

Public Accounts Select Committee Agenda

Monday, 16 December 2019
7.00 pm, Committee room 3
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

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Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Monday, 16 December 2019.

Kim Wright, Chief Executive
Thursday, 5 December 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)	

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Tuesday, 24 September 2019 at 7.00 pm

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

ALSO PRESENT: Councillor John Muldoon, Councillor Amanda De Ryk (Cabinet Member for Finance and Resources), Councillor Sophie McGeevor (Cabinet Member for Environment and Transport (job share)), Timothy Andrew (Scrutiny Manager), David Austin (Acting Chief Finance Officer), Fiona Colley, Robert Mellors (Finance Manager, Community Services and Adult Social Care), Theron Newman (Group Finance Manager, Customer Services), Kevin Sheehan (Executive Director for Housing, Regeneration & Environment), Selwyn Thompson (Head of Financial Services) and Nigel Tyrell (Director of Environment)

1. Minutes of the meeting held on 10 July 2019

1.1 **Resolved:** that the minutes of the meeting held on 10 July be agreed as an accurate record.

2. Declarations of interest

2.1 There were none.

3. Responses from Mayor and Cabinet

3.1 It was agreed that all of the responses to the Committee's referrals on income generation would be considered at the meeting on 6 November.

4. Budget pressures in the environment division

The agenda was varied to consider this item before the item on budget cuts.

4.1 Nigel Tyrell (Director of Environment) introduced the report, the following key points were noted:

- The report was provided to address the Committee's concerns about the persistent reporting of overspending in the Environment Division.
- Over the past 10 years the Council had delivered savings of over £173m.
- The division had made cuts of £6m over the past five years. More than £800k of savings was proposed for 2020/21.
- The Environment Division had a workforce of more than 420 people providing a broad range of services.
- The refuse service collected three different types of waste from 134,000 households each week working out at around 54,000 separate collections every day.
- Any increase in the number of households in the borough increased the cost of staffing, vehicles and disposals.
- Since 2013/14 the number of household waste collections had increased by 17%.

- The budget for the service did not increase in line with the increase in collections.
- The refuse service was forecasting an overspend by £1.5m (this represented two thirds of the overspend in the division).
- The causes for the overspend could be traced back to changes to waste disposal in 2015.
- Officers put forward proposals to diversify recycling in anticipation of the end of the incineration contract with SELCHP (South East London Combined Heat and Power plant).
- The proposals put forward by officers were rejected by Mayor and Cabinet to allow for scrutiny by councillors and public consultation.
- Following consideration by the Environmental Sustainability Committee¹ (Thursday, 26 November 2015) the following changes were made to the original proposals:
 - a) The subscription for subscription garden waste be £60 instead of the £80 initially proposed by officers.
 - b) Introduction of a weekly food collection service and reduction of refuse collections to fortnightly
 - c) Retention of a weekly comingled recycling service
- These changes presented a significant increase in dry mixed recycling and food waste collections as well as significantly reducing the cost of garden waste collection.
- These changes were presented and accepted by the Mayor and Cabinet. The original savings proposal was also accepted as part of a list of savings.
- 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.
- There was insufficient co-ordination between the savings report and the scrutiny feedback process meaning that officers did not have the opportunity to reconfigure the savings proposal to reflect the increased service cost of a weekly recycling/food and garden waste service or adjust income expectations from garden waste subscriptions. This created an immediate £500k gap within the refuse collection budget.
- The intention had been to review the changes in light of the substantial level of changes.
- The changes to the service also presented a number of unbudgeted operational challenges.
- Additional crews were required due to problems collecting recycling from some properties. Additional time was also needed for crews to dispose of refuse.
- There were additional unbudgeted costs associated with higher than anticipated requests for replacement bins.
- The hire of additional refuse vehicles to enable flexibility in the service resulted in a budget pressure of £550k. Mayor and Cabinet had approved the purchase of new (and more efficient) fleet vehicles – the first of which were due to come into service in the coming months.

¹ Sustainable Development Select Committee

- There were also pressures on the budget due to higher disposal costs. Although overall volumes of waste were decreasing – recycling was currently more expensive than incineration. It was estimated that each additional ten thousand tonnes of waste that was recycled rather than incinerated cost an additional £160k in disposal costs.
- There was also a 5% (£300k) overspend in the street cleansing budget.
- Since 2010 – the workforce had been reduced by 23%. However – in line with Council policy – the number of directly employed staff had increased. This had limited the service’s ability to manage staff costs using the flexibility provided by agency staff.
- There were additional costs associated with employing directly staff which had not been budgeted for.
- The Council was moving to a new system for financial forecasting. However, this had taken longer to implement than had been anticipated. Managers in the environment division had not been receiving the figures and monitoring information required to regularly review budgets.

4.2 Nigel Tyrell, Kevin Sheehan and Theron Newman responded to questions from the Committee, the following key points were noted:

- A third of the overspend was due to vehicle hire costs; a third was due to the lower than projected realisation of income from trade waste and a third was due to other unanticipated costs.
- The significant changes in 2016 had created a new set of pressures on the budget (the change in the regularity of residual waste collections; charges for green waste collection; providing food waste collection and moving some responsibilities to Lewisham Homes).
- The refuse service had overspent its budget for at least 20 years (although before 2016 most pressures were managed in-year, as with any large budget).
- The changes were now well established – but the reality of providing the services had created budget pressures.
- Some additional income had been realised from trade waste – but not as much as has been forecast and not enough to match overspending in other areas.
- The financial system that the Council provided to manage trade waste subscriptions and to raise invoices had created a number of problems (including creating incorrect and duplicate invoices). These problems made it more difficult to account correctly for income. It also made it more difficult to sell services commercially.
- Up to date information was necessary to enable the service to ensure all business were up to date with payments.
- The targets for trade waste income remained relevant – in order to maintain a sense of urgency and challenge.
- The Association for Public Service Excellence (APSE) had carried out a review of environmental services and it had made a number of recommendations for improvement.
- In 2015 a number of models for the future of the service had been considered. The Council took external advice – and reviewed operations at other Councils. The model was changed through the budget process.

- It was recognised that the financial model for delivering services (and forecasting future costs) could have been revisited sooner.
- It was anticipated that the delivery of new vehicles would alleviate some (potentially up to half) of the pressure on the refuse service budget (but it was not clear what the exact figure would be).
- As well as the actions to reduce vehicle hire costs and to increase income from trade waste subscriptions - work was still required to tackle overspending in other areas of the service.
- Discussions were happening at a national level about the production and management of waste. In the longer term – the Government intended to make suppliers and retailers deal with waste (and to produce less).
- Discussions were also happening across London about the opportunities to increase recycling.

4.3 In Committee discussions, the following key points were also noted:

- The Environment Division was not the only service in the Council that had been required to make cuts whilst maintaining services.
- A member gave an example of problems and difficulty presented when attempting to sign up to have trade waste collected.
- Members were concerned that the service appeared not to have spent within its budget in recent memory.
- The Committee was concerned that there appeared to be a lack of financial modelling for the delivery of environmental services (specifically in terms of: population growth; the number of flats in the borough and – the changes to incineration costs).
- Members highlighted the lack of political will to fundamentally change the delivery of services.
- The Committee expressed its concern about the lack of joined up thinking between corporate services and the environment division – particularly in relation to the availability of capital expenditure for use on purchasing refuse vehicles.

4.4 Councillor Sophie McGeevor (Cabinet Member for Environment and Transport (job share)) addressed the Committee - the following key points were noted:

- There was a growing realisation that one of the most effective means to manage waste would be a 'pay as you throw' system – in which the cost of refuse collection would be related to the volume that households produced. However, the Government was slow in making changes.
- The Council had to make the best of the situation in which it found itself.

4.5 Councillor Amanda de Ryk (Cabinet Member for Finance and Resources) addressed the Committee – the following key points were noted:

- As a former member of Sustainable Development Select Committee (at the time of the decision regarding changes to waste services in 2015/16) she recognised that the options being presented included assumptions about costs and estimates of expenditure. However, there was no indication in the modelling from officers that the decisions being taken would result in significant overspending and budget pressures.

- Councillors relied on professional advice from officers to make sound financial decisions.
- Cabinet Members were doing their best to balance budgets in difficult financial circumstances.
- Overspending in one service had impacts across the Council.

4.4 **Resolved:** the Committee (a) endorsed the retention of the income target for trade waste and it urged that officers ensure that systems were improved to enable the target to be met; (b) requested information about the recommendations from the APSE review; and (c) agreed that that a further update on budget pressures in the environment division should be brought before the Committee within six months on the progress being made on: future financial modelling and the savings achieved from ending the hire of fleet vehicles.

5. Budget cuts

5.1 The Committee considered the street sweeping cuts (CUS07) at the beginning of this item.

5.2 Councillors Patrick Codd and Louise Krupski introduced the referral from the Sustainable Development Select Committee, the following key points were noted:

- Members of the Sustainable Development Select Committee had reiterated their concerns about the impact of this cut and on the public perception of Council services.
- The Committee also believed that additional consideration should be given to the options for mitigating the impact of this cut.
- Members of Sustainable Development also highlighted their concerns about the findings from the street cleaning pilot. It was felt that the results of the pilot were too unspecific to allow any real consideration of the issues.
- The Committee had also highlighted the importance of bolstering civic pride to prevent littering.

5.3 The Committee discussed the proposed street sweeping cut – the following key points were noted:

- Members shared experiences of instances of lack of delivery of street sweeping services in their wards.
- Members also questioned the implementation, the analysis and the presentation of findings from the street cleansing pilot.
- Specific concerns were raised about the lack of a control area with which to compare the results of the trial areas.
- An example was given of residents regularly sweeping their own street in the pilot area – during the trial period. Officers acknowledged that they had not been aware that this was the case.
- Members highlighted concerns about the risks of ‘swapping costs’ between routine sweeping and increased enforcement activity.
- There was concern (as noted in previous years) about the potential disproportionate impact on low-paid workers.

- The Committee also thanked officers for their commitment to the delivery of quality services.
- 5.4 Nigel Tyrell responded to questions from the Committee about the proposed cut and the street cleansing pilot - the following key points were noted:
- The service was stretched to carry out any monitoring of the quality of street cleansing. Officer posts that had been available to monitor the cleanliness of Lewisham's streets had been cut during a previous round of budget reductions.
 - This meant that there was no comparable data with the rest of the borough.
- 5.5 Councillor Sophie McGeevor addressed the Committee – the following key points were noted:
- Members' concerns about the lack of information in the report were valid.
 - Scrutiny committees should receive more information about the proposal before any decision was taken.
 - One of the pieces of information missing from the report was an accurate breakdown of numbers of permanent and agency staff.
- 5.6 **Resolved:** that the Committee would share its views with Mayor and Cabinet as follows - the Public Accounts Select Committee endorses the comments of the Sustainable Development Select Committee and in particular it acknowledges concerns about the limitations of the findings from the cleansing pilot. The Committee also reiterates previous concerns about the impact of this proposal on low-paid workers. It recommends that Mayor and Cabinet does not agree the proposal until further work had been done to address the concerns of both Committees.
- 5.7 A number of members of the Committee commented on the coherence of the cuts report and noted the difficulties they had experienced in navigating the different sections.
- 5.8 David Austin (Acting Chief Finance Officer) provided an overview of the cuts proposals for Community Services. The Committee noted that the Healthier Communities Select Committee had not chosen to make a referral on the cuts to Mayor and Cabinet.
- 5.9 David Austin and Kevin Sheehan provided an overview of the cuts that had been considered by the Housing Select Committee – the following key points were noted:
- There were two budgets which paid for the Council's no recourse to public funds work – one for staffing and the other for the provision of services. There was no proposal to cut the budget for staffing – however – it was believed that money could be taken from the budget for services.
 - The service had been effective at 'regularising' the status of its clients – which meant they could access alternative funding for services.
 - The services budget was based on demand. Should additional funding be required in the future then the Council could decide to re-provide funding.

5.10 The Committee considered the written referral from the Housing Select Committee on savings generated through no recourse to public funds service (CUS15)– the following key points were noted:

- The Committee expressed its concerns about officers' delay in the production of a report which was expected on the no recourse to public funds service.
- The Committee was unable to determine what course of action was recommended by the Housing Select Committee.

5.11 **Resolved:** that the Committee would refer its views to Mayor and Cabinet as follows – further to the concerns expressed by some Members of Housing Select Committee, the Public Accounts Select Committee recommends that Mayor and Cabinet should insist on publication of the report on the no recourse to public funds service before it makes a decision about this cut.

5.12 Councillor Juliet Campbell introduced the referral from the Safer Stronger Communities Select Committee, the following key points were noted:

- The Safer Stronger Communities Select Committee sought more information about the likely equalities impact on service users of the proposal to increase rental charges for nurseries (RES20).
- There was also a discussion at the Committee about other properties in the commercial estate that were receiving subsidised rents.

5.13 Councillor Amanda de Ryk addressed the Committee, the following key points were noted:

- Cabinet members had requested additional information about a number of the cuts proposals which had not been forthcoming from officers.
- It was not clear why some nurseries were being offered reduced rents whilst others were not.
- Once detailed information about charges (and the historic reasons for reductions) were understood – then the Council could make an informed decision about the future of any subsidy.
- Any ongoing rent subsidy might be offered through the grants programme.

5.14 In Committee discussions, the following key points were also noted:

- These nurseries might be in former Sure Start centres that had been handed over from the Council.
- The Committee found it difficult to make any decision based on the information that had been provided in the report.
- Members were concerned about playgroups that were being run in parks. The Council had previously made a commitment to keep these open.

5.15 **Resolved:** the Committee endorsed the comments of the Safer Stronger Communities Select Committee.

5.16 David Austin provided an overview of the proposals that had been allocated to the Public Accounts Select Committee (CUS11a – process automation in revenues and benefits; CUS14a – parking service budget review; RES21 –

savings generated through not allocating inflation uplift to contract costs; and RES22 – savings generated through improved ICT provision).

5.17 **Resolved:** the Committee agreed that these cuts should proceed to Mayor and Cabinet without additional comment. It was also agreed that the briefing on the Mayor's Office and Communications should be deferred to a future meeting.

5.18 There was a discussion about the referral from Safer Stronger Communities Select Committee regarding neighbourhood community infrastructure levy. There were differing opinions about whether there should be top down alignment or some other form of coordination between capital programme priorities and plans for spending the neighbourhood community infrastructure levy. Members noted that the Safer Stronger Communities Select Committee and the Sustainable Development Select Committee were due to consider updates on the neighbourhood community infrastructure levy at future meetings.

5.19 **Resolved:** that referrals from other select committees as well as the Committee's own comments (under sections 5.6/5.11/5.15 and 5.17 of the minutes) be referred to Mayor and Cabinet for consideration alongside the budget cuts proposals.

6. Financial forecasts 2019-20

6.1 Selwyn Thompson (Director of Financial Services) provided an overview of the report. David Austin and Selwyn Thompson responded to questions from the Committee, the following key points were noted:

- The review of transport services for children and young people had been carried out and an external provider was due to be appointed.
- Officers were cautiously optimistic that the approach would make savings from the second year of implementation.
- Incentives were provided for some private landlords to maintain the tenancies of households at risk of homelessness. Further information was awaited from central government about the future of grant funding.
- Officers would continue to provide updates for the Committee on the pressures facing the budget for housing benefit subsidy.

6.2 **Resolved:** that the report be noted.

7. Treasury management mid-year review 2019-20

7.1 David Austin provided an overview of the report.

7.2 **Resolved:** that the report be noted.

8. Select Committee work programme

8.1 The Committee discussed the work programme for the meeting on 6 November and agreed to consider the item (on the agenda for this meeting)

on the Mayor's office and communications as well as updates on adult social care and on income generation and commercialisation.

8.2 **Resolved:** that the work programme for the meeting on 6 November be agreed.

9. Referrals to Mayor and Cabinet

9.1 Councillor James Rathbone (Chair of the Council's Audit Panel) introduced an urgent update from the Panel (a note is appended to the minutes) – the following key points were noted:

- The Audit Panel had seen an increasing number of audits that flagged errors or areas of concern in the Council's finance department and its core financial systems.
- In July 2019, issues were also raised in the external audit. The Council was unable to meet the audit deadline and a large part of this was due to the lack of resourcing in the finance department, which was unable to respond to questions and requests within sufficient timescale.
- Subsequent consideration of reports at Audit Panel had reinforced these concerns. Of the 17 core financial audits, four had resulted in a negative financial opinion and one could not be completed. These problems stemmed in large part from the lack of resourcing – but were combined with problems implementing Oracle Cloud.
- The Panel believed that there was such a significant risk that its concerns needed to be referred to Mayor and Cabinet.
- The level of resources available to the finance department should be considered as a matter of urgency because there were serious implications for the delivery of all Council services.
- There were also concerns about the delay in the implementation of Oracle Cloud – which continued to produce errors and inaccuracies.

9.2 Councillor Mallory addressed the Committee – the following key points were noted:

- The Council's constitution did not clearly set out the mechanism for Audit Panel to raise its concerns with Mayor and Cabinet.
- The Panel could report concerns to Council – but it was felt that this would take too long. Therefore, the Committee was being asked to refer on the views of the Audit Panel for consideration.

9.3 **Resolved:** that the Committee would refer its views to Mayor and Cabinet as follows –

- Further to an update from the Chair of the Audit Panel (appended to the referral), the Committee is persuaded that there are urgent issues relating to the resourcing of the financial services division that require immediate and detailed consideration by Mayor and Cabinet.

The meeting ended at 9.55 pm

Chair:

Date:

MINUTES OF THE PUBLIC ACCOUNTS SELECT COMMITTEE

Wednesday, 6 November 2019 at 7.00 pm

PRESENT: Councillors Jim Mallory (Chair), Louise Krupski (Vice-Chair), Tauseef Anwar, Patrick Codd, Alan Hall, Paul Maslin and James Rathbone and Bill Brown

APOLOGIES: Councillors Juliet Campbell, Mark Ingleby and Joan Millbank

ALSO PRESENT: Councillor Amanda De Ryk (Cabinet Member for Finance and Resources), Timothy Andrew (Scrutiny Manager), David Austin (Acting Chief Finance Officer), Tom Brown (Executive Director for Community Services), Fiona Colley, Petra Der Man (Principal Lawyer), Robert Mellors (Finance Manager, Community Services and Adult Social Care), Katharine Nidd (Strategic Procurement and Commercial Services Manager) (LBL), Sunil Shahaney (Income Generation and Commercial Services Manager) and Selwyn Thompson (Head of Financial Services)

1. Minutes of the meeting held on 24 September 2019

- 1.1 The Committee discussed the minutes of the meeting held on 24 September 2019. It was noted that the Director of Environmental Services had said that the refuse service had not spent within budget in “living memory” - contrary to the indication in the minutes that the service had mostly stayed within budget until 2016.
- 1.2 It was reported that officers had made different remarks relating to the overspend in the refuse service budget.
- 1.3 Members discussed the constitutional changes being implemented to clarify the reporting structure for the Audit Panel.
- 1.4 Members noted the previous assurances that had been given regarding the resourcing of the Council’s internal audit function.
- 1.5 **Resolved:** that a clarification would be added to the minutes of the meeting on 24 September 2019 regarding the factual position of the budget of the refuse service in previous years. It was also agreed that information would be provided regarding the resourcing of the Council’s internal audit and finance functions.

2. Declarations of interest

- 2.1 There were none.

3. Responses from Mayor and Cabinet

- 3.1 The responses were considered as part of item five (income generation and commercialisation).

4. Budget cuts update

- 4.1 The Chair agreed that the item would be deferred to the following meeting in order to allow for additional direction to be given regarding the expected content of the report.
- 4.2 Members requested that the report for the next meeting should include information regarding the outcome of the previous trial of shared services with the London Borough of Lambeth (specifically relating to the costs involved).
- 4.2 **Resolved:** that the report be noted, pending a further update to the Committee at the meeting on 16 December 2019. It was also agreed that in advance of the next meeting the Chair of the Committee would provide further direction to officers regarding the content of the report.

5. Income generation and commercialisation

- 5.1 Katherine Nidd (Strategic Procurement and Commercial Services Manager) introduced the response from Mayor and Cabinet regarding 'trading accounts', the following key points were noted:
- Previous versions of Oracle (the Council's financial management IT system) did not allow for the creation of trading accounts. However, the latest version of Oracle would do so.
 - Options were being considered for the implementation of traded accounts alongside the work officers were doing on fees and charges.
- 5.2 David Austin (Director of Corporate Resources) addressed the Committee, the following key points were noted:
- It was not the intention to carry out full accounting through Oracle.
 - There were no plans to re-impose full cost allocations through the system. It would be used with key services to assist in the process of allocating and identifying costs through the budget monitoring process.
- 5.3 Katherine Nidd responded to questions from the Committee, the following key points were noted:
- The implementation of traded accounts fitted well with the work on cost modelling and on fees and charges.
 - The process provided transparency and the opportunity for critical challenge.
- 5.4 Katherine Nidd introduced the response to the Committee's commercialisation and income generation (2018-19) in-depth review:
- Detail had been provided on the budget monitoring process in response to the Committee's recommendation on income generation and the cuts process.
 - The income generation strategy set out a multi-stage business development process, which could be used for the assessment and development of new ideas. Responses had been provided regarding the two new ideas recommended by the Committee in its review.

- The Committee's recommendation about commercialisation training had been considered and was addressed in the update to the Committee that was also on the agenda.
- Corporate support had been made available for the strategic procurement and commercial services function. This included once off funding and an ongoing budget for this work.
- Consideration had been given to the options to enable a 'call for ideas' from all staff. There might be options to do this through the work that was being carried out to roll out the new 'Lewisham Way'.

5.5 Katherine Nidd and David Austin responded to a question from the Committee about the reliability of income streams and grants from central government. (Members were informed (by Petra der Man, Principal Lawyer) that the pre-election period commenced at midnight on 6 November). The following key point was noted:

- Once funding from central government was agreed – it was very likely it would be received (in contrast to income from commercial services, which might have to be chased).

5.6 In the Committee's discussion, the following key point was also noted:

- Members welcomed the consideration that had been given to developing a commercial approach to managing agency services.

5.7 Katherine Nidd introduced the update on the delivery of the income generation strategy – the following key points were noted:

- Two key areas of focus in the past quarter had been on fees and charges/income generation activity and the other had been on culture change (although Adam Bowles (Director of Human Resources and Organisational Development), who had written the report on commercialisation and culture change was unable to attend the meeting).
- The annual fees and charges report would be produced by the end of the financial year – and would be incorporated into the budget setting process.
- An example of the work that was being done had been appended to the report – this illustrated the level of detail that services would be producing – so there was clarity about the fees for services and comparisons could be made across different councils.
- This work also illustrated the statutory frameworks that the Council relied upon to levy fees and charges.
- Some benchmarking work was also being carried out using a number of sources (including the Local Government Association; Association for Public Service Excellence and the Chartered Institute for Public Finance). It was recognised that the process of benchmarking was of limited benefit unless the information gained was used effectively.
- Detailed cost modelling was being carried out in a number of services that had been named 'pathfinders'.
- The overall message from this work was that there could not be a 'one size fits all approach' to modelling.
- The services that the Council provided were diverse – as were: the ways in which services were set up; the ways in which they operated and their legislative underpinnings.

- The activity to date had been quite slow – because a considerable amount of learning had to take place. It had also become clear that each service would need bespoke support to carry out modelling. However- there were some services that were broadly similar and the work between them could be replicated.
- It was becoming clear (as full cost modelling was carried out) that services were not always aware of all of their costs.
- Work was being carried out to determine how costs that had been reported centrally (such as utility costs) could be stated in service models.
- Some services delivered a blend of traded and statutory services. Cost modelling for these services required an unpicking of the various elements of the service.
- A balance had to be found between the extraction of very minor details and the use of assumptions about the operation and delivery of services.
- Work also had to take place to determine how best to attribute corporate overhead costs to individual activities.
- One of the pathfinders was a small service that had an income of £50k per year. Some of the individual activities of this service were measured in very small amounts (such as a few pence) in these cases it had to be considered whether it was useful to carry out full cost modelling or to decide that - if the costs of the service were being recovered - further detailed modelling was not required.
- Work was being developed to communicate with staff.
- It was proposed that training be provided for senior officers, service and finance managers to make the council more commercially-minded.
- There would be detailed training for budget holders that would be based on relevant examples and case studies. It would also cover activity based cost modelling. At the end of the session – budget holders would understand what was being asked of them – and the benefits of the approach.
- This work would also link with the delivery of the refreshed ‘Lewisham Way’.

5.8 Katherine Nidd and David Austin responded to questions from the Committee – the following key points were noted:

- Whilst officers were familiar with the delivery of their services – this kind of modelling had not been carried out previously so managers needed support.
- Services had responded well to the review process and lessons were being learnt from the delivery of this work.
- Trade waste services were one of the Council’s largest commercial services – however- the service provided a blend of statutory and discretionary services. It was therefore important to understand the cost / revenue model and the broader operating environment.
- The cost modelling process should lead to greater transparency and better ‘grip’ on delivery of services.
- It would also help services to identify how much income they needed to achieve in order to cover their costs.
- The level of detail provided by the modelling process would enable services to develop better knowledge of their market place and unit costs in relation to growth potential.

- Services already had control over their budgets – the modelling process would allow them to consider how best to manage the elements within their control to best effect.
- Services would not acquire control over the corporate costs that were allocated to their budgets (such as energy costs for facilities) – however – the acknowledgment that there was a cost from the provision of these services would facilitate discussion and debate. Moreover – the awareness of costs would enable accurate pricing.
- Work with services had been positively received – and it was also sparking interesting debates and novel thinking.
- In terms of the timeline for the rollout of the new approach - there were plans to carry out pilot training sessions in March 2020.

5.9 Councillor Amanda de Ryk (Cabinet Member for Finance and Resources) addressed the Committee – the following key points were noted:

- If services did not know their true costs – then it would be difficult for them to make market based decisions. This was particularly important where the Council was delivering services in a commercial market place – because they needed to know whether they were operating at an advantage or disadvantage compared to other providers.
- Understanding the true costs of delivering services also enabled rigorous decision making – regarding the balance of value and benefits of delivering that service commercially.
- There might be reasons to continue delivering a loss making service (as an intervention in the market, for example) but - if it was being claimed that something was good to do – it was important to understand the true costs of delivering that service.
- It was important to make decisions from a standpoint of knowledge.
- The manifesto commitment to insource services had to be delivered in line with practical and legal considerations.
- Some work had been carried out with CLES (Centre for Local Economic Strategies) on Lewisham’s approach to social value.
- CLES was impressed with the work being done by the Council in a number of areas. Once the report from CLES was available it would be shared with the Committee.
- Lewisham lacked branding and a narrative for its approach – but this did not mean that the Council was not carrying out a meaningful programme of work.

5.9 In Committee discussions – the following key point was also noted:

- Members were concerned that the provision of corporate contracts (for energy, for example) might result in ‘one size fits none’ delivery.

5.10 Councillor Louise Krupski introduced the update on the visit (by several members of the Committee) to the London Borough of Barking and Dagenham. In the Committee discussion that followed the following key points were noted:

- Barking and Dagenham Council had taken a radical approach to transforming council services.
- There were a number of risks involved in the transformation programme.

- There was concern that the scrutiny process had been diminished by the transformation programme.
- A number of questions remained about: the governance model (particularly the separation between customer and shareholder roles); alignment between business cases and performance; as well as the link between financial and social benefits.
- There were a number of valuable lessons that could be learnt from the approach being taken by Barking and Dagenham – such as: the crucial role of senior leaders in the change programme; the use of live examples to encourage change; the focus on demand management; the change to the funding gap challenge – which had become focused on income generation rather than incremental cuts to services.
- The Council had significant assets in terms of land that Lewisham did not have.
- The vision of the transformation was clear to everyone involved.
- The scope and scale of the programme was impressive.
- It was too early to make a judgements about the success of the LBBD approach.
- Once a decision had been taken to run a service commercially at LBBD – it was given the freedom to operate independently, rather than keeping some decision making and considerations ‘in-house’.
- There was also a separation between the delivery of services – which enabled a demarcation of commercial and non-commercial services.
- The Council recognised that it had to change in order to meet the challenge facing its budget.

- 5.11 Councillor Krupski provided an overview of two recent sessions on income generation and commercialisation (Commercial skills masterclass for Councillors and Westminster Briefing) – the following key points were noted:
- The main message of the first session was that change had to be led from the top – and there had to be a clear message about the impetus for change.
 - The approach to commercialisation had to be led by the Mayor, Cabinet and senior officers. It was also important to incorporate commercialisation into the corporate strategy.
 - In the second session – there was a presentation by officers from Waltham Forest. The approach was quite different from Barking and Dagenham. It was recommended that the Committee should invite representatives from Waltham Forest to attend a future Committee meeting.

- 5.12 **Resolved:** a) that the responses from Mayor and Cabinet should be noted; b) that (due to the Director of Human Resources and Organisational Development being unavailable) the update on commercialisation and training would be deferred to the meeting on 16 December; c) the report from CLES on the Council’s approach to social value would be brought the Committee before the end of the financial year.

6. Adult social care

6.1 Tom Brown (Executive Director for Community Services) introduced the report – the following key points were noted:

- The budget for adult social care was currently projected to underspend by £1.9m.
- Some of the underspend was predicated on the allocation of non-recurring grants. There was no indication what decisions would be taken by government regarding those grants next year.
- There were a number of risks facing the service – these included demographic pressures of an older population and associated pressures on hospital admissions and discharge.
- This week Lewisham Hospital had been in a “particularly bad state”. The standard grading for pressure on services was based on a green, amber red rating. Beyond the standard rating system there was also a ‘black’ rating, which is where the hospital had been this week.
- There was more demand in the emergency department than there were beds available. Inevitably, this meant that there was more demand for discharge of patients to adult services – combined with higher levels of dependency. This resulted in increased financial pressures on the Council.
- There were also increasing numbers of complex cases reaching adult social care from children’s social care.
- The caseload was around 30 young people a year – not all of whom had high support costs – but a significant number that did (of typically £1500-£2000 a week each).
- The team in adult social care had a good understanding of the pressures on the service and the costs. The service worked hard to remain within its statutory obligations whilst also delivering services within the resources that were available.

6.2 Tom Brown responded to questions from the Committee – the following key points were noted:

- The service was working to manage the costs associated with complex cases. A joint transitions team had been created to manage the transition from children’s to adult social care.
- Adult services were working with young people from an earlier age to ensure that they were as independent as possible. The support provided was individualised and needs based.
- This work was shifting the focus onto developing independence for young people and encouraging them to maximise their abilities rather than on just providing institutional care.
- More generally, the service moving from a clinical/health based model to a more social care/assets based approach which emphasised enablement and assets.
- More than 60% of service users who went through the social care enablement process no longer required ongoing care.
- Work was also taking place to ensure that residential care and support could be provided locally.
- The large majority of residents were treated at Lewisham Hospital (although about 10% went to Denmark Hill).

- There were a number of complex issues associated with linking the different IT systems being used by the service.
- The consolidation of IT systems would allow for the streamlining of social work processes.
- The charts in the report provided an overview of the costs associated with care packages – however – it should be noted that each April there was an increase in costs due to inflation.
- The cost of care packages for older adults was relatively stable – but there was an increased cost associated with complex care for younger people.
- Officers were confident that the service would underspend its budget this year – but there were challenges in the coming year, including: the requirement to make cuts and unrelenting pressures on existing budgets.
- If grants from government for social care were ended – there would be significant implications for the NHS.
- The local domiciliary care market was good. The Council’s support for the London Living Wage was important.
- The local (and national) residential care market was more fragile. This was for a number of reasons – including facility costs and the lack of nurses.
- Lewisham was also susceptible to residential care pressures from neighbouring boroughs. If one local provider closed – there would be a ripple effect across the market in south east London.

6.3 In Committee discussions the following key point was also noted:

- Members were concerned about the assumptions made in the budget strategy – given that (based on demographics) numbers of service users were likely to increase and that (given the pressure on residential providers) service costs were also likely to increase.

6.4 **Resolved:** that the report be noted; that the service should be commended on its successes to date; the Committee believes that – despite the risks and pressures – the service should continue to work on managing costs and on managing demand.

7. Select Committee work programme

7.1 **Resolved:** that the following items would be on the agenda for the Committee’s next meeting – communications and Mayor’s office update; financial forecasts; commercialisation and culture change (the report from the Director of Human resources and Organisational Development).

The meeting ended at 9.15 pm

Chair: _____

Date: _____



Public Accounts Select Committee

Declarations of Interest

Date: 16 December 2020

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Chief Executive (Director of Law)

Outline and recommendations

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

1. Summary

- 1.1. Members must declare any personal interest they have in any item on the agenda. 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.
- 1.2. Further information on these is provided in the body of this report.

2. Recommendation

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

3. Disclosable pecuniary interests

3.1 These are defined by regulation as:

- (a) Employment, trade, profession or vocation of a relevant person* for profit or gain
- (b) Sponsorship –payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member’s knowledge, the Council is landlord and the tenant is a firm in which the relevant person* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:
 - (a) that body to the member’s knowledge has a place of business or land in the borough; and
 - (b) either:
 - (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

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

4. Other registerable interests

4.1 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.

5. Non registerable interests

- 5.1. 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).

6. Declaration and impact of interest on members' participation

- 6.1. Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take not part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- 6.2. 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 6.3 below applies.
- 6.3. 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.
- 6.4. 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.
- 6.5. 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.

7. Sensitive information

- 7.1. 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.

8. Exempt categories

- 8.1. 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).

9. Report author and contact

9.1. Kath Nicholson, Director of Law, Kath.Nicholson@lewisham.gov.uk, 0208 31 47648

Public Account Select Committee		
Report Title	Strategy & Communications Budget Briefing	
Key Decision	No	Item No. 4
Contributors	Director of Strategy & Communications	
Class	Open	Date: 16 December 2019

1. Purpose

- 1.1. To provide Public Accounts Select Committee with a report on changes in budget and structure of the Strategy & Communications division over the previous 5 years - including information about the 2016/17 trial of a shared communications service with Lambeth and budget growth agreed for 2019/20.

2. Strategy & Communications Overview

- 2.1. The Strategy & Communications service comprises of three distinct service areas, Communications, Economy & Partnerships and the Mayor's Office (including the Young Mayor's office).
- 2.2. This structure has been in place since January 2017 when Economic Development & Enterprise Team was transferred from the Planning division merging with the Strategy & Partnerships team to form Economy & Partnerships.
- 2.3. The current budget for Strategy & Communications is shown in Table 1 below.

Table 1: 2019/20 Strategy & Communications Division Budget

Service Area	Expenditure Budget £	Income Budget £	Net Budget £
Communications	1,122,680	(76,000)	1,046,680
Economy & Partnerships	3,520,579	(2,711,159)	809,420
Mayor's Office	731,020	(35,000)	696,020
Strategy & Communications division	5,374,279	(2,822,159)	2,552,120

- 2.4. The budget for the division for the previous five years is shown in Table 2 below. Note that prior to 2016/17 the Economy & Partnership budget figures are the sum of the Strategy & Partnerships and Economic Development & Enterprise team budgets.

Table 2: Strategy & Communications net budget over last five years

	Communications	Economy & Partnerships	Mayor's Office	Total
2019/20	1,046,680	809,420	696,020	2,552,120
2018/19	827,447	806,587	527,487	2,161,520
2017/18	729,400	779,500	518,200	2,027,100
2016/17	704,933	935,333	513,533	2,153,800
2015/16	745,933	1,121,633	520,133	2,387,700

- 2.5. 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.
- 2.6. The budget cuts agreed for the Strategy & Communications division over the last five years and for the next financial year are set out in table 3 below.

Table 3: Strategy & Communications Division Budget Reductions

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Saving	£90,000	£210,000	£163,500	-	£30,000	£135,000	£628,500

- 2.7. Over the last two years growth has been added to the Communications and Mayor's Office budgets to reflect pressures in these areas.

Table 4: Strategy & Communications Division Budget Pressures

Year	Proposal agreed	£,000
2018/19	Ongoing non-staffing cost to support upgraded website	85
2019/20	Pressures on Communications staffing budget	200
2019/20	Pressures on Mayor's Office budget	150

Communications

- 2.8. 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.
- 2.9. 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, a range of subject specific email lists, social media accounts and digital channels.
- 2.10. The team also manages the council's reputation and provides a media relations service 365-days per year.

- 2.11. Each year the team responds to requests for thousands of website improvements and content updates, around 400 reactive media enquiries, issues more than 100 proactive news release and produces 50 Lewisham Life e-newsletter and four editions of Lewisham Life magazine each year.
- 2.12. The team provides an in-house design, brand and print management service for the authority and supports at least 20-30 marketing campaigns per year relating to council services and events.
- 2.13. The service generates income through service level agreements to provide media support for local authority schools and out of hours media relations service for Lewisham Homes and as well as advertising income from Lewisham Life magazine and e-newsletters.
- 2.14. Between 2010 and 2018 Council agreed to a series of savings in the communications budget representing a reduction in budget for communications of more than 50%. The established team reduced in size from 27 FTE posts in 2010 to 12 FTE posts and there have been significant reductions in expenditure on publications and marketing.
- 2.15. In January 2016 the Mayor & Cabinet agreed to the appointment an interim joint head of communications with Lambeth Council and to explore a fully shared service for communications. It was anticipated that the appointment of a joint head of communications could save £45k per annum and that further savings might be achievable from a fully shared service. A joint appointment was made in March 2016, with the joint Head of Communications formally employed by Lambeth Council.
- 2.16. Following a trial period the councils concluded that a joint head of communications was not a sustainable solution and not to pursue a fully shared service. In January 2017 the shared Head of Communications was replaced by a full time Head of Communications in each borough. For Lewisham this was initially via a member of staff seconded from Lambeth Council. This arrangement continued until the beginning of September 2017.
- 2.17. Over the period March 2016 to September 2017 Lewisham Council paid £80,983 to Lambeth Council for these services. As a comparator, if over this period Lewisham Council had appointed its own Head of Communications it would have incurred salary and on costs of up to £131,750.
- 2.18. As the arrangements with Lambeth Council were a trial which was effectively over by the time of agreeing the 2017/18 budget, the potential savings were never agreed by Council and there was no impact on the Communications budget.

Table 5: Savings agreed to Communications budget since 2010

Year	Proposal agreed	£,000
2016/17	Restructure of Communications after voluntary redundancies	60.0
2015/16	Reduction in corporate management and professional support services	50.0

2013/14	1. Staffing reorganisation - Communications unit 2. Reduced spend on printing, advertising and publicity and increase income from advertising in Lewisham Life	141.0
2012/13	A reduction in the marketing budget as a result of standardising the quality of certain publications.	8.0
2012/13	The proposal is to restructure the Communications Unit.	284.0
2011/12	The proposal is to reduce spending on publications funded by the corporate marketing budget	97.0
2011/12	To reduce spending on publications	34.0
2010/11	Reduction in the web development budget	39.0
2010/11	Reorganise the corporate communications management structure.	42.0

- 2.19. In 2018/19 the non-staffing expenditure budget grew by £85k pa to fund the need for new software and IT support service to underpin the new corporate website. This additional expenditure was required to improve the data security of council's website.
- 2.20. In February 2019 Council agreed additional expenditure pressure of £200k for communications. This funding was agreed to cover the ongoing staffing pressures on the Communications Service, which by late 2018 included a number of temporary roles which had been added to the team funded by corporate reserves.
- 2.21. These included additional posts to support the council's website, organisational transformation projects, new Corporate Strategy priorities and the Local Democracy Review.
- 2.22. To ensure efficient use of resources new communications objectives have been agreed to set a clear direction for the Council's communications service and as a basis for a restructure of the service. The objects set out to sustain and accelerate improvement in the service and support key council's priorities, such as tackling the climate emergency, becoming a borough of sanctuary and improving engagement with seldom heard groups of people.

New Communications Service Objectives

1. Deliver a strategic & collaborative communication service that
 - 1.1 supports the delivery of the Corporate Strategy through an agreed campaign plan aligned to the corporate priorities,
 - 1.2 improves the council's reputation,
 - 1.3 makes more effective use of a range of social media and other digital channels
 - 1.4 and supports organisational transformation
2. Continuously improves the service – with disciplines and processes that deliver impactful strategic communications over a three year period.
3. Promote the strategy – raise awareness of it internally and to be a respected, advisory service which empowers and enables services areas to communicate effectively.

2.23. In accordance with the Management of Change Guidance HR policy we are currently consulting staff and trade unions on proposals to restructure the team. The proposed restructure would expand the team from 12 FTE posts to 14.8 FTE posts. The proposals include:

- a stronger management team to support a more strategic approach to communications activity attuned to the Corporate Strategy,
- an upskilled marketing team to support key corporate priority programmes identified by the Corporate Strategy,
- a stronger media relations and social media function in line with the recommendations of the Local Democracy Review,
- enhanced internal communications support for organisational transformation programmes

2.24. No changes to the Communications budget are proposed for 2020/21. The focus for the service will be to establish the new staffing structure, to improve the service and to work with Digital Services to develop and embed new management arrangements for the corporate website, which is currently split across the two services.

2.25. Looking to the future we will examine the effectiveness of our communications channels, particularly print channels such as Lewisham Life and other printed materials. We will also explore communications related expenditure across the authority and consider the opportunities for greater cost effectiveness.

3. Economy & Partnerships

3.1. The Economy & Partnerships Team was formed in January 2017 within the Strategy and Communications division. It brought together the Strategy & Partnerships Team and the Economic Development & Enterprise Team service (which had previously sat within the Planning division).

- 3.2. The merger of these two services and the effective use of s106 and other external funding streams have enabled significant synergies and a reduced call on the core council revenue budget whilst also expanding employment and enterprise support services. The savings agreed over the last five years are set out in table 6 below.

Table 6: Savings agreed to Economy & Partnerships budget since 2016/17

Year	Proposal agreed	£,000
2020/21	Reduce corporate apprenticeships budget	55.0
2020/21	Review the Economy and Partnerships Function	80.0
2019/20	Review the Economy and Partnerships Function	30.0
2017/18	Savings achievable from a corporate approach to and restructure of employment services.	163.5
2016/17	Review of programmes	150.0

- 3.3. Table 7 below sets out the Economy & Partnership budget over the last five years in greater detail. In large part the staff team and programmes are now funded by New Homes Bonus, European Regional Development Fund, the GLA and DWP. These projects include the DEK enterprise hubs and growth programme, the Creative Enterprise Zone, Small Business Advice, the South London Innovation Corridor, the Lewisham Construction Hub and the Better Placed Partnership.
- 3.4. Detail on these programmes and the work planned to develop future priorities for the service, within a new Inclusive Growth Strategy, was presented to Sustainable Development Select Committee on 11 September 2019. This report is appended.
- 3.5. The introduction of the Apprenticeship Levy has also enabled some savings in the budget for the Mayor's Apprenticeship Scheme as the training costs for Apprentices is now funded by the levy.

Table 7: Economy & Partnership expenditure and income budget since 2015/16

Year	Expenditure Budget £	Income Budget £	Net Budget £
2019/20	3,520,579	-2,711,159	809,420
2018/19	3,487,746	-2,681,159	806,587
2017/18	994,200	-214,700	779,500
2016/17	1,150,033	-214,700	935,333
2015/16	1,626,333	-504,700	1,121,633

- 3.6. A key financial challenges for next year is the end of the New Homes Bonus funding for the DeK Enterprise Hubs and Lewisham Construction Hub projects. It is anticipated that these projects or similar projects will continue using alternative

funding such as s106, although this may need to be at a reduced level of expenditure.

- 3.7. It is also worth noting that once the Apprenticeship budget is excluded the net budget for the Economy & Partnerships function now stands at just over £300,000. The £80,000 saving was agreed for 2020/21 to be delivered through a longer term review of the overall function and evaluation of the scope for closer working across different service areas of the Council with an objective of salaries savings of up to £80k. This represents reduction in the net Economy & Partnerships budget (excluding apprenticeships) of more than 25%.
- 3.8. Going forward the Chief Executive is looking at options for realigning some of the roles and functions across the Council to ensure they are effectively and efficiently focused on delivering corporate strategy priorities.

4. Mayor's Office

- 4.1. The Council employs a 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.
- 4.2. In 2018 two additional Cabinet Support officers were recruited to the team increasing the size of the team from four to the current six. In addition to the core team of six officers supporting the Mayor and Cabinet the service includes the Political Assistant to the Majority Group, the Mayor's Political Advisor and the team of two officers supporting the Young Mayor programme. The budget also includes the Young Mayor's discretionary budget.
- 4.3. The increased staffing level reflects 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.
- 4.4. In May 2018 the Council agreed a new scheme of delegation in which the Mayor delegated powers to Cabinet in order to fulfil the commitment to a greater level of collaboration and sharing of power. The Mayor & Cabinet Office team ensure that all 11 Cabinet Members are fully briefed before they are asked to make decisions.
- 4.5. 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.
- 4.6. The incoming Mayor also 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.

- 4.7. 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.
- 4.8. 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.
- 4.9. Overall the budget for the Mayor's Office was increased by £150k to cover pressures on staffing costs and to fund a £20k budget gap in the Young Mayor budget relating to election costs which was previously funded by underspends in the Mayor's Office budget due to staff vacancies.
- 4.10. In 2018 a number of posts within the Mayor's Office, both existing and new, were filled on temporary contracts in anticipation of a review of the service. As part of that process we will be reviewing the budgets, team structure and job descriptions within the service to ensure they reflect current priorities and roles and responsibilities. In line with the Corporate Strategy commitment to high quality work we are working towards ensuring we have a permanent staff team in place.

Sustainable Development Select Committee		
Report Title	Economy and Partnerships Service – Implementing the 2018-2022 Corporate Strategy	
Key Decision	No	Item
Ward	All	
Contributors	Director of Strategy and Communications Director of Financial Services Director of Law Director of Corporate Policy and Governance	
Class		Date: 11/09/19

1. Purpose of the Report

- 1.1 This report briefs the Committee on the work of the Economy and Partnerships Service and sets out how the service contributes to the delivery of the 2018-2022 Corporate Strategy.

2. Recommendation

- 2.1 The Committee is asked for its views on the work of the economy and partnerships service
- 2.2 The Committee is asked to review and provide suggestions to strengthen the CDI Strategy, the Spatial Guidance and Local Economic Assessment
- 2.3 The Committee agrees to receive a draft of the new Inclusive Growth Strategy on our priorities for delivering Inclusive Growth through our work on employment, skills, support for businesses, inward investment at the end of 2019 or early 2020.

3. Policy Context

- 3.1 *Corporate Strategy* - This report sets out how the Economy and Partnership service supports the delivery of the Council's corporate priorities, as set out in the Council's Corporate Strategy. The work of the service contributes to all seven corporate strategy priorities but it is the lead service for delivering a number of the commitments under "Building an inclusive local economy".

4. Background

- 4.1 The Economy and Partnerships Service was set up in January 2017 following a review that brought together the Strategy and Partnerships Team with the Economic Development and Enterprise team under the Head of Strategy in the Resources and Regeneration Directorate, now the Director of Strategy and Communications in the Corporate Services Directorate.

4.2 The Economy and Partnerships (E&P) service works to support inclusive growth in the borough, which benefits all of our residents. The service works on cross cutting projects where multiple partners are involved; this includes services from across the Council, other local authorities, public sector organisations in Lewisham, developers, businesses and community/voluntary sector organisations.

4.2 There are 5 distinct teams within the service, they include:-

- Business Partnerships and Engagement;
- Lewisham Construction Hub;
- The Apprenticeship Team;
- The Support for Families Team;
- The Better Placed Partnership.

4.3 The service also delivers a range of inclusive growth programmes which are led by the head of the service working with officers within the E+P service, across the Council and in partner organisations.

5. Delivering the Corporate Strategy priorities

5.1 This section of the report sets out the current work of each of the teams within the E+P service followed by the corporate strategy commitments that are relevant to the work of each team.

5.2 *Business Partnerships and Engagement*

5.2.1 The Business Partnership and Engagement (BPE) team is the lead champion for businesses, particularly small businesses, in the Council and supports start-ups. The team, provides support for businesses to grow, works with businesses who are growing to stay within the borough and supports the creation of workspaces. The team aims to deliver jobs and economic growth for Lewisham through the following key programmes:-

- Inward Investment programme
 - SHAPES Lewisham – Deptford and New Cross Creative Enterprise Zone (CEZ)
 - South London Innovation Corridor (SLIC) programme
 - Good Growth Fund
 - Lewisham London
 - Local Economic Assessment (LEA)
- DeK Growth Programme funded through European Regional Development Fund
- Small business and enterprise development
 - Business start-up support/IAG
 - Dek Enterprise Hubs – Dek Catford and Dek Place Ladywell

5.2.2 *Shapes Lewisham* – www.shapeslewisham.co.uk

New Cross & Deptford was chosen to be one of six London's first ever Creative Enterprise Zones by the Mayor of London in December 2018. Creative Enterprise Zones (CEZs) aim to:-

- **Space** - secure permanent, affordable, creative workspace, and live-work spaces
- **Skills and support** – build entrepreneurial skills and offer affordable business support to artists, start-ups, sole traders and small businesses as well as create jobs.

- **Policy** – develop Local Plans with pro-creative policies in planning, housing, business development, technology, super-fast broadband and infrastructure, and support local business rates relief policies
- **Community** – create socially-inclusive places and strengthen links with marginalised communities and education providers so that young and local people can access new jobs within the CEZ.

It builds on Lewisham Council’s CDI Strategy (see attached report within appendix):

- Re-adopting and re-shaping Lewisham’s creative identity
- Business development and developing dynamic local networks and clusters
- Ensuring space is available for creative production and CDI growth
- Refreshing local policies and strategies
- Supporting talent through enterprise and skills training that builds on FE/HE provisions
- Community links and social inclusivity

5.2.3 The Business and Partnerships team is working with the following key partners on SHAPESLewisham- Goldsmiths University of London, Trinity Laban Conservatoire of Music and Dance, The Albany, Second Floor Studios, Studio Raw, Lewisham Education Arts Network; and will involve grassroots community groups and other industry partners to provide governance and delivery. The SHAPESLewisham programme is a strategic programme for our borough with a value of c. £10m (inclusive of partners match funding), £520,000 is CEZ funding from the GLA. The Council is waiting to hear back the share of ESF funding that the GLA has earmarked for the six CEZs in London.

5.2.4 Our CEZ will benefit Lewisham by giving life to our ambition for the borough to be recognised as one of London’s most significant creative and digital hubs. The geographical area that is covered by CEZ within New Cross and Deptford has been designated on the London Plan as a CEZ which will make it more attractive to funders as it will be seen as an area of sector growth and should therefore encourage further investments. Other benefits to the borough include:-

- The integrated interventions are intended to create the conditions for CDI sector transformation in Lewisham, helping to facilitate the social and economic outcomes that are expected in an increase in CDI employment by 2021/2022 up to 30% – 1300 people (up from 1000) employed and 700 (up from 400) businesses in CDI sector
- Uplift in creative production floor space by at least c. 9,861 sq.m
- It will facilitate the growth of emerging CDI clusters in other areas of the borough such as Catford, Forest Hill, Brockley and Lewisham Central, e.g. SHAPESLewisham website and social media is intended to promote the CDI sector across Lewisham, initially starting with those based in New Cross & Deptford.

5.2.5 Businesses will benefit from the CEZ in a range of ways including:-

- Access to affordable and appropriate workspace (studio and office) that will support our business community. Two flagship projects are:
 - 86 Studios and Gallery space as part of Deptford Foundry, by Second Floor Studios. Part of a joint CEZ launch on 15th by Deputy Mayor of Culture, Justine Simmons.

- Goldsmiths Enterprise Hub with innovation space within two retail units and upper terrace on New Cross Road and standalone incubator space behind (explained further in SLIC section).
 - Business networking, collaboration, tailored business support (through the ERDF co-funded Dek London programme) and competition/awards
 - Retaining creative talent from the borough's education institutions, Goldsmiths and Trinity Laban, and in the local creative community through pathways for access to employment and tailored enterprise support
 - Embedding development policies within the local plan and identifying council's assets that can help the sector to thrive
- 5.2.6 The Business and Partnerships team is now working with the key strategic partners to deliver the activities in the CEZ Action Plan such as setting up the internal officer group, setting up Programme Partners Group, and towards set-up of a two-tiered approach built around Leadership Steering Board and expert information groups who will provide information and insight to the CEZ; potentially evolving into a new Community Interest Company.
- 5.2.7 *South London Innovation Corridor*
 The South London Innovation Corridor is a major new economic development partnership which aims to drive inclusive creative and tech sector growth across inner South London. The partnership is local authority led involving public, private, education and not-for-profit sectors across the boroughs of Lambeth, Lewisham, Southwark and Wandsworth. Programme governance includes:
- CDI talent development work stream
 - Business support - Diversity and Digital (One tech business support) and Grassroots CDI
 - Programme board
 - Officers Group
- 5.2.8 The boroughs have been awarded a total of £8m from the City of London's Strategic Investment Pot (SIP) with a further £17M of match funding. Lambeth Council is the accountable body for the programme. The funding will be used in the following ways across the four boroughs:-
- £5.2m on workspaces
 - £0.8m on business support
 - £1.0m on talent development
 - £0.2m on shared research and policy
 - £0.8m on programme management
- 5.2.9 In Lewisham, the £1.3m SIP investment funding will support the refurbishment of two retail units and upper terraces on New Cross Rd, into an exciting innovation and enterprise hub with tailored business support by Goldsmiths and world-class industry partners. It will include a highly flexible open plan 'incubator' space based in a single storey building at the back catering for the needs of start-ups and access to the café and Goldsmiths' academic departments.



- 5.2.10 In addition to SIP funding, the Business Partnerships and Engagement team and Goldsmiths University of London have successfully used the SIP funding to secure £1m of match funding from the Mayor's Good Growth Fund. The balance of funding needed for the refurbishments of the units and the creation of the Enterprise Hub was c£2.5m and this has come from Goldsmiths.
- 5.2.11 Progress to date includes; a programme board has been set up, the scheme has received planning consent, a design team has been appointed and an Enterprise Hub Manager recruited to spear head the development of the business support ecosystem in advance of the Enterprise Hub which is due to be ready to open in early 2021.
- 5.2.12 The Business Partnerships and Engagement team is in the process of developing a second inward investment bid with Lambeth, Southwark and Wandsworth to the Strategic Investment Pot (SiP) administered by the Corporation of London. The bid is due to be submitted on 3rd September and we should hear if we are successful towards the end of the calendar year.
- 5.2.13 *Good Growth Fund*
As mentioned above, the Business Partnerships and Engagement team was successful during 2018/19 in securing £1M from the Good Growth Fund to facilitate the development of the Goldsmiths Enterprise Hub. The SIP funding was used as match funding to secure the Good Growth Funding. Goldsmiths' Enterprise Hub governance framework includes representatives from Lewisham Council and the Greater London Authority:
- 5.2.14 *Lewisham London* – www.lewishamlondon.co.uk
One of the key roles of the Business and Partnerships team is to help shape the boroughs identity and promote Lewisham, its town centres and new developments as a place that is open for business. The team works to unlock and steer inward investment opportunities (either through bid writing and/or through working directly with investors or agencies like London and Partners) to drive inward investment into Lewisham. The team also works to influence and encourage take up of commercial spaces in new developments (e.g. consultee for pre-planning applications), minimise empty spaces and work with colleagues/partners to bring forward spaces to engage and attract new businesses and new commercial investment.

5.2.15 *Local Economic Assessment (LEA)*

The team commissioned a local economic assessment for LB Lewisham, in conjunction with the Planning Policy team; to provide current baselines, information on the overall health of the economy, and an outlook for demand trends and sector growth of the local economy. This has created a shared evidence base to underpin strategy development and local planning, and sits alongside the Annual Market Reports and the Employment Land Review. Please see attached report within appendix. The LEA has provided much of the information that we will use to develop the new Inclusive Growth Stratgy.

5.2.16 *Dek Growth Programme* – www.deklondon.com

The deK Growth Programme is a pan-London programme that aims to enhance the competitiveness, innovation and growth of small businesses in the south-east and east of London by advancing their capacity and capability for high-growth business activities. Originally operating out of Lewisham’s deK Enterprise Hubs (Catford deK, Ladywell deK and Deptford deK), small businesses across Lewisham, Greenwich, Southwark, Newham, Tower Hamlets and Hackney, as well as more widely across the LEP area, are being supported to grow through a package of essential business growth support, advanced skill workshops, mentoring and bespoke consultancy solutions. Although these areas have a high proportion of creative and entrepreneurial small businesses, they are not fulfilling their growth potential in terms of employment and GVA (Gross Value Added) growth, and are being outcompeted by established ‘hot spots’ of economic activity – such as Canary Wharf, Silicon Roundabout, Old Street and Shoreditch.

5.2.17 The Business Partnerships and Engagement team is the lead for this programme working with Goldsmiths University of London, London Southbank University and London Small Business Centre (LSBC). It is co-funded by £1M ERDF from the GLA. At the end of April 2019 LSBC withdrew from the programme when it went into voluntary liquidation. The business support 1:1 support and networking events that used to be held on the 5th floor of the Old Town Hall as part of the programme are now held at Goldsmiths or LSBU as part of a new delivery plan. The programme budget and outcome have been scaled down to reflect the delivery changes.

5.2.18 The Dek Growth Programme focuses on accelerating and sustaining growth in small businesses. The programme is offered across three key stages providing a clear roadmap for businesses to travel from low-growth to high-growth activities.



5.2.19 In particular, at stage 2, the programme works to break down barriers that prevent business-university collaboration. As emphasised by the Dowling Review (2015), businesses, particularly small businesses, lack strong links with Higher Education Institutions (HEIs) and the wealth of knowledge and expertise they could offer growing businesses to develop their capacity and capabilities. Partnering with Goldsmiths, University of London and London

South Bank University, the deK Growth Programme has increased business productivity and competitiveness by enabling research and idea exchange tailored for specific business needs. The deK Growth Programme has benefited from the strong partnerships that the Economy and Partnerships Service has established with Goldsmiths and LSBU.

5.2.20 Overall the deK Growth Programme supports SME capacity for economic growth and job creation. This programme directly supports the delivery of the corporate strategy priority, “we will expand our business growth programme to reach 300 small businesses by 2020, and support more start-up businesses to grow and become sustainable”. The programme is currently working to deliver the following outputs by December 2020

- Number of enterprises receiving 12 hours+ support– 200.
- Number of enterprises receiving non-financial support – 200.
- Number of new enterprises supported – 25.
- Employment increase in supported enterprises (New jobs created) – 20.
- Number of enterprises supported to introduce new to the firm products – 50.

5.2.21 We are on track to achieve the programme targets by the life-span of delivery; as at end of July 2019, 175 established businesses from across London have been supported with 1 to 12+ hours of support through the programme, a third from Lewisham. The performance of progress against all Corporate Strategy commitments is monitored regularly by Corporate Policy and reported to Mayor and Cabinet.

5.2.22 *Small Business and Enterprise Development*

The Business Partnership team are the main advocates and champions of small business, social enterprise and entrepreneurship in Lewisham. This includes responsibility for the day to day facilitation and contract management of the Dek Enterprise Hubs and ensuring that our start-ups and SME businesses have access to adequate business support and advisory services.

5.2.23 The team works to support the expansion of affordable and flexible workspace development in the borough, primarily with the aim of using the “Dek Enterprise Hub” brand where possible and promoting via information, advice and guidance our vacant spaces (including Council’s assets). Following the liquidation of one of our DeK delivery partners, the team has brought back in-house the management of the 5th floor Old Town Hall and Place Ladywell DeK. The 4th floor Old Town Hall continues to be successfully run by Bow Arts. Mayor and Cabinet will discuss the future direction for the existing DeK Hubs in September 2019.

5.2.24 The team works with industry partners such as the Chamber of Commerce, the Federation of Small Businesses, local business groups and have formed a Lewisham Business Support Forum to ensure that our businesses have support to deal with the key issues and challenges that they face. To this end we recently signed the Federation of Small Business Charter which confirms our intention to work to find ways to support small businesses. The team also promotes initiatives and funding opportunities that may be of interest to our businesses e.g. the Greater London Investment Fund.

5.2.25 In addition the team are working to have up to date list of vacant commercial property and workspace information that can be disseminated to residents and businesses looking for business space.

5.2.26 In order to celebrate and promote our local business start-up, innovation and expansion throughout the borough, the team hold events such as the Mayor's Business Awards and we acknowledge local businesses that pay their staff the London Living Wage rate.

5.3 *The Lewisham Construction Hub (LCH) incorporating the Local Labour and Business Scheme Team - www.lewishamconstructionhub.co.uk*

5.3.1 The Lewisham Construction Hub is central to the work the Economy and Partnerships team does to ensure that our residents and businesses are effectively prepared for and gain access to the economic opportunities created by the unprecedented pipeline of development activity in the borough, with a focus on securing employment, training, learning and contracting opportunities for our residents and businesses.

5.3.2 The Government's announcement of the Growth Deal for London in July 2014 included £70m of New Homes Bonus (NHB) funding to be used with London boroughs on projects to support the London Local Economic Action Partnership's (LEAP's) Jobs and Growth Plan - The LEAP's New Homes Bonus Programme. The Council's project, "Transforming Construction Skills for South London (Lewisham Construction Hub)" was approved for funding as part of this programme.

5.3.3 The project was developed in partnership with LB Southwark and LB Lambeth, Lewisham Southwark College, Lambeth College, South Thames College, London South Bank University and the Construction Industry Training Board. In 2015, a feasibility study and business case development work was undertaken. As part of this work a construction labour forecast was produced for Lewisham, Lambeth and Southwark. The labour forecast gathered data for approximately 80% of the current and pipeline construction activity in Lewisham, Southwark and Lambeth, covering the following categories:

- Residential
- Commercial
- Industrial
- Infrastructure
- Schools & council-owned assets
- Housing repairs and maintenance

5.3.4 The labour forecast found that a £7.3 billion pipeline of investment was expected across these three boroughs over the next 10, that is to 2025. The construction activity that will take place to deliver this investment presents a range of significant economic opportunities that must be harnessed at the local level, however there are a number of challenges that need to be addressed in order to achieve this, including:-

- Limited forward planning in terms of FE skills provision that responds effectively to industry need
- The move from direct delivery towards subcontracting limits the main contractor's ability to influence up-skilling and apprenticeship creation
- A historic lack of construction industry investment in skills

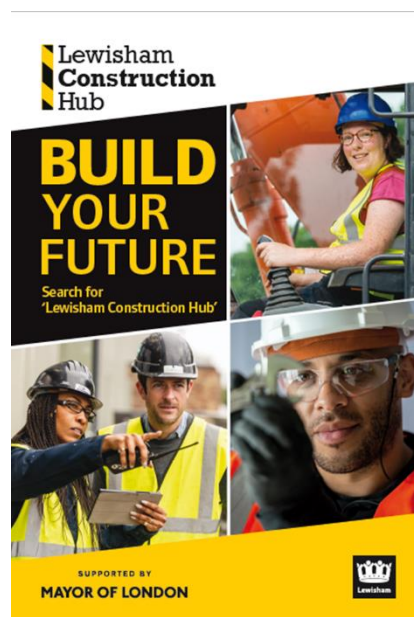
- A move towards compressed programmes and off-site manufacturing
- A general lack of awareness of the range of opportunity in construction
- Low levels of interest in jobs in construction amongst target communities
- Low levels of take up of training and employment opportunities
- Job brokerage- other than the jobs centre, there are no other job brokerage services within the borough
- Access to the supply chain of the main contractors

5.3.5 The Council decided in 2016 to proceed with the creation of the Lewisham Construction Hub independently of its tri-borough partners, London Borough of Lambeth and London Borough of Southwark, with an initial focus on developments in Lewisham. The LCH is now working with these two councils and London Southbank University on the Mayor of London's Construction Academy which is very similar to the LCH but extends our residents access to construction training and employment opportunities across London. We are also part of the London South East Colleges (LSEC) Mayors Construction Academy which means we are able to access opportunities with partners from Greenwich, Bexley right through to central London.

5.3.6 The Lewisham Construction Hub is located on the Lewisham College Deptford Campus site making it extremely accessible to residents as there is a physical building for them to receive the service. Two contracts were awarded under the LCH. Lot 1 was for the delivery of Construction Training, Apprenticeship and Employment services, Lot 2 for the delivery of Local Construction Supply Chain Development Contract. Both contracts have to date struggled to achieve their targets. Deeds of variation have been agreed with both suppliers bringing 50% of the Lot 1 contract in-house and all of Lot 2 in-house to the Local Labour and Business Scheme team from July 2019.

5.3.7 The Lot 1 provider (Lewisham College) has a new management team who are all committed to the successfully delivery of this programme and have made it one of their priority projects. A Recovery plan from the Lot 1 provider for the revised contract targets and an Action Plan to deliver the outstanding targets by the LLBS team are in place and being implemented.

5.3.8 In addition to the work of the LLBS team, supporting businesses to be procurement ready is also taking place through the Lewisham Deal work, through work around the Locality agenda and corporately through the Procurement team. To this end the most recent market warming event took place in the hub on 12th August 2019 where local businesses met with officers working on the tendering of the Council's Facilities Management contract to discuss what "Lots" are coming up, in what order and what the commissioners are looking for in terms of completing the PQQs.



5.4 **The Apprenticeship Team**

- 5.4.1 The Mayor's Apprenticeship Programme was set up in 2008 as part of the Mayor's Ten Point Plan which was a response to the challenges our residents, in particular young people, were facing as a result of the Credit Crunch. Mayor and Cabinet agreed to establish an Apprenticeship scheme in public services (with the potential to do this across public sector partners and in conjunction with other London Local Authorities) on 19th November 2008.
- 5.4.2 Over the last ten and a half years a total of 501 residents have participated in the programme working either at the Council or in one of our partner organisations. Our outcomes continue to be very impressive with:-
- 80% of our apprentices going on into a permanent role
 - 88% of Council apprentices progressing into permanent employment
 - We have worked with over 60 organisations across London
 - We have delivered apprenticeships in over 50 different subject areas
 - It is a multiple award winning programme
- 5.4.3 The Mayor's Apprenticeship Programme is open to Lewisham residents who are aged 16-64 years old interested in learning new skills and gaining work experience in order to move into further/higher education or employment.
- 5.4.4 The Corporate Strategy 2018-22 has a target of achieving 250 apprenticeship starts through the Mayors Programme by 31st March 2022. We have achieved 35 starts as at 31st August 2019. Our performance is currently below target but there is a robust action plan in place and the number of opportunities in our pipeline is very encouraging and so we should meet the overall target.
- 5.4.5 Our current pipeline includes 16 new apprentices recently recruited; 8 are starting in September and 8 are currently going through HR clearing and contracts, so by the end of October we should have 51 starts on the programme. We are also currently advertising for 11 new vacancies so if all of these transfer into starts we will have 62 starts by November 2019. This is

all taking place at the same time as we continue to seek new apprenticeship opportunities.

- 5.4.6 The Apprenticeship Team (of one FTE Coordinator supported by an apprentice!) offer a full front end recruitment service to service managers within the Council or in partner organisations at nil cost. This includes:-
- Business development services – where the team meet with prospective new employers or service managers to discuss the benefits of employing apprentices and to encourage them to use the Mayors Programme particularly if they are an external organisation
 - Assisting managers to create job descriptions, adverts and identify the type and level of apprenticeship
 - Leading on the marketing of all our opportunities using all the comms channels and platforms available to the team
 - Assessing all applicants to ensure they have an adequate level of basic maths and English. We administer paper tests so this involves arranging for groups of people to come in, a room is booked for them to sit the test, the tests are marked and then the application forms from those who pass the assessments go forward to the managers for shortlisting
 - The team prepare all the shortlisting packs
 - Once the interviews take place the packs are returned to the team who then collate all the required paperwork and return them to Corporate HR for processing for roles that are based in the Council. For roles outside the Council, local arrangements apply but in general the paperwork gets processed by their HR departments.
- 5.4.7 Once an apprentice is offered a start date the team work with the service to ensure that they are prepared for the apprentice and have an appropriate induction plan in place. In many cases apprentices are going into their first job or returning to work after a significant break so their induction needs to be tailored to meet their needs in addition to the standard Council induction programme. The team also work with the Managers and a training provider to identify an appropriate course for each apprentice employed through the Mayors Programme. The team ensure the induction, start date and assessor meetings are organised within the first month of the apprentice starting on behalf of the service manager.
- 5.4.8 Whilst on the programme the apprentices are supported by the team in a number of ways to ensure that they not only achieve their apprenticeship, we support them to ensure they have a memorable and positive experience and they are exposed to more than just their day to day role. All apprentices are assigned a mentor and encouraged to work with their mentors to address any issues that may come up either within the placement or outside that place them at risk of not completing. So this could be rent arrears, difficulties with nursery placements etc. The apprentice is also supported by their training provider, line manager and the apprenticeship coordinator who remains their primary point of contact and is the person entrusted to see them through their journey.
- 5.4.9 The Coordinator runs an Apprenticeship Forum that meets every two months bringing apprentices together to discuss any issues that the apprentices encounter and offers an opportunity for the Coordinator to meet with all the apprentices in one go. Finally the Coordinator works with every apprentice and their managers as they approach the end of the placement/apprenticeship to prepare them for their next step such as moving into permanent employment

or support them to progress onto other positive outcome. This includes job searches and interview preparation, including doing mock interviews.

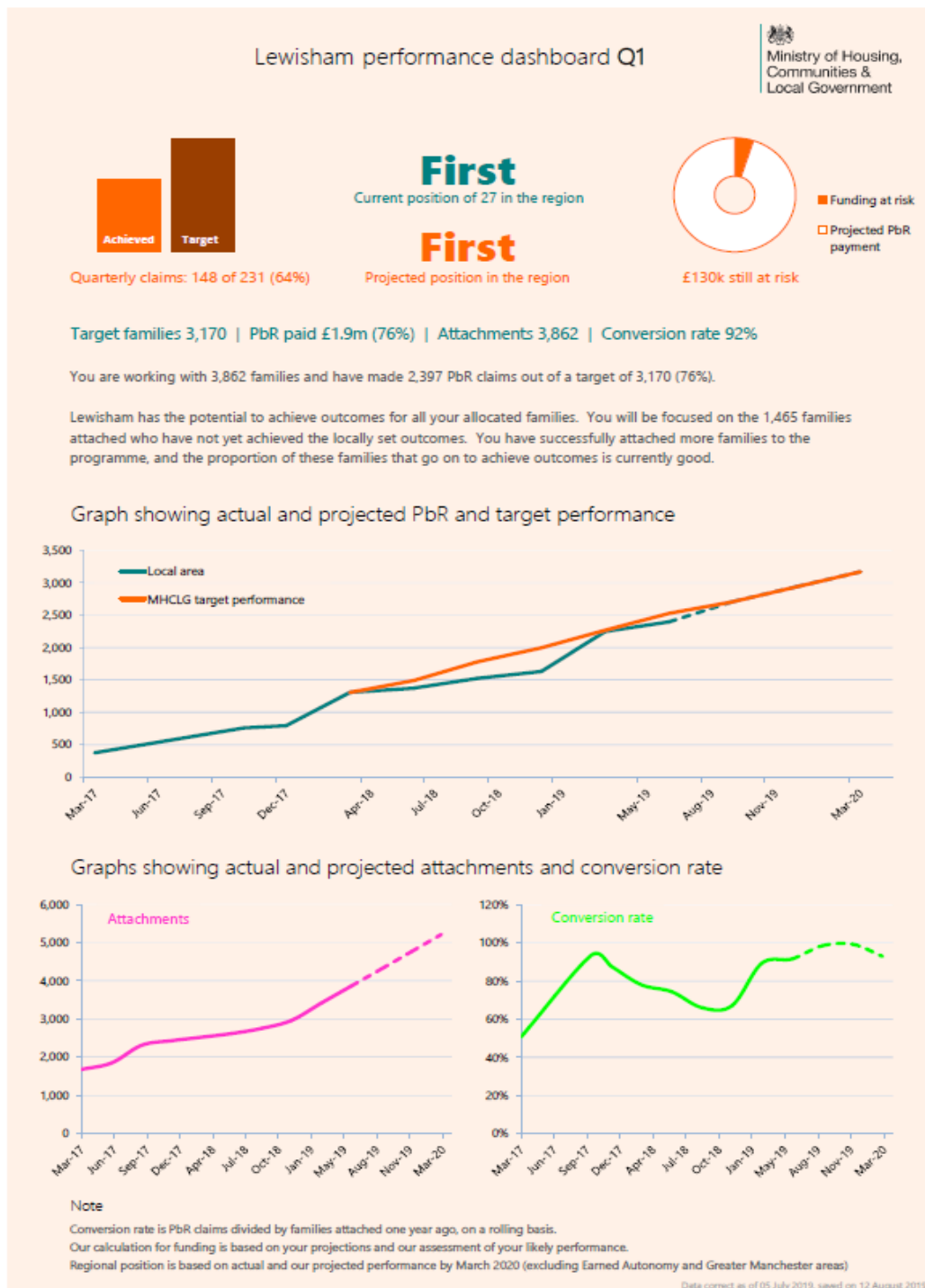
- 5.4.10 Most of the support in place has been running for a long time (nearly ten years) so the apprenticeship team will be carrying out a survey of the current set of apprentices both within the Council and in partner organisations to get feedback on the service, any key issues and improvements. It will be interesting to review the findings to see if their wants and needs are similar across the programme or if there is a variation depending on the organisation. This knowledge will be useful as we roll out our Lewisham Deal work to increase recruitment of apprentices by our partner organisations through the Mayors Programme.
- 5.4.11 The team hold a number of events to promote and celebrate the achievements of our apprentices. The Mayor meets apprentices as part of the annual “Back to the Floor” events that take place in apprenticeship week as well as an annual Apprenticeship Graduation ceremony.
- 5.4.12 Finally, as part of our commitment to support and increase the number of people participating in apprenticeships the team administers the Lewisham Apprenticeship and Workforce Development Fund. Local businesses wanting to get funding to upskill their existing staff or to recruit new apprentices into their businesses can apply to the team for funding from the Council’s unspent Apprenticeship Levy pot.

5.5 The Support for Families Team

- 5.5.1 The Support for Families team delivers the Governments Troubled Families Programme in Lewisham. This is a five year programme that is due to end on 31st March 2020. The team works in partnership with a range of Council services and partner agencies to identify families that meet the Government’s Troubled Families criteria and work with these families to help address their challenges and barriers to employment.
- 5.5.2 As a testament to the partnership nature of this programme and the wider service, the Support for Families team includes two JobCentre Plus work coaches who are attached to the Support for Families Team.
- 5.5.3 This is a Payment By Results (PbR) programme, payment is based on identification of families (£1000 per family) and on a successful claim (£800 per claim). The team are responsible for securing the income for the Council. Currently the income from the programme is used to fund the Core Assets contract commissioned to support the Early Help service in the CYP directorate.
- 5.5.4 The five year programme targets were as follows:-
- Identification target – 3170 families
 - Claims target – 3170 families
 - Total PbR income available to Lewisham - £5,706,000
 - Total number of families attached is 100% of target and we have earned £3,170,000
 - Total number of claims made as at 30th June 2019 is 2397 which has earned Lewisham £1,917,600

- In total the Economy and Partnerships team has to date achieved £5,087,600 funding for Early Help services. There is £618,400 left to claim for our services that support our most vulnerable families.

5.5.5 Lewisham has already achieved 100% on the identification target and is on track to achieve 100% of claims. Below is a copy of the latest quarterly performance report from the Ministry of Housing Communities & Local Government (MHCLG) on Lewisham.



5.6 The Better Place Partnership

5.6.1 Getting residents into work and into better work is at the core of the Better Place Partnership in central south London. The partnership spans the dynamic yet different boroughs of Lambeth, Lewisham and Southwark working with the south London district Jobcentre Plus (JCP). The Partnership works together on areas of common concern relating to growth, economic development and skills and is overseen by a Joint Committee of the three borough leaders/Mayor. The Joint Committee is supported by a board of senior leads from each organisation in the partnership in addition to task and finish groups which oversee specific programmes. The staff resource who facilitates the work of the Better Place Partnership is based in the Economy and Partnerships team and works across the three boroughs. Strong governance and honest, collaborative relationships have been key to the partnerships' success.

5.6.2 The three boroughs started working together because of shared challenges around unemployment and low skills levels for some residents; coupled with a fragmented employment and skills system that was failing to meet local needs and was difficult to navigate. The partnership is more than worthy words and good intention - the three boroughs and Jobcentre Plus have invested £800,000 into the partnership and secured £1.6m of external funding for the partnership's flagship programme Pathways to Employment. This programme started in April 2017 and ended in March 2019 and achieved the following programme outcomes:-

PtE performance	Number receiving 6+ hours of support	Number into employment	Sustained employment 26-32 weeks	Number additional progress ¹
Target	1176	534	265	796
Total Achieved	1254	539	315	781
Total achievement (%)	106%	101%	119%	98%
Lambeth target	420	190	94	282
Lambeth Achieved	435	183	96	266
Lewisham target	420	191	94	284
Lewisham achieved	471	191	106	285
Southwark target	336	153	77	230
Southwark achieved	348	165	113	230

** Additional progress (help to overcome wider barriers such as criminal record or debt)

5.6.3 Now five years old, our partnership is growing in maturity and strength and has helped in changing lives. Political alignment, strategic alignment and operational delivery are all combined with strong relationships focused on getting the best possible deal for our residents, which together make up a population the size of the city of Manchester.

- 5.6.4 The partnership is now assessing its shared challenges and aspirations around supporting residents to progress out of low paid employment, and addressing the challenge of in-work poverty. This will include securing external funds for an in work progression pilot. The pilot will build on the learning to date and extend the pathway of support for residents not only into employment but through residents' employment journeys. We remain convinced that by working together as one, and further to pooling financial resources we're better placed to give residents the practical support they need to build different and better lives into the future.

5.7 Inclusive Growth Programme

- 5.7.1 Working to deliver inclusive growth for ALL our residents and businesses is the vision and at the heart of the Economy and Partnerships service. In addition to the programmes of work set out above, the service also leads on the delivery of a range of projects and initiatives that drive forward our Inclusive Growth focus. These include:-

- Increasing the number of London Living Wage accredited businesses. The service works to promote the benefits of Living Wage accreditation to businesses and we disseminate information about support and incentives provided by the Council such as the Business Rates relief incentive. Increasing the number of London Living Wage employers is a specific Corporate Priority commitment for this and we are currently well on track to achieve the target
- Delivering the Lewisham Deal – this programme brings together the anchor institutions, (Lewisham College, Lewisham Hospital, Phoenix Community Housing, Lewisham Homes, Goldsmiths University) to deliver an inclusive local economy for all our residents and businesses especially around procurement activity, creating apprenticeships, providing information and guidance and promoting London Living Wage accreditation to businesses. The Lewisham Deal was one of the recommendations from the Poverty Commission in 2017
- Employment and Skills – particularly coordinating the implementation of the Work and Health Programme, facilitating meetings of the Lewisham Service Providers Forum and contributing to corporate activity on projects that aim to support residents into work e.g. the Homelessness Trailblazer pilot
- Providing a link between the work of planning, regen and others to ensure that Lewisham businesses and residents are at the heart of our regeneration activity
- Providing expertise to colleagues and external partners on how to secure a variety of social value outcomes through procurement job opportunities and community engagement

6. Economy and Partnerships and the 2018-2022 Corporate Strategy

- 6.1 The work of the Economy and Partnerships Services contributes to the following Corporate Strategy commitments:-

6.2 Commitments that the service leads on

Commitments	Programme(s)
We will double the number of Living Wage employers in Lewisham	<ul style="list-style-type: none"> • Inclusive Growth – Living Wage
We will support an additional 250 people through the Mayors Apprenticeship scheme	<ul style="list-style-type: none"> • Mayors Apprenticeship Programme
We will create more enterprise hubs	<ul style="list-style-type: none"> • Inward Investment
We will expand our business growth programme to reach 300 small businesses by 2020 and support more start-up businesses to grow and become sustainable	<ul style="list-style-type: none"> • DeK London Growth Programme <p><i>Also supported through:-</i></p> <ul style="list-style-type: none"> • SiLL – Start-ups in London Libraries • Lewisham Construction Hub

6.3 Commitments that the service contributes to:-

Commitments	Programme(s)
We will deliver 1000 new social homes	<ul style="list-style-type: none"> • Lewisham Construction Hub • Inclusive Growth – procurement etc
We will improve our children’s social care services to provide support for families at the earliest opportunity	<ul style="list-style-type: none"> • Support for Families
We will work tirelessly with our partners to keep Lewisham’s children and young people safe from exploitation, violence and serious youth crime	<ul style="list-style-type: none"> • Support for Families
We will work with our local communities to ensure that children and young people have early access to a strong and ambitious early help offer	<ul style="list-style-type: none"> • Support for Families
We will work with our partners to ensure that young people transitioning into adulthood achieve the best possible outcomes in relation to education, work, healthy lives and strong community connections	<ul style="list-style-type: none"> • Support for Families • Mayor’s Apprenticeship Programme • Lewisham Construction Hub

Commitments	Programme(s)
	<ul style="list-style-type: none"> • Inclusive Growth programme • Inward Investment programme
We will support our care leavers to stay in education, progress to higher education and take up apprenticeships and other work opportunities	<ul style="list-style-type: none"> • Lewisham Construction Hub • Mayors Apprenticeship programme
We will work with parents and schools to reduce exclusions	<ul style="list-style-type: none"> • Support for Families
We will roll out a business rate discount for employers who commit to fair pay	<ul style="list-style-type: none"> • Inclusive Growth – Living Wage
We will require large contractors to provide high quality apprenticeships for local residents where possible	<ul style="list-style-type: none"> • Inclusive Growth programme • Mayors Apprenticeship Programme • Lewisham Construction Hub
We will support adults to access high quality learning	<ul style="list-style-type: none"> • E+P Service wide • Lewisham Construction Hub • Support for Families • Better Place Partnership
We will review public sector procurement to maximise investment in local independent businesses and support local inclusive growth	<ul style="list-style-type: none"> • Inclusive Growth – Lewisham Deal • Lewisham Construction Hub
We will develop an Evening and Night-time Strategy. We will focus on our arts and music spaces and enable more cafes and restaurants to stay open late in the evenings to bring our town centres to life	<ul style="list-style-type: none"> • Small Business and Enterprise Development

Commitments	Programme(s)
We will work with TfL to extend the Bakerloo line	<ul style="list-style-type: none"> • Inward Investment programme • Lewisham Construction Hub

7. Looking ahead to a new Inclusive Growth Strategy for 2019 and beyond

7.1 Work has begun on a new Inclusive Growth Strategy (2019-2022) that aims to support our residents gain the skills and experience to enable them to access good quality jobs or progress into better jobs. The new Strategy will need to incorporate and reflect the new policy framework and a number of key initiatives including the Government's industrial Skills Strategy, the Mayor of London's Skills for Londoners and GLA's Economic Development Strategies, along with the Central London Forward's Skills Strategy and Inclusive Growth Strategy.

7.2 The service has been thinking through possible implications of Brexit on our residents. Whilst things are still uncertain, most commentators predict a rise in unemployment so the new strategy will set out how we will support our residents and local businesses through the medium and long term impacts of Brexit (with whatever information is known at the time).

7.3 The new Inclusive Growth strategy will also set out how the Council will deliver the Corporate Strategy commitments and our priorities around tackling the challenge of low-pay, supporting our residents especially our vulnerable residents access skills and employment for work, increasing participation in apprenticeships and delivering the Lewisham Deal

7.4 Finally, in addition to setting out priorities around employment and skills, the new Inclusive Growth Strategy will also incorporate priorities to support Small and Medium sized Enterprises as well as work around our Inward Investment programme that's aimed at supporting growth sectors to create local jobs and thereby bringing opportunities for residents to gain skills and access to jobs.

7.5 It is therefore recommended that Committee agree to receive a draft of the new Council Strategy on our priorities for delivering Inclusive Growth (employment, skills, support for businesses) later this year.

8. Legal Implications

8.1 Under S1 of the Localism Act 2011 the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.

8.2 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.

7.3 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.

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

8.5 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.

9. Financial Implications

9.1 The programmes outlined in this report are being funded from the existing Revenue Budget or through grants from external sources. There are no additional financial implications arising from the report.

10. Crime and Disorder Implications

10.1 There are no direct crime and disorder implications arising from this report.

11. Environmental Implications

11.1 There are no immediate environmental implications arising from this report.

12. Equalities Implications

12.1 Our vision and ambition for our borough is that:

“Together we will make Lewisham the best place in London to live work and learn.”

This is underpinned by hard-edged principles for:

- **reducing inequality** – narrowing the gap in outcomes for citizens
- **delivering together efficiently, effectively and equitably** - ensuring that all citizens have appropriate access to and choice of high quality local services

12.2 The Council's Comprehensive Equality Scheme (CES) for 2016-20 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.

12.3 The Council equality objectives through the CES include:

- **tackle** victimisation, discrimination and harassment
- **improve** access to services
- **close** the gap in outcomes for all residents
- **increase** mutual understanding and respect within and between communities
- **increase** citizen participation and engagement

12.4 The strategy addresses the Council's equality objectives as it includes measures to improve access to services for our most vulnerable residents particularly through the implementation of the Local Services Support Framework. The core aim of the strategy is to provide a framework for DWP/the Council and other partners to work to reduce the number of residents on the JSA register, this supports our equality objectives as increased number of residents will participating in work related activity.

13. Background Papers

13.1 There are no background papers other than the appendices

14 Further Information

14.1 If you would like further information on this report please contact Fenella Beckman, Head of Economy and Partnerships, on 020 314 8632.

Appendix A –

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Public Accounts Select Committee			
Report Title	Update on Commercial Culture and Training		
Key decision	No	Item No	
Contributors	Director of Organisational Development & Human Resources		
Class	Part 1	Date	6 November 2019

1. Purpose of Report

- 1.1. At its meeting on 13 June 2019, PASC agreed that it would continue to investigate the issues of income generation and commercialisation throughout the 2019-20 municipal year. This paper provides an update on the work programmes in relation to the Council's culture as well as leadership / management training that support the development of a greater commercial culture / mind-set.

2. Recommendations

- 2.1 To note the work being undertaken on a refreshed organisational culture and values – 'The Lewisham Way', and training for senior managers set out in the paper to support developing a more commercial culture / mind-set across the Council.

3. Policy Context

- 3.1. This work has been undertaken in line with the Corporate Strategy 2018-22. As it relates to the culture of the Council it supports all the Council's priorities. In specific terms of developing a commercial mind-set it relates specifically to:
- Directly supporting the objective to build an economy for the many: and
 - Indirectly supporting the remaining six objectives through supporting a sustainable financial position which will fund activity in these areas.

4. Background

- 4.1. The Lewisham Way (Behaviour Framework and Values) has been the foundation of the Council's approach to working with residents and delivering services, defining what makes Lewisham different and special. The behaviours and values have provided the understanding and clarity from which to lead and learn. However the Lewisham Way has been in place for c15 years and therefore, with much change having happened and with a new corporate strategy in place, it was decided it needed revalidating and refreshing.
- 4.2. Work was commissioned earlier this year to review and revalidate the current Lewisham Way to ensure it reflected the ongoing needs of the council and residents. The approach to refreshing the Lewisham Way was through evolution not revolution, in order to build on the Council's historic legacy and the benefits the Lewisham Way brings to our borough and its residents, and to ensure it continues to reflect the modern landscape within Lewisham and best practice outside it.

5. The Refreshed / Revalidated Lewisham Way Behaviours and Values Framework

5.1 The process of refreshing and revalidating the Lewisham Way involved referencing against a range of internal and external references that included;-

- Using the research which has identified behaviours that deliver superior organisational performance specifically in dynamic environments by enabling individuals, teams and organisations to perform at outstanding levels in complex and fast changing environments.
- Input from the Mayor and Cabinet members and Executive Team members
- Input from the work carried out as part of the Democracy Review.
- Workshops with Council staff, managers and leaders.
- Feedback from the Staff Survey.

6. Delivering the Refreshed Lewisham Way – Culture and Values

6.1 The New Lewisham Way is being launched to both leaders and staff in the Council across November to January, through activity that includes both leadership and staff events.

6.2 The new values and behaviours will be embedded through the Council HR management processes:

- Performance management – the new behaviour competencies are a core part of the new performance management and review process.
- Development (L&D) – through building structured development around the core behaviour competencies, ensuring common understanding across the organisation, promoting individual development and raising capability across the Council.
- Recruitment – through interview question linked to behaviour compatibility and values.
- Induction – building the Lewisham Way behaviours & values model into the Council induction for all new employees.

7. Commercial Mind-Set Development as part of Lewisham Way Culture

7.1 As part of the nine behaviour elements that form the refreshed Lewisham Way culture, there are three that directly support the culture of a commercial mind-set. These are:-

- Create and Innovate
- Measure and Evaluate
- Think broadly and find solutions

7.2 Specific training interventions will be developed over the coming year to support development in all behavioural elements of the Lewisham Way. Also broader topics that cut across a range of these areas, such as commercial mind-set / income generation will be supported by targeted development as well.

7.3 In respect of commercial training we are planning to run development courses for both leaders and senior managers in early spring next year. As well as a members focussed session that has been requested by this Committee.

7.4 The leader's course will be aimed at a strategic level but will also include case studies to make the learning real and relate to the council environment. It will include subject areas of value for money, options appraisals, cost recovery, cost modelling, benchmarking, effect of income versus volume, efficiency, political dimensions of cost/income.

7.4 The senior manager's course will be longer and more in-depth covering broadly the same areas, again using real workplace examples, but at a more granular operational level.

8. Financial Implications

8.1 None, training costs will come from existing budget provision.

9. Legal Implications

9.1 There are no direct legal implications of the report.

10. Crime and Disorder Implications

10.1 There are no specific crime and disorder implications arising from this report.

11. Equalities Implications

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

11.2 In summary, the Council must, in the exercise of its functions, have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

11.3 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.

11.4 It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.

11.5 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 7decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

- 11.6 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>

- 11.7 Any future changes proposed to the setting of fees and charges by services will necessitate full consideration of the possible equalities implications at that point. Similarly the design and delivery of any communications or training materials this will be undertaken in accordance with our obligations under the public sector equalities duty.

12. Environmental Implications

- 12.1 There are no specific environmental implications arising from this report.

13. Conclusion

- 13.1 This report sets out progress on refreshing the Council's organisational culture and its link to a commercial mind-set as well as planned training for senior managers.

Public Accounts Select Committee			
REPORT TITLE	Financial Forecasts 2019/20		
KEY DECISION	No	Item No.	
WARD	N/A		
CONTRIBUTOR	Executive Director for Corporate Services		
CLASS	Part 1	Date	16 th December 2019

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecasts for 2019/20 as at 31st October 2019, noting any exceptional items to the end of November 2019. The key areas to note are as follows:
- i. There is a forecast overspend of £5.4m 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 October 2019, some 58.7% of council tax due and 69.2% of business rates due had been collected. At this point last year, 58.8% of council tax due and 71.6% 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 October 2019 is £62.9m, which is 37% of the revised 2019/20 budget of £170.1m. At this point last year, 26% 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 October 2019, noting any exceptional items to the end of November 2019, and projected to the year end.

3. RECOMMENDATIONS

- 3.1 This report is for internal purposes only at this stage the Public Accounts Select Committee is asked to:

3.1.1 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;

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 OUTTURN

5.1 The forecasts against the directorates' general fund revenue budgets are shown in Table 1 below. In summary, a forecast year end overspend of £5.4m is being reported as at the end of October 2019. At the same time last year, an overspend of some £10.7m 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 October 2019	Forecast over/ (under) spend July 2019
	£m	£m	£m	£m	£m
Children & Young People (1) (3)	68.7	(9.8)	58.9	3.7	3.2
Community Services	177.6	(85.9)	91.7	(2.3)	(2.2)
Housing, Regeneration & Environment	119.8	(85.1)	34.6	2.6	2.1
Corporate Services (2)	62.2	(28.2)	34.0	1.4	0.9
Directorate Totals	427.9	(208.5)	219.4	5.4	4.0
Corporate Items	23.6	(0.0)	23.6	0.0	0.0
Net Revenue Budget	451.5	(208.5)	243.0	5.4	4.0

(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

6. CHILDREN AND YOUNG PEOPLE'S SERVICES

6.1 As at the end of October 2019, there is an anticipated overspend of £3.7m for the Children and Young People's Directorate. This is an increase of £0.5m from the July position and arises mainly as a result of additional costs of residential care.

Table 2 – 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 October 2019	Forecast Outturn as at the end of July 2019
	£m	£m	£m	£m	£m	£m
Children’s Social Care	43.7	(0.9)	42.8	44.5	1.7	1.2
No Recourse to Public Funds	4.0	(0.0)	4.0	3.0	(1.0)	(1.0)
Education, Standards and Inclusion	11.4	(1.7)	9.7	11.6	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	68.9	(9.8)	59.1	62.8	3.7	3.2

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

* The budget has increased by £0.2m as a result of the transfer from Corporate Services in respect of the Tribal system budget which was formerly a part of the IMT budget.

6.2 Children’s Social Care

- 6.2.1 The largest areas of spend within the Children’s Social Care budget are on children’s placements (£30m), and staffing (£17m). At the time of writing, the placements budget is forecasting an overspend of £0.5m, compared to a forecasted balanced budget as at the end of July 2019. This appears to be due to a net increase of fifteen placements in residential care since July. The costs per residential placement are high. A deep dive analysis is being undertaken to establish whether any costs are very short term (seasonal non-availability of foster carers, short term arrangements for UASCs) or whether these are new, longer term commitments. Gatekeeping panels are in place to reduce numbers coming into care and reduce escalation to high cost placements, but the complexity of cases is also increasing.
- 6.2.2 Current spending against the staffing budget suggests that a balanced budget will be achieved at the end of the financial year. The service has reviewed its staffing structure with a view to remaining within the available budget going forward. It should be noted however that a budget pressure on the service arises from work to maintain/increase the pace of improvement following the recent Ofsted inspection of Children’s Social Care. Initial proposals were considered by the CSC Improvement Board and have been taken away to be worked up further. This will need to be considered as a part of the wider Council budget strategy.
- 6.2.3 With regard to placements of children looked after, 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 3 – Looked After Children

Looked After Children and care leavers Placement Numbers (Average)				
	July 2019	August 2019	September 2019	October 2019
LA Fostering (including kinship)	167	168	164	162
Agency Fostering	197	192	189	190
Residential Children's Homes	46	52	58	61
Semi-Independent placements	39	42	42	42
Leaving Care 18+	333	326	343	336
Special Guardianship Orders	219	223	222	224
Total	1,001	1,003	1,018	1,015

6.2.4 In 2019/20, the other *Children's Social Care* budgets (ie non-salaries and placements) are forecast to be overspent by £1.2m. As in previous years, this is partially offset by a £1m underspend in the budget for No Recourse to Public Funds, leaving a net overspend of £0.2m.

6.2.5 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 resulted in an underspend of approximately £1m as at the end of the last financial year, 2018/19 and current activity suggests that this level of underspend is expected to continue. The Section 17 budget, which includes non-housing NRPF spend, is a demand led budget and experiencing a pressure of £0.6m. This will need to be reviewed as part of the CSC budget setting process. This review should also aim to net off pressures on the budgets for Legal Fees of £0.2m and Looked After Children 'additional extras' of £0.4m.

The net effect of this is a pressure of £0.2m. This is the same as the position reported as at the end of July 2019 although further investigations have identified a more accurate split.

6.3 *Education Services*

6.3.1 The main cost pressure within the *Education Services* division relates to SEN transport with a projected overspend of £2.0m. The overspend is consistent with the position for the previous two financial years. Consistent with the national position, the Council has experienced an increase in the numbers of pupils with Education, Health and Care Plans (EHCPs) while succeeding in decreasing the percentage of EHCP children on SEND transport. The Education Psychology (EP) and Specific Learning Difficulties (SPLD) team has pressure on the salary budget of £0.4m due to demand in the service, but this is alleviated by underspends in Young People Relate service of £0.2m and Business Support and School Improvement recruitment lag totalling £0.2m.

6.3.2 Officers continue to progress work to manage demand. A review into the Council's use of transport is being undertaken this year. This review is being led by the Executive Director for Housing, Regeneration and Environment, but it is still too early to anticipate the full benefits in this financial year.

6.4 Joint Commissioning and Early Help

- 6.4.1 The early help offer for families is funded exclusively from the Troubled Families (TF) grant. 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 was expected come to an end later this year, but current indications suggest that it will continue next year.
- 6.4.2 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 new contract for youth services is within the reduced budget total.
- 6.4.3 The net effect of the above is that the *Joint Commissioning and Early Help* Division is reporting a budget pressure of some £1.1m for 2019/20.

6.5 Progress on Savings for 2019/20

- 6.5.1 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 the 2019/20 budget. At this midway stage of the financial year, it is expected that these savings are on track to be delivered in full (subject to the increase in residential placements referred to above). Work continues to monitor the impact of each of the individual proposals.

Table 4 – CYP Savings Tracker for 2019/20

Ref	Description	Division	£k	Comment
CYP01	More efficient use of residential placements	CSC	500	Delayed, no savings forecast
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 October 2019, the Community Services directorate is forecasting an underspend of £2.3m which represents an increase of £0.1m on the underspend position reported at the end of July 2019.

Table 5 – Community Services Directorate

Service Area	Gross budgeted Spend	Gross budgeted income	Net budget	Forecast Outturn for 2019/20	Forecast over/ (under) spend Oct 2019	Forecast over/ (under) spend July 2019
	£m	£m	£m	£m	£m	£m
Adult Social Care	127.3	(54.8)	72.6	70.4	(2.0)	(2.0)
Cultural and Community Development	16.4	(8.0)	8.4	8.6	0.2	0.3
Public Health	14.9	(15.3)	(0.4)	(0.2)	0.1	0.0
Crime Reduction & Supporting People	18.9	(8.9)	10.0	9.4	(0.6)	(0.5)
Strategy & Performance	1.3	0	1.3	1.3	0	0.0
Reserves	0.0	(0.2)	(0.2)	(0.2)	0.0	0.0
Total	178.8	(87.2)	91.7	89.5	(2.3)	(2.2)

7.2 The most significant cost variance for the directorate falls 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 the London and National Living Wage. However, the effects of these are 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, placements and enablement largely offset by reduced expenditure on mental health. This appears to be due, at least in part, to increased demand to speed up flow from UHL. In order to 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. These impacts have led to increased costs of care and support as people discharged often require more intense and costly care and support. There is also a £0.3m projected overspend on the cost of client transport.

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 6 – Community Services Savings Tracker for 2019/20

Ref	Description	Division	£k	Comment
COM01	Managing demand at the point of access to adult social care services	ASC	122	On track
COM02	Ensuring support plans optimise value for money	ASC	250	On track
COM03	Increase revenue from charging Adult Social Care clients	ASC	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	ASC	900	Work in progress – partial achievement (£700k savings) expected in 2019/20
COM05	Increased focus of personalisation	ASC	260	On track
COM06	Reduction in Mental Health Residential care costs	ASC	300	On track
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services	ASC	100	On track
COM09	Cut to intensive housing advice and support service	CR&SP	300	On track
COM10	Crime, Enforcement & Regulation reorganisation	CR&SP	255	On track
COM12	Cut to Main Grants budget	C&CD	600	On track for full year; part year effect (£400k savings) in 2019/20
COM13	Reduction in Arts, Development and Events Funding	C&CD	85	On track
COM14	Reduce Local Assemblies funds	C&CD	225	On track
COM16	Cultural and Community Development Service Staffing	C&CD	75	On track
COM17	Ending the Small & Faith Fund	C&CD	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 still 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 has 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.

7.3.8 There are also emerging pressures on care home fees linked to concern about market sustainability. This was highlighted as a national concern by the Association for the Directors of Adult Social Services (ADASS) in a recent survey.

7.4 Cultural and Community Development

7.4.1 The *Cultural and Community Development* service is currently projecting an overspend of £0.2m. This represents a reduction of £0.1m to the projected overspend position reported at July 2019. The main movement is a net underspend of £0.1m now highlighted on the Leisure Management budget as a result of the change in the accounting treatment for the budgeted contribution to the Discretionary Rate Relief Pool.

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. The new structure has now been finalised with an effective date of January 2020. There will be redundancy costs arising from the restructure and it has been agreed that the statutory element of these costs will need to be covered from the service budget up to a maximum of £10k per employee. This additional cost will result in a net budget pressure of £26k on the service which will impact on the deliverability of the 2019/20 element of the saving.

7.4.4 There is now a small potential overspend of £10k on the community centres budget which is down on the £55k reported in the July monitoring report. A number of outstanding commercial rent agreements on community hub buildings have now been resolved resulting in the receipt of outstanding lease and rental amounts which in some cases have been backdated to reflect prior occupation. There are still a small number of negotiations that are ongoing with organisations - once these negotiations are completed it is anticipated the small residual pressure will be eradicated.

7.4.5 There is a projected overspend on the Broadway Theatre budget of £60k. The service has to strike a delicate balance between costs and income generation and some additional staffing costs incurred marketing and event management are not expected to be covered from additional income generation. The pantomime agreement for 2019/20 is on a 'hire only' arrangement with the promoter accepting the risk and the hire fee fully covering our costs to prevent the risk of any potential overspend. There is an overspend of £15k on the Blackheath Firework event which was held in November – this resulted from an income shortfall despite every attempt

being made to maximise contributions and sponsorship for the event. There are other minor variations totalling £9k on the budgets for the Community Toilet Scheme and the Arts Service.

- 7.4.6 There is a net projected underspend on the Leisure Management budget of £114k. This is primarily the result of a change in the accounting treatment for the budgeted contribution to the Discretionary Rate Relief Pool. This cost will now fall on the Collection Fund rather than on the revenue budget.
- 7.4.7 There had been a previously reported underspend on Libraries staffing budgets for 19/20. However, due to the new to provide some resource to ensure the safeguarding of the local history and archive collection based at Lewisham Library any service underspend is now unlikely. In overall terms the Libraries budget is still currently expected to balance for 2019/20.
- 7.4.8 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. Although staffing budgets are tightly drawn following the need to absorb the impact of the pay award no variance is currently projected.

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. Activity on sexual health budgets has increased over the past two months and projected spend has now above budgeted levels. Overall, the Public Health service is projected to overspend by £0.1m.

7.6 Crime Reduction and Supporting People

- 7.6.1 The *Crime Reduction and Supporting People* service is currently projecting an underspend of £0.6m. This represents an increase of £0.1m in the underspend reported as at the end of July 2019. There has been a reduction of £53k in the underspend on Secure Remand placements due to an increase in remand bed nights during the September and October periods. This has been offset by a range of increased underspends across Youth Offending (staffing) £50k, Environmental Health £30k (staffing) and Drug & Alcohol rehabilitation and detoxification services of £60k.
- 7.6.2 There is a projected underspend of £187k on the budget for secure remand placements in the Youth Offending Service. This in part is due to better demand management by the service and in part due to an increase in the level of grant received from the Youth Custody Service. However, this budget can be volatile as placements are at the discretion of the court and are based on the age/vulnerability of the young person and the nature of the offence. The projected underspend has reduced in recent months due to the increase in the bed night numbers during September and October.
- 7.6.3 There are a range of smaller variances across the division which total to a net underspend of £0.4m. These variances are as follows: Environmental Health staffing budgets are projected to underspend by £123k following a significant increase in staff turnover in the Food Safety Team and the difficulty of recruiting suitable replacement agency staff; the Youth Offending core staffing budget is projected to underspend by

£64k due to recruitment lag in filling new and vacant posts within the service; the Crime, Enforcement and Regulation budget is projected to underspend by £41k from a combination of variances on staffing/operational budgets and additional income generation in the Licensing Service; the Prevention & Inclusion staffing budget is expected to underspend by £50k due primarily to the part year impact of a staff secondment and the associated recruitment drag on backfilling the post; there are also expected underspends of £50k on the supporting people service resulting from contract savings and on the Drug and Alcohol Service of £55k due to a reduction in spend on activity based rehabilitation and detoxification services.

7.7 Strategy and Performance

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

7.8 Reserves

7.8.1 There is no projected variance shown against Community Services Reserves. An income budget has now been put in place to cover the drawdown of £157k from earmarked Reserves in respect of Sports Development & Leisure Management. This covers specific works to be undertaken in conjunction with the Leisure Management contractor Fusion Lifestyles across several of the leisure centre sites including The Bridge and Wavelengths - this income budget is matched against expenditure budgets in the relevant service area.

7.9 Trends in activity

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

Table 7 – Number of 18+ Clients in service:

Adults 18+ in each type of care (numbers)				
	Jul-19	Aug-19	Sep-19	Oct-19
Residential	460	453	450	449
Nursing	274	277	277	275
Non-Residential	2,152	2,152	2,166	2,175
Total	2,886	2,882	2,893	2,899

Table 8 – Average Weekly Cost of 18+ Clients in service:

Adults 18+ in each type of care (average cost)				
	Jul-19	Aug-19	Sep-19	Oct-19
Residential	£1,059.03	£1,072.39	£1,078.45	£1,079.50
Nursing	£871.07	£874.38	£870.38	£874.08
Non-Residential	£387.34	£388.74	£385.66	£387.78
Average Gross v. Numbers	£540.33	£542.87	£539.83	£541.04

Table 9 – Weekly Gross Cost of 18+ Clients in service:

Adults 18+ in each type of care (gross cost)				
	Jul-19	Aug-19	Sep-19	Oct-19
Residential	£487,153.80	£485,793.80	£485,300.80	£484,695.20
Nursing	£238,673.20	£242,203.50	£241,096.50	£240,373.00
Non-Residential	£833,551.60	£836,565.70	£835,333.90	£843,421.10
Total	£1,559,378.60	£1,564,563.00	£1,561,731.20	£1,568,489.30

8. Housing, Regeneration & Environment Directorate

8.1 As at the end of October 2019, the Housing, Regeneration & Environment directorate is forecasting an overspend of £2.6m, a deterioration of £0.5m on the position to the end of July. At the same time last year, the year-end forecast was an overspend of £1.3m, with the actual year-end outturn being an overspend of £1.7m.

Table 10 – Housing, Regeneration & Environment Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn 2019/20	Forecast over/ (under) spend October 2019	Forecast over/ (under) spend July 2019
	£m	£m	£m	£m	£m	£m
Strategic Housing	32.5	(26.8)	5.7	5.7	0.0	0.0
Environment	37.4	(17.5)	19.9	22.3	2.4	2.3
Regeneration	49.9	(42.1)	7.8	8.1	0.3	0.4
Planning	2.7	(2.0)	0.7	0.5	(0.2)	(0.2)
Reserves / Provisions	1.3	(0.6)	0.7	0.8	0.1	(0.4)
Total	123.8	(89.0)	34.8	37.4	2.6	2.1

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 £5.7m. The forecast position for October 2019 is for spend to budget, no change from the reported position in July 2019. However, pressures are being monitored within the group regarding incentive payments for which there is no budget, as well as bad debt for nightly paid accommodation and numbers of units acquired for Privately Managed Accommodation (PMA), with no subsequent reduction in numbers in nightly paid accommodation.

8.3.2 It is expected that management action currently being taken to control costs and bad debt pressures, together with the use of DHP and other grants will result in a balanced position at year end.

8.3.3 The Private Sector Leasing (PSL) service is forecast to overspend by £60k compared to a reported overspend of £86k in July. However, as more units are taken on under the leasing agreement, this over-spend may increase as rents are increasing. In addition, there has been activity in incentive payments, for which there is no specific budget, which are used to retain existing properties. There is

limited cover for this in the current financial year and if spend is at the same level as 2018/19 (£550k) the service will need to call upon reserves to recover the position. R&M costs are forecast to exceed allocated budgets and are adding to the pressure within this area. Total number of PSL stock at the start of the financial year is 462 units.

- 8.3.4 Bed and Breakfast (B&B) is forecast to breakeven after the use of grants given specifically for this purpose (covering the HB limitation recharge), no change from July's position. The potential over-spend is related to the increased need to provide cover for bad debt impairment (as narrated below). 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 should contribute to reducing the requirement for additional B&B spend.
- 8.3.5 Actual numbers in B&B are at 765 tenancies at the end of October 2019 compared to 693 tenancies in July. 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, this would have cost an additional £3.6m to the service.
- 8.3.6 The B&B arrears have increased by £567k since the beginning of the year. Some of these arrears relates to Children's placements and NRPF client groups. After removing this from the B&B arrears, the projection is in the region of £650k. The current budget is £300k. Management action needs to be taken to address this issue to keep spend in line with current budget levels.
- 8.3.7 The PMA as a product is a cost to the Council and will contribute to the pressure in the Housing division, but to a lesser extent than if B&B accommodation was used. PMA is currently forecast to underspend by £76k compared to £58k underspend in July. 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. Stock at the start of October has risen to 408 units, increasing the pressure in this area, with a resultant increased forecast in this area, up by some £753k to an overspend in the region of £800k. However, additional flexible homelessness support grant funding (FHSG) has been used to reduce this back to similar levels to previous months.
- 8.3.8 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.
- 8.3.9 The Housing, Partnership and Development division is forecast to overspend by £302k compared to £213k overspend in July. The overspend comes as 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 £2.4m, which represents a worsening of the position by £0.1m. This is set against an overspend of £1.9m in 2018/19 and £0.8m agreed revenue budget savings for 2019/20.
- 8.4.2 The refuse collection services is forecast to be £1.6m overspent, accounting for over two thirds of the total overspend in Environment. With the introduction of the fortnightly refuse collection and weekly garden and food waste services in recent years, unforeseen operational issues emerged that have added to the underlying budgetary pressures and were explored further at a meeting of this Committee on 24th September 2019.
- 8.4.3 Staff costs are anticipated to exceed the budget by £526k, a reduction of £129k from July and 2018/19. Some £57k of this staffing overspend relates to the trade waste service and of the remaining £469k staffing overspend, between £250k - £300k can be attributed to the two additional dry recycling collection rounds as each refuse vehicle has a driver and a crew of three staff. The additional bulk collection rounds adds another £130k staffing pressures.
- 8.4.4 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 ten hired in vehicles in use, which is expected to create an overspend position for this year of £620k, down from £669k last year but £70k worse than reported in July. 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, although pressures still remain due to the hired vans used to deliver and collect bins to households and trade waste customers. The new vehicles will not be delivered in full before July 2020 so will have minimal impact on this year's overspend.
- 8.4.5 There is also a shortfall of income projected for *trade refuse* of £480k. This is £130k worse than the shortfall in 2018/19 and July based on current amounts invoiced. The income budget for 2019/20 included an additional £150k savings 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 11. 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 400 – 450 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 – 350 customers next year (700-800 customers over the next two years) based on analysis of average income per customer.

Table 11 – Trade Refuse

	2016/17	2017/18	2018/19	2019/20
Income Budgets	1,951,000	2,048,000	2,048,000	2,198,000
Income Actuals / Forecast	1,775,986	1,746,770	1,714,415	1,718,000
Number of Trade customers	2,195	2,097	2,084	1,874

- 8.4.6 For strategic waste management services the forecast overspend of £187k is being reported, a £35k improvement on July's forecast. 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. There will be a request for this to be funded from corporate reserves as in previous years.
- 8.4.7 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 £79 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 an 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. Table 12 sets out waste disposal volumes for the last five years.

Table 12 – Waste Disposal Volumes

Waste Type	2014/15	2015/16	2016/17	2017/18	2018/19	April - Oct 2019/20	2019/20 Forecast
Total waste sent for incineration	99,829	99,573	99,835	94,930	85,558	49,487	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	10,153	17,000
Total waste for composting	1,804	1,372	2,626	7,597	12,138	7,268	12,200
Total waste sent for re-use	725	992	1,303	1,050	811	434	790
Total waste sent for RDF	7,668	8,030	2,003	2,284	2,982	1,480	2,800
Total waste collected (tonnes)	129,260	130,055	124,055	122,451	117,653	68,868	118,890

- 8.4.8 Further work is being done to refine, develop and link both the service operating and budgetary models so that pressures are clearly identified, costed and highlighted at an early stage of the annual business and financial planning cycle. This will enable the Council and service to take appropriate remedial actions. This could include a review of the current model of service delivery in terms of number of rounds, staffing mix between permanent and temporary staff, and other key inputs in order to secure greater efficiencies and optimal service delivery.
- 8.4.9 The street management service is forecasting a £110k overspend, a £211k improvement on the £321k overspend reported in July and 2018/19. This improvement is due to the transfer of £200k budget from Directorate inflation reserves to fund this pay pressure. 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. An area which may require greater attention is the levels of long term sickness.
- 8.4.10 The Green Scene service is forecasting an overspend of £157k, which is £57k worse than reported in July, mainly due 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 Green Scene income budget of £50k, £53k overspend on the Parks & Open Spaces contract. Grounds maintenance costs in the arborists' service add £156k pressures, partially offset by £40k additional income in pest control and £90k unbudgeted HRA income recharges in the arborist service.
- 8.4.11 The passenger services budget is forecast to break even for 2019/20. The cost of passenger services for 2019/20 is £4.1m and this will be fully 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 £3.9m.
- 8.4.12 The fleet service is now showing a net underspend of £8k compared to an overspend of £89k in July. The 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 have been increasing over the last few years resulting in deficits of over £100k in each of the last two years. Hire rates have been increased for 2019/20 and this coupled with an increase in income from Lewisham Homes is expected to ensure a balanced position.
- 8.4.13 Bereavement services is forecasting a net overspend of £469k, a deterioration of £287k on July's reported position. This overspend is due to increased charges for the *coroners court service* with the London Borough of Southwark, staffing overspends and shortfall in cemeteries and crematoria income. Most of this adverse movement is due to a £357k reduction in forecast cemeteries and crematoria income as a result of fewer deaths, burials and cremations at this stage of the year compared to the last, although this could change.

- 8.4.14 Lewisham's contribution to the Coroners Consortium this year is forecast to be £456k, an increase of £46k on last year and £66k more than budgeted. Forecast staffing costs are showing an adverse variance of £49k, down from £96k reported in July due to lower than anticipated seasonal agency costs and overtime in the service.
- 8.4.15 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 £437k. However, due to the nature of the service and the difficulty in predicting 'take-up' the service has reviewed the position in October and projected an increased overspend. The current numbers of deaths and resultant burials and cremations are less than last year, suggesting that there could be a significant shortfall against the income budget.
- 8.4.16 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.
- 8.4.17 Cremation charges were reduced by 7.5% from 1st April 2019 with the aim of making services more affordable. Due to the nature of the service, it is difficult to predict the numbers of burials and cremations for the year, as volatile factors such as the weather and possible influenza epidemic, amongst others, all play a role.

8.5. ***Regeneration***

- 8.5.1 The Regeneration division is forecasting a £289k overspend, which represents a £78k improvement on position previously reported in July. This is mainly due to the further re-alignment of salary budgets within the Property Strategy service which is forecast to underspend by £88k compared to breakeven in July. Some posts have only just been filled part way through the year and other posts are being held vacant in order to support agency costs.
- 8.5.2 Income from commercial rents is projected to underachieve the budget by £87k, partly due to void rent loss and limited rent review opportunities this year. Utility costs are forecast to exceed the budget by £192k 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 £107k overspend due to re-absorption of two Customer Services staff 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 £0.3m overall.

8.6. ***Planning***

- 8.6.1 The Planning Service is forecasting a £173k underspend, an adverse change of £45k on the previous position reported in July.
- 8.6.2 Development Management are forecast to be underspent by £154k compared to a £207k underspend in July, the change primarily due to increased staffing costs as a result of more planning enforcement officers. 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, the same as reported in July.
- 8.6.4 Strategic Planning are currently forecasting to underspend by £8k compared to a balanced budget in July mainly due to staff movement. 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 work streams 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. £475k has been allocated to services with underlying pressures within the Environment division, leaving £107k remaining unallocated.

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

Table 13 - Housing, Regeneration & Environment Progress on Savings

Ref	Description	Division	£k	Comment
CUS02	Income Generation – increase of Garden Waste Subscription	Environment	278	On-track. 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 achieve income target
CUS03	Income Generation – Events in Parks	Environment	200	£50k shortfall based on current events planned
CUS04	Income Generation – increase in Commercial Waste Charges	Environment	150	Nil savings likely to be achieved. 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	Nil savings likely to be achieved. Agreed proposal is more difficult to achieve as final proposal 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	Nil savings likely to be achieved. 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 – ongoing analysis to inform reporting
CUS08	Close the four remaining Automated Public Toilets	Environment	92	Will be achieved as likely small overspend to be met by corporate as per proposal. Full closure in July 2019.
CUS09	Cost reductions in homelessness provision – income generation and net	Strategic Housing	405	On-track but risk remains that the numbers in bed & breakfast will not reduce as planned
RES11	Increase in pre-application fees	Planning	100	On-track
RES14	Corporate Estate Facilities Management Contract Insourcing	Regeneration	100	On-track. FM advised 20/21 savings not achievable, should only be £100k in total across both years.
RES17	Beckenham Place Park – income generation	Regeneration	28	On-track
RES18	Electric Vehicle charging points	Regeneration	50	Nil savings likely to be achieved. Delayed, awaiting contract sign off
Total			1,500	

9. CORPORATE SERVICES

9.1 As at the end of October 2019, the Corporate Services directorate is forecasting an overspend of £1.4m. The overall position has been set out in Table 14.

Table 14 – Corporate Services Directorate

Service Area	Gross budgeted spend	Gross budgeted income	Net budget	Forecast Outturn for 2019/20	Forecast over/ (under) spend October 2019	Forecast over/ (under) spend July 2019
	£m	£m	£m	£m	£m	£m
Corporate Resources	5.9	(3.2)	2.7	2.6	(0.1)	0.0
Corporate Policy & Governance	4.7	0.0	4.7	4.3	(0.4)	(0.4)
Financial Services	5.4	(1.5)	3.9	4.3	0.4	0.2
OD & Human Resources	3.0	(0.3)	2.8	2.8	0.0	(0.2)
Legal Services	3.4	(0.5)	2.9	2.9	0.0	0.0
Strategy	5.4	(2.8)	2.6	2.6	0.0	0.0
IT & Digital Services	5.7	0.0	5.7	6.9	1.2	0.8

Public Services	28.7	(18.5)	10.2	10.5	0.3	0.5
Reserves	0.0	(1.4)	(1.4)	(1.4)	0.0	0.0
Total	62.2	(28.2)	34.0	35.4	1.4	0.9

- 9.2 The *Corporate Resources* division is an underspend of £0.1m, mainly due to vacant posts. The *Corporate Policy and Governance* division is forecasting an underspend of £0.4m. This is mainly on staffing budgets, including the Chief Executive and Executive Director for Corporate Services posts, which have been vacant for periods of this financial year.
- 9.3 The *Financial Services* division is forecasting a £0.4m overspend primarily on the staffing budget. This partly relates to a delayed budget saving as per the savings tracker below this section. Also the Integrated Financial Transaction Team (IFFT) has transferred to the *Financial Services* division from *Public Services* division, effective 1 October 2019, and this has increased the forecast overspend for *Financial Services* by £0.1m.
- 9.4 The *Organisational Development and HR* division is a balanced budget at year-end. The previous forecast underspend, mainly on staffing budgets due to vacancies, has been offset by additional spend forecast in Learning & Development.
- 9.5 The *Legal Services* division is currently forecasting a balanced budget position at year-end.
- 9.6 The *Strategy* division is currently forecasting a balanced budget position at year-end.
- 9.7 The *IT & Digital Services* division is currently forecast to end the year with an overspend of £1.2m due to anticipated additional costs of the Shared ICT Service (£1.0m). This is due to extended use of interim consultants whilst a new management team is recruited, as well as a number of “investment costs” to improve service levels, and some residual costs from the legacy print contract. The remaining £0.2m is due to previously unbudgeted software commitments being identified, and an extended use of contractor resource whilst the IT and DS Restructure is finalised. This is a worst case scenario, and the shared service are reviewing all purchases to identify any items currently classified as investments that have been procured against other cost centres.

Public Services

- 9.8 The *Public Services* division is forecasting an overall overspend position of £0.3m at the year-end, compared to a £0.5m reported in July. The major change in projection is mainly due to the correct allocation of the £0.7m additional income target in relation to the saving CUS12 Invest to Save – HB overpayment recovery improved. This has meant that an additional £0.2m (investment element) budget has been applied to the Revenue Services area, and the £0.7m additional income budget is being reflected within Housing Benefit subsidy. A further change is that the Integrated Financial Transactions team (IFTT), which was formerly part of Revenue Services is forecasting a £0.1m overspend, has now transferred to the Financial Services division. The budget and variances by services area are set out below:

Table 15 – Public Services

Service Area	Net budget	Forecast over/ (under) spend October 2019	Forecast over/ (under) spend July 2019
	£m	£m	£m
Revenue Services	2.0	(0.2)	0.2
Housing Benefits	11.1	0.2	0.0
Emergency Planning & Admin	0.9	0.2	0.2
Service Point	2.0	0.3	0.3
Parking Services	(5.8)	(0.2)	(0.2)
Total	10.2	0.3	0.5

- 9.9 For the *Revenue Services* area, an underspend of £0.2m is now being forecast. The position has improved following the transfer of the IFTT to the Financial Services division, and also reflects recruitment to a number of invest to save posts part way through the financial year.
- 9.10 The *Housing Benefits* Service is projecting to overspend by £0.2m following budget realignment. The overall variance is due to a combination of a £0.1m forecast staffing underspend in the Housing benefit admin team 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. This is offset by a forecast overspend of Housing Benefits Subsidy of £1.4m. 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, which is likely to increase over time, has been reduced by once-off corporate funding of £0.675m towards a structural shortfall in the budget. A full review of the budget related to housing benefits and universal credit will be undertaken once the announcement around funding arrangements are known.
- 9.11 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.
- 9.12 *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 £0.1m underachievement of recharge income in the in-house printing service.
- 9.13 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 £0.3m

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.

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

Table 16 – Corporate Services Savings Tracker for 2019/20

Ref	Description	Division	£k	Comment
CUS01	Printing reduction	IT & Digital	100	On-track - part of shared service contract
CUS10	Invest to save – create revenues protection team	Public Services	806	Work in progress
CUS12	Invest to save – Housing Benefit overpayment recovery improved	Public Services	480	Work in progress
CUS14	Parking Service revenue review	Public Services	500	On-track
RES01	Benefits Realisation of Oracle Cloud	Finance	90	Delayed – nil savings
RES02	Legal fees increase	Legal	50	On-track
RES05	Withdrawal of Councillor Car Run Delivery Service	Policy & Governance	10	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	30	On-track
RES08	Insurance costs – premium reduction	Corporate Resources	30	On-track
RES09	Insurance costs – self-insurance reserves	Corporate Resources	200	On-track
RES10	Cease graduate programme	OD & HR	78	On-track
RES16	Commercial Property Investment Acquisitions	Corporate Provisions	140	On-track
Total			2,514	

10. DEDICATED SCHOOLS' GRANT

- 10.1 The Dedicated Schools Grant (DSG) for 2019/20 is £291.1m, and is expected to be in balance by the year-end. A net change of £110k has occurred in September and this is due to a small decrease in the High Need Block of £108k and an increase of £322k in the Early Years amount. Of the early years figure £186k relates to last year's underpayment. It should be noted that the Early Years funding remains provisional until January 2020 pupil count.
- 10.2 Pupil Premium allocations show a net reduction of £700k comprising £900k reduction offset by £200k increase (£12.9m in 2018/19 to £12.2m for 2019/20). This will have implications for some schools who have factored in higher levels. During the autumn

term Finance will be working closely with schools to revise this data for pupil premium, pupil number and any other changes. Further grants are given to schools and routed through the local authority. Post 16 funding (£5.7m) and the universal free school meals grant (£3.8m) making total funds of £312.3m. This figures are based on last year's allocation and have yet to be formally approved.

Schools

- 10.3 Based on the Schools Budget plan submissions, the general financial landscape remains challenging. Schools are suggesting that from an overall surplus position of £12m this will reduce to a deficit of £11m over the next two years. This clearly needs to be taken with some caution, but equally demonstrates the level of work that needs to be undertake with schools to ensure that robust information is available for decision making both at school and local authority level.
- 10.4 The Department for Education recently published a consultation document which proposed various changes aligning reporting requirements for maintained schools to be more aligned with academy schools. This could potentially change the light touch approach of LA with maintained schools to a more hands on support process. This was supported and evidenced in the DfE visits to Lewisham over the summer. Finance is currently developing reporting tools to assist schools in reviewing metric based information.
- 10.5 The DfE has provided Lewisham with the partial settlement for 2020/21. This confirms an increase of £84 per primary age pupil to £5,125.27, an increase of £136 per secondary age pupil to £6,859.10. Whilst the increase in funding is welcomed, it has not been sufficient to fund the pay award requirements over the past two years and will continue to produce a downward pressure on schools.
- 10.6 With regards to funding to support pupils aged 0-5 (Early Years Block), the provisional figure for Lewisham has increased from £5.62 per hour to £5.70. It should be noted that Lewisham is one of the lowest funded Inner London Boroughs, for example Southwark are to receive £6.86 per hour and Greenwich are to receive £6.25 per hour.

High Needs Support

- 10.7 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.
- 10.8 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 local authority's liability now covers the 0 to 25 age range. The baseline was determined when the scope was from age 5 to 19 years old. This is just an example. Overall the number of Education Health Care plans is continuing to increase coupled with increases in severity of cases and price. A paper was presented to the 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.
- 10.9 It should also be noted that the increase in support staff costs, up to circa 8% and the biggest impact on cost of special provisions, has not been supported by additional

funding, whereas teachers' pay has been funded at 2% by a direct grant leaving a pressure of circa 0.75% to be met from schools. The impact will vary school by school depending on their staff structure and pupil numbers.

- 10.10 The partial settlement advised for the High Needs Block represents a £4.7m increase (offset by £0.7m reduction in the Central Block which also supports High Needs). The DfE has also confirmed that there will be a review of the High Needs national formula during 2020/21 therefore this increase is not guaranteed in future years.

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 17 – Housing Revenue Account

Service Area	Expenditure Budget	Income Budget	2019/20 budget	Forecast over/ (under) spend October 2019	Forecast over/ (under) spend July 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 October 2019, some £85,851,803 of council tax had been collected. This represents 58.7% of the total amount due for the year. This is below the profiled collection rate of 60.0% 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 58.84%.
- 12.2 Business rates collection is at 69.2%, a decrease of 2.41% compared to the same period last year, and 4.0% lower 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 18 Council Tax Collection 2019-20 (Actual against profiled)

	Cash needed to meet 100% (cumulative)	Cash Collected (cumulative)	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%	diff
April	16,519,543	15,924,057	16,036,918	-112,860	10.94%	10.79%	0.14%	10.96%	-0.02%
May	29,371,113	27,849,341	28,241,847	-392,505	19.15%	19.10%	0.05%	19.30%	0.15%
June	41,677,651	39,235,018	39,952,306	-717,288	26.91%	26.90%	0.01%	27.30%	0.39%
July	54,347,658	51,343,745	52,010,352	-666,606	35.15%	35.05%	0.10%	35.54%	0.39%
August	66,608,192	62,690,277	63,681,740	-991,463	42.89%	42.83%	0.06%	43.51%	0.62%
September	78,958,634	74,271,040	75,479,575	-1,208,534	50.72%	50.54%	0.18%	51.57%	0.85%
October	91,773,785	85,851,803	87,764,913	-1,913,109	58.66%	58.84%	-0.18%	59.97%	1.31%

Table 19 Business Rates Collection 2019-20

	Previous Year (%)		Current Year (%)			Difference From Prev Year (%)	
	Excluding Credits	Including Credits	Excluding Credits	Including Credits	Profile	Excluding Credits	Including 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
August	55.69	55.96	53.97	54.39	53.97%	-1.72	-1.57
September	63.01	63.35	61.93	62.40	64.66%	-1.08	-0.95
October	71.06	71.59	68.66	69.18	73.18%	-2.40	-2.41

13. CAPITAL EXPENDITURE

13.1 The overall spend this financial year to the end of October is £62.9m, which is 37% of the revised budget. The capital expenditure in period 7, last financial year was £36.4m, which was 26% of the revised budget of £137.8m. The final outturn for 2018/19 capital programme was £71.1m expenditure, which was 82% 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). 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 20 – Capital Programme

2019/20 Capital Programme	Budget Report (February 2019)	Revised Budget	Spend to 31 Oct 2019	Spent to Date (Revised Budget)
	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	11.0	7.0	2.6	37%
Schools - Other (inc. Minor) Capital Works	1.4	5.9	3.5	60%
Highways & Bridges - LBL	3.5	3.5	2.3	64%
Highways & Bridges - TfL	0.0	3.2	0.1	4%
Highways & Bridges - Others	0.0	1.4	0.8	58%
Catford town centre	5.5	2.3	1.1	48%
Asset Management Programme	2.5	2.4	1.4	57%
Smart Working Programme	0.9	2.7	2.3	86%
Beckenham Place Park	2.5	3.0	2.5	83%
Heathside & Lethbridge Regeneration	0.0	0.5	0.0	0%
Excalibur Regeneration	0.0	0.6	0.3	50%
Lewisham Homes – Property Acquisition	6.0	0.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	1.3	3.8	0.6	16%
Achilles St. Development	0.0	7.3	0.1	1%
Ladywell Leisure Centre Development Site	0.0	0.5	0.0	0%
Edward St. Development	9.1	0.1	0.0	0%
Residential Portfolio Acquisition – Hyde Housing Association	0.0	45.7	32.6	71%
Travellers Site Relocation	1.1	0.0	0.0	0%
Fleet Replacement Programme	0.0	0.5	0.0	0%
Other General Fund schemes	2.2	4.1	0.6	15%
TOTAL GENERAL FUND	47.0	94.5	50.8	54%
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	37.3	22.0	0.8	4%
Decent Homes Programme	57.1	52.0	11.2	22%
Other HRA schemes	0.8	1.6	0.2	11%
TOTAL HOUSING REVENUE ACCOUNT	95.2	75.6	12.1	13%
TOTAL CAPITAL PROGRAMME	142.2	170.1	62.9	37%

13.3 The main sources of financing the programme are Grants and contributions, and capital receipts from the sale of property assets. £18.7m has been received so far this year, £12.1m (net) from Housing Right to buy sales and Capital Receipts and £6.6m 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 August 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 on floors 1 to 5 was completed in October. The works includes an improved welfare provision, delivering new meeting rooms and kitchens, improving the heating and ventilation system, new energy efficient LED lighting, decoration and a layout and furniture which supports and encourages agile working. Further work is now being scoped out to deliver similar improvements to the library, customer services centre and the civic suite. The proposed works will be delivered next year.

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

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

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

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

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 for the remainder of 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 340 new social homes are forecast to achieve planning permission or start on site in 2020, assisted by grant funding from the GLA.

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

PROPOSED 19/20 CAPITAL PROGRAMME - APPROVED TO LATEST BUDGET

	Total	Total
	£'000	£'000
APPROVED CAPITAL PROGRAMME BUDGET		
Full Council – 10th July 2019		197,299
New Schemes		
9 -19 Rushey Green Project	250	
Acquisition of homes in inner LHA Area	225	
Freehold purchase of 8, Newquay Road	275	750
	<hr/>	
Approved variations on existing schemes (including re-profiling to later years)		
2019 School Minor Works Programme	(63)	
Catford Regeneration Programme	(2,817)	
Excalibur	(1,129)	
Heathside & Lethbridge	(55)	
Highways Schemes (Non TfL)	(777)	
Highways – TfL	1,009	
Watson Street Streetscape Improvements	(130)	
Pupil Places Programme	(4,125)	
Fleet Programme	(7,298)	
Edward St. Development	(9,033)	
Asset Management Programme	434	
Lewisham Homes Property Acquisition	(3,000)	
Traveller's site Relocation	(1,065)	
CCTV Modernisation Plan	(835)	
Pepys Environmental	(616)	
Ladywell Leisure Centre Development site	(505)	
Beckenham Place Park	600	
Other schemes	10	(29,395)
	<hr/>	
<u>Re- Phasing Budgets (Housing Revenue Account)</u>		
Housing Matters Programme – Unallocated Funds	920	
Decent Homes Programme – Unallocated Funds	578	
	<hr/>	1,498
Revised Capital Programme Budget 2019/20		170,152
		<hr/>

Major Projects over £2m	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m
GENERAL FUND				
Schools - School Places Programme	7.0	10.5	2.8	20.3
Schools – Minor Works Capital Programme	3.8	0.1		3.9
Schools - Other Capital Works	2.0			2.0
Highways & Bridges - TfL	3.2			3.2
Highways & Bridges - LBL	3.5	3.5	3.5	10.5
Highways – Others	1.4	1.4		2.8
Catford town centre	2.3	3.6	1.1	7.0
Asset Management Programme	2.4	2.0	2.5	6.9
Smart Working Programme	2.7			2.7
Beckenham Place Park	3.0	0.4		3.4
Lewisham Homes – Property Acquisition	0.0	3.0		3.0
Residential Portfolio Acquisition – Hyde Housing Association	45.7			45.7
Disabled Facilities Grant	2.1	0.7		2.8
Private Sector Grants and Loans	1.7	0.6	0.6	2.9
Edward St. Development	0.1	9.0		9.1
Achilles St. Development	7.3			7.3
Ladywell Leisure Centre Development Site	0.5	1.2	0.8	2.5
Fleet Replacement Programme	0.5	8.1	0.8	9.4
Other Schemes	5.4	5.5	0.9	11.8
	94.6	49.6	13.0	157.2
HOUSING REVENUE ACCOUNT				
Housing Matters Programme	22.0	46.0	86.1	154.1
Decent Homes Programme	52.0	37.2	30.6	119.8
Other Schemes	1.6	0.9	0.9	3.4
	75.6	84.1	117.6	277.3
TOTAL PROGRAMME	170.2	133.7	130.6	434.5

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Public Accounts Select Committee

Report title: Committee work programme report

Date: 16 December 2019.

Key decision: No.

Class: Part 1.

Ward(s) affected: Not applicable.

Contributors: Timothy Andrew (Scrutiny Manager)

Outline and recommendations

The Committee drew up a work programme at the beginning of the municipal year (May 2018). However, the work programme should be reviewed at each Committee meeting to take account of changing priorities.

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

1. Summary

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

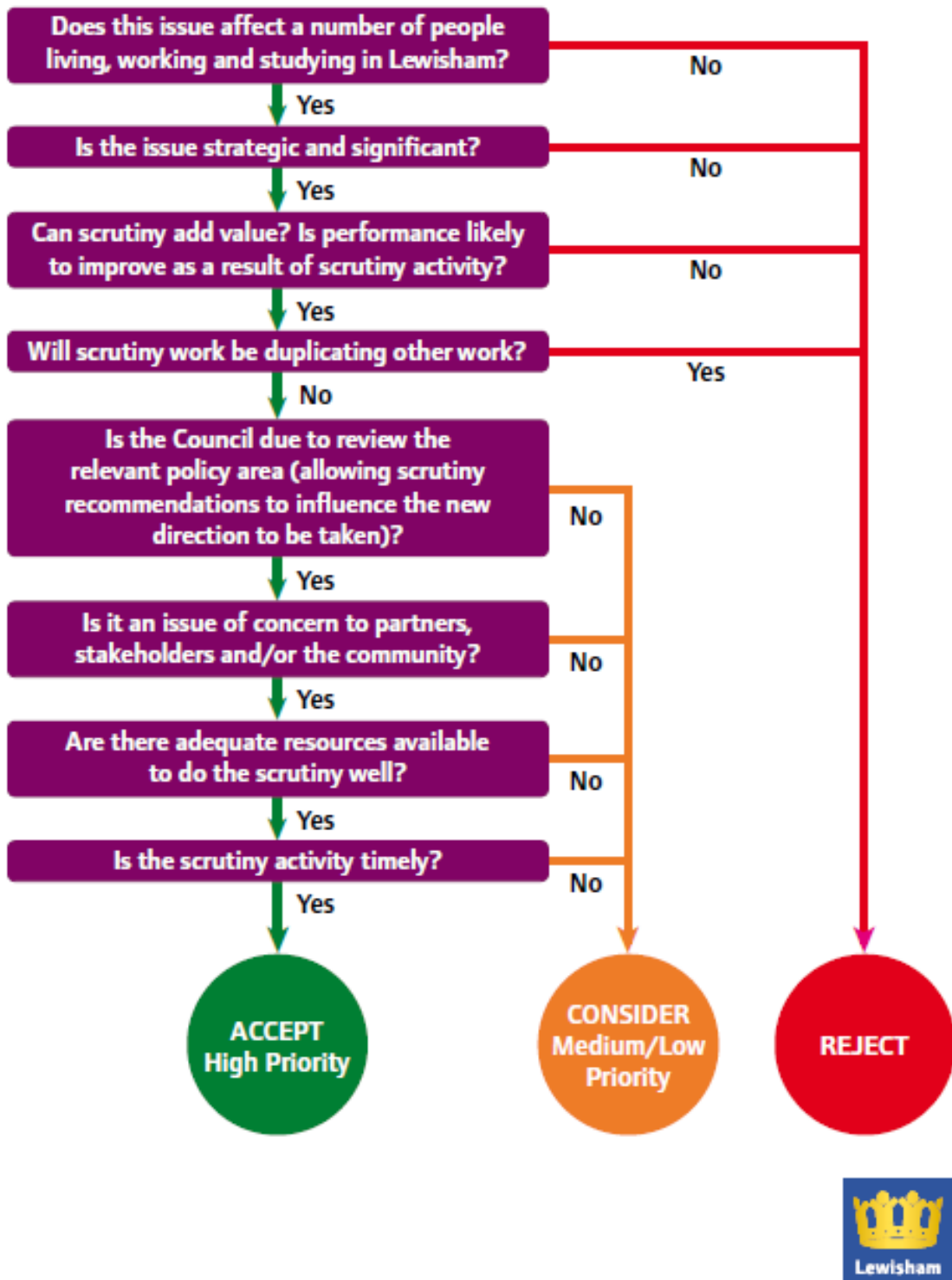
2. Recommendations

- 2.1. 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

3. The work programme

- 3.1. The work programme for 2019-20 was agreed at the meeting on 9 May 2019.
- 3.2. 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.
- 3.3. Any additional items should be considered against the prioritisation process before being added to the work programme (see the flow chart below).

Scrutiny work programme – prioritisation process



- 3.4. 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.

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- 3.5. Items within the Committee's work programme should be linked to the priorities of the Council's Corporate Strategy.
- 3.6. The Council's Corporate Strategy for 2018-2022 was approved at full council in February 2019.
- 3.7. The strategic priorities of the [Corporate Strategy for 2018-2022](#) are:
- [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.
- 3.8. The following item is scheduled for the next meeting.
- The 2020-21 draft Council budget

4. Financial implications

- 4.1. There are no direct financial implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme will have financial implications and these will need to be considered as part of the reports on those items.

5. Legal implications

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

6. Equalities implications

- 6.1. 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.
- 6.2. 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

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- 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.

6.3. 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.

7. Climate change and environmental implications

7.1. There are no direct climate change or environmental implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have climate change and environmental implications and these will need to be considered as part of the reports on those items.

8. Crime and disorder implications

8.1. There are no direct crime and disorder implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have crime and disorder implications and these will need to be considered as part of the reports on those items.

9. Health and wellbeing implications

9.1. There are no direct health and wellbeing implications arising from the implementation of the recommendations in this report. Items on the Committee's work programme may have health and wellbeing implications and these will need to be considered as part of the reports on those items.

10. Report author and contact

10.1. If you have any questions about this report then please contact: Timothy Andrew (Scrutiny Manager) 020 8314 7916 – timothy.andrew@lewisham.gov.uk

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Public Accounts Select Committee Work Programme 2019/20

Programme of work

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

Corporate Priorities

Priority

1	Open Lewisham	CP 1
2	Tackling the Housing Crisis	CP 2
3	Giving Children and young people the best start in life.	CP 3
4	Building an inclusive local economy	CP 4
5	Delivering and defending: health, social care and support	CP 5
6	Making Lewisham greener	CP 6
7	Building Safer Communities	CP 7

FORWARD PLAN OF KEY DECISIONS

Forward Plan December 2019 - March 2020

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

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin Flaherty 0208 3149327, the Local Democracy Officer, at the Council Offices or kevin.flaherty@lewisham.gov.uk. However the deadline will be 4pm on the working day prior to the meeting.

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

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

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
February 2019	Insurance Renewal	12/11/19 Executive Director for Resources and Regeneration	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
October 2019	Award of Contract for an Integrated Housing IT System	12/11/19 Executive Director for Customer Services	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
October 2019	Early Help Support Services - Review and Permission	20/11/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
October 2019	Ladywell Playtower: progress update	20/11/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
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		

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
October 2019	Retention of Right to Buy Receipts	20/11/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	School Meals Provision	20/11/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
October 2019	Polling District Review	27/11/19 Council	Kath Nicholson, Head of Law and Councillor Leo Gibbons		
October 2019	Dockless Bikes bye-law	27/11/19 Council	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
October 2019	Constitutional Update	27/11/19 Council	Kath Nicholson, Head of Law and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees &		

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
			Accountability		
October 2019	Contract Award Report for Extra Care Service at Conrad Court	03/12/19 Overview and Scrutiny Business Panel	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social Care		
October 2019	Adoption of Draft Conservation Area Appraisal, Boundary Change and Article 4 Direction for Deptford High Street and St Paul's Conservation Areas	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
August 2019	Consultation: Proposal to Transfer Management of 5 Community Centres to Lewisham Homes	11/12/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Jonathan Slater, Cabinet Member for Community Sector		
October 2019	NHS Commissioning Arrangements in Lewisham	11/12/19 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		
	Reduction & Recycling Plan	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda		

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
			Dacres, Cabinet Member for Environment and Transport (job share)		
October 2019	Old Town Hall works - permission to tender	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
October 2019	Preferred Tender for Travel and Transport Programme	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
October 2019	Re-commissioning of Healthwatch & NHS Complaints Advocacy Services	11/12/19 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		
October 2019	Contract Award for Stage 2 of Greenvale School Expansion Project	11/12/19 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
October 2019	Schools Minor Works Programme 2020	11/12/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
October 2019	Contract extension Tier 2/3 Drug Services for adult substance misuse services	11/12/19 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		
October 2019	Expansion of Drumbeat School & ASD Service	11/12/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
October 2019	Building for Lewisham New Homes Programme parts 1 & 2	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	Response to TfL consultation on Bakerloo Line Extension	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration &		

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
			Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
October 2019	State of the Highways Infrastructure and Update on Asset Management Strategy	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
October 2019	PLACE/Ladywell parts 1 & 2	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	Contract award Violence against Women and Girls service	11/12/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Joani Reid, Cabinet Member for Safer Communities		
October 2019	Achilles Street Update parts 1 & 2	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment 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
October 2019	Parking Policy Update	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
	Approach to Boroughwide pot of Neighbourhood Community Infrastructure Levy	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
	Learning Disability Framework - Permission to Reprocure Contracts from Framework	11/12/19 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		
	Post Consultation for two Article Directions Perry Vale and the Christmas Estate CA and Lewisham Park CA	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
	Improvement Work Social Care Software Systems (LiquidLogic Adults - LAS & Childrens LCs)	11/12/19 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Kevin Bonavia,		

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
			Cabinet Member for Democracy, Refugees & Accountability		
	Contract Award LSL Sexual Health Promotion Service	11/12/19 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		
	Approval for the Procurement of a cafe at Mountsfield Park	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
	Catford Town Centre Housing Infrastructure Fund Grant Agreement	11/12/19 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
	Playing Pitch Strategy	11/12/19 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Andre Bourne, Cabinet member for Culture, Jobs and Skills (job share)		

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
	The Leathersellers' Federation of Schools Instrument of Government	11/12/19 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance and Children's Services		
June 2019	Disposal of former Wide Horizon Sites in Wales & Kent'	15/01/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Mayor Damien Egan, Mayor		
October 2019	Acquisition of land at Pool Court. parts 1 & 2	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
May 2019	Performance Monitoring	15/01/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
October 2019	Private Sector Housing Borough-wide Licensing	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
June 2019	Adopting a Residents Charter	15/01/20	Kevin Sheehan,		

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 Lewisham	Mayor and Cabinet	Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	Lewisham Draft Housing Strategy	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	Housing Strategy and Homelessness Strategy	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	Precision Manufactured Housing (PMH) Procurement	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	Mayow Road Supported Living Service Parts 1 & 2	15/01/20 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social		

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
			Care		
October 2019	Highway Contract Tendering strategy for 2021 award	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Brenda Dacres, Cabinet Member for Environment and Transport (job share)		
	Approval for the procurement of lake operations for Beckenham Place Park	15/01/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
	Setting the Council tax Base NNDR Tax Base & Discounts for Second Homes and Empty Homes	15/01/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
	Supported Accommodation Permitted Contract Extension	15/01/20 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		
October 2019	NHS Commissioning Arrangements in Lewisham	22/01/20 Council	Aileen Buckton, Executive Director 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
			Community Services and Councillor Chris Best, Deputy Mayor and Cabinet Member for Health and Adult Social Care		
	Setting the Council tax Base NDR Tax Base & Discounts for Second Homes and Empty Homes	22/01/20 Council	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
October 2019	Budget 2020-21	05/02/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
October 2019	Renewal of Social Care software systems	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
October 2019	Renewal of revenue and benefits software systems	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		

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
October 2019	Renewal of Oracle Licensing arrangements	05/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
	Learning Disability Framework - Award of call off contracts	05/02/20 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		
October 2019	Budget Update	12/02/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
October 2019	Precision Manufactured Housing (PMH) Procurement Process Outcome and Decision	12/02/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Paul Bell, Cabinet Member for Housing		
October 2019	Budget 2020-21	26/02/20 Council	David Austin, Acting Chief Finance Officer and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
October 2019	Lewisham Climate Emergency Action Plan	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
October 2019	Air Quality Action Plan	11/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
October 2019	Adoption of the Catford Regeneration Masterplan Framework	25/03/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Mayor Damien Egan, Mayor		
	Approval to appoint operator for concessions contract at the lake, Beckenham Place Park	29/04/20 Mayor and Cabinet	Kevin Sheehan, Executive Director for Housing, Regeneration & Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport (job share)		
	Corporate Equalities Scheme	29/04/20 Mayor and Cabinet	David Austin, Acting Chief Finance Officer and Councillor Jonathan Slater, 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 Community Sector		

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

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