Respondents in this category were less likely (38%) to support the discouragement of keeping animals in classrooms when compared to the percentage for the total number of the respondents (55%).
- Respondents in this category were more likely to disagree / strongly disagree on the proposed ban on the use of sky lanterns and balloons on land either owned or managed by the Council 25% and 26% respectively, compared to the percentage for all respondents 8% and 10% respectively.

Analysis of the available qualitative feedback has revealed that there are no key issues that have been specifically attributed to gender as a protected characteristic.

5. *Pregnancy and maternity*

Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding. A summary of data on pregnancy and maternity is set out in the box below.

Data Summary for Pregnancy & Maternity

- The NHS Lewisham Clinical Commissioning Group (2013-18) states that Lewisham's birth rate is rising and is expected to continue at a high level for several years before starting to fall;
- The general fertility rate (number of live births per 1000 women aged 15-44) in Lewisham is higher than the London and England averages;
- In 2011 the wards with the highest rates were Crofton Park and Rushey Green; Brockley and Telegraph hill had the lowest;
- For 2012 there were about 4,900 new babies recorded as Lewisham residents.

Analysis of responses to the survey questions by the protected characteristic of pregnancy & maternity, revealed the following findings:

- Off the total number of respondents, 2 indicated that they were either pregnant or on maternity leave.
- Respondents that were pregnant or on maternity leave were less likely to strongly agree or agree to the update of the Animal Welfare Charter (50%), compared to the total number of all respondents, (86%)
- 100% of respondents in this category agreed with the proposal to discourage animals in classrooms compared to 55% of the total number of respondents.

Analysis of the available qualitative feedback has revealed that there are no key issues that have been specifically attributed to gender as a protected characteristic.

6. Ethnicity

Race refers to the equality group of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. A summary of data on race is set out in the box below.

Data Summary for Ethnicity

According to the 2011 Census:

- 53.68% (147,686) of all Lewisham residents are white (White British, White Irish, White Gypsy or Irish Traveller, and White Other);
- People from a Black Caribbean, Black African and other Black ethnic background represent 27.2% (74,942) of the population;
- People from an Indian, Pakistani, Bangladeshi, Chinese and other Asian background represent 9.3% (25,534) of Lewisham's population;
- English is the main language for 79.4% (219,035) of Lewisham residents, though 1,038 Lewisham residents cannot speak English;
- Nearly one in ten households in Lewisham do not contain a resident who has English as a main language;
- Other than English, the top 3 languages spoken in the borough are Polish, French and Tamil.

Analysis of responses to the survey questions by the protected characteristic of ethnicity, revealed the following findings:

- Of the total number of respondents who provided their ethnicity, 99 indicated they were white, 1 indicated they were of mixed ethnicity and 2 indicated they were black.
- All ethnic groups strongly agree or agree that there should be a ban on the use of sky lanterns and balloons.

- Two thirds of respondents who identified as white strongly agree or agree to the discouragement of keeping of animals in a classroom environment compared to 100% of those who identified as black or mixed race.

Analysis of the available qualitative feedback has revealed that there are no key issues that have been specifically attributed to gender as a protected characteristic.

7. Religion or belief

Religion has the meaning usually given to it, but belief includes religious and philosophical beliefs including lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition. A summary of data on religion and belief is set out in the box below.

| Data Summary for Religion or Belief |
|--|
| <p>According to the 2011 Census:</p> <ul style="list-style-type: none"> • 63.8% (176,225) of Lewisham residents described themselves as having a faith or religion, 27.2% (75,155) described themselves as having no faith or religion, whilst 8.9% (24,505) did not state a religion; • Amongst those residents that described themselves as having a faith or religion, 52.8% (145,588) identified their faith as Christian, whilst 6.4% (17,759) described themselves as Muslim; • Of other religions, Hindus represent 2.4% (6,562) of the population, whilst Buddhists represent 1.3% (3,664) of the population. |

Analysis of responses to the survey questions by the protected characteristic of religion or belief, revealed the following findings:

- Half of all respondents to the survey indicated that they had no religion. 24% indicated that they were Christian, 1 respondent indicated that they were Jewish, 1 respondent indicated that they were Muslim and 5 respondents indicated they had another religion or belief (2 pagan, 1 atheist, 1 humanist, 1 other).
- All groups with within this protected characteristic strongly agree/agree (over 75%) with the proposed update to the animal welfare charter and the Council’s approach to animal ownership.
- The one respondent who indicated that they were Jewish strongly disagree/disagree with the proposals to ban sky lanterns and balloons. 13% of those who indicated they were Christian strongly disagree/disagree with a proposal to ban balloon releases and 6% and 4% of those that indicated they have no religion strongly disagree/disagree with the proposal to ban sky lanterns and balloons respectively.

Analysis of the available qualitative feedback has revealed that there are no key issues that have been specifically attributed to religion as a protected characteristic.

8. Sexual orientation

Sexual orientation is defined as whether a person's sexual attraction is towards the opposite sex, their own sex or to both sexes. A summary of data on sexual orientation is set out in the box below.

Data Summary for Sexual Orientation

According to the 2011 Census:

- 1,162 (0.5%) of Lewisham residents are in a registered same-sex Civil Partnership;
- In the 2012 Annual Resident Survey, a question on sexual orientation showed that out of a total of 1,013 people, 97% identified themselves as heterosexual/ straight and 1% identified as being lesbian, gay or bisexual.

Analysis of responses to the survey questions by the protected characteristic of sexual orientation, revealed the following findings:

- Of the respondents to the survey two thirds indicated that they were straight or heterosexual. Just under 10% (9%) indicated that they were gay or lesbian and 2 % indicated that they were bisexual or other.
- Over 90% of respondents who indicated that they were straight or heterosexual, bisexual or other strongly agree or agree that the keeping of animals in classrooms should be discouraged. However, 30% of those who identified as Gay or Lesbian disagree or strongly disagree with this proposal.
- Over 90% of all respondents in the categories covered in the survey for sexual orientation strongly agree or agree that use of performing animals should be banned except with permitted exceptions. However, 40% of those who indicated that they were Gay or Lesbian disagree or strongly disagree to performances being allowed following certain considerations, this is in contrast to 23% of the total number of respondents to the survey as a whole.

Analysis of the available qualitative feedback has revealed that there are no key issues that have been specifically attributed to sexual orientation as a protected characteristic.

5. Implementation and Equalities Analysis Action Plan

The Equality Duty has three aims. It requires public bodies (e.g. local authorities) to have *due regard to the need to*:

- i. **Eliminate unlawful discrimination**, harassment, victimization and any conduct prohibited by the Act;
- ii. **Advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
- iii. **Foster good relations** between people who share a protected characteristic and people who do not share it.

Having due regard to the need to **advance equality of opportunity** involves considering the need to:

- Remove or minimize disadvantages suffered by people due to their protected characteristics;
- Meet the needs of people with protected characteristics; and
- Encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

In analysing the data, research and equalities monitoring from the Animal Welfare Charter survey, and having due regard to Equality Duty, the following action plan has been developed should the proposed recommendations be approved at Mayor & Cabinet in February 2017.

Table 2: Equalities Analysis Action Plan

| Possible Issues | Protected Characteristic Affected | Assessment of Potential Impact (+/-): High, Medium, Low, Neutral | Actions to be Taken | Expected Outcome |
|--|-----------------------------------|--|--|--|
| Reduced opportunity to learn about animals, their environment and their welfare. | Age | High (+) | <p>Develop and maintain a schools education program with an emphasis on Animal Welfare.</p> <p>Develop and strengthen partnerships with other animal welfare organisations and assist them in the delivery of their outreach programs.</p> | <p>Increased awareness of animals, their environment and their welfare needs by young people.</p> <p>Strengthened links between the Animal Welfare Service and schools and nurseries.</p> |
| Reduced opportunity to learn about responsible animal ownership | Age | High (+) | <p>Develop and maintain a schools education program with an emphasis on responsible animal ownership.</p> <p>Develop and strengthen partnerships with other animal welfare organisations and assist them in the delivery of their outreach programs.</p> <p>Liaise with schools and nurseries to develop potential wildlife areas and identify areas where schools can keep animals such as bees and chickens.</p> <p>Responsible dog ownership days to be delivered with the assistance of Housing Associations and Animal Welfare partners. These will enable residents the opportunity to participate in free microchipping scheme and learn about how to care for their animals.</p> | <p>Strengthened links between the Animal Welfare Service and schools and nurseries.</p> <p>Increased partnership working with external organisations.</p> <p>Increase in the number of people attending responsible animal ownership days and increase in the number of dogs microchipped.</p> |

| Possible Issues | Protected Characteristic Affected | Assessment of Potential Impact (+/-): High, Medium, Low, Neutral | Actions to be Taken | Expected Outcome |
|---|-----------------------------------|--|--|--|
| Ability to access the Animal Welfare Charter may affect the ability to comply with the recommendations set out in it. | Ethnicity and Religion | Medium (-) | Ensure communications are in plain English and use images where possible. Engage with amenity groups and target organisations who can communicate service changes with their communities. | Residents will have the opportunity to be informed about the animal welfare charter. |

6. Conclusion

The adoption of the proposed Animal Welfare Charter should pay due regard to the equality considerations highlighted in this assessment, to ensure that the council is compliant with its statutory obligations under the Equality Act 2010 and the equality objectives of the Comprehensive Equalities Scheme 2012-2016.

The Council will continue to consider the impact on all protected characteristics on the adoption of the Animal Welfare Charter should approval for change be granted in February 2017. Where appropriate it will undertake additional engagement with the community or more detailed equality analysis where the possibility of negative impacts on specific protected characteristics are identified.

Agenda Item 8

| | |
|---|-------------------------------------|
| Chief Officer Confirmation of Report Submission | |
| Cabinet Member Confirmation of Briefing | |
| Report for: Mayor | <input type="checkbox"/> |
| Mayor and Cabinet | <input checked="" type="checkbox"/> |
| Mayor and Cabinet (Contracts) | <input type="checkbox"/> |
| Executive Director | <input type="checkbox"/> |
| Information <input type="checkbox"/> Part 1 <input checked="" type="checkbox"/> Part 2 <input type="checkbox"/> Key Decision <input type="checkbox"/> | |

| | |
|------------------------|-------------------------------|
| Date of Meeting | 8 TH February 2017 |
|------------------------|-------------------------------|

| | |
|------------------------|--|
| Title of Report | Nursery, Primary, Secondary and Sixth Form Admissions arrangements for 2018/19 |
|------------------------|--|

| | | |
|-----------------------------|--------------|-------------------|
| Originator of Report | Linda Fuller | Ext. 46212 |
|-----------------------------|--------------|-------------------|

At the time of submission for the Agenda, I confirm that the report has:

| Category | Yes | No |
|--|-----|----|
| Financial Comments from Exec Director for Resources | | X |
| Legal Comments from the Head of Law | X | |
| Crime & Disorder Implications | | X |
| Environmental Implications | | X |
| Equality Implications/Impact Assessment (as appropriate) | X | |
| Confirmed Adherence to Budget & Policy Framework | | |
| Risk Assessment Comments (as appropriate) | | |
| Reason for Urgency (as appropriate) | | |

Signed: 
 Date: 31st January 2017

Executive Member

Signed: 
 Date: 31st January 2017

Executive Director

| Control Record by Committee Support | |
|---|------|
| Action | Date |
| Listed on Schedule of Business/Forward Plan (if appropriate) | |
| Draft Report Cleared at Agenda Planning Meeting (not delegated decisions) | |
| Submitted Report from CO Received by Committee Support | |
| Scheduled Date for Call-in (if appropriate) | |
| To be Referred to Full Council | |

| MAYOR AND CABINET | | | |
|--------------------------|--|----------|-----------------|
| Report Title | Nursery, Primary, Secondary and Sixth Form Admissions arrangements for 2018/19 | | |
| Key Decision | Yes | Item No. | |
| Ward | All | | |
| Contributors | Executive Director for Children and Young People Head of Law, Head of CYP Resources and Performance | | |
| Class | Open | Date: | 8 February 2017 |

1. Purpose of the Report

- 1.1 This report seeks the Mayor's approval to the Local Authority's admissions arrangements for the academic year 2018/19 including:
- The admissions arrangements for community schools,
 - the admissions schemes for the planned and in year admissions rounds and
 - the Published Admissions Number (PAN) for all mainstream schools.

2. Summary

- 2.1 This report sets out details of the Local Authority's admissions arrangements for community schools for the academic year 2018/19, the admissions scheme for the planned and in year admissions rounds and the Published Admissions Number (PAN) for all mainstream schools for the academic year 2018/19. This report does not propose any significant changes to the Council's admissions arrangements determined for the 2017/18 academic year.

3. Recommendations

The Mayor is asked to agree:

- 3.1 The nursery, primary, secondary and sixth form admissions arrangements for Lewisham's community mainstream schools as set out in **Appendix A to H** be agreed;
- 3.2 The Pan London Admissions Schemes for reception and secondary transfer and a local scheme for in year admissions as detailed in **Appendix I**.
- 3.3 That there should not be a reduction to Forster Park Primary School's PAN (see paragraph 8) but that the school should be supported to recruit and retain more pupils.

4. Policy Context

- 4.1 The School Admissions Code was revised and published in December 2014 and amended the formal consultation timetable. Admissions authorities are

required to determine their arrangements no later than 28 February 2017 for the policy which applies to school admissions for the 2018/19 academic year. Once determined, the admissions arrangements must be published no later than 15 March and any objections to the determined arrangements must be made to the Office of the School Adjudicator by 15 May in the same year. Lewisham publishes its arrangements on its website.

- 4.2 The operation of a fair and equitable system for the admission of children to school supports Lewisham's corporate priority to raise educational attainment, skills levels and employability ensuring that children, particularly vulnerable groups and especially Children in Care, have a fair, transparent and speedy admission into school.
- 4.3 This report contributes to the delivery of the Children and Young Peoples Plan (CYPP) and our vision of improving the lives and life chances of the children and young people in Lewisham and values of:
- having the highest aspirations and ambitions for all our children and young people;
 - putting children and young people first every time and
 - making a positive difference to the lives of children and young people.
- 4.4 The CYPP underpins Lewisham's priority of Raising Achievement and Attainment, particularly in relation to ensuring there are sufficient school places for every child resident in Lewisham (AA1).
- 4.5 This report contributes to the delivery of Lewisham's Sustainable Communities Strategy 2008-2020. In particular, our principles of reducing inequality, deprivation and poverty. Lewisham is ambitious for all its children and our schools will continue to strive to break down barriers for those who traditionally face the greatest challenges namely black and ethnic minority children, white working class children, looked after children and those living in poverty. We will do this by:
- creating and maintaining schools in Lewisham that are ambitious and achieving, where children are inspired and supported to fulfil their potential,
 - encouraging children and their parents to be empowered, responsible and actively involved in their local school and wider community and
 - enabling children to go onto further their education, take up employment or training at the end of their statutory education.

5. Background

5.1 Education Act 2002

The Education Act 2002 required all Local Authorities (LA) to introduce co-ordinated schemes for primary admissions with effect from 2006 and secondary admissions with effect from 2005. These schemes enable parents to express a number of preferences which, although ranked by parents, are treated equally by the schools involved. This widens the scope for parents and pupils and tackles the problem of multiple offers which previously clogged the transfer system. Lewisham participates in the Pan London Admissions scheme which facilitates cross-border applications and sharing of information amongst all 33 London boroughs and five LAs bordering the capital; Surrey, Kent, Hertfordshire, Essex and Thurrock. Since September 2010 London boroughs have operated a Pan London scheme for both primary (reception) and secondary transfer and, since 2016 admissions, infant to junior applications too. This impacts on resources both in terms of staffing and use of the Pan London

Register (the computer system used to electronically exchange applicant details and admissions decisions).

A revised School Admissions Code came into force in December 2014. The Code no longer requires the central co-ordination of in-year admissions. However Lewisham's view is that this function should continue to be centralised. No objections to this specific proposal have been made and Lewisham will continue to co-ordinate applications to mainstream schools in the borough and will participate in a voluntary London wide scheme by exchanging application details and results of these with the applicants' home local authority during the 2018/19 academic year.

- 5.3 Although there were no proposed changes to the current policy Lewisham LA consulted schools and governors neighbouring LAs and any other interested parties on the determined arrangements for 2018/19 during the latter part of the autumn term 2017. The rationale for undertaking this exercise is that Lewisham's arrangements have been subject to annual objections made to the Office of the Schools Adjudicator and it was considered to be prudent and in preparation for any objections to the 2018/19 arrangements.

6. Consultation Overview

- 6.1 Lewisham LA consulted schools and governors, neighbouring LAs, teaching unions, diocesan bodies and parents of children between the ages of 2 and 18 years old by:

- placing a notice on Lewisham's website
- emailing headteachers and chairs of governors via Schools Mailing and
- emailing Heads of Admissions in LA's neighbouring Lewisham.

7. Published Admissions Number (PAN)

Each mainstream school is required to set a Published Admissions Number (PAN) specifying the number of places available at the normal point of entry that is for reception places in primary or infant schools and Year 7 places at secondary school.

Subject to separate consultation regarding school expansions the PAN for:

- Ashmead Primary School will increase to 60 places
- Our Lady and St Philip Neri Catholic Primary School will increase to 60 places and
- Addey and Stanhope School will increase to 180 places.

8. Responses to the consultation

The governors of Forster Park Primary School have formally requested a reduction in the school's Planned Admissions Number (PAN) from 90 to 60. A copy of this request is included as **Appendix H**.

The request was considered by officers and it is recommended that the request is declined for the following reasons:

- data on demand for school places indicates Lewisham still has a significant need for primary pupil places in the south of the borough and
- there has been significant Capital investment in Forster Park Primary School which Lewisham will need to get best value from.

Whilst the LA recognises that Forster Park Primary School has experienced instances when children are admitted to the Reception class and then as they

get older transfer to another school thus leaving spaces in Forster Park, we believe the solution is not to reduce the PAN but to work with the school to ensure it becomes a school of parental preference. It is incumbent on the LA to support the school in overcoming historic issues around its location and reputation.

9. Financial implications

There are no additional financial implications to this report.

10. Legal Implications

- 10.1 In accordance with the provisions of section 88C of the School Standards and Framework Act 1998 (as amended) (SSFA) and the School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 (as amended) admission authorities for maintained schools in England must before the beginning of each school year determine the admission arrangements that are to apply for that year.
- 10.2 Before determining the admission arrangements the admission authority is required to carry out consultation in accordance with the "Admission Regulations 2012" (as amended). The amended regulations determine the necessary arrangements under which pupils are to be admitted to schools in England for the academic year 2018/19. Admission authorities are also required to act in accordance with the relevant provisions of the School Admissions Code (The Code) issued in December 2014.
- 10.3 Admission authorities must now take all steps necessary to ensure that they have completed their consultation by the 31 January in the determination year. Admission authorities must determine their admission arrangements for entry in September 2018 by 28 February 2017. The consultation Lewisham carried out and referred to in this report complies with the regulatory requirements.
- 10.4 The Code requires that oversubscription criteria must be reasonable, clear, objective, procedurally fair, and comply with all relevant legislation, including equalities legislation. Admission authorities must ensure that their arrangements will not disadvantage unfairly, either directly or indirectly, a child from a particular social or racial group, or a child with a disability or special educational needs.
- 10.5 Once admission arrangements have been determined the local authority is required to notify appropriate bodies and publish a copy of their determined arrangements on their web site by 15 March and displaying them for the whole offer year.
- 10.6 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 10.7 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
 - eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

- advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 10.8 As was the case for the original separate duties, the new duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 10.9 The Equality and Human Rights Commission (EHRC) issued guidance in January 2011 providing an overview of the new public sector equality duty, including the general equality duty, the specific duties and who they apply to. The guidance covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The guidance can be found at: <http://www.equalityhumanrights.com/adviceand-guidance/new-equality-act-guidance/equality-act-guidancedownloads/>.
- 10.10 The EHRC guidance does not have legal standing, unlike the statutory Code of Practice on the public sector equality duty which was due to be produced by the EHRC under the Act. However, the Government has now stated that no further statutory codes under the Act will be approved. The EHRC has indicated that it will issue the draft code on the PSED as a non statutory code following further review and consultation but, like the guidance, the non statutory code will not have legal standing.
- 10.11 In deciding whether to agree the recommendations in this report, the Mayor must be satisfied that to do so is a reasonable exercise of his discretion on a consideration of all relevant matters and disregarding irrelevancies and having regard to the School Admissions Code which the local authority is statutorily required to comply with in the discharge of its function as an admissions authority.

11. Equalities implications

- 11.1 The purpose of the School Admissions Code is to ensure that places in maintained schools and Academies are allocated and offered in an open and fair way. Admission Authorities must ensure that criteria are fair, clear and objectives. This includes ensuring that parents are easily able to understand how places for a particular school will be allocated.
- 11.2 Admission authorities must act in accordance with the Code, the School Admissions Appeal Code, other laws relating to admissions and relevant human rights and equalities legislation. Authorities must also ensure that their arrangements will not disadvantage, either directly or indirectly, a child from a particular social or racial group, or a child with a disability or special educational need’ (Code, paragraph 1.8)
- 11.3 Lewisham’s arrangements comply with these requirements and vigilance is embedded in our processes. Any instances of poor practice may be challenged and referred to the School Adjudicator if necessary.

12. Environmental implications

- 12.1 There are no direct environmental implications arising from this report.

Appendices

| | |
|------------|--|
| Appendix A | Lewisham's determined admissions criteria for nursery schools and nursery classes in community primary schools during the academic year 2018/19 |
| Appendix B | Lewisham's determined admissions criteria for community primary school reception classes and who will start school in September 2018 |
| Appendix C | Lewisham's determined admissions criteria for community secondary schools for pupils transferring from primary to secondary school in September 2018 |
| Appendix D | Lewisham's determined admissions arrangements for community school's sixth form |
| Appendix E | Lewisham's determined arrangements for In Year Admissions to Lewisham community schools |
| Appendix F | Generic protocols for admitting children under the In Year Admissions Arrangements |
| Appendix G | Generic admissions arrangements |
| Appendix H | Determined Admissions Limits 2018/19 |
| Appendix I | Pan London Admissions Scheme for Co-ordination of Admissions to Year 7, Reception and Junior Class in Maintained Schools and Academies in 2018/19 and LA Scheme for In Year Admissions 2018/19 |
| Appendix J | Request from Forster Park Primary School requesting a decrease in the school's PAN |

If you have any questions on this paper, please contact Linda Fuller, Team Leader – Admissions & Appeals, 3rd Floor, Laurence House, SE6 4RU (telephone 0208 314 6212 or email linda.fuller@lewisham.gov.uk).



Appendix A

Lewisham's determined admissions criteria for nursery schools and nursery classes in community primary schools (children starting nursery during the academic year 2018/19)

Where there is over-subscription, places will be offered to:

1 A looked after child' or a child who was previously looked after but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order. A looked after child is a child who is a) in the care of a local authority, or b) being provided with accommodation by a local authority in the exercise of their social services functions (see definition in Section 22(1) of the Children Act 1989). Details **must** be supplied by the allocated social worker or foster carer.

2 In exceptional circumstances there is discretion to admit vulnerable children, as determined by Lewisham's Children Centre Criteria for Priority or Excluded (POE), on the grounds of their or their family's severe medical or social need for that particular school and who would not otherwise qualify for admission. The application must be supported by a letter from a hospital consultant, social worker or similar professional, setting out the reasons why the nursery is the only one able to meet the child's needs, before an admission decision is made. The admission decision will be made by the headteacher who may consult with the Executive Director for Children and Young People. Supporting documentary evidence **must** be provided with the application;

3 Children whose brother or sister is on the roll of the main school when the application is made and is expected to be on the roll of the school, or of the junior school in the case of separate infant and junior schools, at the intended date of admission. If the school is over-subscribed entirely with siblings, priority will be given to those

- i) with exceptional social or medical need (as defined in paragraph 2 above) and then to those
- ii) permanently living closest to the school (as defined in paragraph 4 below)

Children applying for a place at Clyde or Chelwood Nurseries will only qualify for a place under the sibling criteria if their older sibling is on the roll of the nursery when the application is made and is expected to be on the roll of the nursery at the intended date of admission.

Children in Year 6 of a mainstream primary school and who will have transferred to secondary school by the time the younger child is admitted to the nursery do not confer sibling priority.

Siblings include all blood or adoptive siblings, half-siblings, foster siblings of Looked After Children and step siblings. Siblings must all live at the same address as the child applying. Proof of the sibling relationship may be required.

4 Children whose permanent home address is closest to the school.

All distances will be measured in a straight line, using digitised mapping software of the area, from the home to the nearest gate nominated by the school. If more than one applicant lives in multi-occupancy building (e.g. flats) priority will be given to the applicant whose door number is the lowest numerically and/or alphabetically.

Waiting lists will be held in the same order as the admission criteria.

Tie break - on the rare occasion where two or more children tie for the last available place, lots will be drawn to decide which child is offered the place.

To meet the needs of the age group Head teachers will have discretion over the balance of eligible* two year olds, and three- and four-year olds in their nurseries, and the ratio of part-time and any full-time places offered.

Priority will be given to Lewisham residents.

An existing childminder's address, instead of the permanent address, may only be used to determine "nearness" if the child has an exceptional medical or social need for that particular school. The permanent home address must also be in Lewisham.

Three terms is regarded as the minimum time that children should spend in a nursery school or nursery class before transferring to a reception class.

Applications to nursery schools or classes are not dealt with through a co-ordinated scheme and there is no set closing or decision date. Applications are made direct to the nursery.

If a child cannot be offered a place, a request can be made for the child's name to be placed on the waiting list; however there is no formal appeal process.

*please refer to the Early Education and Childcare Guidance 2014 for further information about eligibility.



Appendix B

Lewisham's determined admissions criteria for community primary school reception classes (children born between 1 September 2013 and 31 August 2014) and who will start school in September 2018

When there is over-subscription, places are offered to:

1 A looked after child' or a child who was previously looked after but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order. A looked after child is a child who is a) in the care of a local authority, or b) being provided with accommodation by a local authority in the exercise of their social services functions (see definition in Section 22(1) of the Children Act 1989). Details **must** be supplied by the allocated social worker or foster carer.

2 In exceptional circumstances there is discretion to admit children on the grounds of their or their family's severe medical or social need for that particular school and who would not otherwise qualify for admission. The application must be supported by a letter from a hospital consultant, social worker or similar professional, setting out the reasons why the school is the only one to meet the child's needs, before an admission decision is made. The admission decision will be considered in consultation with a panel of teaching and medical professionals. Medical professionals provide advice on applications made under medical conditions and teaching professionals advise on applications made for social or special reasons. Supporting evidence **must** be provided before the closing date for applications.

3 Children whose brother or sister is on roll of the school on the closing date for applications and is expected to be on the roll of the school (or of the junior school in the case of separate infant and junior schools*), at the intended date of admission. Children in Year 6 who will have transferred to secondary school by the time the younger child is admitted do not confer sibling priority. If the school is over-subscribed entirely with siblings, priority will be given to:

- i) those with an exceptional social or medical need (see 2 above) and then to
- ii) those who are permanently living nearest to the school (see 4 below).

** this applies to children attending Sandhurst Infant and Junior Schools, Stillness Infant and Junior Schools and Torridon Infant and Junior Schools.*

Siblings include all blood or adoptive siblings, half-siblings, foster siblings of Looked After Children and step siblings. Siblings must all live at the same address as the child applying. Proof of the sibling relationship may be required.

4 Children living nearest to the school.

All distances will be measured to a central nodal point in the school premises, using digitised mapping software of the area, from a nodal point in the applicant's permanent home address. If more than one applicant lives in a multi-occupancy building (e.g. flats) priority will be given to the applicant whose door number is the lowest numerically and/or alphabetically.

Twins, triplets and other multiple births– where twins, triplets or children from other multiple births qualify for the last school place to be allocated Lewisham will admit all of the qualifying siblings in excess of the published admissions limit and they will be considered as 'excepted pupils'.

Tie break - on the rare occasion where two or more identical applications qualify for the last available place, lots will be drawn to decide which qualifying child is offered the place.

Waiting lists - In accordance with the pan London agreement, and to ensure Lewisham meets its duty to continue to co-ordinate admissions beyond offer date and comply with the parents' highest possible preference, Lewisham will ensure that waiting lists do not contain lower ranked preferences except where it (or the home LA) has agreed to a parental request to change the order of preferences. In such cases, where there is a parental request to change the order of preferences, the original application, including any offer made under co-ordination, will be withdrawn and the applicant will be required to re-apply. Waiting lists for Lewisham's community schools will include those who have moved to the area and were unable to make an 'ontime' application.

The reception co-ordinated scheme continues until the end of the summer term 2018. Applications received for reception class beyond the end of the summer term 2018 will be considered as an In Year applicant. Waiting lists will be held for the first term of the reception year only. Those with a continuing interest in a place at a school beyond this time will be required to make an in year application.



Appendix C

Lewisham's determined admissions criteria for community secondary schools for pupils transferring from primary to secondary school in September 2018 (children born between 1 September 2006 and 31 August 2007)

Where there is oversubscription places will be offered to:

- 1 A looked after child' or a child who was previously looked after but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order. A looked after child is a child who is a) in the care of a local authority, or b) being provided with accommodation by a local authority in the exercise of their social services functions (see definition in Section 22(1) of the Children Act 1989). Details **must** be supplied by the allocated social worker or foster carer.
- 2 In exceptional circumstances there is discretion to admit children on the grounds of their or their family's severe medical or social need for that particular school and who would not otherwise qualify for admission. The application must be supported by a letter from a hospital consultant, social worker or similar professional, setting out the reasons why the school is the only one to meet the child's needs before an admission decision is made. The admission decision will be considered in consultation with a panel of teaching and medical professionals. Medical professionals provide advice on applications made under medical conditions and teaching professionals advise on applications made for social or special reasons. Supporting evidence **must** be provided before the closing date for applications.
- 3a 11 – 16 Community Schools - Children whose older brother or sister is on roll of the school on the closing date for applications as well as those whose sibling was a former pupil of the school and who transferred to a 16-18 education provision at the end of the previous academic year. If the school is over-subscribed entirely with siblings, priority will be given (i) to those with exceptional social and medical need and (ii) to those living nearest the school.
Or
- 3b 11-18 Community Schools - Children whose brother or sister is on roll of the school on the closing date for applications and will still be on the roll of the school at the intended date of admission. If the school is over-subscribed entirely with siblings, priority will be given (i) to those with exceptional social and medical need and (ii) to those living nearest the school.

In all cases siblings include all blood and adoptive siblings, half-siblings, foster siblings of Looked After Children and step siblings. Siblings must all live at the same address as the child. Proof of the sibling relationship may be required.

4 Children who live nearest to the school.

All distances will be measured to a central nodal point in the school premises, using digitised mapping software of the area, from a nodal point in the applicant's permanent home address. If more than one applicant lives in a multi-occupancy building (e.g. flats) priority will be given to the applicant whose door number is the lowest numerically and/or alphabetically.

Twins, triplets and other multiple births— where twins, triplets or children from other multiple births qualify for the last school place to be allocated Lewisham will admit all of the qualifying siblings in excess of the published admissions limit.

Tie break - on the rare occasion where two or more identical applications qualify for the last available place lots will be drawn to decide which qualifying child is offered the place.

When a school is over-subscribed, any vacancy which arises as a result of the withdrawal of a successful application will be offered to the next child on the waiting list

Waiting lists - In accordance with the pan London agreement, and to ensure Lewisham meets its duty to continue to co-ordinate admissions beyond offer date and comply with the parents' highest possible preference, Lewisham will ensure that waiting lists do not contain lower ranked preferences except where it (or the home LA) has agreed to a parental request to change the order of preferences. In such cases, where there is a parental request to change the order of preferences, the original application, including any offer made under co-ordination, will be withdrawn and the applicant will be required to re-apply. The pan London secondary transfer scheme continues until the end of the summer term 2018. Applications received for Year 7 beyond the end of the summer term 2018 will be considered as In Year applications.

Waiting lists will be held for the first term of Year 7 only. Those with a continuing interest in a place at a school beyond this time will be required to make an in year application.



Appendix D

Lewisham's determined admissions arrangements for community school's sixth form

In the event of the school's sixth form being over-subscribed (having more applications than places available) places will be offered to the following:

- 1 A looked after child' or a child who was previously looked after but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order. A looked after child is a child who is a) in the care of a local authority, or b)being provided with accommodation by a local authority in the exercise of their social services functions (see definition in Section 22(1) of the Children Act 1989)..Details must be supplied by the allocated social worker or foster carer.
- 2 Applicants who have an exceptional social or medical need for a place at the school, supported by professional documentation from a hospital consultant, social worker or similar. Decisions on these cases will be taken in consultation with the Executive Director for Children and Young People or her delegated representative.
- 3 Lewisham students who apply to Christ the King Sixth Form College will be guaranteed an interview at either of the Lewisham sites.
- 4 Applicants who at the time of application are on roll of Forest Hill or Sydenham schools will be given priority at Sydenham and Forest Hill Sixth Form (SFH6).
- 5 Applicants who can best demonstrate their suitability for the course involved (factors taken into account will be attendance and previous academic performance).
- 6 If the school is over-subscribed with applicants from the feeder schools only, priority will first go to applicants from those schools with professionally-supported social or medical cases (see above), and then to those who can best demonstrate their suitability for the course involved.
- 7 If two identical applicants qualify for the last available place, home to school distance will be used as a tie break. If the applicants live the exact distance from the school lots will be taken to determine which applicant is offered the remaining place.

Any minimum standards required for entry will be published in the school's prospectus.

Lewisham is required to publish the number of places (if any) expected to be available to students not on roll of the feeder schools. For SFH6 it is expected that a maximum of 10 places per school (20 in total) will be available to children attending other schools.

There will be the right of appeal against any refusal of a place at the school's sixth form, and the appeal will be heard in line with the provisions of the Education Act 2002.

The sixth forms will publish a closing date for receipt of applications and the date of notification of the outcome of their applications. Late applicants will only be considered if there are places unallocated at the time of application.



Appendix E

Lewisham's determined arrangements for In Year Admissions to Lewisham community schools

Applications for places at a community school in a year group other than the normal year of entry to primary (Class R to Year 6) and secondary school (Year 7 to Year 11), will be treated as an In Year admission. Applications should be made on line or on a Lewisham In Year Admission Common Application Form (iCAF) and returned direct to the School Admissions and Appeals Team 3rd Floor Laurence House SE6 4RU. Places for all year groups to a Lewisham community primary or secondary school will be offered to children in the following order:

- a) A looked after child' or a child who was previously looked after but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order. A looked after child is a child who is a) in the care of a local authority, or b) being provided with accommodation by a local authority in the exercise of their social services functions (see definition in Section 22(1) of the Children Act 1989).Details must be supplied by the allocated social worker or foster carer.
- b) Children with severe social and medical need for that particular school and who would not otherwise qualify for admission. The application must be supported by a letter from a hospital consultant, social worker or similar professional setting out the reasons why the school is the only one to meet the child's needs.
- c) Siblings of children already on the roll of the school.
- d) Children who live nearest the school, the distance being measured in a straight line using digitized mapping software to a central nodal point in the school premises.

Children who are newly arrived in the borough and do not have a school place and have not been offered an alternative school place within a reasonable distance from the family home (ie 2 miles for children in Key Stage 1 and 3 miles for children in Key Stages 2, 3 and 4) will be placed under Lewisham's Fair Access protocol and may take priority for a school placement.



Appendix F

Generic protocols for admitting children under the In Year Admissions Arrangements

- Parents wishing to make an In Year application to any maintained school including faith, foundation and free schools and Academies in Lewisham should do so by completing a Lewisham iCAF. Community schools will not hold separate waiting lists and all schools are required to inform Lewisham of their current vacancies.
- As the co-ordinating authority for in year admissions across both primary and secondary phases Lewisham LA will decide which school or federation of schools to approach about an individual admission. In most cases this will be at one of the schools named by the parent on their iCAF. Where it is not possible to offer a Lewisham resident a place at the school named and where the child is not on roll of a local school Lewisham will offer the next nearest school to the family home with a vacancy. The parent will also be notified of their statutory right of appeal if the preferred school(s) is (are) full.
- Where the application is for a community school Lewisham will inform the parent of the school to be offered and will determine the date the child will be added to the school's roll. In turn schools must arrange the admission by the date specified in the offer letter.
- Where an application is made for a voluntary aided, foundation or free school or an Academy Lewisham will refer the applicant's details to the school who will be required to confirm within **10** school days whether a place can be offered or not. Once a decision has been taken the school will inform Lewisham's Admissions and Appeals Team of the outcome and, where a place can be offered, the Team will contact the applicant direct to inform them of this. The Admissions Authority must inform unsuccessful applicants of their right of appeal.
- Schools must place the child on roll by the date determined by the School Admissions and Appeals Team.
- Children transferring from one local school to another may not transfer to the new school until the start of the following half term unless both the home school and receiving school agrees an earlier admission date.
- Federations will have an important role in apportioning admissions among the schools in their federation.
- If an admission is disputed by a school, the case must be referred to the Fair Access Panel completing the appropriate referral form giving detailed reasons why the school should not admit the child within 7 school days. The child's placement will be discussed at the next Fair Access Panel. Lewisham reserves the right to direct admission if necessary.
- Details will be shared with schools termly about the numbers of admissions taking place. There should not be a disproportionate impact on any school.

Transfers between schools

Children who request a transfer from their current school do not take priority over those who qualify under the Fair Access or In Year Admissions arrangements as detailed above. Applicants will be referred to their home school and the parent asked to discuss their reasons for transfer with the Headteacher. Children who are requesting a transfer due to their challenging behaviour may require a managed move. Please refer to the Managed Moves Policy.



Appendix G

Generic admissions arrangements

Lewisham LA will continue to participate in the pan London admissions scheme (known as The Scheme) for reception and secondary transfer admissions. Please refer to the scheme for details of how this operates.

Reception

Timing of Admission – Lewisham will operate one point of entry for reception class. Children born between 1 September 2013 and 31 August 2014 will be expected to accept a full time reception place starting in September 2018.

Parents of children who permanently live in Lewisham **must** apply for a reception class place (Year R) by participating in the coordinated reception scheme by making an online application.

The application period for the reception co-ordinated scheme will commence on 1 September 2017 and close on 15 January 2018.

Deferred admission to primary school - Lewisham offers early admission in reception class to children before they reach statutory school age. Parents/carers have the option of deferring their child's admission to reception class to a later term eg the start of the spring or summer term. However the child must be admitted to school during the reception year and not beyond it. Alternatively the parent may arrange for their child to be admitted on a part time basis up to the point they reach statutory school age. Parents may not defer their child's admission beyond reception year or after the beginning of the term after their child's fifth birthday.

Children who attend a nursery class in a primary school frequently transfer to the main school; however there is no automatic transfer and children attending the nursery are not given priority. Parents of nursery children who permanently live in Lewisham **must** apply for a reception place by participating in the coordinated reception scheme either by making an online application or by completing Lewisham's Common Application Form. Applications from parents of children on the roll of the nursery will be considered with other applicants at the appropriate time.

Secondary Transfer

Children born between 1 September 2006 and 31 August 2007 will be expected to transfer to secondary school in September 2018.

Parents of children who permanently live in Lewisham **must** apply for a secondary school place (Year 7) by participating in the coordinated secondary transfer scheme by making an online application.

The application period for the secondary transfer co-ordinated scheme will commence on 1 September 2017 and close on 31 October 2017.

Earlier Admission: In very exceptional circumstances Lewisham will consider a request for admission out of cohort for a younger child (*ie for reception children this will be those born after 31 August 2014 and for Year 7 those born after 31 August 2007.*

- The application may be supported by the child's nursery/primary headteacher and/or an educational psychologist confirming that the child is academically outstanding and sufficiently physically and emotionally mature to cope with the demands of primary/secondary school
- The parent agrees that their child will transfer to primary/secondary school with the earlier cohort regardless of the outcome of their applications and will not qualify to participate in the transfer scheme the following year.

Later admission: In very exceptional circumstances Lewisham will consider a request for a delayed admission for an older child (*ie for reception this will be those born before 1 September 2013 and for Year 7 those born before 1 September 2005).*

- The application may be supported by the child's nursery/primary headteacher and/or an educational psychologist confirming that the child has learning delay or difficulty and their social maturity is well below that of his or her peers.
- The parent agrees that their child will transfer to primary/secondary school with the later cohort regardless of the outcome of their applications and had not participated in the transfer scheme the year before.

In cases described above parents must consider the implications of an earlier or later transfer as headteachers of primary/secondary schools are not required to continue to keep the child out of year group and may decide to later educate the child in the correct year*.

*further guidance on the admission of summer born children is expected and Lewisham will amend its current arrangements on 'delayed entry into primary school for summer born children' where necessary.

The Education and Skills Act 2008 increased the minimum age at which young people in England can leave learning which requires them to continue in education, employment or training to the age of 18. Children who have transferred to secondary school a year earlier than their peers will be required to stay in full-time education, undertake work-based learning such as an Apprenticeship, or part-time education or training if they are employed, self-employed or volunteering for more than 20 hours per week until they are 18.

Secondary school visits: Each Lewisham secondary school will be open on set days early in the autumn term to enable parents to visit and discuss the educational opportunities available. A list of visit dates and arrangements will appear on Lewisham's website.

Parents of pupils attending Lewisham primary schools will have the opportunity to meet their primary head teacher to discuss their preference of schools. Appointments will be made for parents who need assistance in completing their Common Application Form. The on line application must be made by the notified closing date.

Making an Application –Primary and Secondary

All applicants will be required to demonstrate that the address they are applying from is their permanent home address and that they have parental responsibility and therefore eligible to apply for a school place for the child. Applications from children who are transferring to reception class or secondary school and not already on the roll of a Lewisham primary school and whose documentation has not been previously verified must be accompanied by:

- i. the applicants current Council Tax bill to establish permanent home address and
- ii the child benefit letter or child tax credit letter to establish that the applicant has parental responsibility.

Parents may state the reasons why they wish their child to attend a particular school, including whether there is a sibling already attending the school.

Shared care arrangements: Lewisham is aware that some parents share the care of their child. Lewisham will normally accept that the child lives with the parent who has parental responsibility and who is in receipt of child benefit and child tax credit. Documentary evidence for example a residence order or other court order may be required.

Permanent home address: Proof of permanent home address will be required and will include the current Council Tax statement, In addition Lewisham may require copies of utility bills.

Lewisham is aware that some parents rent a property close to a popular school to increase the likelihood of their child gaining admission. To establish an applicant's permanent rather than temporary home address the following will be required;

- 1 closing accounts for the last known address,
- 2 official confirmation of the end of tenancy or house sale for the last known address,
- 3a a tenancy agreement via a commercial letting agency for a period of 12 months or more. The period of the tenancy must extend beyond the start of the academic year in which the child is due to be admitted or
- 3b solicitors' confirmation of the completion of the purchase of the new property

Where the tenancy or ownership of the last known address has not been surrendered, Lewisham will accept this last known address as the permanent home address.

In establishing permanent home address Lewisham may also check records held within the Council as well as other external agencies. If a false address has been given and an offer made on the basis of that information, the offer of a place may be withdrawn.

Appeals: Appeals for statutory school phases will be heard in accordance with the provisions of the School Standards and Framework Act 1998 and the Education Act 2002, together with the School Admissions Appeals Code. Parents will have the right of appeal to any school that has refused their child a place. Appeals for reception and secondary transfer phases for community schools will be heard during the summer term prior to the child's admission to school.

Parents who have appealed unsuccessfully for a school will not be able to apply and subsequently appeal again for a place at the same school in the same academic year unless there are significant and material changes to the child or family's circumstances. Documentary proof of such changes will be required from the appropriate professional(s) working with the family.



Appendix H

DETERMINED ADMISSIONS LIMITS 2018/19

| Primary Schools | Admissions Number |
|---|--------------------------|
| Adamsrill | 90 |
| All Saints | 30 |
| Ashmead | 60 |
| Athelney | 60 |
| Baring | 30 |
| Beecroft Gardens | 60 |
| Brindishe Green | 90 |
| Brindishe Lee | 30 |
| Brindishe Manor | 60 |
| Childeric | 60 |
| Coopers Lane | 90 |
| Dalmain | 60 |
| Deptford Park | 90 |
| Downderry | 60 |
| Edmund Waller | 60 |
| Elfrida | 60 |
| Eliot Bank | 60 |
| Fairlawn | 60 |
| Forster Park | 90 |
| Good Shepherd | 30 |
| Gordonbrock | 90 |
| Grinling Gibbons | 30 |
| Haberdashers' Aske's Temple Grove Free School | 60 |
| Haseltine | 60 |
| Holbeach | 90 |
| Holy Cross | 30 |
| Holy Trinity | 30 |
| Horniman | 30 |
| John Ball | 90 |
| John Stainer | 60 |
| Kelvin Grove | 90 |
| Kender | 60 |

| Primary Schools | Admissions Number |
|------------------------------|--------------------------|
| Kilmorie | 90 |
| Launcelot | 60 |
| Lucas Vale | 60 |
| Marvels Lane | 60 |
| Myatt Garden | 60 |
| Our Lady & St Philip Neri | 60 |
| Perrymount | 30 |
| Rangefield | 60 |
| Rathfern | 60 |
| Rushey Green | 90 |
| Sandhurst Junior | 90 |
| Sandhurst Infant | 90 |
| Sir Francis Drake | 60 |
| St Augustine's | 30 |
| St Bartholomew's | 60 |
| St George's | 60 |
| St James Hatcham | 30 |
| St John the Baptist | 30 |
| St Joseph's | 30 |
| St Margaret's | 30 |
| St Mary's | 30 |
| St Mary Magdalen | 30 |
| St Michael's | 30 |
| St Saviour's | 30 |
| St Stephen's | 30 |
| St William of York | 30 |
| St Winifred's Primary School | 60 |
| Stillness Junior | 90 |
| Stillness Infant | 90 |
| Tidemill Academy | 60 |
| Torridon Junior | 90 |
| Torridon Infant | 90 |
| Turnham | 90 |

| Secondary Schools | Admissions Number |
|--------------------------|--------------------------|
| Addey and Stanhope | 180 |
| Bonus Pastor | 180 |
| Conisborough College | 180 |
| Deptford Green | 234 |
| Forest Hill | 240 |
| Prendergast School | 116 |
| Sedgehill | 306 |
| Sydenham | 240 |

All-age Schools

The published admissions number for all-age schools is set for the reception intake. Admissions to Year 7 for new applicants will depend on the number of children automatically transferring from the Academy's Primary Phase in Year 6

| | Reception | Total Year 7 admissions |
|--------------------------------------|------------------|--------------------------------|
| Haberdashers' Aske's Hatcham College | 60 | 208 |
| Haberdashers' Aske's Knights Academy | 60 | 208 |
| Prendergast Ladywell School | 60 | 240 |
| Prendergast Vale School | 30 | 120 |
| St Matthew Academy | 60 | 180 |
| Trinity | 60 | 120 |



APPENDIX I

PAN-LONDON CO-ORDINATED ADMISSION SYSTEM

Template Pan London Schemes for Co-ordination of Admissions to Year 7 and Reception/Junior in Maintained Schools and Academies in 2018/19 and the LA Scheme for In Year Admissions 2018/19

Contents

| | |
|---------|---|
| Page 2 | Definitions used in this document |
| Page 4 | Template scheme for co-ordination of admissions to Year 7 in September 2018 |
| Page 9 | Template scheme for co-ordination of admissions to Reception/Junior in September 2018 |
| Page 14 | Content of Common Application Form -Year 7 and Reception Schemes (Schedule 1) |
| Page 15 | Template outcome letter -Year 7 and Reception Schemes (Schedule 2) |
| Page 16 | Timetable for Year 7 Scheme (Schedule 3A) |
| Page 17 | Timetable for Reception Scheme (Schedule 3B) |
| Page 18 | Lewisham's In Year Co-ordinated Scheme |

Template LA Schemes for Co-ordination of Admissions to Year 7 and Reception in 2018/19

Definitions used in the template schemes

| | |
|--|--|
| Application Year | the academic year in which the parent makes an application (i.e. in relation to the academic year of entry, the academic year preceding it). |
| Board | the Pan-London Admissions Executive Board, which is responsible for the Scheme |
| Business User Guide (BUG) | the document issued annually to participating LAs setting out the operational procedures of the Scheme |
| Common Application Form | this is the form that each authority must have under the Regulations for parents to use to express their preferences, set out in rank order |
| Equal Preference System | the model whereby all preferences listed by parents on the Common Application Form are considered under the over-subscription criteria for each school without reference to parental rankings. Where a pupil is eligible to be offered a place at more than one school within an LA, or across more than one participating LA, the rankings are used to determine the single offer by selecting the school ranked highest of those which can offer a place |
| Highly Recommended Elements | the elements of the Template Scheme that are not mandatory but to which subscription is strongly recommended in order to maximise co-ordination and thereby simplify the application process as far as possible |
| Home LA | the LA in which the applicant/parent/carer is resident |
| LIAAG Address Verification Register | the document containing the address verification policy of each participating LA |
| Local Admission System (LAS) | the IT module for administering admissions in each LA and for determining the highest offer both within and between participating LAs |
| London E-Admissions Portal | the common online application system used by the 33 London LAs and Surrey County Council |
| Maintaining LA | the LA which maintains a school, or those within whose area an academy is situated, for which a preference has been expressed. |

| | |
|----------------------------------|--|
| Mandatory Elements | those elements of the Template Scheme to which authorities must subscribe in order to be considered as 'Participating Authorities' and to benefit from use of the Pan-London Register |
| Notification Letter | the agreed form of letter sent to applicants on the Prescribed Day which communicates any determination granting or refusing admission to a primary or secondary school, which is attached as Schedule 2 |
| Prescribed Day | the day on which outcome letters are posted to parents/carers. 1 March (secondary) and 16 April (primary) in the year following the relevant determination year except that, in any year in which that day is not a working day, the prescribed day shall be the next working day. |
| Pan-London Register (PLR) | the database which will sort and transmit application and outcome data between the LAS of each participating LA |
| Pan-London Timetable | the framework for processing of application and outcome data, which is attached as Schedule 3 |
| Participating LA | any LA that has indicated in the Memorandum of Agreement that they are willing to incorporate, at a minimum, the mandatory elements of the Template LA Scheme presented here. |
| Qualifying Scheme | the scheme which each LA is required to formulate in accordance with The School Admissions (Admissions Arrangements and Co-ordination of Admission Arrangements) Regulations 2012, for co-ordinating arrangements for the admission of children to maintained primary and secondary schools and academies. |

Template Scheme for Co-ordination of Admissions to Year 7 in 2018/19

Applications

1. Lewisham LA will advise home LAs of their resident pupils on the roll of its maintained primary schools and academies who are eligible to transfer to secondary school in the forthcoming academic year.
2. Applications from Lewisham residents will be made on its Common Application Form, which will be available and able to be submitted on-line. This will include all the fields and information specified in Schedule 1 to this Template LA Scheme. These will be supplemented by any additional fields and information which are deemed necessary by Lewisham LA to enable the admission authorities in the area to apply their published oversubscription criteria.
3. Lewisham LA will take all reasonable steps to ensure that every parent/carer who is resident in the borough and has a child in their last year of primary education within a maintained school, either in Lewisham or any other maintaining LA, accesses an online version of Lewisham's admissions booklet, including details of how to apply online. The admissions booklet will also be available to parents/carers who do not live in Lewisham, and will include information on how they can access their home LA's Common Application Form.
4. The admission authorities within Lewisham will not use supplementary information forms except where the information available through the Common Application Form is insufficient for consideration of the application against the published oversubscription criteria. Where supplementary information forms are used by the admissions authorities within Lewisham, the LA will seek to ensure that these only collect information which is required by the published oversubscription criteria, in accordance with paragraph 2.4 of the School Admissions Code 2014.
5. Where supplementary information forms are used by admission authorities in Lewisham LA, they will be available via their website. Such forms will advise parents that they must also complete their home LA's Common Application Form. Lewisham LA's information on the transfer process, available on Lewisham's website, will indicate which schools in the borough require supplementary forms to be completed and where they can be obtained.
6. Where an admission authority in Lewisham receives a supplementary information form, Lewisham LA will not consider it to be a valid application unless the parent/carer has also listed the school on their home LA's Common Application Form, in accordance with paragraph 2.3 of the School Admissions Code 2014.
7. Applicants will be able to express a preference for six maintained secondary schools or Academies within and/or outside the borough.
8. The order of preference given on the Common Application Form will not be revealed to a school within Lewisham LA. This is to comply with paragraph 1.9 of the School Admissions Code 2014 which states that admission authorities must not give extra priority to children whose parents rank preferred schools in a particular order, including 'first preference first'

arrangements. However, where a parent resident in Lewisham LA expresses a preference for schools in the area of another LA, the order of preference for that LA's schools will be revealed to that LA in order that it can determine the highest ranked preference in cases where an applicant is eligible for a place at more than one school in that LA's area.

9. Lewisham LA undertakes to carry out the address verification process as set out in its entry in LIAAG Address Verification Register. This will in all cases include validation of resident applicants against Lewisham LA's primary school data and the further investigation of any discrepancy. Where Lewisham LA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a maintaining LA, it will advise the maintaining LA no later than **11 December 2017**.
10. Lewisham LA will confirm the status of any resident child for whom it receives a Common Application Form stating s/he is a 'Child Looked After' and will provide evidence to the maintaining LA in respect of a preference for a school in its area by **14 November 2017**.
11. Lewisham LA will advise a maintaining LA of the reason for any preference expressed for a school in its area, in respect of a resident child born outside of the correct age cohort, and will forward any supporting documentation to the maintaining LA by **14 November 2017**.

Processing

12. Applicants resident within Lewisham LA must return the Common Application Form, which will be available and able to be submitted on-line, to this LA by **31 October 2017**. However, Lewisham LA will publish information which encourages applicants to submit their application by **20 October 2017** (i.e. the Friday before half term), to allow it sufficient time to process and check all applications before the mandatory date when data must be sent to the PLR. Applications cannot be amended once they have been submitted on the closing date.
13. Application data relating to all preferences for schools in the area of a participating LA, which have been expressed within the terms of Lewisham's scheme will be up-loaded to the PLR by **14 November 2017**. Supplementary information provided with the Common Application Form will be sent to maintaining LAs by the same date.
14. Lewisham LA shall, in consultation with the admission authorities within its area and within the framework of the Pan-London timetable in Schedule 3A, determine and state its own timetable for the processing of preference data and the application of published oversubscription criteria.
15. Lewisham LA will accept late applications only if they are late for a good reason, deciding each case on its own merits.
16. Where such applications contain preferences for schools in other LAs, Lewisham LA will forward the details to maintaining LAs via the PLR as they are received. Lewisham LA will accept late applications which are considered to be on time within the terms of the home LA's scheme.

17. The latest date for the upload to the PLR of late applications which are considered to be on-time within the terms of Lewisham LA's scheme is **11 December 2017**.
18. Where an applicant moves from one participating home LA to Lewisham after submitting an on-time application under the terms of the former home LA's scheme, Lewisham LA will accept the application as on-time up to **11 December 2017**, on the basis that an on-time application already exists within the Pan-London system.
19. Lewisham LA will participate in the application data checking exercise scheduled between **12 December 2017 and 2 January 2018** in the Pan-London timetable in Schedule 3A.
20. All preferences for schools within Lewisham LA will be considered by the relevant admission authorities without reference to rank order in accordance with paragraph 1.9 of the School Admissions Code 2014. When the admission authorities within Lewisham LA have provided a list of applicants in criteria order to Lewisham, this LA shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked preference to decide which single potential offer to make. This is the 'Equal Preference System'.
21. Lewisham LA will carry out all reasonable checks to ensure that pupil rankings are correctly held in its LAS before uploading data to the PLR.
22. Lewisham LA will upload the highest potential offer available to an applicant for a maintained school or academy in this LA to the PLR by **2 February 2018**. The PLR will transmit the highest potential offer specified by the Maintaining LA to the Home LA.
23. Lewisham's LAS will eliminate, as a Home LA, all but the highest ranked offer where an applicant has more than one potential offer across Maintaining LAs submitting information within deadline to the PLR. This will involve exchanges of preference outcomes between the LAS and the PLR (in accordance with the iterative timetable published in the Business User Guide) which will continue until notification that a steady state has been achieved, or until **15 February 2018** if this is sooner.
24. Lewisham LA will not make an additional offer between the end of the iterative process and **1 March 2018** which may impact on an offer being made by another participating LA.
25. Notwithstanding paragraph 24, if an error is identified within the allocation of places at a school in Lewisham, this LA will attempt to manually resolve the allocation to correct the error. Where this impacts on another LA (either as a home or maintaining LA) Lewisham LA will liaise with that LA to attempt to resolve the correct offer and any multiple offers which might occur. However, if another LA is unable to resolve a multiple offer, or if the impact is too far reaching, Lewisham LA will accept that the applicant(s) affected might receive a multiple offer.
26. Lewisham LA will participate in the offer data checking exercise scheduled between **16 and 22 February 2018** in the Pan-London timetable in Schedule 3A.

27. Lewisham LA will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than **23 February 2018**.

Offers

28. Lewisham LA will ensure, so far as is reasonably practical, that each resident applicant who cannot be offered a preference expressed on the Common Application Form, receives the offer of an alternative school place. Usually this will be the closest school to the applicant's home address which has a vacancy after the allocation of school places.
29. Lewisham LA will inform all resident applicants of their highest offer of a school place and, where relevant, the reasons why higher preferences were not offered, whether they were for schools in Lewisham or in other participating LAs.
30. Lewisham LA's outcome letter will include the information set out in Schedule 2.
31. On **1 March 2018**, Lewisham LA will send by first class post notification of the outcome to resident applicants who made a paper application.
32. Lewisham LA will provide its primary schools with destination data of its resident applicants via the School Admissions Module (SAM) which will be available from **2 March 2018**.

Post Offer

33. Lewisham LA will request that resident applicants accept or decline the offer of a place by **15 March 2018**, or within two weeks of the date of any subsequent offer.
34. Where an applicant resident in Lewisham LA accepts or declines a place in a school maintained by another LA by **15 March 2018**, Lewisham LA will forward the information to the maintaining LA by **22 March 2018**. Where such information is received from applicants after **15 March**, Lewisham LA will pass it to the maintaining LA as it is received.
35. Where a place becomes available in an oversubscribed maintained school or academy in Lewisham's area, it will be offered from a waiting list ordered in accordance with paragraph 2.14 of the School Admissions Code 2014.
36. When acting as a maintaining LA, Lewisham LA will inform the home LA, where different, of an offer for a maintained school or Academy in this LA's area which can be made to an applicant resident in the home LA's area, in order that the home LA can offer the place.
37. When acting as a maintaining LA, Lewisham LA and the admission authorities within it, will not inform an applicant resident in another LA that a place can be offered.
38. When acting as a home LA, Lewisham LA will offer a place at a maintained school or Academy in the area of another LA to an applicant resident in its area, provided that the school is ranked higher on the Common Application Form than any school already offered.

39. When acting as a home LA, when Lewisham LA is informed by a maintaining LA of an offer which can be made to an applicant resident in this LA's area which is ranked lower on the Common Application Form than any school already offered, it will inform the maintaining LA that the offer will not be made.
40. When acting as a home LA, when Lewisham LA has agreed to a change of preference order for good reason, it will inform any maintaining LA affected by the change. In such cases, paragraphs 37 and 38 shall apply to the revised order of preferences.
41. When acting as a maintaining LA, Lewisham LA will inform the home LA, where different, of any change to an applicant's offer status as soon as it occurs.
42. When acting as a maintaining LA, Lewisham LA will accept new applications from home LAs for maintained schools and academies in its area.
43. Waiting lists - Requests to be placed on a waiting list for a school within Lewisham must be made via the home LA. In accordance with the pan London agreement, and to ensure Lewisham meets its duty to continue to co-ordinate admissions beyond offer date and comply with the parents' highest possible preference, Lewisham will ensure that waiting lists do not contain lower ranked preferences except where it (or the home LA) has agreed to a parental request to change the order of preferences. In such cases, where there is a parental request to change the order of preferences, the original application, including any offer made under co-ordination, will be withdrawn and the applicant will be required to re-apply as an In Year applicant from September 2018.

The pan London secondary transfer scheme continues until the end of July 2018. Applications received for Year 7 from 1 August 2018 will be considered as In Year applications.

Waiting lists for community schools in Lewisham will be held for the first term of the academic year (Year 7) of admission only. Those wishing to be considered for a place beyond the first term of Year 7 will be required to make an in year application.

Secondary Transfer waiting lists for Lewisham's community schools will include those who have moved to the area and were unable to make an 'ontime' application.

Parental enquiries about waiting list positions or appeal procedures for community schools should be made to Lewisham's Admissions Team.

PAN- LONDON CO-ORDINATED ADMISSIONS SYSTEM

Template LA Scheme for Co-ordination of Admissions to Reception/Junior in 2018/19

Applications

1. Applications from residents of Lewisham LA will be made on Lewisham LA's Common Application Form, which will be available and able to be submitted on-line. This will include all the fields and information specified in Schedule 1 to this Template LA Scheme. These will be supplemented by any additional fields and information which are deemed necessary by Lewisham LA to enable the admission authorities in Lewisham to apply their published oversubscription criteria.
2. Lewisham LA will take all reasonable steps to ensure that every parent/carer who is resident in Lewisham and has a child in a nursery class within a maintained school, either in this LA or any other maintaining LA, is able to access a copy of an online version of Lewisham's starting school booklet, including details of how to apply online. The starting school booklet will also be available to parents/carers who do not live in Lewisham, and will include information on how they can access their home LA's Common Application Form.
3. The admission authorities within Lewisham will not use supplementary information forms except where the information available through the Common Application Form is insufficient for consideration of the application against the published oversubscription criteria. Where supplementary information forms are used by the admissions authorities within Lewisham, the LA will seek to ensure that these only collect information which is required by the published oversubscription criteria, in accordance with paragraph 2.4 of the School Admissions Code 2014.
4. Where supplementary information forms are used by admission authorities in Lewisham, they will be available on their website. Such forms will advise parents that they must also complete their home LA's Common Application Form. Lewisham's starting school booklet and website will indicate which schools in Lewisham require supplementary forms to be completed and where they can be obtained.
5. Where a school in Lewisham LA receives a supplementary information form, Lewisham will not consider it to be a valid application unless the parent/carer has also listed the school on their home LA's Common Application Form, in accordance with paragraph 2.3 of the School Admissions Code 2014.
6. Applicants will be able to express a preference for up to six maintained primary schools or academies within and/or outside the borough.
7. The order of preference given on the Common Application Form will not be revealed to a school within Lewisham in accordance with paragraph 1.9 of the School Admissions Code 2014. However, where a parent resident in Lewisham LA expresses a preference for schools in the area of another LA, the order of preference for that LA's schools will be revealed to that LA in order that it can determine the highest ranked preference in cases where an applicant is eligible for a place at more than one school in that LA's area.

8. Lewisham LA undertakes to carry out the address verification process set out in its entry in the LIAAG Address Verification Register. This will include validation of resident applicants against Lewisham LA's maintained nursery and primary school data and the further investigation of any discrepancy. Where Lewisham LA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a maintaining LA, it will advise the maintaining LA no later than **16 February 2018**.
9. Lewisham LA will confirm the status of any resident child for whom it receives a Common Application Form stating s/he is a 'Child Looked After' and will provide evidence to the maintaining LA in respect of a preference for a school in its area by **2 February 2018**.
10. Lewisham LA will advise a maintaining LA of the reason for any preference expressed for a school in its area, in respect of a resident child born outside of the correct age cohort, and will forward any supporting documentation to the maintaining LA by **2 February 2018**.

Processing

11. Applicants resident within Lewisham LA must return the Common Application Form, which will be available and able to be submitted on-line, to Lewisham LA by **15 January 2018**.
12. Application data relating to all preferences for schools in the area of a participating LA, which have been expressed within the terms of Lewisham's scheme, will be up-loaded to the PLR by **5 February 2018**. Supplementary information provided with the Common Application Form will be sent to maintaining LAs by the same date.
13. Lewisham LA shall, in consultation with the admission authorities within this LA's area and within the framework of the Pan-London timetable in Schedule 3B, determine its own timetable for the processing of preference data and the application of published oversubscription criteria.
14. Lewisham LA will accept late applications only if they are late for a good reason, deciding each case on its own merits.
15. Where such applications contain preferences for schools in other LAs, Lewisham LA will forward the details to maintaining LAs via the PLR as they are received. Lewisham LA will accept late applications which are considered to be on time within the terms of the home LA's scheme.
16. The latest date for the upload to the PLR of late applications which are considered to be on-time within the terms of Lewisham's scheme is **12 February 2018**.
17. Where an applicant moves from one participating home LA to Lewisham LA after submitting an on-time application under the terms of the former home LA's scheme, Lewisham LA will accept the application as on-time up to **12 February 2018**, on the basis that an on-time application already exists within the Pan-London system.
18. Lewisham LA will participate in the application data checking exercise scheduled between **13 February and 19 February 2018** in the Pan-London timetable in Schedule 3B.

19. All preferences for schools within Lewisham LA will be considered by the relevant admission authorities without reference to rank order to comply with paragraph 1.9 of the School Admissions Code 2014. When the admission authorities within Lewisham LA have provided a list of applicants in criteria order to this LA, Lewisham shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked preference to decide which single potential offer to make. This is the 'Equal Preference System'.
20. Lewisham LA will carry out all reasonable checks to ensure that pupil rankings are correctly held in its LAS before uploading data to the PLR.
21. Lewisham LA will upload the highest potential offer available to an applicant for a maintained school or academy in this LA to the PLR by **15 March 2018**. The PLR will transmit the highest potential offer specified by the Maintaining LA to the Home LA.
22. Lewisham's LAS will eliminate, as a Home LA, all but the highest ranked offer where an applicant has more than one potential offer across Maintaining LAs submitting information within deadline to the PLR. This will involve exchanges of preference outcomes between the LAS and the PLR (in accordance with the iterative timetable published in the Business User Guide) which will continue until notification that a steady state has been achieved or until **23 March 2018** if this is sooner.
23. Lewisham LA will not make an additional offer between the end of the iterative process and the **16 April 2018** which may impact on an offer being made by another participating LA.
24. Notwithstanding paragraph 23, if an error is identified within the allocation of places at a school in Lewisham, this LA will attempt to manually resolve the allocation to correct the error. Where this impacts on another LA (either as a home or maintaining LA) Lewisham LA will liaise with that LA to attempt to resolve the correct offer and any multiple offers which might occur. However, if another LA is unable to resolve a multiple offer, or if the impact is too far reaching, this LA will accept that the applicant(s) affected might receive a multiple offer.
25. Lewisham LA will participate in the offer data checking exercise scheduled between **26 March and 9 April 2018** in the Pan-London timetable in Schedule 3B.
26. Lewisham LA will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than **11 April 2018**.

Offers

27. Lewisham LA will ensure, so far as is reasonably practical, that each resident applicant who cannot be offered a preference expressed on the Common Application Form, receives the offer of an alternative school place. Usually this will be the closest school to the home address where there is still a vacancy after the allocation of places.
28. Lewisham LA will inform all resident applicants of their highest offer of a school place and, where relevant, the reasons why higher preferences were not

offered, whether they were for schools in Lewisham LA or in other participating LAs.

29. Lewisham LA's outcome letter will include the information set out in Schedule 2.
30. Lewisham LA will, on **16 April 2018**, send by first class post notification of the outcome to resident applicants who made a paper application.
31. Lewisham LA will provide its maintained nursery and primary schools with destination data of its resident applicants via the School Admissions Module (SAM) which will be available after **17 April 2018**.

Post Offer

32. Lewisham LA will request that resident applicants accept or decline the offer of a place by **30 April 2018**, or within two weeks of the date of any subsequent offer.
33. Where an applicant resident in Lewisham LA accepts or declines a place in a school maintained by another LA by **30 April 2018**, Lewisham LA will forward the information to the maintaining LA by **8 May 2018**. Where such information is received from applicants after **30 April**, Lewisham LA will pass it to the maintaining LA as it is received.
34. Where a place becomes available in an oversubscribed maintained school or academy in Lewisham's area, it will be offered from a waiting list ordered in accordance with paragraph 2.14 of the School Admissions Code 2014.
35. When acting as a maintaining LA, Lewisham LA will inform the home LA, where different, of an offer for a maintained school or Academy in Lewisham LA's area which can be made to an applicant resident in the home LA's area, in order that the home LA can offer the place.
36. When acting as a maintaining LA, Lewisham LA and the admission authorities within it, will not inform an applicant resident in another LA that a place can be offered.
37. When acting as a home LA, Lewisham LA will offer a place at a maintained school or Academy in the area of another LA to an applicant resident in its area, provided that the school is ranked higher on the Common Application Form than any school already offered.
38. When acting as a home LA, when Lewisham LA is informed by a maintaining LA of an offer which can be made to an applicant resident in this LA's area which is ranked lower on the Common Application Form than any school already offered, it will inform the maintaining LA that the offer will not be made.
39. When acting as a home LA, when Lewisham LA has agreed to a change of preference order for good reason, it will inform any maintaining LA affected by the change. In such cases, paragraphs 36 and 37 shall apply to the revised order of preferences.
40. When acting as a maintaining LA, Lewisham LA will inform the home LA, where different, of any change to an applicant's offer status as soon as it occurs.
41. When acting as a maintaining LA, Lewisham LA will accept new applications from home LAs for maintained schools and academies in its area.

42. Waiting lists - Requests to be placed on a waiting list for a school in Lewisham must be made via the home LA. In accordance with the pan London agreement, and to ensure Lewisham meets its duty to continue to co-ordinate admissions beyond offer date and comply with the parents' highest possible preference, Lewisham will ensure that waiting lists do not contain lower ranked preferences except where it (or the home LA) has agreed to a parental request to change the order of preferences. In such cases, where there is a parental request to change the order of preferences, the original application, including any offer made under co-ordination, will be withdrawn and the applicant will be required to re-apply.

The reception co-ordinated scheme continues until the end of July 2018. Applications received for reception class beyond July 2018 will be considered as In Year applications.

Waiting lists for community schools in Lewisham will be held for the first term of the reception year only. Those wishing to apply for a place beyond the first term of the reception year will be required to make an in year application.

Waiting lists for Lewisham's community schools will include those who have moved to the area and were unable to make an 'ontime' application. Enquiries about waiting list positions or appeal procedures for community schools in the borough should contact Lewisham's Admissions Team.

PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME
SCHEDULE 1

**Minimum Content of Common Application Form for Admissions to Year 7 and
Reception in 2018/19**

Child's details:

Surname
Forename(s)
Middle name(s)
Date of Birth
Gender
Home address
Name of current school
Address of current school (if outside home LA)

Parent's details:

Title
Surname
Forename
Address (if different to child's address)
Telephone Number (Home, Daytime, Mobile)
Email address
Relationship to child

Preference details (x 6):

Name of school
Address of school
Preference ranking
Local authority in which the school is based

Additional information:

Reasons for Preferences (including any medical or social reasons)
Is the child a 'Child Looked After' (CLA)? Y/N
Is the child formally CLA but now adopted or subject to a Child Arrangements Order or
Special Guardianship Order? Y/N
If yes, name of responsible local authority
Surname of sibling
Forename of sibling
DOB of sibling
Gender of sibling
Name of school sibling attends

Other:

Signature of parent or guardian
Date of signature

* Lewisham will take steps to ensure that no application for a child with an Educational Health Care plan (EHCP) or a statement of special educational needs will be sent via the PLR.

PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME- SCHEDULE 2

Template Outcome Letter for Admissions to Year 7 and Reception in 2018/19 – those who made a paper application.

From: Home LA

Date: 1 March 2018 (sec)
16 April 2018 (prim)

Dear Parent,

Application for a Secondary / Primary School

I am writing to let you know the outcome of your application for a secondary/primary school. Your child has been offered a place at X School. The school will write to you with further details.

I am sorry that it was not possible for your child to be offered a place at any of the schools which you listed as a higher preference on your application form. For each of these schools there were more applications than places, and other applicants had a higher priority than your child under the school's published admission criteria.

Offers which could have been made for any schools which you placed lower in your preference list, were automatically withdrawn under the co-ordinated admission arrangements, as a higher preference has been offered.

If you would like more information about the reason that your child was not offered a place at any higher preference school, you should contact the admission authority that is responsible for admissions to the school within the next few days. Details of the different admission authorities for schools in the borough of Lewisham are attached to this letter. If the school is outside the borough of Lewisham, the admission authority will either be the borough in which the school is situated, or the school itself.

You have the right of appeal under the School Standards & Framework Act 1998 against the refusal of a place at any of the schools for which you have applied. If you wish to appeal, you must contact the admission authority for the school within the next few days to obtain the procedure and the date by which an appeal must be received by them.

Please would you confirm that you wish to accept the place at X School by completing the reply slip below. If you do not wish to accept the place, you will need to let me know what alternative arrangements you are making for your child's education.

Your child's name has been placed on the waiting list for any school which was a higher preference on your application than the school you have been offered. If you need to find out your child's position on the waiting list please contact the admissions authority or the borough in which the school is situated.

If you have any questions about this letter, please contact the Admissions Team on 020 8314 8282

Please return the reply slip by 15 March 2018(sec)/30 April 2018 (prim).
(First preference offer letters will include the paragraphs in italics only)

PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME
SCHEDULE 3A

Timetable for Admissions to Year 7 in 2018/19

| | |
|---|---|
| Friday 20 Oct 2017 | Published closing date (Friday before half-term) |
| Tuesday 31 Oct 2017 | Statutory deadline for receipt of applications |
| Tuesday 14 Nov 2017 | Deadline for the transfer of application information by the Home LA to the PLR (ADT file). |
| Monday 11 Dec 2017 | Deadline for the upload of late applications to the PLR. |
| Tuesday 12 Dec 2017 – Tuesday 2 Jan 2018 | Checking of application data |
| Friday 2 Feb 2018 | Deadline for the transfer of potential offer information from Maintaining LAs to the PLR (ALT file) |
| Thursday 15 Feb 2018 | Final ALT file to PLR |
| Friday 16 - Thursday 22 Feb 2018 | Checking of offer data |
| Friday 23 Feb 2018 | Deadline for on-line ALT file to portal |
| Thursday 1 Mar 2018 | Results published (evening for online applicants) |
| Thursday 15 Mar 2018 | Deadline for return of acceptances |
| Thursday 22 Mar 2018 | Deadline for transfer of acceptances to maintaining LAs |

PAN-LONDON CO-ORDINATED ADMISSIONS SCHEME - SCHEDULE 3B

Timetable for Admissions to Reception/Junior in 2018/19

| | |
|---|--|
| Monday 15 January 2018 | Statutory deadline for receipt of applications |
| Monday 5 February 2018 | Deadline for the transfer of application information by the Home LA to the PLR (ADT file) |
| Monday 12 February 2018 | Deadline for the upload of late applications to the PLR. |
| Tuesday 13 February – Tuesday 20 February 2018 | Checking of application data |
| Thursday 15 March 2018 | Deadline for the transfer of potential offer information from the Maintaining LAs to the PLR (ALT file). |
| Friday 23 March 2018 | Final ALT file to PLR |
| Monday 26 March - Monday 9 April 2018 | Checking of offer data |
| Wednesday 11 April 2018 | Deadline for on-line ALT file to portal |
| Monday 16 April 2018 | Results published (evening for online applicants) |
| Monday 30 May 2018 | Deadline for receipt of acceptances |
| Tuesday 8 May 2018 | Deadline for transfer of acceptances to maintaining LAs |

LEWISHAM'S SCHEME FOR THE CO-ORDINATION OF IN-YEAR
ADMISSIONS FOR MAINTAINED SCHOOLS AND ACADEMIES IN
LEWISHAM 2018/19

Section 1: Applications

1. Applications from Lewisham and non-Lewisham residents for all maintained schools, including Academies, in Lewisham will be made directly to Lewisham's admission team. The in-year application forms will be available from Lewisham's website at www.lewisham.gov.uk
2. Lewisham residents applying for places at maintained schools and academies outside Lewisham will need to apply directly to the LA in whose area the school is situated.
3. The admission authorities in Lewisham will not use supplementary forms except where the information available through the Common Application Form is insufficient for consideration of the application against the published oversubscription criteria. Where supplementary forms are used by the admissions authorities within Lewisham, Lewisham's Admissions and Appeals Team will seek to ensure that these only collect information which is required by the published oversubscription criteria, in accordance with the School Admissions Code.
4. Where supplementary forms are used, they will be available from the school concerned and available on the school's website. Any supplementary forms must advise parents that they must also complete Lewisham's in-year application form. Lewisham's admission booklet and website will indicate which schools in Lewisham require supplementary forms to be completed and where they can be obtained. Parents will be advised that they should complete the supplementary form so that the school's Governing Body can fully consider their application.
5. Where an admission authority school in Lewisham receives a supplementary form, it will not consider it to be a valid application until the parent has also listed the school on Lewisham's In-Year Application Form.
6. Applicants will be able to express a preference for up to three maintained primary/secondary schools or Academies in Lewisham.
7. The order of preference given on the In-Year Application Form will not be revealed to the schools listed on the In-Year application form.
8. Lewisham undertakes to carry out address verification for each application made to a maintained school or academy in Lewisham. Where Lewisham is not satisfied as to the validity of an address of an applicant it will advise the admission authority schools.

9. Lewisham will satisfy itself that each applicant's date of birth is correct.
10. Lewisham will check the status of any applicant who is a 'Looked After or was previously looked after but immediately after being looked after became subject to an adoption, residence, or special guardianship order.'

Section 2: Processing

11. Lewisham will enter each pupil's preferences onto the admissions data base. This information will be available to admission authority schools via the School Admissions Module (SAM) to enable them to consider the application in accordance with their published oversubscription criteria. Admissions authority schools should respond to an application within **10** school days.
12. For all applicants, Lewisham will provide schools with the information contained in the In-Year Application Form (see Schedule 1 below).
13. Where an application is not fully completed, including address verification, Lewisham will not treat the application as valid until all information is received.
14. If a pupil is currently on roll at a school in Lewisham or a school in a neighbouring borough, the parent will be advised to discuss the transfer with the Headteacher or senior Teacher at the school.
15. Lewisham's in year iCAF, will request background information from the current/previous school to support the enrolment meeting or to determine whether the application qualifies as a Fair Access admission.

Section 3: Offers

16. If a school has a vacancy/vacancies, Lewisham will be expected to offer the place(s) within **10** school days of the vacancy arising to the next child entitled to a place in accordance with the published oversubscription criteria. The school must make reasonable attempts to contact the parent. If a school receives fewer applications than places available, places must be offered to all of the children unless the pupil has had a permanent exclusion from the last school.
17. Lewisham's Admissions and Appeals Team will write to parents who have not been offered places at their preferences schools giving reasons and informing them of their right of appeal to an independent appeal in accordance with the School Standards and Framework Act 1988.
18. Lewisham will notify the Home LA of the outcome of applications for their residents

18. When Lewisham is notified that a pupil has been offered a place at a higher preference school, the lower ranking preferences will be withdrawn and the schools concerned notified.
19. Schools must place the child on roll by the date agreed with the School Admissions and Appeals Team.
20. Children transferring from one local school to another may not transfer to the new school until the start of the following half term unless both the home school and receiving school agrees and earlier admissions date.
21. Federations will have an important role in apportioning admissions among the schools in the federation.
22. If an admission is disputed by a school, the case must be referred to the Admissions and Appeals Team giving detailed written reasons within 5 school days. The school will also be required to refer the child's placement to the Fair Access Panel (FAP). Lewisham reserves the right to direct admission if necessary.
23. When Lewisham is notified that a pupil has been offered a place at a lower preference school, the higher preferences will also be withdrawn unless the parent indicates otherwise.
24. Acting as Home LA, where an applicant who is out of school cannot be offered a place at one of their named preferences, Lewisham will offer an alternative school place.
25. It will be assumed that parents will accept the offer of a school place unless they formally decline the offer of a place and confirm what alternative arrangements they are making for their child's education.
26. Where Lewisham is informed that another LA is able to offer a place from the waiting list to one of its residents, Lewisham's database will be updated accordingly.
27. Waiting lists for schools in Lewisham will be held for the academic year in which the application was made. Waiting lists will not be carried over from one academic year to the next and parents will be required to reapply for subsequent academic years.

SCHEDULE 1

Lewisham's In-Year Common Application Form (iCAF) will contain the following fields.

Child's details:

- Surname
- Forename(s)
- Middle Name(s)
- Home Address
- Date of Birth
- Gender
- Name, address and dates of attendance of current/previous school(s)
- If currently in school, reason for transfer
- Date place is required
- Permanent exclusions
- Is the child Looked After?

Parent's/Carer's details:

- Title
- Initials
- Forename
- Surname
- Address (if different to child's address)
- Telephone Number(s)
- Relationship to Child
- Parental Responsibility?

Preference details (maximum of 3):

- Full Name of school
- Preference ranking
- Sibling Details
- Reasons for Preference (including any medical or social needs)

Other:

- Declaration including consequences of providing false information
- Signature of parent or carer
- Date of signature
- Data Protection notice
- Checklist including advice about completing supplementary forms

Lewisham's timetable for processing preference data (reception and secondary transfer admissions)

| Primary | Activity | Secondary |
|---------------------------------------|---|---------------------------------------|
| 1 September 2017 – 15 January 2018 | Application Period | 1 September 2017 – 31 October 2017 |
| By 15 January 2018 | Supplementary Information form to be returned to direct to the school | By 31 October 2017 |
| Monday 12 February 2018 | Lewisham's deadline for uploading 'late for good reason' applications | Monday 11 December 2018 |
| Monday 16 April 2018 | Results of applications made by the closing date posted by first class post to those who made a paper application | Thursday 1 March 2018 |
| The evening of 16 April 2018 | Results available to those who made their application on line | The evening of 1 March 2018 |
| Monday 30 April 2018 | Deadline for accepting an offer | Thursday 15 March 2018 |
| Monday 7 May 2018 | Deadline for submitting an appeal for a community school | Thursday 22 March 2018 |
| June – July 2018 | Appeals heard for community schools | June – July 2018 |



Boundfield Road, Catford, SE6 1PQ

Telephone: 0208 698 5686

Fax: 0208 695 9659

Email: Admin@forsterpark.lewisham.sch.uk

Executive Headteacher: Michelle Fenniche

Headteacher: Mark Gale

20th December 2016

Dear Ms Fuller and Mr Henaughan

As the Chair of Governors for the Oakbridge Federation, I write to change our PAN for Forster Park Primary School. This decision has not been taken lightly and is an informed decision, whilst planning financially for the next 3 years.

Forster Park became a 3 form entry Primary school in September 2015 on the request of the Local Authority because of the need for additional primary school places. However, so far we have not been able to fill all our available places. We are trying very hard to promote the school to become a first choice for families close to us but this takes time. When they visit parents are hugely impressed by our wonderful buildings and facilities but many are coming to us because they have not been given their first choice school and they move their child as soon as a vacancy occurs there. This of course is hugely disruptive for the children and for the school. This term alone we have welcomed 24 children and lost 34.

We had previously taken a bulge year for our current Year 3 cohort. We have 36 spaces in Year 3 and 3 open classes, which is financially unsustainable moving forward. We need to be able to condense our current Year 3 cohort, through to Year 4 as 2 classes, knowing that we will not be directed by the LA to take more than 60 children in 2017/2018 Year 4 cohort. We also have 28 spaces in reception this year, which again causes financial concern moving forward.

Due to the amount of vacancies throughout Forster Park, we would request that the school reverts to a two form entry school as of 2018/2019 and that this is taken into consideration in your consultation and determination process for 2018/2019.

The Governors would of course be open to considering bulge classes if and when the need arises in future years, as we aware that we have the capacity within the school.

Yours sincerely,

Kris Hibbert
Chair of Governors
Oakbridge Federation

Agenda Item 9

| | | | |
|--|--------------------------------------|-------------------------------------|-------------------------------------|
| Chief Officer Confirmation of Report Submission | | | |
| Cabinet Member Confirmation of Briefing | | | |
| Report for: | Mayor | <input type="checkbox"/> | |
| | Mayor and Cabinet | <input checked="" type="checkbox"/> | |
| | Mayor and Cabinet (Contracts) | <input type="checkbox"/> | |
| | Executive Director | <input type="checkbox"/> | |
| Information | <input type="checkbox"/> | Part 1 | <input checked="" type="checkbox"/> |
| | | Part 2 | <input type="checkbox"/> |
| | | Key Decision | <input checked="" type="checkbox"/> |

| | |
|------------------------|-------------------------------|
| Date of Meeting | 8 th February 2017 |
|------------------------|-------------------------------|

| | |
|------------------------|--|
| Title of Report | Extending our shared IT service to Southwark Council |
|------------------------|--|

| | | |
|-----------------------------|-----------------|-----------------------------|
| Originator of Report | Duncan Dewhurst | Ext. 48382 |
|-----------------------------|-----------------|-----------------------------|

At the time of submission for the Agenda, I confirm that the report has:

| Category | Yes | No |
|---|-----|----|
| Financial Comments from Exec Director for Resources | X | |
| Legal Comments from the Head of Law | X | |
| Crime & Disorder Implications | X | |
| Environmental Implications | X | |
| Equality Implications/Impact Assessment (as appropriate) | X | |
| Confirmed Adherence to Budget & Policy Framework | X | |
| Risk Assessment Comments (as appropriate) | | |
| Reason for Urgency (as appropriate) | | |

Signed: _____ *Kumi Gonia* Executive Member

Date: _____ 30 January 2017 _____

Signed: _____ *[Signature]* Director/Head of Service

Date _____ 30 January 2017 _____

Control Record by Committee Support

| Action | Date |
|---|------|
| Listed on Schedule of Business/Forward Plan (if appropriate) | |
| Draft Report Cleared at Agenda Planning Meeting (not delegated decisions) | |
| Submitted Report from CO Received by Committee Support | |
| Scheduled Date for Call-in (if appropriate) | |
| To be Referred to Full Council | |

| Mayor and Cabinet | | | |
|---------------------|---|-----------------|--|
| Title | Extending our shared IT service to Southwark Council | | |
| Key decision | Yes | Item no | |
| Wards | All | | |
| Contributors | Kevin Sheehan – Executive Director Customer Services Duncan Dewhurst – Head of Technology and Change | | |
| Class | Part 1 | 8 February 2017 | |

1. Summary

1.1. This report sets out proposals for working with the London Borough of Southwark to share ICT services by November 2017.

2. Policy Context

2.1. Lewisham's Sustainable Community Strategy 2008-2020 contains the shared priorities for the borough. Together with the Council's corporate priorities, it sets out a framework for improving the quality of life and life chances for all who live in the borough in particular inspiring efficiency effectiveness and equity.

2.2. To support this, the Council has put in place a Digital Programme that aims to:

2.2.1. support the Council's move to providing excellent digital services and improving access to these services;

2.2.2. making better use of the Council's data and systems;

2.2.3. making it much easier to work with the Council's partners; and

2.2.4. enabling flexible and mobile working.

2.3. In this context the Mayor and Cabinet agreed to put in place a shared IT service with Brent Council to support this change. The shared service with Brent has been in place since April 2016. Following on from this officers have looked at whether extending the shared service further could increase IT resilience and reduce costs further. As a result of this an opportunity has arisen to work with Southwark.

3. Recommendations

3.1. It is recommended that the Mayor:

- 3.1.1. Approves plans for the ICT Shared Service with Brent to be extended to cover the London Borough of Southwark and notes that a further report will be brought back to the Mayor in June 2017 for formal approval subject to the outcome of the due diligence exercise.
- 3.1.2. Notes the delegation from Southwark Council to Brent (as the primary host authority in the shared service) for the delivery of ICT service and notes that a further report will be brought to the Mayor in June 2017 to approve delegation in its final terms.
- 3.1.3. Notes the ongoing due diligence process and the development of an inter-authority agreement(s) for delegation of the ICT service delivery.
- 3.1.4. Approves entering into a Memorandum of Understanding with the London Borough of Southwark and London Borough of Brent as set out in Annex A.
- 3.1.5. Approves the entering into of an interim inter-authority agreement which will cover the 3 boroughs obligations with regard to the preparatory and transition activities and delegates authority to the Executive Director of Customer Services to agree the terms of the interim inter- authority agreement(s) on the advice of the Head of Law.
- 3.1.6. Approve interim governance arrangements based on a shared joint partnership board to include representatives of Brent, Lewisham and Southwark working on an equal basis.
- 3.1.7. Notes that Brent and Southwark officers are presenting reports to their respective Cabinets in relation to this delegation and future shared service.

4. Background

- 4.1. Lewisham established a shared service for ICT with the London Borough of Brent in April 2016. The service is hosted by Brent, is overseen by a Joint Committee of members from both councils and is managed by a shared management board of officers.
- 4.2. The service has been operating for just under a year and in that period successfully transitioned ICT services at Lewisham from the previous contract with Capita and completed a major infrastructure refresh programme to bring previously under-invested Lewisham ICT services

on the same platform as Brent. Both councils realised significant financial savings in the process.

- 4.3. Officers have been in discussion with a number of authorities to explore the possibility of offering them ICT services, with the aim to build a stronger team with additional capacity and resilience, while at the same time realising further savings for the councils.
- 4.4. London Borough of Southwark was in a similar position as Lewisham, having a contract with Capita that was coming to an end and the Council was not looking to extend it. Southwark went through a procurement exercise in 2016 and that was unsuccessful. Having then looked at the options available to them, they shortlisted two options:
 - 4.4.1. delegating IT services to the existing shared service between Brent and Lewisham, where Brent would be the host authority.
 - 4.4.2. provision of IT services procured through the Westminster IT Services Framework with BT as the primary supplier.
- 4.5. Southwark officers worked with both BT and shared service officers to better define both options in order to evaluate them. As an outcome of this exercise they decided that they would work towards taking the shared service option forward.
- 4.6. Following this decision officers from the three councils attended a series of workshops bringing together their key stakeholders and advising officers to explore how the service could be developed and the potential benefits to all three partners.
- 4.7. The workshops were designed to enable senior officers to understand and agree the following:-
 - 4.7.1. Partnership principles
 - 4.7.2. Statutory framework that enables shared services
 - 4.7.3. Potential governance models
 - 4.7.4. Potential benefits realisation
 - 4.7.5. Risk
 - 4.7.6. The most appropriate shared service model
 - 4.7.7. The internal legal process to establish the shared service
- 4.8. In addition, an important aspect of the workshops was testing the commitment of senior stakeholders to a shared service, thus ensuring officers were embarking on a viable long term joint venture.

4.9. The authorities identified that they shared a number of key objectives and synergies. These included:-

4.9.1. Clear technology synergies (i.e.: common applications, infrastructure and roadmaps)

4.9.2. Common financial and service pressures

4.9.3. Need to achieve value for money (meets current and future affordability targets and quality expectations)

4.9.4. A need to strengthen overall service risk management and resilience.

4.9.5. A political appetite to do something different in partnership with other authorities.

4.10. At the final workshop, senior stakeholders from all three authorities agreed that a shared service was a compelling proposition and gave the necessary commitments to progressing this as a recommendation to their respective Cabinets.

4.11. Following approval by the Mayor, officers will be working further on due diligence and transition planning, as well as the development of an inter-authority agreement. Officers will report back to the Mayor on all activity carried out between now and June 2017 with recommendations in relation to a shared service.

4.12. It has been agreed that Southwark will be funding the cost of their transition in full to ensure that the work involved in transition does not impact the ICT service to Brent and Lewisham. To achieve that this will include interim staff to provide additional capacity for the transition project, to backfill for existing shared service staff, but also to ensure that other project work is completed early to avoid resource conflicts during transition.

5. Financial implications

5.1. Detailed work is currently being undertaken to determine the costs associated with extending ICT services to Southwark, including the fixed annual costs, including the costs of managing and maintaining systems and hardware and the set up costs. Once this exercise is complete, officers will be able to determine the implications on Lewisham of the new arrangements. It is envisaged that the extended sharing of fixed costs will result in a significant saving for the council

5.2. The full financial implications will be reported back to Mayor and Cabinet in June, setting out the benefits and risks, before members are asked to finally agree the establishment of the extended service.

5.3. All project work, including the procurement of IT hardware and software and recruiting interim staff to provide additional capacity or backfill any existing shared service staff working on the transition project and any other set up costs, will be funded in full by Southwark, at no cost to Lewisham.

6. Legal implications

6.1. Officers have considered the statutory framework that permits local authorities to establish shared services. The Local Government Acts 1972 and 2000 give local authorities the authority to delegate (arrange for the discharge) of their functions by:-

6.1.1. another local authority;

6.1.2. the executive of another local authority; or

6.1.3. a joint committee.

6.2. The shared service between Lewisham and Brent was established in accordance with the above Acts. Lewisham delegated delivery of their IT service to Brent and separately Brent and Lewisham delegated governance of the ICT service to a joint committee that oversees the performance and strategic direction of the shared service with operational control executed through a joint Management Board supervised by a Joint Committee.

6.3. A number of options for the future governance arrangements of the potentially expanded shared service are available, such as establishing a 3-way joint committee or forming a "Teckal" company (this being a joint company for public sector shared services where the intention is to continue to provide the services from within the public realm).

6.4. There is considered to be some advantage in taking the time to consider these options thoroughly, drawing on the experience Brent and Lewisham have accrued in sharing services and other shared services. Given this it is proposed to adopt a two-stage approach to governance.

6.5. Stage 1: To expedite the work required to fully develop the service design and the establishment of the transition team to undertake detailed planning and transition preparation in the months leading up to go-live for the extended service, it is proposed that the service should progress with interim governance arrangements.

6.6. Interim governance will consist of a joint 3-way partnership board with representatives from each of the three partner authorities. Each authority will have an equal say in the running of the design and transition programmes. Post go-live, this board would manage delivery of the 3-way shared service until such time as permanent governance was implemented.

- 6.7. Stage 2: A further report to the Mayor and/or Cabinet of each of the three shared service authorities will seek authorisation for the recommended governance model prior to its implementation.
- 6.8. Having considered the necessary mechanisms and authorisations required to enable the shared service partnership to progress it is proposed that;-
- 6.9. Brent, Southwark, and Lewisham agree a non-legally binding memorandum of understanding (MOU) to enable officers to commence due diligence. In addition to the MoU the three parties intend to agree an interim inter-authority agreement as soon as possible to address their obligations, liabilities, insurance arrangements and use of assets in relation to the preparation and transition to the shared service. This will also give authority for Brent to purchase necessary hardware and software in relation to the transition. The interim agreement will form the basis for a subsequent more detailed inter-authority agreement between the parties to be developed after completion of due diligence.
- 6.10. This above will enable development of the detailed delivery model, full transition preparation and associated budget allocations.
- 6.11. Subject to all parties agreeing the detail, a report setting out the scope of the shared service, the associated financial model and setting out the terms of the delegation/s of Southwark's ICT will be recommended to the June meeting of the Mayor and/or Cabinet of each of the three shared service authorities for approval.
- 6.12. The MOU, the interim inter-authority agreement and delegation of authority will define that interim arrangements are time limited to no more than 12 months so as to enable the most appropriate governance model to be determined and implemented. If practical, permanent governance arrangements will be included in the June report.
- 6.13. It should be noted that until such time as the permanent governance arrangements for the shared service are approved by their respective authorities (the interim period) the existing shared service governance requires that Brent and Lewisham continue to meet as a Shared Management Board and to report service performance relating to their authorities only to their Joint Committee.
- 6.14. It should be noted that the arrangements proposed are not intended to amount to procurement of services within the scope of the EU Procurement Rules. Instead the plan involves Southwark Council delegating certain of its functions for delivery of ICT to Brent Council and when implemented the plan will involve Brent (as the host authority for the shared service with Lewisham) exercising the function on behalf of Southwark pursuant to the powers referred to in paragraph 1, as opposed to a contractual arrangement.

6.15. It is anticipated that the transfer of Undertakings (Protection of Employment Regulations) 2006 will potentially apply on transfer of workforce engaged in provision of Southwark's ICT service to Brent as the host borough.

7. Crime and disorder implications

7.1. There are no specific crime and disorder implications arising from this report.

8. Equalities implications

8.1. There are no specific equalities implications arising from this report.

9. Environmental implications

9.1. There are no specific environmental implications arising from this report.

10. Report Originator

10.1. If you have any questions about this report please contact Duncan Dewhurst on 07342072698.

Annex A: Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

between

(1) THE MAYOR & BURGESSES OF THE LONDON BOROUGH OF BRENT

(2) THE MAYOR & BURGESSES OF THE LONDON BOROUGH OF LEWISHAM

and

(3) THE MAYOR & BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK

Contents

Clause

1. Background 10
2. Key objectives for the project 11
3. Principles of collaboration 11
4. Project governance 11
5. Roles and responsibilities 13
6. Escalation 13
7. Intellectual property, confidentiality & FOI 13
8. Term and termination 15
9. Variation 16
10. Costs 16
11. Status 16
12. Governing law and jurisdiction 16

Annex

Annex A. Project , key objectives& principles **Error! Bookmark not defined.**

THIS MEMORANDUM OF UNDERSTANDING

is dated

2017

Parties

- (1) THE MAYOR & BURGESSES OF THE LONDON BOROUGH OF BRENT** of the Civic Centre, Engineers Way, Wembley, HA9 OFJ (“LBB”)
- (2) THE MAYOR & BURGESSES OF THE LONDON BOROUGH OF LEWISHAM** of Laurence House, Catford, London, SE6 4RU (“LBL”);
and
- (3) THE MAYOR & BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK** of 160 Tooley Street, London SE1 2QH (“LBS”)

Background

LBB and LBL have agreed to collaborate and work with one another to establish and participate in a Shared ICT Service (the “Shared Service”) which started on 1 April 2016. LBS is interested in collaborating and participating in the Shared Service and the parties wish to work together to investigate the possibility of LBS joining the existing Shared Service arrangement or the possibility of the three parties agreeing tri-partite arrangements either based on the existing agreement (with adjustments to accommodate and cater for new equal participant and related service needs) or a different service model possibly a new company with directors appointed from the three parties or other tri-partite service model to be discussed and mutually agreed between the parties. With this in mind LBS has drawn up some details of the matters it wishes to explore and discuss with representatives of LBB and LBL and an outline of these matters is given in Annex A to this MoU (the discussions and matters referred to in this paragraph and in Annex A are referred to in this MoU as the “Project”).

The parties wish to record the basis on which they will collaborate with each other on the Project. This Memorandum of Understanding (“MoU”) aims to outline:

- the key objectives of the Project;**
- the principles of collaboration prior to entry into a more detailed legally binding Collaboration and Inter Authority Agreement;**
- the interim governance structures the parties will put in place for the purposes of furtherance of the Project; and**

the respective roles and responsibilities the parties plan to have during the Project.

Key objectives for the project

The parties shall undertake the Project to achieve the key objectives set out in Annex A to this MoU (“Key Objectives”).

Principles of collaboration

The parties agree to adopt the following principles when carrying out the Project (**Principles**): The parties will use their reasonable endeavours to

collaborate and co-operate with one another in pursuit of the Key Objectives;

Communicate openly about major concerns, issues or opportunities relating to the Project;

learn, develop and seek to achieve the Key Objectives. Share information and experience to learn from each other, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;

adopt a positive outlook. Behave in a positive, proactive manner;

adhere to statutory requirements and good practice. Comply with applicable laws and standards including EU procurement rules, data protection and freedom of information legislation;

endeavour to act in a timely manner recognising the timing and dates needed to achieve performance of the Project;

manage stakeholders; and

act in good faith to support achievement of the Key Objectives and compliance with these Principles.

Project governance

Overview

The governance structure referred to below will apply in relation to the Project.

Guiding principles

The following guiding principles are adopted. The Project's governance will:

provide strategic oversight and direction;
be based on agreed roles and responsibilities at organisation, group and, where necessary, individual level;
align decision-making authority with the criticality of the decisions required;
be aligned with Project scope and each Project stage (and may therefore require changes over time);
aim to provide coherent, timely and efficient decision-making;
and
correspond with the key features of the Project governance arrangements anticipated by this MoU.

Sponsors' Board

The Sponsors' Board provides overall strategic oversight and direction to the Project. This group will consist of:

LBB : Althea Loderick & Peter Gadstone

LBL : Kevin Sheehan

LBS : Emma Marinos

Project Group

The Project Group will provide strategic management at Project and work stream level. It will provide assurance to the Sponsors' Board that the Key Objectives are being pursued and that the Project is aiming to perform within any boundaries set by the Sponsors' Board.

It is intended that the Project Group will consist of representatives from each of the parties. The Project Group should be able to draw on technical, commercial, legal and communications resources as appropriate into the Project Group.

Roles and responsibilities

The parties intend to enter discussions on the details of the Project and as part of these discussions may choose to agree that there will be a more specific allocation of roles and responsibilities for particular aspects of the Project. Any such allocation will need to have the agreement of all the parties.

Escalation

If either party has any issues, concerns or complaints about the Project, or any matter in this MoU, that party shall notify the other party and the parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Project Group, which shall decide on the appropriate course of action to take. If the matter cannot be resolved by the Project Group within ten days, the matter may be escalated to the Sponsors' Board for resolution.

If either party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made by a supplier or requests for information made under the Freedom of Information Act 2000) in relation to the Project, the matter shall be promptly referred to the Project Group (or its nominated representatives). No action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect the Project, without the prior approval of the Project Group (or its nominated representatives).

Intellectual property, confidentiality & FOI

The parties intend that any intellectual property rights created in the course of the Project shall vest in the party whose employee created them (or in the case of any intellectual property rights created jointly by employees of two or more parties it is the party that is lead party for the work concerned).

Where any intellectual property right vests in either party in accordance with the intention set out in clause 0 above, that party shall grant an irrevocable licence to the other parties to use that intellectual property for the purposes of the Project.

7.3 Each party shall keep confidential information relating to the intellectual property rights of the other parties, commercially sensitive information

and confidential information with regard to the Shared Service, the Project and plans envisaged by this MoU shall use all reasonable endeavours to prevent its employees and agents from making any disclosure to any person of such information. This shall not apply to:

- a) Information which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;
- b) Any disclosure which is required by any law (including any order of a court of competent jurisdiction), any Parliamentary obligation or the rules of a governmental or regulatory authority having the force of law, however where a disclosure is to be made pursuant to FOI Legislation the parties agree that the provisions of clause 7.5 and 7.6 shall apply to any disclosure;
- c) Any disclosure of information which is already lawfully in the possession of the receiving party prior to its disclosure by the disclosing party;
- d) Any disclosure by a party to a department, office or agency of the Government; or
- e) Any disclosure for the purpose of the examination and certification of a party's accounts and audit requirements.

7.4 Where disclosure is permitted under clause 7.3, the disclosing party/Council shall endeavour to ensure that the recipients of the information shall be placed under the same conditions of confidentiality as expressed above by the disclosing Council although the parties acknowledge that this may not always be possible.

7.5 Freedom of Information:

- a) The parties recognise that they are public authorities as defined by Freedom of Information (FOI) Legislation and therefore recognise that information relating to this MoU may be the subject of an Information Request under FOI Legislation ("Information Request").
- b) The parties shall assist each other in complying with their obligations under FOI Legislation, including but not limited to reasonable

assistance without charge, in gathering information to respond to a valid Information Request made under the FOI Legislation.

c) Any Council/party ("Council") shall be entitled to disclose any information relating to this MoU in response to an Information Request, save that in respect of any Information Request which is in whole or part a request for Exempt Information (i.e. exempt information that is exempt of may be lawfully withheld within the parameters of the FOI Legislation) in such circumstances the following procedure shall apply:

- the Council which receives the Information Request shall circulate the Information Request and shall discuss it with the other parties;
- the Council which receives the Information Request shall in good faith consider any representations raised by the other parties when deciding whether to disclose Exempt Information; and
- the Council which receives the Information Request shall not disclose any Exempt Information beyond the disclosure required by FOI Legislation without the consent of the other parties to which it relates.

7.6 The parties to this MoU acknowledge and agree that any decision made by a Council which receives an Information Request as to whether to disclose information relating to this MoU pursuant to FOI Legislation is solely the decision of that Council. A Council will not be liable to the other parties for any loss, damage, harm or detrimental effect arising from or in connection with the disclosure of information in response to a valid Information Request under the FOI Legislation.

Term and termination

It is intended that this MoU shall commence on the date of signature by all the parties hereto, and shall expire on either:

- **the date of completion of the Project;**

- the date when the parties enter into a more detailed Collaboration & Inter Authority Agreement for the Shared Service, which will supersede the arrangements in this MoU; or
- the date falling 12 months after 17th February 2017;

whichever of those dates occurs soonest.

Either party may terminate this MoU by giving at least one months' notice in writing to the other parties.

Variation

This MoU, including the Annexes, may only be varied by written agreement of all three parties as represented by the Sponsor's Board.

Costs

Except as otherwise provided, the parties shall each bear their own costs and expenses incurred in entering into and implementing this MoU.

Status

This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the parties from this MoU.

Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party as the agent of the other party, nor authorise any of the parties to make or enter into any commitments for or on behalf of the other party or parties.

The entry into and signature of this MoU shall be subject to approval of:

- the Cabinet of the London Borough of Brent
- The Mayor of the London Borough of Lewisham
- the Cabinet of the London Borough of Southwark.

Governing law and jurisdiction

This MoU shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in clause 0; each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

ANNEX A – PROJECT OVERVIEW

The aim of the Project over the period of twelve months following the approval of the Cabinet and/or Mayor of the three Council authorities, is to undertake a review of the existing arrangements for a Shared ICT service, Southwark Council's service arrangements and needs and the adaptation of these and the respective needs and arrangements of the other two councils so that all three councils can join together as equal parties in a tri-partite shared service arrangement.

The parties wish to develop plans and examine alternative models for to implement changes in the existing arrangements so to bring Southwark Council into the Shared Service arrangement as an equal partner. This could be based on a Joint Committee structure with each party having one-third equal representation rights or possibly a new company model with each party appointing representatives on a Board of Directors and having equal voting rights; or could be an alternative hybrid model that the parties mutually agree to use.

The proposal is to aim for the initial tri-partite service to Go-Live by August 2017 and for there to be a Run-in period between August and December. During this time the parties would review how the service is working, service needs, operational factors and related matters, with a view to using the information gathered, to decide how best to adjust the existing governance arrangements and to adapt a governance model best suited to three parties being equal members in the venture.

KEY OBJECTIVES & PRINCIPLES

KEY ISSUES FOR CONSIDERATION

Strategic Outcomes

1. To enable the three councils to maximise the use of digital technologies to transform themselves into responsive, efficient and cost-effective organisations.
2. The objective of the ICT service will be to achieve the strategic outcomes described in table 1 below by 2020.

| Primary outcomes | Secondary outcomes needed to achieve primary outcome |
|---|--|
| Building a solid platform for transformation | <ul style="list-style-type: none">• Building a modern, common infrastructure that partners can rely on.• Generating more innovation by investing together to make the most of technology.• Creating shared strategies and |

| | |
|--|---|
| | roadmaps , with the flexibility to reflect local needs. |
| Delivering a quality service | <ul style="list-style-type: none"> • Providing a reliable, quality user experience. • Delivering constant improvement by keeping service levels and processes under review. • Building a talented team with a great reputation. |
| Providing great value-for-money | <ul style="list-style-type: none"> • Maximising economies of scale, taking a common approach where practical and beneficial. • Offering affordable services that compare well with other providers. • Benefiting by sharing the cost of investment in new developments. |
| Forging a lasting partnership | <ul style="list-style-type: none"> • Acting as a partnership of equals that everyone benefits from. • Delivering greater resilience by sharing and mitigating risks. • Offering each partner more capacity and capability by pooling resources and knowledge. |

Table 1: Strategic Outcomes

3. The strategic outcomes referenced in Table 1 are underpinned by the agreed partnership principles and future behaviours (see below) that address and enable the opinions and expectations of all three authorities.

Partnership Principles

4. Senior stakeholders agreed the following overarching principles upon which the shared service will be founded;-
- I. **Part of the family**, they are our in-house service and an important part of our team in each organisation.
 - II. **Modern and forward-looking**, working closely with our digital strategists to transform our organisations.
 - III. **Our expert ICT adviser** on the technology solutions needed to deliver the partners' digital strategies.
 - IV. **Our provider for all ICT services**, using external services and support when they needed.
 - V. **Managed collectively**, with sponsors from each partner providing leadership for the service.
 - VI. **Committed to converging** to a common approach and infrastructure by default, varied only when strictly necessary.

- VII. **Delivering on an ambitious plan** for the development of the service that is agreed and monitored by the partnership.
 - VIII. **Working to common standards** of service levels and performance that are realistic given the funding available.
 - IX. **Accounting for its success** in performing well against those standards, including through benchmarking.
 - X. **Committed to reducing costs** both in its own budgets and in the cost of partners' services to the public.
 - XI. **Managed simply and transparently** in the way it is governed, makes decisions, spends money and manages its budget.
 - XII. **Open to growth**, but only at a sustainable rate that does not represent a risk to the service.
 - XIII. The agreed principles and supported by five partnership behaviours that the partners (together and individually) are determined to adopt: -
5. Senior stakeholders have accepted that managing a shared service was very different to managing an outsourced service or indeed an in-house team in a single authority. In order to ensure the shared service has the best possible relationship with the managing authorities stakeholders agreed that adopting partnership behaviours would be critical. They therefore agreed;-
 - We will not **treat the service as a separate entity** that is external to our organisations and will not give it a separate identity.
 - We will adopt a **non-adversarial mind-set** and will not treat the partnership as a contracted, commercial supplier that needs 'clienting'.
 - We will not **complicate the partnership's decision-making** by operating different levels of delegation from each partner.
 - We will not **insist on significant differences** in the service processes and technology for a London Borough.
 - We will not **take unilateral decisions** on technology or funding that impact the ICT service's ability to deliver for all partners.
 6. These potentially represent significant cultural and behavioural changes for Southwark's officers and further work is required across the organisation to ensure that these changes are adopted and embedded. Consequently, each will be entered on the risk register for further mitigating action.
 7. Detail underpinning the partnership principles will be further developed and agreed during transition planning and due diligence.
 8. The partnership principles are fundamental to the memorandum of understanding which is intended to enable the detailed work required to agree the legal and governance mechanisms for establishment of the shared service to be completed.

Signed for and on behalf of
**THE MAYOR & BURGESSES OF
THE LONDON BOROUGH OF
BRENT**

Signature:
Name:
Position:
Date:

Signed for and on behalf of
**THE MAYOR & BURGESSES OF
THE LONDON BOROUGH OF
LEWISHAM**

Signature:
Name:
Position:
Date:

Signed for and on behalf of
**THE MAYOR & BURGESSES OF
THE LONDON BOROUGH OF
SOUTHWARK**

Signature:
Name:
Position:
Date:

| Mayor and Cabinet | | | |
|--------------------------|---|-----------------|--------------|
| Title | Extending our shared IT service to Southwark Council | | |
| Key decision | Yes | Item no | 9 (Addendum) |
| Wards | All | | |
| Contributors | Kevin Sheehan – Executive Director Customer Services Duncan Dewhurst – Head of Technology and Change | | |
| Class | Part 1 | 8 February 2017 | |

1. It is recommended that the Mayor:

- Approves plans to explore whether the ICT Shared Service with Brent should be extended to cover the London Borough of Southwark and notes that a further report will be brought back to the Mayor in June 2017 for formal decision subject to the outcome of the due diligence exercise.
- Notes the delegation from Southwark Council to Brent for the delivery of Southwark's ICT service and notes that a further report will be brought to the Mayor in June 2017 to determine whether this arrangement should be included within the Shared Service subject to the outcome of the due diligence exercise.
- Approves entering into a Memorandum of Understanding with the London Borough of Southwark and London Borough of Brent as set out in Annex A.
- Approves the entering into of an interim inter-authority agreement between the 3 boroughs to cover arrangements until a formal decision is made whether to proceed with a 3 council Shared Service and delegates authority to the Executive Director of Customer Services to agree the terms of the interim inter- authority agreement(s) on the advice of the Head of Law.
- Approve interim governance arrangements based on a shared joint partnership board to include representatives of Brent, Lewisham and Southwark working on an equal basis.
- Notes that Brent and Southwark officers are presenting reports to their respective Cabinets in relation to this delegation and possible future shared service.

Additional Paragraph for legal implications

The 3 Councils will be undertaking due diligence to determine whether a 3 borough shared service is a viable option. Once the due diligence has been carried out a report will be brought back to Mayor and Cabinet in June 2017 for a decision on whether to expand the Shared Service to include Southwark. To cover the exploration of this the 3 boroughs will enter into an interim inter-authority agreement which will set out each council's obligations and liabilities.

Agenda Item 10

| Mayor and Cabinet | | |
|--------------------|--|-----------------|
| Title | Comments of the Sustainable Development Select Committee on the implementation of the work and skills strategy | |
| Contributor | Sustainable Development Select Committee | Item |
| Class | Part 1 (open) | 8 February 2017 |

1. Summary

- 1.1 This report informs Mayor and Cabinet of the comments and views of the Sustainable Development Select Committee, arising from discussions held on the work and skills strategy.

2. Recommendation

- 2.1 Mayor and Cabinet is recommended to note the views of the select committee as set out in this report and ask the Executive Director for Community Services to provide a response.

3. Sustainable Development Select Committee views

- 3.1 On 24 January 2017, the Sustainable Development Select Committee considered an officer report on progress towards achieving the aims of the work and skills strategy 2016-18.
- 3.2 The committee resolved to advise Mayor and Cabinet of the following:
- The Committee congratulates officers on the work being done to implement the work and skills strategy with particular reference to the Pathways to employment programme.
 - The Committee notes that the focus of the implementation at present is partnership working at an officer level. The Committee recommends further political leadership and increased involvement at a councillor level to lobby government on the broader issues surrounding access to work and skills.

4. Financial implications

- 4.1 There are no financial implications arising out of this report per se; but there may financial implications arising from carrying out the action proposed by the Committee.

5. Legal implications

- 5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

6. Further implications

- 6.1 At this stage there are no specific environmental, equalities or crime and disorder implications to consider. However, there may be implications arising from the implementation of the Committee's recommendations.

Background papers

Report to the Sustainable Development Select Committee on work and skills:

<http://councilmeetings.lewisham.gov.uk/documents/s47588/04%20Work%20and%20skills%20strategy%20update%20240117.pdf>

If you have any questions about this report, please contact Timothy Andrew (Scrutiny Manager) on 02083147916 or email timothy.andrew@lewisham.gov.uk

Agenda Item 11

| Mayor and Cabinet | | |
|--------------------|---|-----------------|
| Title | Comments of the Sustainable Development Select Committee on the Catford programme | |
| Contributor | Sustainable Development Select Committee | Item |
| Class | Part 1 (open) | 8 February 2017 |

1. Summary

- 1.1 This report informs Mayor and Cabinet of the comments and views of the Sustainable Development Select Committee, arising from discussions held on the Catford programme.

2. Recommendation

- 2.1 Mayor and Cabinet is recommended to note the views of the select committee as set out in this report and ask the Executive Director for Resources and Regeneration to provide a response.

3. Sustainable Development Select Committee views

- 3.1 On 24 January 2017, the Sustainable Development Select Committee considered an officer report on the redevelopment programme for Catford.
- 3.2 The committee resolved to advise Mayor and Cabinet of the following:
1. The Committee recommends that the Council produces a communications plan, which details the timetable for consultation with local people and other key stakeholders. The plan should also include regular opportunities for engagement with councillors.
 2. The Committee recommends that officers produce a 3-5 year plan outlining anticipated dates for key decisions relating to Catford. The Committee asks that this be made freely available and updated regularly.
 3. The Committee recommends that, prior to each key decision, the Sustainable Development Select Committee has the opportunity to comment on and review plans as they progress.
 4. The Committee believes that before each key decision is taken options should be considered for: safe cycling and pedestrian provision; the proposed scale of any intended development and; the future viability of the Broadway Theatre.
 5. The Committee has concerns about the height density and massing of potential buildings in Catford and is keen to review any proposals before key decisions are made.
 6. The Committee will closely follow the development of options for the realignment of the A205. The Committee intends to use its influence to encourage TfL to prioritise funding for the scheme.
 7. The Committee believes that the safety of pedestrians and cyclists as well as the provision of segregated cycling lanes should be central to the consideration of all options for the realignment of the A205.
 8. The Committee recommends that, in assessing options for the future of the A205, due regard should be given to the impact of air quality on public health.

4. Financial implications

- 4.1 There are no financial implications arising out of the implementation of the recommendation of this report; but there may be financial implications arising from carrying out the action proposed by the Committee.

5. Legal implications

- 5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

6. Further implications

- 6.1 At this stage there are no specific environmental, equalities or crime and disorder implications to consider. However, there may be implications arising from the implementation of the Committee's recommendations.

Background papers

Report to the Sustainable Development Select Committee on the Catford programme:
<http://councilmeetings.lewisham.gov.uk/documents/s47566/06%20Catford%20Regeneration%20Programme%20update%20240117.pdf>

If you have any questions about this report, please contact Timothy Andrew (Scrutiny Manager) on 02083147916 or email timothy.andrew@lewisham.gov.uk

Agenda Item 12

| | | |
|--|--|--|
| Chief Officer Confirmation of Report Submission | | |
| Cabinet Member Confirmation of Briefing | | |
| Report for: Mayor | | |
| Mayor and Cabinet | | X |
| Mayor and Cabinet (Contracts) | | |
| Executive Director | | |
| Information <input type="checkbox"/> | Part 1 <input type="checkbox"/> | Part 2 <input type="checkbox"/> |
| Key Decision | | <input type="checkbox"/> |

| | |
|------------------------|-----------------|
| Date of Meeting | 8 February 2017 |
|------------------------|-----------------|

| | |
|------------------------|------------------------------|
| Title of Report | Pay Policy Statement 2017/18 |
|------------------------|------------------------------|

| | | |
|-----------------------------|-------------|--------------|
| Originator of Report | Phil Badley | 47519 |
|-----------------------------|-------------|--------------|

At the time of submission for the Agenda, I confirm that the report has:

| Category | Yes | No |
|--|-----|----|
| Financial Comments from Exec Director for Resources | | |
| Legal Comments from the Head of Law | | |
| Crime & Disorder Implications | | |
| Environmental Implications | | |
| Equality Implications/Impact Assessment (as appropriate) | | |
| Confirmed Adherence to Budget & Policy Framework | | |
| Risk Assessment Comments (as appropriate) | | |
| Reason for Urgency (as appropriate) | | |

Signed:  Executive Member

Date: 31/1/2017

Signed:  Head of Service Phil Badley

Date 31/1/17

Control Record by Committee Support

| Action | Date |
|---|------|
| Listed on Schedule of Business/Forward Plan (if appropriate) | |
| Draft Report Cleared at Agenda Planning Meeting (not delegated decisions) | |
| Submitted Report from CO Received by Committee Support | |

| | |
|---|--|
| Scheduled Date for Call-in (if appropriate) | |
| To be Referred to Full Council | |

| MAYOR AND CABINET | | | |
|--------------------------|----------------------|-------------|-----------------|
| Report Title | Pay Policy Statement | | |
| Key Decision | | Item Number | |
| Ward | | | |
| Contributors | HR Division | | |
| Class | | Date | 8 February 2017 |

1. Introduction

In compliance with Section 38(1) of the Localism Act 2011, the Council is required to publish a Pay Policy Statement, which sets out the Council's policies relating to the pay of its workforce for the next financial year 2017/18.

2. Background

The Localism Act requires each local authority to publish a statement which identifies the Council's approach to pay and in particular sets out pay arrangements for the chief officer posts i.e. heads of service, executive directors and the chief executive. Subsequent guidance introduced two further requirements. The first additional requirement is for local authorities with directly elected mayors. The guidance sets out an expectation that the Council would involve the directly elected mayor and have regard to any proposals that the Mayor may have before the statement is considered and approved. The second requirement is that the pay policy statement should include a requirement that full council is required to vote in relation to any severance packages of over £100,000 (including redundancy pay, holiday pay and pension entitlements).

A draft copy of the 2017/18 pay policy statement has been provided in accordance with the guidance. The guidance requires the Council to have regard to the Mayor's proposals.

3. Recommendation

To note and comment on the Pay Policy Statement.

4. Report

The Pay Policy Statement provides an overview of the Council's Pay Strategy.

The Council's approach to pay is to:

- ensure pay levels are right to provide the right levels of reward and motivation; and
- ensure pay levels are affordable by the Council

It is set in the wider context of a remuneration policy focussed on:

- employee roles
- employee development

- benefits (including pension)
- salary

The statement sets out the levels of remuneration for the Council's chief officers as well as Council's general approach to pay i.e. it identifies how jobs are evaluated, graded and the relationship between roles. The report explains the position of additional payments and identifies the relevant terms and conditions as required by statute.

Once agreed by the Council, the Pay Policy Statement will form the basis on which the Council remunerates employees particularly those at the chief officer level, as required by Section 41 of the Localism Act 2011.

5. Independent Executive Remuneration Panel

The IERP has been consulted on this statement in accordance with their terms of reference and it has agreed the proposed pay statement for 2017/18.

6. Summary of changes from 2016/17

Changes to the statement are minimal and are highlighted in yellow. The two key changes are:

- Proposed changes to the taxation arrangements for agency and interim workers are expected in the new tax year 2017/18. At the time of the approval of this statement the detailed guidance was not available, the Council's financial and management procedures will be revised to take account of the changes issued by the HMRC.
- Legislation and guidance in relation to exit payments is expected during 2017/18. Any legislation that may be enacted during the year in respect of termination payments and/or claw back of termination payments will be applied and may vary this policy.

7. Legal Implications

The Pay Policy Statement attached to this report complies with the requirements of Section 38 of the Localism Act 2011 which required all local authorities to prepare a Pay Policy Statement for the financial year 2012 - 2013 and every financial year thereafter. Chapter 8 of the Localism Act 2011 sets out the information which a pay policy statement must contain. Section 40 of the Act also requires the Council to have regard to any guidance issued or approved by the Secretary of State. Guidance under Section 40 was issued in February 2012 and the attached pay policy statement takes account of this guidance.

A Pay Policy Statement must be approved by a resolution of the Council before it comes into force.

Additional guidance under Section 40 of the Localism Act was issued in February 2013. As with the earlier guidance, the Council is required under Section 40 to have regard to this guidance when preparing its Pay Policy

Statement. This new guidance included commentary on how local authorities had complied with the original guidance. The new guidance also introduced two new requirements. The first requirement is for local authorities with directly elected mayors. The guidance sets out an expectation that the Council would involve the directly elected mayor and have regard to any proposals that the mayor may have before the statement is considered and approved. The second requirement is that that the pay policy statement should include a requirement that full council is required to vote in relation to any severance packages of over £100,000 (including redundancy pay, holiday pay and pension entitlements).

The Mayor is provided with a draft copy of the 2017/18 Pay Policy Statement in accordance with the new guidance. The guidance requires the Council to have regard to the Mayor's proposals.

With regard to the guidance on severance payments this states that the Council should consider putting a requirement in place that full Council should be given an opportunity to vote before large severance packages (which the guidance recommends should be defined as over £100,000) are provided to staff leaving the organisation. The guidance states that it considers that a severance package will include a number of potential components, including redundancy compensation, pension entitlements and holiday pay.

There are likely to be a number of difficulties with this requirement. Firstly, a number of the elements of the "severance package" are likely to be contractual and/or statutory entitlements, such as redundancy compensation, pension entitlements and holiday pay. If the Council decided not to approve payments of this type then this is likely to result in the Council being in breach of contract and/or statute. It is feasible that a member of staff's pension and redundancy compensation alone could take them above the £100,000 threshold without any further payments being made to them. Secondly, the requirement to hold a vote at full Council could delay the making of any payments, again this has the potential of placing the Council in a position where it may be in breach of contract and/or other legislation. A delay could also fetter the Council's ability to effectively settle any potential claims against the authority, particularly in situations where a timely settlement may be the most cost effective resolution. Thirdly, where the Council enters into settlement of potential claims, it is often a term of any settlement agreement that the settlement remains confidential. This can be of benefit to the Council as well as to the employee. If a vote at full Council was required then it may be difficult for the Council to provide the confidentiality required by these agreements. If the confidentiality requirement of an agreement was breached this could lead to further claims against the Council and it may be difficult for the Council to provide evidence that confidentiality had definitely not been breached when details of the potential settlement had been distributed to full Council.

As set out above, the Localism Act 2011 requires the Council to have regard to the guidance. This does not require the Council to follow the guidance in circumstances where it has considered the requirements of the guidance but

where the Council considers that it has good reasons for not following the guidance.

The draft Pay Policy Statement attached to this report does not include a requirement that full council is required to vote before large severance packages are provided to staff leaving the organisation, this is consistent with the position set out in the previous year's Pay Policy Statement. This report recommends that the Council approve the draft pay policy statement for the reasons set out above.

Once a Pay Policy Statement is in force, any decision of the authority made after 1st April 2017 and relating to remuneration or other terms and conditions of chief officers must comply with the Pay Policy Statement in force at the time. An authority may amend its pay policy statement by resolution.

In the event that the Council wished to adopt a pay policy that does not reflect the current contractual arrangements in place for the employment of officers, then this may give rise to employment law implications.

8. Financial Implications

The cost of appointing and remunerating members of the Independent Executive Remuneration Panel will be contained within existing budgets. Adopting the proposed Pay Policy Statement does not in itself give rise to any other direct financial implications, although in due course recommendations from the IERP, if adopted, may have direct financial implications.

| MAYOR AND CABINET | | | |
|--------------------------|----------------------|-------------|-----------------|
| Report Title | Pay Policy Statement | | |
| Key Decision | Yes | Item Number | |
| Ward | n/a | | |
| Contributors | HR Division | | |
| Class | Open | Date | 8 February 2017 |

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**London Borough of Lewisham
Pay Policy Statement
2017/18**

1. Introduction

The Council seeks to be a fair and good employer of choice and in doing so deliver effective services in the borough. It seeks to engage talented people at all levels of the organisation and to benefit from the exercise of these people's talents. To this end it sets its pay (and reward packages generally, including pensions, etc) in accordance with a fair pay policy and with regard to national and regional pay policy. In doing so it has regard to changing conditions in differing occupational labour markets. The Council's people management strategy recognises the need for a committed and engaged workforce which is rewarded fairly for its motivation, adaptability, innovation and achievement.

Whatever their role, the Council seeks to ensure that every member of staff is valued and remunerated on a fair and just basis – taking into account the burden of personal responsibility their job requires, the delivery expectations placed upon them, as well as any requirements for the exercise of any particular expertise or speciality. The Council wants people to do valuable work and it wants the work to be of value to the workers performing the roles. It is for this reason that the Council has decided that it will conform to the London Living Wage and wherever it is lawful to do so, requires payment of the London Living Wage by its contractors.

The Council's pay strategy is designed to ensure that its pay structures are fair, support a sustainable management structure and foster managerial accountability and effectiveness and provide value for money to the tax payer.

The Council's approach to pay is to:

- ensure pay levels are right to provide the right levels of reward and motivation; and
- ensure pay levels are affordable by the Council

It is set in the wider context of a remuneration policy focussed on:

- employee roles
- employee development
- benefits (including pension)
- salary

The Council's management arrangements continue to be reviewed to optimise the effectiveness of management while reducing its overall cost (by a process of reducing managerial overheads and by reviewing managerial layers as well as spans of managerial control).

The publication of this Pay Policy meets the requirements contained in chapter 8 of the Localism Act 2011.

2. Terms and Conditions of employment

The terms and conditions of employment for Council employees (excluding those who have transferred under specific statutory provisions) are as negotiated nationally by the relevant Negotiating Body for Local Authority Employees and supplemented/amended by any policies or procedures agreed.

The negotiating bodies which apply to employees include:

- The National Joint Council for Local Government Employees, commonly known as the Green Book, applicable to most non-teaching professional and support staff in the Council.
- The Joint Negotiating Committee for Chief Executives of Local Authorities
- The Joint Negotiating Committee for Chief Officers of Local Authorities
- The National NHS Staff Council
- The Soulbury Committee

The employment conditions and any subsequent amendments are incorporated into employees' contracts of employment. The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.

The Council reached an Agreement with the local trade unions on 1 April 2008, known as Single Status, which applies to most of its employees up to Chief Officer level. This included the introduction of a single pay and grading structure together with a new job evaluation scheme (the GLPC scheme). The Agreement also sets out the Council's working arrangements and the payments to be made to employees for working outside normal working hours including overtime, and call out payments.

3. Remuneration of chief officers

The definition of chief officers including Executive Directors and Service Heads appears in paragraph 22. Chief officers are all graded as Heads of Service or higher depending on their responsibilities.

The Council pays its chief officers on the following scales shown with pay rates for 2016/17 and 2017/18. Generally post holders are not remunerated at a higher level than the position they report to.

| Role | Scale | 20/16/17 | | 2017/18 | |
|----------------------------|-------------|----------|----------|----------|----------|
| | | From | To | From | To |
| Heads of Service (JNC4) | 3 points | £76,286 | £81,396 | £77,151 | £82,209 |
| Heads of Service (JNC3) | 3 points | £92,694 | £97,704 | £93,624 | £98,682 |
| Director of Public Health | 8 points | £86,881 | £113,345 | £87,641 | £114,369 |
| Directors (JNC2) | 3 points | £103,704 | £108,612 | £104,742 | £109,698 |
| Executive Directors (JNC1) | 3 points | £137,226 | £142,536 | £138,597 | £143,961 |
| Chief Executive | Fixed point | £194,310 | | £196,254 | |

Pay points for chief officers and the Chief Executive are determined following independent expert pay advice. The remuneration for chief officers on these pay points is determined by reference to Hay job evaluation advice, save where chief officers have transferred to the Council under statutory provisions which entitle them to retain their pre transfer pay scales. The Council's levels of pay for chief officers are regularly benchmarked against other London Councils. These benchmarking exercises show that Lewisham's pay levels for Executive Directors and Heads of Service fall at the 69th and 52nd percentile respectively amongst London Councils.

The salary paid to chief officers is inclusive of all hours worked and no additional payments are paid to chief officers apart from those specifically set out in any of the following paragraphs. Since July 2011 the Chief Executive has been engaged on a part time (0.6) basis and is remunerated pro rata to the fixed point referred to in the table above.

An Independent Executive Remuneration Panel (IERP) advises on the appropriate pay framework and structure for chief officer positions. In fulfilling this role the Remuneration Panel:

- supports the achievement of the Council's aims,
- takes account of wider public sector pay policy and good practice,
- ensures their decisions are proportionate, fair and equitable and support equal pay principles, including having regard to the "Fair Pay" code published by the Review of Fair Pay in the Public Sector,
- takes account of appropriate pay differentials, including relationship and multiples between chief officers and all employees,
- develops pay policies which attract, retain and motivate senior managers of the right quality and talent,
- takes account of the resources required in transitioning to any revised arrangements.

4. Remuneration of employees who are not chief officers

The majority of employees who are not chief officers are appointed on National Joint Council for Local Government terms and conditions. This will remain the case for 2017/18.

Remuneration for posts below chief officer will normally be determined by either the Greater London Provincial Council job evaluation scheme or the Hay job evaluation scheme. In both cases they are designed to ensure fairness and reward, making assessments based on objective criteria. In 2017/18 salary levels for employees who are not chief officers will range from £18,747 per annum (see below) to £69,882 per annum.

Apprentices within the Council are paid the equivalent of the National Living Wage, regardless of their age, during the first year of their apprenticeship and the equivalent of the LLW in their final year.

Save for apprentices who are excluded from the London Living Wage Scheme, in 2017/8 the Council will not pay below point 8 (£18,747 of the Greater London pay spine) and has adopted a policy of not paying below the current level of the London Living Wage (LLW), calculated on an annual basis (i.e. after any pay awards for that year have been agreed and implemented). Because of this, for the purposes of this Pay Policy Statement the Council defines its lowest paid employee as an employee earning the full time equivalent salary for the LLW, without any additional payments. This is to enable a pay multiple to be calculated against the Chief Executive's full time equivalent salary. The Council has agreed a maximum pay multiple of 13 to 1. In 2017/18 had the Chief Executive worked on a full time basis he would have earned 10.5 times that of the lowest paid employee. In effect, the 2017/18 pay multiple was below the maximum figure.

Council policy is to pay chief officers in accordance with pay scales set by reference to the Hay job evaluation scheme and non chief officers in accordance with the pay scales set by reference to the Greater London Provincial Councils (GLPC) job evaluation scheme. This does not apply to chief officers who have transferred to the Council under statutory provisions which entitle them to remain on their pre-transfer levels of pay. The Hay Scheme remunerates employees above the levels of the GLPC scheme. As at January 2017 the median average of the pay of chief officers is 3.0 times that of all non chief officer posts (excluding apprentices). The IERP have endorsed the current senior pay structure and believe that this has served the Council well, particularly in the context of the changes to

public services. The IERP has been requested to keep this relationship under review to ensure it is fair and appropriate.

5. Performance related pay

As with chief officers, the Council does not pay bonuses or performance related pay to any of its employees.

6. Market supplements

In a limited number of cases the Council currently makes market supplement payments to employees. During 2017/18, the Council may make such market supplement payments where market conditions dictate that this is necessary to recruit or retain suitable staff where it would otherwise be unable to do so. Market supplements are not currently and will not normally be paid to any chief officers.

7. Approach to remuneration on recruitment

New employees, including chief officers, are normally appointed to the bottom of the particular pay scale applicable for the post. If the employee's existing salary falls within the pay scale for the post, the employee is normally appointed to the nearest point on the scale which is higher than their existing salary. In cases where the existing salary is higher than all points on the pay scale for the new role, the employee is normally appointed to the top of pay scale for the role.

8. Appointment to new posts paid in excess of £100,000 per annum

Where it is proposed to appoint to a post which is not in existence at the time of the publication of this pay policy statement, and the proposed remuneration is more than £100,000 per annum the appointment may not be made unless the Council has agreed to the level of remuneration attaching to the position. This provision does not apply to any roles which transfer to the Council through either TUPE or any other equivalent or similar statutory transfer process. This requirement does not apply to roles arising out of restructures to which the Council is obliged to match existing employees to or conduct a ring fenced recruitment exercise.

9. Increments and pay awards

For all employees the Council's usual policies on incremental progression and application of appropriate pay awards will apply.

10. Additional salary payments

Council policy allows for an additional salary payment to be made to employees to reflect duties of an exceptional nature that are required to be undertaken which are over and above the normal requirements of the employee's post.

In accordance with Council policy, additional salary payments may be agreed for all employees, in the case of chief officers this is made up to the value of five increments (currently a maximum of £12,525). No additional salary payments of this nature are currently made to Executive Directors or the Chief Executive and this is expected to remain the case in 2017/18.

However, the post of Director of Public Health is entitled to receive additional payments of £13,011 under the national Clinical Excellence Award.

Employees within the Education Standards and Inclusion Service and Educational Psychologists are entitled to receive additional payments of up to 3 pay points on the Soulbury pay scale. Employees are able to submit an application which takes into account certain criteria, including length in post and contribution to the development of the service. If successful an award is made which becomes a permanent element of pay. Awards for Service Managers within the Standards and Inclusion Service, the most senior posts, will be at 3 levels, with the award for each level (the equivalent of 1 pay point) at an average of £1,135.

11. Resilience for emergencies: disaster/incident recovery, command and control

The Council is required to have measures in place to respond to any major incident in the borough. There is an emergency plan in place which is supported by a team of senior officers within the Council, led by the Chief Executive. Responding to incidents so as to ensure adequate recovery requires 24/7 management coverage by those senior managers who are able to perform these emergency incident roles. The Chief Executive and Executive Directors do not receive any additional payment for undertaking this role which is incorporated into their contracts of employment. Other senior staff, including other chief officers, who undertake a role in emergency planning and disaster recovery for the borough and participate in the emergency rota receive an additional payment. In the case of roles covered by chief officers, other than Executive Directors, this payment is £2,000 per annum.

12. Interim and Consultant engagements

Any temporary or short term engagement should be made through REED Talent Solutions. In exceptional circumstances where it becomes necessary to engage a specialist interim or consultant to cover a PAYE position. In all cases there is a requirement to establish whether the individual is regarded as self employed or an employee in accordance with HMRC guidelines. The individual is paid accordingly.

If the Council is engaging a company the contract is with the company and not the individual. The contract should have a start and end date and specify the work to be undertaken. This work should not be a role that is covered by a Council job description as this is the work of 'an employee'.

13 Election Fees

At any election time, approximately 500 – 600 Council staff will be employed on election duties of varying types. The fees paid to Council employees for undertaking election duties vary according to the type of election they participate in and the nature of the duties they undertake. All election fees paid are additional to Council salary and are subject to normal deductions for tax.

Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements but fees paid to them for national elections/ referendums are paid in accordance with the appropriate Statutory Fees and Charges Order/Guidance from London Councils.

14 Pensions

All Council employees are eligible to join the Local Government Pension Scheme. The Council does not enhance pensionable service for its employees either at the recruitment stage or on leaving the service, except in certain cases of retirement on grounds of permanent ill-health where the strict guidelines specified within the pension regulations are followed. Teachers and NHS staff have their own pension schemes.

15 Payments on ceasing office

The general position

Employees who leave the Council, including the Chief Executive and chief officers, are not entitled to receive any payments from the Council, except as detailed below.

Legislation and guidance in this area is expected during 2017/18. Any legislation that may be enacted during the year in respect of termination payments and/or claw back of termination payments will be applied and may vary this policy.

Retirement

Employees who contribute to the Local Government Pension Scheme, who elect to retire at age 55 or over, are entitled to receive immediate payment of their pension benefits (reduced for early payment if applicable) in accordance with the Scheme. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme on grounds of permanent ill-health at any age.

The Council will consider applications for flexible retirement from employees aged 55 or over on their individual merits and in the light of service delivery needs. Approval is conditional upon the employee agreeing to reduce their hours/pay by not less than 40%. Benefits closely reflect those permitted by Regulation 18 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007/1166. All applications are considered by the Council's Early Retirement Panel.

Redundancy

Employees who are made redundant are entitled to receive statutory redundancy pay as set out in legislation calculated on their actual salary. In addition the Council has a policy for the payment of further compensation, of an amount based on statutory limits. This scheme may be amended from time to time in accordance with the Council's Constitution.

Voluntary Severance

Voluntary Severance payments may be made where it is in the Council's best interests to do so; such payments should comply with any applicable legislation and the Council's Voluntary Severance scheme at the time.

Settlement of potential claims

Where an employee leaves the Council's service in circumstances which are, or would be likely to, give rise to an action seeking redress through the courts from the Council about the nature of the employee's departure from the Council's employment, the Council may settle such claims by way of compromise agreement where it is in the Council's interests to do so. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. If Payment in Lieu forms part of the payment this will be shown as a separate payment and taxed accordingly. Should such a matter involve the departure of an Executive Director or the Chief Executive it will only be made following external legal advice.

Payment in lieu of notice

In exceptional circumstances, where it suits the Council's service needs, payment in lieu of notice is made to employees on the termination of their contracts, these payments attract Tax and National Insurance deductions.

Other payments

There may be exceptional circumstances not envisaged by the pay policy, where payments may be made, provided they are in the Council's best interests, comply with applicable statutory requirements and with Council policy.

16 Re-employment

Employees who have left the Council on grounds of redundancy will not normally be re-employed for a period of one year and for 2 years in the case of voluntary severance.

Applications for employment from employees who have retired from the Council or another authority or who have been made redundant by another authority will be considered in accordance with the Council's normal recruitment policy. However like many authorities, Lewisham operates an abatement policy which means that any pension benefits that are in payment could be reduced on re-employment in local government.

17 Memorandum of Co-Operation

The Council has signed up to a Memorandum along with other London Councils, which attempts to address recruitment and retention issues for children's social workers. The Memorandum includes a cap on agency worker rates.

18. Gender Pay Differentials

The Council considers it good practice to publish information on gender pay differentials by comparing the differences in the median level of earnings between female and male employees, taking account of any hours differential. The median (full time equivalent) earnings for female employees stands at £33,294 and male median earnings at £29,133. The Council therefore has a gender pay ratio of 10:9.

19. Exceptional circumstances

The provisions of this pay statement are designed to set out the Council's normal approach to remuneration and to provide transparency for the public about its policies relating to remuneration. However exceptional circumstances may occasionally arise where it would be appropriate to depart from the detailed provisions set out in this policy where Council service needs demand. This pay policy authorises such payment if appropriate specialist external advice is that it would be appropriate to make an exception in any particular case, in which case the Council may act in accordance with that advice.

20. Publication of and access to information relating to remuneration

The Council will publish details of all chief officer positions. This will be published at the same time as the Council's statement of accounts.

21 Publication and amendment

The Council will publish this Pay Policy Statement on its website and may amend it at any time during 2017/18 if it is of the opinion that it is appropriate to do so. Any amendments to it will also be published on the Council's website.

22 Definition of chief officers

Within this Pay Policy Statement, chief officer includes the following roles: the Council's Chief Executive, Monitoring Officer and those fulfilling statutory chief officer roles as set out in section 2(6) of the Local Government and Housing Act 1989. It also includes non-statutory chief officers as set out in section 2(7) of that Act, which includes all officers for whom the Chief Executive is directly responsible, those who report directly or are directly accountable to the Chief Executive and those who are directly accountable to the Council itself or any committee or sub-committee.

Within this Pay Policy Statement, the term chief officer also includes those who are a deputy to a statutory or non-statutory chief officer referred to above (i.e. those who report directly or are directly responsible to a statutory or non-statutory chief officer, as set out in section 2(8) of that Act). It does not include those employees who report to the Chief Executive or to a statutory or non-statutory chief officer but whose duties are solely secretarial or administrative.

Agenda Item 13

| MAYOR & CABINET | | |
|---------------------|--|-----------------------|
| Report Title | Exclusion of the Press and Public | |
| Key Decision | No | Item No. |
| Ward | | |
| Contributors | Chief Executive (Head of Business & Committee) | |
| Class | Part 1 | Date: February 8 2017 |

Recommendation

It is recommended that in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012 and under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs [3, 4 and 5] of Part 1 of Schedule 12(A) of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

14. Caretaker properties Disposal and Lease Award Report with Lease Plans

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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