

Public Accounts Select Committee Agenda

Tuesday, 24 September 2019
7.00 pm, Committee room 1
Civic Suite
Lewisham Town Hall
London SE6 4RU

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

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

Part 1

Item	Pages
1. Minutes of the meeting held on 10 July 2019	3 - 10
2. Declarations of interest	11 - 14
3. Responses from Mayor and Cabinet <ul style="list-style-type: none">• Income generation and commercialisation (to follow)	
4. Budget cuts	15 – 128
<i>Specific cuts within the terms of reference of this committee:</i>	68
CUS11a – process automation in revenues and benefits	72
CUS14a – parking service budget review	
RES21 –savings generated through not allocating inflation uplift to contract costs	75
RES22 – savings generated through improved ICT provision (Select committee comments on other cuts to follow)	75
5. Budget pressures in the environment division	129 - 152
6. Financial forecasts 2019-20	153 - 186
7. Treasury management mid-year review 2019-20	187 - 210
8. Select Committee work programme	211 - 228
9. Referrals to Mayor and Cabinet	

Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Tuesday, 24 September 2019.

Janet Senior, Acting Chief Executive
Monday, 16 September 2019

Councillor Jim Mallory (Chair)	
Councillor Louise Krupski (Vice-Chair)	
Councillor Tauseef Anwar	
Councillor Juliet Campbell	
Councillor Patrick Codd	
Councillor Alan Hall	
Councillor Mark Ingleby	
Councillor Paul Maslin	
Councillor Joan Millbank	
Councillor James Rathbone	
Councillor Bill Brown (ex-Officio)	
Councillor Sakina Sheikh (ex-Officio)	

Agenda Item 1

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Wednesday, 10 July 2019 at 7.00 pm

PRESENT: Councillors Jim Mallory (Chair), Louise Krupski (Vice-Chair), Tauseef Anwar, Juliet Campbell, Patrick Codd, Mark Ingleby, Joan Millbank and James Rathbone

APOLOGIES: Councillor Paul Maslin

ALSO PRESENT: Councillor Chris Barnham (Cabinet Member for School Performance and Children's Services), Councillor Amanda De Ryk (Cabinet Member for Finance and Resources), Timothy Andrew (Scrutiny Manager), David Austin (Head of Corporate Resources), Tom Brown (Executive Director for Community Services), Mala Dadlani (Group Finance Manager, Children and Young People), John Johnstone (Group Finance Manager, Resources and Regeneration), Robert Mellors (Finance Manager, Community Services and Adult Social Care), Theron Newman (Group Finance Manager, Customer Services), Selwyn Thompson (Head of Financial Services) and Sara Williams (Executive Director, Children and Young People) (London Borough of Lewisham)

1. Minutes of the meeting held on 13 June 2019

- 1.1 The Committee discussed the minutes of the meeting held on 13 June 2019. There was a question about a point in section 5.2 of the minutes regarding the external funding available following the mutualisation of the youth service. Contrary to the inference in the minutes, members believed that the service had been able to access external funding. It was agreed that officers would be asked for clarification (N.B the comment from officers was not that the youth service had not received any external funding – but that it had not been as successful as it had anticipated at accessing funding from non-council sources).
- 1.2 **Resolved:** that the minutes of the meeting held on 13 June 2019 be agreed as an accurate record, subject to the clarification outlined above.

2. Declarations of interest

- 2.1 Councillor Mallory declared a non-prejudicial interest in relation to item five as the Chair of Lee Green Lives.
- 2.2 Councillor Rathbone declared a non-prejudicial interest in relation to item five as the treasurer of Lee Green Lives.

3. Responses from Mayor and Cabinet

- 3.1 There were none.

4. Scoping report - commercialisation and culture change in-depth review

- 4.1 Timothy Andrew (Scrutiny Manager) introduced the report - setting out the key issues covered and asking Committee members to consider the recommendations made in the report.
- 4.2 In the Committee's discussion, the following key points were noted:

- That additional consideration should be given to the options for gathering new ideas (from officers and members). That this should enable creative thinking, new ideas and innovation.
- That options could be explored for motivating officers to develop commercial projects.
- There was a range of officers at the Council – who were motivated by different things. The key to culture change would be in tapping into these different motivations.
- ‘Seed funding’ for new ideas might motivate some officers.
- Practical examples could be provided to communicate the value of the money being generated by new projects that would lead to improved services.
- That ideas being developed had to be reasonable and realistic. It was noted that there were significant financial pressure facing the Council.
- That the Council’s duties as a public authority needed to be kept at the forefront of decision making.
- Officers’ responsibilities for their day-to-day responsibilities also had to be respected.
- There were examples of councils that had developed mechanisms for sharing ideas. These included options for members to engage with officers at all levels (rather than just senior officers).
- As well as commercialisation, there were other issues that should be given consideration in each and every decision about the delivery of Council services – this included equalities.
- The Council should seek to improve its commercial mindset to improve service delivery. Minor decisions at the Council often took extended periods because of the level bureaucracy.
- The Committee should be mindful of the push for culture change from different parts of the Council – these should work together.
- The Mayor and the new Chief Executive should be encouraged to free officers from silo thinking and to make decisions in a more efficient way.
- The Committee should consider recommending training and development for members on commercialisation - as well as officers.
- There should be a mechanism for members to share their learning from conferences and workshops.
- Leadership was of key importance as was the consideration about delivering change at every level of the organisation.
- The Committee should aim for the key lines of enquiry for the in-depth review to also be ‘creative and holistic’.
- The Committee considered the outcomes it wanted to achieve as a result of the review. The point was made that one of the principal outcomes should be that the review instigate cultural change within the council, with a view to raising income for the betterment of the people of Lewisham.
- The outcomes would also be considered as part of the Committee’s development of recommendations.

4.3 **Resolved:** that subject to the additions detailed in 4.2 of the minutes the recommendations, key lines of enquiry and timetable for the Committee’s review of commercialisation and culture change be agreed.

5. Children's social care update

5.1 Sara Williams (Executive Director for Children and Young People) introduced the report, the following key points were noted:

- The report followed from previous updates to the Committee about social care. It reflected the attention the Committee had given to this issue over an extended period.
- Councils across the country were facing pressures in children's services. 91% of councils were overspent on children's social care.
- Representations were being made by local government to central government about these pressures.
- A great deal of work had been done over the year to stabilise the children's social care budget.
- Improved budget monitoring and a range of service improvements had taken place.
- Detail had been provided in the report about placements for children - which was where the most significant pressures were.
- A new fostering strategy had been developed.
- There had been a wholesale 'remapping' of staffing levels, which was led by the new Director for Children's Social Care.
- A new 'safe space' team would work with young people to develop solutions to types of complex and interrelated issues - that may not typically be best addressed through traditional social care practice.
- The 'signs of safety' practice model had also been adopted.
- Work to redesign systems (previously criticised by OFSTED) had been taking place. Better data was available, which helped improve decision making.
- Further work was being carried out to improve the use of the Council's financial monitoring systems.
- The numbers of permanent to agency staff compared quite well against benchmarks for other London Boroughs.
- It was predicted that the directorate would be on track to deliver its savings for this year.
- There was still more work to do.

5.2 Sara Williams and Mala Dadlani (Group Finance Manager, Children and Young People) responded to questions from the Committee, the following key points were noted:

- The figures in the Council's budget book were different from those in the report - due to differences in the way that income was reported. Expenditure through the 'no recourse to public funds' budget had also been moved between budgets.
- The tables in the report illustrated averages and trends over time. The data was provided to enable a snapshot of changes over time.
- One of the key areas of spending was on residential placements.
- Percentages of permanent (as opposed to agency) staff remained similar from this year to last. However, a major recruitment (delayed by the work being done for the current OFSTED inspection) was taking place to recruit to a number of management positions.
- The issue of the finances of children's social care was moving up the local government lobbying agenda.
- Lewisham was recognised for its good practice on high needs block spending.

5.3 In the Committee discussion, the following key points were also noted:

- There were some discrepancies in the ways in which the finance figures were presented in the report and in the Council's other financial reporting.
- Members noted the improvements that had been made.

- 5.4 Councillor Chris Barnham (Cabinet Member for School Performance and Children's Services) was invited to address the Committee about the work of the improvement board, the following key points were noted:
- He was still chairing the improvement board - but these meetings had been changed from fortnightly to monthly. This enabled officers to carry out their day to day work without having to 'feed the meetings' with information and updates.
 - The Board was overseeing the improvement programme - which was progressing well.
 - The work of the Board would need to adapt based on the outcome of the OFSTED inspection.
 - The programme that had been delivered so far had resulted in significant changes - including the setting up of new teams and new ways of working. It was likely that the work taking place from now on would still be important but it would result in less immediately noticeable changes.
 - Ensuring that the 'signs of safety' approach was firmly embedded in the Council's ways of working would remain of primary importance to the Board.
 - Cabinet members were meeting with senior officers on a regular basis to review finances in CYP.
 - The Directorate had carried out a self-assessment in advance of the OFSTED inspection and it predicted that Lewisham would still be rated as 'requires improvement' so the service still had a long way to go.
- 5.5 **Resolved:** that the Committee would continue to regularly review spending pressures in the directorate.

6. Financial forecasts 2019-20

- 6.1 Selwyn Thompson (Director of Financial Services) introduced the report, the following key points were noted:
- The report provided the financial position for the first quarter of 2019-20. It projected spending forward from this point to the end of the year.
 - As a result of the Committee's previous comments - and those in the financial control review- more clarity was being provided in the reporting. This set out the key areas of pressure - as well as the management action being taken to deal with those pressures.
 - One of the other new things in the report - was the provision of activity data throughout the report. Finance managers were working with teams to improve this work throughout the year.
 - A 'savings tracker' had also been provided in the report.
 - There was a projected end of year overspend of £4.6m - the main pressures remained in the children and young people directorate (As a result of pressures in the transport budget) and in customer services - in the environment budget.
 - It was hoped that the pressure in the environment budget would be relieved by the decision made at Mayor and Cabinet (that evening) to purchase new fleet vehicles.
- 6.2 Selwyn Thompson, Mala Dadlani and David Austin (Acting Chief Financial Officer) responded to questions from the committee, the following key points were noted:
- There had been some changes to the titles and service areas in different divisions.

- There had also been some movement of services between different divisions.
- There would be further changes between divisions between services. Further information could be provided about these changes and titles for divisions in future reports.
- It was anticipated that (as a result of the decision at Mayor and Cabinet) new fleet vehicles for the environment service would be purchased as soon as possible - it was anticipated that the new vehicles would arrive towards the end of the financial year and that savings could be anticipated from the beginning of the next financial year.
- Further work was taking place to manage spending on SEN transport.
- An external review of passenger services had been carried out by a group of external consultants.
- Additional budget had been added to cover the costs of transport pressures. This would enable better monitoring of the work being carried out by the consultants.
- There had been concern that the Troubled Families grant would be ended. However, indications from government were that it would continue. If for some reason it was ended - a rapid review would need to take place to decide which parts of the programme should continue to be funded from Council budgets.

6.3 Councillor Amanda de Ryk (Cabinet Member for Finance, Jobs and Skills) addressed the Committee, the following key points were noted:

- The consultants working on the review of transport had previously reviewed spending on transport at LB Hillingdon. The model for reviewing transport services was now known as 'the Hillingdon model'. It entailed a focused, detailed look at all transport costs.
- The initial view from the consultants was that they could save the Council money.
- Consultants would be managing the transport service over three years - and close attention would be paid to all of the costs and pressures in this budget over that time.
- It was anticipated that the end result would be a saving of up to £2m (annually).
- Section 106 and neighbourhood community infrastructure funding could be used for projects to mitigate the impact of development - including those designed for climate change mitigation.

6.4 In the Committee's discussion, the following key points were also noted:

- Members noted discrepancies in the reporting of figures in the budget and in the financial forecasts. In particular, there were comments about the differences in reporting of expenditure in different service areas.
- The Committee would welcome further information about changes in Council management arrangements and financial reporting.
- There were concerns about the grant funding from Government for the Troubled Families programme.
- Members welcomed the funding that had been made available for the Council's 'climate emergency' declaration.

6.5 Tom Brown (Executive Director for Community Services) was invited to address the Committee with his 'first impressions' of the Directorate's finances, the following key points were noted:

- He had been in post for a month.

- He had seen fundamentally good quality of practice - with staff that also 'had an eye' on the resourcing implications of the services they were providing.
- He was 'delighted' to hear from an independent audit of adult safeguarding services that it was some of the best practice the auditor had seen.
- He felt that the approach started by the previous Executive Director (supported by the Director of Adult Social Care) to focus on the means that service users had available to them to help them live independently (a recovery/ablement model) - was the right one.
- This practice was embedded in the service - but there were opportunities to do more.
- There were significant pressures on adult social care budgets (locally and nationally) from children and young people transitioning from children's to adult social care. Work had started to address this challenge in Lewisham.
- He was confident that staff were providing good quality services.

6.6 Tom Brown responded to questions and comments from the Committee, the following key points were noted:

- There was a range of Council services that provided support for people to avoid the requirement for care. For example, services - such as adult education, libraries and leisure services- might enable people to interact in their communities – and be less isolated.
- Lewisham spent about £2m on prevention work in the community. Given the current financial position of local government, this was not common in London.
- Placements in residential care had reduced in recent years, which was a significant achievement. Some of the money saved could be redirected to services in the community so that people could stay in their own homes as long as possible.
- About £5m of the Public Health grant was spent on 'wellbeing' services.

6.7 In the Committee's discussion, the following key points were noted:

- The Committee would be inviting the Executive Director to its meeting in November for a more comprehensive review of the adult services budget.
- Members highlighted the cuts that were still required to the Council's budget and noted the importance of demand management in reducing potential future costs.
- The Council's work on healthy neighbourhoods (to improve walking and cycling routes; as well as improving air quality) was also a part of preventative work.
- The Committee wanted to consider the Public Health budget at a future meeting.

6.8 **Resolved:** that a report would be provided on budget pressures in the environment division; it was also agreed that the Committee would add an item on the finances of Public Health to a future agenda.

7. Select Committee work programme

7.1 The Committee agreed that the work programme for its September meeting would include: budget cut proposals; mid-year treasury management review; financial forecasts and an item on budget pressures in the environment division.

7.2 **Resolved:** that the work programme for the meeting on 24 September 2019 be agreed.

8. Referrals to Mayor and Cabinet

8.1 There were none.

The meeting ended at 9.15 pm

Chair:

Date:

This page is intentionally left blank

Public Accounts Select Committee		
Title	Declaration of interests	
Contributor	Chief Executive	Item 2
Class	Part 1 (open)	2019-20

Declaration of interests

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

1. Personal interests

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

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

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

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

(b) and either

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

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

3. Other registerable interests

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

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

4. Non registerable interests

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

5. Declaration and Impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in

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

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

6. Sensitive information

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

7. Exempt categories

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

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

This page is intentionally left blank

SCRUTINY COMMITTEES			
Report Title	2020/21 Revenue Budget Cuts – Draft M&C Report		
Key Decision	No	Item No.	
Ward	All Wards		
Contributors	Acting Chief Finance Officer		
Class	Part 1	Date:	September 2019

1. PURPOSE

- 1.1. To set out the draft officer revenue budget cuts proposals for consideration by Scrutiny, to enable their comments to be taken by Mayor & Cabinet (M&C) when receiving these cuts on the 30 October 2019, as part of the preparation of a balanced budget for 2020/21 and future years.

2. EXECUTIVE SUMMARY

- 2.1. The Council's net General Fund budget for 2019/20 is £243m. This is based on using reserves for the sixth consecutive year to balance the budget and in-year pressures in some key services areas resulting in overspending, in part due to the delivery of cuts becoming harder. The current forecast for 2019/20 is an end of year overspend of £4.6m (at May 2019).
- 2.2. To put the Council's finances on a sustainable footing, the Medium Term Financial Strategy identifies the need for £37m of ongoing cuts in the two years to 2021/22 - £20.6m in 2020/21 and £17m in 2021/22. Of the £20.6m required in 2020/21, £8.4m cuts have already been approved by Mayor and Cabinet. This leaves a remainder of £12.2m to be identified. This is on top of the need to address the continuing in-year overspend in some service budgets.
- 2.3. Over the last ten years, the Council has undertaken a major budget reduction programme to manage the difficult financial challenge it has been faced with. In the period 2010/11 to 2019/20 the Council has implemented savings of £173m and identified cuts of £8.4m (out of the £20.6m required) in 2020/21.
- 2.4. The MTFs anticipates that an additional £29m worth of cuts will be required in the two years following 2020/21. However, these projections remain tentative pending confirmation of any policy, funding, or wider implications from the new Chancellor of the Exchequer's Autumn Budget in November and Local Government Finance Settlement announcement in December and the next Comprehensive Spending Review (CSR) and Fair Funding Review. The timings for which remain uncertain as the government focuses on Brexit.

- 2.5. On the 8th August, the Treasury announced a one-year CSR, to be carried out by September 2019, clarifying that:
- This will be a one-year Spending Round which will fund departments' 2020/21 activities
 - In 2020, a full Comprehensive Spending Review (CSR) will be held, reviewing public spending as a whole and setting multi-year budgets
- 2.6. This report concentrates on £9.2m of the £12.2m remaining budget cuts required to balance the budget in 2020/21 and £500k of £17m required in 2021/22.
- 2.7. Table 1 below shows the agreed budget cuts since 2010 by directorate.

Table 1: Agreed Budget Cuts by Directorate from 2010/11

Year	CYP	COM Services	CUS Services	Res. & Regen.	In-year / Corp.	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2010/11	1,494	801	759	1,135	3,300	7,489
2011/12	6,386	5,744	3,591	4,614	113	20,448
2012/13	4,395	4,611	3,529	4,020		16,555
2013/14	6,469	6,930	2,453	5,082		20,934
2014/15	6,123	11,255	2,843	4,273		24,494
2015/16	4,240	16,118	3,381	3,771	700	28,210
2016/17	3,476	6,892	3,339	3,108	1,400	18,215
2017/18	4,297	10,000	4,182	3,756		22,236
2018/19	824	1,151	294	1,087	1,500	4,856
2019/20	1,575	3,681	3,108	906		9,270
Total	39,279	67,183	27,479	31,753	7,013	172,707

Source: Council savings and budget reports.

- 2.8. These cuts have been made in the context of main government funding for Local Authorities in England being reduced by 63% over the decade from 2010, Council's facing inflationary pressures of over 20% since 2010, and in Lewisham the demands on the Council increasing as the population has risen to over 300,000 from the 2011 census position of 275,000, a 10% increase.
- 2.9. The detail presented in this report identifies potential cuts proposals from officers of £9.7m over the years 2020/21 and 2021/22, bringing the total cuts

for 2020/21 to approximately £17.6m, and £500k in 2021/22. By Directorate and Division these proposals are outlined in table 2 below:

Table 2: Summary of Budget Cuts by Directorate and Division

Directorate / Division	20/21 Approved	20/21 New Proposals	21/22 New Proposals	Total
	£'000	£'000	£'000	£'000
Children and Young People (CYP)				
Children's Social Care	1,150	0		1,150
Joint Commissioning and Targeted Support	225	0		225
CYP Total	1,375	0		1,375
Community Services				
Adult Social Care	1,982	4,000		5,982
Crime Reduction, Supporting People, and Enforcement	161	0		161
Culture & Community Services	185	0		185
Community Total	2,328	4,000		6,328
Customer Services				
Environment	852	823		1,675
Housing (non HRA)	696	1,175		1,871
Regeneration and Place	1,105	180		1,285
Planning	100			100
Customer Services Total	2,753	2,178		4,931
Corporate Services				
Financial Services	350	0		350
Legal Services (excl. elections)	32	0		32
Policy & Governance	259	0		259
Strategy	135	0		135
Corporate Resources	0	1,000		1,000
Human Resources	78	0		78

Directorate / Division	20/21 Approved	20/21 New Proposals	21/22 New Proposals	Total
	£'000	£'000	£'000	£'000
Public Services	1,124	500	500	2,124
Technology & Change	0	1,500		1,500
Corporate Services Total	1,978	3,000	500	5,478
Grand Total	8,434	9,178	500	18,112

2.10. The report presents a summary of the cuts proposed with detailed proformas provided for each of the proposed cuts for 2020/21 by Directorate appended, with two exceptions which will follow in separate reports. They are the return of:

- The Environment proposal to reduce the frequency of street sweeping with the pilot underway - £823k; and
- The Regeneration & Place proposal to reduce the number of school crossing patrols on conclusion of risk assessments – est. £80k.

2.11. In addition to the General Fund budget cuts considered in this report, it is anticipated that there may be further cuts to the Public Health Grant. The Service is preparing cuts proposals to ensure spend is maintained within the level of grant. An update is provided at 9.9 with the detail to be brought forward separately for Scrutiny and onto Mayor & Cabinet.

2.12. At this stage, if all the proposed cuts are agreed and there are no further proposals, nor any surprises from the local government finance settlement in December, the Council's budget for 2020/21 would need to be set using £2.9m of reserves or New Homes Bonus (if the scheme continues for 20/21).

2.13. There is scope for two additional rounds of budget cuts to be taken through the decision process as part of setting the 2020/21 budget, as detailed in section 10 below. Consideration of how the gap for 2020/21 will be closed, either through proposals for further cuts or the use of reserves, will be addressed in subsequent reports to Mayor and Cabinet up to and including the 2020/21 budget report in February 2020.

2.14. Overall the strategic focus for services in terms of the Medium term Financial Strategy is on:

- Delivering budget cuts in 2019/20 and taking management action to bring overspends back in-line with budgets;
- Continuing the work to manage demand, improve service effectiveness and efficiency, and generate income to bring the return for this work through the financial monitoring in 2019/20; and

- Work on bringing forward further proposals to close the budget gap as soon as possible, including through 2020/21 so that part year effects can be taken.

3. RECOMMENDATIONS

- 3.1. Scrutiny committees are asked to review and comment on these proposals and recommendations and that their feedback is referred on by Public Accounts Committee for Mayor & Cabinet as follows:
- 3.2. On the 30 October Mayor and Cabinet will then be asked to:
 - 3.2.1. Note the progress with identifying budget cuts, the £2.9m shortfall against the target for 2020/21, and the implications for the use of reserves.
 - 3.2.2. Review the new cuts proposals presented in Section 9 and Appendices 1 to 3, totalling £9.178m and referenced:
 - COM1a,2a,3a and COM18
 - CUS7, CUS15, CUS16, RES19, and RES20
 - CUS11a, CUS14a , RES21 and RES22
 - 3.2.3. Consider the comments of the Public Accounts Select Committee of the 24 September 2019, which incorporates the views of the respective select committees.
 - 3.2.4. Authorise officers to carry out consultations where staff consultation is necessary in relation to the proposal and delegate the decision to the relevant Executive Director for the service concerned.
 - 3.2.5. Authorise officers to carry out consultations where public consultation is necessary in relation to the proposal and ask officers to report back to the Mayor with the outcome, for a decision to be made.
 - 3.2.6. Where no consultation is required, either:
 - agree the cut proposal, or
 - delegate the decision to the relevant Executive Director for the service concerned.
 - 3.2.7. Or, request officers to complete further work to clarify the proposal and that officers then re-submit the proposal at the earliest opportunity for a decision.
- 3.3. Scrutiny committees are asked to review and comment on the Capital programme as it relates to their area(s) of interest and feedback to the Public Accounts Committee.

4. STRUCTURE OF THE REPORT

4.1. The report is structured into the following sections with supporting appendices.

Section	Title
1	Purpose of the report
2	Executive summary
3	Recommendations
4	Structure of the report
5	Policy Context
6	Financial Context
7	Lewisham Contextual Information
8	Approach to 2020/21 Budget Cuts
9	Proposed Budget Cuts
10	Timetable
11	Capital Programme
12	Financial implications
13	Legal implications
14	Conclusion
15	Background documents
	Appendices

5. POLICY CONTEXT

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

Corporate Priorities

- **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
- **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
- **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.

- **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
- **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
- **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

Values

5.2. 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.

5.3. 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 cuts for 2020/21.

6. FINANCIAL CONTEXT

6.1. The Council has a net General Fund budget for the current financial year, 2019/20, of £243m. The schools Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) are discrete and so do not form part of this report.

6.2. In addition, the Council receives and spends other income and grants for General Fund services which are budgeted for on a net nil basis – i.e. expenditure matches the level of income. These include: Public Health, Better Care Fund & Improved Better Care Fund, fees and charges; and various grants for areas such as troubled families and homelessness. Any overspend in these areas has to be met from other resources in the General Fund.

- 6.3. In 2019/20 the Council ended the financial year with a Directorate overspend position of £9.6m with the largest pressure being in the area of Children's Social Care. The pressures arise from a combination of:
- The impact of government policy changes;
 - Market developments and responses to inspection findings;
 - Demand pressures as the population of Lewisham grows; and
 - Difficulties in delivering agreed cuts with the full financial impact.
- 6.4. The 2019/20 budget is under pressure from the need to deliver services within the available level of financial resource and identify yet further reductions. The 2019/20 budget was set using £7.5m of reserves as insufficient cuts were agreed.
- 6.5. The impact of a cuts shortfall is that reserves, which can only be used once, are depleted, higher levels of spending are carried forward, and added to the cuts target for the following year. The £7.5m shortfall from 19/20 now forms part of the £20.1m target for 2020/21. Any unachieved cuts in 2020/21 will most likely have to be met by using reserves and will then also be carried forward to 2021/22, increasing the budget reductions requirement for that year.
- 6.6. Furthermore, as at May 2019, Directorates have forecast an end of year overspend in the region of £4.6m, down from £14.6m at the same time last year. The 19/20 budget also used once-off funding to support the Children Social Care budget pending the impact of the continuing improvement programme for this service. Any end of year overspend also has to be met from the use of the Council's once-off reserves and provisions. These positions will be reviewed and
- 6.7. In the ten years between 2010/11 and 2019/20 the Council has agreed budget cuts of £174m of which £172.7m have been and are being delivered.
- 6.8. In July 2019, the Council's Medium Term Financial Strategy (MTFS) was presented to members. This referenced a number of risks, the likelihood and impacts of which remain uncertain. The main risks are in the areas of:
- changes in regulations and standards;
 - government policy and funding changes; and
 - demographic change and wider social implications linked to the above.
- 6.9. For 2019/20 and beyond, to bring the Council's finances in line with the estimated reduced funding levels going forward, the MTFS identifies the need for £29.3m of ongoing cuts in the two years post 2020/21 – split £16.6m in 2021/22 and £12.7m in 2022/23.

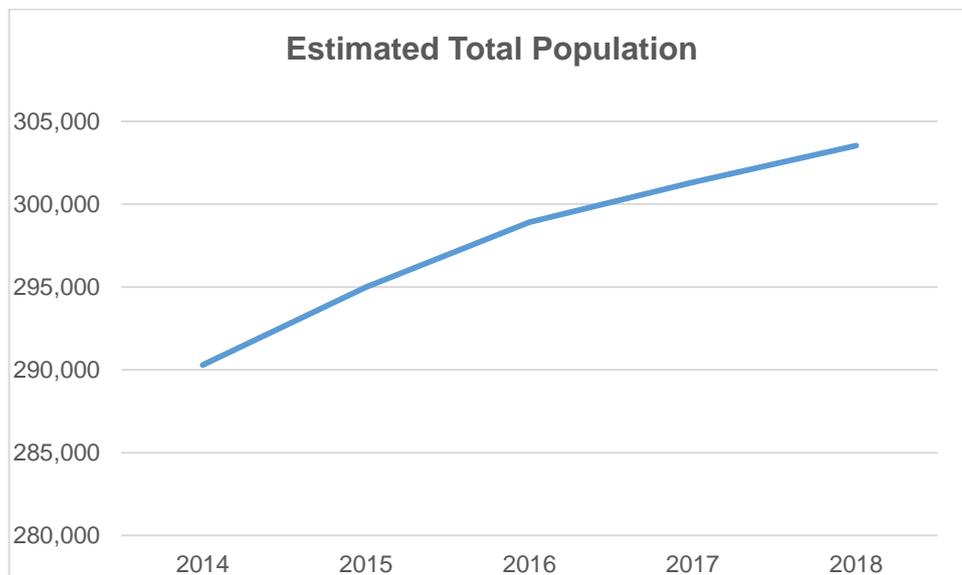
- 6.10. These longer dated cuts projections remain uncertain pending confirmation of any policy, funding, or wider economic changes, especially with the delay in the Fair Funding Review and the change of Government. These estimates will be revisited for any implications from the new Chancellor of the Exchequer's Autumn Budget in November, the next Comprehensive Spending Review (CSR) and in the 2020/21 provisional Local Government Finance Settlement announcement in December.
- 6.11. The Council's four year Revenue Support Grant settlement came to an end in 2019/20. There is uncertainty as to the level of funding the Council will receive after 2019/20. Funding baselines for local authorities, as determined by the local government finance settlement, are based on an assessment of local authorities' relative needs and resources. The methodology behind this assessment was introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.
- 6.12. The government is therefore undertaking a Fair Funding Review to update the needs formula and set new funding baselines. This was originally intended to take effect from April 2020, however confirmation of this is yet to be made by the Secretary of State.
- 6.13. On the 8th August, the Treasury announced a one-year Spending Review (SR), to be carried out by September 2019, clarifying that:
- This will be a one-year Spending Round which will fund departments' 2020/21 activities
 - In 2020, a full SR will be held, reviewing public spending as a whole and setting multi-year budgets
- 6.14. This should now provide an opportunity for MHCLG to announce the following:
- Whether the planned Fair Funding Review and redesign of Business Rates will be implemented, as previously announced, in April 2020; or will be delayed until April 2021, after CSR20.
 - A technical paper on Settlement 2020/21. However, it is likely that this would not be issued until the conclusion of the one-year Spending Review in September.
- 6.15. These delays could pre-empt the assumption that the Funding Settlement for 2020/21 may remain unchanged from 2019/20. Therefore, for prudence, the MTF has assumed the cuts to funding will continue in its current form. The cuts figures in this report are based on this understanding.
- 6.16. It is expected that the 2020/21 provisional local government finance settlement will be announced in December 2020. Until then, the uncertainty in the Council's future funding forecasts remains.

7. LEWISHAM CONTEXTUAL INFORMATION

- 7.1. The level of cuts required continues to require work on cost control in all areas (e.g. use of agency staff, contract management, etc.) and an acceptance of more service and financial risk through ever leaner corporate governance, risk and control arrangements. These conditions drive the focus on enhancing corporate grip to manage the increased risks across the organisation and keep the financial position in balance.
- 7.2. This section provides an overview of some of the main volume drivers for service income and expenditure considered in reviewing the potential for further cuts (see approach in section 8). They are:
- Population by age band
 - Number of properties by CTax band
 - Looked after Children
 - Adults receiving Social Care
 - Waste disposal volumes
 - Number of Businesses

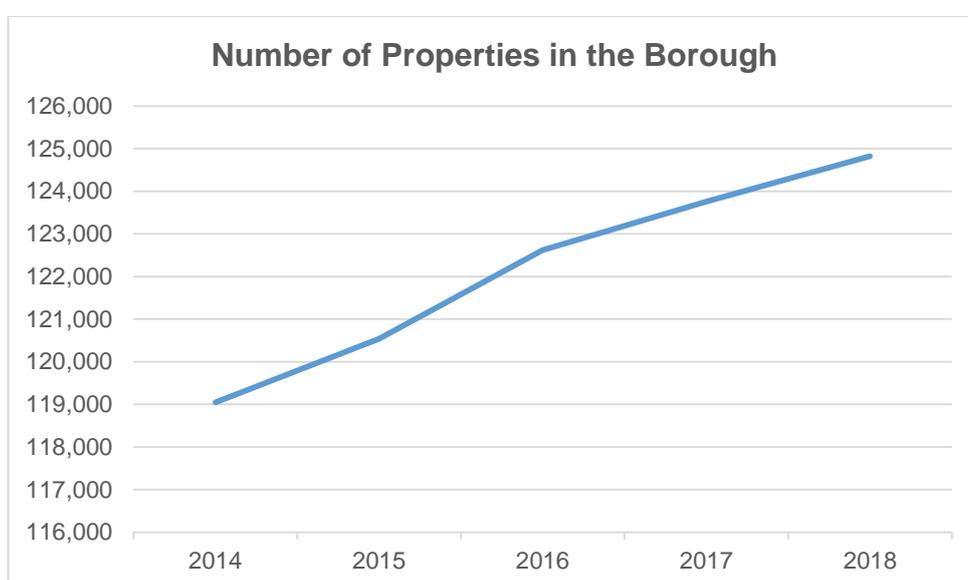
The increase in population over time has increased spend in certain areas such as waste disposal, and other environmental services. The change in Lewisham's demographics is one of the main drivers of Council spending. The graphs below show Lewisham's population and other demographic changes over the last few years.

The following charts and tables highlight some of the changes in Lewisham demographics over the past five years.



Estimated Population Data by Age Group

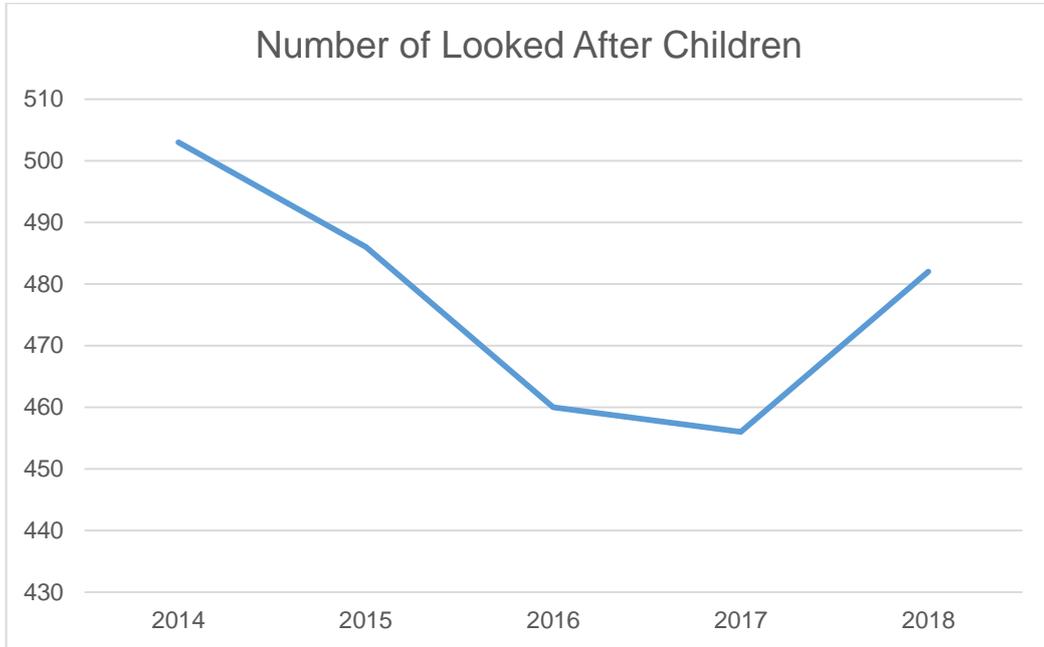
	2014	2015	2016	2017	2018
0 - 5	26,979	27,035	27,019	26,801	26,112
6-18	42,767	43,502	44,001	44,485	45,404
19- 25	28,022	27,617	27,150	26,819	26,436
26 - 65	166,934	171,018	174,669	176,861	178,948
65+	27,320	27,548	27,943	28,088	26,636
Total	290,284	294,999	298,903	301,307	303,536



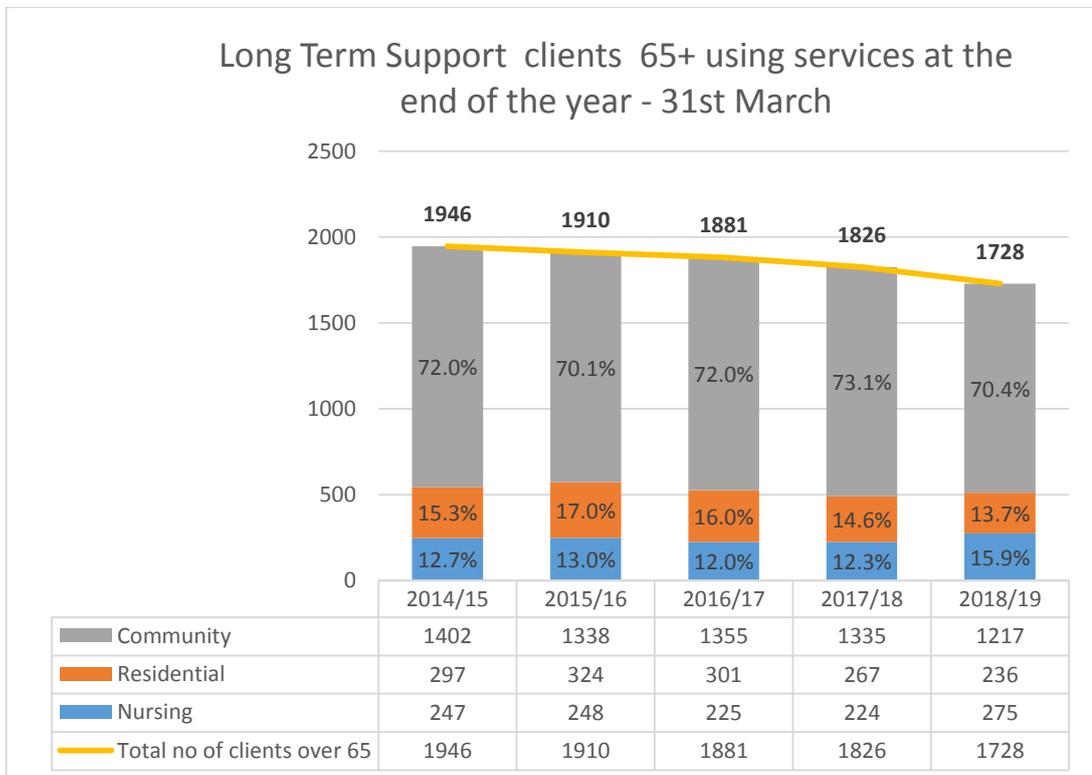
Number of Properties in the Borough by Council Tax Band

Property Band	2014	2015	2016	2017	2018
A	7,281	7,470	7,726	7,789	7,864
B	32,733	33,152	33,691	34,000	34,198
C	42,354	42,944	43,868	44,357	44,852
D	25,285	25,501	25,726	25,955	26,146
E	7,229	72,943	7,413	7,463	7,559
F	2,718	2,725	2,736	2,722	2,727
G	1,277	1,283	1,292	1,300	1,300

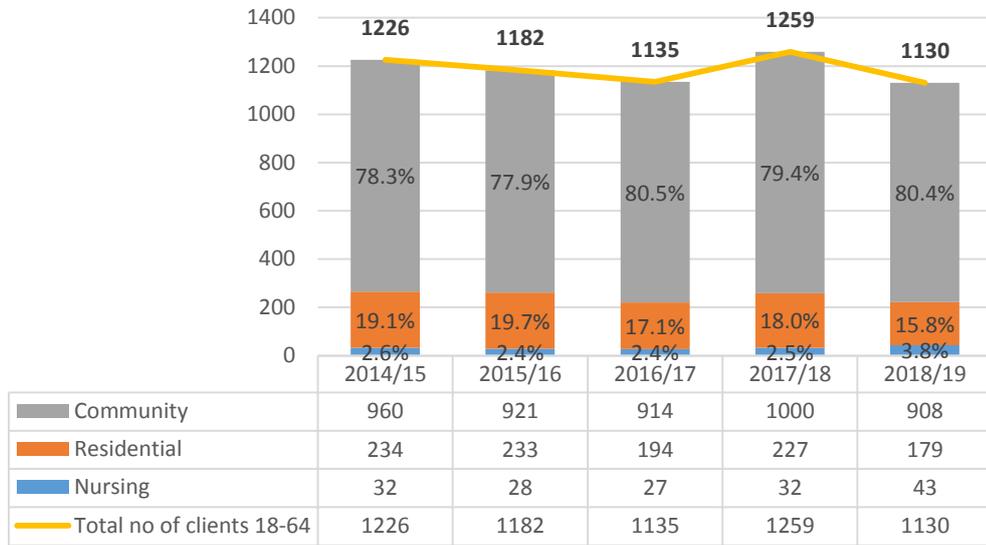
H	170	166	169	171	171
Total	119,047	186,184	122,621	123,757	124,817



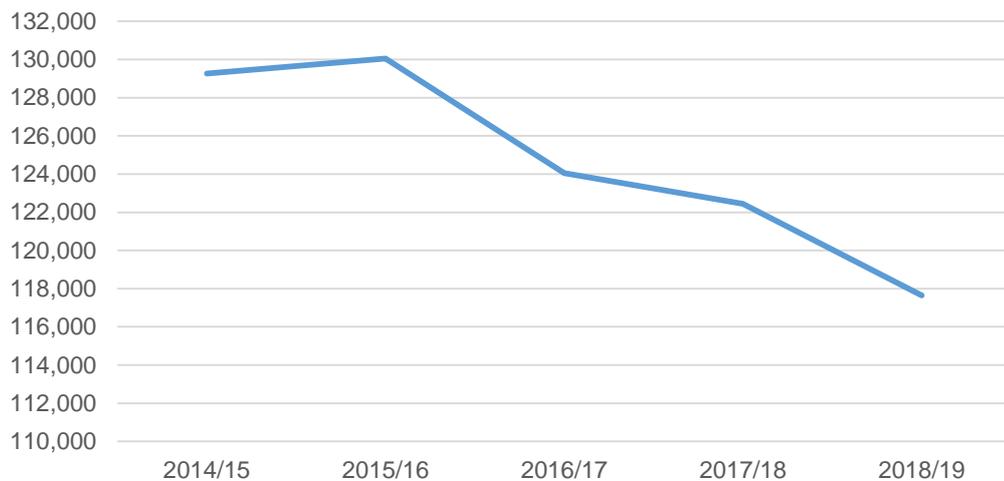
Source: Dept for Education



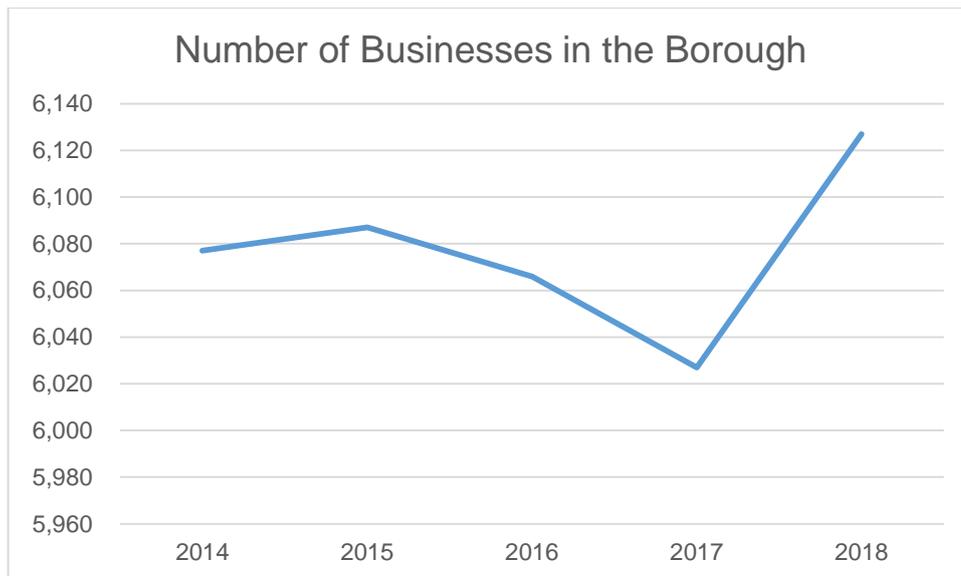
Long Term Support - Adults 18-64 using services as at the end of the year - 31st March



Waste Disposal Volumes



Whilst total waste collection volumes have decreased by 8% over the last five years, the contractual costs of disposal have increased at a greater rate. This has been magnified by the change in the mix, where volumes of incineration waste has declined by 14,000 tonnes (14%) whilst composting volumes have increased by 10,400 tonnes (576%) over the same period. The former is currently charged at £63.52 per tonne for disposal whilst the latter costs up to £78 per tonne. Recycled tonnages has actually decreased by almost 2,000 tonnes (10%) over the same period but the cost is forecast to increase by £0.4m this year as the unit cost has increased by £6.17 (8.4%) pursuant to a new dry recycling contract.



Source: Valuation Office, 2018 numbers based on 2017 revaluation

8. APPROACH TO 2020/21 BUDGET CUTS

- 8.1. Officers have built on the approach to the budget cuts process used in 19/20 which looks differently at the pressures, risks, and opportunities which lie ahead. The approach for bringing forward cuts proposals for 2020/21 maintained the back to basics approach, focused on the Directorates accountability for delivering their services to budget.
- 8.2. This year has continued with the Star Chamber process for all services. Targets have not been set by service area or work strand. The Acting Chief Finance Officer held Star Chamber meetings with each Executive Director and the respective Directors summarising the financial position for their services and the actions being taken to manage costs within budget. Directors then presented their cuts proposals for the year. The purpose of the EMT Star Chamber sessions was to ensure that all options are considered, and any financial interdependencies between services were not overlooked.
- 8.3. In the absence of targets and following the focus last year on the boundary with statutory limits, there were a number of services that are not providing proposals this year. This position was reviewed and challenged with examples of reasons for not offering further cuts including:
 - Currently overspending so any reduced spending to meet existing pressures first (e.g. some children and environment services);
 - At the statutory or regulatory limits of the service and notified following inspection (e.g. enforcement of environmental standards);
 - Risk of severe service weakness or failure if cut further such that better to stop rather than reduce (e.g. a number of corporate services areas); and

- Services severely cut in recent years with change needing to settle before disrupting further (e.g. grants programme)
- 8.4. Those service areas without proposals were challenged to work on setting out their future service needs and the relationships and dependencies with other services to be relevant going forward. Examples of the areas this approach applies to include:
- Links between voluntary sector, Council grants in cash and services in kind (e.g. premises) and adult social services;
 - The future role of Libraires for the community and services they might support;
 - The Leisure offering the Council provides for residents; and
 - Corporate services, in particular the use of technology to support service delivery.
- 8.5. This preparatory work is to help set the ground work for more radical service redesign and prioritising investment in the future, depending on the Council's financial constraints and the opportunities such change may offer. The conclusion of this work will translate through into future service planning and budget rounds.

The Decision making process

- 8.6. The decision making process for budget cuts depends on the nature of each individual cut being proposed. The decision depends on the scale and impact of the proposal and the actions required to deliver it. For example; a proposal requiring staff consultation can either be reserved by Mayor and Cabinet to themselves or follow the usual delegation for employment matters to the chief executive. In either case the decision can only be taken after completion of the consultation and a full report setting out the equalities, legal and financial implications for the decision maker.
- 8.7. Table 4 below shows the combination of criteria possible for a proposal (the first three rows) with the remaining rows identifying the options for concluding the decision available to Mayor & Cabinet. Appendix 7 shows which proposals require consultation etc.

Table 4: Options for Decisions

Decision combinations	1	2	3	4	5	6
Key Decision - >£500k and/or specific ward impact	N	Y	Y	N	Y	Y
Public Consultation	N	N	Y	N	N	Y
Staff Consultation	N	N	N	Y	Y	Y
Decision routes for M&C						
M&C agree to consult – proposal to return to M&C for decision			✓	✓	✓	✓
M&C take decision – no consultation required	✓	✓				
Delegate to Exec. Dir. to consult and take decision				✓	✓	
Delegate to Exec. Dir. – no consultation required	✓	✓				
Other – e.g. seek clarification, reject, endorse.	✓	✓	✓	✓	✓	✓

9. PROPOSED BUDGET CUTS

- 9.1. The £9.178m of cuts presented in the overview in this section all relate to the cuts required of £20.6m for 2020/21 (£8.4m previously approved), and £17m required in 2021/22. The proposed cuts are presented by Directorate and have passed through the Star Chamber process.
- 9.2. The cut proposed here are additional to those already agreed in the £8.4m November 2018 M&C report for 2020/21. Preparations for the implementation of these continues and is tracked through the financial monitoring and will be brought back for re-endorsement as part of the 2020/21 budget setting process.
- 9.3. The referencing for the new proposals presented here continues that from 19/20, not least as a number of the cuts are extensions of the service changes begun with the 19/20 cuts. Those that build on existing work carry the same reference but denoted as a, b, etc.. (e.g. COM1a is a continuation and extension of cut COM1 agreed on the 28 November 2018 as part of the previous cuts round). New cuts extend the numbering from where the previous round stopped (e.g. COM18 is a new proposal).
- 9.4. Further details are presented setting these details out in the proformas at Appendices 1 to 3.

Children and Young People's Directorate

- 9.5. The Directorate of Children and Young People has not proposed further cuts in addition to those already approved by Mayor and Cabinet in November 2018.
- 9.6. A summary of previously approved 2020/21 cuts is attached as Appendix 8 to this report.

Community Services Directorate

- 9.7. The following cuts totalling £4m are proposed by the Community Services Directorate in 2020/21 in addition to the £2.3m already approved in November 2018. The total cuts of £6.3m represent 7% of the Directorate's total net budget. Over half of the total cuts are to the Adult Social Care budget focussing on cost reduction.
- 9.8. Details of each proposal can be found in Appendix 1 of this report and a summary of previously approved 202/21 cuts at Appendix 8.

Table 6: Summary of Community Services Proposed Budget Cuts

Division	Ref	Summary of Proposals	2020/21 £'000
Adult Social Care The service offers a range of care and support services to help frail, disabled and other vulnerable adults to remain independent, active and safe. Support is provided in their own homes, in a community setting or in a care home. Net Budget £53.588m Proposed Cuts £4m			
	COM1a	Managing demand at the point of access to adult social care services	1,000
	COM2a	Ensuring support plans optimise value for money	500
	COM3a	Increase revenue from charging Adult Social Care clients	500
	COM18	Funding inflationary increase from within the ASC Grant	2,000
	Community Services Total		4,000

Public Health

- 9.9. The ring-fenced public health grant is £23,683,000 for 2019/20, following a grant reduction of £642,000 from the 2018/19 grant amount. This makes a total of £3,985,000 in cuts to the public health grant to date. The public health grant settlement for 2020/21 is due to be confirmed in the government one-year spending round this autumn.
- 9.10. The public health team is making preparations in the event that there are further grant reductions of similar magnitude to that in 2019/20. These preparations will be brought back to the Healthier Communities Select Committee in October.
- 9.11. Even if the Public Health Grant Settlement for 2020/21 remains the same as 2019/20 (i.e. no further cut), there will still be a £196,000 cost pressure in the Health Visiting Service budget line for 2020/21. This is a result of the £196,000 recurring budget reduction for this service agreed as part of the PH budget cuts for 2019/20.
- 9.12. There was initially resistance to implementing this proposed cut. An interim arrangement for 2019/20 only, was agreed between the Executive Director of Community Services and the Chief Executive of Lewisham and Greenwich Trust to enable the saving to be achieved without an impact on the budget available to the HV Service. The saving was badged as a reduction in the value of the contract for HV Services but the Trust provided assurance that the reduction in income would be absorbed from elsewhere in the Trust's budget and not result in a reduction in the funds available to the HV Service.
- 9.13. As this was an interim agreement for one year only, an alternative, sustainable method of achieving the £196,000 reduction to the HV Service budget needs to be identified for 2020/21 onwards.
- 9.14. As the current contracts for both Health Visiting (HV) Services and the School Health Service (SHS) expire on 31/03/20, it has been proposed that the contracts & budgets for these services be combined into a single 0-19 service and extended for 1 year to 31/03/21. The combined value of this contract would be £6,909,827 (E52204 = £5,889,000*, E52201 = £1,020,827). * This includes the reduction of £196,000 to the value of the HV Service budget pre 2019/20.
- 9.15. Combining and extending the contract with LGT, for a period of 12 months, will provide both stability and flexibility to enable the provider and commissioners to work together to respond to emerging local and national policy developments whilst developing a new service model capable of identifying, prioritizing and addressing the needs of CYP in Lewisham across the age spectrum.

- 9.16. A number of mutual benefits to this approach have been identified by both the provider and commissioner. This includes greater flexibility and responsiveness enabling:
- Ratios and caseloads across both the HV and SHS workforce to be reviewed and staff resources to be deployed more effectively to meet identified need;
 - Current performance levels and service quality to be maintained within a reduced budget envelope; and
 - Opportunities to test innovative models of delivery to provide proof of concept and inform the ongoing development of the service model.

Housing, Regeneration & Environment Directorate

- 9.17. The following cuts totalling £2.178m are proposed by the new Housing, Regeneration & Environment Directorate in 2020/21, in addition to the £2.7m cuts previously approved in November 2018.
- 9.18. Details of each proposal can be found in Appendix 2 of this report and a summary of the previously approved cuts from November 2018 at Appendix 8.

Table 7: Summary of Housing, Regeneration & Environment Proposed Budget Cuts

Division	Ref	Proposals	2020/21
			£'000
Environment			
The service area includes the following - Waste Management (refuse & recycling), Cleansing, Green Scene (parks and open spaces), Fleet and Passenger Services, Bereavement Services and Markets.			
Net Budget £19.8m			
Proposed Cuts £0.823m			
	CUS7	Reduce sweeping frequency to residential roads to fortnightly. NB – no proforma as pilot underway which will report back separately for scrutiny and a M&C decision. This is anticipating the full cut can still be made as previously presented.	823
		Subtotal	823
Strategic Housing			
The service area includes the following - Housing Needs (including Housing Options and Home Search), Housing Partnership & Development and Private Sector Housing.			
Net Budget 5.545m			

Division	Ref	Proposals	2020/21
			£'000
Proposed Cuts £1.175m			
	CUS15	Cuts to No Recourse to Public Funds service budget	1,000
	CUS16	Operational savings in the Private Sector Housing Agency through service improvements	175
		Subtotal	1,175
Regeneration and Place			
The service area works to renew the physical fabric of the borough sustainably, and enhance the overall economic well-being of Lewisham through programme management capital delivery; school place expansion programme; town centre regeneration; asset strategy; contract management; maintenance of the corporate estate (including investment assets); and Transport (including highways improvement and lighting).			
Net Budget £7.8m			
Proposed Cuts £0.18m			
	RES19	School crossing patrol NB – no proforma as risk assessment work is underway which will report back separately for scrutiny and a M&C decision. v	80
	RES20	Nursery Lettings	100
		Subtotal	180
	Housing, Regeneration & Environment Total		2,178

Corporate Services Directorate

- 9.19. The following cuts totalling £3.5m are proposed by the new Corporate Services Directorate over 2020/21, in addition to the £2m cuts previously approved in November 2018, a total of £5.5m across both years.
- 9.20. Full details of each proposal are attached as Appendix 3 to this report and a summary of previously approved cuts at Appendix 8.

Table 8: Summary of Corporate Services Proposed Budget Cuts

Division	Ref	Proposals	2020/21	2021/22
			£'000	
Public Services The service area provides the 'front door' to a wide range of services across the Council. This area includes Customer Contact Centre, Registrars, Revenues, Benefits, Emergency Planning and Parking Management. Net Budget Revenues and Benefits £1.436m Proposed Cuts £0.5m Net Budget Parking £(5.81)m Proposed Cuts £0.5m				
CUS11a		Process automation in Revenues and Benefits		500
CUS14a		Parking service budget review	500	
		Subtotal	500	500
Corporate Resources The service area facilitates the Council's Strategic Finance activities (managing the cuts and budget setting process, providing corporate finance advice (including procurement), performing treasury management functions and managing the pension fund) to support delivery of Council objectives. It also oversees the Council's governance, risk and controls processes; coordinates and provide assurance on the framework of internal control, undertakes investigations, and delivers professional guidance and support in respect of insurances, risk management and health & safety.				
RES21		Reduced allocaton of inflation to contract costs	1,000	
		Subtotal	1,000	
Technology & Change The service area co-ordinates and manages the provision and maintenance of ICT tools; identifying, supporting and leading transformation and continuous improvement that can be enabled or assisted by ICT				
RES22		Reduced allocation of inflation as dividend for improved ICT provision	1,500	
		Subtotal	1,500	
Corporate Services Total			2,500	500

10. TIMETABLE

10.1. The key dates for considering this cuts report via scrutiny and Mayor and Cabinet (M&C) are as follows:

Review of budget cuts proposals	Healthier	Children & Young People	Sustainable	Housing	Safer Stronger	Public Accounts
Select Ctte.	3 Sept	17 Sept	11 Sept	18 Sept	12 Sept	24 Sept
OSBP	15 October					
M&C	30 October					

10.2. The M&C decisions are then subject to the usual Business Panel scrutiny call in process and reconsideration at the following M&C if necessary. The M&C report will be presented to the Overview and Scrutiny Business Panel on the 15 October 2019.

10.3. If required, two more cuts rounds can be taken through the decision process, still with the possibility (if no consultation required) of achieving a full-year effect of cuts in 2020/21. The key dates for these rounds are as follows:

Review of Cuts proposals	Healthier Communities	Children & Young People	Sustainable Development	Housing	Public Accounts	Safer Stronger
Select Ctte.	4 Nov	16 Oct	28 Oct	30 Oct	6 Nov	9 Oct
OSBP	12 November 2019					
M&C	20 November 2019					
Select Ctte.	2 Dec	5 Dec	4 Dec	16 Dec	16 Dec	26 Nov
OSBP	27 January 2020					
M&C	5 February (Budget)					

10.4. The Overview and Scrutiny Business Panel (OSBP), post M&C, for these rounds will be 3 December 2019 and 11 February 2020 respectively.

11. CAPITAL PROGRAMME

- 11.1. In addition to considering the revenue budget and possible cuts, the Public Accounts Committee has asked the other Select Committees to review the capital programme as it relates to their areas of activity and make any comments on the reporting and monitoring of the schemes underway and planned.
- 11.2. The capital programme is adopted annually as part of the Budget agreed by Full Council in February. Progress is then reported quarterly to M&C as part of the routine financial monitoring. The most recent report (July 2019) is at Appendix 9. In summary the capital programme for 2019/20 is:

2018/19 Capital Programme	Budget Report (February 2019)	Revised Budget	Spend to 31 May 2019	Spent to Date (Revised Budget)
	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	11.0	11.1	0.4	4%
Schools - Other (inc. Minor) Capital Works	1.4	5.9	0.1	2%
Highways & Bridges - LBL	3.5	3.5	0.1	3%
Highways & Bridges - TfL	0.0	2.2	0.0	0%
Highways & Bridges - Others	0.0	2.1	0.0	0%
Catford town centre	5.5	5.1	0.1	2%
Asset Management Programme	2.5	2.0	0.3	15%
Smart Working Programme	0.9	2.3	0.8	35%
Beckenham Place Park	2.5	2.4	0.9	38%
Heathside & Lethbridge Regeneration	0.0	0.6	0.0	0%
Excalibur Regeneration	0.0	1.7	0.2	12%
Lewisham Homes – Property Acquisition	6.0	3.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	1.3	3.8	0.1	3%
Achilles St. Development	0.0	7.3	0.0	0%
Ladywell Leisure Centre Development Site	0.0	1.0	0.0	0%
Edward St. Development	9.1	9.1	0.0	0%
Travellers Site Relocation	1.1	1.1	0.0	0%
Fleet Replacement Programme	0.0	7.8	0.0	0%
Other General Fund schemes	2.2	5.6	0.0	0%
TOTAL GENERAL FUND	47.0	77.6	3.0	4%
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	37.3	21.0	0.3	1%
Decent Homes Programme	57.1	51.4	1.8	3%
Other HRA schemes	0.8	1.6	0.1	4%
TOTAL HOUSING REVENUE ACCOUNT	95.2	74.0	2.2	3%

TOTAL CAPITAL PROGRAMME	142.2	151.6	5.2	3%

11.3. For more detail please see Appendix 9.

12. FINANCIAL IMPLICATIONS

12.1. This report is concerned with the cuts proposals to enable the Council to address the future financial challenges it faces. There are no direct financial implications arising from the report other than those stated in the report and appendices itself.

13. LEGAL IMPLICATIONS

Statutory duties

13.1. The Council has a variety of statutory duties which it must fulfil by law. The Council cannot lawfully decide not to carry out those duties. Even where there is a statutory duty there is often a discretion about the level of service provision. Where there is an impact on statutory duty that is identified in the report. In other instances, the Council provides services in pursuit of a statutory power, rather than a duty, and though not bound to carry out those activities, decisions about them must be taken in accordance with the decision making requirements of administrative law.

Reasonableness and proper process

13.2. Decisions must be made reasonably taking into account all relevant considerations and disregarding all irrelevant matters. These are particular to the service reductions proposed and are set out in the body of the report. It is also imperative that decisions are taken following proper process. Depending on the particular service concerned, this may be set down in statute, though not all legal requirements are set down in legislation. For example, depending on the service, there may be a need to consult with service users and/or others and where this is the case, any proposals in this report must remain proposals unless and until that consultation is carried out and the responses brought back in a further report for consideration with an open mind before any decision is made. Whether or not consultation is required, any decision to discontinue a service would require appropriate notice. If the Council has published a procedure for handling service reductions, there would be a legitimate expectation that such procedure will be followed.

Staffing reductions

13.3. If service reductions would result in redundancy, then the Council's usual redundancy and redeployment procedure would apply. If proposals would result in more than 20 but fewer than 100 redundancies in any 90 day period, there would be a requirement to consult for a period of 30 days with trade

unions under Section 188 Trade Union and Labour Relations (consolidation) Act 1992. The consultation period increases to 45 days if the numbers are 100 or more. This consultation is in addition to the consultation required with the individual employees. If a proposal entails a service re-organisation, decisions in this respect will be taken by officers in accordance with the Council's re-organisation procedures.

Equalities Legislation

- 13.4. 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.
- 13.5. 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.
- 13.6. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.
- 13.7. 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.
- 13.8. 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>

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

13.10. 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.

13.11. 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>

13.12. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. <https://www.equalityhumanrights.com/en/advice-and-guidance/making-fair-financial-decisions>. It appears at Appendix 4 and attention is drawn to its contents.

13.13. The equalities implications pertaining to the specific service reductions are particular to the specific reduction.

The Human Rights Act

13.14. Since the introduction of the Human Rights Act 1998 (HRA) the rights set out in the European Convention on Human Rights (ECHR) have been incorporated into UK law and can be enforced in the UK courts without recourse to the European courts.

13.15. Those articles which are particularly relevant in to public services are as follows:-

- | | | |
|-----------|---|---|
| Article 2 | - | the right to life |
| Article 3 | - | the right not to be subject to inhuman or degrading treatment |
| Article 5 | - | the right to security of the person |
| Article 6 | - | the right to a fair trial |
| Article 8 | - | the right to a private and family life, home and |

- Article 9 - correspondence
- Article 9 - the right to freedom of thought, conscience and religion
- Article 10 - the right to freedom of expression
- Article 11 - the right to peaceful assembly
- Article 14 - the right not to be discriminated against on any ground

The first protocol to the ECHR added

- Article 1 - the right to peaceful enjoyment of property
- Article 2 - the right to education

13.16. Some of these rights are unconditional, such as the right not to be tortured or subject to degrading treatment. Others may be limited in finite and well defined circumstances (such as the right to liberty. Others are qualified and must be balanced against the need of the wider community – such as the right to a private and family life. Where there are human rights implications associated with the proposals in this report regard must be had to them before making any decision.

Crime and Disorder

13.17. Section 17 of the Crime and Disorder Act 1998 requires the Council to have regard to the likely effect on crime and disorder when it exercises its functions, and the need to do all that it reasonably can to prevent crime and disorder in its area.

Best value

13.18. The Council remains under a duty under Section 3 Local Government Act 1999 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 respect of this report.

Environmental implications

13.19. Section 40 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 this report.

Specific legal implications

13.20. Members’ attention is drawn to the specific legal implications arising in relation to particular proposals set out in the relevant proforma in Appendices 1 to 3 of this report and Appendix 6 which is a summary of specific legal implications for each budget cut proposal.

Equalities Implications

13.21. Detailed policy and equality implications have been appended to this report as Appendix 5.

14. CONCLUSION

14.1. The Council expects to need to make further cuts between now and 2021/22 as the resources available to run services continue to be reduced and because insufficient budget reductions have been identified to date. This results in the Council having to use its reserves when setting the budget. This is not sustainable as reserves are only available on a once off basis.

14.2. The expected amount and timing of the cuts for 2020/21 and future years has been detailed above. However, the definitive position is dependent on the SR19, Autumn Budget and Local Government Finance Settlement due in September, November and December respectively.

15. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

Short Title of Report	Date	Contact
Medium Term Financial Strategy http://councilmeetings.lewisham.gov.uk/documents/g5477/Public%20reports%20pack%2026th-Jun-2019%2018.30%20Mayor%20and%20Cabinet.pdf?T=10	June 2019	David Austin
Budget 2019/20 http://councilmeetings.lewisham.gov.uk/documents/g5131/Public%20reports%20pack%2027th-Feb-2019%2019.30%20Council.pdf?T=10	February 2019	David Austin

Appendices

1. Community Services Budget Cuts Proposals
- 1B. Adult Social Care Savings Consideration 20/21
2. Housing, Regeneration and Environment Budget Cuts Proposals
3. Corporate Services Budget Cuts Proposals
4. Making Fair Financial Decisions Guidance
5. Policy and Equalities Analysis
6. Specific Legal Implications
7. Summary of Cuts Proposals
8. Previously Approved 2020/21 Budget Cuts
9. Capital programme (extract from Financial Monitoring to M&C)

For further information on this report, please contact:
David Austin, Interim Chief Finance Officer on 020 8314 9114

Appendix 1: Community Services Proposals

1. Cuts proposal	
Proposal title:	Adult Social Care
Reference:	COM1a, COM2a, COM3a and COM18
Directorate:	Community Services
Director of Service:	Director of Operations Adult Social Care, Joan Hutton & Director of Joint Commissioning, Dee Carlin.
Service/Team area:	Adult Social Care (ASC)
Cabinet portfolio:	Cabinet Member for Health and Adult Social Care – Cllr Chris Best
Scrutiny Ctte(s):	Healthier Communities Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
a) COM1a Managing demand at the point of access to adult social care services: £1.0m	Yes	No	No
b) COM2a Ensuring support plans optimise value for money: £500k	Yes	No	No
c) COM3a Increase revenue from charging Adult Social Care clients: £500k	Yes	No	No
d) COM18 funding inflationary increase from within the ASC Grant £2.0m	No	No	No

3. Description of service area and proposal
<p>Description of the service area (functions and activities) being reviewed:</p> <p><u>COM1a & COM2a COM3a</u></p> <p>The two main points of access to adult social care are 1) the community via the Social Care Advice and Information Team (SCAIT), and 2) the acute hospitals via the Hospital Discharge Team. The principles of the Care Act 2014 regarding assessment and eligibility criteria are applied to determine the appropriate response to these contacts and referrals.</p> <p>Adult social care have been piloting differing approaches to deliver both effective outcomes for residents who make contact for support, and effective management of demand and the use of resources. This is known as the 3 conversation approach strength and asset based approach to assessment.</p> <p>This approach places the use of prevention and early intervention that can promote self management, independence, rehabilitation and recovery at the heart of practice.</p>

3. Description of service area and proposal

If a person has needs that are not eligible at that time, there is support available to access information and advice or preventative services.

The approach used builds further on the arrangements that have been put in place to manage demand appropriately and effectively. It is complemented by the Councils commitment to community development that links those with care needs to opportunities that are available from universal services and the third sector organisations within the community.

The four neighbourhood assessment teams established across the borough and a team that work specifically with adults who have a learning disability provide the main assessment and support planning function for those with care needs. In accordance with the approach to integration across health and social care and by building on the “Care at home” approach to multi-disciplinary working we will ensure the right support is in place to individuals and work to reduce duplication where possible.

As part of the assessment process and in accordance with the national ‘fairer charging policy framework’, people in receipt of care and support are financially assessed to ascertain the level of contribution they need to make towards the cost of their care.

Whilst adult social care is chargeable, healthcare is free at the point of delivery. For those people who have support for their healthcare needs there are arrangements in place for the Council to recharge the CCG.

The Adult Social Care budget is divided into two areas of expenditure, care costs £76.4m and staffing costs £11.2 m. There are annual inflationary increases and uplifts which amount to approximately £2.2m, these will be covered using the ASC base grant.

Attached in Appendix 1B is further detailed information relating to these proposals.

Cuts proposal*

COM1a - £1m

The £1.0m identified under COM1a is an extension of the £122k identified and achieved under the 19-20 COM1 cut by piloting new ways of working that “Manage demand for Social Care effectively using the (3 conversations) strength based approach to practice”.

We have considered good practice identified from benchmarking the use of resources, using a focused analysis of our spend by the Association of Directors for Adult Social Services (ADASS), Local Government Association (LGA) and Independent Peer Challenge (IPC).

There are approx. 3,175 adults receiving care at any one time. By managing demand and reducing this number by 100 to 3,075 there will be an anticipated cost cut of £1m.

The approach will:

- Connect people at an early stage to support them to get on with their lives independently;
- Identify when people are at risk and apply solutions to make them safe;

3. Description of service area and proposal

- provide a fair and proportionate personal budget that considers where sources of funding come from which includes the persons own resources or health funding if this is appropriate;
- Identify people who are self-funders at an earlier stage and provide them with information and advice so that they can make their own arrangements; and
- provide short term intervention such as rehabilitation, recovery, recuperation and reablement, including therapeutic help, for people who contact the service from within the community via self-referral or from the GP as well as when discharged from the hospital.

This has estimated that a local authority shouldn't spend more than 15% of the domiciliary care budget on a person for 10 hours or less per week, as this level of care can often be accessed by other means particularly ensuring that the correct levels of benefits are in place. Support is provided to people from the staff within the SCAIT team to connect them to these resources and solutions. The proposal would reduce ASC spend from 15.5% of the budget currently, in line with the 15% recommended.

COM2a - £0.5m

In accordance with social care best practice and Care Act requirements, there will be continued reassessments of support plans using the strength asset based approach. This will include the following actions:

- All care packages will be based on medium term goals that assist a person where possible to move to greater independence;
- Continuing Health Care decisions to be completed within national timeframes; and
- Commissioners will continue to work with the care market to ensure that the social care investment used is the most cost effective and of good quality.

COM3a - £0.5m

This proposal relates to an increase in income generation rather than a budget cut and involves joint working between Adult Social Care, Customer Services and Resources and Regeneration.

Since January 2018, corrective work has been carried out to bring everyone's charges up to date, resulting in provisional estimates of additional income of £25k weekly.

Further corrective work and an earlier financial assessment along with the introduction of auto-charging and the provider portal to the financial system, will provide more accurate billing and invoice processing to both the service users who are charged and more accurate payments to the range of care providers who are commissioned.

COM18 - £2m

The approach will rebaseline adult social care budgets to reflect the continuation of grants. The service will fund inflationary uplifts by using existing ASC grant budget.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

COM1a and COM2a

This has required a cultural shift to practice for staff who deal with contacts and assessments. The approach is supported by a learning and development programme led by the Principle Social Worker (PSW).

4. Impact and risks of proposal

The approach may reduce or delay the need for care and support provided or commissioned by ASC. It promotes self-management which can have a positive impact on an individual's psychological wellbeing and promotes independence where possible.

The approach may not always meet the initial expectations that residents have from ASC and as a consequence, it is likely, there may be an increase in complaints.

The approach is dependent on there being a range of services available that people can access from the voluntary and community sector, particularly for those who focus on support for vulnerable adults. In addition, council run or commissioned universal services will need to be accessible to support individuals where appropriate.

This is set out in more detail in the separate paper to the Healthier Select Committee for their meeting of the 3 September. The Lewisham Offer, is a summary of the strength and asset based approach that is used to manage demand and resources effectively.

COM3a

Some service users may cancel their care due to the financial contribution they are assessed to pay. They will be supported on an individual basis to ensure they have access to any benefits that they are eligible for.

COM18

By using the grant to fund inflationary increases, there is a risk that providers will request an increase that is higher than we can afford. The Council remains committed to paying the London Living Wage.

Outline risks associated with proposal and mitigating actions to be taken:

In relation to the new cuts being offered, as these are extensions of those previously agreed, the main risks for each area are as follows:

- People will choose not to purchase the care and support they need. This can be mitigated by maximising their take up of welfare benefits;
- There is a risk that community based solutions become less available as funding restrictions impact on voluntary sector partners; and
- Delays in publishing the Green Paper and the longer term care integration and funding proposals for adults social care mean uncertainty regarding the management of pressures going forward.

There will be comprehensive risk assessments undertaken as part of the assessment process.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	64,869	11,261	53,588	
HRA	n/a	n/a		
DSG	n/a	n/a		
Health				

5. Financial information				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
COM1a		1,000		1,000
COM2a		500		500
COM3a		500		500
COM18		2,000		2,000
Total		4,000		4,000
% of Net Budget	%	7.4%	%	%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
5	3	1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral	Neutral	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
N/A	N/A	

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	H	Marriage & Civil Partnerships:	N/A
Age:	H	Sexual orientation:	N/A
Disability:	H	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	N/A
For any High impact service equality areas please explain why and what mitigations are proposed:			
Most people who contact ASC are vulnerable due to age, frailty or disability. Individuals are risk assessed to make sure they remain safe, supported and as independent as possible. Often the care can be provided by partners or family			

8. Service equalities impact	
<p>members if deemed appropriate which can fall disproportionately on women. Carers often provide informal support to service users and are considered as part of the strength and asset approach to assessment. It is important that they are offered and encourage to accept a Carers assessment in their own right that takes into account their Health, Wellbeing and supports them in their caring role.</p> <p>For all of the proposed cuts areas the same cohort of services users with the same needs and protected characteristics will be effected. Impact assessment above covers all proposals. We will complete separate EIA's in areas where there are changes to provision.</p>	
Is a full service equalities impact assessment required: Yes / No	No

9. Human Resources impact	
Will this cuts proposal have an impact on employees: Yes / No	No

10. Legal implications	
State any specific legal implications relating to this proposal:	
<p>The pro forma accurately reflects Care Act duties. However, given the fact that client groups may be vulnerable and have protected characteristics (such as age/disability/gender) there will need to be an equalities impact assessment carried out before a decision can be made.</p> <p>A report on COM1 & 2 could be merged and requires an overall EIA, as service pathways are likely to alter and the client groups, although also including those who may use the services in the future and are therefore difficult to capture, will also mainly comprise existing or proximate users, who do have protected characteristics.</p>	

11. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C Full Delivery Plans developed and monitoring arrangements in place
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

APPENDIX 1 B - ADULT SOCIAL CARE CUTS CONSIDERATION 20/21

1. Planned Cuts Position:

Title	Cuts Target 2019-20	May 2019 Update
Managing demand for Social Care (3 conversations) strength based approach to practice	£122k	Cut now full achieved
Ensure support plans optimise VFM	£250k	Cut now fully achieved
Increase revenue from ASC charging	£159k	Cut now fully achieved despite auto charging and configuration still not complete – prospect to improve charging in 20/21
Reducing unit costs for LD in line with London benchmarking companies	£600k	Work in progress – full achievement expected
Increase Personalisation	£60k	Work in progress – full achievement expected
Reduction in ASC contribution to MH Integrated Community Services	£100k	Cut now full achieved
Reduction of MH residential care costs	£300k	Work in progress – full achievement expected
Increase use of shared lives	£200k	Cut now fully achieved
Develop a more cost effective model for transitions Cost reduction target	£300k	Work in progress – partial achievement expected in 19/20

Proposed Cuts	£2.091m
Achieved Cuts	£1.891 m
Difference	£200k with work continuing

2. End Year Position 18/19

Adult Social Care finished the year with a £1.1m underspend

Ongoing Budget Pressures

- **DoLS**

DoLS numbers increased by 10% in 18/19. Whilst it is expected that the Government will change the legislation by 2020, it is recognised that this may not decrease the pressure due to the ongoing monitoring and quality assurance that will be still be a statutory duty of ASC. Current Cost Pressure £750k

- **Transitions**

Transitions care cost are expected to increase in 19/20 due to the numbers of young adults transferring from Children's Services, with each an expected weekly cost of approx. £1,500. The Majority of these costs will impact on the Learning and Disability (LD) budget. There are additional cost pressures associated with the cohort of young people who transition to adult services with a dual diagnosis of autism and LD who often have complex needs and challenging behaviour.

- **Hospital Discharges**

The level of care required for residents who have been discharged from hospital and the impact of a reduced length of stay continue to put pressure on the adult social care budget.

Approximately 30 people are discharged from hospital a week through a process known as Discharge to Assess. This approach aims to reduce length of stay within an acute hospital setting by 3 nights. On average a person leaving hospital through Discharge to Assess receives 6 extra hours of care to support them to return home, this cost pressures amounts to £168.5k per year ($30 \times 6 \times £18 = £3,240$ per week and $£3,240 \times 52$ weeks = £168,500)

The figure above does not include other discharge pathways where people with more complex needs are supported to leave hospital with more complex packages. We are working on defining the cost pressure for these people leaving hospital following a shorter stay.

- **Managing demand and Complexity**

Adult social care is a demand led service where there is a continued increase in the age and complexity of clients who need support, for example, there are often high Costs associated with supporting residents who have complex Dementia and are unable to live on their own or where the family Carer is also finding it difficult to cope. There is also an increasing cohort of older people whose increasing frailty and declining mobility requires the support of 2 carers to manage their personal care.

There is increased pressure regarding the support required for people with Mental Health, challenging behaviour and physical disabilities. Often the only option available to manage these complex needs is long term placements that can often be expensive.

- **Market stability.**

Lewisham saw no growth in the provider market and it is unlikely that there will be any significant growth in 19/20. There is little opportunity for further cost negotiations due to overall market conditions and the commitment to the London Living Wage and ethical care charter.

In 19/20 Lewisham lost one of its lead domiciliary care providers. This has put extra pressure on the current market providers that are also faced with the challenges of meeting care standards and maintaining a consistent workforce

In terms of the availability of Care homes, the market remains fragile. Locally there were no Residential or Nursing home beds lost during this period but there are a small number of homes that require improvements to meet CQC inspection standards. Recently a very large national care home provider Four Seasons, went into administration, for Lewisham, this means 5 people are likely to need a new placement.

Locally pressure on the market has increased due to a planned home closure in a neighbouring borough. This will ultimately have an adverse impact on bed availability, particularly for people with dementia. In addition, any embargoes in neighbouring boroughs will impact on bed capacity.

3. Current Proposed Cuts for 20/21

Title	Amount ('000)	Proposed Delivery
Continue to manage demand through the front door of the Council /community and manage the demand from acute hospitals.	£250	<ul style="list-style-type: none"> - Restructure that will add capacity and enhance skill mix at the point of contact so that initial enquiries can be resolved. - Linking people with community solutions and Prevention - Better Support Planning and Monitoring - Consultation with Health Partners regarding the restructure has been undertaken.
Reduce unit costs for LD in line with benchmarking reports	<p style="text-align: center;">£700</p> <p style="text-align: center;">£100</p>	<ul style="list-style-type: none"> - Further work on implementing the recommendations from the ADASS/LGA "Use of Resources" Report - Review Day Service and Transport use including undertaking Consultation on proposed changes with current service users - Transforming Care (National agenda to reduce out of borough placements for LD) - Better management of resources and voids

Title	Amount ('000)	Proposed Delivery
Increase Personalisation	£112	- Increase no. of PA's to support Direct Payments and Personal Health Budgets
Ensure short term intervention are effective optimises independence	£164	Increase the productivity of Enablement to enable more rehab thus reducing the need for long term care where possible.
Reduce ASC contribution to MH integrated Community Services	£50	- Reduce management costs - Reduce non-direct costs
Reduce MH residential care costs	£200	- Review all Section 117 support to determine eligibility. - De-registering a number of CQC registered home and support providers to provide care in more cost effective supported living placements where people are offered tenancies.
Increase the use of Shared Lives	£370	- Increase number of Shared lives Carers. As this offer is more cost effective and personalised and less restrictive and institutionalised and can reduce the need for placements or support living. -
Develop a more cost effective model for transitions	£200	- Further develop local model offer to reduce Transitions costs in relation to out of borough placements and colleges. - Mapping exercise to be undertaken to identify gaps in local market provision. This may necessitate further consultation with Service Users, Parents and Carers.
Deliver 19/20 predicted unachieved cuts	£200	- Linked to new transitions approach.
TOTAL	£2.246m	

4. Areas for further consideration 20/21

In 18/19 ASC used Care Analytics and some focused London Benchmarking Data on the use of resources and care costs. The recommendations within these reports confirms the continuation of existing strategies that are in place to manage resources effectively. The following areas were identified for potential cuts and reflect the recommendations from these reports:

a. Further improvements to the management of demand at the front door to the council from the community and from acute hospitals - £1m

The staffing restructure will be fully embedded and there will be more capacity and a wider staff skill mix that will enhance the development of how contacts and enquiries for ASC are managed. The approach is dependent on utilising solutions from within the community and focusing on what a person can do for themselves. Early identification of people who are able to self-fund is essential as they can be supported to identify how their support needs can be met by providing good access to information and advice. Effective use of short term interventions such as Enablement, rehabilitation and recovery is also important as this can reduce or delay the need for longer term care by providing assistance to regain independence. Supporting family Carers to remain healthy and able to continue to provide care and support, should they want to, is also important in terms of managing demand for services.

Measure: The intention is to continue to reduce the numbers of adults accessing long term care and support:

There is a baseline of 3,175 adults receiving care at any one time. By reducing this number by 100 to 3,075 adults at any one time, using the average cost of £200 a package of care per week: $= 100 \times £200 = £20,000 \times 52 = £1.04m$

b. Reducing costs in high spend areas - £500k

Benchmarking data suggests that we have are higher costs associated with some placements and packages of care for:

- People with a Learning Disability;
- Working age adults with Physical disabilities;
- Older people who are Elderly Mentally Ill (EMI);
- Older Adults who are frail and elderly; and
- Mental Health placements.

These changes have to be dealt with on a case by case basis. The cuts are dependent on more cost effective solutions being accepted and the possibility of commissioning more cost effective options that meet outcomes and take account of any risk management issues.

Measure: Reduce costs by 5% in line with benchmark intelligence.
For example: adults 18-65 Placements & Mental Health Working Age Adults

c. Charging, generating Income and reducing debt- £500K

In line with the Charging Policy, we will ensure that following an Financial Assessment that determines what people can afford to pay, we will charge fully (where applicable) for the care that is being provided to Service Users . This will include Residential & Nursing placements, Day Services, Extra Care Housing care element costs, Respite, Telecare, Personal and Domestic Care and Transport.

We are also exploring Local Authority costs associated with Mental Health Section 117 services to ensure that the LA and NHS are sharing the cost of care for individuals.

Implementing changes to the IT systems that support assessment. Charging and the purchasing of care will provide an opportunity to increase revenue and make payments for care reflect accurately the care that has been provided.

Identifying people who can self-fund their care, and giving people information at an early stage who are chargeable will go some way to reduce further debt.

The following tasks will be improved through digital enhancements to the 3 systems that support the customer journey:

- Faster notification of Financial Assessments and outcomes;
- Accurate and timely charging;
- Improve uplift of costs of services;
- Deliver Auto Charging;
- Improvement in provider invoices process;
- Reduction of debt including support for Self Funders; and
- Improved debt collection.

Measure: Reduce numbers of Self Funders where we pay for their care then recharge when we eventually identify them. Provide more timely information so people can make an informed choice regarding the potential cost of care following a financial assessment in line with national guidance:

Implement national guidance on charging for the management of care for self-funders by Introducing a charge for managing Self Funders services = $300 \times \text{£}300 = \text{£}90\text{k}$ 9 (Band3)

Decreasing time taken between Financial Assessment and Billing (average. 6 weeks) = $150 \times \text{£}1,500 = \text{£}225\text{k}$

Increase numbers being charged by introducing Auto-Charging = $50 \times 5,200 = \text{£}260\text{k}$

($50 \times \text{£}100$ per week x 52 Extra Care, Day Care, LD and MH) (Band 11)

Further work is being undertaken to confirm the measures and indicative figures above, we will use these to monitor and deliver the cuts proposed.

Appendix 2: Housing, Regeneration & Environment Proposals

1. Cuts proposal	
Proposal title:	Cuts generated through No Recourse to Public Funds service
Reference:	CUS15
Directorate:	Housing, Regeneration and Environment
Director of Service:	Director of Housing, Madeleine Jeffery
Service/Team area:	Strategic Housing
Cabinet portfolio:	Cabinet member for Housing – Cllr Paul Bell
Scrutiny Ctte(s):	Housing Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
CUS 15 - Cuts generated through No Recourse to Public Funds service: £1,000k	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Housing Division has consistently delivered on its cuts targets over the last 5 years totalling £1.5m or 28% of the total division net budget. It is committed to deliver the cuts agreed for this financial year of £405k and deliver the existing commitment of £696k for 2020/2021, despite the service being under real pressure especially in our homelessness services.</p> <p>There are three main areas considered in this proposal are:</p> <ol style="list-style-type: none"> 1. Homelessness Services (no further cuts proposed) 2. No Recourse to Public Funds (NRtPF) - £1m 3. Other (no further cuts proposed) <p><u>Service Area 1: Homelessness Services</u></p> <p>The Council accommodates almost 2,200 households in various forms of Temporary Accommodation (TA), of which c700 are in “nightly paid” TA which is the most expensive and poorest quality. This is an increase on the previous years. The numbers in all forms of TA has increased every year over the last 10 years as the housing crisis in London deepens. In addition Lewisham, in common with all London Boroughs, has seen very real increases in homelessness demand not just in numbers of households presenting and requiring support but in requirements on the service coming from the 2018 Homeless Reduction Act (HRAct). This legislation is the most radical housing legislation in over 40 years. The service is facing very real pressures now and into the future.</p> <p>For this reason, beyond the cuts already agreed for 19/20 and 20/21, no further cuts in this area are proposed at this time. This until the changes from new legislation have settled and future funding arrangements from government are confirmed.</p> <p><u>Service Area 2: No Recourse to Public Funds</u></p> <p>The No Recourse to Public Funds service consists of a dedicated team of specialist officers who support households who have no recourse to public funds. With a dedicated team of officers delivering an improved service to customers, the number of</p>

3. Description of service area and proposal

active cases has significantly reduced resulting in an underspend against forecast and the potential to offer a budget cut.

The work of the team has achieved a substantial reduction in caseload since 2015 where 330 households were being supported by the service. By April 2018 there were 100 households in receipt of support from the service, which had decreased to 78 at the end of the financial year. During the FY 18/19, 97 cases were closed and 42 cases were re-assessed to understand the changing needs of the household, ensuring that the team were providing the necessary support. The vast majority of cases closed are because households have been supported to regularise their immigration status, providing them with recourse to public funds.

In 2018/19 the NRtPF team spent £2.9m against a budget of £4m which had been increased from corporate pressures in previous years budgets, an underspend of almost £1.1m. This cut, whilst shown in the CYP budgets, is being delivered by the housing team. It is expected that these cuts will be maintained across this and future years (although noting the risk that demands on the service can change quickly especially in the light of national or government changes, like Brexit, and costs can escalate quickly).

The proposal is to deliver an £1m cuts in 2020/21 through continued service efficiencies.

Service Area 3: Other delivered income to council services

The Private Sector Housing Agency works with Children's Services to procure units for care leavers with low support needs. To date 12 young people have been assisted into semi-independent living units through this approach, delivering a cut of £183k per annum for Children's Services. The service sources temporary accommodation for intentionally homeless clients who are owed a duty under s17 of the Children's Act whilst they are being assessed.

It is envisaged that this service will continue into 20/21.

Cuts proposal*

CUS 15 - £1m

The budget for the No Recourse to Public Funds (NRtPFs) team is currently set and located in the Children & Young People's Services. The actual service delivery of the NRtPF team is located within Strategic Housing who are delivering the activity against this work area and drawing down the budget as required. In 2018/19 the budget was £4.062m. The NRtPFs team spent £2.979m in 2018/19, realising an underspend of almost £1.1m.

It is proposed that a £1m cut to this budget is included in 20/21.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No negative impacts on customers or staff.

The impacts from the new proposed cuts in NRtPF of £1m is reflective of the downward trend in caseload management and securing positive outcomes for those

4. Impact and risks of proposal

who approach the service. This cut will not have a negative impact on the service or support being offered to those customers who approach and is a result of the housing team securing efficiencies in the way the services are delivered that benefits customers. The risk will be a spike in the numbers of customers presenting.

Outline risks associated with proposal and mitigating actions to be taken:

No Recourse to Public Funds

There is a risk that the demand on the NRtPF team will increase over FY20/21, particularly due to the currently unknown possible implications of Brexit. For example; in relation to the currently unknown impact of a new immigration system on particular groups, a possible rise in EU nationals with the right to remain but with no entitlement to income based benefits, and lack of certainty as to rights of particular groups under a no-deal scenario and when/if free movement ends. It is for this reason that the proposed service cuts of £1m takes into account possible changes in demand over the year.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	28,746	23,201	5,545	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
No Recourse to Public Funds (CYP Budget)		1,000		1,000
Total		1,000		1,000
% of Net Budget		18%	%	18%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
2		1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		

6. Impact on Corporate priorities		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	8. Good governance and operational effectiveness

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Medium	Pregnancy / Maternity:	N/A
Gender:	Medium	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	
For any High impact service equality areas please explain why and what mitigations are proposed:			
<p>As identified previously in relation to the already agreed cuts, a proportionately large number of BAME households & women engage with the Council's homelessness service.</p> <p>The additional cut being proposed for 2020/21 have no new negative equalities implications for service users, as none of the cuts proposed will have a negative impact on the level, quality or standard of service being provided to service users. The No Recourse to Public Funds proposed cut reflects the downward trend in caseload and positive outcomes for those who approach the service as a result of the work and support provided by the team. This cut will not change the service or support being offered to those who approach the NRtPF team.</p>			
Is a full service equalities impact assessment required: Yes / No			No

9. Human Resources impact	
Will this cuts proposal have an impact on employees: Yes / No	No

10. Legal implications
State any specific legal implications relating to this proposal:
No

11. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)

11. Summary timetable	
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Operational cuts in the Private Sector Housing Agency through service improvements
Reference:	CUS16
Directorate:	Customer Services
Director of Service:	Director of Housing, Madeleine Jeffery
Service/Team area:	Strategic Housing
Cabinet portfolio:	Cabinet member for Housing – Cllr Paul Bell
Scrutiny Ctte(s):	Housing Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Operational cuts in the Private Sector Housing Agency through service improvements and reduction in enforcement budget: £175k	No	No	No

3. Description of service area and proposal
<p>Description of the service area (functions and activities) being reviewed:</p> <p>The Housing Division has consistently delivered on its cuts targets over the last 5 years totalling £1.5m or 28% of the total division net budget. It is committed to deliver the cuts agreed for this financial year of £405k and deliver the existing commitment of £696k for 2020/2021, despite the service being under real pressure in our homelessness services.</p> <p>There are three main areas considered in this proposal are:</p> <ol style="list-style-type: none"> 1. Homelessness Services (no further cuts proposed) 2. Private Rented Sector Agency (PHSA) - £175k <p><u>Service Area 1: Homelessness Services</u> The Council accommodates almost 2,200 households in various forms of Temporary Accommodation (TA), of which c700 are in “nightly paid” TA which is the most expensive and poorest quality. This is an increase on the previous years. The numbers in all forms of TA has increased every year over the last 10 years as the housing crisis in London deepens. In addition Lewisham, in common with all London Boroughs, has seen very real increases in homelessness demand not just in numbers of households presenting and requiring support but in requirements on the service coming from the 2018 Homeless Reduction Act (HRAct). This legislation is the most radical housing legislation in over 40 years. The service is facing very real pressures now and into the future.</p> <p>For this reason, beyond the cuts already agreed for 19/20 and 20/21, no further cuts in this area are proposed at this time. This until the changes from new legislation have settled and future funding arrangements from government are confirmed.</p> <p><u>Service Area 2: Private Rented Sector Agency - £175k</u> The Private Rented Sector Agency (PSHA) works to regulate and enforce in the private rented sector; tackle empty homes; provide grants and loans to enable</p>

3. Description of service area and proposal

vulnerable residents to live safely and independently in their homes; improve privately owned homes where funds are not available; and procure new accommodation for use as temporary accommodation to meet temporary housing need across the council.

The licensing and housing enforcement service in the Agency are currently preparing to submit an application to MHCLG to extend the current licensing programmes to an all Borough scheme to deliver on one of the corporate commitments for housing . This would transform the work of the service and move the team from licensing 500 properties to over 30,000. As part of this work to get the service ready for the future, as well as deliver on income targets this year, service improvements are underway though improvements to ICT, data analysis and business processes.

In addition, an expansion of the enforcement tools available to the service will streamline lower level housing enforcement and enable cuts to be offered in the next year. It is these service improvements and enforcement changes that will deliver our cuts proposal of a total of £175k.

Cuts proposal*

Private Sector Housing Agency

It is proposed that the Council makes cuts to the Private Sector Housing Agency budget through changes to the way in which the service carries out its enforcement duties, as well as driving cuts through service improvement delivered through new ICT and data analytics, business process improvements and rationalising budgets.

In 2018/19 the PSHA were successful in licensing 477 properties, a 31% increase in the position as at the end of 2017/18. The Council is currently consulting on an extension to its additional HMO licensing scheme, and on the introduction of a selective licensing scheme that would introduce mandatory licensing for over 30,000 privately rented homes in Lewisham. If this is approved then the service will undergo a radical transformation increasing its operational services and staffing substantially alongside an upgraded ICT system. It is from this business transformation already underway that these additional cuts of £125k will be delivered with no negative impact on the operation of the service or staffing.

The service will also make better use of new methods of delivering enforcement, particularly civil penalty notices which enable officers to take speedy, effective action where appropriate. The use of such methods is also more cost efficient than existing methods and means that the service is able to realise a cut to the existing budget in this area of £50k.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No negative impacts on customers or staff across all proposals.

The service transformation in the PSHA is part of a service improvement programme that includes an ICT project that will introduce a new system that will be able to cope with the demands of the new service and meet the requirement to potentially licence over 30,000 PRS homes in the Borough. Improvements to service design will deliver improvements to the services to landlords and tenants. There is limited risk here as

4. Impact and risks of proposal

service improvements will be introduced even if the borough wide licensing scheme is not agreed.

Outline risks associated with proposal and mitigating actions to be taken:

Minimal risks associated with the cut of £125k. This is linked to service improvement, new ICT and the expansion of the licensing service.

The £50k cut from the enforcement budget will only be a risk if the numbers of enforcements does not increase and with a proposed radical expansion of the licensing scheme this is very unlikely and is mitigated by being conservative with the estimate of the scale of enforcement using this new tool that will be undertaken.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	28,746	23,201	5,545	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Private Sector Housing Agency: operational and enforcement cuts		175		175
Total		175		175
% of Net Budget	%	3%	%	3%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
2		<ol style="list-style-type: none"> 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	

6. Impact on Corporate priorities

--	--	--

7. Ward impact

Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact

Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Medium	Pregnancy / Maternity:	N/A
Gender:	Medium	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	
For any High impact service equality areas please explain why and what mitigations are proposed:			
As identified previously in relation to the already agreed cuts, a proportionately large number of BAME households & women engage with the Council's homelessness service.			
The additional cuts being proposed for 2020/21 have no new negative equalities implications for service users, as none of the cuts proposed will have a negative impact on the level, quality or standard of service being provided to service users.			
Is a full service equalities impact assessment required: Yes / No			No

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No	No
---	----

10. Legal implications

State any specific legal implications relating to this proposal:
No

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
Month	Activity
May to July 2019	Proposals prepared
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Nursery Lettings
Reference:	RES20
Directorate:	Housing, Regeneration & Environment
Director of Service:	Freddie Murray
Service/Team area:	Property, Asset Strategy & Estates
Cabinet portfolio:	Mayor
Scrutiny Ctte(s):	Sustainable Development Select Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Nursery Lettings – £100k	No	No	No

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

The Regeneration & Place Division leads on shaping the transformation of Lewisham as a place. The Division has played a key role in delivering some of the successes of the past four years, and an even more important role in delivering a significant part of the the Council's Corporate Strategy, including:

- Working to unlock and drive opportunities to deliver 1,000 new Council homes;
- Taking a lead role in the delivery of the Besson Street private rented sector (PRS) development and unlock the next opportunities for developments like it;
- Managing the Council's non-housing asset portfolio, operational and commercial;
- Continue to deliver the Council's capital delivery programme, including the delivery of new school places and improvements to existing schools to improve the quality of the built environment for our school children;
- Leading on ensuring the delivery of the Bakerloo Line Extension (BLE) to Lewisham and beyond;
- Take a lead role on the Council's Air Quality agenda and lead on enhancing modes of sustainable transport including delivery of new segregated cycle routes through the Borough;
- Lead on the Council's response to the climate emergency and exploring environmental and income generating opportunities such as the development of a heat network in the Borough, and models for publicly owned energy supply companies.

The Division has seen substantial change over the past 5-7 years, with more than a 50% reduction in its net budget over that time, in part due to a reduction of more than 50% in the size of the Corporate Estate. Costs remain relatively stable, although they are, on the whole, asset based whether it's highways or property. Over time, the amount of revenue we spend in these areas has reduced significantly but, unless we decide corporately to close buildings, then these costs will remain and in all likelihood grow as utility, business rates and London Living Wage costs continue to grow. In addition an ever aging estate becomes more costly in the long run to maintain.

One of the key areas for income generation is from the Commercial Estate, which is managed by the Estates Team in the Property, Asset Strategy and Estates service area.

3. Description of service area and proposal

This remains a challenging area for the Division, not only does the continued performance of the portfolio rely on prevailing market conditions, but it is also sensitive to changes in corporate direction. As a result, even existing targets have to be considered as at risk.

There are no proposals to review this service or team itself but look to mitigate existing pressures by further growth of the value of the estate that they manage, looking in particular at opportunities both to invest in the estate and to review the level of rents charged for nursery space in Council buildings.

Cuts proposal*

Nursery lettings - £105k

Reviewing all nursery lettings where we grant concessionary rents to nursery providers operating from Council buildings, and bring these rents up to market levels. Such a review of nursery providers in Council buildings would grow the income from the Council's estate, consistent with members expectations of services to be more commercial.

There are 27 private nurseries in Council owned properties within the Borough and the vast majority of these are let on full commercial leases. However, four nurseries have been identified that are let on less formal arrangements (Licences, Tenancies at Will etc.) at rents that are significantly below market value. These are in Ladywell, Telegraph Hill, Evelyn and Lewisham Central wards.

The total passing rents for these four nurseries are £30,895 per annum and the total market rent is estimated to be circa £125,000. The Estates team will implement these negotiations in accordance with the requirements of the existing agreements, and will enact these changes in line with the scheme of delegation.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No impact to service users, partners or other Council services. There are always risks around prevailing market conditions, and where the Council is subject to rent charges itself.

In terms of the nurseries, these are concessionary nurseries and more work would need to be done with CYP and potentially EIAs undertaken to understand the nature and make up of the users of these nurseries, as putting them on fully commercial rates could result in those nurseries going out of business. A small number of cases every year where tenants make representations as to the level of their rent, particularly where they are voluntary sector organisations providing services, and these representations are assessed on a case by case basis.

Outline risks associated with proposal and mitigating actions to be taken:

As above, mitigation for the nurseries would require further work with colleagues in CYP and Early Years.

5. Financial information				
Controllable budget:	Spend £'000	Income £'000	Net Budget £'000	
General Fund (GF)	49,900	42,100	7,800	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Nursery Lettings		100		100
Total		100		100
% of Net Budget	%	1%	%	1%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Yes			
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
8	4	<ol style="list-style-type: none"> Open Lewisham Tackling the Housing Crisis Giving Children and young people the best start in life Building an inclusive local economy Delivering and defending: health, social care & support Making Lewisham greener Building safer communities Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive	Neutral	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium	Low	

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	If impacting one or more wards specifically – which?
	All wards

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	N/A	Marriage & Civil Partnerships:	N/A
Age:	TBC	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	TBC

8. Service equalities impact

For any High impact service equality areas please explain why and what mitigations are proposed:

An Equalities Impact Assessment may need to be carried out to assess the possible impact of the proposal to bring all concessionary nurseries up to a market rent level.

Is a full service equalities impact assessment required: Yes / No

TBC

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No

No

10. Legal implications

State any specific legal implications relating to this proposal:

TBC

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

Appendix 3: Corporate Services Proposals

1. Cuts proposal	
Proposal title:	Process automation in Revenues and Benefits
Reference:	CUS11a
Directorate:	Corporate Services
Director of Service:	Ralph Wilkinson
Service/Team area:	Public Services / Revenues and Benefits
Cabinet portfolio:	Cllr De Ryk / Cllr Dromey
Scrutiny Ctte(s):	Public Accounts Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Automation - £0.5m	No	No	TBC

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The Revenues Service administers and collects Council Tax, Business Rates, HB overpayments, sundry debt and processes all financial transactions. The Benefits Service administers Housing Benefit, Council Tax Reduction, adult social care financial assessments and concessionary awards.
Cuts proposal*
The Revenues and Benefits service updated its online forms in preparation for the implementation of automated processing of new claims and changes for Housing Benefit and for Council Tax discounts, moves and direct debit set up.
If successful, as anticipated, the Council could further improve the speed of processing and reduce costs. The use of further automated processing will require investment in technology and staff to support it. Investment could lead to other processes being identified for automation but these are not included in cuts.
A cut of £250K has already been agreed for 2020/21. This proposal increases that cut by a further £500K in 2021/22.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
There is no negative impact on service users and partners. There may be an impact on staff as the number needed for processing is expected to reduce and there will be a lower number of new roles needed to oversee and manage the automation. However, in the first instance, the focus is on proving and scaling the operational and service efficiencies from automation before considering the future service design.
Outline risks associated with proposal and mitigating actions to be taken:
There is a risk that the investment will not result in the projected return. The technology is new and has not been widely applied in this area before. To mitigate this the project team will review services where this technology has already been deployed to learn from their experience to reduce the risks.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	7,634	(6,198)	1,436	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
CUS11a – automation of revs and bens			500	500
Total		0	500	500
% of Net Budget		%	34.8%	34.8%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
8		
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High		

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	n/a	Pregnancy / Maternity:	n/a
Gender:	n/a	Marriage & Civil Partnerships:	n/a
Age:	n/a	Sexual orientation:	n/a
Disability:	n/a	Gender reassignment:	n/a
Religion / Belief:	n/a	Overall:	n/a

8. Service equalities impact	
For any High impact service equality areas please explain why and what mitigations are proposed:	
Note: This proposal has a positive impact on equalities for residents. The automation of these processes will mean that as soon as the Council has all of the information it needs the transaction will be processed and there will be no delays. This will reduce the length of time it takes to receive benefits and provide a longer time for people to pay their Council Tax/rent.	
Is a full service equalities impact assessment required: Yes / No	No

9. Human Resources impact					
Will this cuts proposal have an impact on employees: Yes / No					
Workforce profile:					
Posts	Headcount in post	FTE in post	Establishment posts	Vacant	
				Agency / Interim cover	Not covered
Scale 1 – 2					
Scale 3 – 5					
Sc 6 – SO2	71				
PO1 – PO5	5				
PO6 – PO8					
SMG 1 – 3					
JNC					
Total					
Gender	Female	Male			
	58	18			
Ethnicity	BME	White	Other	Not Known	
	39	35		2	
Disability	Yes	No			
	4	72			
Sexual orientation	Straight / Heterosex.	Gay / Lesbian	Bisexual	Not disclosed	
	19			57	

10. Legal implications	
State any specific legal implications relating to this proposal:	
None	

11. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc.), implementation:	
Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments

11. Summary timetable

November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Parking service budget review
Reference:	CUS14a
Directorate:	Corporate Services
Director of Service:	Ralph Wilkinson
Service/Team area:	Public Services / Parking
Cabinet portfolio:	Cllr Dacres / Cllr McGeevor
Scrutiny Ctte(s):	Public Accounts Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
Parking service budget review £0.5m	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The Parking Service is responsible for the the management of the Council's parking arrangements on street, in controlled parking zones and in car parks. The service is delivered via a contract with NSL Ltd. The service is also responsible for some moving traffic offences on borough roads.
Cuts proposal*
The demand for parking across the borough continues to increase and as a consequence so does the requirement for controlled parking zones which are continuing to increase in numbers. This is resulting in increased permit sales and increased enforcement action. A review of the budget has identified that the service is able to offer up £500k of income.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
There is no impact on service users, partners and staff.
Outline risks associated with proposal and mitigating actions to be taken:
There is a risk that over time the budgeted income may change. Budgets will be monitored closely.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	3,011	(8,821)	(5,810)	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Income review		500		500
Total		500	0	500

5. Financial information				
% of Net Budget		8.6%	%	8.6%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
8	7	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive	Positive	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High	High	

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact as parking controls exist across the borough
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Low	Pregnancy / Maternity:	Low
Gender:	Low	Marriage & Civil Partnerships:	Low
Age:	Low	Sexual orientation:	Low
Disability:	Low	Gender reassignment:	Low
Religion / Belief:	Low	Overall:	Low
For any High impact service equality areas please explain why and what mitigations are proposed:			
n/a			
Is a full service equalities impact assessment required: Yes / No			No

9. Human Resources impact	
Will this cuts proposal have an impact on employees: Yes / No	No

10. Legal implications	
State any specific legal implications relating to this proposal:	
None	

10. Legal implications

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations)
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

1. Cuts proposal	
Proposal title:	Cut from non-allocation of non-pay inflation
Reference:	RES21 and RES22
Directorate:	Corporate Services
Director of Service:	Director of Corporate Resources
Service/Team area:	Strategic Finance
Cabinet portfolio:	Cabinet member for Finance and Resources
Scrutiny Ctte(s):	Public Accounts Committee

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
RES21: Cuts generated through not allocating inflation uplift to contract costs: £1,000k	No	No	No
RES22: Cuts generated through the improved ICT provision, leading to operational efficiencies: £1,500k	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>In the annual budget build process an allowance is made for a 2.5% of non-pay inflation growth in services.</p> <p>In addition, in recent years the Council has made significant corporate investments in the core technology infrastructure (as part of the Shared Service) and staff equipment (through the smarter technology programme) to support services achieve efficiencies through productivity returns.</p>
Cuts proposal*
<p>To make an efficiency cut in the 20/21 budget by not allocating out the non-pay inflation growth of approximately £2.5m. This will be achieved by not providing</p> <ol style="list-style-type: none"> 1. £1.0m of inflation growth to contract spending 2. £1.5m of inflation as a return for the Council's investment in technology <p><u>Contract inflation</u> Officers across all services which commission or procure goods, works and services for delivery from external providers are effectively managing these contracts to ensure that annual inflation and price uplifts are either not provided for within the contract terms and conditions or, if they are, the pressure is mitigated through a combination of demand management and operational efficiencies as providers work with the Council.</p> <p>This allows for £1m of centrally held budget for inflation uplifts to not be allocated to services in 2020/21.</p> <p><u>Technology – return on investment</u> Officers across the Council have previously assumed the delivery of ICT developments and upgrades which would enable improved service delivery and increased efficiency</p>

3. Description of service area and proposal

and effectiveness, allowing services to deliver improved services at reduced running costs.

The programme of investment in ICT experienced slippage which has now been largely caught up with the underlying service performing much better than previously, being more resilient and secure, and officers having the right equipment to enable them to work more productively. This allows for £1.5m of centrally held budget for inflation in return for efficiency pressures not to be allocated to services in 2020/21.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

No negative impacts on service users, partners, customers or staff across both proposals.

Outline risks associated with proposal and mitigating actions to be taken:

The risks on contract inflation are:

- That newer contracts being signed will not include the same favourable T&Cs which limit and restrict inflation increases;
- That demand increases and contracts are varied to increase the spend to meet this, creating budget pressures on contracted services; and
- That the commitment to the London Living Wage (LLW) and other improved employment terms (e.g. Ethical Care Charter) cannot be managed within agreed contract prices.

Mitigations for these risks include the support for services from the procurement and legal services teams to assist services with commercial negotiations, advising on contract performance management, and drawing up contractual terms. This is consistent with the expectation of Members that officers should be more commercial in their mindset and approach to operational risks.

The risks on ICT lead operational efficiencies are:

- That the current improvements are not sustained nor effectively adopted within services and that further operational pressures arise that ICT cannot alleviate or assist in the mitigation of.

Mitigations to these risks are that the ICT service continues to strengthen the relationship with and performance of the shared service to deliver availability, speed and security across the IT estate. The better office programme and smarter working project continue to offer training and support to managers and staff to assist them work more flexibly and productively with the tools that technology now provides.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	2,500		2,500	
HRA				
DSG				
Health				

5. Financial information				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Contract inflation		1,000		1,000
ICT Efficiencies		1,500		1,500
Total		2,500		2,500
% of Net Budget		100%		100%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
8		1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium		

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	N/A	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	
For any High impact service equality areas please explain why and what mitigations are proposed:			
There are no equalities implications as these cuts are not linked to front line service delivery nor directly impacting staffing.			

8. Service equalities impact

Is a full service equalities impact assessment required: Yes / No	No
---	----

9. Human Resources impact

Will this cuts proposal have an impact on employees: Yes / No	No
---	----

10. Legal implications

State any specific legal implications relating to this proposal:
--

No

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
---	--

Month	Activity
May to July 2019	Proposals prepared – this template only as no further supporting papers are required.
August 2019	Proposals submitted to Scrutiny committees leading to M&C
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, no additional Equality & HR assessments needed
January 2020	Decision reports return to Scrutiny at the latest – not expected to be required
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

APPENDICES 4 to 9

Contents

Appendix 4 Making Fair Financial Decisions Guidance

Appendix 5 Policy and Equalities Analysis

Appendix 6 Specific Legal Implications

Appendix 7 Budget Cuts Summary Table

Appendix 8 Previously Approved Budget Cuts

Appendix 9 Capital programme

Appendix 4



Making fair financial decisions Guidance for decision-makers

3rd edition, January 2015

Introduction

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

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

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

What the law requires

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

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

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

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

Aim of this guide

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

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.

When should your assessments be carried out?

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

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

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

What should I be looking for in my assessments?

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

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

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

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

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

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 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 5

Policy and Equalities Analysis

Policy and equality analysis of 2020-21 budget savings

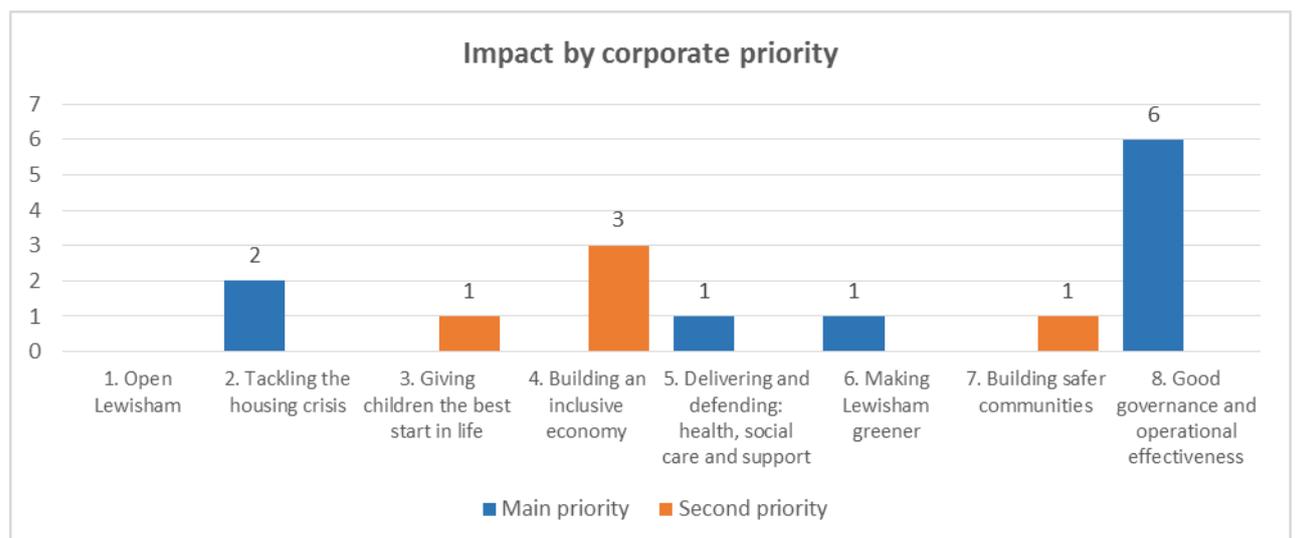
This paper provides an overall assessment of policy and equality impacts of 2020-21 budget savings proposals. In total, ten savings proposals have been considered for this paper. A summary of key points are set out under the headings below.

Impact by corporate priority

The chart below shows the impact of budget savings by corporate priority. Specifically, the charts shows the number of proposals where the impact is on the main priority or the second priority. The chart reveals that priority 8: 'good governance and operational effectiveness' has the bulk of savings proposals assigned to it, following by priority 2: 'tackling the housing crisis'. The only other priorities with savings proposals assigned to them are priority 5: 'delivering and defending: health, social care and support' and priority 6: 'making Lewisham greener', with one savings proposal each.

Of those proposals that will also impact on a second priority, 'building an inclusive economy' has three savings proposals assigned to it, whilst 'giving children the best start in life' and 'building safer communities' have one savings proposal each assigned to them.

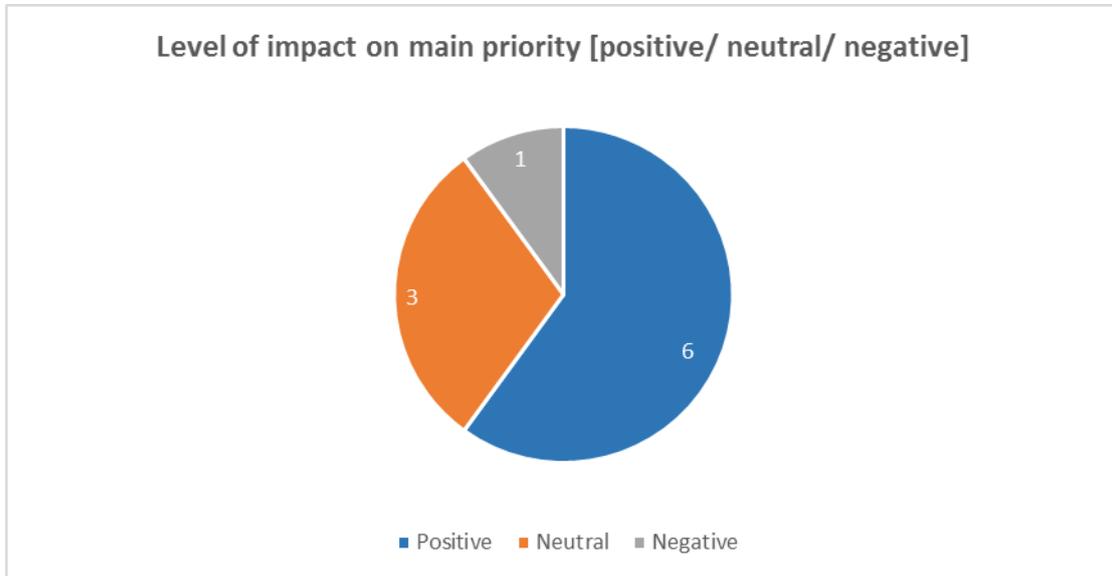
'Open Lewisham' is the only corporate priority against which no savings proposals have been assigned.



Level of impact on main priority [positive/ neutral/ negative]

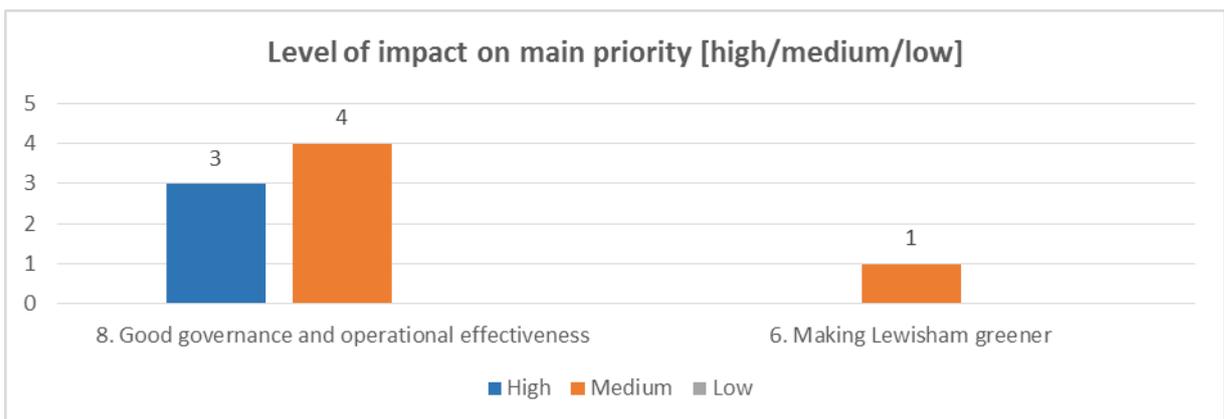
The chart below shows the impact that savings proposals will have on the main priorities, using the designation 'positive', 'neutral' or 'negative'. The chart shows that of the ten savings proposals considered as part of this analysis, it is judged that six are likely to have a 'positive' impact on the

corporate priorities, three are likely to have a 'neutral' impact and one is likely to have a 'negative' impact. The proposal identified as likely to have a 'negative' impact is the reduction in the frequency of residential street sweeping from the current once a week to once a fortnight.



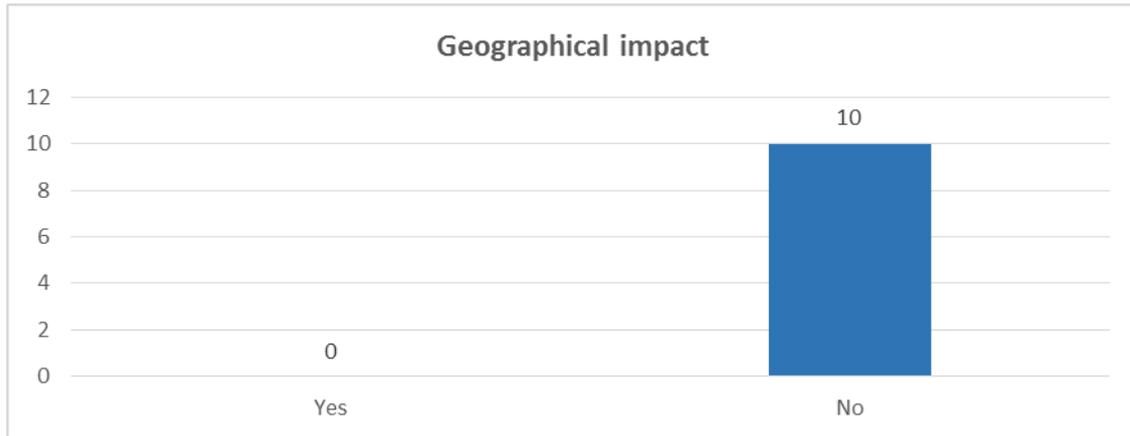
Level of impact on main priority [high/ medium/ low]

The chart below shows the impact that savings proposals will have on the main priority using the 'high', 'medium' or 'low' measure. The chart shows that where information for this assessment was provided, seven savings proposals are shown as having a 'high' or 'medium' impact on 'good governance and operational effectiveness' and one proposal is shown as having a 'medium' impact on 'making Lewisham greener'.



Geographical impact

The chart below shows the geographic impact of savings proposals. In simple terms the chart shows that none of the savings proposals considered in this analysis will have a specific ward impact.



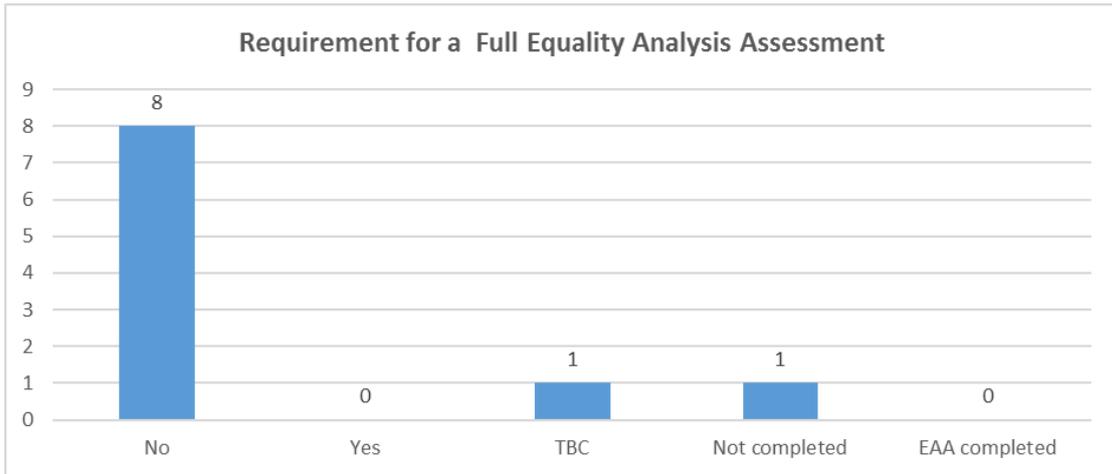
Equalities impact assessment

The table below sets out the impact of savings proposals on protected characteristics where these impacts are known. The table reveals that the greater number of savings proposals are not expected to having any impact on protected characteristics (N/A). However, of those that are expected to have a high or medium impact, those protected characteristics that are most likely to be impacted are sex, age, disability and ethnicity. The proposals that have been identified as likely to have a high impact on protected characteristics relate to adults social care demand management and charging.

Impact	Ethnicity	Sex	Age	Disability	Religion / Belief	Pregnancy / Maternity	Marriage & Civil Partnership	Sexual Orientation	Gender Reassignment
High		1	1	1					
Medium	2	2							
Low	1	1	1	1	1	1	1	1	1
N/A	6	5	5	7	8	8	8	8	8

Requirement for a full equality analysis assessment

The chart below shows the number of savings proposals for which a full equality analysis assessment is required. The chart shows that eight savings proposals are not expected to require an equality analysis assessment, whilst one is still to be confirmed. Information on one other was not provided in the savings proforma.



APPENDIX 6

Specific Legal Implications

Reference	Description	Savings Yr1/2/Total	Legal implications

Attention is drawn to the legal implications set out in the body of the report which apply in addition to those specifically referred to in this appendix.

APPENDIX 7

2020/21 BUDGET REDUCTIONS - SUMMARY TABLE OF PROPOSALS WITH PROFORMAS

Directorate / Division	Ref	Scrutiny Ctte	Proposal	20/21	21/22	Total	Income	Consultation Req'd?		Full Report Req'd?
				£'000	£'000	£'000		Staff	Public	Key Dec.
Community Services										
Adult Social Care										
	COM1a	HCSC	Managing demand at the point of access to adult social care services	1,000		1,000		N	N	Y
	COM2a	HCSC	Ensuring support plans optimise value for money	500		500		N	N	Y
	COM3a	HCSC	Increase revenue from charging Adult Social Care clients	500		500	Y	N	N	Y
	COM18	HCSC	Funding inflationary increase from within the ASC Grant	2,000		2,000		N	N	N
			Subtotal	4,000		4,000				
Community Services Total				4,000		4,000				
Housing, Regeneration & Environmental Services										
Environment										
	CUS7	SDSC	Reduce sweeping frequency to residential roads to fortnightly.	823		823		Y	Y	Y

Directorate / Division	Ref	Scrutiny Ctte	Proposal	20/21	21/22	Total	Income	Consultation Req'd?		Full Report Req'd?
				£'000	£'000	£'000		Staff	Public	Key Dec.
			Subtotal	823		823				
Housing										
	CUS15	HOUSING	Savings generated through No Recourse to Public Funds service	1,000		1,000		N	N	N
	CUS16	HOUSING	Operational savings in the Private Sector Housing Agency through service improvements	175		175		N	N	N
			Subtotal	1,175		1,175				
Regeneration and Place										
	RES19	CYP	School Patrol Crossing	80		80		Y	Y	Y
	RES20	PAC	Nursery Lettings	100		100	Y	N	N	N
			Subtotal	180		180				
Housing, Regeneration & Environmental Services			Total	2,178		2,178				
Corporate Services										
Public Services										
	CUS11a	PAC	Process automation in Revenues and Benefits		500	500		N	N	N

Directorate / Division	Ref	Scrutiny Ctte	Proposal	20/21	21/22	Total	Income	Consultation Reqd?		Full Report Reqd?
				£'000	£'000	£'000		Staff	Public	Key Dec.
	Cus14a	PAC	Parking service budget review	500		500	Y	N	N	N
			Subtotal	500	500	1,000				
Corporate Resources										
	RES20	PAC	Savings generated through not allocating inflation uplift to contract costs	1,000		1,000		N	N	N
	RES21	PAC	Savings generated through the improved ICT provision, leading to operational efficiencies	1,500		1,500		N	N	N
			Subtotal	2,500		2,500				
Corporate Services			Total	3,000	500	3,500				
Council Total				9,178	500	9,678				

APPENDIX 8

PREVIOUSLY APPROVED BUDGET CUTS 2020/21

Ref	Directorate/Description/Division	2020/21 Approved £'000
	Children and Young People	
CYP01	More efficient use of residential placements	300
CYP03	More systematic and proactive management of the market for independent fostering	600
CYP04	Commission semi-independent accommodation for care leavers	250
	Children Social Care – Sub Total	1,150
CYP05	Residential framework for young people - Joint South East London Commissioning Programme	200
CYP06	Cease funding for former CYP funded post in Voluntary Action Lewisham	25
	Joint Commissioning and Targeted Support – Sub Total	225
	Children & Young People Total	1,375
	Community Services	
COM02	Ensuring support plans optimise value for money	250
COM04	Reduce costs for Learning Disability and Transitions	1,000
COM05	Increased focus of personalisation	482
COM06	Reduction in Mental Health Residential care costs	200
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services	50
	Adult Social Care – Sub Total	1,982
COM10	Crime, Enforcement & Regulation reorganisation	161
	Crime Reduction, Supporting People, and Enforcement – Sub Total	161
COM08	A change in the public engagement responsibilities for air quality and dedicated funding	60
COM15	Broadway Theatre	50
COM16	Cultural and Community Development Service Staffing	75
	Culture & Community Services – Sub Total	185
	Community Services Total	2,328
	Housing, Environment & Regeneration	
CUS02	Income Generation – Increase of Garden Waste Subscription	485
CUS04	Income Generation – Increase in Commercial Waste Charges	300
CUS06	Bereavement Services increase income targets	67
	Environment – Sub Total	852
CUS09	Cost reductions in homelessness provision – income generation and net budget reductions	696
	Housing – Sub Total	696
RES11	Increase in pre-application fees	100
RES12	Catford complex office rationalisation	250
RES13	Reduction in Business Rates for the Corporate Estate	100

RES14	Corporate Estate Facilities Management Contract Insourcing	100
RES15	Commercial Estate Growth	500
RES17	Beckenham Place Park – income generation	105
	Regeneration and Place – Sub Total	1,155
RES18	Electric Vehicle charging points	50
	Planning – Sub Total	50
	Housing, Environment & Regeneration Total	2,753
	Corporate Services	
RES01	Benefits Realisation of Oracle Cloud	350
	Financial Services – Sub Total	350
RES02	Legal fees increase	32
	Legal Services (excl. elections) – Sub Total	32
RES03	Executive Office – Administrative Support Staff Reduction	104
RES04	Policy, Service Design and Intelligence – Reduction on staffing	155
	Policy & Governance – Sub Total	259
RES06	Increase income supporting the Funding Officer post and review the Economy and Partnerships Function	80
RES07	Reduce corporate apprenticeships salaries budget	55
	Strategy - Total	135
	Corporate Resources – Sub Total	0
RES10	Cease graduate programme	78
	Human Resources – Sub Total	78
CUS10	Invest to save – create revenues protection team	394
CUS11	Process automation in Revenues and Benefits	250
CUS13	Invest to save – improve sundry debt collection	480
	Public Services – Sub Total	1,124
	Technology & Change – Sub Total	0
	Corporate Services Total	1,978
	Grand Total	8,434

APPENDIX 9 CAPITAL PROGRAMME

February Budget report

Proposed Capital Programme 2019/20 to 2021/22

The Council's proposed Capital Programme for 2019/20 to 2021/22 is currently £344.7m, as set out in Table A1:

Table A1: Proposed Capital Programme for 2019/20 to 2021/22

	18/19	19/20	20/21	21/22	3 Year Total
	£m	£m	£m	£m	£m
General Fund					
Smarter Working Programme	1.9	0.9	0.0	0.0	0.9
Schools – Pupil Places and other Capital Works	8.5	12.4	7.3	0.7	20.4
Highways, Footways and Bridges	10.3	3.5	3.5	3.5	10.5
Regeneration Schemes	5.8	13.5	0.0	1.1	14.6
Lewisham Homes Property Acquisition	8.0	6.0	0.0	0.0	6.0
Town Centres and High Street Improvements	0.5	2.1	0.8	0.0	2.9
Asset Management Programme	2.5	2.5	2.5	2.5	7.5
Fleet Replacement Programme	2.9	0.0	0.0	0.0	0.0
Beckenham Place Park	3.2	2.5	0.6	0.4	3.5
Other Schemes	8.5	3.6	1.5	1.3	6.4
	52.1	47.0	16.2	9.5	72.7
Housing Revenue Account	35.2	95.2	113.4	63.4	272.0
Total Programme	87.3	142.2	129.6	72.9	344.7

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

Table A2: Proposed Capital Programme Resources for 2019/20 to 2021/22

	18/19	19/20	20/21	21/22	3 Year Total
	£m	£m	£m	£m	£m
General Fund					
Prudential Borrowing	8.7	16.4	0.8	1.1	18.3
Grants and Contributions	20.1	20.2	8.0	0.7	28.9
Capital Receipts	6.4	1.6	0.0	0.0	1.6
Reserves / Revenue	16.9	8.8	7.4	7.7	23.9
	52.1	47.0	16.2	9.5	72.7
Housing Revenue Account					
Prudential Borrowing	0.0	0.0	18.9	25.0	43.9
Grants	0.0	18.0	10.9	7.1	36.0
Specific Capital Receipts	0.0	7.5	6.5	5.0	19.0
Reserves / Revenue	35.2	69.7	77.1	26.3	173.1
	35.2	95.2	113.4	63.4	272.0
Total Resources	87.3	142.2	129.6	72.9	344.7

July 2019 M&C Monitoring report

CAPITAL EXPENDITURE

The Capital Programme spend as at 31 May 2019 is £5.2m, which is 3% of the revised 2019/20 budget of £151.6m. At this point last year, 8% of the revised budget had been spent, with the final outturn being 82% (£71.1m) of the revised budget of £87.0m.

The table below shows the current position on the major projects in the 2019/20 Capital programme (i.e. those over £1m in 2019/20). Appendix 1 provides a reconciliation of the latest capital programme budget for 2019/20 to the version approved in the 2019/20 Budget Report. Appendix 2 shows the major projects over the three year period 2019/20 to 2021/22.

Table 16 – Capital Programme 2019/20 (Major Projects)

2018/19 Capital Programme	Budget Report (February 2019)	Revised Budget	Spend to 31 May 2019	Spent to Date (Revised Budget)
	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	11.0	11.1	0.4	4%
Schools - Other (inc. Minor) Capital Works	1.4	5.9	0.1	2%
Highways & Bridges - LBL	3.5	3.5	0.1	3%
Highways & Bridges - TfL	0.0	2.2	0.0	0%
Highways & Bridges - Others	0.0	2.1	0.0	0%
Catford town centre	5.5	5.1	0.1	2%
Asset Management Programme	2.5	2.0	0.3	15%
Smart Working Programme	0.9	2.3	0.8	35%
Beckenham Place Park	2.5	2.4	0.9	38%
Heathside & Lethbridge Regeneration	0.0	0.6	0.0	0%
Excalibur Regeneration	0.0	1.7	0.2	12%
Lewisham Homes – Property Acquisition	6.0	3.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	1.3	3.8	0.1	3%
Achilles St. Development	0.0	7.3	0.0	0%
Ladywell Leisure Centre Development Site	0.0	1.0	0.0	0%
Edward St. Development	9.1	9.1	0.0	0%
Travellers Site Relocation	1.1	1.1	0.0	0%
Fleet Replacement Programme	0.0	7.8	0.0	0%
Other General Fund schemes	2.2	5.6	0.0	0%
TOTAL GENERAL FUND	47.0	77.6	3.0	4%
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	37.3	21.0	0.3	1%
Decent Homes Programme	57.1	51.4	1.8	3%
Other HRA schemes	0.8	1.6	0.1	4%
TOTAL HOUSING REVENUE ACCOUNT	95.2	74.0	2.2	3%
TOTAL CAPITAL PROGRAMME	142.2	151.6	5.2	3%

The main sources of financing the programme are grants and contributions, and capital receipts from the sale of property assets. Some £5.8m has been received so

far this year, comprising £4.1m (net) from Housing Right to buy sales and other capital receipts and £1.7m of grants and contributions.

The paragraphs below set out further detail regarding the major capital programmes:

Schools – School Places Programme

Primary place demand has levelled off recently across London and the priority for school place delivery has shifted mainly to Special Educational Need and Disability provision. Four schemes are currently in development and delivery over the next 3 years to 2021. They include:

- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works have commenced in April this year and are due to be completed by summer next year. The project will deliver a new standalone block adjacent to Lewisham Way, improved landscaping within the site and a new entrance and enhanced public realm area to the South of the site.
- Greenvale School, in Whitefoot ward, is Lewisham’s community special school for children and young people between the ages of 11 and 19 years who have significant learning difficulties. A new satellite facility to accommodate an additional 93 students will be constructed on the site of the former Brent Knoll building in Perry Vale. The design stage is currently underway, and works are due to commence on site in October this year and complete in time for the start of the autumn term 2020.
- New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and works will take place over the summer holidays this year to ensure there are adequate facilities onsite to provide a full curriculum from September 2020. This will include minor remodelling and refurbishment of the existing building, provision of a new food technology practical room, and improvements to existing landscaping and external play areas.
- Watergate is Lewisham’s primary special school for children between the ages of three and eleven years who have severe learning difficulties, located in Bellingham Ward. Approval has been granted to expand the school by 59 places through the construction of a new teaching block on the existing site. The design stage commenced in May this year, with works expected to be completed in early 2021.

Schools – Minor Works Capital Programme

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

Highways & Bridges

The Council continues to invest resources in maintaining its highway assets, most notably through its £3.5m programme of carriageway and footway resurfacing works. The budget for carriageways allows for 60 to 70 roads to be resurfaced each year and, until 2017, the majority of these roads were those in the worst condition and categorised as “Red” – lengths of road in poor overall condition and in need of

immediate further engineering assessment with a planned maintenance soon. In 2018 we carried out resurfacing to 67 roads from the Council's programme. As a result of the resurfacing programme, the focus has now moved to works to roads classified with Condition Index of "Amber" – lengths of road which, without a planned early intervention, could result in further severe defects and move the Condition Index to "Red". Early intervention using appropriate design, based on carriageway coring information and other factors like bus routes, high volume of traffic, usage and environment will result in better value for money. There are still over 300 roads classified as Amber that require essential works and the Council's long-term investment strategy is taking effect as since 2013, the number of annual insurance claims against the Council for carriageway defects has reduced by approximately 50%.

As progress continues on the condition of carriageways, the balance of focus is also moving towards the footways programme where there are still approximately 70 roads categorised as Red. The proposal is to carry out essential footway replacement works in at least 10 roads in 2019/20 and expanding this in future years.

Catford Town Centre

Architect's Studio Egret West has been appointed to develop a master plan to guide the regeneration of the Town Centre. The plan will be completed in Autumn of 2019 and will form the basis of any future plan for the Town Centre. It will be used as an evidence base for the emerging Local Plan. Work is also continuing with TfL on the agreed proposal to realign the South Circular A205 through the Town Centre and work is expected to start in 2021. Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team's work is expected to continue through the development of the master plan and beyond.

Asset Management Programme

Funding from the Asset Management Programme (AMP) has continued to support reactive and much needed capital works across the operational corporate estate. This has included fabric works such as roof replacement and mechanical works including boiler replacements and lift repairs across the estate of approximately 90 buildings and sites. More recently, the programme has funded works to the Civic Suite, Registry Office and some essential works as part of the main Laurence House refurbishment programme. A full condition survey of the corporate estate is currently under way. The results will help define the future investment need of the estate and also underpin the use of the AMP capital programme funding for future years.

Smart Working Programme

The Smarter Working programme seeks to consolidate offices and release sites for future redevelopment in Catford town centre, whilst refurbishing the council's main office site, Laurence House, to ensure it is fit for purpose until new council offices can be built. The ground floor has been refurbished to provide a modern, welcoming and better functioning reception for the council. It opened to staff and the public in October 2018. Work has commenced on refurbishing floors 1 to 5, improving and extending toilet provision, delivering new meeting rooms and kitchens, improving the heating and ventilation system, new energy efficient LED lighting, decoration and a layout and furniture which supports and encourages agile working. The programme of work will continue until the autumn of 2019, one floor at a time.

Beckenham Place Park

The restoration of Beckenham Place Park (to the western side of the railway) will be completed in 2019/20. Listed buildings, now restored, will become alive again with new uses and the long anticipated restored landscape, with its reinstated lake, will be enjoyed by thousands of local people. The Georgian stable block will become the new park café, and a base for environmental education in the park. The stable yard itself will become an arrival and visitor's hub, with a terrace overlooking the expanded formal gardens. New play facilities will be available in the restored pleasure grounds, and the previously derelict Gardener's cottage will be re-purposed as a hub for volunteer activity in the park, in the midst of the new community garden. Open water swimming will take place in the lake, and visitors will be encouraged to explore the breadth and nature of Lewisham's largest park on new paths and trails.

Lewisham Homes – Property Acquisition

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

Achilles Street

Work is underway to deliver a Resident Ballot on the Achilles Street Estate in New Cross to determine if the estate should be redeveloped to provide additional new homes.

Edward Street

Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. Start on site planned early 2020 following tender and contractor appointment.

Fleet vehicle replacement

This budget will finance the replacement of 75 vehicles in the Council's fleet in order to meet the approaching Low Emissions Zone (LEZ) changes in October 2020.

Housing Matters Programmes update

The majority of spend in 2019/20 will relate to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site. Around 27 sites including 376 homes for social rent, are forecast to achieve planning permission by early 2020. 5 schemes delivering 85 homes are currently on site and a further 14 sites delivering 122 homes are forecast to start on site between April and January 2020.

Decent Homes Programme

Lewisham Homes are responsible for ensuring council owned stock under their management is brought up to and maintained to a decent homes level, covering both internal and external enveloping works. Lewisham Homes are leading on the delivery of the decent homes programme (under delegated powers) in consultation / agreement with the Council.

This page is intentionally left blank

Cuts proposal template 2020/21

1. Cuts proposal	
Proposal title:	Reduction in Street sweeping
Reference:	CUS07
Directorate:	Directorate Housing, Regeneration & Environment Environmental Services
Director of Service:	Nigel Tyrell
Service/Team area:	Environment Division
Cabinet portfolio:	Environment and Transport
Scrutiny Ctte(s):	TBC by Governance Services

2. Decision Route			
Cuts proposed:	Key Decision	Public Consultation	Staff Consultation
	Yes / No	Yes / No	Yes / No
k) Reviewed saving; Reduce sweeping frequency to residential roads to fortnightly. (CUS07) 2020/2021 £823K	Yes	Yes	Yes

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Street Cleaning service is a barrow-based, beat street sweeping service, currently delivered on a weekly frequency to residential streets. Higher frequency sweeping is provided to town centres and areas with a higher footfall.</p> <p>In addition to sweeping streets, Street Sweepers are also responsible for emptying litter bins, reporting fly-tipping and graffiti, weeding pavements, helping Highways to grit icy pavements and clearing large amounts of leaf-fall during Autumn.</p>
Cuts proposal*
<p>The proposal involves the reduction in the frequency of residential street sweeping from the current once a week, to once a fortnight. This will be achieved through a major restructuring of the service that will lead to the loss of around 30 staff.</p> <p>It will be necessary to review each sweeper's workload (beat) and, in most cases, increase the geographical area covered. It will also be necessary to alter or delete other street sweeping posts to provide the additional mobile services to respond to cleansing problems that will arise from less frequent sweeping.</p> <p>Because of the scale of the re-organisation required, and the number of posts affected, full-year savings would not be delivered until at least 2021.</p> <p>A pilot of this proposal (and an alternative approach) has been undertaken and a briefing note prepared.</p>

3. Description of service area and proposal

Reduce sweeping frequencies to all residential roads within the borough to a minimum frequency of once a fortnight,

A full reorganisation of every street sweeping beat across the borough would have to be carried out due to reduction in frequencies. A number of Cleansing staff would have to be moved to other areas within the borough from where they currently work.

All residential roads are currently swept a minimum of once a week, however this is a minimum and there are a number of residential roads that are swept 2 – 3 times a week. This proposal would reduce sweeping frequencies to once a fortnight for all residential roads. Shopping areas on main roads will be swept daily Mon – Fri, however, frequency of sweeping outside shops on secondary roads will change and will only get swept every other day.

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

These proposals will have a significant impact on the standards of street-cleaning across the whole of the borough

There would be a heavy build up of litter and detritus to areas and cleanliness standards would be significantly reduced and the council may be unable to comply with the legal standards contained within the Environmental Protection Act 1990

Secondary Roads (residential) are classed as 'high intensity use' areas in the Code of Practice and should litter and refuse be identified in these areas the requirement is to ensure that this is brought up to a grade A standard from being classified as a B standard to within half a day. This means by 6pm if reported before 1pm or by 1pm the next day if reported between 1pm and 6pm on the previous day. Further, if the standard in high intensity areas should fall to an unacceptable level during the evening, it should be restored to grade A by 8am. Good practice would be that grade A is achieved earlier, by the time the area begins to get busy. This applies to weekends and bank holidays as well as weekdays.

These savings would affect a number of full-time street sweeping staff. There would be a loss of around 40 full-time staff posts to achieve this savings option.

A full reorganisation of every street sweeping beat in the borough would also have to be carried out due to reduction in frequencies.

Consultation would also need to take place with all street cleansing staff (including supervisory staff) as their new sweeping beats would be significantly increased in size and some would have to be moved to other areas of the borough.

Public consultation would be required to determine public response to this proposed savings option.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

4. Impact and risks of proposal

There will be a number of staff affected and the major restructure may lead to the loss of around 40 staff.

With less frequent visits from Street Sweepers it is likely that fly-tipping and other detritus issues will go unreported for longer, leading to further accumulations of waste and litter.

There is likely to be an increase in casework and complaints and further pressure on the resources required to deal with them.

Outline risks associated with proposal and mitigating actions to be taken:

Some of the detrimental effects of the proposed reduction in sweeping frequencies will be mitigated through a continued focus on Enforcement activity, particularly challenging residents and businesses that put waste out for collection at inappropriate times.

Additional small mechanical sweeping machines would be leased to help mitigate the reduction in regular manual street sweeping.

These proposals will have a significant impact on the standards of street-cleaning to all residential roads across the whole of the borough

There would be a heavy build-up / accumulation of litter and detritus to all areas and cleanliness standards would be significantly reduced. The council may be unable to comply with the legal standards contained within the Environmental Protection Act 1990.

There would also be a significant impact during leafing season (Oct – Dec and if we have snowfall.

The service would not have the resources to remove the leaves as effectively and efficiently as we currently do.

The service would not have the resources to get to all the priority areas, outside schools, hospital entrances, outside small shopping areas etc, that would need gritting.

The service currently has herbicide applied twice a year to reduce weed growth on the public highway. Residential sweepers remove the weeds once they have died. Under this proposal we would not have the resources to remove the weeds as frequently.

This cut in services would result in their being an increase in complaints from residents and members of the public and a possible increase in slips and trips / falls and insurance claims against the Council.

A full reorganisation of Service area would have to take place, including management and operational staff. New workloads and management work areas would have to be created, there would be further staff reductions in both management and sweeping staff within Cleansing to allow for the purchase of 3 small mechanical sweeping

Cuts proposal template 2020/21

4. Impact and risks of proposal

machines. This would be to ensure we could deliver a new service in the reorganised areas as effectively and efficiently as we possibly could with reduced resources for the residents of the borough.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	37,371	17,465	19,906	
HRA				
DSG				
Health				
Cuts proposed*:	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
a) Income Generation – Increase of Garden Waste Subscription (CUS02) (Already agreed)	278			
b) Income Generation – Increase of Garden Waste Subscription (CUS02) (Already agreed)		485 (assumed £243k achieved)		
c) Income Generation - Events in Parks (CUS03) (Already agreed)	200			
d) Agreed savings: Income Generation - Events in Parks (CUS03) (Already agreed)		300 (assumed £150k achieved)		
e) Income Generation – Increase in Commercial Waste Charges (CUS04) (Already agreed)	150			
f) Income Generation – Increase in Commercial Waste Charges (CUS04) (Already agreed)		300 (assumed nil achieved)		
g) Increase charge for the collection of Domestic Lumber from households (CUS05) (Already agreed)	30			
h) Income Generation –	67			

Cuts proposal template 2020/21

5. Financial information				
Bereavement Services increase income targets (CUS06) (Already agreed)				
i) Income Generation – Bereavement Services increase income targets (CUS06) (Already agreed)		67		
j) Close the four remaining Automated Public Toilets (CUS08) (Already agreed)	92			
k) NEW saving; Reduce sweeping frequency to residential roads to fortnightly. (CUS07)		823		
Total	817	1,283	0	2,100
% of Net Budget	4.1%	6.4%	%	10.5%
Does proposal impact on:	General Fund	DSG	HRA	Health
Yes / No	Yes	No	No	No
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
6		<ol style="list-style-type: none"> 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Negative		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium		

7. Ward impact	
Geographical	No specific impact / Specific impact in one or more

Cuts proposal template 2020/21

7. Ward impact	
impact by ward:	All wards affected
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:		Pregnancy / Maternity:	
Gender:		Marriage & Civil Partnerships:	
Age:		Sexual orientation:	
Disability:		Gender reassignment:	
Religion / Belief:		Overall:	
For any High impact service equality areas please explain why and what mitigations are proposed:			
<p>Deprivation: In 2009 the Rowntree Foundation presented a report “A Clean Sweep” which compared extensive data from Lewisham street cleansing and two other councils explore “<i>why affluent neighbourhoods tend to have higher levels of street cleanliness than deprived neighbourhoods and what local authorities can do to narrow this gap.</i>” Their findings showed that Lewisham had been remarkably successful in reducing inequality in street cleaning standards between affluent and deprived neighbourhoods.</p> <p>The report concludes: “<i>The outcomes achieved overall in Lewisham, as well as in the more deprived parts, are at least in part due to the emphasis placed on programmed rather than responsive service provision.</i>”</p> <p>Further moves away from programmed manual street sweeping, therefore, are likely to have a more negative impact on our more deprived neighbourhoods.</p> <p>Increased accumulations of litter/weeds and leaves could have a detrimental impact of the visually impaired, the elderly and people with disabilities.</p>			
Is a full service equalities impact assessment required: Yes / No			Yes

9. Human Resources impact					
Will this cuts proposal have an impact on employees: Yes / No					Yes
Workforce profile:					
Posts	Headcount in post	FTE in post	Establishment posts	Vacant	
				Agency / Interim cover	Not covered
Scale 1 – 2	79				
Scale 3 – 5	27				
Sc 6 – SO2	0				
PO1 – PO5	7				
PO6 – PO8	1				
SMG 1 – 3	1				
JNC					
Total	132				
Gender	Female	Male			

Cuts proposal template 2020/21

9. Human Resources impact					
	3	112			
Ethnicity	BME	White	Other	Not Known	
	38	77	10	5	
Disability	Yes	No			
	6	109			
Sexual orientation	Straight / Heterosex.	Gay / Lesbian	Bisexual	Not disclosed	

10. Legal implications	
State any specific legal implications relating to this proposal:	
<p>Legal Implications Under Section 89(1) of the Environmental Protection Act 1990, the Council is under a statutory duty to ensure that open land under its direct control and to which the public have access is, so far as practicable, kept clear of litter and refuse. Under Section 89(2), the Council is also under a statutory duty, so far as is practicable, to ensure that public highways within its area are kept clean. In deciding what standard is required, the Council must have regard to the character and use of the land or highway, as well as the measures which are practicable in the circumstances.</p> <p>Under Section 89(10), the Council is also required to have regard to the code of practice published by the Secretary of State from time to time. In particular, the code requires the Council to allocate its land into different types or "zones" which must be publicised. The code then sets out cleanliness standards for the different types of land and maximum response times for cleaning an area which has been littered. The duty applies seven days a week.</p> <p>Members of the public may complain to the Magistrates Court where they consider that there is a breach of Section 89. The code of practice is admissible in evidence and the court may take into account any relevant provision in the code of practice.</p> <p>The guidance is provided as a practical guide to the discharge of the duty, but it remains the case that what is appropriate in a particular instance is for the Court to agree. If the complaint is successful, a litter abatement order will be made, failure to comply with which is an offence. The court may also award costs if it is satisfied that there were reasonable grounds for bring the complaint, even if by the time the complaint is heard, the litter has been cleared away or the lack of cleanliness rectified. In considering any savings proposals in relation to these matters, the Mayor must therefore be satisfied that the Council will still be able to comply with its duties under Section 89 and the requirements contained in the code of practice.</p>	

11. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc.), implementation:	
Month	Activity
May to July 2019	Proposals prepared (this template and supporting papers)
May to July 2019	Completion of the pilot being undertaken
August 2019	Preparation of the detailed report including draft public consultation paper, equalities assessment and initial HR considerations.

Cuts proposal template 2020/21

11. Summary timetable	
2 September 2019	Despatch paper to Sustainable Select Development Committee prior to M&C
11 September 2019	Sustainable Select Development Committee – full report including the pilot outcomes and consideration of HR and equalities implications.
20 October 2019	Despatch to M&C, this must be the full report on the proposal plus the detailed proforma and must build on the SSDC comments.
28 October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations, (both staff and public), undertaken and full decision reports prepared if M&C require this to come back.
November 2019 to January 2020	Full service re-design, staffing structures agreed and resourcing for any additional equipment costed and programmed
21 January 2020	Final report to SSDC
February 2020	Final decisions at M&C with the Budget
February to March 2020	Reorganisation of staff implemented, procurement of additional equipment
March 2020	New beats introduced and saving achieved

*If there are any 'invest to save' requirements for the proposal please describe them here and adjust the saving impact in the relevant year(s) to reflect this, please see section 5.2 of the guidance notes.

Briefing Note		
Report Title	Briefing Note – Cleansing Cuts & Pilot Trials	
Key Decision	No	Item No.
Ward	All	
Contributors	Director of Environment Services	
Class		Date: 4 th September 2019

1 Background

- 1.1 The Street Cleaning service is a barrow-based, beat street sweeping service, currently delivered on a weekly frequency to residential streets. Higher frequency sweeping is provided to town centres and areas with a higher footfall. (Fig 1)
- 1.2 In addition to sweeping streets, Street Sweepers are also responsible for emptying litter bins, reporting fly-tipping and graffiti, weeding pavements, helping Highways to grit icy pavements and clearing large amounts of leaf-fall during Autumn.
- 1.3 Cuts since 2010 have reduced the Street Sweeping workforce by 23% and supervisory posts by 19%.
- 1.4 Cuts under consideration would result in the reduction of the Street Sweeping workforce by 45% and supervisory posts by 29% since 2010 (fig 7)
- 1.5 The proposal to cut £823,000 from the cleansing budget was submitted to the Mayor & Cabinet during the 2017/18 cuts process. Officers were instructed to trial different approaches to establish the likely impact and assess whether an alternative approach would mitigate some of the impact.
- 1.6 The original cuts proposal aimed to deliver the budget reduction by reducing sweeping frequencies to all residential roads within the borough to a minimum frequency of once a fortnight. Most residential roads are currently swept once a week.
- 1.7 To deliver the proposed budget reduction officers would need to carry out a full reorganisation of the cleansing workforce.
- 1.8 A reduction of around 30 sweeping posts and one cleansing management post would be required.
- 1.9 Additional post reductions might be required to fund extra street cleaning machinery to allow us to respond to increased complaints and reports.

- 1.10 Remaining residential street sweepers would be given new workloads where they would sweep half of their workloads on alternate weeks. Main roads adjacent to their new workloads would be factored in and would still be swept Monday – Friday by these sweepers, with the assistance of additional mechanical sweeping.
- 1.11 No changes will be made to the frequency of sweeping Town Centres, these will be swept 7 days a week.

2 Historical Background

- 2.1 Lewisham Street Cleansing services have been consistently defined as ‘Low Cost, High Performing’ in annual national VfM audit reports.
- 2.2 Prior to the Government’s Austerity measures, in the period between 2002 and 2008, cleansing spend was maintained at below 2002 levels.

2002/3	2003/4	2004/5	2005/6	2006/7	2007/08*
4,268,975	4,094,603	4,179,408	4,082,731	4,052,747	4,210,348

*Single Status, changes to agency staff employment conditions and the introduction of the London Living Wage increased cleansing costs by around £860k

- 2.3 During this period there was 30% improvement in resident satisfaction with Street Cleaning.
- 2.4 % saying ‘good/excellent’;

2002/3	2003/4	2004/5	2005/6	2006/7	2007/08	2008/9
48%	53%	56%	60%	61%	63%	62%*

*Change of methodology for new ‘Place Survey’

- 2.5 There was also 78% improvement in cleansing performance.

- o Reduction in % of land at unacceptable standard.

2003/4	2004/5	2005/6	2006/7	2007/08	2008/9	2009/10
33%	21%	28%	24%	15%	6%	7%

3 Deprivation

- 3.1 In 2009 the Rowntree Foundation presented a report “A Clean Sweep” which compared extensive data from Lewisham street cleansing and two other

councils to explore “*why affluent neighbourhoods tend to have higher levels of street cleanliness than deprived neighbourhoods and what local authorities can do to narrow this gap.*” Their findings showed that Lewisham had been remarkably successful in reducing inequality in street cleaning standards between affluent and deprived neighbourhoods; *Lewisham has secured improvements by reducing the proportions below standard in deprived areas as fast as in other areas while Leeds has focused improvements almost exclusively on the most deprived neighbourhoods... This suggests that the three case studies may be making different policy choices in terms of how they balance effectiveness and equality. In particular, Lewisham appears to place more emphasis on outcome equality than the other two authorities.*

- 3.2 The Rowntree Report outlined the pre-austerity cleansing service; “For the majority of its streets, Lewisham provides the following services:

Programmed manual street sweeping. All streets in residential areas are swept a minimum of twice weekly, and some three times a week. Areas around shops, schools etc. tend to receive daily and even twice-daily servicing. The sweepers work to beat cards on which the designated frequency of service for each segment of street is identified.

Responsive mobile teams collect fly-tipping and do extra litter-picking and other cleaning in response to complaints and requests. Mechanised sweepers clean arterial routes.”

The report concludes: “*The outcomes achieved overall in Lewisham, as well as in the more deprived parts, are at least in part due to the emphasis placed on programmed rather than responsive service provision*”.

- 3.3 Further moves away from programmed manual street sweeping are likely to have a more negative impact on our more deprived neighbourhoods.

4 Trials

- 4.1 Officers decided to trial the proposed sweeping reduction in one part of the borough (Brockley and Ladywell Wards) for three months (June, July and August). In these two wards sweeping frequencies were reduce to a minimum frequency of once a fortnight.
- 4.2 An alternative approach, using a mainly mobile reactive cleansing service, was trialled for the same period in the south of the borough. The wards included within this trial were Catford South Ward, Whitefoot Ward, Lee Green Ward, Lewisham Central Ward, Downham Ward and Grove Park Ward.

5 Trial Outcomes

- 5.1 Officers are evaluating the data we have gathered from the two trial areas. These are the initial results.

- 5.2 The North Area (Brockley/Ladywell) tested the primarily static, barrow-based approach with reduced frequencies.
- 5.3 The South Area tested the mainly mobile sweeping and responsive approach.
- 5.4 The most noticeable result from initial analysis shows that there has been a significant increase in complaints and reports between 2018 and the same period for 2019. An Increase of around 65% for all areas/wards. (fig 2).
- 5.5 Interestingly there does not seem to be any significant difference between the increase in reports generated by the two different pilot approaches. They both generate an increase in reports for poor cleansing standards. (fig 3)
- 5.6 Officers use the Defra Code of Practice on Litter & Refuse to monitor cleansing standards. (fig 4). Both trial areas were surveyed before and during the trial period.
- 5.7 Officers will continue to survey these areas after the trial period to assess how long it takes to return standards.
- 5.8 Prior to the trial, both areas reported high cleaning standards. The highest EPA Standards (A/B) accounted for 97% of the inspection results in both areas. (fig 5)
- 5.9 During the trial standards fell sharply with the majority of inspection results reporting the poorest EPA Standards (C/D). (fig 6)

6 Summary

- 6.1 Both trial areas produced a significant drop in cleansing standards and an increase in resident reports.
- 6.2 The impact of the proposed reduction to the current beat-based sweeping service was not mitigated by a mobile, response-driven operation, as tested in the South Area pilot.
- 6.3 Since 2010 Lewisham has reduced street sweeping frequencies. Further moves away from programmed manual street sweeping are likely to have a more negative impact on our deprived neighbourhoods.

Fig 1. Barrow Based Service.



Fig 2. This chart shows reports from the public using 'FixMyStreet', 'LoveCleanStreets', LBL Web, LBL Contact Centre (Phones). These reports come to the service via the LoveLewisham API. (this chart excludes officer/operative reports).

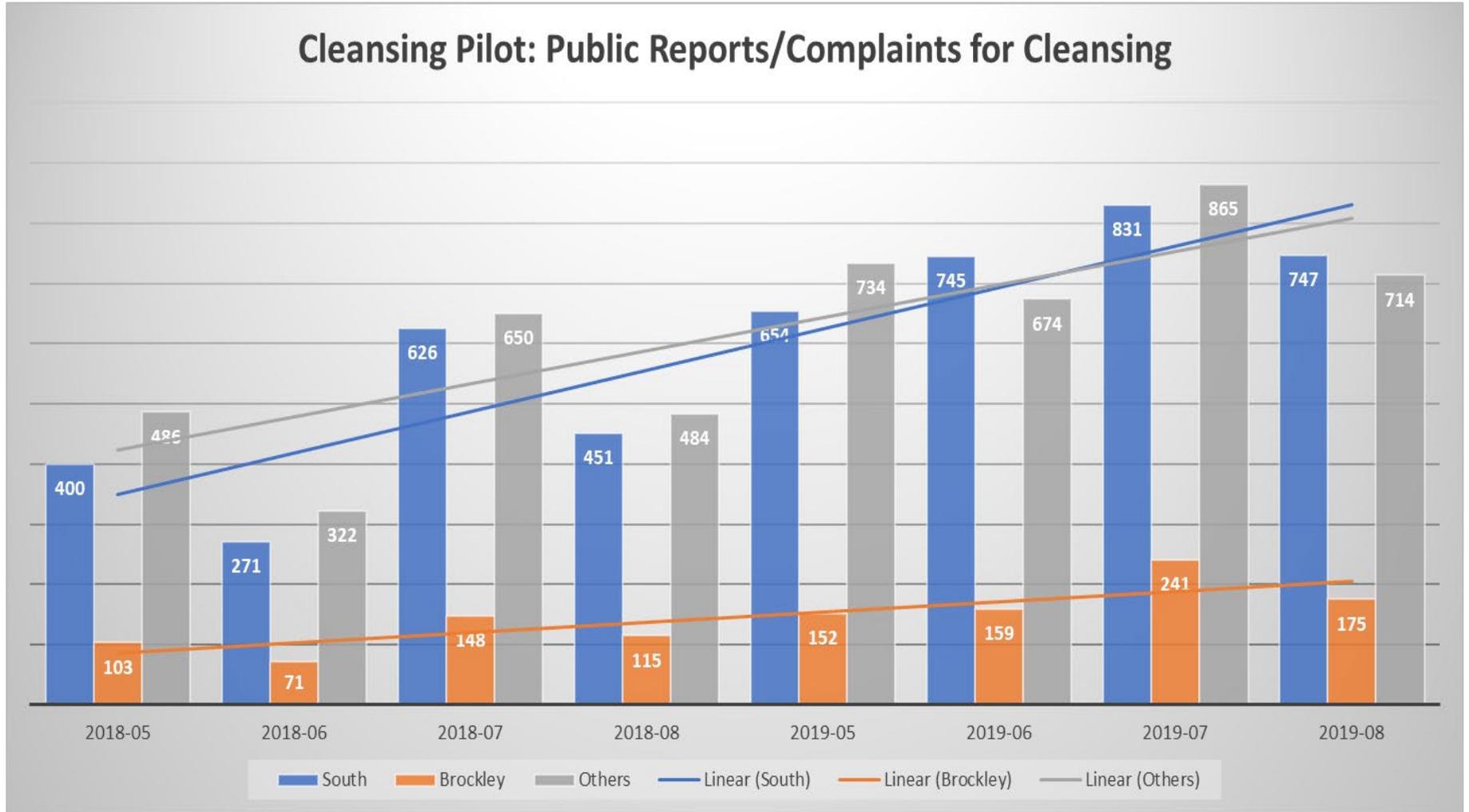


Fig 3. This chart shows the increase (%) in reports from the public using 'FixMyStreet', 'LoveCleanStreets', LBL Web, LBL Contact Centre (Phones). These reports come to the service via the LoveLewisham API. (this chart excludes officer/operative reports).

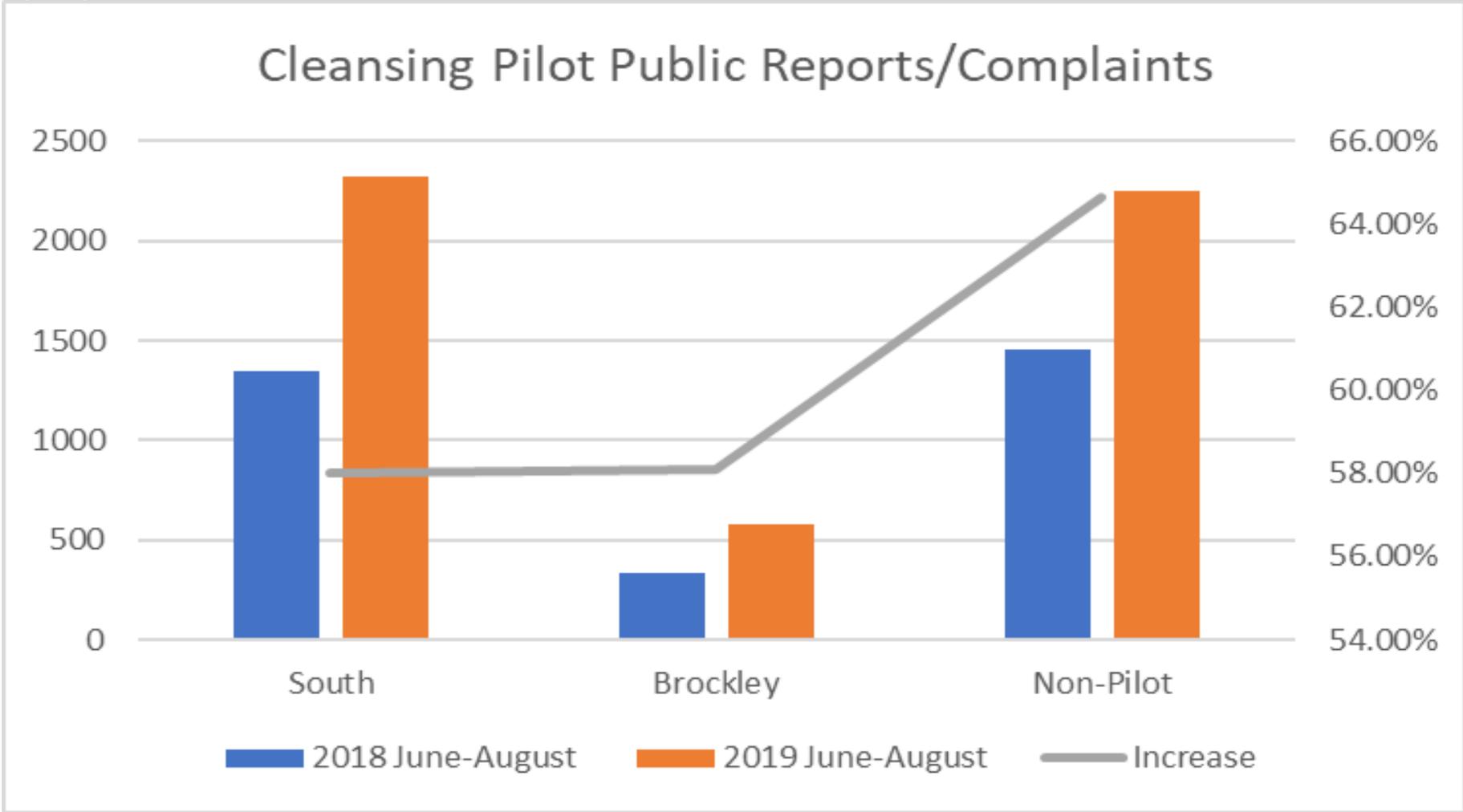


Fig 4. Defra Code of Practice on Litter & Refuse

7.7 Pictorial examples of the grading principles in different settings

Set A: litter and refuse in both relevant highway and hard surface setting

Set B: litter and refuse in a soft surface setting

 <p>© ENCAMS</p> <p>Grade A No litter or refuse</p>	 <p>© ENCAMS</p> <p>Grade C Widespread distribution of litter and/or refuse with minor accumulations</p>	 <p>© ENCAMS</p> <p>Grade A No litter or refuse</p>
 <p>© ENCAMS</p> <p>Grade B Predominately free of litter and refuse apart from some small items</p>	 <p>© ENCAMS</p> <p>Grade D Heavily affected by litter and/or refuse with significant accumulations</p>	 <p>© ENCAMS</p> <p>Grade B Predominately free of litter and refuse apart from some small items</p>

Secondary Roads (residential) are classed as 'high intensity use' areas in the Code of Practice and should litter and refuse be identified in these areas the requirement is to ensure that this is brought up to a grade A standard from being classified as a B standard to within half a day. This means by 6pm if reported before 1pm or by 1pm the next day if reported between 1pm and 6pm on the previous day. Further, if the standard in high intensity areas should fall to an unacceptable level during the evening, it should be restored to grade A by 8am. Good practice would be that grade A is achieved earlier, by the time the area begins to get busy. This applies to weekends and bank holidays as well as weekdays.

The Environmental Protection Act timescales for returning areas to a grade A are listed below for information.

		A	B	C	D
1	TOWN CENTRES & SHOPPING CENTRES	←	6 hrs	3 hrs	1 hr
2	HIGH DENSITY RESIDENTIAL AREAS	←	12 hrs	6 hrs	3 hrs

Authorities that allow their land to fall below acceptable standards for longer than the allowed response time may be subject to a Litter Abatement Order (section 91) or a Litter Abatement Notice (section 92) issued under the Environmental Protection Act 1990. The reducing of sweeping frequencies to residential roads will impact on performance and the cleanliness of the local environment.

Fig 5.

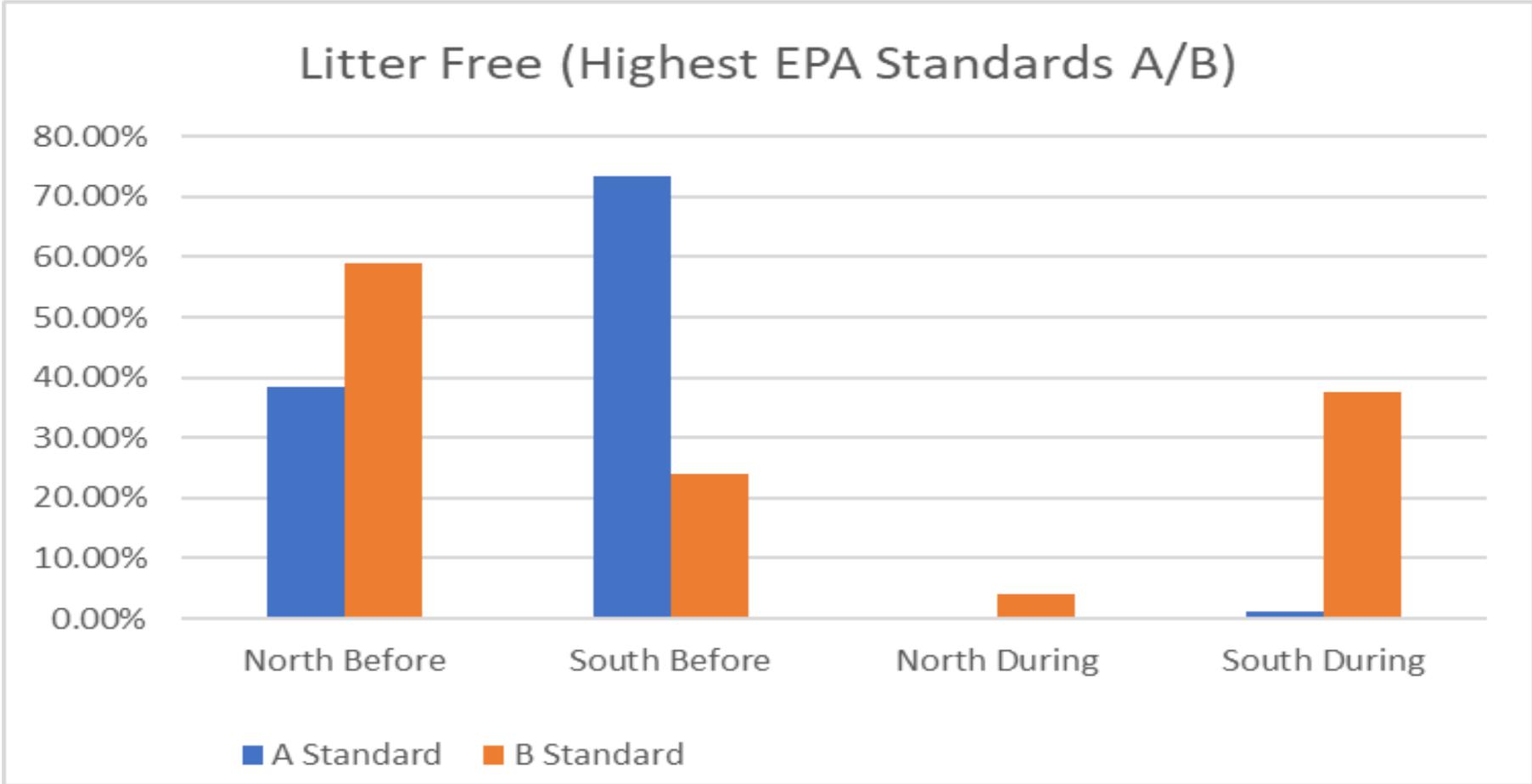


Fig 6

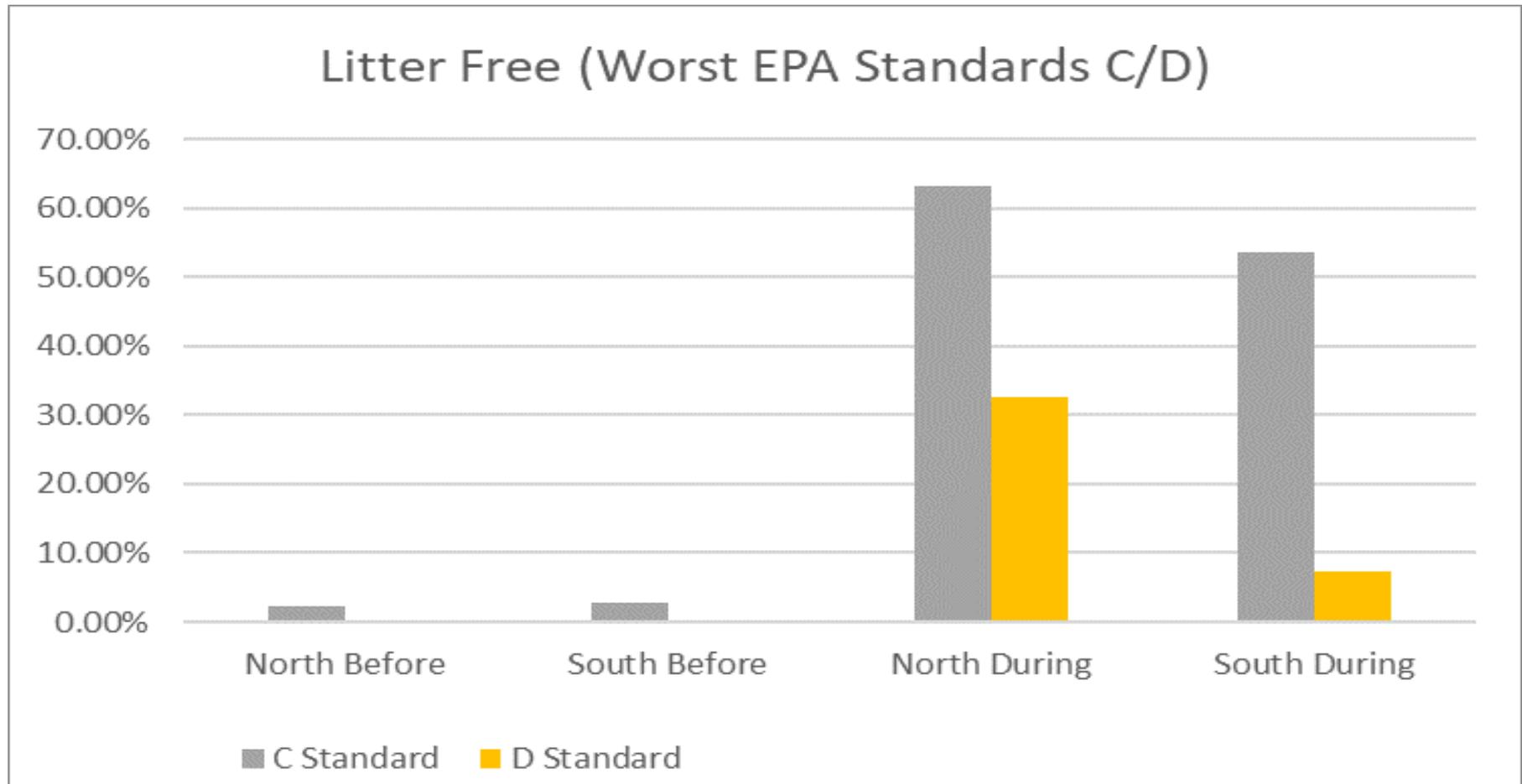
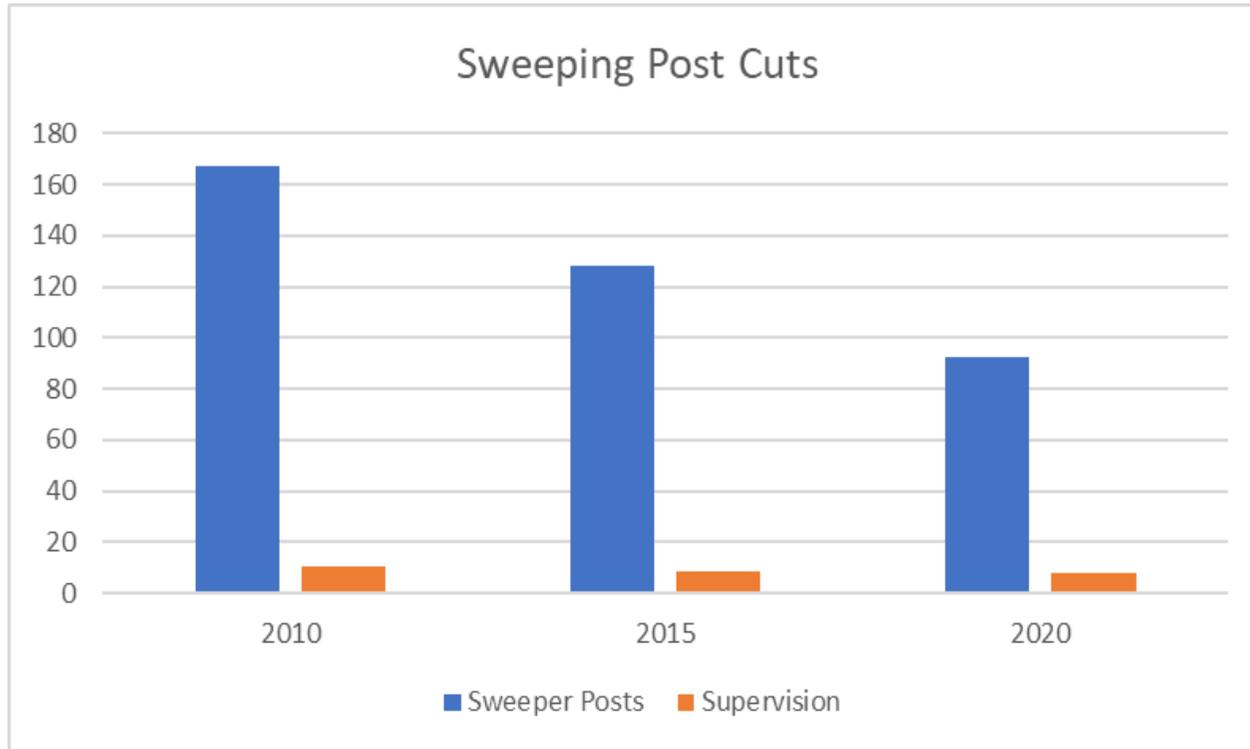


Fig 7 Historical Background



	2010	2015	2020	Posts Cut	Reduction
Sweeper Posts	167	128	92.5	74.5	45%
Supervision	10.5	8.5	7.5	3	29%

BRIEFING NOTE		
Report title	Communications & Mayor's office update	
Key decision	No	Item No. 4
Contributor	Director of Strategy & Communications	
Class	Open	24 September 2019

1. Purpose

- 1.1. This briefing note provides an update on the changes to the structure of - and the costs associated with - the Mayor's office over the past two years and a strategic view of the proposed changes to the Council's communications functions.

2. Communications

Background

- 2.1. The purpose of the communications team is to inform, engage and influence a range of external and internal audiences in support of the council's vision, key priorities and policies as set out in the Corporate Strategy.
- 2.2. The team responds to thousands of website updates, 400 media enquiries, 80 news release and produces 50 e-newsletter and four editions of Lewisham Life each year.
- 2.3. The service manages a number of the council's key communication channels including Lewisham Life - currently published four times a year - the corporate website www.lewisham.gov.uk, the Intranet, a range of email updates, social media accounts and digital channels.
- 2.4. The team also manages the council's reputation and provides a media relations service 365-days per year.
- 2.5. Since 2010 the Council has agreed a number of savings to the communications budget amounting to £816,000 in total. This represents a reduction in budget for communications of more than 50%.
- 2.6. A succession of team restructures have significantly reduced the size of the communications team, reduced senior management in the team and downgraded roles. The most recent restructure of the unit, in 2015, left a team of twelve staff, significantly smaller than a number of comparable inner London boroughs.
- 2.7. The team is supplemented from time to time with staff funded by other service or corporate budgets to support specific, time limited projects such as the landlord licensing consultation, emissions based parking consultation, the local democracy review and preparing for Brexit. At the time of writing there are an additional 4.8 full

time equivalent (FTE) staff.

- 2.8. Stakeholders report that the team is not able to meet demand or quality expectations and is not agile enough to respond to the challenges of communications in the digital age. In February 2019 Council agreed additional funding of £200k for communications to assist the service to improve and take communications to the next level.

Approach

- 2.9. Since February the priority has been to put a strong leadership team in place, specifically by filling the key vacancies of the Senior Communications Manager and Marketing Manager.
- 2.10. The team has been taking on board the feedback and priorities of the Mayor, councillors and senior officers and also the recommendations of the Local Democracy Review.
- 2.11. There have been some successes including some excellent national and regional media coverage, key consultation campaigns delivering thousands of responses, improved promotion of select committee calls for evidence and a more focused approach to social media postings. However, further sustained improvement is required.
- 2.12. To this end a new communications strategy is in development to set a clear direction for the Council's communications service. It will set out to sustain and accelerate improvement in the service and support key council's priorities, such as delivering new council homes, improving air quality, tackling the climate emergency and becoming a borough of sanctuary.
- 2.13. Key emerging themes for the strategy are
 - making the best use of resources with a campaigns-based marketing system,
 - maximising the effectiveness of our digital channels and establishing a stronger social media presence
 - developing meaningful engagement between the Council and its diverse communities
- 2.14. Critically, the communications team must restructure in order to have highly skilled staff in appropriate jobs to fulfil the demands of a 21st digitally-savvy audience.
- 2.15. However, the increased budget is still significantly lower than in 2010 and the team will remain significantly smaller than many other boroughs. The additional resource will need to be targeted towards the highest priority areas and to significantly improve the quality of communications strategic decisions will be required to set campaign priorities, for instance focusing on fewer, higher quality campaigns.

- 2.16. The restructure is expected to be fully implemented before the end of the financial year and there will be an ongoing focus on service improvement.

3. Mayor's Office

- 3.1. The Council employs a small team of officers in the Mayor & Cabinet Office to provide organisational and executive support to the Mayor, Deputy Mayor, Cabinet Members and Councillors to enable them to fulfil their leadership roles within the Council, across the community, and regionally and nationally in organisations like the LGA and London Councils.
- 3.2. Shortly after the local election in May 2018, two additional Cabinet executive officer posts were added to the Mayor & Cabinet Office to meet the needs of the incoming administration. This has increased costs by circa £100k pa.
- 3.3. This change reflect the fact that the team's responsibilities have changed and workload has increased significantly as the Mayor and Cabinet take an increasingly active role in decision-making.
- 3.4. At the Council AGM in May 2018, the Mayor set out in his Scheme of Delegation that, though by law he may take decisions alone should he wish to do so, his intention that generally Mayoral decisions which are reserved to members should be taken by the Mayor and Cabinet acting collectively. Council agreed to new Executive Procedure Rules in accordance with this decision. The Mayor also set new expectations that Cabinet Members should devote two days per week to their executive duties. The Mayor & Cabinet Office team ensure that all 11 Cabinet Members are fully briefed before they are asked to make decisions.
- 3.5. The new administration set new expectations that the Council would strive to be open and transparent in the decisions it makes. The Mayor & Cabinet Office team support councillors to ensure that decisions are well-communicated and understood by residents.
- 3.6. The incoming Mayor made commitments that the new administration would lead a "campaigning council". The Mayor & Cabinet Office team help to ensure that Lewisham's voice is heard by residents and decision-makers as the Council campaigns on a variety of issues including Brexit, refugees, clean air and social housing.
- 3.7. The adoption of a new Corporate Strategy, and a new Council-wide focus on delivering the commitments made in the Corporate Strategy has added new responsibilities to the Mayor & Cabinet Office, who have designated responsibility to fulfil commitments around campaigning and influencing regional and national government.
- 3.8. A new generation of councillors has created more expectations that social media is a key tool to communicate with residents. The Mayor & Cabinet Office team support this work, ensuring the councillors are visible to residents, accountable for decisions they make and respond to resident queries efficiently and effectively.

- 3.9. The Mayor has a significant community engagement programme, to ensure he is visible to residents in Lewisham. A key part of this activity is the introduction of Mayor's Question Time events where residents can ask questions directly to the Mayor and councillors. The Mayor & Cabinet Office team support this work by organising public engagement events.

Public Accounts Select Committee		
Report Title	Briefing Note – Environment Budget PAC	
Key Decision	No	Item No. 5
Ward	All	
Contributors	Director of Environment Services	
Class	Part 1 (open)	24 September 2019

1 Purpose

- 1.1 To provide PAC with a report on the finances of the environment division. Members are concerned about persistent reporting of budget pressures in the financial forecasts.

2 Background

- 2.1 The current forecast position for the Environment Division is shown in Table 1 below:

Table 1 – 2019/20 Environment Division Budget Variances

Service Area	Expenditure Budget £	Income Budget £	Net Budget £	Forecast Variance – July £
Environ Admin Support	540,550	0	540,550	(145,000)
Fleet Services	4,453,960	(4,442,000)	11,960	88,848
Green Scene	4,350,820	(1,021,300)	3,329,520	98,201
Bereavement Services	1,876,970	(2,313,600)	(436,630)	181,803
Passenger Services	4,092,720	(3,991,500)	101,220	0
Refuse Collection Service	7,523,430	(3,995,500)	3,527,930	1,548,900
Strategic Waste Management	6,818,020	(70,000)	6,748,020	222,000
Street Management	6,730,960	(642,000)	6,088,960	321,000
Street Markets	984,170	(989,500)	(5,330)	0
	37,371,600	(17,465,400)	19,906,200	2,315,751

- 2.2 The Environment Division has been overspent in recent years as shown in Table 2 below. This has been exacerbated in recent years by the introduction of the fortnightly refuse collection and weekly garden and food waste services, detailed in section 4 below.

Table 2 – Environment Division Budget Variances

Service Area	2018/19 over/ (under) spend	2019/20 Forecast over/(under) spend
	£'000	£'000
Bereavement Services	115	182
Admin Support	(143)	(145)
Fleet Services	103	89
Green Scene	(105)	98
Street Markets	34	0
Refuse Collection Service	1,566	1,549
Street Management	327	321
Passenger Services	1	0
Strategic Waste ,Management	(19)	222
Total	1,879	2,316

2.3 Over the last ten years, the Council has undertaken a major budget reduction programme to manage the difficult financial challenge it has been faced with. In the period 2010/11 to 2019/20 the Council has implemented savings of £173m and identified cuts of £8.4m (out of the £20.6m required) in 2020/21.

2.4 In line with the Council's approach, the Division has had to absorb cuts in excess of £5.4m over the last six years summarised in Table 3 below and detailed in Appendix 1, with another £852k savings approved for 2020/21. In addition, a Street Sweeping cut of £823k is being discussed in the current round of budget savings.

Table 3 – Environment Division Budget Cuts

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Service	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total	1,027	990	1,350	1,250	-	817	852

2.1 In addition, income generation savings for Trade Waste, and Green Scene and Garden Waste to a lesser extent, will not be fully achieved in 2019/20 with a shortfall of around £400k. The issues around Trade waste will be explored further in the report. The shortfalls on Green Scene and Garden Waste income are less than £100k and will not be addressed in this report. There are also current pressures for Tree Maintenance of £155k.

3 Refuse Collection Budget

- 3.1 The refuse collection service is forecast to be £1.5m overspent (the same as last year), accounting for almost two thirds of the total overspend in Environment. This can be broken down as follows:
- 3.2 The refuse budget for 2019/20 is forecast to be overspent by;
- £550k refuse vehicles as a result of hire charges and costs of the ageing fleet
 - £550k trade waste (£350k trade income, £200k staffing)
 - £400k staffing (excluding £200k trade waste staffing)
- 3.3 In 2015 proposals were produced to increase the borough's recycling rate and prepare to diversify waste disposal options in preparation for the end of the Waste to Energy contract with SELCHP (2024).
- 3.4 An option to collect residual (grey bin) waste, dry mixed recycling, food & garden waste on an alternate fortnightly basis emerged as the preferred choice.
- 3.5 A draft savings proposal (N3) was presented to Mayor & Cabinet (September 30th 2015) suggesting that savings to the value of £500k could be achieved if this operational model were adopted.
- 3.6 Mayor & Cabinet did not take the savings proposal and decided to await the result of public consultation and recommendations from the Scrutiny Committee (Environmental Sustainability Committee). Mayor and Cabinet asked for an update at the meeting scheduled for 9th December 2015
- 3.7 The Environmental Sustainability Committee (Thursday, 26 November 2015) made the following recommendations;
- *Introduce a subscription garden waste service from June 2016 at an annual fee of £60 p.a.;*
 - *Introduce a weekly food collection service and reduce refuse collections to fortnightly (earliest implementation date of Autumn 2016);*
 - *Keep a weekly comingled recycling service whilst options to share services and contracts with neighbouring boroughs are further explored.*
- 3.8 These proposed changes were presented and accepted by the Mayor & Cabinet at meeting on the 9th December 2015. The original savings proposal (N3) was accepted as part of a list of savings later in the meeting. As a result of these two decisions, savings of £500k were taken. Recommendations to increase refuse collection frequencies and a lower level of garden waste subscription charges (from £80 to £60) were adopted.
- 3.9 There was insufficient co-ordination between the Savings Report and the Scrutiny feedback process. Officers did not have the opportunity to

reconfigure the savings proposal to reflect the increased service cost of a weekly recycling/food & garden waste service or adjust income expectations from garden waste subscriptions. This created a potential £500k pressure within the refuse collection budget.

- 3.10 Given the significant changes to the original proposals, officers intended to review the potential to deliver savings in the light of operational experience.

4 Refuse Collection Operational Challenges

When the new service was introduced, unforeseen operational issues emerged that have added to the underlying budgetary pressures;

- 4.1 An additional bulk crew (for estates and flats etc) needed to be added as it became clear that current doorstep rounds could not handle the collections required within the remodelled service, specifically given the number of wheeled bins on the ground floor areas of communal blocks.
- 4.2 An additional mixed dry recycling crew was required to handle extra capacity, additional weekly collections and the longer than anticipated down-time at the disposal facility.
- 4.3 Higher than anticipated bin replacement requests have required additional crews to deliver bins and keep waiting times to a minimum. Fig 6
- 4.4 Despite these challenges, refuse managers have reduced the number of operatives since the beginning of the new service by six posts. Although more vehicles and rounds have been required, the number of operatives on some rounds has been reduced.
- 4.5 Fig 1 shows the movement of resources to deliver the changed refuse service.

5 Refuse Service Performance

- 5.1 Although there have been some operational and financial challenges, there have been significant performance improvements. A key factor affecting our waste services is the growth in individual households. These each require waste collection services and have been growing at a faster rate than the increase in population. The number of bins collected is a key cost driver for the refuse collection service unlike the waste disposal service where it is volumes of waste.
- 5.2 There is presently no mechanism to link waste or cleansing budgets to the number of households. Increases in households have effectively been absorbed within existing budgets, resulting in improved productivity.
- 5.3 Since 2013/14 the number of households receiving waste collection services has risen by nearly 17% from 114,900 to 134,134. Fig 2.
- 5.4 Since 2013/14 the Borough's population has risen by 6.5% from 284,956 to 303,536. Fig 2.

- 5.5 During the same period waste budgets were reduced by 8.7% from £11,259,397 to £10,269,600. Fig 2.
- 5.6 Since 2013/14 the percentage of waste sent to landfill has dropped from 4.82% to 0.15%. Fig 3.
- 5.7 Since 2013/14 the percentage of waste sent to recycling or composting has risen from 17.67% to 28.5%. Fig 4.

6 Refuse Vehicle Costs

- 6.1 A significant element (£550k) of the Environment Division's overspend has derived from the use of hired refuse vehicles and the costs of the ageing fleet while a replacement fleet is procured and delivered. Fig 7.
- 6.2 We currently operate 40 refuse vehicles (15 Euro6 owned, 15 Euro5 owned and 10 hired).
- 6.3 A total of 15 vehicles were replaced under the fleet replacement programme during 2017/18, all the vehicles were beyond their expected economic life.
- 6.4 The remaining refuse fleet (15) will reach the end of their expected economic life of 7 years at the time of changes to the current Low Emission Zone (LEZ) on 26 October 2020. Emissions standards for HGV and buses will be raised from the current Euro5 level to the latest standard Euro6 across Greater London.
- 6.5 The vehicles replaced approximately one year ago are of Euro 6 standard and would meet the requirements of the LEZ.
- 6.6 The 15 refuse vehicles (Euro 5 emission standard) will need to be replaced before the October 2020 deadline.
- 6.7 A replacement programme for 24 refuse vehicles was approved by Mayor and Cabinet on the 10th July. Subject to manufacturing and delivery times, the number of hire vehicles will fall, and will significantly reduce current budget pressures.
- 6.8 The new refuse fleet, along with lower maintenance costs will further reduce fuel consumption and emissions. Fig 11.

7 Refuse Disposal Costs

- 7.1 The Strategic waste management service is forecasting an over spend of £0.2m, an improvement of £0.1m since May. The pressures are due to SELWDG related costs for the disposal of refuse for the London Borough of Greenwich, unachievable income recharge budget, and overspends on staffing and supplies and services in civic amenities. A one year contract for the disposal of dry recyclables commenced on 1st July 2019 as an interim position. The existing contract expired as the current contractor does not wish to extend so this will allow sufficient time for a thorough procurement process.

The cost is estimated at £1.3m, an increase of £0.4m on 2018/19, with the expectation this will be funded from corporate reserves as in previous years.

Table 4 – Waste Disposal Volumes

Waste Type	2014/15	2015/16	2016/17	2017/18	2018/19	April - July 2019/20	2019/20 Forecast
Total waste sent for incineration	99,829	99,573	99,835	94,930	85,558	28,807	86,000
Total waste sent to landfill	372	856	958	499	362	46	100
Total waste sent for recycling	18,863	19,231	17,329	16,091	15,801	5,595	17,000
Total waste for composting	1,804	1,372	2,626	7,597	12,138	4,399	12,200
Total waste sent for re-use	725	992	1,303	1,050	811	274	790
Total waste sent for RDF	7,668	8,030	2,003	2,284	2,982	832	2,800
Total waste collected (tonnes)	129,260	130,055	124,055	122,451	117,653	39,953	118,890

7.2 Whilst total waste collection volumes have decreased by 8% over the last five years, the contractual costs of disposal have increased at a greater rate. This has been magnified by the change in the mix, where volumes of incineration waste has declined by 14,000 tonnes (14%) whilst composting volumes have increased by 10,400 tonnes (576%) over the same period. Table 4 above sets out waste disposal volumes for the last five years. The former is currently charged at £63.52 per tonne for disposal whilst the latter costs up to £78 per tonne. Recycled tonnages has actually decreased by almost 2,000 tonnes (10%) over the same period but the cost is forecast to increase by £0.4m this year as the unit cost has increased by £6.17 (8.4%) pursuant to a new dry recycling contract. Table 5 below sets out the differing gate fees for the various types of waste disposal.

7.3 Increased recycling rates will lead to significant cost pressures, with a differential of almost £16 between the unit cost of incineration and recycling. In summary this means that for every 10,000 tonnes of waste redirected from incineration to recycling the contract disposal cost will increase by £160,000 on current market rates, not to mention issues around capacity, additional staff and vehicles.

Table 5 – Waste Disposal Gate Fees

Waste Type	Price/tonne
waste sent for incineration	£63.52 / £35
waste sent to landfill	£73.14 / £79.31 / £86
waste sent for recycling	£73.14 /£79.31
waste for composting	£74
waste sent for re-use	£100 / (£200)/£0
waste sent for RDF	£100

7.3 It is difficult to quantify the costs of this service early in the year as tonnages and cost per tonne vary. These rising costs described above, faced with a 8% fall in volumes over five years require further analysis. The service will work on getting a better understanding of waste disposal volumes and how this drives costs both in terms of disposal and collection rounds needed.

8 Trade Waste Income

8.1 There is a shortfall of income projected for Trade Refuse of £350k, which is in line with the income shortfall in 2018/19. The income budget for 2019/20 included an additional £150k agreed through the Star Chamber process but it has not been possible to achieve this target as numbers of trade customers have reduced as shown in the Table 6 below.

8.2 Work is being undertaken to analyse the customer base and develop more streamlined marketing contract and debt collection processes to increase the income stream from trade waste and in line with the recommendations of the APSE review. An additional 300 – 400 customers would be required in order to achieve this year's income targets. An additional £300k income target was agreed for 2020/21 and this would require another 300 – 400 customers next year (600 -800 customers over the next two years) based on analysis of average income per customer.

Table 6 – Trade Refuse

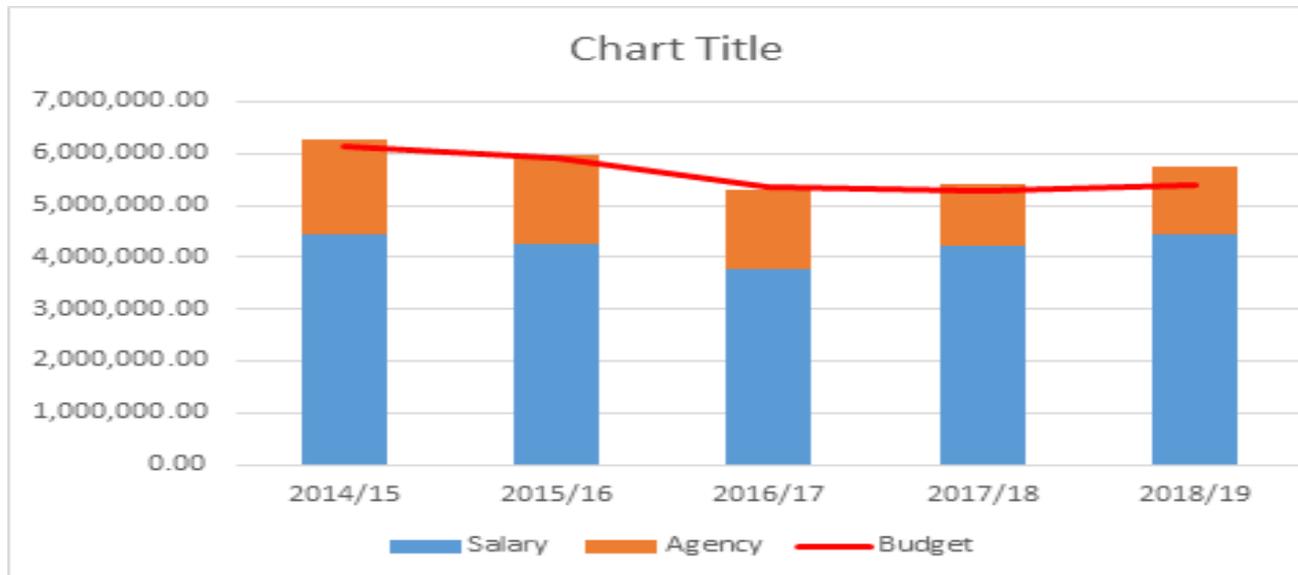
	2016/17	17/18	18/19	19/20
Refuse Trade Income Budgets	1,951,000	2,048,000	2,048,000	2,198,000
Refuse Trade Income Actuals	1,775,986	1,746,770	1,714,415	1,848,000
Number of Trade customers	2,195	2,097	2,084	1,874

9 Street Management (Cleansing)

- 9.1 The street management service is forecasting a £0.3m overspend, the same as 2018/19. Most of this overspend is due to staffing, with a small element of residual spend for public conveniences which should be centrally funded.
- 9.2 The staffing overspend increased by £200k in 2018/19 compared to the previous year. Agency overspend accounted for £100k of this movement, permanent staff £200k and the budget increased by £100k for salary inflation. The 2019/20 forecast is a £321k overspend, very similar to 2018/19.

Table 7 – Street Management Staffing

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total Spend	6,705,087	6,816,406	6,514,342	5,913,701	6,002,501	6,336,514	6,409,960
Budget	6,637,167	6,700,900	6,427,700	5,939,500	5,868,400	5,991,800	6,088,960
Over/(Under) spend	67,920	115,506	86,642	(25,799)	134,101	344,714	321,000



10 Progress on Savings for 2019/20

Table 8 - Progress on Savings

Ref	Proposal	Division	19/20 Savings £'000	19/20 Forecast £'000	Comments
CUS02	Income Generation – increase of Garden Waste Subscription	Environment	278	228	Based on current subscription of 9,500 customers @ 80 per annum. Subscribers increasing (70 per week), likely to average 50 per week until autumn. Likely to be closer to achieve income target.
CUS03	Income Generation – Events in Parks	Environment	200	150	Based on current events planned
CUS04	Income Generation – increase in Commercial Waste Charges	Environment	150	0	Ongoing review of potential and existing trade customers and improved operational processes
CUS05	Increase charge for the collection of Domestic Lumber from households	Environment	30	0	Agreed proposal is based on four items per visit which differs from original proposal based on 3 items per visit
CUS06	Bereavement Services – increase income targets	Environment	67	67	Income difficult to forecast – analysis underway to inform next month's reporting
CUS08	Close the four remaining Automated Public Toilets	Environment	92	92	Any overspend to be met by corporate as per proposal. Full closure expected July 2019.
Total			817	470	

10 Financial Forecasting and Budget Management

- 10.1 During 2018/19 the Council introduced a new financial accounting and budget management system.
- 10.2 Budget management tools aimed at allowing operational managers to forecast spend and monitor budgets has taken longer to implement and integrate with HR/Payroll systems than anticipated. As a result of key staff and systems changes it was a struggle to provide a robust level of financial monitoring information for the Customer Services and Environment Division Management Teams from December 2018 to the end of that financial year. This reduced the scope to introduce in-year savings measures to mitigate overspends.
- 10.3 There have been a number of significant problems in the generation and dispatch of accurate Commercial Waste Invoices. Legacy IT systems have hampered the management of Commercial Waste Contract information.

- 10.4 Work is currently taking place to modernise the Commercial Waste system to allow for electronic sign-up (eliminate paper contracts) and integration with the Council's debt management information
- 10.5 The anticipated introduction of a more flexible (and less labour intensive) Garden Waste billing management system has been delayed.

11 Summary

- 11.1 As a universal service the Environment Division is faced with several challenges, from environmental, political, market, residents' expectations through to budgetary pressures.
- 11.2 Different models of service delivery are being explored but will need to be guided and informed by members working closely with senior officers.
- 1.3 Whilst various mitigating measures can and have been put in place to contain the current budget pressures, there will need to be step changes in the current models of service delivery to keep spend within available resources. This will need investment, transformation and policy changes over a number of years.

Fig 1. Movement of resources to deliver the changed refuse service.

	Pre-Change	Pre-Consultation Savings Proposal M&C (N3)	Post Consultation Service	Current Kerbside Service 2019/20
Kerbside Residual Trucks	13	8	8	8
Kerbside Residual Operatives	52	32	32	32
Kerbside Recycling Trucks	7	7	7	9
Kerbside Recycling Operatives	35	35	35	36
Kerbside Food & Garden Waste Trucks	0	7	8	7
Kerbside Food & Garden Waste Operatives	0	21	32	21
Kerbside People	87	88	99	89
Kerbside Trucks	20	22	23	24
Bulk Rounds Trucks	4	4	5	6
Bulk Round People	16	16	20	24
Net Costs	£8.1m	£7.7m	£8.1m	£8.4m
Total Trucks	24	26	28	30
Total People	103	104	119	113

Fig 2.

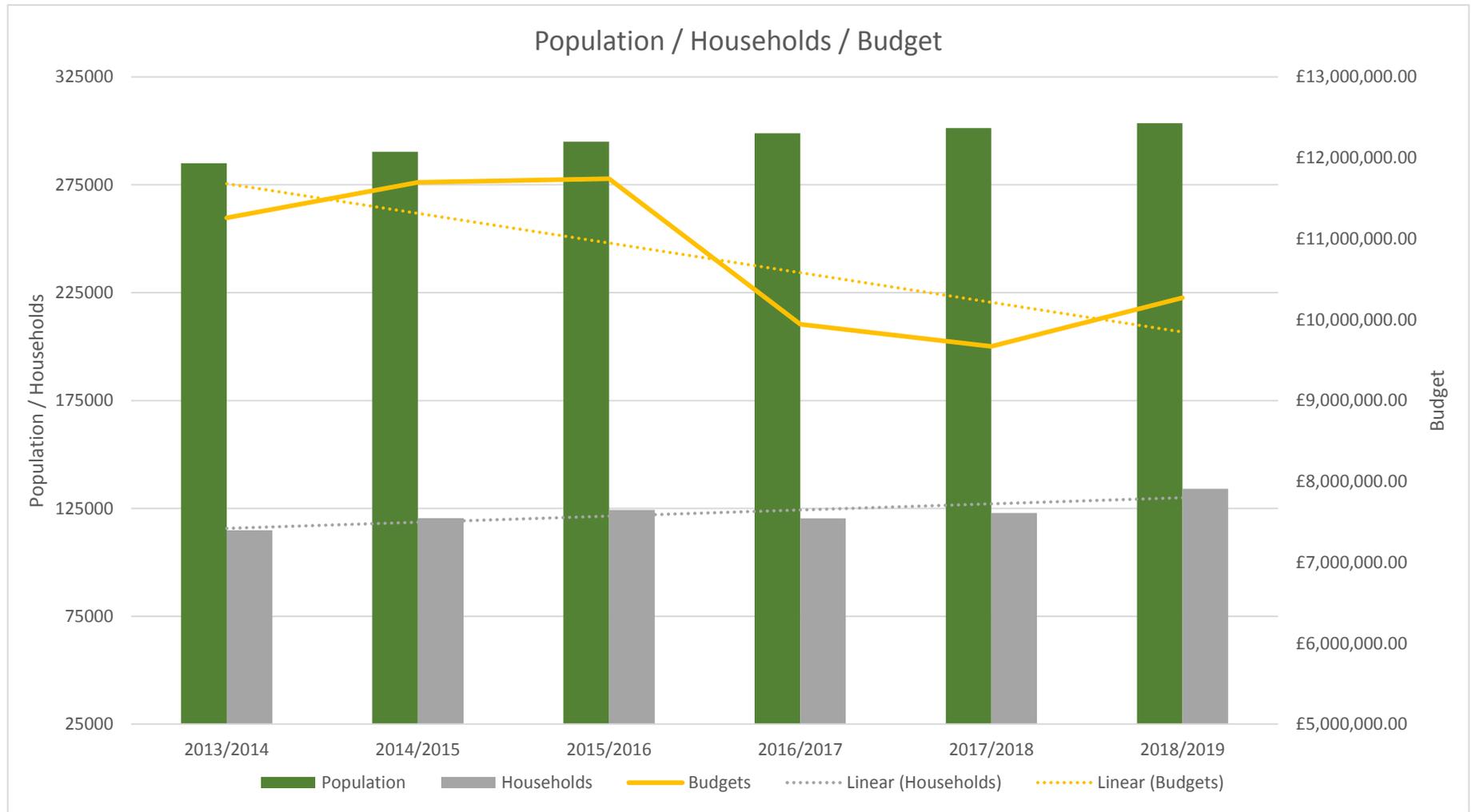


Fig 3.

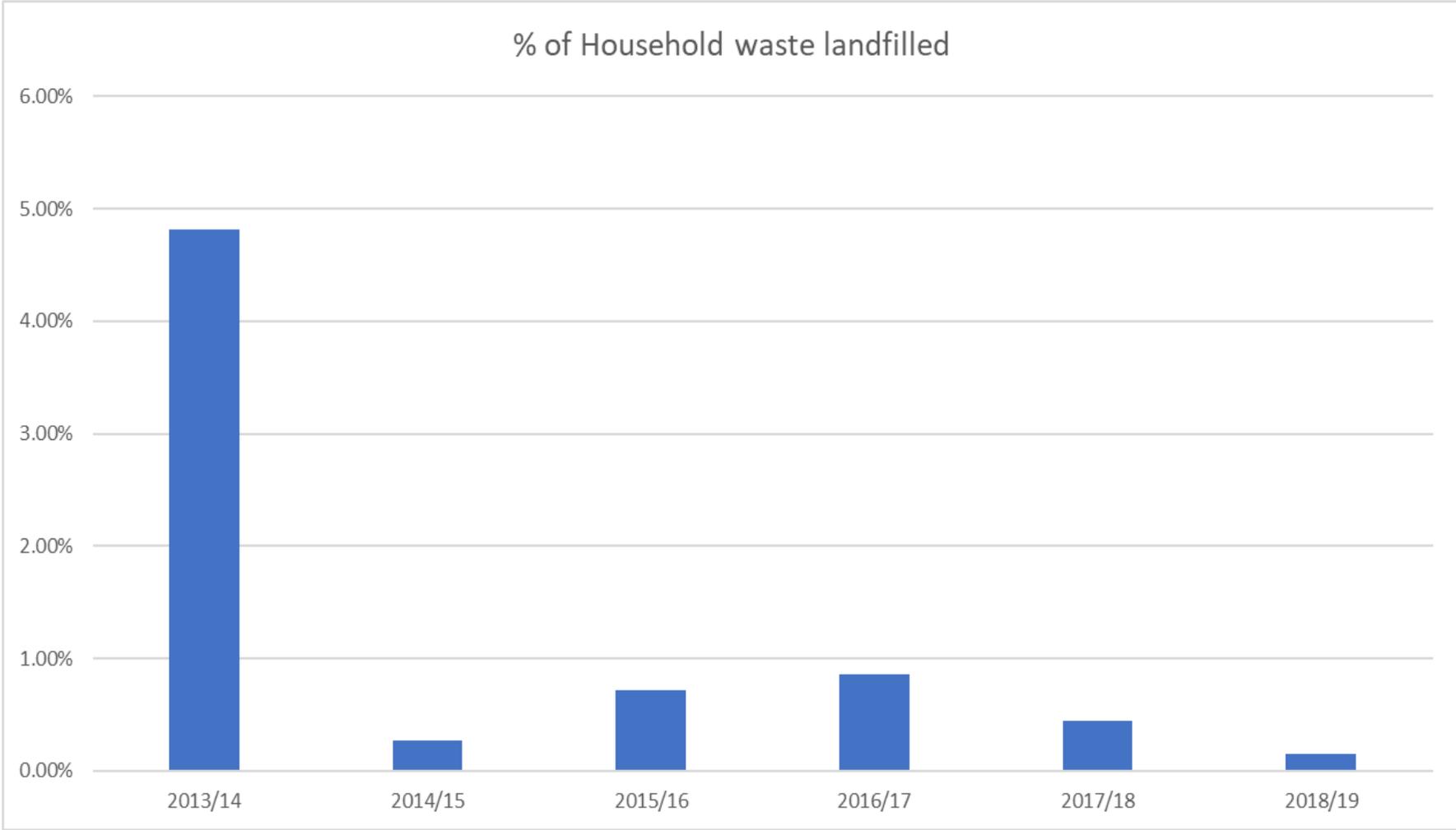


Fig 4.

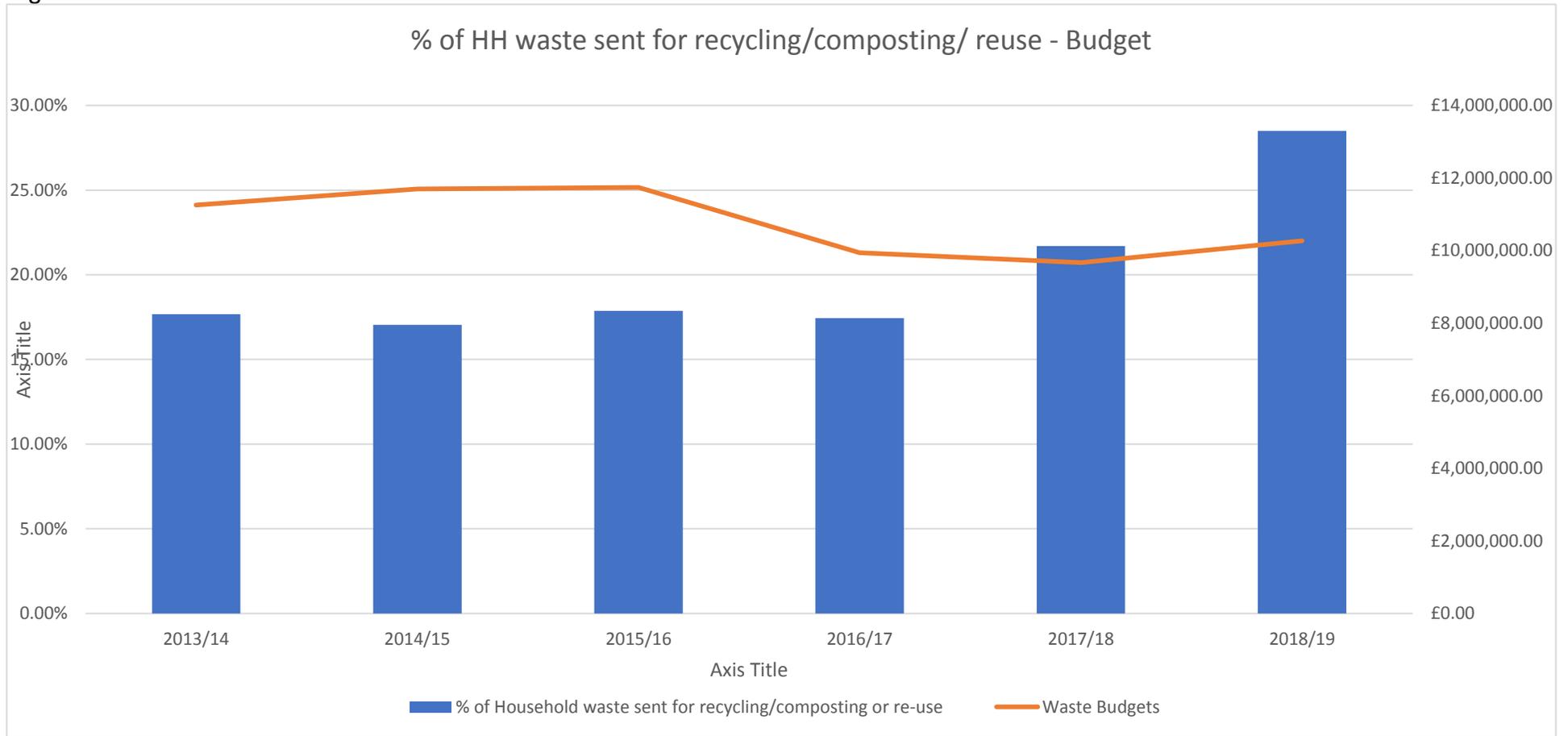


Fig 6

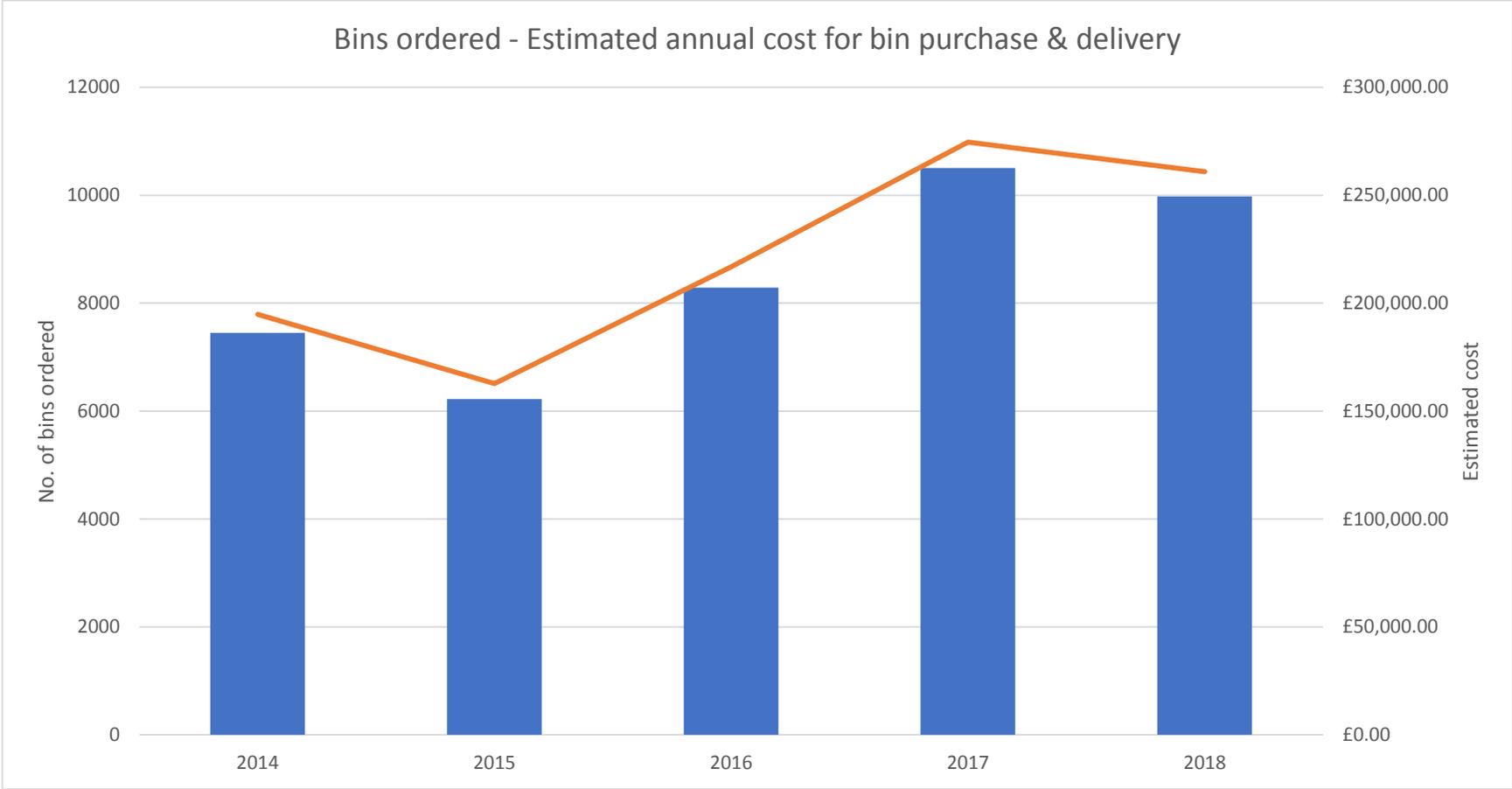


Fig 7

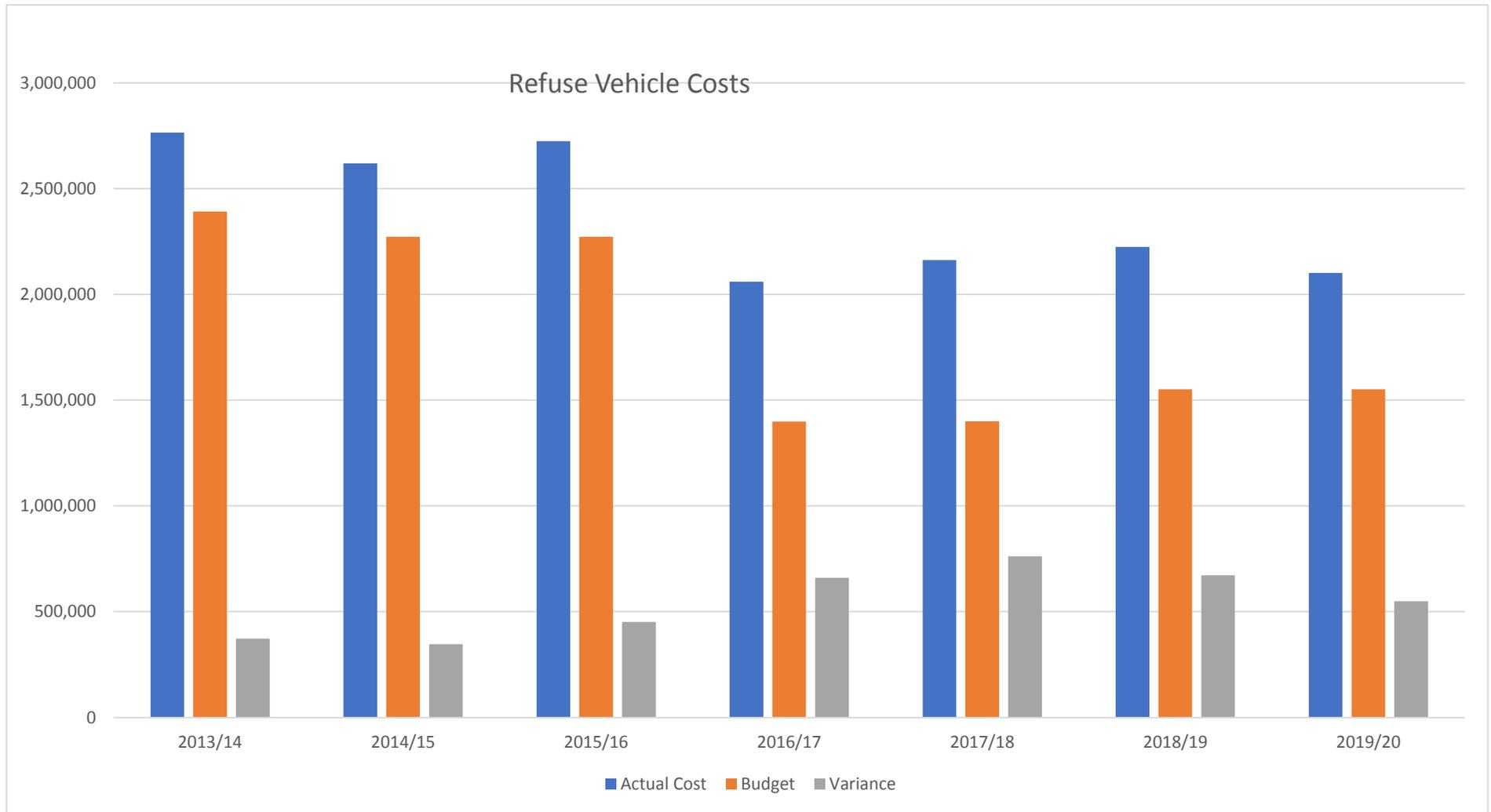


Fig 8

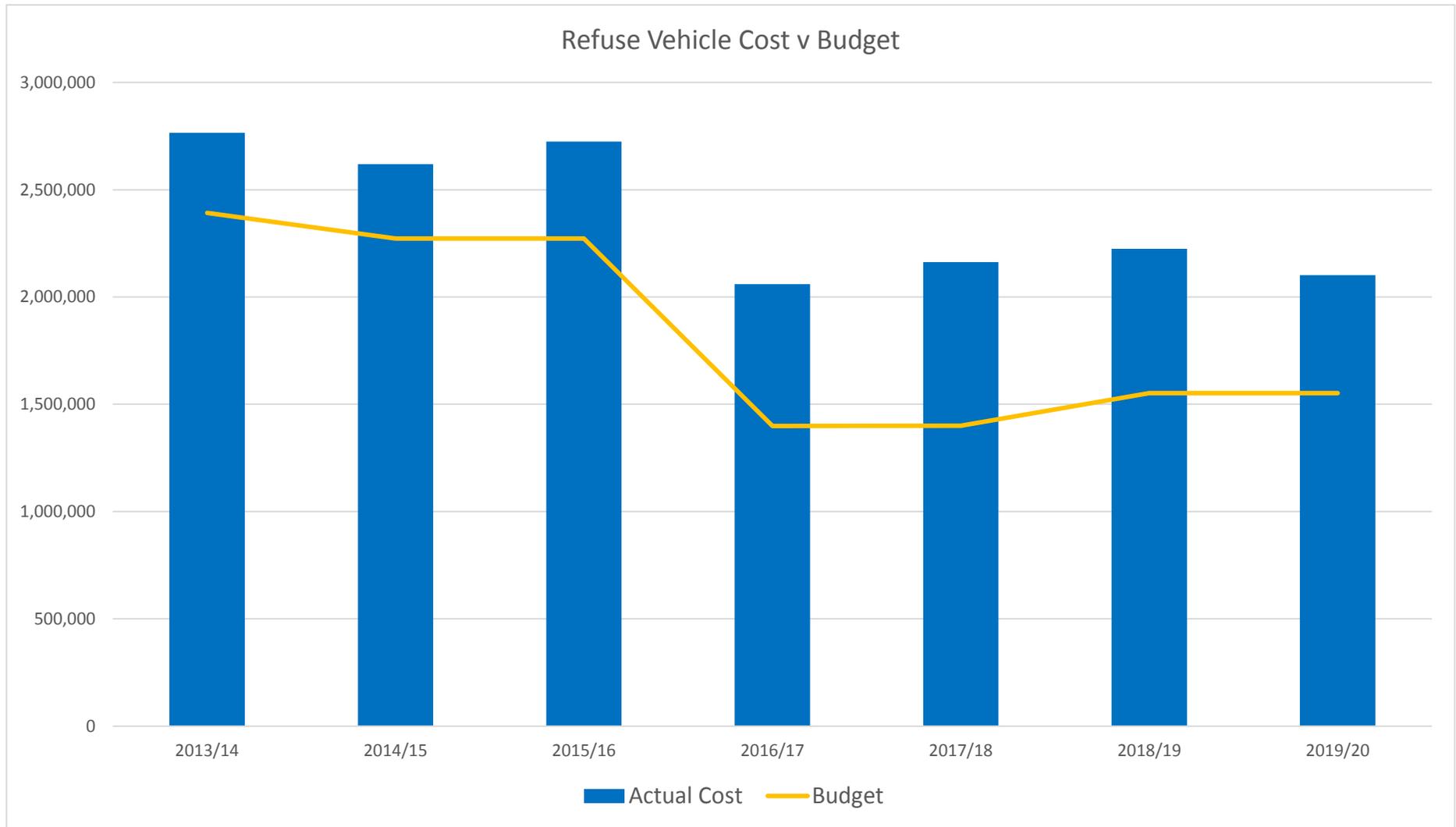


Fig 9

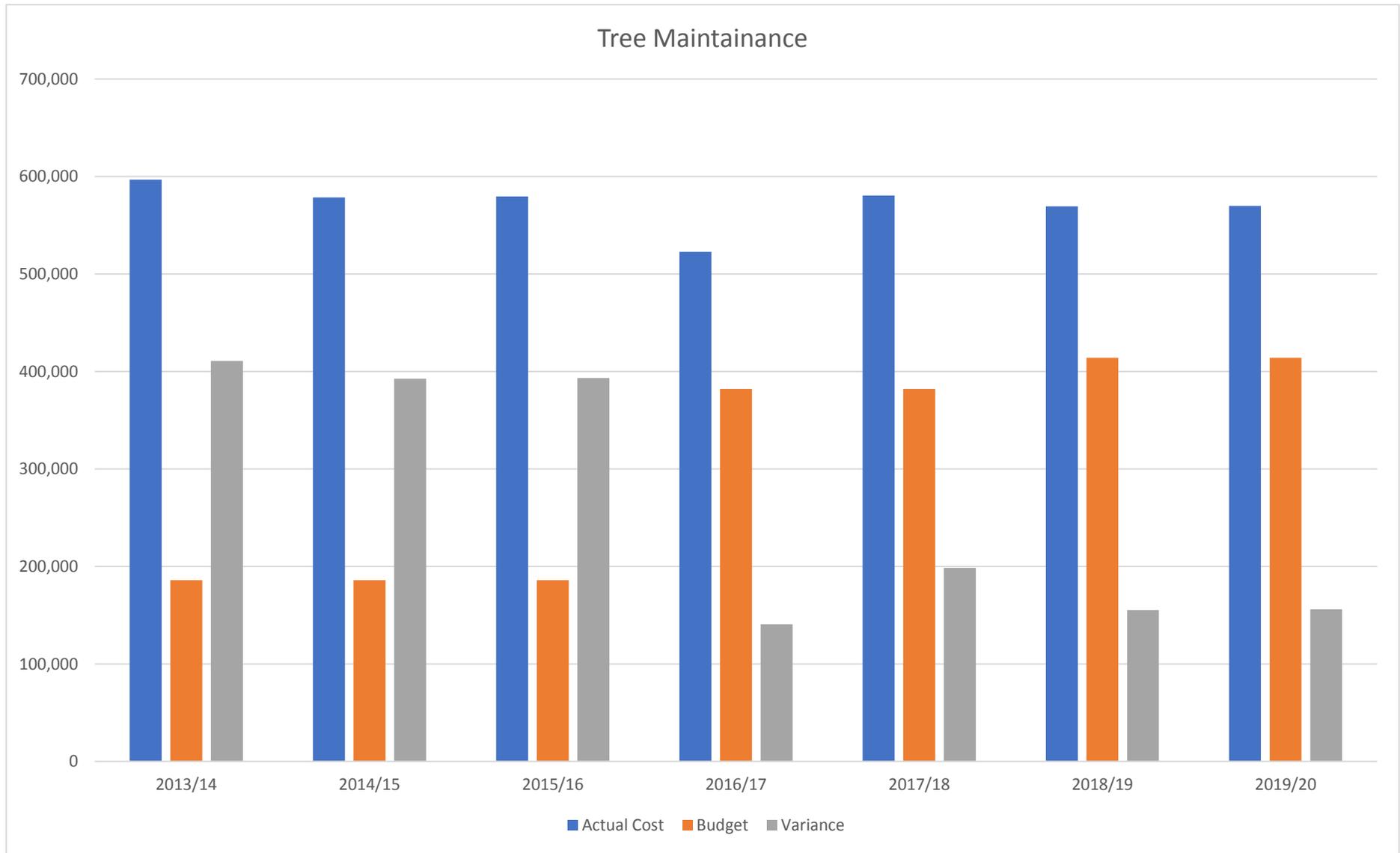


Fig 10

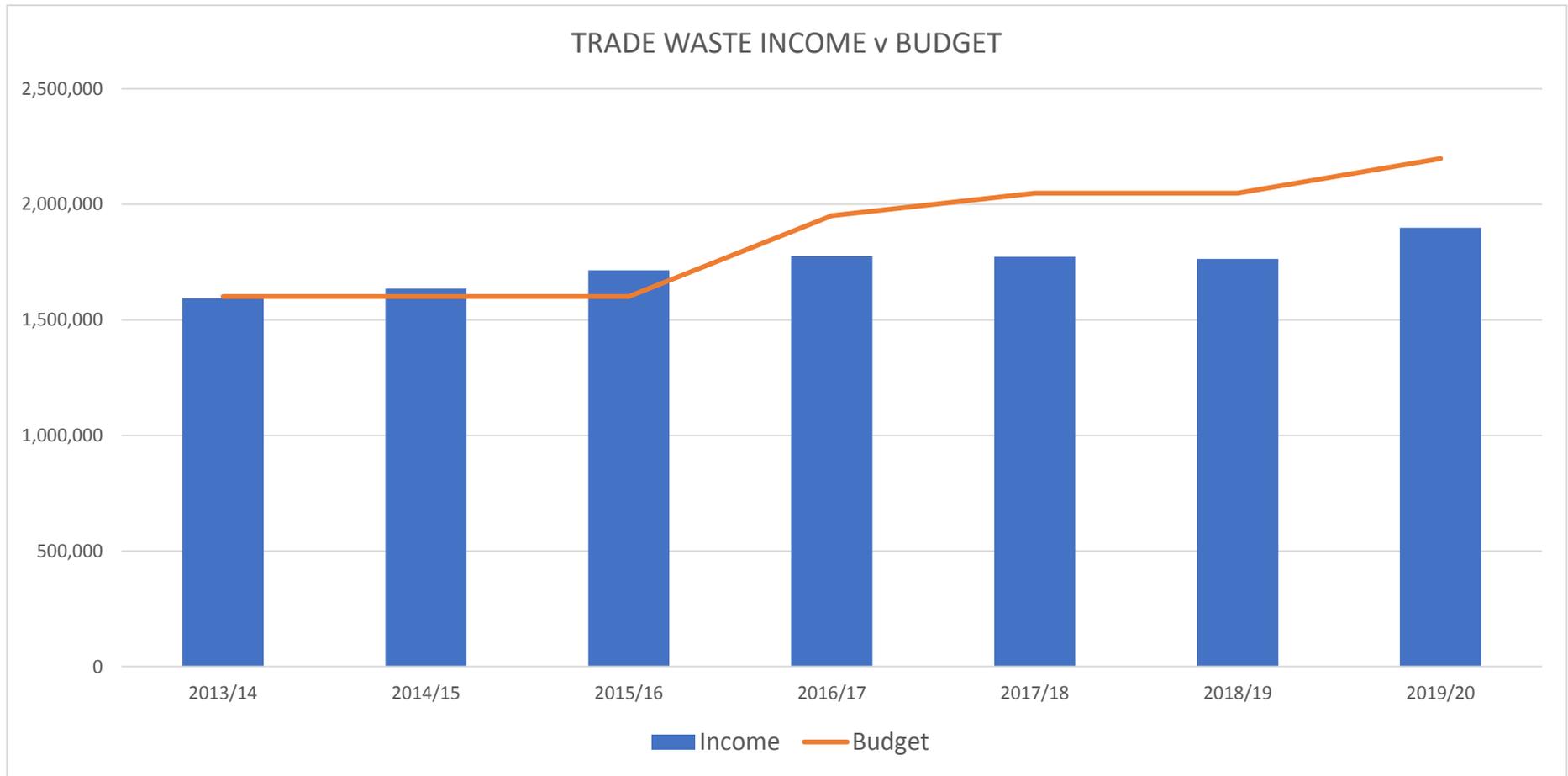


Fig 10

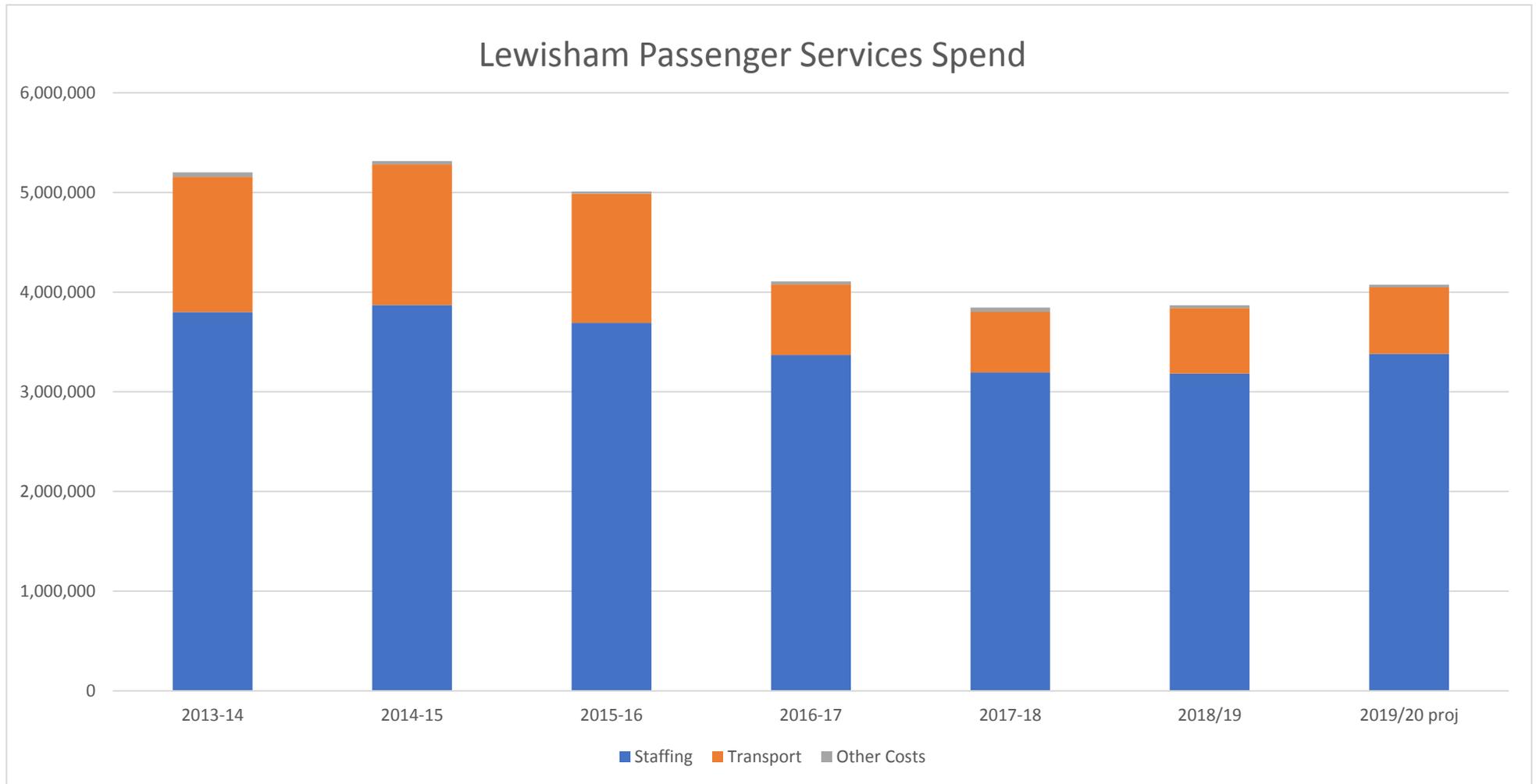
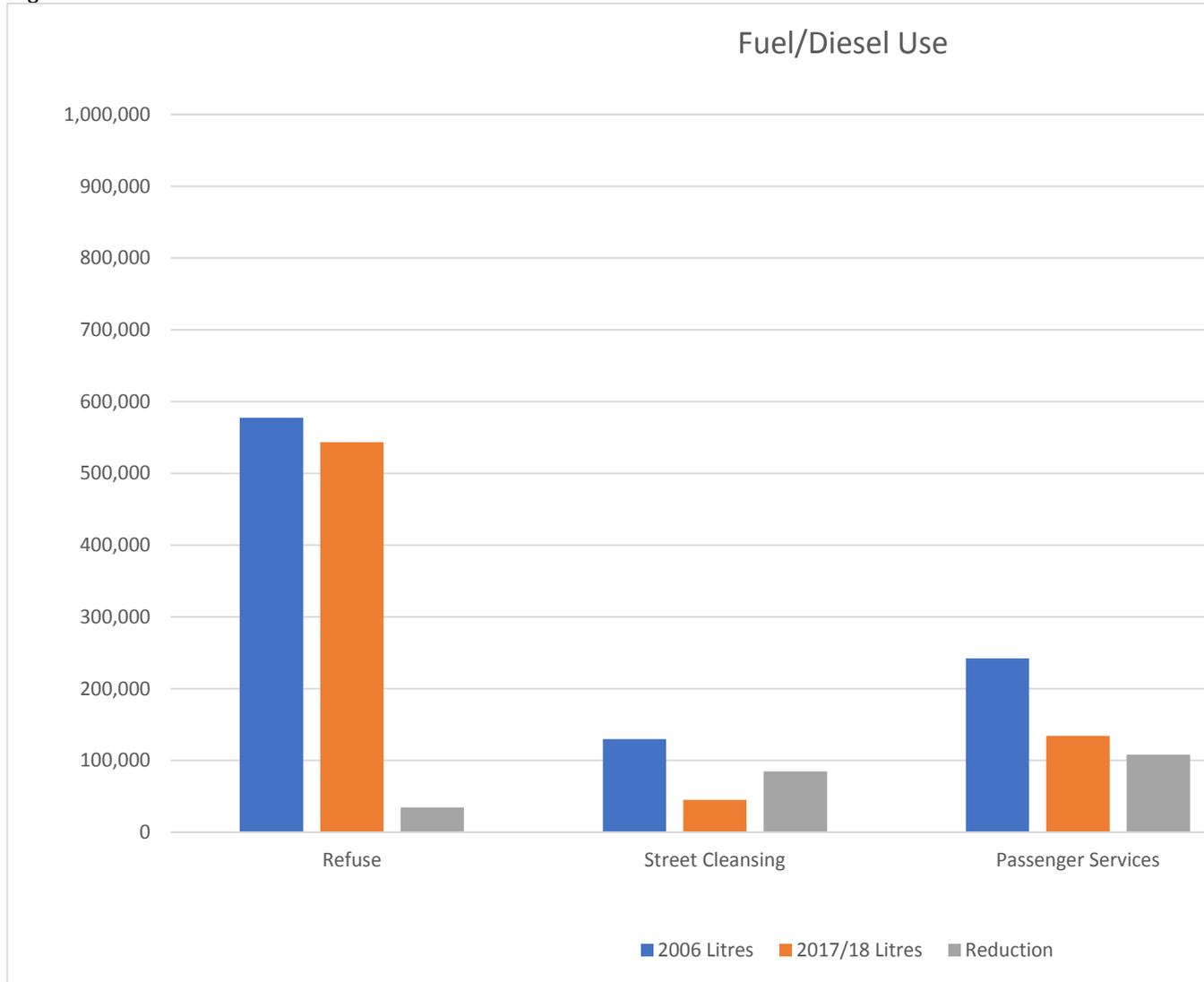


Fig 11



Appendix 1 – Environment Division Budget Cuts

		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Ref	Service	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CUS02	Bereavement Services	55						
CUS04	Green Scene	35						
CUS05	Green Scene	30						
CUS06	Green Scene	77						
CUS10	Refuse Collection Service	67						
CUS11	Refuse Collection Service	30						
CUS18	Strategic Waste Management	160						
CUS37	Street Management	250						
CUS02	Beckenham Place Park, Bereavement Services, Refuse & Fleet Services	53						
CUS03	Refuse Collection Service	270						
CUS07	Green Scene		250					
N1	Reorganise environmental services, close and cease to maintain a number of small parks		152					
N1	Reorganise environmental services, close and cease to maintain a number of small parks		188					
N2	Street sweeping		340					
N2	Street sweeping		60					

D1	Annual reduction in the allocation of non-pay inflation			?				
N3	Waste Review (Collection / Disposal)			600				
N5	Review of Lewisham's Fleet and Passenger Transport Service			500				
N6	Other Environment Savings & Income			250				
G2e	Parking: Review service level arrangements.				250			
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			
CUS02	Income Generation – Increase of Garden Waste Subscription						278	
CUS03	Income Generation - Events in Parks						200	
CUS04	Income Generation – Increase in Commercial Waste Charges						150	
CUS05	Increase charge for the collection of Domestic Lumber from households						30	
CUS06	Bereavement Services increase income targets						67	
CUS08	Close the four remaining Automated Public Toilets						92	

CUS02	Income Generation – Increase of Garden Waste Subscription							485
CUS04	Income Generation – Increase in Commercial Waste Charges							300
CUS06	Bereavement Services increase income targets							67
	Total	1,027	990	1,350	1,250	-	817	852

Public Accounts Select Committee		
Report title	Financial Forecasts 2019/20	
Key decision	No	
Ward	N/A	
Contributor	Executive Director for Corporate Services	
Class	Part 1 (Open)	24 th September 2019

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecasts for 2019/20 as at 31st July 2019, noting any exceptional items to the end of August 2019. The key areas to note are as follows:
- i. There is a forecast overspend of 4.0m against the directorates' net general fund revenue budget. This is set out in more detail in sections five to nine of this report. The main budget pressures are in the Children's & Young People and the Housing, Regeneration & Environment directorates.
 - ii. The Dedicated Schools Grant (DSG) is expected to balance at the year end. There are nine schools with loans totaling £2.4m. This is set out in more detail in section 10 of this report.
 - iii. The Housing Revenue Account (HRA) is currently projecting a balanced budget position. This is set out in more detail in section 11 of this report.
 - iv. As at 31st July 2019, some 26.9% of council tax due and 38.0% of business rates due had been collected. At this point last year, 26.9% of council tax due and 40.5% of business rates due had been collected. This is set out in more detail in section 12 of this report.
 - v. The Capital Programme spend as at 31st August 2019 is £50.1m, which is 25% of the revised 2019/20 budget of £197.3m. At this point last year, 19% of the revised budget had been spent, with the final outturn being 82% (£71.1m) of the revised budget of £87.0m. This has been set out in more detail in section 13 of this report and the appended documents.

2. PURPOSE

- 2.1 The purpose of this report is set out the financial forecasts for 2019/20 as at the end of July 2019, noting any exceptional items to the end of August 2019, and projected to the year end.

3. RECOMMENDATIONS

- 3.1 The Public Accounts Select Committee is asked to:
- 3.3.1 Note the current financial forecasts for the year ending 31 March 2020 and the action being taken by the Executive Directors to manage down the forecasted year-end overspend.

3.3.2 Note the current position on the Oracle Cloud implementation as set out in Section 9 of this report.

4. POLICY CONTEXT

4.1 This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the borough's residents.

4.2 The information set out in the body of this report is consistent with the delivery of the Council's corporate priorities (contained within the new Corporate Strategy 2018-22), and is particularly relevant to the Council's strong and resilient framework for prioritising action has assisted the organisation in the face of austerity and on-going cuts to local government spending. This continues to mean, that even with the prospect of the most daunting financial challenges facing the Council and its partners, the Council continues to work alongside our communities to achieve more than it could by simply working alone.

5. DIRECTORATE FORECAST OVERTURN

5.1 The forecasts against the directorates' general fund revenue budgets are shown in Table 1 below. In summary, a forecast year end overspend of £4.0m is being reported as at the end of July 2019. At the same time last year, an overspend of some £11.4m was forecast.

Table 1 – Overall Directorate position for 2019/20

Directorate	Gross budgeted spend	Gross budgeted income	Net budget 2019/20	Forecast over/ (under) spend July 2019	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m	£m
Children & Young People (1) (3)	68.7	(9.8)	58.9	3.2	3.0
Community Services	177.6	(85.9)	91.7	(2.2)	(2.1)
Housing, Regeneration & Environment	119.8	(85.1)	34.6	2.1	2.7
Corporate Services (2)	61.8	(27.7)	34.1	0.9	1.0
Directorate Totals	427.9	(208.5)	219.4	4.0	4.6
Corporate Items	23.6	(0.0)	23.6	0.0	0.0
Net Revenue Budget	451.5	(208.5)	243.0	4.0	4.6

(1) – gross figures exclude £290m Dedicated Schools' Grant expenditure and matching grant income

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

(3) – includes £5.4m of once-off funding for 2019/20 to be reviewed in 2020/21

5.2 Since the last report the budget has been amended to reflect the Council's new directorate structure. The Customer Services directorate has been re-named the 'Housing, Regeneration & Environment' directorate and the Resources & Regeneration directorate has been re-named 'Corporate Services'.

5.3 Within these directorates, the Regeneration & Place and Planning divisions have moved from Corporate Services to Housing, Regeneration & Environment. The Public Services and IT & Digital Services divisions have moved the other way. For ease of

explanation, the following tables provide a reconciliation of the Council's revised structure following the divisional movements between directorates for the previously reported position to the end of May 2019.

Table 2a – Reconciliation of Council structure changes: Housing, Regeneration & Environment directorate

	Gross budgeted spend	Gross budgeted income	Net budget 2019/20	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m
Customer Services May 2019 budget	102.4	(59.6)	42.8	3.7
<i>plus:</i>				
Regeneration & Place division	50.0	(42.1)	7.9	0.4
Planning division	2.7	(2.0)	0.7	0.0
<i>less:</i>				
Public Services division	29.6	(18.6)	11.0	0.6
IT & Digital Services division	5.7	0.0	5.7	0.8
Housing, Regeneration & Environment July 2019 budget	119.8	(85.1)	34.6	2.7

Table 2b – Reconciliation of Council structure changes: Corporate Services directorate

	Gross budgeted spend	Gross budgeted income	Net budget 2019/20	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m
Resources & Regeneration May 2019 budget	79.2	(53.2)	26.0	0.0
<i>plus:</i>				
Public Services division	29.6	(18.6)	11.0	0.6
IT & Digital Services division	5.7	0.0	5.7	0.8
<i>less:</i>				
Regeneration & Place division	50.0	(42.1)	7.9	0.4
Planning division	2.7	(2.0)	0.7	0.0
Corporate Services July 2019 budget	61.8	(27.7)	34.1	1.0

5.4 It should also be noted that for this annual reporting cycle, a couple of divisional names have changed from those which had been used in reporting the divisional financial positions in previous years. These are as follows:

- Targeted Services and Joint Commissioning *is now* Joint Commissioning and Early Help
- Technology and Change *is now* IT and Digital Services

6. CHILDREN AND YOUNG PEOPLE'S SERVICES

- 6.1 Based on the July 2019 financial position, there is an anticipated overspend of £3.2m for the Children and Young People's Directorate. This is a continuation of the pressures identified in 2018/19 supporting Special Educational Needs (SEN) Transport, Early Help (Troubled Families), Section 17 and the Youth Service.

Table 3 – Children & Young People Directorate

Service Area	Gross budgeted Spend	Gross budgeted income – including grants*	Net budget	Forecast Outturn for 2019/20	Forecast over/ (under) spend July 2019	Forecast Outturn as at the end of May 2019
	£m	£m	£m	£m	£m	£m
Children's Social Care	43.7	(0.9)	42.8	44.0	1.2	1.0
No Recourse to Public Funds	4.0	(0.0)	4.0	3.0	(1.0)	(1.0)
Education, Standards and Inclusion	11.2	(1.7)	9.5	11.4	1.9	1.9
Joint Commissioning and Early Help	9.8	(5.5)	4.3	5.4	1.1	1.1
Schools	0.0	(1.7)	(1.7)	(1.7)	0.0	0.0
Total	68.7	(9.8)	58.9	62.1	3.2	3.0

* The government grants include the Adoption Reform Grant, SEND reform grant, Troubled Families grant.

- 6.2 The most significant pressures in the current financial year relate to transport for SEN pupils of £1.9m and Early Help of £1.1m.

6.3 Children's Social Care

- 6.3.1 In 2018/19, the *Children Social Care* division reported pressures of £6.9m. The pressures, net of savings, have been funded from corporate resources for 2019/20. The directorate is progressing a placements strategy that reviews all aspects of placements and strategy. The strategy sets out how changes in demand and in client needs will be met, and how resources will be managed. Members will receive regular updates on this as the programme progresses.
- 6.3.2 A staffing reorganisation is also underway, with an interim structure imminent, while progress is made towards a long term review.
- 6.3.3 The *No Recourse to Public Funds* service has significantly reduced the number of households that are being provided with support from 100 cases in April 2018, to 78 at the end of the last financial year. The vast majority of cases closed are because households have regularised their immigration status which provides them with recourse to public funds. This has resulted in an underspend of approximately £1m as at the end of the last financial year, 2018/19. Indications for this finance report of following the new directorate structure for 2019/20, suggests that this level of underspend is expected to continue. The underspend is expected to partially offset the overspends in the following areas, these being Section 17 of £0.3m, Legal Fees of £0.2m and Looked After Children 'additional extras' of £0.7m resulting in a forecast net children's social care overspend of £0.2m. This was also the position reported as at the end of June 2019.
- 6.3.4 It should be noted that the majority of the children's social care budget relates to non-staffing spend committed in the main to fund children's placements. The table below shows placement numbers for four months, i.e. the last one month of 2018/19 and

the latest three months of the new financial year, 2019/20. The information is based on figures obtained from the Commissioning and Performance teams and is under continuous review to improve accuracy and consistency.

Table 4 – Looked After Children

Looked After Children Numbers (Average)				
	March 2019	May 2019	June 2019	July 2019
LA Fostering (including kinship)	197	170	164	167
Agency Fostering	196	207	206	197
Residential Children's Homes	45	43	44	46
Semi-Independent placements	36	33	41	39
Leaving Care 18+	397	311	313	333
Special Guardianship Orders	209	213	214	219
Total	1,080	977	982	1,001

6.4 Education Services

- 6.4.1 The main cost pressure within the *Education Services* division relates to SEN transport with a projected overspend of £1.9m. The overspend is consistent with the position for the previous two financial years. This is a demand led budget. Consistent with the national position, the Council has experienced an increase in the numbers of pupils with Education, Health and Care Plans (EHCPs). Officers are closely monitoring the impact of this. The Education Psychology (EP) and Specific Learning Difficulties (SPLD) team has pressure on the salary budget of £0.26m due to demand in the service, but this is alleviated by underspends in Young People Relate service of £0.15m and Business Support recruitment lag of £0.11m.
- 6.4.2 Officers continue to progress work to manage demand. A review into the Council's use of transport is being undertaken this year, but it is still too early to anticipate the full benefits in this financial year.

6.5 Joint Commissioning and Early Help

- 6.5.1 The *Joint Commissioning and Early Help* Division is reporting a budget pressure of some £1.1m for 2019/20. The early help offer for families is funded exclusively from the Troubled Families (TF) grant (attachment fees and payment by results). Although the Council's TF claims are at the level expected by the Ministry of Housing, Communities and Local Government (MHCLG), an unachievable savings income target set up in 2015/16, means that the service is again reporting a pressure of circa £0.9m. The TF grant may come to an end later this year and consideration will need to be given to future funding of this service.
- 6.5.2 A budget shortfall of £0.5m for the Youth Service contract, partially offset by an underspend in the Children's Centres budget of £0.3m accounts for the balance of the overspend. The contract is being reviewed as part of Early Help review which is currently underway.

6.6 Progress on Savings for 2019/20

6.6.1 The progress on revenue budget savings for the directorate have been set out in the table below. Saving proposals of £1.575m were agreed in setting 2019/20 budget. At the stage of the financial year it is expected that these savings are on track to be delivered in full. Work continues to monitor the impact of each of the individual proposals.

Table 5 – CYP Savings Tracker for 2019/20

Ref	Description	Division	£k	Comment
CYP01	More efficient use of residential placements	CSC	500	On track
CYP02	Improved placement process and more efficient systems with rigorous control through operating model and IT	CSC	250	On track
CYP03	More systematic and proactive management of the market for independent fostering	CSC	350	On track
CYP04	Commission semi-independent accommodation for care leavers	CSC	250	On track
CYP05	Residential framework for young people - Joint South East London Commissioning Programme	CSC	200	On track
CYP06	Cease funding for former CYP funded post in Voluntary Action Lewisham	Joint Commissioning/ Early Help	25	On track
	Total		1,575	

7. COMMUNITY SERVICES

7.1 As at the end of July 2019, the Community Services directorate is forecasting an underspend of £2.3m which represents an increase of £0.2m on the underspend position reported at the end of May 2019. At the same time last year, the year-end forecast was an overspend of £0.3m, with the actual year-end outturn being an underspend of £2.8m.

Table 6 – Community Services Directorate

Service Area	Gross budgeted Spend	Gross budgeted income	Net budget	Forecast Outturn for 2019/20	Forecast over/ (under) spend July 2019	Forecast over/ (under) spend May 2019
	£m	£m	£m		£m	£m
Adult Social Care	127.3	(54.8)	72.5	70.4	(2.0)	(2.1)
Cultural and Community Development	16.1	(7.8)	8.3	8.6	0.3	0.3
Public Health	14.9	(15.2)	(0.3)	(0.2)	0.0	0.1
Crime Reduction & Supporting People	18.2	(8.3)	9.9	9.4	(0.5)	(0.4)
Strategy & Performance	1.3	0	1.3	1.3	0.0	0.0
Total	177.8	(86.1)	91.7	89.5	(2.2)	(2.1)

7.2 The most significant cost variances for the directorate fall within the *Adult Social Care division*. The following sections provide a summary of the revenue forecast by division. It provides an explanation of the cause of the variance and any movements from the previous period. It also makes clear what the impact of any management

action or other intervention will have on the forecast projected to the year-end. Where any variance is impacted upon by demand driven activity, then these are also set out and made clear in this section.

7.3 Adult Social Care Services

- 7.3.1 An underspend of £2.0m is projected in the *Adult Social Care* division. The budget has been increased in 2019/20 by the precept of £2m to fund the rise in London Living Wage costs and a rise in the improved Better Care Fund grant of £2.8m. There are cost pressures arising from transition and other demographic effects and from increased costs of care arising from London and National Living Wage. However, the effects of these is less than the new level of resource available for 2019/20.
- 7.3.2 The variance is a £0.1m reduction from the previous reporting position with increased projected spend on packages and placements and enablement largely offset by reduced projections on mental health. This appears to be at least in part because of increased demand to speed up flow from UHL. In order improve the performance of Lewisham hospital, LGT are in receipt of support from the National Director of Urgent and Emergency Care and there is pressure on the community system, particularly adult social care. The impact of this has increased the cost of care and support as people discharged often require more intense and costly care and support.
- 7.3.3 Most of the revenue budget savings have been achieved. There has been improved management of enquiries and how these can be resolved by the staff who handle them. Such new approaches to demand management have reduced the numbers of older service users, particularly smaller care packages. An updated position of the progress of delivering the revenue savings has been set out in the table below.

Table 7 – Community Services Savings Tracker for 2019/20

Ref	Description	£k	Comment
COM01	Managing demand at the point of access to adult social care services	122	On track
COM02	Ensuring support plans optimise value for money	250	On track
COM03	Increase revenue from charging Adult Social Care clients	159	Saving now fully achieved despite auto charging and configuration still not complete – prospect to improve charging in 20/21
COM04	Reduce costs for Learning Disability and Transitions	900	Work in progress – partial achievement expected in 2019/20
COM05	Increased focus of personalisation	260	On track
COM06	Reduction in Mental Health Residential care costs	300	On track
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services	100	On track
COM09	Cut to intensive housing advice and support service	300	On track
COM10	Crime, Enforcement & Regulation reorganisation	255	On track

COM12	Cut to Main Grants budget	600	On track for full year; part year effect in 2019/20
COM13	Reduction in Arts, Development and Events Funding	85	On track
COM14	Reduce Local Assemblies funds	225	On track
COM16	Cultural and Community Development Service Staffing	75	On track
COM17	Ending the Small & Faith Fund	50	On track
	Total	3,681	

- 7.3.4 Consultation on a new staffing structure that is designed to increase the levels and skills mix of staff at the front door is currently in progress. This along with more effective use of short term interventions, such as enablement has contributed to some delay or reductions in the need for longer term care is being scoped. Work to improve systems with projected costs of £400k have been delayed. Once this is in place, further revenue savings on package and placement budgets will be possible through better demand management. These are difficult to quantify at this stage, and have currently not been reflected in the projections for this period.
- 7.3.5 Officers from within the services of Joint Commissioning and Adult Social Care are working proactively to identify appropriate and cost effective solutions that will reduce some of the costs associated with long term care and support. These reductions are work in progress and have not been factored into the projections.
- 7.3.6 The service is dealing with more complex levels of need from cases that are referred from the acute hospitals due to a reduced length of stay. In addition, the young people with special educational needs and/or disabilities that transition from children's services to adults' social care, tend to be more complex.
- 7.3.7 Additionally, there has been an unexpected increase in the number of residential and nursing placements for service users aged 18 to 65. Transition was expected to increase learning disabilities numbers, but there has been an increase of 20 placements (28%) on other client groups also. Officers are investigating the reasons for this and will consider whether they could be avoided.

7.4 Cultural and Community Development

- 7.4.1 The *Cultural and Community Development* service is currently projecting an overspend of £0.3m. This represents no material change to the position reported at May 2019.
- 7.4.2 The community sector grants programme is showing an overspend of £0.2m. This was highlighted in the Main Grants Programme 2019-22 report to Mayor & Cabinet on 24th April 2019. A revenue budget saving of £600k was taken against the 2019/20 grants budget. However, the new 3-year programme came into effect on 1st August 2019 meaning that the existing programme was extended for four months resulting in the £0.2m budget pressure. The full £0.6m saving will be achieved in a full year for 2020/21 onwards.
- 7.4.3 The Culture and Community Development core staffing team is currently in the process of being restructured in order to deliver a full year saving of £150k per annum. There may be currently unquantified statutory redundancy costs arising from this restructure which ER/VR panel have indicated will need to be covered from the

service budget. This could result in a budget pressure for 2019/20 which will impact on the deliverability of the 2019/20 element of the saving.

- 7.4.4 There is a potential overspend of £55k on the community centres budget which is resulting primarily from the resolution of outstanding commercial rent agreements on several of the community hub buildings where voluntary sector organisations are in occupation. The negotiations with these organisations are ongoing and progress has been made with the completion of some leases - once these negotiations are completed, outstanding lease amounts are back dated to reflect prior occupation. This potential pressure is either partially or totally mitigated moving forward.
- 7.4.5 There is a projected overspend on the Broadway Theatre budget of £35k due to additional staffing costs on marketing and promotion which is not expected to be covered from additional income generation. The pantomime agreement for 2019/20 is on a 'hire only' arrangement with the promoter excepting the risk and the hire fee fully covering our costs to prevent the risk of any potential overspend. There is a potential overspend of £13k on the Blackheath Firework event due to a shortfall in potential contributions to the event. However, there are ongoing discussions with the Royal Borough of Greenwich with regard to their contribution to the event in an attempt to alleviate this pressure. There is a projected underspend of £40k on the Libraries staffing budget resulting from staff turnover and vacancies.
- 7.4.6 The Adult Learning Lewisham (ALL) service has gross expenditure of £4m which it is anticipated will be fully covered for 19/20 from a combination of grant funding from the Education and Skills Funding Agency and the GLA of £3.4m and Student fee/other income of £0.6m.

7.5 Public Health

- 7.5.1 The *Public Health* division has a planned revenue budget saving on staffing which has not yet been delivered in full and therefore an overspend of £0.1m is projected. This is offset by an underspend on sexual health budgets.

7.6 Crime Reduction and Supporting People

- 7.6.1 The *Crime Reduction and Supporting People* service is currently projecting an underspend of £0.5m. This represents an increase of £0.1m in the underspend reported as at the end of May 2019. The primary changes are an increase in the underspend on Secure Remand placements of £40k due to falling activity and an increase of £40k in the underspend on Environmental Health staffing due to staff turnover and a problem recruiting and retaining suitable agency staff.
- 7.6.2 There is a projected underspend of £240k on the budget for secure remand placements in the Youth Offending Service. This in part is due to better demand management, the level of remand activity has continued to be relatively low based on numbers for the April to July 2019 period. This budget can be volatile as placements are at the discretion of the court based on the age/vulnerability of the young person and the nature of the offence. However, based on a combination of the reduced bed night numbers and an increase in annual grant funding received from the Youth Custody Service, a similar level of underspend is projected to last year.
- 7.6.3 There are a range of smaller variances across the division which total to a net underspend of £300k. These are as follows: environmental health staffing is projected to underspend by £90k due to increased staff turnover and the difficulty of

recruiting suitable agency staff in the Food Safety Team; the Youth Offending core staffing budget is projected to underspend by £40k due to recruitment lag in filling new and vacant posts within the service; crime, enforcement and regulation budget is projected to underspend by £60k from a combination of staffing, operational budgets and additional income generation; prevention & inclusion staffing budget is expected to underspend by £60k due to the part year impact of a staff secondment; and there is also expected to be an underspend of £50k on the supporting people service resulting from contract savings.

7.7 Strategy and Performance

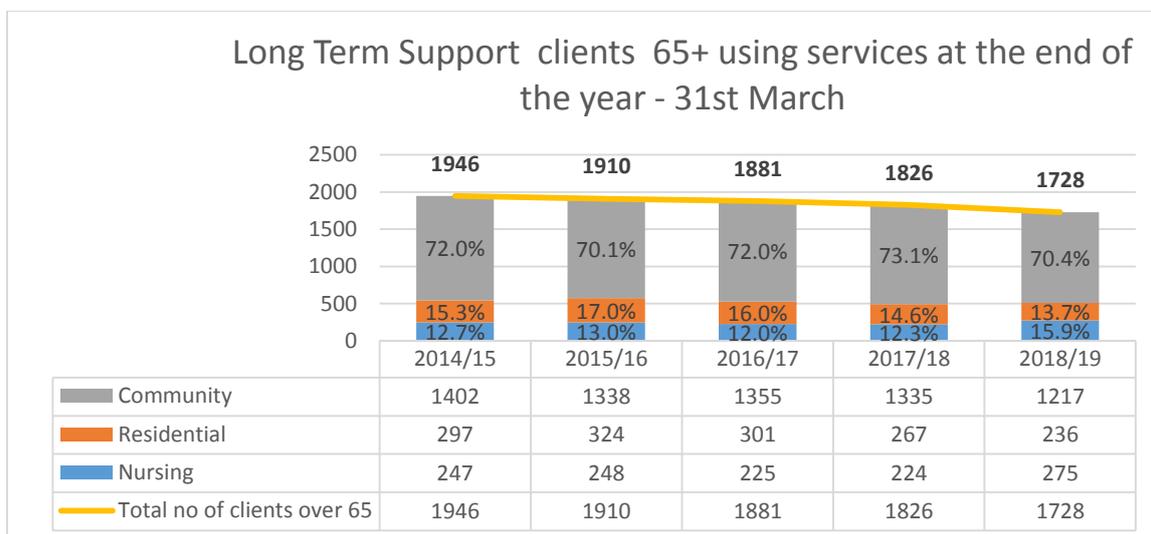
7.7.1 The *Strategy and Performance* division is projected to spend to budget.

7.8 Trends in activity

7.8.1 The following paragraphs show trends in activity in adult social care.

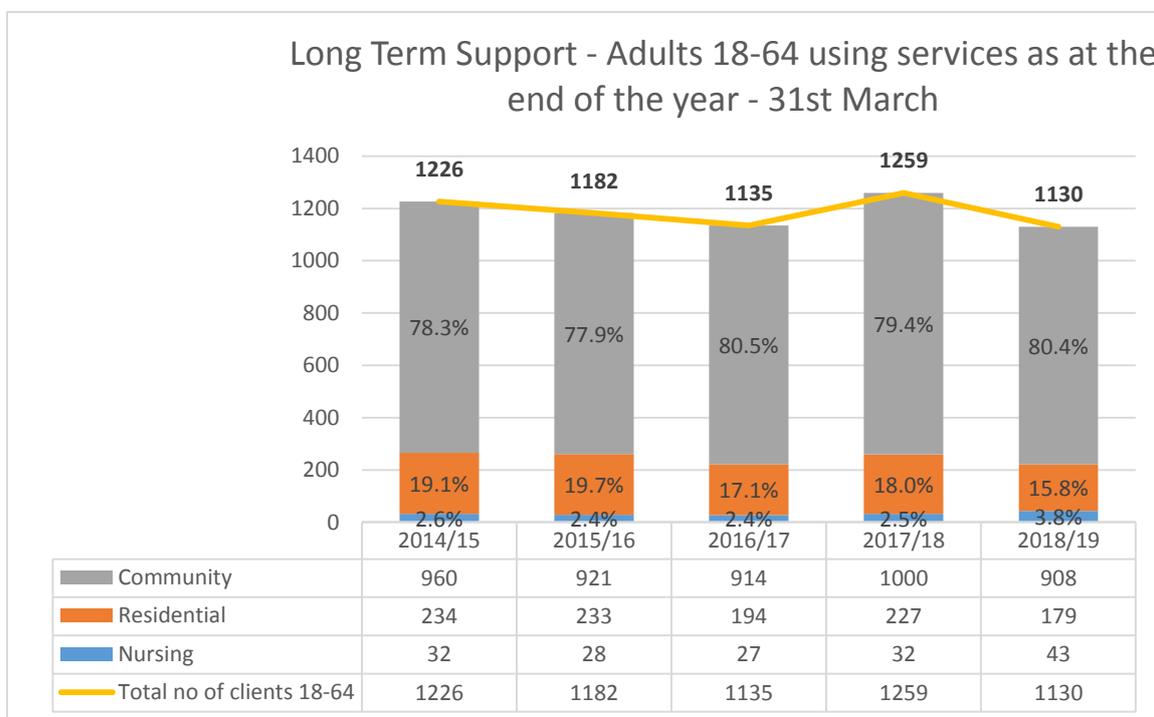
Overall Service Users

Table 8 – Adults 65+ in long term placements as at 31 March 2019



- The overall number of clients in receipt of a service at the end of the year decreased from 1,946 in 2014/15 to 1,728 in 2018/19, (an 11% decrease)
- The number of clients in residential placements decreased from 297 in 2014/15 to 263 in 2018/19, (an 11.4% decrease)
- However, the number of clients in nursing care placements increased by 23% over the period from 224 in 2017/18 to 275 in 2018/19

Table 9 – Adults 18-64 that received long term support as at 31 March



- The number of clients receiving a service at the end of the year decreased from 1,226 in 2014/15 to 1,130 in 2018/19, (an 8% decrease)
- However, the number of clients in nursing care placements at the end of the year increased by 34% over the period
- Residential placements showed 16% decrease over the period, typically the more complicated and expensive placements.

Table 10 – Increase in number of Personal Assistants (PAs)

Date	Employers	In-Year Employee Numbers	In-Year Hours	In-Year Increase in Hours	Annual Saving Compared to Agency Cost
Apr 2017	385		454,582		
Apr 2018	419	889	498,969	44,387	£197,523
Apr 2019	417	906	527,895	28,926	£131,902

7.8.2 Although the number of employers is not increasing as quickly as would be desired, there is a significant amount of work that goes in to recruitment to keep the numbers up as client's Direct Payments (DP) cease, and/or employment ends. On average, 125 employees left DP employment each year in 2017/18 and 2018/19. Additionally, our In-Year PA hours have increased year on year. If those increased hours were provided by care agencies this would have increased costs by £197,523 in 2017/18 and £131,902 in 2018/19.

Table 11 – Increase in use of Shared Lives

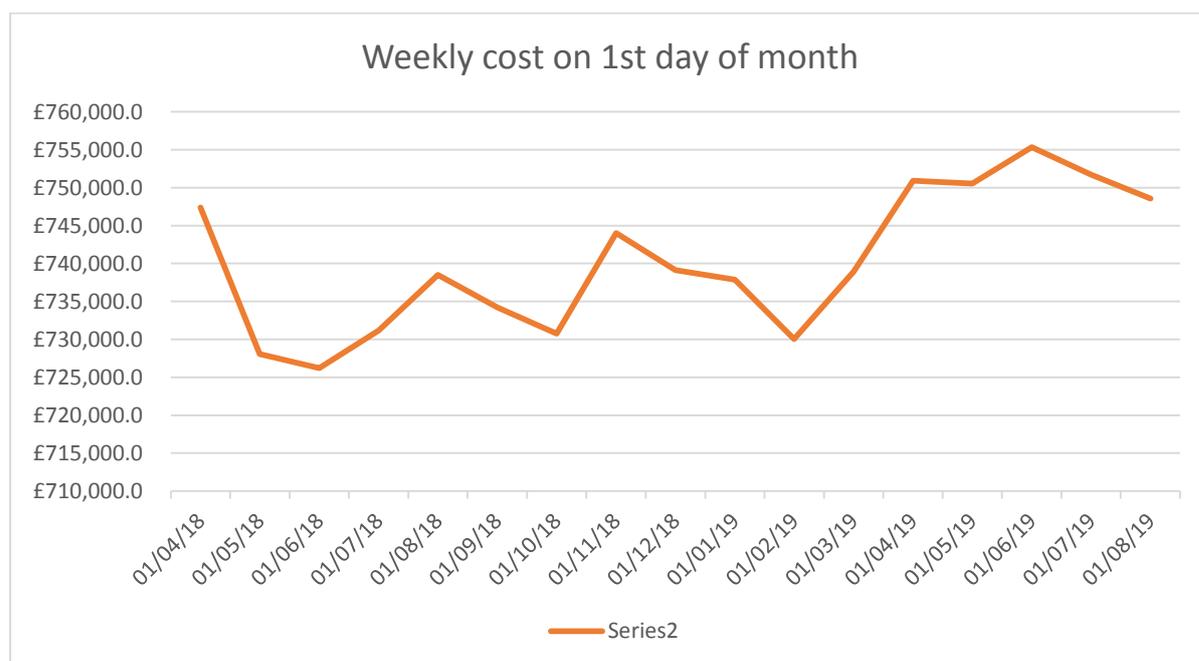
Date	Number of Shared Lives carers	Number of long term service users
April 2016	15	16
April 2017	15	17
April 2018	20	18
April 2019	25	20

7.8.3 Lewisham has increased the numbers of Shared Lives carers by 10 since 2017, officers are planning a further recruitment campaign in September 2019 to further increase the number of carers. Currently, an additional four service users are going through their induction prior to becoming long term.

7.8.4 Learning disability division - the service has been working on various areas of care costs, they have focused their work where they felt they can purchase more cost effective solutions. Working collaboratively with services users and families on assessed care and support needs. Between April 2019 and mid July 2019, there has been a reduction of £273,092 in care costs.

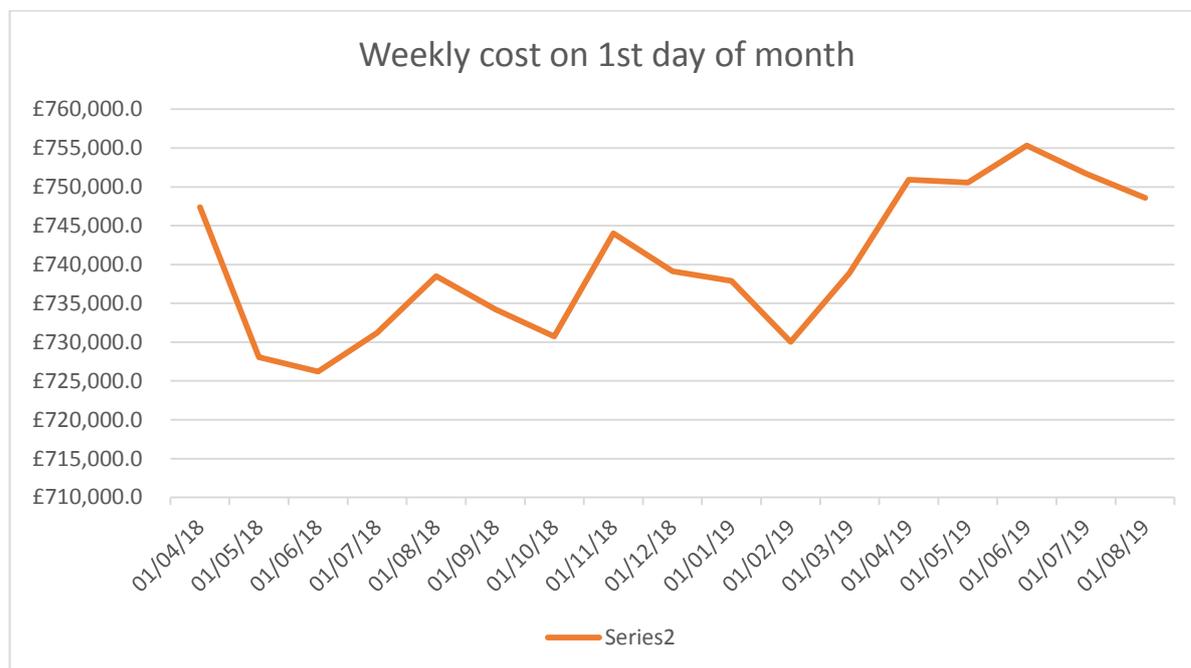
7.8.5 Gross service costs – 18 to 65

The graph below shows weekly costs of services for service users aged 18 – 65. Costs only include inflationary increases agreed and recorded on Controcc.



7.8.6 Gross service costs – 65+

The graph below shows weekly costs of services for service users aged over 65. Costs only include inflationary increases agreed and recorded on the Controcc system.



8. Housing, Regeneration & Environment Directorate

8.1 As at the end of July 2019, the Housing, Regeneration & Environment directorate is forecasting an overspend of £2.1m, an improvement of £0.6m on the position to the end of May.

Table 12 – Housing, Regeneration & Environment Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn 2019/20	Forecast over/ (under) spend July 2019	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m	£m	£m
Strategic Housing	28.7	(23.2)	5.5	5.5	0.0	0.0
Environment	37.4	(17.5)	19.9	22.2	2.3	2.3
Regeneration & Place	49.9	(42.1)	7.8	8.2	0.4	0.4
Planning	2.7	(2.0)	0.7	0.5	(0.2)	0.0
Reserves & Provisions	1.3	(0.6)	0.7	0.3	(0.4)	0.0
Total	120.0	(85.5)	34.6	36.7	2.1	2.7

8.2 The most significant cost pressures for the directorate fall within the *Environment* division. The following sections provide a summary of the revenue forecast by division. It provides an explanation of the cause of the variance and any movements from the previous period. It also makes clear what the impact of any management action or other intervention will have on the forecast projected to the year-end. Where any variance is impacted upon by demand driven activity, then these are set out and made clear in this section also. This section also provides a directorate summary of the progress being made on delivering agreed savings for

2019/20 and what impact if any, slippage on those savings is having on the overall directorate position.

8.3 **Strategic Housing**

- 8.3.1 The net budget for *Strategic Housing* in 2019/20 is £5.5m. The forecast position for July 2019 is for spend to budget. However, pressures are developing through the provision of incentive payments, the identified budgets having been depleted. This is under review and will be expected to be addressed for future budgets.
- 8.3.2 The budget for bed & breakfast (B&B) is forecast to spend to budget after the use of grants given specifically for this purpose (covering the HB limitation recharge). Throughout the year, new units will continue to come on line in our own stock and be complemented by the Hyde Acquisition properties, and the use of Privately Managed Accommodation (PMA). These will all contribute to reducing the requirement for additional B&B spend.
- 8.3.3 Actual numbers in B&B are at 693 tenancies at the end of July 2019 (704 in May). This number has been kept relatively stable over the last few months due to the continuation of incentive payments to landlords and clients (finding their own accommodation to rent). In 2018/19, a total of 593 preventions were made using this resource. If this resource was not available and these clients had to be housed in nightly paid accommodation, then this would have cost an additional £3.558m to the service.
- 8.3.4 PMA as a product is a cost to the council and will contribute to the pressure in the Housing division, but at a lesser extent than if B&B accommodation was used. PMA is currently forecast to under-spend by £57.6k (£149k underspend in May). Again, this is after the use of specific grant given for this purpose (covering HB limitation recharge). The total number of PMA stock at the start of the financial year is 359 units.
- 8.3.5 The forecast overspend in the Housing Needs Group is mainly due to salaries cost overruns. This is being discussed with the service group managers to identify potential posts which should be funded via specific new burdens and flexible homelessness support grant funding.
- 8.3.6 The Housing, Partnership and Development division is forecast to overspend by £213k (over spend £131k in May). The over-spend is a result of additional repairs costs on the PLACE Ladywell scheme as well as additional costs being incurred by the Strategic Housing and Development teams. This area is currently being updated to separately show the costs associated with the strategic housing management service and the new build and development service which is to be located under the Regeneration & Place service. This is now shown as separate units in the monitoring statement.

8.4 **Environment**

- 8.4.1 The *Environment* division is forecasting a net overspend of £2.3m, which is at the level previously reported. This is set against an overspend of £1.9m in 2018/19 and £0.8m agreed revenue budget savings for 2019/20. A more detailed report on the Environment division's spending position is considered elsewhere on this agenda.

- 8.4.2 The refuse collection services is forecast to be £1.5m overspent, accounting for almost two thirds of the total overspend in Environment. As seen in previous years, the overspends on vehicle costs for refuse services are reducing following the purchase of a number of new vehicles in 2018/19. However, there are still eleven hired in vehicles in use, which is expected to create an overspend position for this year of £0.6m, down from £0.7m last year. Mayor & Cabinet recently approved a report for the acquisition of a fleet of new Euro Low Emission Zone compliant vehicles. Once these vehicles have arrived, it will avoid the need to hire refuse vehicles.
- 8.4.3 There is also a shortfall of income projected for *trade refuse* of £0.3m, which is in line with the income shortfall in 2018/19. Work is being undertaken to analyse the customer base and develop more streamlined marketing contract and debt collection processes to increase the income stream from trade waste and in line with the recommendations of the APSE review. The staff costs are anticipated to exceed the budget by £0.6m, similar to 2018/19. An extra collection round was introduced at the beginning of 2018/19 to improve operational effectiveness with the expectation that this would not be required from 2019/20. However, this has not proved to be the case and is estimated to cost £0.2m per annum.
- 8.4.4 For strategic waste management services, the forecast overspend of £0.2m is being reported, an improvement of £0.1m since May. The pressures are due to claims by the Royal Borough of Greenwich for arrangements pertaining to the SELCHP contract in refuse disposal, unachievable income recharge budget, and overspends on staffing and supplies and services in civic amenities. A one year contract for the disposal of dry recyclables commenced on 1st July 2019 as an interim position. The existing contract expired as the current contractor does not wish to extend so this will allow sufficient time for a thorough procurement process. The cost is estimated at £1.3m, an increase of £0.4m on 2018/19, with the expectation this will be funded from corporate reserves as in previous years.
- 8.4.5 Whilst total waste collection volumes have decreased by 8% over the last five years, the contractual costs of disposal have increased at a greater rate. This has been magnified by the change in the mix, where volumes of incineration waste has declined by 14,000 tonnes (14%) whilst composting volumes have increased by 10,400 tonnes (576%) over the same period. The former is currently charged at £63.52 per tonne for disposal whilst the latter costs up to £78 per tonne. Recycled tonnages has actually decreased by almost 2,000 tonnes (10%) over the same period but the cost is forecast to increase by £0.4m this year as the unit cost has increased by £6.17 (8.4%) pursuant to a new dry recycling contract. It is difficult to quantify the costs of this service early in the year as tonnages and cost per tonne vary. These rising costs described above, faced with a 8% fall in volumes over five years require further analysis. The service will work on getting a better understanding of waste disposal volumes and how this drives costs both in terms of disposal and collection rounds needed. The table below sets out waste disposal volumes for the last five years.

Table 13 – Waste Disposal Volumes

Waste Type	2014/15	2015/16	2016/17	2017/18	2018/19	April - July 2019/20	2019/20 Forecast
Total waste sent for incineration	99,829	99,573	99,835	94,930	85,558	28,807	86,000

Total waste sent to landfill	372	856	958	499	362	46	100
Total waste sent for recycling	18,863	19,231	17,329	16,091	15,801	5,595	17,000
Total waste for composting	1,804	1,372	2,626	7,597	12,138	4,399	12,200
Total waste sent for re-use	725	992	1,303	1,050	811	274	790
Total waste sent for RDF	7,668	8,030	2,003	2,284	2,982	832	2,800
Total waste collected (tonnes)	129,260	130,055	124,055	122,451	117,653	39,953	118,890

- 8.4.6 A detailed review has been undertaken over the last few months by both the service and finance colleagues working in conjunction to identify and understand the reasons behind the ongoing budgetary pressures across the Environment Division. Particular focus on the refuse collection and disposal service.
- 8.4.7 The street management service is forecasting a £0.3m overspend, the same as 2018/19. Most of this overspend is due to staffing, with a small element of residual spend for public conveniences which should be centrally funded. Management are undertaking a detailed analysis of this staffing pressure to have a better understanding of the cost drivers.
- 8.4.8 *The green scene service is forecasting an overspend of £0.1m, the same level reported to the end of May 2019, partly in relation to the parks contract which expires on 1st March 2020. A balanced view has been taken on the likely contract cost for the year as there can be a significant degree of price volatility each month. There are shortfalls on the increased income budget of £0.1m and grounds maintenance costs in the arborists' service add £0.1m pressures. These pressures partially offset by £0.1m additional income in pest control.*
- 8.4.9 The passenger services budget is currently showing no net variance pending agreement on the impact of the implementation of the new Travel and Transport Programme. The cost of passenger services for 2019/20 is currently projected at £4.0m and under the current arrangements, it is anticipated that £3.9m of this cost will be recharged to directorates, predominately CYP (for SEN transport) and Community Services. The overall cost of the service is expected to be £0.2m higher than 2018/19 costs of £3.8m. Part of the costs increase is accounted for by the impact of April 2019 pay award on staffing costs and an inflation allowance of £0.1m was added to the Passenger Services budget in to account for this cost increase.
- 8.4.10 The fleet service is showing a net overspend of £0.1m in line with 2018/19 and 2017/18. Fleet hire rates are set at the beginning of the year to recover the costs of routine maintenance on the core fleet vehicles – the charges are expected to cover the cost of fleet staffing, external maintenance services and, parts. The costs of non-routine maintenance, fuel and hired in vehicles are all charged out to users at cost. The increasing age of the fleet has meant that the costs of routine maintenance are increasing each year and will not be fully recovered through the hire charges, resulting in a potential £0.1m variance.

8.4.11 Bereavement services is forecasting a net overspend of £0.2m, up from £0.1m projected overspend as at end of May 2019, due to increased charges for the coroners court service with the London Borough of Southwark and staffing costs overspend. LB Lewisham's contribution to the Coroners Consortium this year is £476k, an increase of £66k on last year and £86k more than budgeted. Forecast staffing costs have increased by £96k since May due to seasonal agency costs and overtime expected in the service and is showing an adverse variance of £99k against budget. With the increase in cost of burials from 1st April 2019, the expectation is a rise in income which is reflected by the £41k reduction in the net income budget to £396k. However, due to the nature of the service and the difficulty in predicting 'take-up' the service has projected a slight overspend in the 1st quarter and expect to review position in the 2nd quarter. The current numbers of deaths and resultant burials and cremations are significantly less than last year, suggesting that there will be a significant shortfall against the income budget which will be reflected next month once further analyses are completed. The service will incur additional expenditure in the year resulting from work to create four new burial plots at Hither Green and Grove Park Cemeteries; the cost of creating the plots is in the region of £27k and work has started. Cremation charges were reduced by 7.5% from 1st April 2019 with the aim of making services more affordable. Table 11 below sets out the numbers of burials, cremations undertaken by the service since 2011 and compares that to the total deaths in the Borough.

Table 14 – Burials and Cremations

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019 Estimate
Burials	554	542	529	505	494	529	499	589	498
Cremations	1,303	1,203	1,249	1,141	1,257	1,223	1,235	1,340	1,149
Our Services	1,857	1,745	1,778	1,646	1,751	1,752	1,734	1,929	1,647
Deaths	1,607	1,500	1,494	1,536	1,599	1,467	1,906	1,743	1,661
Cremations %	81.08%	80.20%	83.60%	74.28%	78.61%	83.37%	64.80%	76.88%	69.18%
Burials %	34.47%	36.13%	35.41%	32.88%	30.89%	36.06%	26.18%	33.79%	29.98%
Total %	115.56 %	116.33 %	119.01 %	107.16 %	109.51 %	119.43 %	90.98%	110.67%	99.16%
Cremations % Services	70.17%	68.94%	70.25%	69.32%	71.79%	69.81%	71.22%	69.47%	69.76%

8.5. **Regeneration & Place**

8.5.1 The Regeneration and Place division is forecasting a £367k overspend, (£74k improvement on May). Income from commercial rents is projected to underachieve the budget by £88k, partly due to void rent loss and limited rent review opportunities this year. Utility costs are forecast to exceed the budget by £173k due to rising prices. Business rates have also increased across the corporate estate as a whole, resulting in a budget pressure of £106k, but this will be funded corporately. The Building Control service is forecasting a £82k overspend due to re-absorption of two Customer Services staff (but without a budget transfer) and the recruitment of a third in order to maintain service delivery. A number of minor underspends across other service areas bring the forecast overspend down to £0.4m overall.

8.5.2 The breakdown of the forecast year-end position is set out in the following paragraphs. Note that the tables show service areas forecasting variances; they do

not include all service areas including those currently forecasting to spend to budget for the 2019/20 financial year.

8.5.3 Commercial Investment and Delivery: £1k underspend

Description	July Variance	May variance
Employee / Agency costs	(54)	(57)
Large format advertising	50	50
Total	(4)	(7)

There is a staffing underspend of £54k due to a vacancy.

Large format advertising: the Canadian Avenue and Molesworth Street car park income budget £50k is unachievable for 2019/20 as this has been unsuccessful at the planning stage and will no longer be taken forward.

8.5.4 Capital Programme Delivery: nil variance

Description	July Variance	May variance
Employee / Agency costs	670	712
Income fees	(670)	(712)
Total	0	0

All staffing costs for the CPD team have been recharged to the relevant projects and external grants.

8.5.5 Estate Compliance: nil variance

Description	July Variance	May variance
Corporate Estate:		
- Health & Safety	(50)	(50)
- Security	25	25
- Building Cleaning	25	25
Total	0	0

Corporate Estate:

- Health & Safety: underspend of £50k due to a delay in the risk tender process.
- Security – the forecast overspend of £25k is due to the 2019/20 increase in the London Living Wage.
- Building Cleaning – the forecast overspend of £25k is due to the 2019/20 increase in the London Living Wage.

8.5.6 Property Strategy: £302k overspend

Description	July Variance	May variance
Income from commercial rents	88	91
Utilities	173	173
Rates	0	106
Ex HRA properties	(40)	(38)
Building Control	82	78
Lewisham Town Hall	(1)	38
Total	302	448

Income Commercial Properties – there is an income shortfall of £88k forecast due to void rent loss and a limited number of rent reviews in this financial year to potentially increase rental income streams this financial year. Note that the 2018/19 outturn was a £99k overspend.

Utilities – overspend of £173k. Utility prices have risen; this has not been matched by a budgetary increase. In addition, there is an outstanding debt of £80k which is still in query with British Gas. Note that the 2018/19 outturn was a £292k overspend.

Rates – The overspend of the previous month of £106k for business rates will be funded corporately.

Ex HRA Properties – this is forecast to over-achieve the income budget by £40k as a result of a better than projected completion in lease renewals and rent reviews.

Building Control – overspend forecast of £82k. This is due to re-absorption of two Customer Services staff (but without a budget transfer) and the recruitment of a third in order to maintain service delivery.

Lewisham Town Hall – an increase in rent income from Lewisham Homes, in line with the lease conditions, has reduced the previous forecast overspend of £38k to £1k underspend.

8.5.7 Highways & Transport: £69k overspend (nil variance in May)

Description	July Variance
Income :Capital Fees	46
Income: Other	(37)
Employee/Agency Costs	60
Total	69

Income Capital Fees: Underachievement of capital fees is forecast at £46k due to the challenges of generating sufficient fees through the capital programme to meet the income target.

Income Other: Additional income for S278 and S106 is projected to bring in an extra £37k

Employee/Agency: The staffing costs for this service area is currently projecting to overspend by £60k due to providing temporary cover for staff for scheme delivery.

8.6. **Planning**

8.6.1 The Planning Service are forecasting a £218k underspend, £170k improvement on May's position.

8.6.2 Development Management are forecast to be underspent by £207k. This is a change of £203k since last month and is due to a substantial amount of planning fee income received in the last month. There was concern in the first few months of the year that fee income may not be as high as in previous years; however current forecasts show we should achieve similar levels to last year. Resourcing within the enforcement team is also being reviewed and may impact on the budget position.

- 8.6.3 Land Charges are forecasting a £11k underspend due to potential reduced staffing and supplies and services costs.
- 8.6.4 Strategic Planning are currently forecast to spend to budget. Corporate funding has been awarded to cover costs incurred in preparing the affordable housing supplementary planning document.
- 8.6.5 It should, however, be noted that the Council is in the process of preparing a new Local Plan, a statutory planning document setting out the council strategy and policies for future growth and change in the borough over a 15 year plan period; this has the potential to increase expenditure as a number of studies will need to be commissioned to contribute to the evidence base of the plan. This expenditure is likely to be incurred over 2019/20 and 2020/21. The Service are also managing greater demands for planning guidance where costs are unrecoverable. The implications of additional workstreams on budgets and resources are being kept under review.

8.7 **Reserves and Provisions**

- 8.7.1 Reserves and Provisions constitutes the costs of the directorate management team and provisions for pay and non-pay inflation. This has been shown separately and not aggregated with Public Services as in previous reports. During the month there was an agreed £300k funding transfer from corporate reserves to IT & Digital to pay for ongoing staffing pressures. The current underspend of £350k will be allocated to services within the directorate with underlying pressures in the autumn when there is greater clarity.

8.8 **Progress on Savings for 2019/20**

Table 15 - Housing, Regeneration & Environment Progress on Savings

Ref	Proposal	Division	19/20 Savings £'000	19/20 Forecast £'000	Comments
CUS02	Income Generation – increase of Garden Waste Subscription	Environment	278	228	Based on current subscription of 9,500 customers @ 80 per annum. Subscribers increasing (70 per week), likely to average 50 per week until autumn. Likely to be closer to achieve income target.
CUS03	Income Generation – Events in Parks	Environment	200	150	Based on current events planned
CUS04	Income Generation – increase in Commercial Waste Charges	Environment	150	0	Ongoing review of potential and existing trade customers and improved operational processes
CUS05	Increase charge for the collection of Domestic Lumbar from households	Environment	30	0	Agreed proposal is based on four items per visit which differs from original proposal based on 3 items per visit

CUS06	Bereavement Services – increase income targets	Environment	67	67	Income difficult to forecast dependant on death rate and uptake of services. Based on lower numbers of deaths, cremations and burials to date than last year, target not likely to be achieved – analysis underway to inform next month's reporting
CUS08	Close the four remaining Automated Public Toilets	Environment	92	92	Any overspend to be met by corporate as per proposal. Full closure expected July 2019.
CUS09	Cost reductions in homelessness provision – income generation and net	Strategic Housing	405	405	Risk remains the numbers in bed & breakfast will not reduce as planned
RES11	Increase in pre-application fees	Planning	100	100	On-track
RES14	Corporate Estate Facilities Management Contract Insourcing	Regeneration & Place	100	100	FM advised 20/21 not achievable, should only be £100k in total
RES17	Beckenham Place Park – income generation	Regeneration & Place	28	28	On-track
RES18	Electric Vehicle charging points	Regeneration & Place	50	0	Delayed, awaiting contract sign off
Total			1,500	1,170	

9. CORPORATE SERVICES

9.1 As at the end of July 2019, the Corporate Services directorate is forecasting an overspend of £0.9m. The overall position has been set out in Table 14.

Table 16 – Corporate Services Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn for 2019/20	Forecast over/ (under) spend July 2019	Forecast over/ (under) spend May 2019
	£m	£m	£m		£m	£m
Corporate Resources	5.7	(3.2)	2.5	2.5	0.0	0.0
Corporate Policy & Governance	5.1	(0.3)	4.8	4.4	(0.4)	(0.4)
Financial Services	4.5	(1.4)	3.1	3.3	0.2	0.2
OD & Human Resources	2.7	(0.2)	2.5	2.3	(0.2)	(0.2)
Legal Services	3.4	(0.5)	2.9	2.9	0.0	0.0
Strategy	5.1	(2.8)	2.3	2.3	0.0	0.0
IT & Digital Services	5.7	0.0	5.7	6.5	0.8	0.8
Public Services	29.6	(18.6)	11.0	11.5	0.5	0.6
Reserves	0	(0.7)	(0.7)	(0.7)	0.0	0.0
Total	61.8	(27.7)	34.1	35.0	0.9	1.0

- 9.2 The *Corporate Resources* division is forecasting a balanced budget position at year end.
- 9.3 The *Corporate Policy and Governance* division is forecasting an underspend of £0.4m. This is mainly on staffing budgets, including the vacant Chief Executive's post.
- 9.4 The *Financial Services* division is forecasting a £0.2m overspend primarily on the staffing budget. This partly relates to a delayed budget saving as per the savings tracker below this section.
- 9.5 The *Organisational Development and HR* division is forecasting a £0.2m underspend. There is an underspend on staffing budgets due to vacancies and also higher than budgeted income is being forecast in relation to Occupational Health and Learning & Development.
- 9.6 The *Legal Services* division is currently forecasting a balanced budget position at year-end.
- 9.7 The *Strategy* division is currently forecasting a balanced budget position at year-end.
- 9.8 The *IT & Digital Services* division is currently forecast to end the year with an overspend of £0.8m due to anticipated additional costs of the Shared ICT Service (£0.6m). Following a licence review, settlement for Microsoft licensing of £0.4m is being funded as a once-off from corporate resources for this year, however there is an ongoing annual pressure of £0.3m that will need to be accommodated. There is also additional pressure within the Finance and HR systems (£0.2m) due to the introduction of Oracle Fusion. The current service delivery and costs for the shared service remain under review as the required performance standards are not currently being met.

Public Services

- 9.9 The *Public Services* division is forecasting an overspend position of £0.5m at the year-end, the main areas of budget variance are set out below:

Service Area	Net budget	Forecast over/ (under) spend July 2019
	£m	£m
Revenue Services	2.6	0.2
Housing Benefits	11.3	0.0
Emergency Planning & Admin	0.9	0.2
Service Point	2.0	0.3
Corporate Information Management	0.0	0.0
Parking Services	(5.8)	(0.2)
Total	11.0	0.5

- 9.10 For the *Revenue* services area, an overspend of £0.2m is anticipated, with £0.3m in the central debtors team, primarily due to staffing and agency overspends. The Integrated Financial Transactions Team are also forecasting an overspend of £0.1m mainly due to agency staff, but this is under review whilst it is clarified whether any

staff should be charged to the Oracle Project. A shortfall income of £0.1m is also anticipated for the enforcement service. Forecast underspends of £0.3m exist in the revenues operation and business rates support & development teams mainly due to staffing. The service is in the final phase of a restructure and recruitment process, with continued realignment of the budgets. Whilst there is little change to the overall variance for the service, there continues to be significant movement in the forecast for individual teams. This situation will continue for a few months until the restructure and consequent recruitment are complete.

- 9.11 The *Housing Benefits Service* is projecting a balanced budget. The overall variance is due to a combination of a £0.4m forecast staffing overspend in the Housing benefit admin team (the budgets need review and realignment) and a £0.3m forecast underspend in concessionary fares; the latter is due to lower settlement figures from TfL based on the number of Freedom Pass holders. The local support scheme provides small loans and grants to at risk individuals in the case of a crisis or emergency. The service is funded from one off grant income received in previous years from the DWP. This funding is due to run out this year and officers are working to conclude the scheme. There is a risk that the funding will run out before the service has been concluded.
- 9.12 Housing Benefits Subsidy is forecasting a £0.5m overspend. The reductions in overpayment income and bad debt requirement are the main drivers for the ongoing budget pressure within Housing Benefit Subsidy. This budget pressure is likely to increase and be reflected in future months, and will be managed corporately. A full review of the budget related to housing benefits and universal credit will be undertaken once the announcement around funding arrangements are known.
- 9.13 An overspend of £0.2m is forecast for the *Emergency Planning & Administration* service mainly due to a £0.2m overspend in the Complaints, Casework and Information Governance team. Overspend on agency staff of £0.3m is partially offset by schools buy back income £0.1m more than budgeted and small underspends on supplies and services; within the same service the Emergency Planning team has a very small overspend on permanent staff.
- 9.14 *Service Point* is projecting a £0.3m overspend, mostly due to £0.4m staffing pressures in the Customer Service Centre team (partially offset by £0.2m overachievement on license and permit income) and £0.2m underachievement of recharge income in the in-house printing service. The Front of House team is forecasting a small underspend of £0.1m, although this has reduced slightly this month. Re-alignment of the staffing budgets for the Customer Service Centre and Front of House teams will be actioned next month following completion of the review of outstanding budgetary disaggregation issues of the former Business Support team; this will inevitably lead to significant swings in variances across these two teams.
- 9.15 The gross costs of the *Parking* service are forecast at £0.2m above budget, due to the increase in bank charges arising from the rise in cashless parking charge payments. Legal costs and business rates are also overspent by £0.1m, partially offset by a small staffing underspend in the team. This is expected to be offset by a favourable variance of £0.5m from fixed penalty notices and pay and display charges, creating a £0.2m surplus for the service. Management are confident that this position will improve by the end of the financial year. However, it is too early to project what this sum will be as there are too many variants including the reliance on motorists' behaviour.

9.16 The table below summarises the progress on delivering budget savings agreed for 2019/20:

Table 17 – Corporate Services Savings Tracker for 2019/20

Ref	Description	Division	Amount	Comment
CUS01	Printing reduction	IT & Digital	£100k	Part of shared service contract
CUS10	Invest to save – create revenues protection team	Public Services	£806k	Work in progress
CUS12	Invest to save – Housing Benefit overpayment recovery improved	Public Services	£480k	Work in progress
CUS14	Parking Service revenue review	Public Services	£500k	On-track
RES01	Benefits Realisation of Oracle Cloud	Finance	£90k	Delayed
RES02	Legal fees increase	Legal	£50k	On-track
RES05	Withdrawal of Councillor Car Run Delivery Service	Policy & Governance	£10k	Car run ended – saving delivered. Alternative arrangements for those not signed up to electronic copies
RES06	Increase income supporting the Funding Officer post and review the Economy and Partnerships Function	Strategy	£30k	On-track
RES08	Insurance costs – premium reduction	Corporate Resources	£30k	On-track
RES09	Insurance costs – self-insurance reserves	Corporate Resources	£200k	On-track
RES10	Cease graduate programme	OD & HR	£78k	On-track
RES16	Commercial Property Investment Acquisitions	Corporate Provisions	£140k	On-track
Total			£2,514k	

Corporate Provisions and Use of Reserves

9.17 The following are examples of activity in 2019/20 that will draw on corporate reserves and provisions for 2019/20, the impact of which has already been reflected in the latest financial forecasts position. These include:

- IT licences, specifically for Microsoft software. The equates to £425k of which £300k has been put into the base for 2019/20 and 2020/21, with a once-off allocation of £125k for 2019/20
- Deprivation of Liberty Safeguards (DoLS). Additional staffing to support Adult Social Care work – £90k on-going
- Sanctuary Borough - £30k ongoing to 2022, then to be reviewed, to support a coordination post in line with this corporate priority
- Borough of Culture - Once off project management support of £35k, with the possibility of once-off underwriting of £1m income target
- Transformation feasibility and development
 - New homes programme - £700k in Regeneration team pending arrangements to charge to developments / capital
 - Business Rates increase for Regeneration and Place - £160k
 - Controcc upgrade for adults and children business case - £50k
 - Finance review by CIPFA- £40k

9.18 A further update will be provided for the reports being presented to the Public Accounts Select Committee and Mayor & Cabinet on 24th September and 10th October, respectively.

Oracle Cloud Update

9.19 The existing budget for the Oracle Cloud Programme was established and formally agreed at £4.975m by Mayor & Cabinet at the start of the programme in the spring of 2017. This budgetary allocation has enabled the Council to deliver the first phase of the integrated solution which broadly includes, the developments of the business case and options appraisal; the procurement exercise to acquire the services of a systems integrator and the purchase of the software solution itself.

9.20 The Council successfully went live in May 2018 with core HR, finance and e-procurement, budget management and the recruitment module in May 2018. In addition, the Council has delivered the council-wide budget monitoring tool (PBCS) and the new recruitment platform, Taleo. Officers continue to work through resolving some remedial issues.

9.21 The second phase of the Oracle programme which broadly includes the elements for the payroll function, employee self-service and manager self-service has continued to progress since April last year. Although the implementation for this element of the programme was expected to go-live in April 2019, significant delays have occurred, mainly around ensuring the validity of data migration activity. The revised re-phasing of the overall programme has been working towards a go-live date in the autumn of 2019. This phase of the programme also includes the training offer for staff across

the organisation and the acquisition of a perpetual read only licence for the Council's legacy system. This is all subject to additional resources being secured and a formal recommendation will be put forward to Mayor & Cabinet in October to secure the additional resources for this phase and that's expected to be up to a once-off cost of £2.5m.

- 9.22 It is important to recognise that there are revenue budget savings which have been made through the implementation of Oracle through negating the need to purchase subscriptions for a number of other third party solutions. There have also been overall licence fee reductions through no longer using Oracle R12 and where the Council will soon no longer need to use ResourceLink for payroll and HR activity. However, the real benefits will be realised over time. The overall benefits which have already been realised and those benefits to be realised in full is subject to an 'insight' review which will take place in the autumn.

10. DEDICATED SCHOOLS' GRANT

- 10.1 The Dedicated Schools Grant (DSG) for 2019/20 has provisionally been set by the Department for Education at £291.1m, a change of £110k net has occurred in July and this is due to a small amount decrease in the HNB of £108k and an increase of £322k in the Early years amount. Update in pupil numbers could result in changes to the grant. Of this, £24m relates to Early Years. This is a provisional figure which will be confirmed later in the year.
- 10.2 Further grants are given to schools and routed through the local authority. These include the pupil premium (£12.9m), post 16 funding (£5.7m) and the universal free school meals grant (£3.8m) making total funds of £313.3m. This figures are based on last year's allocation and have yet to be formally approved.

Schools

- 10.3 It should be noted that schools are continuing to use surpluses to balance budgets which indicates that the situation could potentially worsen in time subject to the outcome of the spending review. A clearer picture of the expected position at the end of this financial year will be available when the deadline for submitting school budget plans has passed at the end of June.
- 10.4 There are nine schools with loans with a total balance of £2.4m. Of these, six are secondary schools and two are Primary schools and one all through. Work in the coming year will focus on ensuring schools with deficits have a sustainable budget recovery plan.
- 10.5 The central side of the DSG is expected to end the year in balanced budget position.
- 10.6 The Dedicated Schools Grant (DSG) for 2019/20 has provisionally been set by the Department for Education at £291.1m, although this will change during the year to reflect updated pupil numbers. Of this, £24m relates to Early Years. This is a provisional figure which will be confirmed later in the year.
- 10.7 Further grants are given to schools and routed through the local authority. These include the pupil premium (£12.9m), post 16 funding (£5.7m) and the universal free school meals grant (£3.8m) making total funds of £313.5m. This figures are based on last year's allocation and have yet to be formally approved.

High Needs Support

- 10.8 To date Lewisham has successfully managed to provide its High Needs Support within the allocated DSG high needs budget. This has been a result of partnership working with Schools (and schools forum) and where possible Lewisham approach to place pupils in our own provision.
- 10.9 The funding for High Needs is based on a baseline that was determined in 2012/13, which was prior to the changes established as part of the SEND reforms. For example the LA liability is now 0 to 25 age. The baseline was determined when the scope was from 5 to 19 age. This is just an example. Overall the number of Education Health Care plans is continuing to increase coupled with increase in severity and price. A paper was presented to Schools forum in January noting the potential pressures on the High Needs Block. Schools Forum has agreed to support the High Needs Block with funds of circa £1m for 2019/20. We are continuing to work with Forum to review practices with a view to working within budget.
- 10.10 It is important to emphasise that this is a national issue and several meetings have now taken place with London councils as part of a lobby process.

11. HOUSING REVENUE ACCOUNT

- 11.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2019/20. The balanced HRA budget seen in the table includes a budgeted surplus of £3.0m, which is to be transferred to reserves at year end as a part of the 30 year HRA business plan. At this relatively early stage of the new financial year, no variation is being reported.
- 11.2 Repairs & Maintenance (R&M) is forecasting spend to budget. There was an overspend in this area in 2018/19. This area will be closely monitored in 2019/20 to ensure that this does not re-occur and costs contained within overall allocations.
- 11.3 The current 30 year HRA financial model has been recently refreshed, with the final outturn for 2018/19 as well as the latest updates for the new build programme and general capital programme incorporated into the plans. Budgets will be updated to reflect starting stock numbers from 1st April 2019 to reflect the latest position.

Table 18 – Housing Revenue Account

Service Area	Expenditure Budget	Income Budget	2019/20 budget	Forecast over/ (under) spend July 2019	Forecast over/ (under) spend May 2019
	£m	£m	£m	£m	£m
Customer Services – Housing	17.3	(3.5)	13.8	0	0
Lewisham Homes & R&M	37.9	0	37.9	0	0
Resources	1.5	0	1.5	0	0
Centrally Managed Budgets	48.3	(101.5)	(53.2)	0	0
Total	105.0	(105.0)	0	0	0

12. COLLECTION FUND

- 12.1 As at 31st July 2019, some £51,343,776 of council tax had been collected. This represents 35.15% of the total amount due for the year. This is below the profiled collection rate of 0.40% if the overall target for the year of 96% is to be met. At the same time last year, the collection rate to date was 35.05%.
- 12.2 Business rates collection is at 45.74%, a decrease of 1.84% compared to the same period last year, and 0.13% higher than the profiled collection rate if the overall target rate for the year of 99% is to be achieved.
- 12.3 The tables below shows the council tax and business rates collection rates and values for 2019/20:

Table 19 Council Tax Collection 2019-20 (Actual against profiled)

Cash needed to meet 100% (monthly)	Cash Collected (cumulative)	Cash Collected (monthly)	Cash needed to meet 96% Profile	difference between collected and 96% profile	Current Year Collection Rate%	Previous Year Collection Rate (2018-2019)	Difference	Required Collection Rate to reach 96%	Difference
16,489,010	15,924,058	15,924,058	15,995,627	-71,569	10.94%	10.79%	0.14%	10.95%	-0.01%
29,316,827	27,849,342	11,925,284	28,186,667	-337,326	19.15%	19.10%	0.05%	19.30%	-0.14%
41,600,619	39,235,018	11,385,676	39,882,273	-647,254	26.91%	26.90%	0.01%	27.30%	-0.39%
54,247,209	51,343,776	12,108,757	51,924,909	-581,133	35.15%	35.05%	0.10%	35.55%	-0.40%

Table 20 Business Rates Collection 2019-20

	Previous Year (%)		Current Year (%)			Difference From Prev Year (%)	Including Credits
	Excluding Credits	Including Credits	Excluding Credits	Including Credits	Profile	Excluding Credits	
April	18.85	18.91	22.35	22.39	11.87%	3.50	3.48
May	31.49	31.61	31.00	31.09	26.28%	-0.49	-0.52
June	40.31	40.47	37.82	37.96	36.54%	-2.49	-2.51
July	47.44	47.58	45.55	45.74	45.61%	-1.89	-1.84

13. CAPITAL EXPENDITURE

- 13.1 The Capital Programme spend as at 31st August 2019 is £50.1m, which is 25% of the revised 2019/20 budget of £197.3m. At this point last year, 19% of the revised budget had been spent, with the final outturn being 82% (£71.1m) of the revised budget of £87.0m.
- 13.2 The table below shows the current position on the major projects in the 2019/20 Capital programme (i.e. those over £1m in 2019/20).

Table 21 – Capital Programme 2019/20 (Major Projects)

2018/19 Capital Programme	Budget Report (February 2019)	Revised Budget	Spend to 31 Aug 2019	Spent to Date (Revised Budget)
	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	11.0	11.1	1.5	14%
Schools - Other (inc. Minor) Capital Works	1.4	5.9	1.4	23%
Highways & Bridges - LBL	3.5	3.5	1.4	40%
Highways & Bridges - TfL	0.0	2.2	0.0	0%
Highways & Bridges - Others	0.0	2.1	0.4	19%
Catford town centre	5.5	5.1	0.7	14%
Asset Management Programme	2.5	2.0	0.6	30%
Smart Working Programme	0.9	2.3	1.9	83%
Beckenham Place Park	2.5	2.4	1.5	63%
Heathside & Lethbridge Regeneration	0.0	0.6	0.0	0%
Excalibur Regeneration	0.0	1.7	0.3	18%
Lewisham Homes – Property Acquisition	6.0	3.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	1.3	3.8	0.4	11%
Achilles St. Development	0.0	7.3	0.0	0%
Ladywell Leisure Centre Development Site	0.0	1.0	0.0	0%
Edward St. Development	9.1	9.1	0.0	0%
Residential Portfolio Acquisition – Hyde Housing Association	0.0	45.7	32.6	71%
Travellers Site Relocation	1.1	1.1	0.0	0%
Fleet Replacement Programme	0.0	7.8	0.0	0%
Other General Fund schemes	2.2	5.6	0.2	4%
TOTAL GENERAL FUND	47.0	123.3	42.8	35%
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	37.3	21.0	0.7	3%
Decent Homes Programme	57.1	51.4	6.5	13%
Other HRA schemes	0.8	1.6	0.1	6%
TOTAL HOUSING REVENUE ACCOUNT	95.2	74.0	7.3	10%
TOTAL CAPITAL PROGRAMME	142.2	197.3	50.1	25%

13.3 The main sources of financing the programme are grants and contributions, and capital receipts from the sale of property assets. Some £16.3m has been received so far this year, comprising £14.6m (net) from Housing Right to buy sales and other capital receipts and £1.7m of grants and contributions.

13.4 The paragraphs below set out further detail regarding the major capital programmes:

13.5 Schools – School Places Programme

Primary place demand has levelled off recently across London and the priority for school place delivery has shifted mainly to Special Educational Need and Disability provision. Four schemes are currently in development and delivery over the next 3 years to 2021. They include:

- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works have commenced in April this year and are due to be completed by summer next year. The project will deliver a new standalone block adjacent to Lewisham Way, improved landscaping within the site and a new entrance and enhanced public realm area to the South of the site.

- Greenvale School, in Whitefoot ward, is Lewisham’s community special school for children and young people between the ages of 11 and 19 years who have significant learning difficulties. A new satellite facility to accommodate an additional 93 students will be constructed on the site of the former Brent Knoll building in Perry Vale. The design stage is currently underway, and works are expected to commence on site in January 2020.
- New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and some works have taken place over the summer holidays year to ensure there are adequate facilities onsite to provide a full curriculum from September 2020. This will include minor remodelling and refurbishment of the existing building, provision of a new food technology practical room, and improvements to existing landscaping and external play areas.
- Watergate is Lewisham’s primary special school for children between the ages of three and eleven years who have severe learning difficulties, located in Bellingham Ward. Approval has been granted to expand the school by 59 places through the construction of a new teaching block on the existing site. A feasibility has been conducted and is currently being reviewed with a view to commencing design work shortly.

13.6 Schools – Minor Works Capital Programme

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

13.7 Highways & Bridges

The Council continues to invest resources in maintaining its 392km of highway borough roads, most notably through its £3.5m programme of carriageway and footway resurfacing works. The budget for carriageways allows for around 70 roads (or part of a road) to be resurfaced each year and, until 2017, the majority of these roads were those in the worst condition and categorised as “Red” – lengths of road in poor overall condition and in need of immediate further engineering assessment with a planned maintenance soon. In 2018/19 we carried out resurfacing to around 22km of roads from the Council’s Capital programme and other external funding sources. As a result of the resurfacing programme, over the last few years the focus has moved to works to roads classified with the Condition Index of “Amber” – lengths of road which, without a planned early intervention could result in further severe defects and move the Condition Index to “Red”. Early intervention using appropriate design, based on carriageway coring information and other factors like bus routes, high volume of traffic, usage and environment results in better value for money. From a survey in May 2019 there are around 54km of roads where the condition of part of these roads are classified as either “Red” or “Amber” and will require resurfacing works. There is also, however, an ongoing resurfacing maintenance commitment because the condition of the carriageway deteriorates through wear, age, excavations and failures.

The Council's long-term investment strategy is taking effect, as since 2013 the number of annual insurance claims against the Council for carriageway defects has reduced by approximately 50%.

As progress continues on the condition of carriageways, the balance of focus is also moving towards the footways programme where there are approximately 70 roads categorised as "Red" and a further 220 roads classified as "Amber" based on a condition survey in 2017. The proposal is to carry out essential footway replacement works in at least 10 roads from 2019/20 and increasing this number in future years.

13.8 Catford Town Centre

Architect's Studio Egret West has been appointed to develop a master plan to guide the regeneration of the Town Centre. The plan will be completed in Spring 2020 and will form the basis of any future plan for the Town Centre. It will be used as an evidence base for the emerging Local Plan. Work is also continuing with TfL on the agreed proposal to realign the South Circular A205 through the Town Centre and work is expected to start in 2021. Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team's work is expected to continue through the development of the master plan and beyond.

13.9 Asset Management Programme

Funding from the Asset Management Programme (AMP) has continued to support reactive and much needed capital works across the operational corporate estate. This has included fabric works such as roof replacement and mechanical works including boiler replacements and lift repairs across the estate of approximately 90 buildings and sites. More recently, the programme has funded works to the Civic Suite, Registry Office and some essential works as part of the main Laurence House refurbishment programme. A full condition survey of the corporate estate is currently under way. The results will help define the future investment need of the estate and also underpin the use of the AMP capital programme funding for future years.

13.10 Smart Working Programme

The Smarter Working programme seeks to consolidate offices and release sites for future redevelopment in Catford town centre, whilst refurbishing the council's main office site, Laurence House, to ensure it is fit for purpose until new council offices can be built. The ground floor was refurbished last year to provide a modern, welcoming and better functioning reception for the council. Refurbishment work is nearing completion on floors 1 to 5, to improve and extend welfare provision, delivering new meeting rooms and kitchens, improving the heating and ventilation system, new energy efficient LED lighting, decoration and a layout and furniture which supports and encourages agile working. The programme of work is due to complete in October 2019.

13.11 Beckenham Place Park

The restoration of Beckenham Place Park (to the western side of the railway) has now been completed. The listed stable block is now home to the new park café and environmental education centre, and the long anticipated restored landscape, with its reinstated lake, is being enjoyed by thousands of local people.

The stable yard itself will become an arrival and visitor's hub, as new tenants take up occupation of the cottages over the next year.

The new play facilities are being much loved, as part of the restored pleasure grounds, and the previously derelict Gardener's cottage is now fully restored and re-purposed as a hub for volunteer activity in the park, in the midst of the new community garden.

Open water swimming and boating now takes place on the lake, and visitors will be encouraged to explore the breadth and nature of Lewisham's largest park on new paths and trails.

13.12 Lewisham Homes – Property Acquisition

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

13.13 Achilles Street

Work is underway to prepare a residents ballot on the Achilles Street Estate in New Cross to determine if the estate should be redeveloped to provide additional new homes.

13.14 Edward Street

Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. Start on site planned early 2020 following tender and contractor appointment.

13.15 Residential Portfolio Acquisition – Hyde Housing Association

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

13.16 Fleet vehicle replacement

This budget will finance the replacement of 75 vehicles in the Council's fleet in order to meet the approaching Low Emissions Zone (LEZ) changes in October 2020.

13.17 Housing Matters Programmes update

The majority of spend in 2019/20 will relate to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site. Around 27 sites including 376 homes for social rent, are forecast to achieve planning permission by early 2020. 5 schemes delivering 85 homes are currently on site and a further 14 sites delivering 122 homes are forecast to start on site between April and January 2020.

13.18 Decent Homes Programme

Lewisham Homes are responsible for ensuring council owned stock under their management is brought up to and maintained to a decent homes level, covering both internal and external enveloping works. Lewisham Homes are leading on the delivery

of the decent homes programme (under delegated powers) in consultation / agreement with the Council.

14. FINANCIAL IMPLICATIONS

- 14.1 This report concerns the financial forecasts for the 2019/20 financial year. However, there are no direct financial implications in noting these.

15. LEGAL IMPLICATIONS

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

16. CRIME AND DISORDER ACT IMPLICATIONS

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

17. EQUALITIES AND ENVIRONMENTAL IMPLICATIONS

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

18. CONCLUSION

- 18.1 The council will continue to apply sound financial controls throughout the duration of the financial year. However, the short and medium term outlook remains difficult and challenging. Strong management and fiscal discipline will be required to enable the council to meet its financial targets for 2019/20 and beyond.

BACKGROUND PAPERS AND APPENDICES

Short Title of Report	Date	Location	Contact
Financial Forecasts for 2019/20	10 th July 2019 (M&C)	1 st Floor Laurence House	Selwyn Thompson
Financial Outturn for 2018/19	26 th June 2019 (M&C)	1 st Floor Laurence House	Selwyn Thompson
2019/20 Budget	27 th February 2019 (Council)	1 st Floor Laurence House	David Austin

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

This page is intentionally left blank

Public Accounts Select Committee		
Report Title	Treasury Management Mid-year Review 2019/20	
Key Decision	No	Item No: 7
Ward	All	
Contributors	Head of Corporate Resources	
Class	Part 1	24 September 2019

1. EXECUTIVE SUMMARY

- 1.1 The report presents the current economic conditions in which the Council is operating in respect of its investments and borrowing. It then sets out the Council's treasury performance (focused on security, liquidity and return in that order) and forecast capital position as at 30 September 2019. It also provides updates on the arrangements in place and an assessment of the current Treasury Management Strategy as required by the Chartered Institute of Finance and Accountancy (CIPFA) Code of Practice.
- 1.2 UK economic growth has fallen in the first half of 2019, influenced predominantly by Brexit uncertainty. Economies around the world are also experiencing economic stagnation, with expectations of significant downturns or possibly even recessions in some developed countries. Beyond the impact of Brexit, the outlook for the next two to three years includes a number of potential risks, including:
- The pace and scale of any future changes to the UK base rate;
 - Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows;
 - Recapitalisation of European banks and a resurgence of the Eurozone sovereign debt crisis; and
 - Volatile or weakening global growth, particularly in the US, China and Japan.
- 1.3 In terms of performance, the capital expenditure estimate for 2019/20 has increased significantly from £142m to £197m which is in part due to the addition of new, and the variation of existing, capital schemes such as the Hyde Housing residential portfolio acquisition (£45.7m), the Fleet Vehicle Replacement Programme (£7.8m), the Achilles Street Development (£7.3m), and the Schools Minor Works Programme for 2019/19 (£3.2m). HRA capital budgets have been re-phased and so 2019/20 budgets have reduced by approximately £21m.

- 1.4 It is expected that the increased 2019/20 capital programme budget is to be part financed by an additional £50m of prudential borrowing. This borrowing will result in the short term breach of one of the Council's prudential indicators, the Operational Boundary (being the limit which external debt is not normally expected to exceed) as approved by Council in February 2019. However, a second prudential indicator, the Authorised Limit (being the limit beyond which borrowing is prohibited) grants additional headroom beyond the Operational Boundary for in-year unplanned movement; the additional borrowing will not cause the Council to exceed the Limit approved by Council.
- 1.5 No difficulties are envisaged for the current or future years in complying with the Code's requirements for prudential borrowing.
- 1.6 Council investments are managed within the agreed parameters and delivered an annualised average yield for the five months to 31 August of 0.98% (up from 0.70% last year). For the risk profile inherent in the portfolio, this performance exceeds modelled yield and is in line with the wider benchmark group of London Authorities.
- 1.7 There are no changes proposed to the Treasury Management Strategy at this time, with the next update being part of the Budget report in February 2020.

2 PURPOSE OF THE REPORT

- 2.1 This mid-year review has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. It covers the following:
- (i) An economic update for the first part of the 2019/20 financial year;
 - (ii) A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - (iii) The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
 - (iv) A review of the Council's investment portfolio for 2019/20;
 - (v) A review of the Council's borrowing strategy for 2019/20;
 - (vi) A review of any debt rescheduling undertaken during 2019/20; and
 - (vii) A review of compliance with Treasury and Prudential Limits for 2019/20.

3 RECOMMENDATIONS

- 3.1 The Committee is asked to note the report, in particular the macroeconomic context, performance of investments to date, updates on

capital expenditure and borrowing in line with CIPFA requirements and the prudential indicators, and compliance with the Council's Treasury Management Strategy.

4 STRUCTURE

4.1 The remainder of this report is structured as follows:

5. Policy Context
6. Background and Prior Year Outturn
7. Economic Update
8. Treasury Management Strategy Statement and Annual Investment Strategy Update
9. The Council's Capital Position (Prudential Indicators)
10. Investment Portfolio 2019/20
11. Borrowing
12. Debt Rescheduling
13. Other Issues
14. Financial Implications
15. Legal Implications
16. Environmental Implications
17. Human Resources Implications
18. Crime and Disorder Implications
19. Equalities Implications
20. Appendices

5 POLICY CONTEXT

5.1 The information set out in the body of this report is consistent with the delivery of the Council's corporate priorities identified within the Corporate Strategy 2018-2022, namely:

- **Open Lewisham** – Lewisham is a welcoming place of safety for all where we celebrate the diversity that strengthens us.
- **Tackling the housing crisis** – Everyone has a decent home that is secure and affordable.
- **Giving children and young people the best start in life** – Every child has access to an outstanding and inspiring education and is given the support they need to keep them safe, well and able to achieve their full potential.

- **Building an inclusive local economy** – Everyone can access high quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- **Delivering and defending: health, social care and support** – Ensuring everyone receives the health, mental health, social care and support services they need.
- **Making Lewisham greener** – Everyone enjoys our green spaces and benefits from a healthy environment as we work to protect and improve our local environment.
- **Building safer communities** – Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

5.2 The report also adheres to the Council’s core values, particularly in putting service to the public first and ensuring an open, honest and fair approach in outlining the Council’s treasury performance, including the steps taken to deliver the capital programme and so deliver on the priorities identified above.

6 BACKGROUND AND PRIOR YEAR OUTURN

Background

6.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

6.2 The second main function of the treasury management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

6.3 Accordingly, treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

6.4 The Council complies with the CIPFA Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Public Accounts Select Committee.

Capital Strategy

6.5 In December 2017 CIPFA issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities have been required to prepare a Capital Strategy which is to provide the following:

- A high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- An overview of how the associated risk is managed;
- The implications for future financial sustainability.

6.6 The 2019/20 Capital Strategy was approved by Council on 27 February 2019.

2018/19 Treasury Management Outturn

6.7 The overall treasury management portfolio as at 31 March 2019 is set out in the table below:

Treasury Management Outturn 2018/19	Outstanding at 31 March 2019 £m	Average Coupon Rate %	Average Remaining Duration Years	Outstanding at 31 March 2018 £m
Fixed Rate Borrowing				
Public Works Loan Board	96.7	5.2	21.3	88.7

Treasury Management Outturn 2018/19	Outstanding at 31 March 2019	Average Coupon Rate	Average Remaining Duration	Outstanding at 31 March 2018
	£m	%	Years	£m
Market Loans	82.5	4.3	35.0	92.5
Sub-total – Fixed Rate Borrowing	179.2	4.8	28.2	181.2
Variable Rate Borrowing				
Public Works Loan Board	0.0	0.0	0.0	0.0
Market Loans	8.0	2.2	39.3	38.2
Sub-total – Variable Rate Borrowing	38.0	2.2	39.3	38.2
Total Debt	217.2	3.5	33.8	219.4
Investments				
Money Markets	82.4	0.7	N/A	100.9
Fixed Term Deposits	260.0	0.9	163 days	230.0
Notice Deposits	80.0	0.9	N/A	80.0
Total Investments	422.4	0.8	163 days	410.9

6.8 The net borrowing requirement for 2018/19 was £4.4m, this being £5.0m lower than the net borrowing requirement of £9.4m for 2017/18 as set out in the table below:

Net Borrowing Requirement	2018/19	2017/18
	£m	£m
Capital Investment	38.1	57.2
Capital Grants	(9.7)	(18.5)
Capital Receipts	(5.2)	(18.8)
Revenue	(10.8)	(5.0)
Net position	12.4	14.9
MRP	(5.8)	(5.5)
Maturing Debt	(2.2)	0.0
Net Borrowing Requirement	4.4	9.4

6.9 In previous years the Council has financed its net borrowing requirement from temporary cash balances it holds. As at 31 March 2019, this internal borrowing was estimated to be £ 41.4m, which is the difference between the Capital Financing Requirement (CFR) and the Council's actual borrowing.

Debt and CFR Movement	2018/19	2017/18
	£m	£m
Capital Financing Requirement *	258.6	252.0
External Debt**	(217.2)	(219.4)
Difference – internal borrowing	41.4	32.6

* Excluding other long term liabilities

**Excluding Fair Value adjustments

7 ECONOMIC UPDATE

7.1 The economic update is provided by our treasury advisors Link Asset Services and is at Appendix 4.

Interest Rate Forecasts

7.2 The Council's treasury advisor, Link Asset Services, has provided the following interest rate forecast up to 31 March 2022:

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.25%
3 Month LIBID	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.00%	1.00%	1.10%	1.20%
6 Month LIBID	0.80%	0.80%	0.80%	0.90%	1.00%	1.10%	1.10%	1.20%	1.30%	1.40%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.20%	1.30%	1.30%	1.40%	1.50%	1.60%
5yr PWLB Rate	1.30%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.00%	2.10%
10yr PWLB Rate	1.60%	1.80%	1.90%	2.00%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%
25yr PWLB Rate	2.30%	2.40%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	3.00%	3.00%
50yr PWLB Rate	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%

7.3 The Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit. In its last meeting on 1 August, the MPC became more dovish as it was more concerned about the outlook for both the global and domestic economies. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. If there were a no deal Brexit, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth.

7.4 The above forecasts have been based on an assumption that there is some agreement (not a no-deal) on Brexit. Given the current level of uncertainties, this is a significant assumption and so forecasts may need to be materially reassessed in the light of events over the next few weeks or months.

7.5 The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a

softening global economic outlook. The balance of risks to increases in the Bank Rate and shorter term PWLB rates are currently a little below those to the downside.

7.6 Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Brexit – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- Bank of England monetary policy takes action too quickly, or too far, over the next three years to raise the Bank Rate, causing UK economic growth, and increases in inflation, to be weaker than currently anticipated;
- A resurgence of the Eurozone sovereign debt crisis;
- Weak growth or recession in the UK's main trading partners - the EU and US;
- Weak capitalisation of some European banks, particularly Italian banks;
- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.

7.7 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, include:

- Brexit – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The Bank of England is too slow in its pace and strength of increases in the Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in the Bank Rate faster than expected.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

8 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UPDATE

8.1 The Treasury Management Strategy Statement (TMSS) for 2019/20 was approved by Council on 27 February 2019.

8.2 No changes to the current treasury strategy are proposed at the current time.

9 THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

9.1 This section of the report is structured to update on:

- a) The Council's capital expenditure plans;
- b) How these plans are being financed;
- c) The impact of any changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- d) Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

9.2 This table below shows the original estimates for capital expenditure in 2019/20 and the changes since the capital programme was agreed by Council in the Budget.

Capital Expenditure	Original Feb 19 £m	Revised Sep 19 £m	Change £m	Change %
<i>General Fund</i>				
Smarter Working Programme	0.9	2.3	1.4	156%
Schools – Pupil Places and Other Capital Works	12.4	17.0	4.6	37%
Highways, Footways and Bridges	3.5	8.6	5.1	146%
Regeneration Schemes	13.5	70.1	56.6	419%
Lewisham Homes Property Acquisition	6.0	3.0	(3.0)	(50%)
Town Centres and High Street Improvements	2.1	1.5	(0.6)	(29%)
Asset Management Programme	2.5	2.0	(0.5)	(20%)
Fleet Replacement Programme	0	7.8	7.8	-
Beckenham Place Park	2.5	2.4	(0.1)	(4%)
CCTV Modernisation Programme	0	0.9	0.9	-
Other Schemes	3.6	7.6	4.0	111%
<i>Sub total</i>	47.0	123.2	76.2	162%
<i>Housing Revenue Account</i>	95.2	74.0	(21.2)	(22%)
Total	142.2	197.2	55.0	39%

9.3 The General Fund revised capital expenditure forecast at September 2019 has increased by £76.2m, or 162%, from the position reported in the February Budget Report, with material adjustments to several forecasts throughout the programme.

- The Schools programme forecast has increased by £4.6m overall, £3.2m due to the addition of a 19/20 Schools Minor Works Programme budget.

- The Highways, Footways and Bridges budget has increased by £5.1m which takes into account funds from TFL confirmed post-budget setting in February.
- The £56.6m increased budget against regeneration schemes is principally a result of £7.3m being allocated to the Achilles Street development, and £45.7m in respect of the Hyde acquisition, a portfolio of approximately 120 residential properties acquired from Hyde Housing Association.
- £7.8m has been budgeted for the Fleet Replacement Programme, to finance the replacement of 75 vehicles in order to meet Low Emissions Zones (LEZ) changes in October 2020.
- The HRA reduction of £21.2m reflects a re-phasing of 2019/20 budgets to later years, including a £16.2m reduction in the Housing Matters Programme and a £5.7m reduction in the Decant Homes Programme.

Financing of the Capital Programme

9.4 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure in 2019/20. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements. The table shows an additional £50m of prudential borrowing will be required to meet the 39% increase to the revised 2019/20 capital programme.

Capital Expenditure Financing	Original Feb 19 £m	Revised Sep 19 £m	Change £m	%
Grants and contributions	38.2	41.7	3.5	9%
Capital Receipts	9.1	24.1	15.0	165%
General reserves / revenue	78.5	65.0	(13.5)	(17%)
Sub total	125.8	130.8	5.0	4%
Borrowing Required	16.4	66.4	50.0	305%
Total	142.2	197.2	55.0	39%

Limits to Borrowing Activity

9.5 The first key control over treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) is only undertaken for capital purposes. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the next two financial

years. This allows some flexibility for limited early borrowing for future years. 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 utilised if it is deemed to be prudent.

- 9.6 The forecast gross debt position for the end of 2019/20 has changed from that reported in the February Budget due to an expected increase in the external debt balance; this is a combination of approximately £35m of prudential borrowing required to finance the Hyde acquisition, as well as adjustments downwards to previous debt forecasts. With the adjusted CFR, the end result is a mid-year forecast under borrowed position of £36.4m, as shown in the below table.

	2018/19 Actual £m	2019/20 Forecast (as per February 2019 Budget) £m	2019/20 Forecast (at September 2019) £m
External Debt at 1 April	219.4	217.2	217.2
Change in External Debt	(2.2)	34.3	70.2
Other Long-Term Liabilities	228.2	247.4	242.7
Gross Debt at 31 March	445.4	498.9	530.1
Capital Financing Requirement at 31 March	487.2	525.4	556.5
Borrowing – Over / (Under)	(41.8)	(26.5)	(26.4)

- 9.7 The CFR forecast for 2019/20, which is the underlying external need to incur borrowing for a capital purpose, has increased since it was reported in February's Budget. This largely reflects the increase in the underlying prudential borrowing figures. The final actuals for 2019/20, as well as forecasts for 2020/21 to 2022/23, will be presented with the 2020/21 Treasury Management Strategy in February 2020.
- 9.8 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit, which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It includes on balance sheet PFI schemes and finance leases as well as external borrowing, and is the expected maximum borrowing need with some headroom for unexpected movements. It is also a statutory limit determined under section 3 (1) of the Local Government Act 2003. The level for 2019/20 was originally forecast at £554.9m and agreed by Council as part of the Treasury Management Strategy in February 2019.

9.9 The table below shows the updated Operational Boundary forecast for 2019/20 as at September 2019, that is the limit which external debt is not normally expected to exceed, and how this compares to the approved 2019/20 Authorised Limit. Mid-year forecasts indicate that the approved 2019/20 Operational Boundary will be exceeded by £31.2, although the built-in provision for unknown movement means that the Authorised Limit of £554.9, approved by Council in February 2019, will not be breached and, as such, no request is made to increase the Limit.

	2018/19 Actual £m	2019/20 (approved by Council in February 2019) £m	2019/20 Forecast (at September 2019) £m
Maximum External Debt at 31 March	217.2	251.5	287.4
Other Long-Term Liabilities	228.2	247.4	242.7
Operational Boundary for the Year	445.4	498.9	530.1
Provision for Non Receipt of Expected Income	56.0	56.0	56.0
Authorised Limit for Year	501.4	554.9	586.1

9.10 The Acting Chief Finance Officer reports that although no difficulties are envisaged for the current or future years in complying with either of these prudential indicators, officers will closely monitor adherence to the limits for the remainder of the year. Approval will be sought when necessary to amend the indicators to reflect the authority's developing capital programme.

10 INVESTMENT PORTFOLIO 2019/20

10.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 7, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades, as rates are very low and in line with the current 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in the Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

10.2 The Council held £395m of investments as at 31 August 2019 (£422m at 31 March 2019) and the investment portfolio annualised yield for the first five months of the year is 0.98% (compared to 0.70% this time last year).

10.3 The Council is a member of a London treasury benchmarking group (organised by Link Asset Services) along with 12 other London authorities. An extract from the latest available benchmarking report is shown in Appendix 2. This shows that the return on investments as at June 2019 is above the Council's model weighted average rate of return provided by the treasury advisors, which is adjusted for the risks inherent in the portfolio. Portfolio performance is also in line with the overall benchmarking group, as well as a wider group of 21 London boroughs.

10.4 A full list of investments held as at 31 August 2019 is shown below:

Counterparty	Duration (Days)	Principal £m	Interest Rate	Interest £k
National Westminster Bank PLC (RFB)	365	15.000	1.050%	157,500
Credit Agricole Corporate and Investment Bank	184	10.000	0.920%	46,378
Close Brothers Ltd	182	5.000	1.100%	27,726
Close Brothers Ltd	188	5.000	1.150%	29,616
Landesbank Hessen-Thuringen Girozentrale (Helaba)	364	10.000	1.110%	110,696
Landesbank Hessen-Thuringen Girozentrale (Helaba)	365	5.000	1.110%	55,500
Toronto-Dominion Bank	365	5.000	1.030%	51,500
Sumitomo Mitsui Banking Corporation Europe Ltd	92	10.000	0.790%	19,912
DBS Bank Ltd	182	5.000	0.940%	23,564
DBS Bank Ltd	92	5.000	0.790%	9,956
Sumitomo Mitsui Banking Corporation Europe Ltd	152	10.000	0.820%	34,373
OP Corporate Bank plc	185	5.000	0.870%	22,167
Standard Chartered Bank	91	10.000	0.800%	20,164
Coventry Building Society	182	10.000	0.900%	45,123
DBS Bank Ltd	367	15.000	1.150%	173,445
Coventry Building Society	182	10.000	0.880%	43,879
Cooperatieve Rabobank U.A.	365	15.000	1.150%	172,500
Landesbank Hessen-Thuringen Girozentrale (Helaba)	364	5.000	1.150%	57,342
Landesbank Hessen-Thuringen Girozentrale (Helaba)	364	5.000	1.100%	54,849
Australia and New Zealand Banking Group Ltd.	364	25.000	1.160%	289,205
Lloyds Bank Plc (RFB)	345	5.000	1.250%	59,075
OP Corporate Bank plc	273	10.000	0.960%	72,066
National Westminster Bank PLC (RFB)	365	5.000	1.120%	56,000
OP Corporate Bank Plc	363	10.000	1.050%	104,425
Bank of Scotland PLC (RFB)	368	5.000	1.250%	63,014
National Westminster Bank PLC (RFB)	365	10.000	0.880%	88,000

- 10.5 In addition to the fixed rate investments above the Council also holds funds in same-day access money market funds, and notice accounts. A list of these investments held as at 31 August 2019 is shown below:

Money Market Funds

Counterparty	Principal £m	Average Interest Rate
Aberdeen Standard	30.000	0.730%
Insight	4.916	0.700%
Federated	30.000	0.740%

Notice Accounts

Counterparty	Principal £m	Interest Rate
Santander UK Plc (180 Day Notice)	20.000	0.950%
Lloyds Bank Plc (175 Day Notice)	20.000	1.130%
Bank of Scotland Plc (175 Day Notice)	20.000	1.130%
Barclays Bank Plc (95 Day Notice)	20.000	1.000%
Goldman Sachs International Bank (95 Day Notice)	20.000	0.950%

- 10.6 The Acting Chief Finance Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first five months of 2019/20.

Investment Counterparty Criteria

- 10.7 The current investment counterparty criteria approved in the TMSS is meeting the requirements of the treasury management function.

11 BORROWING

- 11.1 The Council's latest forecast capital financing requirement (CFR) for 2019/20 is £556.5m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing).
- 11.2 The balance of external and internal borrowing is generally driven by market conditions. As at 31 August 2019, the Council has external borrowings of £217m and has utilised approximately £24m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

- 11.3 It is anticipated that further borrowing, most likely external borrowing, will be undertaken during this financial year to meet the demands of the updated capital programme, and which will require ongoing monitoring to ensure adherence to prudential indicators.

12 DEBT RESCHEDULING

- 12.1 Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

13 OTHER ISSUES

Brexit Planning

- 13.1 In light of the ongoing uncertainty around the outcome of Brexit, and following the advice of the Council's treasury advisors and internal working groups, officers have considered the risks to the current Treasury Management strategy and any mitigating action that needs to be taken.
- 13.2 The general advice from advisors is not to dramatically change strategy, and to continue to apply the principles of security, liquidity and yield in all investment decisions.
- 13.3 The markets have already built in the expectation of a Brexit of some kind taking place at the end of October 2019, which has seen a reduction in investment rates in the three months leading up to the end of September. Combined with the wider uncertainty of what may happen post-Brexit, officers have considered it prudent to improve short-term liquidity by placing shorter duration investments and increasing balances in money market funds, at the sacrifice of yield if necessary.
- 13.4 The existing portfolio is not subject to any foreign currency risk, and no investments exceed one year in duration in line with the Treasury Management Strategy.
- 13.5 Officers will continue to monitor the market and develop formal plans in the lead up to the expected Brexit date, taking reasonable actions as necessary to minimise its impact.

14 FINANCIAL IMPLICATIONS

- 14.1 There are no additional financial implications other than those mentioned in the body of the report.

15 LEGAL IMPLICATIONS

- 15.1 Authorities are 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.
- 15.2 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.
- 15.3 Authority is delegated to the Acting Chief Finance Officer 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.

16 ENVIRONMENTAL IMPLICATIONS

- 16.1 There are no specific environmental implications relating to this report.

17 HUMAN RESOURCES IMPLICATIONS

- 17.1 There are no specific human resources implications relating to this report.

18 CRIME AND DISORDER IMPLICATIONS

- 18.1 There are no specific crime and disorder implications relating to this report.

19 EQUALITIES IMPLICATIONS

- 19.1 There are no specific equalities implications relating to this report.

For further information about this report, please contact:

David Austin, Acting Chief Finance Officer on 020 8314 9114.

APPENDIX 1 - Extract from Credit worthiness Policy

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 - CNAV	AAA	£30m	Liquid
Money Market Funds - LVNAV	AAA	£30m	Liquid
Money Market Funds - VNAV	AAA	£30m	Liquid
Local authorities	N/A	£10m	1 year
Term deposits with banks and building societies	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £25m £20m £15m 0	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 months Up to 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£40m £25m £20m £15m 0	Up to 1 year Up to 1 year Up to 6 months Up to 100 days 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 (CNAV) money market funds and collateralised deposits where the collateral is UK Government debt.*

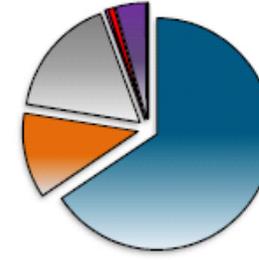
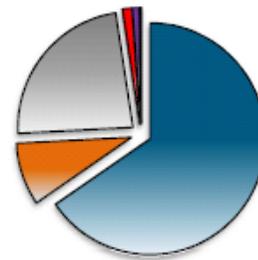
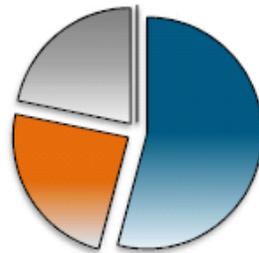
London Borough Of Lewisham

Summary Sheet

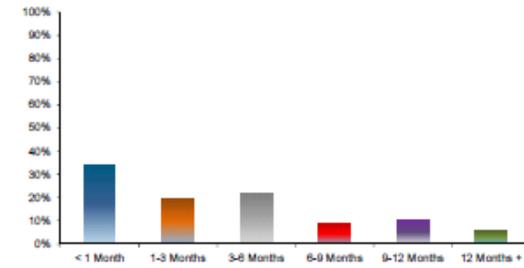
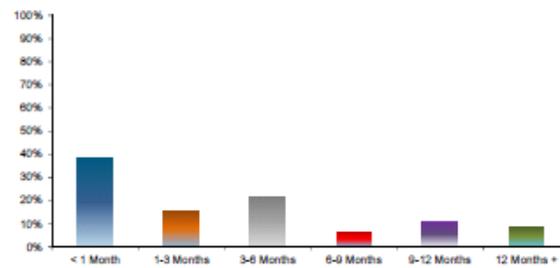
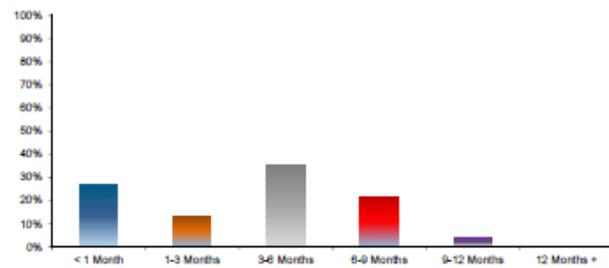
London Borough Of Lewisham	Benchmarking Group 2 (14) Basic Portfolio Characteristics	London (21)
WARoR	0.98%	0.98%
WAM	120	130
WATT	202	245
WA Credit Risk	3.54	2.82
Model WARoR	0.91%	0.96%
Difference	0.07%	0.02%
Model Band	0.86% - 0.96%	0.91% - 1.01%
Performance	Above	Inline

Asset Breakdown

- Fixed Deposits
- Calls & O/N
- MMFs
- USDBFs
- Struct. Prods.
- Bonds
- CDs



Maturity Profiles



APPENDIX 2 - Extract of the Benchmarking Data with 12 other London Authorities June 2019

London Borough Of Lewisham

Peer Comparison

	London Borough Of Lewisham	Benchmarking Group 2 (14) Basic Characteristics		London (21)	Population Average (224)		
Principal	£415,570,000	£238,081,784		£239,213,968	£81,960,674		
WARoR	0.98%	0.98%		0.98%	0.90%		
WAM	120	137		130	85		
WATT	202	266		245	168		
WA Credit Risk	3.54	2.63		2.82	3.00		
Portfolio Breakdown							
Fixed Deposits	54.14%	65.41%	13	65.60%	20	47.39%	184
Calls & O/N	24.06%	8.75%	9	11.91%	14	22.92%	182
MMFs	21.79%	23.44%	13	16.90%	16	23.59%	160
USDBFs	0.00%	0.00%	0	0.41%	1	1.68%	17
Struct. Prods.	0.00%	1.26%	2	0.84%	2	0.12%	4
Bonds	0.00%	0.98%	2	4.23%	4	1.58%	15
CDs	0.00%	0.16%	1	0.10%	1	2.72%	32
Institution Breakdown							
Banks	73.39%	43.58%	13	42.89%	20	47.25%	207
Building Socs.	4.81%	3.80%	5	7.04%	9	6.72%	77
Government	0.00%	28.96%	10	32.49%	17	20.65%	132
MMFs	21.79%	23.44%	13	16.90%	16	23.25%	159
USDBFs	0.00%	0.00%	0	0.41%	1	1.68%	17
MLDBs	0.00%	0.00%	0	0.00%	0	0.00%	0
Other	0.00%	0.22%	1	0.27%	2	0.45%	13
Domestic/Foreign Exposure							
Domestic	40.91%	66.21%	13	71.77%	20	69.57%	215
Foreign	37.30%	10.23%	8	10.88%	11	5.41%	58
MMFs	21.79%	23.55%	13	16.98%	16	23.34%	159
USDBFs	0.00%	0.00%	0	0.41%	1	1.69%	17
Maturity Structure							
< 1 Month	26.61%	38.26%		33.75%		50.93%	
1-3 Months	13.23%	15.12%		19.42%		13.83%	
3-6 Months	34.89%	21.35%		21.64%		21.00%	
6-9 Months	21.66%	5.91%		8.91%		5.99%	
9-12 Months	3.61%	10.85%		10.37%		6.03%	
12 Months +	0.00%	8.52%		5.91%		2.23%	

APPENDIX 3 - Extract of the Benchmarking Data with 12 other London Authorities June 2019

Definitions

WARoR	Weighted Average Rate of Return	This is the average annualised rate of return weighted by the principal amount in each rate.
WAM	Weighted Average Time to Maturity	This is the average time, in days, till the portfolio matures, weighted by principal amount.
WATT	Weighted Average Total Time	This is the average time, in days, that deposits are lent out for, weighted by principal amount.
WA Risk	Weighted Average Credit Risk Number	Each institution is assigned a colour corresponding to a suggested duration using Link Asset Services' Suggested Credit Methodology 1 = Yellow; 1.25 = Pink 1; 1.5 = Pink 2, 2 = Purple; 3 = Blue; 4 = Orange; 5 = Red; 6 = Green; 7 = No Colour
Model WARoR	Model Weighted Average Rate of Return	This is the WARoR that the model produces by taking into account the risks inherent in the portfolio.
Difference	Difference	This is the difference between the actual WARoR and the model WARoR; Actual WARoR minus Model WARoR.

APPENDIX 4 – Economic Overview from Link Asset Services

UK

- 1.1 This first half year has been a time of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on 31 October, with or without a deal. However, so far, there has been no majority of MPs for any one option to move forward on enabling Brexit to be implemented. At the time of writing, (first week in September), the whole political situation in the UK over Brexit is highly fluid and could change radically by the day. The vote in the Commons on 3 September looks likely to lead to a delay in the date for Brexit to 31 January 2020, but there is also likelihood that there will be an imminent general election. In such circumstances, any interest rate forecasts are subject to material change as the situation evolves.
- 1.2 At present, if the UK does soon achieve an agreed deal on Brexit, including some additional clarification wording on the Irish border backstop, then it is possible that growth could recover quickly. The MPC would then need to address the issue of whether to raise the Bank Rate when there is very little slack left in the labour market; this could cause wage inflation to accelerate which would then feed through into general inflation. On the other hand, if there was a no deal Brexit and there was a significant level of disruption to the economy, then growth could falter and the MPC would be likely to cut the Bank Rate in order to support growth.
- 1.3 However, with the Bank Rate still only at 0.75%, it has relatively little room to make a big impact and the MPC would probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost through tax cuts and / or expenditure on infrastructure projects, to boost the economy. Infrastructure projects generally take a long time to plan, to start up, and to impact the economy; tax cuts would be much quicker in impacting the level of consumption in the economy.
- 1.4 The first half of 2019/20 has seen UK economic growth fall as Brexit uncertainty took a toll. In its Inflation Report of 1 August, the Bank of England was notably downbeat about the outlook for both the UK and major world economies. This mirrored investor confidence around the world which is now expecting a significant downturn or possibly even a recession in some developed economies. It was therefore no surprise that the Monetary Policy Committee (MPC) left the Bank Rate unchanged at 0.75% throughout 2019, so far, and is expected to hold off on changes until there is some clarity over Brexit.
- 1.5 As for inflation itself, CPI has been hovering around the Bank of England's target of 2% during 2019, (July 2.1%), and is likely to shift only a little upwards over the rest of 2019/20. It does not therefore pose any immediate concern to the MPC at the current time.
- 1.6 In the political arena, if there is a general election soon, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up although, conversely, a weak international backdrop could provide further support for low yielding government bonds and gilts.

USA

- 1.7 President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of strong growth to 2.9% y/y. Growth in 2019 has been falling back after a strong start in quarter 1 at 3.1% (annualised rate) to 2.0% in quarter 2. Quarter 3 is expected to fall further. The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019 it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not to be seen as the start of a series of cuts to ward off a downturn in growth. Financial markets are, however, expecting another cut in September.
- 1.8 Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This trade war is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

Eurozone

- 1.9 Growth has been slowing from +1.9% during 2018 to +0.4% q/q (+1.2% y/y) in quarter 1 and then to +0.2% q/q (+1.0% y/y) in quarter 2; there appears to be little upside potential to the growth rate in the rest of 2019. German GDP growth fell to -0.1% in quarter 2; industrial production was down 5.2% y/y in June with car production especially being hit. Germany would be particularly vulnerable to a no deal Brexit, depressing exports further, and if President Trump imposes tariffs on EU produced cars. The ECB meeting in July expressed concern as to the weak outlook for growth and how low inflation was despite all the monetary stimulus the bank still has in place. The ECB is therefore expected to take action to cut its main rate of -0.4% further, but only marginally, and to look at the potential for more quantitative easing and/or other instruments of monetary policy to provide further stimulus to economic growth. On the political front, Spain and Italy are in the throes of trying to form coalition governments while the very recent results of two German state elections will put further pressure on the frail German CDU/SDP coalition government.

Bond Yields

- 1.10 The souring of investor confidence has largely contributed to the sharp fall in bond yields on government debt in mid-2019 in the major western economies, as investors have switched out of risky assets - equities, fearing an impending recession, and buying into bonds, so pushing their prices up and correspondingly, pushing yields down. Investors have little confidence that the US China trade war will have a satisfactory outcome in the near future and both sides look as if they are digging in to entrenched positions. However, most domestic US economic indicators are not currently pointing to a recession in the US, only to a slowing of growth.

- 1.11 Provided the major world economies do avoid recession, then it is likely that there will be some reversal of this flow from equities into bonds and, therefore, that bond yields will recover to a limited extent from recent truly exceptional lows. However, the near-term reality is that we have seen 10 year bond yields fall below 2 year yields in the US; this has historically been a prime indicator of impending recession in the US, though this correlation has been much weaker in the UK. All German bond yields between 2 and 30 years are actually negative while many other EZ countries have bond yields which are also negative, at least in some maturity years.

Asia

- 1.12 Chinese economic growth has been weakening over successive years; despite repeated rounds of central bank stimulus, medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. The trade war with the US does not appear to have had a significant effect on GDP growth as yet as some of the impact of tariffs has been offset by falls in the exchange rate and by transshipping exports through other countries, rather than directly to the US.
- 1.13 Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

END

This page is intentionally left blank

Public Accounts Select Committee		
Title	Select Committee work programme	
Contributor	Scrutiny Manager	
Class	Part 1 (open)	24 September 2019

1. Purpose

- 1.1 To advise members of the Committee's work programme for the 2019/20 municipal year and to agree the agenda items for the next meeting.

2. Summary

- 2.1 The Committee drew up a draft work programme at the beginning of the municipal year for submission to the Business Panel for consideration.
- 2.2 The Business Panel considered the proposed work programmes of each committee on 7 May 2019 and agreed a co-ordinated overview and scrutiny work programme.
- 2.3 The work programme can, however, be reviewed at each Select Committee meeting to take account of changing priorities.

3. Recommendations

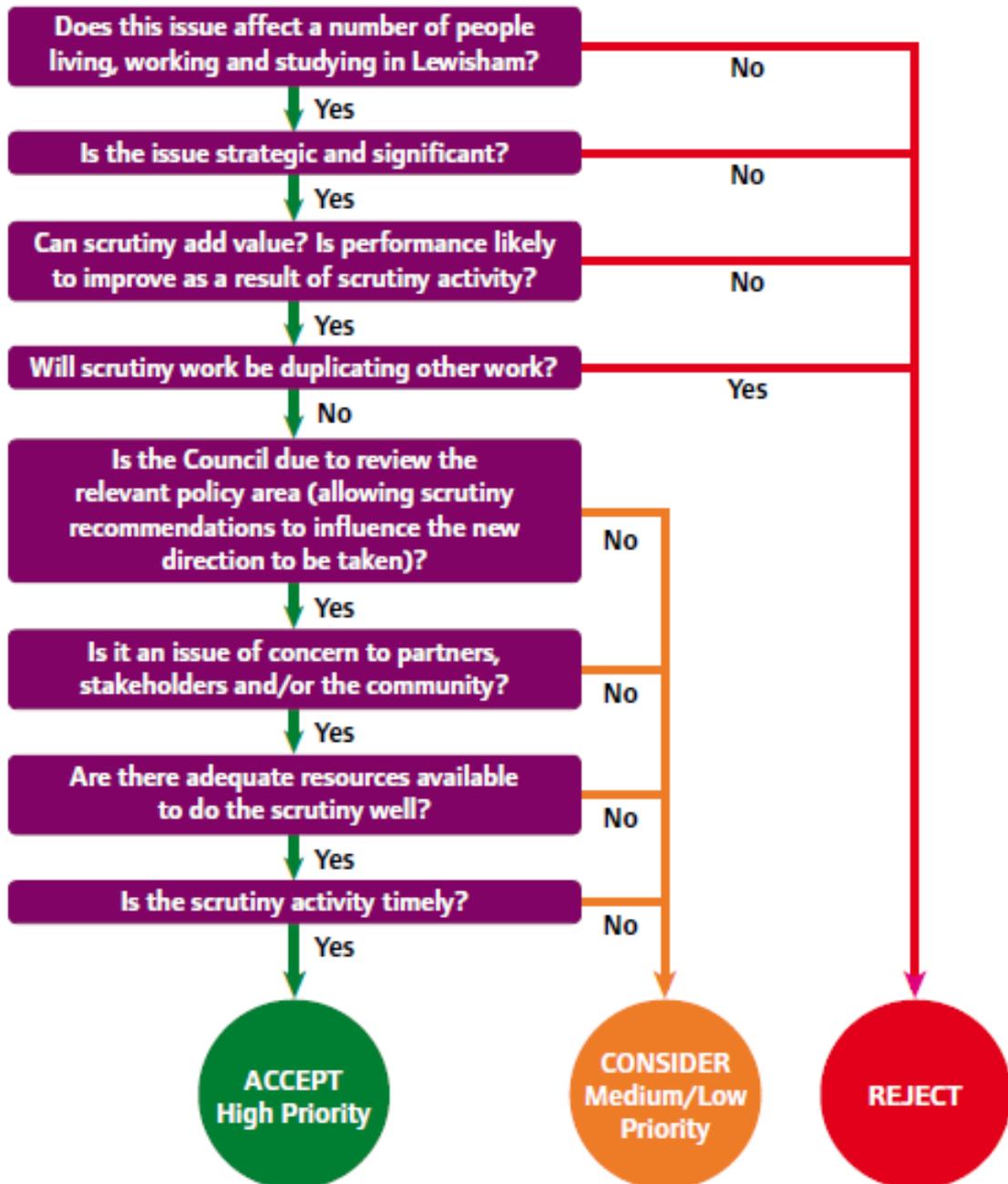
- 3.1 The Committee is asked to:
 - consider the work programme attached at **Appendix B** – and discuss any issues arising from the programme
 - consider the items scheduled for the next meeting – and specify the information the committee requires to achieve its desired outcomes
 - review the forthcoming key decisions set out in **Appendix C** – and consider any items for further scrutiny

4. The work programme

- 4.1 The work programme for 2019/20 was agreed at the meeting on 9 May 2019.
- 4.2 Members are asked to consider if any urgent issues have arisen that require scrutiny and if any items should be removed from the work programme.
- 4.3 Any additional items should be considered against the prioritisation process before being added to the work programme (see flow chart below).
- 4.4 The Committee's work programme needs to be achievable in terms of the meeting time available. If the committee agrees to add additional items, members will also

need to consider which lower-priority items should be removed to create sufficient capacity.

Scrutiny work programme – prioritisation process



- 4.5 Items within the committee's work programme should be linked to the priorities of the Council's Corporate Strategy.
- 4.6 The Council's Corporate Strategy for 2018-2022 was approved at full council in February 2019.
- 4.7 The strategic priorities of the [Corporate Strategy for 2018-2022](#) are:
1. ***Open Lewisham*** - Lewisham is a welcoming place of safety for all, where we celebrate the diversity that strengthens us.
 2. ***Tackling the housing crisis*** - Everyone has a decent home that is secure and affordable.
 3. ***Giving children and young people the best start in life*** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
 4. ***Building an inclusive local economy*** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
 5. ***Delivering and defending: health, social care and support*** - Ensuring everyone receives the health, mental health, social care and support services they need.
 6. ***Making Lewisham greener*** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
 7. ***Building safer communities*** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

5. The next meeting

5.1 The following items are scheduled for the next meeting.

5.2 The committee is asked to specify the information and analysis it requires for each item, based on the outcomes it would like to achieve, so that officers are clear about what information they need to provide.

agenda item	Review type	Relevant Corporate Priority	Priority
Adult social care update	Performance monitoring	Delivering and defending: health, social care and support	High
Income generation and commercialisation	In-depth review	All	High

6. Referrals

6.1 Below is a list of the referrals the committee has made this year:

Referral title	Date of referral	Date considered by Mayor & Cabinet	Response due at Mayor & Cabinet	Response due at committee
Income generation and commercialisation in-depth review report	13 June 2019	26 June	10 October	6 November

7. Financial implications

There are no financial implications arising from this report.

8. Legal implications

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

9. Equalities implications

- 9.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.2 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.
- 9.3 There may be equalities implications arising from items on the work programme and all activities undertaken by the Select Committee will need to give due consideration to this.

Background documents

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

This page is intentionally left blank

Work Item	Type of item	Priority	Corporate priority	Delivery deadline	09-May-19	13-Jun-19	10-Jul-19	24-Sep-19	06-Nov-19	16-Dec-19	04-Feb-20	18-Mar-20
Catford regeneration partnership	Standard item	High	All	May								
Income generation and commercialisation	Standard item	Medium	All	June								
Final outturn 2018/19	Performance monitoring	Medium	All	July								
Children's social care	Performance monitoring	High	CP3	November								
Adult social care	Performance monitoring	High	All	December								
Financial forecasts 2019/20	Performance monitoring	High	All	March								
Medium term financial strategy	Performance monitoring	Medium	All	July								
Mid-year treasury management review	Performance monitoring	Medium	All	September								
Budget cuts	Performance monitoring	High	All	November				Cuts				
Cost pressures in the environment division	Performance monitoring	Medium	All	September								
Annual budget 2019/20	Standard item	High	All	February							Budget	
Asset management	Standard item	Low	All	March								
Audit Panel update	Constitutional Requirement	Low	All	March								
Income generation and commercialisation	In-depth review	High	All	December			Scope		Evidence	Evidence	Report	

This page is intentionally left blank

FORWARD PLAN OF KEY DECISIONS

Forward Plan September 2019 - December 2019

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

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

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

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

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
April 2019	Future options for the Parks Service	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
May 2019	New Cross Area Framework + Station Opportunity Study Supplementary Planning Document	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Mayor Damien Egan, Mayor		
May 2019	Approval for Single Tender action for Counter Fraud Hub	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
May 2019	Performance Monitoring	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
June 2019	Future of Youth Services	18/09/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
April 2019	Additions to List of Locally Listed Buildings	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Mayor Damien Egan, Mayor		
June 2019	Disposal of Downham Business Enterprise Centre	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
April 2019	Award of Contract Tier 4 Substance Misuse Framework	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
April 2019	Anti-Idling Enforcement	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
June 2019	Adopting a Residents Charter for Lewisham	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
August 2019	CRPL Appointment of Non-Executive Director	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
August 2019	HMO Article 4 Direction Confirmation	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
August 2019	Award of Contract for Tier 4 Substance Misuse Framework	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
August 2019	Alteration of SEN provision at Deptford Green School	18/09/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
August 2019	Approval to Award Tender for Management Development Programmes	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
August 2019	Learning Disability Framework - Extension of Contracts	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Health and Adult Social Care		
August 2019	Cleaning Contract Extension	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
August 2019	Security Contract Extension	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
August 2019	Annual Renewal Microsoft Enterprise License	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
August 2019	Future of Dek Hub workspace	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Joe Dromey, Cabinet Member for Culture, Jobs and Skills (job share)		
August 2019	Achilles Street Landlord Offer for Estate Regeneration Ballot Parts 1 & 2	18/09/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
August 2019	Oracle Cloud Update	18/09/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
August 2019	Permission to Tender Violence against Women and Girls (VAWG) Service	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
August 2019	Mental Health Accomodation Based Support Service permission to tender	18/09/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
August 2019	Request for Extension and Variation of Family Support Contract	01/10/19 Overview and Scrutiny Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
May 2019	Statement of Accounts	02/10/19 Council	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Finance and Resources		
August 2019	Consultation: Proposal to Transfer Management of 5 Community Centres to Lewisham Homes	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Jonathan Slater, Cabinet Member for Community Sector		
June 2019	Disposal of Horton Kirby Centre	10/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
June 2019	Disposal of Bryn Coedwig Outdoor Education Centre Alberllefeni Machynlleth	10/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
June 2019	Disposal of Tyn y Berth Centre, Corris, Machynlleth	10/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Mayor Damien Egan, Mayor		
August 2019	CCTV Monitoring Contract	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
August 2019	LIP annual spending submission for 2020/21	10/10/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Brenda Dacres, Cabinet Member		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			for Environment and Transport (job share)		
August 2019	Permission to Tender Obesity Services	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
August 2019	Domiciliary Care Provision	10/10/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet member for Health and Adult Social Care		
February 2019	Insurance Renewal	30/10/19 Mayor and Cabinet	David Austin, Head of Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
April 2019	Contract Award Tier 2/3 Drug Services/Shared Care	20/11/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
August 2018	Lewisham Strategic Heat Network Business Case	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Mayor Damien Egan,		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Mayor		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials