

# Overview and Scrutiny



## Public Accounts Select Committee Agenda

Wednesday, 7 July 2021

**6.30 pm**, Council Chamber, Civic Suite - the public are welcome to observe via the Council's website at: <https://lewisham.public-i.tv/core/portal/home>

For more information contact: Timothy Andrew  
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This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

### Part 1

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# Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 7 July 2021.

Kim Wright, Chief Executive  
Tuesday, 29 June 2021

Councillor Patrick Codd (Chair)	
Councillor Alan Hall (Vice-Chair)	
Councillor Jim Mallory	
Councillor Joan Millbank	
Councillor Joani Reid	
Councillor James Royston	
Councillor Paul Maslin (ex-Officio)	
Councillor Octavia Holland (ex-Officio)	



## Public Accounts Select Committee

### Confirmation of Chair and Vice-Chair of the Public Accounts Select Committee

**Date:** 7 July 2021

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributor:** Assistant Chief Executive

### Outline and recommendations

Further to the Annual General Meeting of Council on 26 May 2021, this report informs the Select Committee of the appointment of a Chair and Vice-Chair of the Public Accounts Select Committee.

- To confirm the election of Councillor Patrick Codd as Chair of the Public Accounts Select Committee.
- To confirm the election of Councillor Alan Hall as Vice Chair of the Public Accounts Select Committee.

#### 1. Summary

- 1.1. On 26 May 2021, the Annual General Meeting of the Council considered a report setting out an allocation of seats on committees to political groups on the Council in compliance with the requirements of the Local Government and Housing Act 1989.
- 1.2. The constitutional allocation for both chairs and vice chairs of select committees is:  
Labour: 6

#### 2. Recommendation

- 2.1. The Select Committee is recommended to:
  - (i) Confirm the election of Councillor Patrick Codd as Chair of the Public Accounts Select Committee
  - (ii) Confirm the election of Councillor Alan Hall as Vice-Chair of the Public Accounts Select Committee

### 3. Policy context

The Council's strategic priorities as set out in 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.

### 4. Financial implications

- 4.1. There are no direct financial implications arising from the implementation of the recommendation in this report.

### 5. Legal implications

- 5.1. Select committees are obliged to act in accordance with the Council's Constitution.

### 6. Equalities implications

- 6.1. The [Equality Act 2010](#) (The Act) legally protects people from discrimination in the workplace and in wider society. It replaced the previous anti-discrimination laws with a single act, making the law easier to understand and strengthen protection in certain situations. 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 Act also imposes a public sector equality duty. This means that in public bodies, of which this Council is designated, they must consider all individuals in carrying out their day-to-day work when shaping policy, in delivering services and in relation to their own employees. It also requires public bodies to:
- Have due regard to the need to eliminate discrimination
  - Advance equality of opportunity
  - Foster good relations between different people when carrying out their activities
- 6.3. The Council recognises diversity is one of its strengths and is committed to creating a more inclusive community. Therefore, having due regard to the Act, is confirmation of the Council's commitment to eliminating all forms of discrimination against any group within the community and to actively promote an equality of opportunity and positive community partnership.
- 6.4. The delivery of the Council's equalities objectives is to be achieved through the

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delivery of all of the Council's strategies, plans and procedures. As such, all select committees and other scrutiny bodies, when planning their work and scrutinising items, bear in mind the delivery of the Council's equality objectives.

- 6.5. Scrutiny tries to make sure that its work reflects the diversity of Lewisham's communities and that the views of residents are fairly represented in scrutiny processes. Any recommendations arising from scrutiny work support the Council's corporate strategy and reflect the needs of local residents.
- 6.6. There are no direct equality implications arising as a result of the implementation of the recommendation in this report.

## **7. Climate change and environmental implications**

- 7.1. There are no direct climate change or environmental implications arising from the implementation of the recommendation in this report. However, in February 2019 Lewisham Council declared a Climate Emergency and proposed a target to make the borough carbon neutral by 2030. All resolutions made by the Committee should recognise this.

## **8. Crime and disorder implications**

- 8.1. There are no direct crime and disorder implications arising from the implementation of the recommendation in this report.

## **9. Health and wellbeing implications**

- 9.1. There are no direct health and wellbeing implications arising from the implementation of the recommendation in this report.

## **10. Background papers**

- 10.1. [Agenda for Lewisham Council AGM – 26 May 2021](#)

## **11. Report contact**

- 11.1. Timothy Andrew, Scrutiny Manager, [timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk)

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## **Minutes of the Public Accounts Select Committee Wednesday, 17 March 2021 at 7.00 pm**

Present: Councillors Patrick Codd (Chair), Tauseef Anwar, Jim Mallory, Paul Maslin and Joan Millbank and Bill Brown

Also present: Councillor James Rathbone, Councillor Amanda De Ryk (Cabinet Member for Finance and Resources), Timothy Andrew (Scrutiny Manager), David Austin (Acting Chief Finance Officer), Stephanie Fleck, Kathy Freeman (Executive Director for Corporate Resources), Pinaki Ghoshal (Executive Director for Children & Young People) and Selwyn Thompson (Director of Financial Services)

### **1. Minutes of the meeting held on 2 February 2021**

- 1.1 Resolved: that the minutes of the meeting held on 2 February 2021 be agreed as an accurate record.

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

- 2.1 There were none.

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

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

### **4. Financial forecasts 2020-21**

- 4.1 Kathy Freeman (Executive Director of Corporate Resources) introduced the report – the following key points were noted:

- The update incorporated information regarding: the general fund; dedicated schools grant; housing revenue account; collection fund and an update on the capital programme.
- The previous financial update to the Committee (as part of the budget setting report) indicated that the Council was overspending the general fund budget by £3.2m. This was revised in this report to £2.6m.
- Officers had been working hard to contain spending pressures and control costs.
- As at the end of January 2021 – the overspend had been reduced to £1.8m. This was the result of a number of factors – including increased grant funding – but also due to the financial controls that had been put in place.
- The position of the collection fund remained a significant risk. There were currently shortfalls of £6.8m relating to business rates and £4.2m of council tax collections.
- It was anticipated that the collection fund shortfall could be as high as £20m.
- The financial position was changing rapidly and the Council continued to receive additional grant funding – but also faced new responsibilities and pressures.
- The current positive position of the general fund likely masks the longer term issues facing the Council – particularly in relation to the wider economic challenges facing local business, communities and residents

- Significant risks remain in a number of areas, including: uncertainty over funding from the clinical commissioning group for hospital discharges; commercial waste collection and new responsibilities relating to public health (specifically test and trace and contained outbreak funding).
- There are also pressures in the dedicated schools grant relating to a marked increase in pupil numbers and the high needs block.
- It is likely that capital fund spending will not meet the revised budget.

4.2 Kathy Freeman responded to questions from the Committee – the following key points were noted:

- Adult social care was underspending its (non-covid related) budget by £1.1m – however, the service benefited from Better Care and Improved Better Care grant funding.
- Sadly, additional income in the bereavement service is as a result of the pandemic.
- Test, track and trace as well as outbreak control and general public health related spending as a result of the pandemic have been added as additional council responsibilities by the government as part of a recent update on public health funding.
- This year's allocation of covid related expenditure for Public Health had been in excess of £6m – the existing allocation for next year (including new responsibilities) is currently £500k.
- The Children and Young People directorate's cash limit budget for 2021-22 is £58.4m (additional information would be provided following the meeting on the specific social care budget).
- The government is recognising up to 75% of shortfall on business rate collection. On council tax – the government is not going to recognise the shortfall.
- A great deal of work is taking place to allocate costs to the correct grants and budgets.
- There are extensive and burdensome government monitoring and reporting requirements related to the distribution of covid related grant funding. Limited funding is available to meet the costs of new burdens.
- The Council would change as a result of the pandemic – work is ongoing to develop the recovery programme- both on an operational and a strategic level.

4.3 Pinaki Ghoshal (Executive Director for Children and Young People) addressed the Committee regarding overspending children's services – the following key points were noted:

- A lot of work had been carried out in children's social care to control overspending. The current projected (non-covid related) overspend was £4.4m, which had continued to decrease over a number of months.
- Much of focus had been on placement costs. Work had been carried out to improve social work practise – which was reducing the number of children and young people in the care system.
- There had also been a reduction in residential placements – and the costs associated with residential placements.
- Work had been carried out with the clinical commissioning group to correctly attribute costs for children with health and care needs. Work was also taking place to attribute education costs to the dedicated schools grant.
- Costs were also being reduced for young people leaving care and the children of people seeking asylum - by ensuring funding was channelled from the correct sources.

- The Council was reducing its dependency on agency social workers and building a sustainable work force for the longer term.
  - Work was also taking place to improve the culture of the children and young people directorate and improve the focus on spending and costs.
- 4.4 In Committee discussions – the following key points were also noted:
- Members praised the work of officers in their efforts to control overspending.
  - Members noted the new responsibilities being placed upon councils – specifically referring to test and trace and the poor performance of central government contracts with private providers to meet the stated aims of the programme - as well as the considerable waste of public money this had entailed.
  - Members highlighted the extent of consistent overspending in the children’s social care budget.
- 4.5 Resolved: that the Committee refer its views to Mayor and Cabinet as follows-
- The Committee is concerned about the additional Public Health responsibilities that are being placed on the Council as a result of the COVID-19 pandemic. In particular, Members are dismayed (but unsurprised) to learn that the Government intends to place further test and trace responsibilities on councils without, it appears, the requisite funding to carry out this work.
  - Committee members note the reports of the very large amounts of funding made available to private companies to run the national test and trace system – which appears not to have been a success.
  - The Committee is also concerned about the burdensome (and unfunded) monitoring and reporting requirements for existing grant funding, which are placing significant strains on Council officers’ time and resources.
  - The Committee recommends that further consideration should be given to lobbying the Government on the equity of its funding decisions and its extensive requirements for recording, monitoring and reporting.

## **5. Audit Panel update**

- 5.1 Kathy Freeman introduced the report - providing a summary of the work of the Audit Panel in the previous year. She noted the impact of the pandemic on the work of internal audit function.
- 5.2 Councillor Rathbone (Chair of the Audit Panel) addressed the Committee – thanking officers for their support over the past year and recognising the valuable contribution of the Panel’s independent members. He also noted that the Council had been able to meet its primary financial reporting deadlines (in contrast to some comparator authorities) but that the Panel had some concerns about the Council’s core financial systems, which it was challenging and monitoring.
- 5.3 Resolved: that the report be noted.

## **6. Select Committee work programme**

- 6.1 The Committee reviewed the completed work programme for 2020-21 and recommended that items on: adult social care; reporting and monitoring the

financial implications of the covid recovery plan; the finances of the public realm division; children's social care; income generation and commercialisation and business rates be put forward as suggestions for the 2021-22 work programme.

The meeting ended at 8.30 pm

Chair:

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Date:

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## Public Accounts Select Committee

### Declarations of Interest

**Date:** 2021-2022

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Chief Executive (Director of Law, Governance and HR)

### 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 no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- 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. Suki Binjal, Director of Law, Governance and HR, 020 83147648



## Public Accounts Select Committee

### Medium Term Financial Strategy

**Date:** 7 July 2021

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Strategic Finance Manager and Director for Corporate Services

### Outline and recommendations

The purpose of this report is to set out the medium term financial position for the Council over the next four years and the assumptions on which it is based, as well as the likely levels of cuts which will be required to present a balanced budget.

Public Accounts Select Committee is recommended to:

- Note the risks with regards to current year financial cuts, Covid and the uncertainty of future government funding; and the potential for this to impact negatively on the cuts levels required for 2022/23;
- Note the 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) and outline approach being taken to identify cuts proposals required to meet the remaining estimated budget gap of £26m over the next four years; and
- Note the timetable for bringing forward cuts proposals and building the 2022/23 budget to Full Council in February 2022.

## Timeline of engagement and decision-making

3 March 2021 – Budget report to Council

9 June 2021 – Financial Outturn for 2020/21 – report to Mayor & Cabinet (M&C)

14 July 2021 – First 2021/22 financial monitoring report to M&C

### 1. EXECUTIVE SUMMARY

- 1.1. The Council is required to annually set a balanced budget and prepare a sustainable medium term financial plan. However, the current unprecedented levels of economic and fiscal uncertainty means that this is even more challenging than previous years. This is on top of a decade of austerity which the Council has successfully navigated.
- 1.2. The continuation of the Covid-19 pandemic is driving the country into recession and according to the Office of National Statistics, over the year as a whole, Gross Domestic Product (GDP) contracted by 9.9% in 2020, marking the largest annual fall in UK GDP on record.
- 1.3. However, whilst the possible scale of the economic downturn becomes clear and pace at which the economy will recover, there is little clarity on what this will mean for the public finances and local government funding in particular at this time. In the immediate term the current level of Covid-19 funding from government may not be sufficient to cover the full costs and lost income experienced by local government, and it is unclear whether more funding will be made available to meet these pressures.
- 1.4. It remains the Government's intention to implement new funding baselines for all local authorities. The new baselines will be based on a review of local needs and resources (the Fair Funding Review) and a review of business rates. The last time the 'needs based assessment' was updated was for the 2013/14 settlement. However, due to the continuing pandemic response, it is expected that these changes will be further delayed.
- 1.5. Further announcements with regards to Covid-19 funding, an autumn Budget by the Chancellor, clarity on the outcomes of the comprehensive spending review, and a provisional local government finance settlement will all be key announcements expected later in the year. It is hoped that these decisions will reduce the levels of economic and financial uncertainty facing the Council.
- 1.6. Alongside unprecedented levels of economic and fiscal uncertainty the Council is committed to significant budget cuts in 2021/22 and 2022/23 already. These must be delivered in full as planned as any shortfall adds to the funding gap requiring more cuts to be identified.
- 1.7. The Council is setting its medium term financial plan in a continuing global pandemic without the clarity or certainty on the levels of funding it can expect to receive from government in future years. The plan assumptions, set out in the report, will need to be tested and reviewed as future funding announcements and general economic forecasts are themselves revised and updated.
- 1.8. The current base case assumptions produce an assumed budget gap of £26m over the four year period of 2022/23 to 2025/26, with a profile of £2m, £9m, £7m and £8m

in each year. The report also presents the assumptions for an optimistic and pessimistic case which, given the number of variables, moves the four year budget gap plus or minus £10m from the base case of £26m.

- 1.9. For the future budget gap, officers have started work on a number of initiatives, firstly in reviewing and confirming that the £10m cuts for 2022/23 and £3m for 2023/24 offered in 2020/21 remain deliverable. Where there are risks to delivery officers will need to identify and bring forward alternative cuts proposals. Sessions of the Senior Leadership Team (SLT) have taken place in the period May - June to reflect on the 2020/21 process and to refine the approach to ensure a focus on the implementation of cuts agreed and looking forward for future cuts needed.
- 1.10. Executive Management Team (EMT) have reviewed the assumptions used and confirmed their intention to continue to use a collaborative and themed approach to developing future cuts proposals. This will involve EMT and SLT working to develop draft officer proposals for cuts to be put to Members for scrutiny in November and decision in December. All services are part of this process.
- 1.11. The timetable to deliver the Budget for 2022/23 is as set out in Table 1 below.

Month	Key Stage
July / August 2021	Continued focus on implementation of cuts to be implemented in 2020/21 and Covid recovery planning.
September / October 2021	Medium term financial planning and monitoring, for the level of cuts needed. Chancellor's Autumn Budget
November / December 2021	Draft Officer cuts proposals presented for scrutiny and decision Provisional Local Government Finance Settlement
January 2022	Council Tax Base agreed by Council Draft Council Budget for 2022/23 prepared
February 2022	Greater London Authority sets their Precept for 2022/23 Council approves Budget & Council Tax for 2022/23

## 2. RECOMMENDATIONS

- 2.1. Public Accounts Select Committee are recommended to:
- 2.2. Note the risks with regards to current year financial cuts, Covid and the uncertainty of future government funding; and the potential for this to impact negatively on the cuts levels required for 2022/23;
- 2.3. Note the 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) and outline approach being taken to identify cuts proposals required to meet the remaining estimated budget gap of £26m over the next four years; and
- 2.4. Note the timetable for bringing forward cuts proposals and building the 2022/23 budget to Full Council in February 2022.

### **3. POLICY CONTEXT**

- 3.1. The Council's 2018 to 2022 Corporate Strategy identifies seven corporate priorities and four core values which are the driving force behind what we do as an organisation. It sets out a vision for Lewisham and the priority outcomes that organisations, communities and individuals can work towards to make this vision a reality. Through the work on Covid recovery these are also supported by the four Future Lewisham themes.
- 3.2. In setting out the Council's Budget Strategy, in engaging our residents, service users and employees, and in deciding on the future shape, scale and quality of services, we will be driven by the Council's four core values:
- We put service to the public first.
  - We respect all people and all communities.
  - We invest in employees.
  - We are open, honest and fair in all we do.
- 3.3. These core values align with the Council's seven corporate priorities namely:
- Open Lewisham - Lewisham is a welcoming place of safety for all where we celebrate the diversity that strengthens us.
- Tackling the housing crisis - Everyone has a decent home that is secure and affordable.
- Giving children and young people the best start in life - Every child has access to an outstanding and inspiring education and is given the support they need to keep them safe, well and able to achieve their full potential.
- Building an inclusive local economy - Everyone can access high quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- Delivering & 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.
- 3.4. As the Council seeks to support the borough and its businesses and residents through the pandemic and beyond, this recovery is based on the four key themes of Future Lewisham, these are:
- A Greener Lewisham;
  - A healthy and well future;
  - An economically sound future; and
  - A future we all have a part in.
- 3.5. The Medium Term Financial Strategy will directly support the theme of an economically sound future for the borough and its residents.

#### **4. STRUCTURE OF THE REPORT**

4.1. The Report is structured as follows:

1. Executive Summary
2. Recommendations
3. Policy Context
4. Structure of the report
5. Economic Context
6. MTFS Assumptions
7. Revenue Expenditure Assumptions
8. General Fund Budget Gap
9. Addressing the Budget Gap and Timetable
10. Risks
11. Conclusion
12. Financial Implications
13. Legal Implications
14. Equalities Implications
15. Environmental Implications
16. Crime & Disorder Implications
17. Background Papers
18. Appendices

#### **5. ECONOMIC CONTEXT**

5.1. The Medium Term Financial Strategy (MTFS) represents the start of the Council's formal budget process, which concludes with the setting of the overall Budget each year. The Budget Report for 2022/23 will be presented to Mayor and Cabinet and full Council in February 2022.

5.2. The key objectives of the four year strategic approach continue to be:

- plan the Council's finances over a four year period to take account of local and national economic considerations and priorities;
- ensure that the Council's corporate priorities continue to drive its financial strategy and resource allocation;
- assist the alignment of service and financial planning processes;
- ensure that the plan takes account of: stakeholder and partner consultation; external drivers; capital investment; budget risk assessments; and expected developments in services;
- ensure that the MTFS is linked to other internal strategies and plans; and
- that the final agreed budget reflects all these considerations.

5.3. The financial outlook for the Council and the public sector as a whole remains extremely challenging, severely exacerbated by the Covid-19 pandemic. In the continuing absence of a future spending review or local government finance

settlement from government and knowing that the economy is not expected to return to pre-pandemic levels for at least two years, which will impact disproportionately on areas with higher inequality, it is expected that the Council's finances will remain under continued severe financial strain in the coming years. Faced with higher costs, more demands, and lower anticipated income the Council needs to prepare to make further cuts to services in order to be able to set a balanced budget for 2022/23 and future years in line with its statutory obligation to do so.

- 5.4. The focus of the MTFs is the Council's General Fund budget. Whilst it is very important, particularly at a time of prolonged financial constraint, to identify ways in which all services can be delivered more effectively across traditional organisational and financial boundaries, the nature of the current continuing financial austerity regime is such that most of the budget reductions have to come from Council's General Fund services. Having a sound General Fund MTFs and a strategy for responding to the challenges it presents is an essential pre-requisite to ensuring effective responses from all of the services the Council directs and influences.

### **National Economic Context**

- 5.5. The Chancellor's budget in March 2021 and supporting Office for Budget Responsibility assessments identified that interventions due to Covid will cost over £400bn, GDP contracted by 10% in 2020, borrowing will rise to 17% of GDP for 2020/21, and the national debt is expected to peak at 97% of GDP in 2023/24. Unemployment levels, while rising, are still at historically low levels as a proportion of the workforce and the budget set out £600bn of public investment over the coming five years to boost economic output and support the post pandemic recovery.
- 5.6. The assumptions in the budget for public finances retained the assumption they should be stable and sustainable. The department revenue resources for future years were estimated, after depreciation, to be £341.1m in 22/23 moving to 386.4m by 2025/26. The uncertainty in this, without the spending review to allocate resources to departments is estimating the share for local government. However, it is usual for areas of public spending such as health, education, and security to come before local government services in terms of government priorities.
- 5.7. The other area of national economic indicators that have a direct bearing on the Council's financial assumption are in respect of inflation and interest rates. At present the economy is seeing a fast rise in inflation but it is uncertain how long this will continue and whether it will feed through into interest rate assumptions. At their meeting in June, the Bank of England noted the Consumer Price Index (CPI) had risen above 2% in the year to May and expects it to go above 3% for a temporary period. On this basis interest rates were held at their current historic low of 0.1%.

### **Local Government**

#### Local Government funding reform

- 5.8. It remains the Government's intention to implement new funding baselines for all local authorities. The new baselines being based on its review of local needs and resources (the Fair Funding Review), the introduction of 75% business rates retention and resetting business rate baselines. The last time the 'needs based assessment' was updated was for the 2013/14 settlement.
- 5.9. Confirmation of the timing for these changes has not been provided. The later in the year any changes are made, up to the local government settlement in November /

December, the harder planning the allocation of resources to set a balanced budget for 2022/23 becomes.

- 5.10. On business rates, London continued the business rate pool for 2020/21. With the impact of Covid-19 the Council may now need to contribute to the pool. This depends on how the individual boroughs tax bases have been impacted through the period of disruption due to Covid, the business rates income compensation scheme, and how recovery of the tax base evolves. London ceased pooling for 2022/23 with no decision of future years at present.
- 5.11. The other elements of the impact of rolling over spending decisions pending the funding reform has been the rise in annual grants for specific services (e.g. better care fund, social care grant, homelessness grant). This limits councils ability to plan with any certainty and constrains local decision making on how to allocate resources. At the same time councils have been expected to continue to implement above inflationary council tax rises with council tax now providing nearly 50% of the Council's General Fund budget.

## 6. MTFS ASSUMPTIONS

- 6.1. The resource envelope set out in this section of the report consists of the following elements:
- The 'Settlement Funding Assessment' (SFA) which is the total of retained business rate income and business rate top-up.
  - Council Tax income.

### Settlement Funding Assessment (SFA)

- 6.2. Local authorities receive funding from the government via the Settlement Funding Assessment (SFA). This previously consisted of a share of local Business Rates and a Revenue Support Grant (RSG).
- 6.3. The table below shows the forecast SFA over the next four years.

**Table 2: Make-up of Lewisham's 2021/22 and Estimated Settlement Funding Assessment, 2021/22 to 2022/23 to 2025/26**

Settlement Funding Assessment	2021/22 Actual	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Main case	£m	£m	£m	£m	£m
Retained Business Rates	28.15				
Business Rate Top-up	95.15				
Baseline Funding Level (BFL)		120.45	113.90	109.39	106.70
<b>Total SFA</b>	<b>123.30</b>	<b>120.45</b>	<b>113.90</b>	<b>109.39</b>	<b>106.70</b>

### Business rates income

- 6.4. In 2018/19, the government devolved 100% of Business Rates to local authorities via the pilot pool. In 2019/20, the level of devolved Business Rates was changed to 75%. In London, this will be shared between Local Authorities and the GLA. This means LAs will retain 48% of Business Rates and the GLA 27%. The RSG has been

'rolled-in' at this stage thereby phasing it out.

- 6.5. Changes to Business Rates retention were intended to be fiscally neutral by allowing the main local government grant (e.g. Revenue Support Grant) to be phased out and additional responsibilities devolved to local authorities or regions, matching the additional funding from business rates.
- 6.6. The forecast now assumes the reforms and the business rates reset will be implemented from 2023/24 although this has still to be confirmed. The government also operates a safety net for business rates with Lewisham's currently £7m below the £95m expected shown above.
- 6.7. As the London pool has been stopped for 2021/22 no assumptions are made in this MTFS on any risks or benefits should it be re-started.

### **The Fair Funding Review**

- 6.8. Central government funding for local authorities is based on an assessment of relative needs and resources. The overarching methodology that determines how much funding each authority receives annually was introduced over ten years ago and has not been updated since funding baselines were set at the start of the 50 per cent business rates retention scheme in 2013/14.
- 6.9. The government is undertaking the Fair Funding Review to update the needs formula and set new funding baselines. The government is proposing to simplify the funding formula based on a small number of key cost drivers such as population, deprivation, rurality/density, and area costs. The government has so far undertaken two consultation exercises. The consultation identified key areas that require a more detailed assessment of needs such as adult social care, children's services, highways and public transport, waste collection and disposal.
- 6.10. The MTFS assumes any impact will now be for the start of 2023/24.

### **Council Tax income**

- 6.11. In considering savings proposals and the level of Council Tax, Members make political judgements balancing these with their specific legal responsibilities to set a balanced budget and their general responsibilities to stewardship of the Council's finances over the medium term.
- 6.12. For 2021/22, the government re-instated the 1.99% referendum trigger. The MTFS main case assumes this arrangement continues for over the next four years.
- 6.13. The Social Care Precept is in addition to this. The Social Care precept introduced by the government from 2016/17 to 2019/20 ended, however the government gave Local Authorities the option of levying a 3% Social Care Precept over two years in 2021/22. The long awaited government proposals for the sustainable long-term funding of adult social care services has still not been published and it is unclear whether the governments solution to the longer term funding of social care will include additional ASC precepts.
- 6.14. As well as decisions about the level of Council Tax, Council Tax income is also affected by growth in the number of properties in the borough, the rate of Council Tax collection.
- 6.15. In 2021/22, Council Tax was raised by 4.99% in total, i.e. a 1.99% core increase and the 3% social care precept increase as set out above. This generated additional funding of £5.8m.

- 6.16. For 2022/23, the MTFS main case assumes a 1.99% increase in core Council Tax and 1.99% in each year thereafter. This reflects the assumption that the Council will apply the maximum increase allowed without a referendum in 2022/23 and beyond. In addition, the MTFS assumes a 0.5% average increase in the Council Tax base for the four year budget period, based on Planning Service's housing trajectory. In total over the period this will add approximately £13m to the Council Tax income base over the four year period to 2025/26 but remains below the London target for housing supply in the borough.
- 6.17. Forecast Council Tax income from 2022/23 to 2025/26 is set out in Table 3 using the assumptions in Appendix 1. The amounts collected here are after allowing for the cost of the Council Tax Reduction Scheme and any uncollected debts.

**Table 3: Council Tax Income Future Year Projections**

	2022/23 projection	2023/24 projection	2024/25 projection	2025/26 projection
	£m	£m	£m	£m
Optimistic	125.23	130.73	136.37	140.44
<b>Main</b>	<b>122.92</b>	<b>128.38</b>	<b>133.99</b>	<b>139.02</b>
Pessimistic	119.29	124.69	130.23	136.60

## 7. REVENUE EXPENDITURE ASSUMPTIONS

- 7.1. In addition to the reduction in the level of resources available over the next four years, the Council faces a number of budget pressures which will add to the overall revenue expenditure, including ongoing pressures from the Covid-19 pandemic. This section of the report considers the effect such pressures will have on the future years' revenue expenditure.

### Pay

- 7.2. A pay award of 2.75% was agreed by the Greater London Provincial Council for 2020/21. The current offer for 2021/22 is 1.5% but this has yet to be agreed. In light of the expected inflationary pressures and despite the constraints on public finances the main model has assumed a 2% pay award for 2022/23 and assumed that pay awards will remain at 2% in future years.

### General price inflation assumptions

- 7.3. General price inflation is calculated on non-pay expenditure on General Fund services (excluding internal recharges and housing benefit payments). A proportion of this expenditure is contractual with indices linked to inflation but in many cases the Council is in a position to re-negotiate increases. For the purposes of these projections, it is assumed that all prices go up generally by inflation, which in 2022/23 has been estimated at 3% based on Bank of England forecasts returning to 2% by 2025/26.

### **General fees and charges assumptions**

- 7.4. The Council's approach in the past has been to expect fees and charges it makes to rise in line with inflation unless there is a specific decision to increase them by more or less. In some cases, this will be outside the control of the Council (for example, where charge rates are set by statute). However, for the purposes of these projections of spending, it is assumed that on average fees and charges in aggregate will increase by inflation.

### **Further budget pressures and risks**

- 7.5. Forecasting the impact of demand changes is the most difficult aspect of the MTFS. But the MTFS needs to make allowance for the potential impact of these through the allocation of an amount for risks and pressures. The key challenges that impact on the demand for Council services are as follows:
- **Population growth** – this particularly affects people-based services such as adult and children's social care. But it also affects general demand for universal services such as leisure and cultural services and school places;
  - **Ageing population** – this affects care for the very elderly but also impacts on care for younger adults and children with disabilities who are living longer as a result of improvements in medical care. It also has a direct impact on the funding the Council needs to provide for the London-wide concessionary fares scheme;
  - **Household growth** – this impacts on General Fund property-based services such as refuse collection and waste disposal; highways, footpaths and street lighting; and more school places and additional health and care needs.
  - **Impact of government policy** – improvements in economic well-being and reduction in crime should potentially mean less demand for Council services. However, the shortage of housing, the impact of welfare changes, and policy toward people with No Recourse to Public Funds are all having a major impact on social needs within the borough. With deep and long lasting implications for the level and impact of poverty as set out in the 2019 United Nations report on the impact of austerity in the UK since 2010 and further evidenced through the impact of Covid on local communities in 2020/21 which further highlighted the current levels of inequality in society.
  - **Impact of reducing preventative services** – reductions in budgets for preventative services such as early years, the youth service and aspects of adult social care provision are likely to affect demand for more acute services including children at risk, children involved in crime, adults with drug and alcohol problems, adults in residential accommodation and so on; and
  - **Regulations and standards** – following the Covid pandemic, with new responsibilities for local government through anticipated funding changes and as councils respond to changes in community need; standards and ways of working are expected to change.
- 7.6. The Council is pro-actively trying to address these demand pressures and seeks to ensure, wherever possible, that the changes it has to make to services help residents and the community become more resilient and reduce rather than increase demand.

- 7.7. Other pressures, such as the cost of transition of children with disabilities into adult services or when specific grants are reduced or withdrawn, are assumed to be managed within service budgets.
- 7.8. To enable the Council to recognise these pressures and risks in a flexible way as they come to bear, the MTFs includes an annual provision corporately for growth from demand and other unavoidable pressures in the budget. The model assumes this will continue for future years, but that there is the slow reduction in this funding from the current level of £6.5m assumed for 2022/23 down to £5m in 2025/26.

### **Specific grant assumptions**

- 7.9. The following assumptions have been made in the projections on specific grants which fund services. The general point is that within the Council's devolved budget management arrangements the funding position is noted and it is for the service to ensure that their spending is managed within the available grant. The main specific grants include:

- **Public Health** – this grant is £25.4m in 2021/22, an increase of £0.6m from 2020/21. Any future year changes to the public health budgets once announced will need to be the subject of further officer proposals to ensure expenditure on services matches the available grant.
- **Better Care Fund (BCF)** – this funding increased to £23.3m in 2020/21. The Council receives approximately £8.9m of this funding via the local Clinical Commissioning Group (CCG) to support Council led services.
- **Improved Better Care Fund (iBCF)** – In 2021/22, the iBCF was maintained at the 2020/21 level of £14.5m. This is intended to fund adult social care activity. Plans for its use, which have not yet been finalised, will also require the agreement of the CCG. The grant is likely to be spent in substantially the same way as in 2020/21.
- **Other grants** – the Council receives a number of other grants. Pending a full financial settlement for local government these have increased in recent years, in number and scale, and therefore post a greater risk to the Council's budget as they are only annual. These include recent s31 grants which supplement business rates, social care, and special education needs as well as some other relatively small or directly related to specific projects.

A number of the smaller ones come from the Greater London Authority; for example, funding we receive from the London Mayor's Office for Policing and Crime (MOPAC) to support crime reduction work.

Any changes to these grants will have to be met with an equivalent reduction in service spend to ensure it will have a neutral impact on the Council's overall budget gap.

### **Other Income and Expenditure Items**

- 7.10. There are other income and expenditure items in the Council's budget which are mainly non-service specific. These consist of the following elements:

#### Capital financing charges

- 7.11. Capital financing costs include all revenue costs relating to the Council's outstanding borrowing which comprises repayment of principal and interest charges. It also includes provision for capital spending which is charged directly to revenue and repayment of historic debt in respect of the former Inner London Education Authority. These costs are offset by principal and interest repayments from the Catford Regeneration Partnership Limited, Lewisham Homes, and interest on the Council's investment balances.
- 7.12. The main factors that affect the forecasting of capital financing costs are the level of borrowing for capital purposes, the level of the Council's cash balances, and interest rates. The MTFs assumes that capital spending will be funded either from grant, capital receipts, capital reserves, be charged direct to revenue or borrowing.
- 7.13. Changes to interest rates should not affect borrowing costs as the Council borrows long term (typically 30 plus years) at fixed rates. It also assumes that cash balances remain at their current level in the immediate future. If interest rates rise the Council receives more interest on balances invested. However, the projections have not built in any assumptions about changes to interest rates as their scale is likely to be limited and the timing remains uncertain.

#### Levies

- 7.14. These cover the London Pension Fund Authority, the Environment Agency and Lee Valley. It is assumed these will stay at similar levels for future years.

#### Added years pension costs

- 7.15. In the past, staff who retired early were awarded additional assumed years in the Pension Fund with the additional cost being charged to the General Fund. Although added years stopped being awarded some years ago, the Council has an on-going commitment for those staff who were awarded added years in the past.

#### **Other known future years' budget adjustments**

- 7.16. There are further adjustments that are included within the budget projections for future years, funded from the £6.5m corporate provision stated in para 7.8 above:
- **Concessionary fares** – the cost of concessionary fares to the Council changes each year to reflect increases in population entitled to concessionary fares, increases in fares themselves, and changes to the basis for allocation of costs between boroughs. The projections now assume an annual increase of £0.5m for the period 2022/23 to 2025/26. This was decreased in 2021/22 to reflect the impact of Covid on public transport usage, but this is expected to return to previous levels and require additional funding.
  - **Highways and footways maintenance** – the 2014/15 budget report included a proposal to switch highways and footways maintenance funding from capital to revenue in order to avoid the build-up of prudential borrowing charges. To fund this, it was agreed that £0.35m growth would be provided each year in the revenue budget together with funding that would be released within the capital financing charges budget as a result of prudential borrowing no longer being required. This expected to be achieved in 2023/24.

- **Pension Fund Contributions** – It is anticipated that, due to recent court rulings impacting all local government pension schemes and the continuing maturing of the Lewisham fund with fewer members contributing, additional contributions will be required into the Council's pension fund in coming years. It is assumed that up to a further £1m per annum will be needed from the next valuation at March 2022.
- **Service investments** – these range across a number of areas and are being monitored as the Council's recovery and transition planning from Covid 19 develops. They include: cost of market changes in areas such as social care and leisure services, demand for housing and temporary accommodation in particular, need to develop stronger economy and partnership relationships across the Borough, and other changes due to government policy and funding.

### **New Homes Bonus**

- 7.17. The New Homes Bonus (NHB) was a grant paid for a fixed period by central government to local councils for increasing the number of homes in use. Growth in the number of properties in Lewisham in line with the London Housing plan has funded the New Homes Bonus.
- 7.18. The Government has announced that the scheme will not continue its current form with legacy payments for previous growth only, which run off in 2022/23. The Government has not consulted on any replacement scheme.
- 7.19. Over the past two years the NHB has been used to fund investment in service transformation and change work.

## **8. GENERAL FUND BUDGET GAP**

- 8.1. Using the medium term resource envelope and revenue expenditure projections stated above, the resulting overall forecast position for the authority is shown in Table 4 below:

**Table 4: Summary of Projected Financial Position**

	Optimistic Case				Main Case				Pessimistic Case			
	2022/23	2023/24	2024/25	2025/26	2022/23	2023/24	2024/25	2025/26	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Business Rates Baseline Funding Level	121.401	121.401	116.703	114.083	<b>120.449</b>	<b>113.896</b>	<b>109.392</b>	<b>106.702</b>	112.916	105.700	101.220	98.337
BR S31 Grant and Pool Growth	3.000	3.000	3.000	3.000	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	<b>3.000</b>	3.000	3.000	3.000	3.000
Business Rates Collection Fund	(4.000)	(4.000)	(1.000)	0.000	<b>(4.000)</b>	<b>(4.000)</b>	<b>(1.000)</b>	<b>0.000</b>	(4.000)	(4.000)	(1.000)	0.000
Council Tax	126.030	130.527	135.169	139.237	<b>118.29</b>	<b>122.52</b>	<b>127.53</b>	<b>132.02</b>	122.092	126.490	131.031	136.396
Council Tax Collection Fund	(0.800)	0.200	1.200	1.200	<b>(1.800)</b>	<b>(0.800)</b>	<b>0.200</b>	<b>1.200</b>	(2.800)	(1.800)	(0.800)	0.200
Total Resources	245.631	251.127	255.072	257.520	<b>242.367</b>	<b>241.277</b>	<b>245.382</b>	<b>248.719</b>	231.208	229.390	233.451	237.933
Total Revenue Expenditure	254.589	256.434	261.553	265.559	<b>255.045</b>	<b>253.690</b>	<b>252.254</b>	<b>256.436</b>	255.501	243.057	240.927	245.089
Budget Gap	8.958	5.306	6.481	8.039	<b>12.678</b>	<b>12.413</b>	<b>6.872</b>	<b>7.717</b>	24.293	13.667	7.476	7.156
Approved Savings	-10.410	-3.237	0.000	0.000	<b>-10.410</b>	<b>-3.237</b>	<b>0.000</b>	<b>0.000</b>	-10.410	-3.237	0.000	0.000
Additional Annual Savings Required	<b>-1.452</b>	<b>2.069</b>	<b>6.481</b>	<b>8.039</b>	<b>2.268</b>	<b>9.176</b>	<b>6.872</b>	<b>7.717</b>	<b>13.883</b>	<b>10.430</b>	<b>7.476</b>	<b>7.156</b>
Cumulative Savings Required	<b>-1.452</b>	<b>0.617</b>	<b>7.098</b>	<b>15.137</b>	<b>2.268</b>	<b>11.444</b>	<b>18.316</b>	<b>26.033</b>	<b>13.883</b>	<b>24.313</b>	<b>31.789</b>	<b>38.945</b>

- 8.2. Taking the main case scenario as the expected position, the MTFS shows the annual measures required to bridge the budget gap from 2022/23 to 2025/26 as £2.268m, £9.176m, £6.872m, and £7.717m, respectively in each year. A total of £26m over the four years to 2025/26. It is important to note two things. Firstly, any of the pressures not addressed in service spending through 2021/22 will add to the cuts target for 22/23. Secondly that, whilst not formally approved by Mayor & Cabinet, the cuts offered up in 2020/21 for 22/23 and 23/24, £10.4m and £3.2m respectively, are included within these MTFS figures. If these are no longer deliverable then the budget gap increases proportionately.
- 8.3. It is also important to note that the MTFS has been prepared on the basis that all of the circa £7m of delayed savings from 2020/21, plus the £28m of cuts taken for 2021/22 will be delivered, and that there are no overspends. If this is not the case then the relatively small budget gap will increase proportionately.
- 8.4. The optimistic case scenario has been modelled to show the effect that positive changes in the assumptions will have on the overall budget gap. Here the cumulative budget gap to 2025/26 reduces by approximately £11m to £15.137m. This is based on lower predicted cuts to baseline funding and higher increase in the Council Tax base.
- 8.5. The pessimistic case scenario is the most unlikely scenario projected. The cumulative budget gap to 2025/26 increases by approximately £13m to £39mm. This scenario demonstrates the difficulty the Council could potentially face if the very worst happens and the funding cuts are higher and Council Tax base and collection rates are lower than expected, and the future years impact of Covid-19 collection fund do not have support from government.
- 8.6. The next section of this report looks at how the Council continues to address the gap in order to produce a balance budget.

## **9. ADDRESSING THE BUDGET GAP AND TIMETABLE**

- 9.1. Officers continue to work on implementing delayed cuts from 2020/21 not implemented due to the impact of Covid 19, the £28m of new cuts taken into the budget for 2021/22, while managing the ongoing impact of Covid-19 and recovery from it. This work is discussed more fully in the quarter one financial monitoring reported to Mayor & Cabinet on the 14 July 2021.
- 9.2. Once the current year's financial position is known with greater certainty then it can be established whether a full cuts process will be needed for 2022/23 or it can concentrate on early planning for the years 2023/24 onwards. The timetable below sets out the process over the summer to ensure that this can be fully considered and to allow officers time to put forward ideas as needed.
- 9.3. The initial work by officers will be to review the cuts put forward last year for 2022/23 and 2023/24 to ascertain whether these remain deliverable. If they are then they can be refined or further developed as necessary and brought forward for pre-scrutiny ahead of Mayor and Cabinet as per the timetable.
- 9.4. Where the cuts already identified are no longer deliverable, officers will work over the summer to design alternatives. The intent being to continue to do this in a collaborative and thematic way led by the Senior Leadership Team (SLT) under the guidance of the Executive Management Team (EMT).
- 9.5. The objective is to identify cuts in a manner that will support the Council's recovery from Covid and transition to delivering future services within the available financial resources on a secure and sustainable basis. These individual proposals, as well as identifying the financial changes, will need to include any necessary public consultations required, timelines for internal changes consistent with the Council's

policies for managing change, and detailed consideration of any implications, for example legal and equalities. The covering cuts report will then analyse these implications in the round aggregate to support Members assessment of the options and their impact on the Borough as a whole as well as individually.

- 9.6. The themes for bringing forward future year cuts is being reviewed as the Council firms up the Covid recovery priorities through the Future Lewisham themes. They may therefore change. For reference they are currently:

#### **A – Productivity**

- 9.7. Over the past three years the Council has been on a significant journey to improve the availability, flexibility and security of it technology infrastructure. This was further given a boost with the rapid and successful move at the start of the Covid 19 response to getting all staff online and able to work remotely and across different services.
- 9.8. The investments to make these changes were also about seeking to streamline decision making, governance and policy frameworks, and automate more transactional work to make processes more efficient and capture a productivity gain. The theme will focus on how these benefits are being tracked and where necessary identify where fewer resources are now needed.

#### **B – Joint working**

- 9.9. The Council continues to listen and consult with its partners to understand how the impacts of Covid 19 and the resulting economic and community changes are driving different needs and expectations for Council services.
- 9.10. This theme explores and pushes the boundaries of how we might work differently within the Council but also how we work with our residents, our communities, our voluntary sector, anchor institutions and strategic partners. A significant strand of this theme is working closer with our health partners.
- 9.11. As well as addressing the immediate financial challenge this work will also lay the foundations for longer term successful working. The intention here is to identify opportunities at less cost with our partners to deliver shared outcomes.

#### **C – Service reconfiguration**

- 9.12. In addition to the productivity point above, there will be opportunities to change how the Council engages with customers and delivers services. For example; our front door services are now largely operating online and via the call centre with appointments available where necessary.
- 9.13. There are also opportunities, through better collaborative working, to review how different services serving the same customers might better come together to do this. In addition to external customers this theme will also look at the relationships and role of corporate functions supporting frontline delivery.
- 9.14. Extending the productivity theme above, there will be opportunities to change how the Council engages with customers and delivers services. For example; our front door services are now largely operating online and via the call centre with appointments available where necessary. There are also opportunities, through better collaborative working, to review how different services serving the same customers might better come together to do this and strengthen the organisation's culture.

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## **D – Asset realisation**

- 9.15. As well as looking at the revenue budget considerations, it is important that the Council also reviews its assets and capital programmes to maximise efficiencies where possible. With changing ways of working and different service delivery mechanisms the Council may not require the same asset base. From this work there could be running cost savings and there may be some one-off receipts that could be used to support longer term transformation plans which take longer to realise.
- 9.16. The council has extensive landholdings across the Borough – ranging across a broad base of office, commercial and service/operational estate. While these changes are for future years, through this strategic theme the Council can unlock social, economic and financial benefit from its considerable landholdings within Lewisham.

## **E – Commercial approach**

- 9.17. The Council has been championing the development of greater commercial understanding and rigour in its service offering and contractual relations with third parties. This has been around increasing the rigour and improving contract management and supplier relationships as well as achieving greater social value alongside financial return from engaging in such activities.
- 9.18. On the income side work will continue through this theme to assess the culture and approach to considering risk and reward in the Council's commercial dealings and collection of debt. It will also review how sales, fees and charges are set relative to benchmarks and assess market potential to ensure rates are set at the optimum level in line with the Council's priorities.

## **F – Better demand management**

- 9.19. As much as the Council has a significant number of statutory services to deliver it also has discretion about how it does so. This enables services to ensure the value for money of provision within the overarching responsibility for stewardship of the public pound. Aligned with this, preventative work can lead to better outcomes for less cost in the long run compared to the need for crisis intervention.
- 9.20. For the larger services, in particular adult and children social care but also environment services when considering levels of waste, how this translates into demand management around when users are engaged with the support they are offered has a the potential for promoting greater independence and significant budget impacts.
- 9.21. The approach to this theme has been to explore opportunities to focus on volume and cost and the means by which they can be reduced, diverted, or shared.

## **TIMETABLE**

- 9.22. The timetable to deliver the necessary cuts and Budget for 2022/23 is as set out below.

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Date / Month	Key Stage
11 June 2021	Budget recap to SLT emphasised risks of not delivering approved cuts. SLT was agreed an earlier start to future cuts helpful.
23 June 2021	MTFS overview presented to EMT
7 July 2021	MTFS presented to PASC
14 July 2021	MTFS presented to M&C
July - October	Services work to confirm: i) that the current £33m of cuts and pressures will be managed and delivered in full; ii) that the £10m of cuts for 2022/23 remain valid and can be formally offered to Members and M&C; iii) that if any of these can't, then alternative cuts are developed and offered instead; and iv) new cuts are identified for any pressures emerging from the recovery to business as usual unsupported by Covid monies
September / October 2021	Medium term financial planning and monitoring. Chancellor's Autumn Budget
2 November 2021	Cuts to Healthier Select Committee
4 November 2021	Cuts to Safer Stronger Communities Select Committee
10 November 2021	Cuts to Sustainable Development Select Committee
18 November 2021	Cuts to Housing Select Committee
25 November 2021	Cuts to Children and Young People Select Committee
November / December 2021	Provisional Local Government Finance Settlement
1 December 2021	Cuts to Public Accounts Select Committee
December	Early work through scrutiny and M&C to agree DSG, HRA, and Capital elements of the budget for January Council meeting.
8 December 2021	Cuts to Mayor and Cabinet
12 January 2022	Council Tax Base agreed by Council Draft Council Budget for 2021/22 prepared Business rate payers consultation launched
27 January 2022	Draft Council Budget 2022/23 to PASC
2 February 2022	Budget 2022/23 to M&C
9 February 2022	Budget 2022/23 Update to M&C (if required)
February 2022	Greater London Authority sets their Precept for 2022/23

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Date / Month	Key Stage
23 February 2022	Council approves Budget & Council Tax for 2022/23 (NB this may be pushed back a week depending on the GLA timetable)

- 9.23. Once the in-year service monitoring position is more certain and the Chancellor's Autumn Budget announced, it may be necessary to bring an updated MTFS forward to update on the assumptions and plans outlined in this report.

## 10. Risks

- 10.1. There are a number of risks facing the Council in setting its MTFS for the period 2022/23 to 2025/26. The key issues are discussed below.
- 10.2. The full impact of Covid is still yet to be known, both in terms of the financial impact on the Council and its residents, but also in terms of the boroughs residents and its economy. It's clear that whilst the pandemic continues it will be increasingly difficult to separate out our underlying 'business as usual' pressures from those Covid related. Covid may be masking underlying service position in terms of pressures and risk, providing less time and resource to properly plan for and manage these. The regular financial monitoring will be critical in ensuring that this is reported and action taken in a timely manner. Whilst we remain unclear on the levels of Covid funding that we will receive it is realistic to assume that this will not be at the previous year's levels to cover all of the in-year pressures for 2021/22 and any permanent or semi-permanent changes to underlying services.
- 10.3. Funding uncertainty and risk. The Fair Funding review has been delayed previously and is now long overdue, however it is unlikely that Government will be publishing this in 2021 given the pandemic. Whilst we can assume that a roll forward in funding from 2021/22 into 2022/23 is likely, as the reality of the scale of economic recovery bites and the national cost of the pandemic crystallises, it can be assumed that Local Government funding will be reduced. This will place even greater dependence on Council Tax and local income or cost reduction measures, at a time when all of the Government support measures for residents, such as furlough, have ended.
- 10.4. The scale of the cuts taken in 2021/22, coupled with the persistent overspend still remaining, increases the risk that the current, relatively modest budget gap for 2022/23 could increase if the current budget cannot be delivered in full. A number of the cuts were ambitious and required transformation and resources to deliver, much of which has been diverted into our Council's current response to the pandemic.
- 10.5. The progress and outcomes of the capital strategy and programme review work reporting to M&C in July are not yet known. If the capital strategy and its associated risks (given the scale and pace of delivery) put more pressure on the revenue budget (e.g. through abortive costs, overspends, etc.) this will add to the cuts targets required.

## 11. CONCLUSION

- 11.1. The Medium Term Financial Strategy sets out initial estimates based on uncertain assumptions for the funding of local government to prudently anticipate the scale of financial challenge the Council will face over the medium term to 2025/26.

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- 11.2. The next stages in the development of the financial strategy will be further refinement of the Council's longer term forecasting in light of the next Spending Round, Local Government Finance Settlement, and clarity on the government's policy agenda as it impacts local government. This, in turn, will inform the Council's development of the saving proposals required to balance the Council's budget and timing of these.
- 11.3. The MTFFS identifies that the Council may have to make up to £26m of cuts over the next four years, on top of the £10m and £3m already put forward in 2020/21 for 2022/23 and 2023/24.
- 11.4. Given the high level of uncertainty and risk of making cuts which may then have to be reversed if the assumptions used are wrong, the recommended focus now is to ensure that those cuts previously offered remain deliverable, returning to Mayor & Cabinet in good time to make further difficult decisions if necessary.
- 11.5. Local authorities have largely acknowledged that deep changes are required if they are to continue to deliver positive outcomes for their citizens. What is not yet clear is how authorities can continue to make this happen in practice if funding levels are cut further, what services local government may be responsible for in future, and how services are expected to transform and change to support the borough and its residents post Covid-19.

## **12. FINANCIAL IMPLICATIONS**

- 12.1. This report is concerned with the Council's medium term financial strategy and as such, the financial implications are contained within the body of the report.

## **13. LEGAL IMPLICATIONS**

- 13.1. The purpose of this report is to develop a medium term approach in support of better service and financial planning and an update of in-year financial pressures. Members are reminded that the legal requirements are centred on annual budget production, and that indicative decisions made for future years are not binding.
- 13.2. The Local Government Act 2000 and subsequent regulations and guidance says that it is the responsibility of the full Council to set Lewisham's budget, including all of its components and any plan or strategy for the control of the Council's capital expenditure. Regulations provide that it is for the Executive to have overall responsibility for preparing the draft budget for submission to the full Council to consider. Once the budget has been set, it is for the Mayor & Cabinet to make decisions in accordance with the statutory policy framework and the budgetary framework set by the Council.
- 13.3. Where there are proposals for a reduction to a service which the Council is either under a statutory duty to provide, or which it is providing in the exercise of its discretionary powers and there is a legitimate expectation that it will consult, then consultation with all service users will be required before any decision to implement the proposed saving is taken. The outcome of such consultation must be reported to the Mayor. Where the proposed savings will have an impact upon staff, then the Council will have to consult the staff affected and their representatives in compliance with all employment legislative requirements and the Council's own employment policies.

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## **14. EQUALITIES IMPLICATIONS**

- 14.1. The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). 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. 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.
- 14.2. 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. 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 Mayor and Cabinet, bearing in mind the issues of relevance and proportionality. Mayor and Cabinet 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.
- 14.3. The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the 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 on the EHRC website.
- 14.4. The EHRC has issued five guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

## **15. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

- 15.1. There are no environmental implications directly arising from the report.

## **16. CRIME AND DISORDER IMPLICATIONS**

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

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## 17. HEALTH AND WELLBEING IMPLICATIONS

- 17.1. There are no health and wellbeing implications directly arising from the report.

## 18. BACKGROUND PAPERS

- 18.1. Budget Report 2021/22 – Full Council 3 March 2021  
<https://councilmeetings.lewisham.gov.uk/documents/s77544/Council%20Budget%202021-2022.pdf>
- 18.2. Financial Results 2020/21 – Mayor & Cabinet 9 June 2021  
<https://councilmeetings.lewisham.gov.uk/documents/s81077/Financial%20Results%202020-21.pdf>

## 19. GLOSSARY

Term	Definition
<b>Actuarial Valuation</b>	An independent report of the financial position of the Pension Fund carried out by an actuary every three years. The actuary reviews the Pension Fund assets and liabilities as at the date of the valuation and makes recommendations such as, employer's contribution rates and deficit recovery period, to the Council.
<b>Baseline Funding Level</b>	The amount of a local authority's start-up funding allocation which is provided through the local share of the estimated business rates aggregate (England) at the outset of the scheme as forecast by the government. It forms the baseline against which tariffs and top-ups are calculated.
<b>Budget Requirement</b>	The Council's revenue budget on general fund services after deducting funding streams such as fees and charges and any funding from reserves. (Excluding Council Tax, RSG and Business Rates)
<b>Business Rates Baseline</b>	The business rates baseline is equal to the amount of business rates generated locally in a specific year.
<b>Capital Expenditure</b>	Spend on assets that have a lasting value, for example, land, buildings and large items of equipment such as vehicles. This can also include indirect expenditure in the form of grants or loans to other persons or bodies.
<b>Capital Programme</b>	The Council's plan of future spending on capital projects such as buying land, buildings, vehicles and equipment.
<b>Capital Receipts</b>	These are proceeds from the disposal of land or other assets and can be used to finance new capital expenditure but cannot be used to finance revenue expenditure.

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Term	Definition
<b>Capping</b>	This is the power under which the government may limit the maximum level of local authority spending or increases in the level of spending year on year, which it considers excessive. It is a tool used by the government to restrain increases in Council Tax. The Council Tax cap, currently 2%, means that any local authority in England wanting to raise Council Tax by more than 2% in 2015/16 must consult the public in a referendum, Councils losing a referendum would have to revert to a lower increase in their bills.
<b>CIPFA</b>	The Chartered Institute of Public Finance and Accountancy are one of the UK accountancy institutes. Uniquely, CIPFA specialise in the public sector. Consequently CIPFA holds the responsibility for setting accounting standards for local government.
<b>Clinical Commissioning Group (CCG)</b>	Clinical Commissioning Groups ( <b>CCGs</b> ) were created following the Health and Social Care Act in 2012, and replaced Primary Care Trusts on 1 April 2013. They are clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.
<b>Collection fund</b>	A statutory account maintained by the Council recording the amounts collected from Council Tax and Business Rates and from which it pays the precept to the Greater London Authority.
<b>Collection Fund surplus (or deficit)</b>	If the Council collects more or less than it expected at the start of the financial year, the surplus or deficit is shared with the major precepting authority, in Lewisham's case this is the GLA, in proportion to the respective Council Taxes. These surpluses or deficits have to be returned to the Council taxpayer in the following year through lower or higher Council taxes. If, for example, the number of properties or the allowance for discounts, exemptions or appeals vary from those used in the Council Tax base, a surplus or deficit will arise. The Council generally achieves a surplus, which is shared with the GLA.
<b>Contingency</b>	This is money set-aside centrally in the Council's base budget to meet the cost of unforeseen items of expenditure, such as higher than expected inflation or new responsibilities.
<b>Council Tax Base</b>	The Council Tax base for a Council is used in the calculation of Council Tax and is equal to the number of Band D equivalent properties. To work this out, the Council counts the number of properties in each band and works out an equivalent number of Band D equivalent properties. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992. They are: A 6/9, B 7/9, C 8/9, D 9/9, E 11/9, F 13/9, G 15/9 and H 18/9, so that Band A is six ninths of the 'standard' Band D, and so on.

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Term	Definition
<b>CPI and RPI</b>	The main inflation rate used in the UK is the CPI (Consumer Price Index), the Chancellor of the Exchequer bases the UK inflation target on the CPI. The CPI inflation target is currently set at 2%. The CPI differs from the RPI (Retail Price Index) in that CPI excludes housing costs. Also used is RPIX, which is a variation on RPI, one that removes mortgage interest payments.
<b>Dedicated schools grant (DSG)</b>	This is the ring-fenced specific grant that provides most of the government's funding for schools. This is distributed to schools by the Council using a formula agreed by the schools forum.
<b>Financial Regulations</b>	These are a written code of procedures set by a local authority, which provide a framework for the proper financial management of the authority. They cover rules for accounting and audit procedures, and set out administrative controls over the authorisation of payments, etc.
<b>Financial Year</b>	The local authority financial year commences on 1st April and finishes on the following 31 March.
<b>General Fund</b>	This is the main revenue fund of the local authority, day-to-day spending on services is met from the fund. Spending on the provision of housing however, must be charged to the separate Housing Revenue Account (HRA).
<b>Gross Domestic Product (GDP)</b>	GDP is defined as the value of all goods and services produced within the overall economy.
<b>Gross Expenditure</b>	The total cost of providing the Council's services, before deducting income from government grants, or fees and charges for services.
<b>Housing Revenue Account (HRA)</b>	A separate account of expenditure and income on housing that Lewisham must keep. The account is kept ring-fenced from other Council activities. The government introduced a new funding regime for social housing within the HRA from April 2012.
<b>Individual authority business rates baseline</b>	This is derived by apportioning the billing authority business rates baseline between billing and major precepting authorities on the basis of major precepting authority shares.
<b>Levies</b>	A levy is an amount of money a local authority is compelled to collect (and include in its budget) on behalf of another organisation. Lewisham is required to pay levies to a number of bodies such as the London Pensions Fund Authority.
<b>Local share</b>	This is the percentage share of locally collected business rates that will be retained by local government, currently 50%.

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Term	Definition
<b>Net Expenditure</b>	This is gross expenditure less services income, but before deduction of government grant.
<b>New Homes Bonus</b>	Under this scheme Councils receive a new homes bonus (NHB) per each new property built in the borough for the first six years following completion. Payments are based on match funding the Council Tax raised on each property with an additional amount for affordable homes. It is paid in the form of an un-ringfenced grant.

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Term	Definition
<b>Prudential Borrowing</b>	Set of rules governing local authority borrowing for funding capital projects under a professional code of practice developed by CIPFA to ensure the Council's capital investment plans are affordable, prudent and sustainable.
<b>Revenue Expenditure</b>	The day-to-day running expenses on services provided by Council.
<b>Revenue Support Grant (RSG)</b>	All authorities receive Revenue Support Grant from central government in addition to its baseline funding level under the local government finance system. An authority's Revenue Support Grant amount plus its baseline funding level together comprises its Settlement Funding Assessment.
<b>Section 151 officer</b>	Legally Councils must appoint under section 151 of the Local Government Act 1972 a named chief finance officer to give them financial advice, in Lewisham's case this is the post of the Executive Director for Resources and Regeneration.
<b>Settlement Funding Assessment (SFA)</b>	A Local Authority's share of the local government spending control total which comprises its Revenue Support Grant for the year in question and its baseline funding level.
<b>Specific Grants</b>	As the name suggests funding through a specific grant is provided for a specific purpose and cannot be spent on anything else e.g. The Dedicated Schools Grant (DSG) for schools.

## 20. REPORT AUTHOR AND CONTACT

- 20.1. For more information please contact David Austin, Director for Corporate Services, 1st Floor Laurence House, 020 8314 9114, David.Austin@lewisham.gov.uk.
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## APPENDIX 1 – SUMMARY OF MTFs ASSUMPTIONS

RESOURCE ENVELOPE			
	Main case	Pessimistic case	Optimistic Case
Notional Revenue Support Grant	<ul style="list-style-type: none"> <li>□ 2022/23 0% change to 2021/22 levels, thereafter 20% reduction assumed each year</li> </ul>	<ul style="list-style-type: none"> <li>□ 2022/23 -20% change to 2021/22 levels, and thereafter 20% reduction assumed each year</li> </ul>	<ul style="list-style-type: none"> <li>□ 2022/23 and 2023/24 0% change to 2020/21 levels, thereafter 20% reduction assumed each year</li> </ul>
Business Rates	<ul style="list-style-type: none"> <li>□ 3% real terms decrease in 2022/23, then 1% decrease in 2023/24, 0% decrease in 2024/25 and then +1% change in 2025/26 on the rateable value base and top-up</li> <li>□ £3m S31 grant in each year</li> </ul>	<ul style="list-style-type: none"> <li>□ 5% real terms decrease in 2022/23, then 3% decrease in 2023/24, -1% decrease in 2024/25 and then 0% change in 2025/26 on the rateable value base and top-up</li> <li>□ £3m S31 grant in each year</li> </ul>	<ul style="list-style-type: none"> <li>□ 2% real terms decrease in 2022/23, then 0% change in 2023/24, +1% increase in 2024/25 and then +2% change in 2025/26 on the rateable value base and top-up</li> <li>□ £3m S31 grant in each year</li> </ul>
Council Tax income	<ul style="list-style-type: none"> <li>□ From 2022/23 1.99% change in Council Tax level (No Social Care precept)</li> <li>□ % increase each year in Council Tax base from 2021/22 onwards is: 0%, 0.5%, 0.5% and 1.0%</li> <li>□ CT collection rate each year from 2022/23 onwards is: 95%, 96%, 97% and 97%</li> <li>□ CTRS changes increase the cost of the scheme by the following each year from 2022/23: £3m, £2m, £1m, £0m</li> </ul>	<ul style="list-style-type: none"> <li>□ From 2022/23 1.99% change in Council Tax level (No Social Care precept)</li> <li>□ % increase each year in Council Tax base from 2021/22 onwards is: 0%, 0.5%, 0.5% and 1.0%</li> <li>□ CT collection rate each year from 2022/23 onwards is: 93%, 94%, 95% and 95%</li> <li>□ CTRS changes increase the cost of the scheme by the following each year from 2022/23: £4m, £3m, £2m, £1m</li> </ul>	<ul style="list-style-type: none"> <li>□ From 2022/23 1.99% change in Council Tax level (No Social Care precept)</li> <li>□ % increase each year in Council Tax base from 2021/22 onwards is: 0%, 0.5%, 0.5% and 1.0%</li> <li>□ CT collection rate each year from 2022/23 onwards is: 96%, 97%, 98% and 98%</li> <li>□ CTRS changes increase the cost of the scheme by the following each year from 2022/23: £2m, £1m, £0m, £0m</li> </ul>

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<b>RESOURCE ENVELOPE</b>			
	<b>Main case</b>	<b>Pessimistic case</b>	<b>Optimistic Case</b>
Surpluses/deficits on Collection Fund	<input type="checkbox"/> The Covid-19 shortfall to be collected over 3 years is assumed to be from 2021/22: £4m, £4m, £4m, and £1m	<input type="checkbox"/> The Covid-19 shortfall to be collected over 3 years is assumed to be from 2021/22: £4m, £4m, £4m, and £1m	<input type="checkbox"/> The Covid-19 shortfall to be collected over 3 years is assumed to be from 2021/22: £1m, £1m, £1m, and £0m
<b>EXPENDITURE</b>			
	<b>Main case</b>	<b>Pessimistic case</b>	<b>Optimistic Case</b>
Pay awards	<input type="checkbox"/> 2% in 2022/23 and 2% each year afterwards	<input type="checkbox"/> 2% in 2022/23 and 2% each year afterwards	<input type="checkbox"/> 2% in 2022/23 and 2% each year afterwards
General price inflation (incl. fees and charges)	<input type="checkbox"/> % increase each year in non-pay budgets from 2022/23 is: 3%, 2.5%, 2.5% and 2%	<input type="checkbox"/> % increase each year in non-pay budgets from 2022/23 is: 3.5%, 3%, 3% and 2.5%	<input type="checkbox"/> % increase each year in non-pay budgets from 2022/23 is: 2.5%, 2%, 2% and 1.5%
Pressures and risks	<input type="checkbox"/> £6.5m growth in 2022/23, £6m in 2023/24, £5.5m in 2024/25 and £5m in 2025/26	<input type="checkbox"/> £6.5m growth in 2022/23, £6m in 2023/24, £5.5m in 2024/25 and £5m in 2025/26	<input type="checkbox"/> £6.5m growth in 2022/23, £6m in 2023/24, £5.5m in 2024/25 and £5m in 2025/26
New legislation	<input type="checkbox"/> Nothing allowed	<input type="checkbox"/> Nothing allowed	<input type="checkbox"/> Nothing allowed
<b>NB</b> the MTFS assumes that any overspending is addressed in-year or met from reserves			

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## Public Accounts Select Committee

### Financial Results 2020/21

**Date:** 7 July 2021

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** None Specific

**Contributors:** Executive Director for Corporate Resources

## Outline and recommendations

This report sets out the financial results for 2020/21.

The report covers the position on the Council's General Fund, Dedicated Schools Grant, Housing Revenue Account, Collection Fund and Capital Programme. It provides an update on the work done to assess and monitor the financial implications of the Covid-19 response.

The Council-wide outturn for General Fund activities is an overspend of £0.2m. This consists of Covid related expenditure of some £40.8m which is met by Covid-19 government grant income. This means that the General Fund 'business as usual' expenditure has finished the year with an overspend of £0.2m.

The year-end position of Council Tax and Business Rates collection have income shortfalls due to lower income collection of £4.7m and £4.9m, respectively. It is important to note that this level of under-collection of income due presents further risks to the Council and will impact on the Collection Fund for 2021/22 budget assumptions. This is explained in more detail later in the report.

In total, some £56.6m of additional government grant income to support the local authority's response to the Covid-19 pandemic has been provided to Lewisham. A total of £40.8m has been applied to costs incurred to date, leaving a balance of £15.8m of once-off resources to be carried forward into 2021/22 to alleviate the ongoing costs of the coronavirus pandemic. Of this sum, a total of £7.7m is being carried forward for specific and targeted Covid-19 related activity, whilst the remaining balance of £8.1m is considered as section 31 resources and can be used for general Covid-19 related activity in the new financial year. This is set out in more detail in section 12 of this report. Second wave coronavirus costs are included where these are known and this continues to be a fluid situation. This will continue to be the case as we move into the 2021/22 financial year. The position does not include the full extent of pressures resulting from losses to sales, fees and charges.

Executive Directors have worked to contain non Covid-19 expenditure within budget and the additional expenditure controls have remained in place throughout the year from September. This additional scrutiny has helped to reduce non-essential expenditure and has had a positive impact in leading to a reduction in non-essential spend.

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## Timeline of engagement and decision-making

- 26 February 2020 – Budget 2020/21 to Council
- 10 June 2020 – Council's response to Covid-19 – financial update report to M&C
- 9 July 2020 – First 2020/21 financial monitoring report to M&C
- 7 October 2020 – Financial stabilisation and medium term budget update report to M&C
- 11 November 2020 – Second 2020/21 financial monitoring report to M&C
- 3 March 2021 – Budget 2021/22 to Council, including third 2020/21 financial monitoring position for December 2020
- 9 June 2021 – 2020/21 Final Outturn to M&C
- 23 June 2021 – 2020/21 External Audit Plan to Audit Panel
- 7 July 2021 – 2020/21 Final Outturn to Public Accounts Select Committee
- 29 September 2021 – 2020/21 Statement of Accounts approved and endorsed by Full Council

### 1. Executive Summary

- 1.1. This report set out the financial results for 2020/21. The report provides a direct comparison to the position reported to the end of December 2020 which was the last publicly reported monitoring position. The key areas to note are as follows:
- 1.2. There is an overspend of £0.2m against the directorates' net general fund revenue budget, after the application of additional government income to support the local authority's response to the Covid-19 pandemic, and agreed carry forwards, but before including the full extent of forecast irrecoverable losses through sales, fees and charges and collection fund income for council tax and business rates, the on-going impact of which is expected to be felt well into the 2021/22 financial year. This compares to a forecast service directorate underspend figure of £0.4m reported to the end of December 2020.
- 1.3. The Dedicated Schools Grant (DSG) is expected to report a confirmed overspend of £3m to the end of the financial year. The overspend is mainly due to Special Educational Needs and Disability (SEND) costs. Members should note that work will continue with schools to understand the cost implications of the rising SEND pupil numbers. This is set out in more detail in section 13 of this report.
- 1.4. The Housing Revenue Account (HRA) is reporting a balanced budget position at the year-end. This is set out in more detail in section 14 of this report.
- 1.5. For Council Tax, some 93.36% (£138.8m) of *Council Tax* due by the year-end had been collected compared to 94.34% at this point of the previous year. This was £5m less than the amount needed to meet the collection target of 97% for Council Tax in line with the Budget. This is set out in more detail in section 15 of this report.
- 1.6. Business Rates collection as at 31 March 2021 is at 94.57%. This is a decrease of 5.13% compared to the same period last year, and 4.43% lower than the profiled collection rate if the overall target rate for the year of 99% is to be achieved.

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- 1.7. The Capital Programme final spend for 2020/21 is £120.1m, (70%) of the 2020/21 revised capital budget of £171.6m. The final outturn for 2019/20 was 72% (£121.2m) of the revised budget of £169.1m. Information on the major projects is set out in section 16 of this report and at appendices 3 to 5.

## 2. Purpose

- 2.1. The purpose of this report is to set out the financial results for 2020/21. This report provides a direct comparison to the position reported for Quarter 3 (to the end of December 2020) which was the last publicly reported financial monitoring position.

## 3. Policy Context

- 3.1. 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.
- 3.2. The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:
- 3.3. Corporate Priorities
- **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
  - **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
  - **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
  - **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
  - **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
  - **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
  - **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.
- 3.4. Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In delivering our duties, we are guided by the Council's four core values:
- We put service to the public first
  - We respect all people and all communities
  - We invest in employees
  - We are open, honest, and fair in all we do.
- 3.5. The Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges

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facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.

- 3.6. This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough, for new homes, school improvements, regenerating town centres, renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. There is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to support housing supply and business growth, through to our programmes of care and support to some of our most vulnerable and troubled families.
- 3.7. Over the course of the year, the Council's business, and the day to day lives of Lewisham's residents, has been turned on its head. In March 2020, Council activity simultaneously ground to a halt and ramped up in equal measure. With 'non-critical' services wound down almost overnight and a new, urgent focus on 'critical services', the Council's leadership team, members and vast range of services faced new demands, challenges, pressures and opportunities.
- 3.8. The pace, scope and scale of change has been immense: the pandemic has demanded agility, creativity, pace, leadership, organisational and personal resilience, strong communications and an unerring focus on the right priorities. Within the Council, the impact of the Covid-19 pandemic is felt acutely across all of our service areas and throughout the year we have been grappling with real challenges in how we keep services running for our residents and how we protect the most vulnerable. Across the borough, residents are looking afresh at our borough, their neighbourhoods, and seeing where they live through new eyes.
- 3.9. While we do not yet fully understand what all of the long-term implications of Covid-19 will mean for the borough, there have been many clear and visible impacts of the pandemic on our residents, Lewisham the place and also the Council. We know that coronavirus has disproportionately affected certain population groups in Lewisham, matching patterns that have been identified nationally and internationally: older residents, residents born in the Americas & the Caribbean, Africa or the Middle East & Asia, and residents in the most deprived areas of the borough have considerably higher death rates. We know that more Lewisham residents are claiming unemployment benefits compared to the beginning of this year and that food insecurity has increased in the borough.
- 3.10. As it can be seen in this report, the Council's finances have also been severely affected by the ongoing pandemic. Officers have taken management action to deliver in-year savings of £5.2m (Appendix 2) as well as introducing additional spending controls. During the latter half of the year we began the long, difficult process of identifying cuts of over £40m for the next three years (to April 2024) with £28m identified to be cut in 2021/22, which includes identified action to address the persistent overspending areas.

#### **4. Structure of the Report**

- 4.1. The report is structured as follows:
  1. Executive Summary
  2. Purpose
  3. Policy Context
  4. Structure of the Report
  5. Recommendations

##### **Final Outturn**

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6. Directorate Outturn Overview
7. Children & Young People Directorate
8. Community Services Directorate
9. Housing, Regeneration and Public Realm Directorate
10. Corporate Resources Directorate
11. Chief Executive's Directorate
12. Support from Central Government for Covid-19
13. Dedicated Schools' Grant
14. Housing Revenue Account
15. Collection Fund
16. Capital Expenditure

### **Summary and Implications**

17. Financial Implications
18. Legal Implications
19. Crime and Disorder Implications
20. Equalities Implications
21. Background Papers
22. Glossary
23. Report Author and Contact

## **5. Recommendations**

- 5.1. The Members of the Public Accounts Select Committee are asked to:
  - 5.1.1. Note the financial results for the year ending 31 March 2021, and recognise that the situation is complex with particular regard to the various streams of Covid-19 government grant income to support the local authority's response to the coronavirus pandemic;
  - 5.1.2. Note the basis on which this report is prepared and in so doing recognise that the progress on closing the accounts for 2020/21 is continuing and will culminate in the draft statement of accounts being produced and made available for the start of the public inspection period from the beginning of July 2021.

## **6. Directorate Outturn**

- 6.1. The Council is reporting a net overspend for general fund activities of £0.2m. This consists of Covid related spend of £40.8m which is met by Covid-19 government grant income and a general fund 'business as usual' overspend of £0.2m. For the 'business as usual' spend, this compares to an underspend of £0.4m reported to the end of December 2020 and includes specific provision for non Covid related service related costs. These costs were previously reported as contingent liabilities, but are now sufficiently certain to need to be funded or arise as one-off costs to deliver the outcomes of the Council's change agenda.
- 6.2. The outturn includes the outcome of delivered agreed savings for 2020/21, attached at Appendix 1 and the identified in-year cash reductions totalling £5.2m, which have been summarised at Appendix 2. The overall pressures are alleviated in part by additional government grant income which is being received to provide some financial support to councils to undertake additional activities in recognition of the unplanned costs which

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have been incurred in responding to Covid-19. The amount received by Lewisham in 2020/21 for such purposes, totals £56.6m. More detail on these grants have been set out in section 12 of this report. Of the £56.6m government grant income, some £40.8m has been applied to Covid-19 related spend during the year, thereby leaving £15.8m to be carried forward into 2021/22. It is important to note that the balances carried forward reflect that some grants have been received in advance and work continues so the full costs to match against them have not been incurred yet.

**Table 1 – Overall Directorate Position for 2020/21**

Directorate	Net Revenue Budget 2020/21	Final Outturn for 2020/21	Overall Outturn Variance March 2021	Covid-19 Related Variance 2020/21	General Fund Services Variance 2020/21	Forecast Variance December 2020	Covid-19 Related Variance December 2020	General Fund Services Variance December 2020
	£m	£m	£m	£m	£m	£m	£m	£m
Children & Young People (1)	60.3	69.1	8.8	4.7	4.1	9.7	4.5	5.2
Community Services	89.2	98.3	9.1	17.3	(8.2)	12.3	17.6	(5.3)
Housing, Regeneration & Public Realm	23.2	30.7	7.5	9.7	(2.2)	10.0	10.6	(0.6)
Corporate Resources (2)	35.3	40.2	4.9	4.3	0.6	4.0	3.1	0.9
Chief Executive	12.2	11.6	(0.6)	1.0	(1.6)	(0.2)	0.4	(0.6)
<b>Directorate Totals</b>	<b>220.2</b>	<b>249.9</b>	<b>29.7</b>	<b>37.0</b>	<b>(7.3)</b>	<b>35.8</b>	<b>36.2</b>	<b>(0.4)</b>
Covid Grant Income (3)	N/A	N/A	(40.8)	(40.8)	0.0	(40.3)	(40.3)	0.0
<b>Corporate Items – incl. Contributions to Provisions and Reserves (4)</b>	<b>28.3</b>	<b>39.6</b>	<b>11.3</b>	<b>3.8</b>	<b>7.5</b>	<b>7.1</b>	<b>7.1</b>	<b>0.0</b>
<b>Net Revenue Budget</b>	<b>248.5</b>	<b>289.5</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>2.6</b>	<b>3.0</b>	<b>(0.4)</b>

(1) – gross figures exclude £260m Dedicated Schools' Grant expenditure and matching grant income

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

(3) – Covid-19 government grant income is net of sums carried forward into 2021/22. A summary of the grant allocations for targeted and general purposes is set out in Section 12 of this report.

(4) – £3.8m of Covid-19 related spend comprises, £1.3m for Covid winter grants, £1.9m for Schools Catering and £0.6m for Transport and Dedicated Schools' Grant Covid-19 costs

(4) – The £7.5m of General Fund related items includes general fund provisions for Adult Social Care Charging Policy of £1m; Term time only settlement of £1m for the general fund element; and Children Looked After Trust Fund interest settlement of £1.6m and some £3.9m of one off costs of change to deliver the agreed cuts.

## 7. Children and Young People directorate

7.1. The Children and Young People Directorate ended the year with a net overspend of £4.1m for general fund services. This is after application and achievement of once-off in year measures of £1.7m, and £4.7m of the grant income the Council received from central government to fully offset Covid-19 costs incurred by the directorate. The overall overspend before applying the Covid-19 income was therefore £8.5m. This compares to a reported overall overspend of £9.7m for the directorate, comprising a Covid-19 overspend of £4.5m and a non-Covid-19 overspend of £5.2m as at the end of December 2020, and a Covid-19 overspend of £10.1m and a non-Covid-19 overspend of £12.4m reported as at May 2020.

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

Service Area	Net budget 2020/21	Final Outturn 2020/21	Final Outturn Variance (Under) Spend 2020/21	Final Outturn Covid-19 related Variance 2020/21	Final Outturn Non Covid-19 related Variance 2020/21	Non Covid-19 Related Variance Dec 2020
	£m	£m	£m	£m	£m	£m
Children's Social Care	41.1	48.8	7.7	3.5	4.2	6.0
No Recourse to Public Funds	2.9	1.6	(1.3)	0.0	(1.3)	(0.5)
Education Services	10.7	14.0	3.3	0.9	2.4	1.9

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Joint Commissioning / Early Help	6.9	6.0	(0.9)	0.3	(1.2)	(0.5)
Schools	(1.3)	(1.3)	0.0	0.0	0.0	0.0
<b>Total</b>	<b>60.3</b>	<b>69.1</b>	<b>8.8</b>	<b>4.7</b>	<b>4.1</b>	<b>6.9</b>
Management Action						(1.7)
<b>Revised Total</b>	<b>60.3</b>	<b>68.8</b>	<b>8.5</b>	<b>4.7</b>	<b>4.1</b>	<b>5.2</b>

- 7.2. There is a significant overspend in the High Needs Block in the Dedicated Schools Grant (DSG) of circa £5m resulting from the cost of supporting the increased Special Educational Needs and Disability (SEND) pupils, after ensuring that the costs are accurately captured between the General Fund and the Dedicated Schools Grant.
- 7.3. The final outturn position shows a reduction in the overspend in the General Fund as education service activity is reduced and refocused on dealing with situations arising from Covid-19 and an understanding of the additional costs of placing Children Looked After.
- 7.4. Of the total overspend, some £4.7m relates specifically to Covid-19 budget pressures on the General Fund and includes non-delivery of revenue budget savings of £1.3m. In addition to this, £2.3m of Covid related expenditure has been identified in respect of services not funded by the General Fund, such as catering services (£1.9m) and services funded from the Dedicated Schools Grant (0.6m).
- 7.5. Members are asked to note that the service has progressed the following measures in achieving reduced costs. These are:
- Ensuring that partner contributions for such placements are obtained
  - The high cost placements review board chaired by the Executive Director to ensure that high cost placements are kept to a minimum
  - Reviewing and reducing the number of interim and agency staff employed within the directorate
  - Introducing directorate specific recruitment controls
  - Reviewing all external contracts for care, starting with those of the highest value

### Cost of Covid-19

- 7.6. The total financial impact of Covid-19 pandemic on activity within the directorate is £7.2m and as summarised in the table below. This represents a net decrease of £0.7m from the position reported in December and comes as a result of detailed analysis.

**Table 3 – Covid-19 Pressures for the CYP Directorate**

Service	Area	Final Outturn 2020/21 £m	Total Cost December 2020 £m
Children's Social Care	Residential Placements/Care Leavers	1.6	1.5
	Other Children Social Care Support	0.6	1.0
	Unachieved savings	1.3	1.3
Education Services	SEND Salaries	0.2	0.5
	Home to School Transport	0.7	0.6
	Other – Non General Fund Costs*	2.5	2.9
Joint Commissioning/ Early Help	Salaries and other service related activity	0.3	0.1
<b>Total</b>		<b>7.2</b>	<b>7.9</b>

\* Other - non-General Fund costs include Transport and Dedicated Schools Grant funded salaries of £0.6m and Catering of £1.9m. The total Covid-19 costs impacting on the General Fund is therefore £4.7m

## Children Social Care

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- 7.7. The Children Social Care (CSC) division is reporting an overspend of £7.7m. This includes Covid-19 related costs of £3.5m. The general fund service related overspend of £4.2m is a reduction of £1.8m from the previously reported position of £6.0m. This movement is due to the management action that has taken place, including a reduction in placement costs and additional income received for unaccompanied asylum seeking children (UASC), together with further service costs now identified as Covid-19 related and as such being accounted for in that way.
- 7.8. The total spend on placements in 2020/21 was £36.3m against a budget of £28.0m. After adjusting for Covid-19 related costs of £2.8m and costs recharged to external bodies of £0.7m, the cost to the Council is reduced to £32.8m, an overspend of £4.8m. This represents a significant reduction from the £10m projection reported to Mayor and Cabinet in May 2020. The movement sees the fruition of the actions described above. Further details are set out in paragraphs below.
- 7.9. The CSC staffing budget for the new structure implemented at the beginning of the year at a cost of £18m, is underspent by £0.1m, as a result of the reduced reliance on agency staff.
- 7.10. In addition to the above, steps taken to reduce in legal and advocacy fees has resulted in an £0.5m underspend against the budget for legal fees.

#### *Placements*

- 7.11. The total number of Children Looked After (CLAs) at any one time has fallen slightly since 2017/18 and has not increased significantly since April 2019. However, the pattern of where CLAs are placed has altered with fewer in Lewisham in-house foster carers, more children being placed with extended family (kinship) and more in high cost residential units. More kinship placements represents a practice culture change to better support families to care for children who cannot remain with their parents and the increased use of residential placements represents the growing complexity of the children coming into care, who require specialist placements because of disabilities and/or challenging behaviours. The other significant change is the increased number of care leavers receiving a service and this includes housing support.
- 7.12. The total placement numbers have moved little since April 2020. Over the same period, the number of CLAs, i.e. those in residential, foster and semi-independent placements has dropped marginally from 464 to 455. Within this figure there has been significant movement in the numbers of children in residential placements. The numbers had risen significantly from 47 in April 2019 to 63 in April 2020. Regular review of high cost placement activity has resulted in the number of children in residential placements falling to 56 at the latest reported position. The impact of this significant fall in numbers, taken alongside the actions mentioned elsewhere, can be seen when comparing the current outturn of £4.8m to the projected £10m overspend in May 2020.
- 7.13. The number of young people placed by the leaving care 18+ service has increased on average from 46 to 64. Over the same period, Special Guardianship Orders have also increased during that period from 209 to 242.

### **No Recoupe to Public Funds**

- 7.14. Some 54 new cases were accepted in 2020/21 and 88 closed, compared to last year's figures of 137 and 122 respectively. This has resulted in an underspend of £1.3m. The position is more favourable than previously reported, recognising the final accounts reconciliation which is part of the year-end accounts process.

### **Education Services**

The *Education Services* division ended the year with a general fund overspend of £2.4m, principally relating to transport costs. There is currently a review of the transport service to

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consider options to reduce this overspend for 2021/22. A further £0.9m of costs were charge to the Covid-19 government grant income reflecting the Covid-19 related costs incurred by the service.

## Joint Commissioning and Early Help

- 7.15. The *Joint Commissioning and Early Help Service* is reporting a general fund underspend of £1.2m plus Covid related costs of £0.3m. The underspend has increased by £0.7m since December 2020 as a result of a reduction in expected costs in the Youth Offending Service.
- 7.16. The general fund underspend takes into consideration the agreed carry forward of the Troubled Families Grant of £0.042m.
- 7.17. A new contract for youth services, approved by Mayor & Cabinet in December 2020, commenced on 1 April 2021. The cost of the new contract is within the current budget provision.
- 7.18. Management action, including the non filling of a vacant director's post and placing a hold on other core directorate spend, has resulted in an underspend of £0.3m.
- 7.19. An underspend of £0.7m is being reported in the Youth Offending Service. The secure remand placements budget is underspent by £0.5m due to a combination of better demand management, an increase in grant funding and a slowdown of the court process due to Covid-19.
- 7.20. In addition to this, there is a underspend on the staffing budget of £0.2m which is resulting from staff vacancies and the impact of spending restrictions on both recruitment and the retention of agency staff.

## 8. Community Services Directorate

- 8.1. The Community Services Directorate ended the year with a net underspend of £8.2m for general fund services. This is after application and achievement of once-off in year measures of £1.7m, and £17.3m of grant income the Council received from central government grant to fully offset Covid-19 costs incurred by the directorate. The overall overspend before applying the Covid-19 income was therefore £9.1m. The overall position compares to a previously reported overspend of £12.3m for the directorate, comprising a Covid-19 overspend of £17.6m and a non-Covid-19 underspend of £5.3m.
- 8.2. The overall Directorate position is shown in the table below and compares to the projected year-end position for non-Covid related activity as at the end of December 2020.

**Table 4 – Community Services Directorate**

Service Area	Net budget 2020/21	Final Outturn 2020/21	Final Outturn Variance (Under) Spend 2020/21	Final Outturn Covid-19 related Variance 2020/21	Final Outturn Non Covid-19 related Variance 2020/21	Non Covid-19 Related Variance Dec 2020
	£m	£m	£m	£m	£m	£m
Adults' Social Care	66.5	74.5	8.0	10.5	(2.5)	(1.1)
Integrated Commissioning	8.3	7.6	(0.6)	0.2	(0.8)	(0.7)
Public Health	(0.3)	(0.7)	(0.4)	0.3	(0.7)	(1.3)
Communities, Partnerships and Leisure	9.7	12.5	2.7	5.5	(2.8)	(0.7)
Culture, Learning and Libraries	4.0	3.3	(0.7)	0.6	(1.3)	(0.9)
Strategy	1.1	0.8	(0.3)	0.0	(0.3)	0
Reserves	(0.2)	0	0.2	0.0	0.2	(0.7)

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Service Area	Net budget 2020/21	Final Outturn 2020/21	Final Outturn Variance (Under) Spend 2020/21	Final Outturn Covid-19 related Variance 2020/21	Final Outturn Non Covid-19 related Variance 2020/21	Non Covid-19 Related Variance Dec 2020
<b>Total</b>	<b>89.2</b>	<b>98.3</b>	<b>9.1</b>	<b>17.3</b>	<b>(8.2)</b>	<b>(5.3)</b>

8.3. The following sections provide a summary of the cost of Covid-19 and the revenue forecast by division, along with a summary of directorate risks and pressures.

#### Cost of Covid-19

8.4. The overall financial impact of Covid-19 on base budgets for expenditure and income in Community Services is £17.3m. The Covid-19 pressures are summarised as follows:

**Table 5 – Covid-19 Pressures for the Community Services Directorate**

Service	Area	Final Outturn 2020/21 £m	Total Cost December 2020 £m
Adults' Social Care	PPE and Infection Control	4.1	4.8
	Market Support	1.9	1.7
	Unachieved Savings	2.5	2.5
	Other	2.0	0.7
Integrated Commissioning	Prevention and Inclusion - contract stabilisation	0.2	0.2
Public Health	Test and Trace	0	2.2
	Volume pressure on contracts	0.0	0.3
	PPE and Infection Control	0.3	0
	Other	0.0	0.0
Communities, Partnerships & Leisure	Community Hub	0.2	0.2
	Leisure Management – contract and other additional costs	2.0	1.7
	Leisure Management – income	0.2	0.2
	Licensing – income	0.1	0.1
	Crime, Enforcement & Regulation – compliance & enforcement	0.2	0.2
	Green Scene – income & infection control	0.4	0.4
	Bereavement Services – infection control	0.4	0.4
	Bereavement Services – London Wide Mortality Management Scheme	0.8	1.3
	Bereavement-Coroners Court Consortium	0.0	0.1
	Community Centres – income & infection control	0.1	0.1
	CPL – Shielding Other	1.2	0.0
Culture, Learning & Libraries	Adult Learning Lewisham – income & infection control	0.3	0.3
	Libraries and Broadway Theatre – income	0.1	0.2
	CLL- Shielding other	0.2	0.0
<b>Total</b>		<b>17.3</b>	<b>17.6</b>

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## Adults' Social Care Services

- 8.5. The *Adults Social Care Services* division ended the year with an underspend of £2.5m for general fund services. This compares to a £1.1m underspend in December 2020. There is an overall overspend of £8m, where £10.5m of these costs are attributable to Covid-19 activity. The general fund services underspend of £2.5m takes into account the successful delivery of in-year savings of £1.2m and Covid-19 related work being recognised as Covid-19 costs.
- 8.6. The Council is seeing increases in non-residential care users as they are being discharged from hospital. Furthermore, the number of placements in residential care has increased and this pattern is expected to continue into 2021/22. These costs were supported by the Covid-19 Grant as well as Health (CCG) for discharges.
- 8.7. Whilst pressures for 2020/21 were managed, there is a risk that the Council will face increased costs and demands in 2021/22 without the funding support it currently receives. Higher levels of care from discharged clients, increased use of 24 hour care at home, and increased use of double-handed care are just a few of the risks, which if they materialise are likely to have significant financial in the second half of the new year when certain funding streams cease.

## Integrated Commissioning

- 8.8. The *Integrated Commissioning* division ended the year with a net underspent by £0.8m for general fund services. There is an overall underspend of £0.6m, where £0.2m of costs relate to Covid-19 activity.
- 8.9. Within the overall position, the prevention and inclusion budget underspent by £0.3m. There was a Covid-19 related variance of £0.1m due to temporary contract stabilisation payments made to Supporting People and Substance Misuse providers. This overspend was offset by savings across the rest of the service.
- 8.10. The Joint Commissioning budget underspent by £0.4m mainly due to reductions in projected spend on section 75 payments made to the CCG and on block/spot purchase contractual arrangements with the voluntary sector. A number of these contracts are currently under review.

## Public Health

- 8.11. The *Public Health* division underspent by £0.7m for general fund services. There is an overall of £0.4m, where £0.3m of costs relate to Covid-19 activity. Within the overall position there was an underspend of £0.4m was on sexual health services. This reflected reduced activity and lower payments to out-of-borough clinics. The Public Health Grant released by this underspend will be carried forward into 2021/22 to manage the increase in demand for services as lockdown eases.

## Communities, Leisure and Partnerships

- 8.12. The *Communities, Leisure and Partnerships* service underspend by £2.8m for general fund services. There is an overall overspend of £2.7m, where £5.5m of these costs relate to Covid-19 activity.
- 8.13. The leisure management budget was overspent by £1.9m which was all treated as a Covid-19 related and therefore covered by government grant income. The pandemic led to the forced termination of the previous leisure contract and creation of a new contractual arrangement. This contract change resulted in direct overall additional costs of £1.2m for 2020/21 under the new contract arrangements. The Council also incurred significant costs on the infrastructure at the leisure centres to ensure that they were ready for operation under the new contract when the centres were in the position to reopen.

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- 8.14. The community sector grants programme and the community centres and green scene showed no material variance.
- 8.15. The community safety budget underspent by £0.3m. There was a Covid-19 related staffing pressure of £0.2m resulting from enforcement and compliance activity undertaken by the service crime, enforcement and regulation service budget. These costs was set against the government grant income. In addition, there was an income shortfall of £0.1m on licensing income as a result of the impact of Covid-19. These Covid-19 related variances were offset by an overall underspend of £0.4m on staffing budgets across the service.
- 8.16. There was an overall overspend of £0.7m on Bereavement Services. The majority of this budget pressure of some £1.1m, was Covid-19 related, offset by government grant income and a general fund services underspend of £0.4m. The largest part of the Covid-19 related pressure relates to Lewisham's agreed contribution of £1.3m to the London borough-wide mortality management scheme. There were further Covid-19 related costs totalling £0.35m which include additional mortuary costs, additional security at the cemeteries and crematorium, the cost of PPE, additional cleaning costs and agency workers recruited to cover staff unable to work due to shielding from Covid-19. In addition, there was additional cost of £0.1m on the Coroners' Court Consortium contribution in 2020/21 which is a result of additional costs resulting from Covid-19 activity.

## Culture, Learning and Libraries

- 8.17. The *Culture, Learning and Libraries* division underspent by £0.7m. There was Covid-19 related pressures of £0.6m which was the primarily the result of the reduction in Adult Learning student fee income of £0.3m and a reduction in income generated by the Libraries and the Broadway Theatre which total a further £0.2m. These pressures were offset by other underspends across the division of £0.9m to give net underspend of £0.7m.
- 8.18. The Libraries service underspent by £0.7m. There was projected staffing underspends of £0.4m resulting from the high number of posts held vacant during the closure of the libraries due to Covid-19 activity. In addition, there were overall savings of £0.1m on operational budgets including security costs at both Lewisham and Downham Libraries, the books and resources fund and on the budget had also been set aside for the relocation of the local history archive.
- 8.19. Services for the Broadway Theatre and the Adult Learning service ended the year with no significant variance, after the application of Covid-19 government grant income.

## Strategy and Performance

- 8.20. The Strategy, Partnership and Improvement division (including Reserves) is reporting a balanced position.

## 9. Housing, Regeneration and Public Realm

- 9.1. The Housing, Regeneration and Public Realm Directorate ended the year with a net underspend of £2.2m. This is after application and achievement of once-off in year measures of £0.9m, and £9.7m of government grant income the Council received to offset the Covid-19 incurred by the directorate. The overall overspend before applying the Covid-19 income was £7.4m for 2020/21. This position also takes into account the non-achievement of revenue budget savings of £1.5m, and service requests to carry forward £0.3m relating mainly to ringfenced grants and prepaid income. Overall, this compares to a previously reported overspend of £9.9m for the directorate, comprising a Covid-19 overspend of £11.1m and a non-Covid-19 underspend of £1.2m.
- 9.2. The overall Directorate position is shown in the table below.

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**Table 6 – Housing, Regeneration and Public Realm (HRPR) Directorate**

Service Area	Net budget 2020/21	Final Outturn 2020/21	Final Outturn Variance (Under) Spend 2020/21	Final Outturn Covid-19 related Variance 2020/21	Final Outturn Non Covid-19 related Variance 2020/21	Non Covid-19 Related Variance Dec 2020
	£m	£m	£m	£m	£m	£m
Strategic Housing	4.6	7.0	2.4	2.6	(0.2)	(0.1)
Public Realm	17.0	21.4	4.4	5.0	(0.6)	0.2
Regeneration	0.9	1.9	1.0	1.2	(0.2)	(0.2)
Planning	0.7	1.3	0.6	0.9	(0.3)	(0.2)
Reserves and Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Management Action	0.0	<b>(0.9)</b>	(0.9)	<b>0.0</b>	(0.9)	<b>(0.9)</b>
<b>Total</b>	<b>23.2</b>	<b>30.7</b>	<b>7.5</b>	<b>9.7</b>	<b>(2.2)</b>	<b>(1.2)</b>

9.3. The following sections provide a summary of the cost of Covid-19 and the revenue forecast by division, along with a summary of directorate risks and pressures.

**Cost of Covid-19**

9.4. The estimated financial impact of Covid-19 on base budgets for expenditure and income in Housing, Regeneration and Public Realm is £9.7m. The Covid pressures are summarised as follows:

**Table 7 – Covid-19 Pressures for the HRPR Directorate**

Service	Area	Final Outturn 2020/21 £m	Total Cost December 2020 £m
Strategic Housing	Housing Needs	2.6	2.6
Public Realm	Parking	2.4	2.5
	Highways and Transport	0.3	0.6
	Refuse Collection	1.0	1.3
	Strategic Waste	0.3	0.5
	Street Management	0.1	0.2
	Street Markets	0.4	0.5
	Environmental Health	0.1	0.1
	Bad Debt Provision	0.3	0.3
	PPE and other costs	0.1	0.1
	Regeneration	Capital Programme Delivery	0.4
Economy & Partnerships		0.4	0.4
Property Strategy		0.1	0.1
Bad Debt Provision (Commercial Rents)		0.3	0.3
Planning	Planning	0.9	1.0
<b>Total</b>		<b>9.7</b>	<b>11.1</b>

**Strategic Housing**

9.5. The *Strategic Housing* division is ended the year with a net underspend £0.4m (£0.1m in December). There is an overspend of £2.2m, with £2.6m costs being attributable to Covid-19 activity. The underspend takes into account the successful delivery of in-year savings of £0.2m and Covid-19 related work being recognised as Covid-19 costs.

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- 9.6. The grant award for homelessness activity for 2021/22 is £4.834m, and therefore slightly more than the sum awarded in 2020/21 and is expected to relieve some of the budget pressures moving forward into 2021/22.

## Public Realm Division

- 9.7. The *Public Realm* division ended the year with a net underspend of £1.1m after achieving £0.5m of in year savings and applying £5m of grant to cover the covid related costs (there is an overspend of £3.9m with £5m of costs being attributable to Covid-19). The December forecast was a £5.6m overspend, with some £5.9m costs attributable to Covid-19, resulting in a forecast £0.3m underspend. The main areas of overspend are summarised in the following paragraphs.
- 9.8. *Parking Services* is reporting a balanced budget, and this compares to £0.5m overspend in December 2020. There is a £2.4m overspend attributable to Covid-19 and covered by the Covid-19 grant, and this was due to the loss of income from penalty charge notices and permits, and also Covid-19 related staff costs. The service is also reporting £2.2m net income from moving traffic contraventions.
- 9.9. *Highways & Transport Services* is ending the year with a net underspend of £0.1m, and in-year savings of £0.25m have been achieved. There is an overspend of £0.2m (£0.5m in December), with £0.3m costs relating to covid-19. One main reason for the Covid-19 overspend is the underachievement of capital fees income primarily due to reduced TfL LIP funding for 2020/21.
- 9.10. *Refuse Collection Service* is ending the year with a net overspend of £0.5m. There is a gross overspend of £1.5m, with £1m costs being attributable to covid. This was £2m in December, with some £1.3m being Covid-19 related. This is after achieving an in-year saving of £32k. Most of the Covid-19 related overspend is due to the loss of income from commercial waste (£0.65m) and the delay in the full delivery of the new refuse vehicles (£0.1m).
- 9.11. *Strategic Waste Management Service* is reporting a net overspend of £0.8m. There is a £1.2m gross overspend, with some £0.4m costs being attributable to Covid-19. The December position was reported as a £1.3m overspend, £0.5m being attributable to covid. The non Covid-19 related overspend is mainly due to the increase in contract prices which has been addressed in the 2021/22 budget. The Covid-19 related costs are mainly due to the increase in waste tonnage.

## Regeneration Division

- 9.12. The *Regeneration Division* ended the year with a net underspend position of £0.3m after the deduction of agreed carry forwards. There is an overspend of £0.6m where some £1.2m relates to Covid-19 (£1.2m in December, with £1.1m relating to Covid-19). There is a non Covid-19 underspend of £0.6m, where some £0.3m of which will be carried forward in o 2021/22. This position is after applying once-off in year savings of £64k.

## Planning Division

- 9.13. The *Planning Service* is ended the year with a net underspend of £0.4m in 2020/21. There is a covid related overspend of £0.9m due to loss of income and salaries of staff working on covid-19 related projects. In decemebr the service was forecasting a net £0.2m underspend (£0.9m overspend with £1.1m relating to covid). The service introduced £84k measures to reduce spend in 2020/21.

### *Directorate Management Action*

- 9.14. Some £0.9m of specific and targeted management action has been applied across the directorate and is inclusive of the overall £2.2m underspend. The divisions against which

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management action is applied is as follows: Strategic Housing of £0.2m; Public Realm of £0.5m; Regeneration of £0.1m and Planning of £0.1m.

*Directorate risks and ongoing pressures*

- 9.15. Commercial waste – In 2020/21, the overall underachievement of income was £1.2m, over half of which was due to the impact of Covid-19 on businesses. There is a risk that service user numbers will not recover post Covid-19, as the number of businesses closing increases nationally. This will impact on income in the next financial year. The service is currently working on how to attract new service users to take up the service.
- 9.16. Commercial rents – For 2020/21, the £0.5m additional saving will continue to be a pressure on the service in 2021/22. This is as a result in the change of plan regarding Copperas Street. As a consequence of lockdown, the service is also anticipating that tenants will ask for rent free periods at the start of the financial year.
- 9.17. Highways - There is a risk that Highways will not receive LIP funding from TfL to the expected level in 2021/22. This could affect the level of fees chargeable for works.
- 9.18. Planning – The government is consulting on a raft of planning changes linked to the Planning White Paper. There are now government consultations on measures that would add complexity and costs to application processes, reduce fee income and increase the costs of proactive work such as design codes, and if introduced as drafted would add pressure to the existing budget. There is also a risk that legal costs linked to planning appeals and judicial reviews could exceed the budget, given the number and issues involved. The service is mitigating legal risks, but cannot eradicate them.

## 10. Corporate Resources Directorate

- 10.1. The Corporate Resources Directorate ended the year with a net overspend of £0.6m for general fund services. This is after the application and achievement of once-off in year measures of £0.2m, and £4.3m of the grant income the Council received from central government to fully offset Covid-19 costs incurred by the directorate during the year. The overall overspend before applying the Covid-19 income was therefore £4.9m. This compares to a previously reported overall overspend of £4m for the directorate, comprising a Covid-19 overspend of £3.1m and a non-Covid-19 overpend of £0.9m.

**Table 8 – Corporate Services Directorate**

Service Area	Net budget 2020/21	Final Outturn Forecast 2020/21	Final Outturn Variance Over/(Under) Spend 2020/21	Final Outturn Covid-19 Related Variance 2020/21	Final Outturn Non Covid-19 Related Variance 2020/21	Non Covid-19 Related Variance Dec 2020
	£m	£m	£m	£m	£m	£m
Corporate Services	3.2	3.1	(0.1)	0.1	(0.2)	(0.1)
Financial Services *	4.1	4.4	0.3	0.0	0.3	0.6
Executive Office	0.2	0.1	(0.1)	0.0	(0.1)	(0.1)
Public Services	21.2	25.3	4.1	3.8	0.3	0.1
IT & Digital Services	7.3	8.0	0.7	0.4	0.3	0.4
Reserves	(0.7)	(0.7)	0.0	0.0	0.0	0.0
<b>Total</b>	<b>35.3</b>	<b>40.2</b>	<b>4.9</b>	<b>4.3</b>	<b>0.6</b>	<b>0.9</b>

\* The variance for Financial Services includes an overspend £0.3m which relates entirely to the delay in implementing Human Capital Management (HCM), including Payroll Services as part of the Council-wide Oracle Cloud Programme.

- 10.2. The overall financial impact of Covid-19 on base budgets for expenditure and income in Corporate Resources is £4.3m. These Covid-19 related pressures are summarised in the

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following paragraphs.

## Cost of Covid-19

**Table 9 – Covid-19 Pressures for the Corporate Services Directorate**

Service	Area	Final Outturn 31 March 2021 £m	Total Forecast December 2020 £m
IT and Digital Services	Emergency rollout of IT hardware, licences for software, 'Buy Your Own' IT scheme etc.,	0.4	0.4
Public Services	Sundry Debt – Delay in 'Invest to Save' to improve debt collection	0.5	0.5
	Revenues Services – Loss of income collected through enforcement and court fees, and self isolation payments	2.3	1.6
	Supported Accommodation	0.2	0.0
	Registrars – Loss of fee income	0.2	0.2
	Building cleaning, staffing etc.,	0.6	0.4
Corporate Services	Anti Fraud and Corruption Team (A-FACT) salaries costs for Covid-19 related activity	0.1	0.0
<b>Total</b>		<b>4.3</b>	<b>3.1</b>

### Financial Services Division

- 10.3. The *Financial Services* division ended the year with a net overspend of £0.3m for general fund services. This is due to residual once off costs of the wider corporate Oracle Cloud programme. These costs were due to delays experienced in the implementation of the Human Capital Management (HCM) and Payroll elements of the Oracle Programme.

### IT & Digital Service Division

- 10.4. The *IT & Digital Services* division ended the year with an overspend of £0.3m for general fund services. There is an overall overspend of £0.7m, where £0.4m is Covid-19 related and largely due to the emergency rollout of IT equipment to staff to facilitate home working during the pandemic. These costs have been met by the Covid-19 government grant income. Therefore, the remaining £0.3m general fund budget pressure mainly related to Oracle Cloud support costs.

### Public Services Division

- 10.5. The *Public Services* division ended the year with an overspend of £0.3m for general fund services. There is an overall overspend of £4.1m of which £3.8m is related to Covid-19 activity. These Covid-19 related pressures comprise: loss of income in the revenues service, including self isolation payments of £2.3m, an unachieved sundry debt saving of £0.5m; loss of income in registrars and ServicePoint of £0.2m; additional building cleaning, security and miscellaneous costs of £0.6m; and increased costs on supported accommodation of £0.2m. The remaining general fund overspend of £0.3m principally relates to staffing pressures in the service.

### Corporate Services Division

- 10.6. The *Corporate Services* division ended the year with an underspend of £0.2m. The division had a Covid-19 related budget pressure of £0.1m which related to activity undertaken by the Anti Fraud and Corruption Team (A-FACT). This has been offset by the Covid-19 government grant income.

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## 11. Chief Executive Directorate

- 11.1. The Chief Executive's Directorate ended the year with a net underspend of £1.6m. This is after the application and achievement of once-off in year measures of £0.2m, and £1m of the grant income the Council received from central government to fully offset Covid-19 costs incurred by the directorate during the year. For the service specific general fund directorate variances, this represents an increase of £1m from the £0.6m underspend which had been projected at the end of December 2020.

**Table 10 – Chief Executive's Directorate**

Service Area	Net budget 2020/21	Final Outturn Forecast 2020/21	Final Outturn Variance Over/ (Under) Spend 2020/21	Final Outturn Covid-19 Related Variance 2020/21	Final Outturn Non Covid-19 Related Variance 2020/21	Non Covid-19 Related Variance Dec 2020
	£m	£m	£m	£m	£m	£m
Assistant Chief Executive	5.0	4.3	(0.7)	0.6	(1.3)	(0.5)
Law, Governance & HR	7.0	7.1	0.1	0.4	(0.3)	(0.1)
<b>Total</b>	<b>12.0</b>	<b>11.4</b>	<b>(0.6)</b>	<b>1.0</b>	<b>(1.6)</b>	<b>(0.6)</b>

### Cost of Covid-19

- 11.2. The overall financial impact of Covid-19 on base budgets for expenditure and income in the Chief Executive Directorate is £1m. These Covid-19 related pressures are summarised in the following paragraphs.

**Table 11 – Covid-19 Pressures for the Chief Executive's Directorate**

Service	Area	Final Outturn 2020/21 £m	Total Cost December 2020 £m
Communications	Increases in communications capacity to support response to the coronavirus pandemic.	0.3	0.1
Performance & Policy and Executive Support	Performance & Policy staffing £176k, Executive Support staffing £77k	0.3	0.0
Human Resources	Increases in HR capacity to support response to the coronavirus pandemic with regards to emergency recruitment and HR advice	0.1	0.1
Legal Services	Loss of income due to Covid-19 related reduction some external legal payments.	0.2	0.2
Elections	Staffing costs	0.1	0.0
<b>Total</b>		<b>1.0</b>	<b>0.4</b>

### Assistant Chief Executive's Division

- 11.3. The *Assistant Chief Executive* division ended the year with a net underspend of £1.3m for general fund services. This is after the application and achievement of once-off in year measures of £0.2m, and government grant income of £0.6m to alleviate Covid-19 costs incurred by the directorate. The underspends are in part driven by pausing production of the Lewisham Life magazine offset by vacancies at various points within the division over the year.

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## Law, Governance and Human Resources Division

- 11.4. The *Law, Governance & Human Resources* division ended the year with a net underspend of £0.3m for general fund services, and after agreed carry forwards of £0.1m. This division had a net Covid-19 pressure of £0.4m arising from £0.2m in Legal Services in relation to staffing, income and non-recoverable shortfalls for right-to-buys, court costs, lease extensions and name changes; and a pressure of £0.1m for Human Resources mainly due to additional staff costs and Electoral Services of £0.1m also in relation to staff costs. In addition there is a miscellaneous £0.3m non Covid-19 underspend elsewhere within the division.

## 12. Support received from central government

- 12.1. The Council has taken measures to support both businesses and residents who are facing financial hardship as a result of the Coronavirus (Covid-19) pandemic. The table below provides an overall summary of the additional resources which have been received by the Council to date to help with this support in the 2020/21.

**Table 12– Government Funding for Covid-19**

Funding Description	Lewisham's Allocation £m	Spend Against Allocation £m
<b>Unringfenced Funding</b>		
S31 Covid-19 Local Authority Support Grant (Tranches 1 to 4)	29.395	17.181
Sales, Fees and Charges Income – (Tranches 1 to 3)	6.111	10.245
<b>Grand Total</b>	<b>35.506</b>	<b>27.426</b>
<b>Amount to be Carried Forward</b>		<b>8.080</b>

Funding Description	Lewisham's Allocation £m	Spend Against Allocation £m
<b>Ringfenced Funding</b>		
Section 31 – Test, Trace and Contain Grant (3 amounts)	2.995	0.354
Section 31 – Welfare Support Grant	0.401	0.216
LA Compliance & Enforcement grant	0.198	0.198
Clinically Extremely Vulnerable Support Grant	0.143	0.628
ASC Workforce Capacity Fund (Tranches 1 and 2)	0.889	0.889
Community Asymptomatic Testing	0.548	0.285
Lateral Flow Testing	0.393	0.169
Community Champions Fund	0.276	0.0
Re-opening High Streets Safely	0.272	0.0
New Burdens Funding	0.170	0.170
Sport England Leisure Relief Funding	0.682	0.514
Contain Outbreak Management Fund	7.384	5.319
Next Steps Accommodation Programme *	0.479	0.0
Cold Weather Payments *	0.090	0.0
Rough Sleeping Fund *	0.012	0.0
Substance Misuse Fund	0.450	0.0
Business Grants New Burden Funding	0.412	0.0
<b>Total</b>	<b>15.794</b>	<b>8.742</b>
<b>Amount to be Carried Forward</b>		<b>7.052</b>

<b>Sub Total – Services Funding – attributable to BAU</b>	<b>51.300</b>	<b>36.749</b>
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<b>Funding Description</b>	<b>Lewisham's Allocation £m</b>	<b>Spend Against Allocation £m</b>
<b>Ringfenced Funding Outside Of Service Expenditure e.g. DSG or Transfer Payment</b>		
Section 31 – Infection Control Grants (Tranches 1 and 2)	4.256	3.368
Covid Winter Grant	1.083	1.310
<b>Total</b>	<b>5.339</b>	<b>4.678</b>
<b>Amount to be Carried Forward</b>		<b>0.661</b>
<b>Grand Total</b>	<b>56.639</b>	<b>40.846</b>
<b>Overall Sum to be Carried Forward into 2021/22</b>		<b>15.793</b>

\* The grant for the 'new steps accommodation programme' of £479k is held in the Strategic Housing Division. Grants for 'cold weather payments' and the 'rough sleeping fund' of £90k and £12k respectively, are housing related and are held in corporate provisions.

## Government grant for Council Services

- 12.2. The Council has received a number of general and targeted specific Covid-19 grants. This included funding for 'infection control', 'test, track and contain' and 'contain outbreak management'. Overall the total amount of funding that can be attributed to council services comes to £56.6m to date, as set out in Table 12 above. For the purpose of this report, the gross costs of the coronavirus response has been set out in each directorate section, expressing the financial position in gross terms and before the application of some £40.8m of the emergency government funding. It is important to note that the balances of £15.8m being carried forward into 2021/22 reflect that some grants have been received in advance and work continues so the full costs to match against them have not been incurred yet.

## Council Tax Payers and Businesses

- 12.3. The Council has also administered the payment of a number of grants to the borough's residents and business ratepayers. Lewisham received £3.2m of hardship funding and has made these funds available to individual tax payers through two routes
- Grants aligned to the Council Tax Reduction Scheme
  - Emergency support for residents.
- 12.4. Central government has turned to local authorities to deliver a number of new schemes aimed at supporting local businesses who have been impacted by Covid-19.
- 12.5. For businesses, support measures included extended business rates relief for 2020/21, grants to small businesses and those in the retail, hospitality, and leisure sectors, and a grant to support Small and Medium Enterprises (SMEs) – those with less than 50 employees – not covered by the initial grant arrangements
- 12.6. The Council has received a cash advance of £47m to distribute in grants of £10k or £25k to small business within certain rateable values and/or in the retail, hospitality, and leisure sectors. Overall, there have been a number of other government backed financial packages provided to support local businesses during the course of the second and third national lockdown periods, with circa 20 different schemes being in operation at one time or another during the course of the pandemic.

## 13. Dedicated Schools' Grant

- 13.1. The Dedicated Schools Grant (DSG) is reporting a provisional year-end overspend of £3m which is subject to finalisation of the Early Years Block.

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**Table 13 – DSG allocation and projection 2020/21**

	Schools Block £m	Central Services Support Block £m	High Needs Block £m	Early Years £m	Total DSG £m
Lewisham's Allocation	176.39	4.64	54.98	23.91	259.92
Final Outturn	175.99	4.64	60.00	22.28	262.91
<b>Variance</b>	<b>(0.40)</b>	<b>0.0</b>	<b>(5.02)</b>	<b>1.63</b>	<b>( 2.99)</b>

13.2. Members are asked to note the following:

13.2.1. With regards Early Years, the position shows a provisional £1.6m underspend. At the time of writing, the Department for Education (DfE) has yet to confirm the final 2020/21 position. This is pending the finalisation of data relating to the January 2021 census, taking into consideration any Covid-19 adjustments. There are potential payments to be made to providers to support Covid-19 pressure for the autumn term.

13.2.2. For the High Needs Block, the final outturn position shows an overspend of £5m. Officers have previously raised concerns with regards the High Needs Block ability to contain the demand.

13.3. Table below shows the increased demand in Education Health and Care Plan (EHCP) support since 2017/18. It should be noted, that overall there is an increase of 827 EHCP relative to 2017/18, of which approximately half are related to under 5s and post-secondary.

**Table 14 – Education Health and Care Plan (EHCP)**

Phase - EHCPs	Under 5s	Primary	Secondary	Post-secondary	Grand Total	Annual Increase
FY17/18 Used As Base Line	42	831	769	537	2,179	
FY18/19	24	889	821	626	2,360	181
FY19/20	37	929	887	774	2,627	267
FY20/21 current	74	1,027	974	931	3,006	379
Increase on Baseline Nos	32	196	205	394	827	
Increase on Baseline %	76.2%	23.6%	26.7%	73.4%	38.0%	

13.4. In addition to the overall increase and the clear pressure arising from 0-5 and post 16 phase, a further pressure is linked to the increase in number of placements that are placed out of borough. The following table shows the split between 'in-borough and 'out of borough' placements. There is clear shift in the proportion of placements being made out of borough which is a key element of pressure on the High Needs Block.

**Table 15 – In Borough and Out Borough EHCPs**

Borough EHCPs	Lewisham In Borough	Out of Borough	Total
FY 17/18 Used as Base Line	1,559	620	2,179
FY 18/19	1,653	707	2,360
FY 19/20	1,789	838	2,627
FY 20/21	2,004	1,002	3,006
Increase on Baseline Numbers	445	382	827

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Increase on Baseline %	28.5%	61.6%	38.0%
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- 13.5. To support the pressure on High Needs, the SEN Service has been working closely with Schools and Schools' Forum. A mitigation plan has been developed which is progressing, but will take time to embed and for the benefits to be seen in full. Furthermore, service demands, in terms of increasing numbers of children with some complex needs and higher placement costs, continue to rise. Therefore, the current mitigation plan may reduce the pressure, but not eliminate it fully.
- 13.6. Lewisham has historically been one of very few local authorities which has underspent on the DSG – High Needs. Most local authorities are overspending as a consequences. The DfE has attempted to address the pressure with additional funding allocations in 2019/20 and 2020/21. However, it seems that demand is outstripping the cash available. It does however remain important that Lewisham continues to consider alternative ways of providing support to our most vulnerable children within the resources available.

## Schools

- 13.7. Overall there is an increase in the overall surplus position for schools balances of £4.9m (net). This is some 13% of the value of the schools block, but it should be noted that within, there are £1.6m of loans supporting deficits. An increase of £0.2m from the position reported for December 2020. There are 15 schools which are within the correct tolerance of 8% surplus. All other schools are in surplus positions, many with significant levels relative to their budget position. Some 28 schools have balances in excess of 20% of their annual schools budget.

## 14. Housing Revenue Account

- 14.1. The table below sets out the current budget for the Housing Revenue Account (HRA) in 2020/21. The position remains unchanged from the position reported to the end of December 2020. The balanced HRA budget seen in the table includes a budgeted contribution from reserves of £47.9m, which is to be used to fund the HRA major works and new supply programme and is included as a part of the 30 year HRA business plan. The current HRA provisional outturn position is a balanced account, before taking account of the capital programme and capital write-off to revenue. This includes the re-profiling of major works income into 2021/22.
- 14.2. The Repairs & Maintenance (R&M) outturn shows an overspend of £0.9m, which is a movement of £1.9m from the last report (£1.0m underspend). Further detailed analysis of year-end activity is being carried out by Lewisham Homes and an update will be provided for the final outturn report.
- 14.3. The current 30 year HRA financial model has been refreshed, with the final outturn for 2019/20 as well as the latest updates for the general capital programme, revised stock numbers and reserves allocations incorporated into the plans. Budgets have been updated in July 2020 to reflect starting stock numbers from 1 April 2020, as well as incorporating a May/June 2020 consolidation update for the new supply programme to reflect the latest position. The revisions to the budgets have been agreed with Lewisham Homes and has pushed some of the planned capital and new supply expenditure into 2021/22 due to a re-programming of works and programme delays due to the Covid-19 pandemic.
- 14.4. The outturn has been updated with costs related to Covid-19. Those costs which have currently been identified include, void losses on units unable to be let in the early period of the lockdown and there is a guarantee to Lewisham Homes that the local authority will cover up to £1.2m of operative workforce related pressures due to the slowdown of repairs works undertaken which will represent lost income to their trading account.

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Lewisham Homes have reported that the final costs was £178k due to a quicker return to normal working patterns than originally expected. These are all currently contained within current outturn position and the use of reserves.

- 14.5. Additional income is included from tenants rents and service charges due to lower than budgeted void rates. There is also additional income related to Leasehold service charges following completion of the leasehold service charge audit. In addition, the final bad debt impairments charge to the HRA is similar to the actual for 2019/20 and has resulted in an underspend of £2.4m against allocated budgets. Initially this underspend is being used to compensate for the unexpected movement in R&M costs. The outturn includes a surplus of garage rents for garages remaining in the HRA and subject to development proposals. These garages will continue to provide income until such time as they are decanted for the development to proceed. Energy costs are underspent against current budget allocations.
- 14.6. There is a significant major works income budget of £6.1m, which is based on the General Capital programme allocation of £47m. However, raising of bills is dependent on the Lewisham Homes Capital Programme undertaking works which can/are recharged to Leaseholders. As at 31 March 2021, a total of £415k has been charged to leaseholders. Further discussions with Lewisham homes indicate that the majority of these bills are likely to be raised in the early part of financial year 2021/22.
- 14.7. This is being off-set by the additional rental and service charge income, as well as underspends in bad debt and other running costs.
- 14.8. Lewisham Homes were until recently reporting a full forecast spend of £38m against the general capital allocations budget of £47m. The final position on the general capital programme was £38.1m. The unspent resources will be carried into 2021/22. The development team reported an underspend against the 2020/21 Building for Lewisham (BfL) programme allocation. The outturn shows that approximately £23.6m of the total allocation will be spent in 2020/21 due to slippage. The unspent resources will be carried into 2021/22. As a result of the reduced expenditure, current budgets for the write-off of ineligible capital expenditure are £2.7m lower than budgeted. Whilst this will contribute to a surplus in the HRA for this area in 2020/21, the allocations will be ring-fenced and carried-forward to 2021/22.
- 14.9. As a result of the lower than budgeted expenditure within the capital programmes, there will be a reduction in the requirement for the drawdown of reserves, currently budget at £47.9m and contributions to Capital from the HRA account. The final drawdown is £9.5m.
- 14.10. The forecast does not yet include any additional interest cost arising from the return of RTB 1-4-1-receipts to MHCLG. This information will not be known until the final return is completed in the coming weeks and is dependent on the actual expenditure incurred on the qualifying costs. Updates will be provided as soon as they are available.

**Table 16 – Housing Revenue Account**

Service Area	Expenditure Budget 2020/21	Income Budget 2020/21	Net Budget 2020/21	Final Outturn Variance for 2020/21
	£m	£m	£m	£m
Housing, Regeneration and Environment – Housing	19.2	(3.6)	15.6	(2.79)
Lewisham Homes & Repairs & Maintenance Resources	38.4	0	38.4	1.04
Centrally Managed Budgets	1.6	0	1.6	0.13
	90.3	(145.9)	(55.6)	1.62
<b>Total</b>	<b>149.5</b>	<b>(149.5)</b>	<b>0</b>	<b>0</b>

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## 15. Collection Fund

### Council Tax

- 15.1. As at 31 March 2021, some £138.8m of Council Tax has been collected. This represents 93.36% of the total amount due for the year. This is below target for the year of 96%. Last year's collection rate was 94.34%.

**Table 17 - Council Tax Collection Fund**

	Cash Collected (cumulative)	Cash needed to meet 96% Profile	difference between collected and 96% profile	Current Year Collection Rate%	Previous Year Collection Rate (2019-2020)	difference	Required Collection Rate to reach 96%	difference
Apr-20	15,330,187.88	16,338,487.54	-1,008,299.66	10.05%	10.94%	-0.88%	10.99%	-0.94%
May-20	26,845,756.34	28,767,147.23	-1,921,390.89	17.60%	19.15%	-1.55%	19.35%	-1.75%
Jun-20	38,727,703.82	40,588,460.95	-1,860,757.13	25.75%	26.91%	-1.16%	27.30%	-1.55%
Jul-20	51,306,433.07	53,073,514.03	-1,767,080.96	34.18%	35.15%	-0.97%	35.70%	-1.51%
Aug-20	62,614,535.41	64,877,235.76	-2,262,700.35	41.79%	42.89%	-1.10%	43.64%	-1.85%
Sep-20	74,938,605.45	76,740,371.14	-1,801,765.69	49.96%	50.72%	-0.77%	51.62%	-1.66%
Oct-20	87,396,806.93	89,176,423.62	-1,779,616.69	58.40%	58.83%	-0.43%	59.98%	-1.58%
Nov-20	99,190,083.28	101,080,563.63	-1,890,480.35	66.39%	66.59%	-0.20%	67.99%	-1.60%
Dec-20	110,510,835.62	113,066,116.64	-2,555,281.02	74.05%	74.66%	-0.61%	76.05%	-1.99%
Jan-21	122,584,279.94	125,201,554.93	-2,617,274.99	82.28%	82.74%	-0.46%	84.21%	-1.93%
Feb-21	131,566,158.64	134,560,085.87	-2,993,927.23	88.37%	88.59%	-0.22%	90.50%	-2.13%
Mar-21	138,810,729.75	142,734,352.78	-3,923,623.03	93.36%	94.34%	-0.98%	96.00%	-2.64%

### *Business Rates*

- 15.2. Business Rates collection as at 31 March 2021 is at 94.57% This is a decrease of 5.13% compared to the same period last year, and 4.43% lower than the profiled collection rate if the overall target rate for the year of 99% is to be achieved.
- 15.3. Business rates collectible amount for the year has been reduced by over £30m due to Covid-19 related additional reliefs for businesses. The 5% shortfall is therefore more significant as just under half of the business rates due were collected in full as paid for by government through Covid-19 relief funding.
- 15.4. Business Rates are part of the collection fund and under the government budget proposals in respect of Covid-19 the Council will be compensated for 75% of the irrecoverable income. The major uncertainty for the collection fund (Council Tax and Business Rates) is how the recovery Covid impacts the tax base for the Council – e.g. numbers eligible for council tax reduction due to unemployment and business not returning and/or rents reducing.

**Table 18 – Business Rate Collection**

	Previous year (%)	Current year (%)	Difference from previous year (%)
	Excluding Credits	Excluding Credits	Excluding Credits
April	22.35	20.40	-1.95
June	31.00	33.44	2.44
July	37.82	37.56	-0.25

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July	45.55	46.35	0.80
August	53.97	51.03	-2.94
September	61.93	58.07	-3.86
October	68.66	60.92	-7.74
November	75.83	65.81	-10.02
December	83.87	69.85	-14.02
January	88.93	84.27	-4.66
February	93.78	87.91	-5.88
March	96.75	91.62	-5.13

## 16. Capital Expenditure

- 16.1. The following table sets out the position on the Capital Programme as at the end of March 2021. It indicates an overall spend of £120.1m, which is 70% of the revised 2020/21 budget of £171.6m.
- 16.2. Members should note that in most cases the unspent budgets for ongoing capital projects and programmes will be rolled forward to the following year, 2021/22. A summary of the major projects to 2022/23 is attached at Appendices 3 and 4. The Capital Programme budget reconciliation is attached at Appendix 5

**Table 19 – Capital Programme 2020/21 (Major Projects)**

2020/21 Capital Programme	Revised Budget (M&C 11/11/20)	Revised Budget Proposed Jan' 2021	Spend to 31 Mar' 2021	Spent to Date (Revised Budget)
			£m	%
<b>GENERAL FUND</b>				
Schools - School Places Programme	4.7	3.4	1.9	56%
Schools - Other (Inc. Minor) Capital Works	5.7	5.7	4.2	74%
Highways & Bridges - LBL	3.0	3.0	2.8	93%
Highways & Bridges – TfL	1.2	2.8	2.7	96%
Highways & Bridges - Others	1.5	1.5	0.3	20%
Catford town centre	1.0	1.0	0.9	90%
Asset Management Programme	1.3	1.5	0.9	60%
Other AMP Schemes	0.7	1.1	0.3	27%
Broadway Theatre – Works	0.4	0.4	0.2	50%
Lewisham Gateway ( Phase 2)	14.8	14.8	14.8	100%
Private Sector Grants and Loans (Inc. DFG)	0.6	0.6	1.5	100%
Achilles St. Development	0.8	0.8	0.8	100%
Edward St. Development	9.0	9.0	5.7	63%
Deptford Southern Sites Regeneration	0.4	2.6	2.6	100%
Residential Portfolio Acquisition – Hyde Housing Association	2.9	2.9	2.1	72%
Fleet Replacement Programme	7.8	7.0	6.3	90%
Temporary Accommodation Conversions- Morton House	0.0	5.2	4.2	81%
Other General Fund schemes	7.4	7.1	5.8	82%
<b>TOTAL GENERAL FUND</b>	<b>63.2</b>	<b>70.4</b>	<b>58.0</b>	<b>82%</b>
<b>HOUSING REVENUE ACCOUNT</b>				
Building for Lewisham Programme	36.5	37.3	15.8	42%
HRA Capital Programme ( Decent Works)	47.7	47.7	38.1	80%
Creekside Acquisition	5.7	5.7	6.7	100%
Ladywell Leisure Centre Development Site	4.5	4.5	0.8	18%

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Achilles St. Development	4.3	4.3	0.3	7%
Mayow Rd Development	1.1	1.1	0.0	0%
Other HRA schemes	0.6	0.6	0.3	50%
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>100.4</b>	<b>101.2</b>	<b>62.1</b>	<b>61%</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>163.6</b>	<b>171.6</b>	<b>120.1</b>	<b>70%</b>

## 17. Financial Implications

17.1. This report concerns the financial results for the 2020/21 financial year. However, there are no direct financial implications in noting these.

## 18. Legal Implications

18.1. The Council is under a duty to balance its budget and cannot knowingly budget for a deficit. It is imperative that there is diligent monitoring of the Council's spend and steps taken to bring it into balance.

## 19. Crime and Disorder, Climate and Environment Implications

19.1. There are no specific crime and disorder act or climate and environment implications directly arising from this report.

## 20. Equalities Implications

20.1. 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.

20.2. There are no equalities implications directly arising from this report.

## 21. Background Papers

Short Title of Report	Date	Location	Contact
Council's Response to Covid-19 Financial Update	10 <sup>th</sup> June 2020 (M&C)	1 <sup>st</sup> Floor Laurence House	David Austin
Financial Forecasts for 2020/21 (June 2020)	9 <sup>th</sup> July 2020 (M&C)	1 <sup>st</sup> Floor Laurence House	Selwyn Thompson
Financial Forecasts for 2020/21 (August 2020)	11 <sup>th</sup> November 2020 (M&C)	1 <sup>st</sup> Floor Laurence House	Selwyn Thompson
Budget Report 2021/22	3 <sup>rd</sup> March 2021 (Council)	1 <sup>st</sup> Floor Laurence House	David Austin

## 22. Glossary

Term	Definition
<b>Clinical Commissioning</b>	Clinical Commissioning Groups ( <b>CCGs</b> ) were created following the Health and Social Care Act in 2012, and replaced Primary Care Trusts on

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<b>Term</b>	<b>Definition</b>
<b>Group (CCG)</b>	1 April 2013. They are clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.
<b>Collection fund</b>	A statutory account maintained by the Council recording the amounts collected from Council Tax and Business Rates and from which it pays the precept to the Greater London Authority.
<b>Collection Fund surplus (or deficit)</b>	If the Council collects more or less than it expected at the start of the financial year, the surplus or deficit is shared with the major precepting authority, in Lewisham's case this is the GLA, in proportion to the respective Council Taxes. These surpluses or deficits have to be returned to the Council taxpayer in the following year through lower or higher Council taxes. If, for example, the number of properties or the allowance for discounts, exemptions or appeals vary from those used in the Council Tax base, a surplus or deficit will arise. The Council generally
<b>Contingency</b>	This is money set-aside centrally in the Council's base budget to meet the cost of unforeseen items of expenditure, such as higher than expected inflation or new responsibilities.
<b>Council Tax Base</b>	The Council Tax base for a Council is used in the calculation of Council Tax and is equal to the number of Band D equivalent properties. To work this out, the Council counts the number of properties in each band and works out an equivalent number of Band D equivalent properties. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992. They are: A 6/9, B 7/9, C 8/9, D 9/9, E 11/9, F 13/9, G 15/9 and H 18/9, so that Band A is six ninths of the 'standard' Band D, and so on.
<b>Dedicated schools grant (DSG)</b>	This is the ring-fenced specific grant that provides most of the government's funding for schools. This is distributed to schools by the Council using a formula agreed by the schools forum.
<b>General Fund</b>	This is the main revenue fund of the local authority, day-to-day spending on services is met from the fund. Spending on the provision of housing however, must be charged to the separate Housing Revenue Account (HRA).
<b>Gross Expenditure</b>	The total cost of providing the Council's services, before deducting income from government grants, or fees and charges for services.
<b>Housing Revenue Account (HRA)</b>	A separate account of expenditure and income on housing that Lewisham must keep. The account is kept ring-fenced from other Council activities. The government introduced a new funding regime for social housing within the HRA from April 2012.
<b>Net Expenditure</b>	This is gross expenditure less services income, but before deduction of government grant.
<b>Revenue Expenditure</b>	The day-to-day running expenses on services provided by Council.

### **23. Report Author and Contact**

Selwyn Thompson, Director of Financial Services on 020 8314 6932,  
selwyn.thompson@lewisham.gov.uk

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## 24. APPENDIX 1 – Summary of agreed revenue budget savings for 2020/21

Ref	Proposal	2020/21 Agreed Savings £'000	2020/21 Achieved £'000	2020/21 Gap £'000	Comment:
<b>CHIEF EXECUTIVE DIRECTORATE</b>					
RES02	Legal fees increase	32	32	0	Achieved
RES04	Policy, service design and intelligence - reduction on staffing	155	50	105	£50k Achieved (n.b. saving reduced to £50k) as assessed full sum would not be achievable.
RES10	Cease graduate programme	78	78	0	Achieved
<b>Total for Chief Executive Directorate</b>		<b>265</b>	<b>160</b>	<b>105</b>	
<b>CHILDREN &amp; YOUNG PEOPLE DIRECTORATE</b>					
CYP01	More efficient use of residential placements	300	0	300	Not achieved – Included in Covid pressures
CYP03	More systematic and proactive management of the market	600	0	600	Not achieved – Included in Covid pressures
CYP04	Commission semi-independent accommodation for care leavers	250	0	250	Not achieved – Included in Covid pressures
CYP05	Residential framework for young people. Joint SE London Commissioning Programme	200	0	200	Not achieved – Included in Covid pressures
CYP06	Cease funding for former CYP funded post in Voluntary Action Lewisham	25	25	0	Achieved
CUS15	No Recourse to Public Funds	1,000	1,000	0	Achieved
<b>Total for Children &amp; Young People Directorate</b>		<b>2,375</b>	<b>1,025</b>	<b>1,350</b>	
<b>COMMUNITY SERVICES DIRECTORATE</b>					
COM02	Ensuring support plans optimise value for money	250	250	0	Achieved
COM04	Reduce costs for Learning Disability and Transitions	1,000	200	800	Partial Achievement of £200k – The greater remaining sum of £800k is included in Covid pressures
COM05	Increased focus of personalisation	482	350	132	Partial Achievement of £350k – The lesser remaining sum of £132k is included in Covid pressures
COM06	Reduction in Mental Health Residential care costs	200	200	0	Achieved
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services (Sirs)	50	50	0	Achieved
COM08	Change in the public engagement responsibilities for air quality and dedicated funding	60	60	0	Achieved
COM10	Crime, Enforcement & Regulation reorganisation	161	161	0	Achieved

Ref	Proposal	2020/21 Agreed Savings £'000	2020/21 Achieved £'000	2020/21 Gap £'000	Comment:
COM15	Extended Use of Broadway Theatre	50	50	0	Achieved
COM16	Cultural & Community Development Service Staffing	75	75	0	Achieved
COM18	Funding inflationary increase from within the ASC Grant	2,000	2,000	0	Achieved
COM1A	Managing demand at the point of access to adult social care services	1,000	100	900	Partial Achievement of £100k – The greater remaining sum is included in Covid pressures
COM2A	Ensuring support plans optimise value for money	500	0	500	Not Achieved – Included in Covid pressures
COM3A	Increase revenue from charging Adult Social Care clients	500	0	500	Not Achieved – Included on Covid pressures
CUS06	Bereavement Services increase income targets	67	0	67	Not Achieved – Included in Covid pressure
RES17	Beckenham Place Park - income generation	105	0	105	Not Achieved – Included in Covid pressure
<b>Total for Community Services Directorate</b>		<b>6,500</b>	<b>3,496</b>	<b>3,004</b>	
<b>CORPORATE RESOURCES DIRECTORATE</b>					
CUS10	Invest to save - create revenues protection team	394	394	0	Achieved
CUS11	Process automation in Revenues and Benefits	250	250	0	Achieved
CUS13	Invest to save - improve sundry debt collection	480	0	480	Delayed due to Covid-19 related reduction in collection activity
RES01	Benefits realisation of Oracle cloud	350	0	350	To be formally reversed
RES03	Executive Office - Administrative Support Staff Reduction	104	104	0	Achieved
RES14	Corporate Estate Facilities Management Contract Insourcing	100	0	100	At Risk – The saving relates to a proposal to 'in source' building planned maintenance which is yet to happen.
RES21	Reduced allocation of inflation to contract cost	1,000	1,000	0	Achieved
RES22	Reduced allocation of inflation as dividend for improved ICT Provision	1,500	1,500	0	Achieved
<b>Total Corporate Resources Directorate</b>		<b>4,178</b>	<b>3,248</b>	<b>930</b>	

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Ref	Proposal	2020/21 Agreed Savings £'000	2020/21 Achieved £'000	2020/21 Gap £'000	Comment:
<b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b>					
CUS02	Income generation - increase of garden waste subscription	485	435	50	Partial Achievement of £435k – The lesser remaining sum of £50k is included in the Covid pressures.
CUS04	Income generation - increase in commercial waste charges	300	0	300	Not Achieved – Included in Covid pressures.
CUS09	Cost reductions in homelessness provision - income generation and net budget reductions	696	696	0	In 2020/21 this saving will not be achieved, but will be covered by once off funds.
CUS14 A	Parking service budget review	500	0	500	Not Achieved – Included Covid pressures.
CUS16	Operational savings in the private sector housing agency through service improvements	175	175	0	Achieved
RES06	Increase income supporting the Funding Officer post and review the Economy and Partnerships Function	80	80	0	Achieved
RES07	Reduce corporate apprenticeships salaries budget	55	55	0	Achieved
RES11	Increase in pre-application fees	100	0	100	Not Achieved – Included in Covid pressures.
RES12	Catford complex office rationalisation	250	150	100	Partial Achievement of £150k – Full achievement delayed due to pause in work related to Covid-19 activity.
RES13	Reduction in business rates for the corporate estate	100	100	0	This saving was covered by once off funds as the valuations office stopped visits due to covid. This will be achieved in 21/22
RES15	Commercial estate growth	500	100	400	Partial Achievement of £100k. Remaining sum of £300k is being covered this year by once off income received during the year.
RES18	Electric vehicle charging points	50	0	50	Not Achieved – Included in Covid pressures.
<b>Total for Housing, Regeneration &amp; Public Realm Directorate</b>		<b>3,291</b>	<b>1,791</b>	<b>1,500</b>	
<b>GRAND TOTAL</b>		<b>16,609</b>	<b>9,720</b>	<b>6,889</b>	

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## 25. APPENDIX 2 – Summary of agreed ‘in year’ cash reductions for 2020/21 – Year End Position for 2020/21

### Children’s and Young People Directorate

Ref	Proposal	Division	£m	Achieved £m	Gap £m	Comment
CYP	Review of Contracts and Processes	JCEH	0.070	0.070	0	Achieved
CYP	Income from third party to support CLS placements	CSC	0.250	0.250	0	Achieved
CYP	Working with housing to improve pathways for young people	CSC	0.070	0.070	0	Achieved
CYP	Review of Care leavers accommodation with regards housing benefit income	CSC	0.150	0.150	0	Achieved
CYP	Reduction in Legal and Advocacy Fees	CSC	0.150	0.150	0	Achieved
CYP	Increase in UASC income	CSC	0.100	0.100	0	Achieved
CYP	Maximisation of DSG –Early Years Funding to support central strategic costs		0.050	0.050	0	Achieved
CYP	Vacancy Factor and Recruitment Freeze		0.570	0.570	0	Achieved
CYP	Reduction in Directorate Core Budget spend areas		0.250	0.250	0	Achieved
<b>Total for Children &amp; Young People Directorate</b>			<b>1.660</b>	<b>1.660</b>	<b>0</b>	

### Community Services Directorate

Ref	Proposal	Division	£m	Achieved £m	Gap £m	Comment
COM	Managing Care Demand linked to Direct Payments Support	ASC	0.800	0.400	0.400	Partially Achieved. Compensating savings from review of packages that are feeding into reported underspend
COM	6 Week Government funding	ASC	0.300	0.300	0	Achieved
COM	Review of staffing levels	ASC	0.200	0.200	0	Achieved
COM	Review of Placements and 1:1 costs	ASC	0.300	0.300	0	Achieved
COM	integrated sexual health tariff payments for 20/21 - reduced activity in year	PH	0.300	0.300	0	Achieved
COM	Assemblies and Neighbourhood Development savings	CP&L	0.060	0.060	0	Achieved
COM	Crime Reduction £60k in year underspends	CP&L	0.060	0.060	0	Achieved

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Ref	Proposal	Division	£m	Achieved £m	Gap £m	Comment
COM	Sports Development £9k not doing London Youth Games & mini marathon.	CP&L	0.009	0.009	0	Achieved
COM	Sports Development £10k - no talent bursaries (small awards to talented young sports Individuals)	CP&L	0.010	0.010	0	Achieved
COM	Lewisham People's Day/Civic Events	CL&L	0.014	0.014	0	Achieved
COM	In year Libraries Saving	CL&L	0.150	0.150	0	Achieved
COM	Not hold Blackheath Fireworks	CL&L	0.036	0.036	0	Achieved
COM	Increase Bereavement Income	CP&L	0.040	0.040	0	Achieved
<b>Total for Community Services</b>			<b>2.279</b>	<b>1.879</b>	<b>0.400</b>	

### Housing, Regeneration and Public Realm Directorate

Ref	Proposal	Division	£m	Achieved	Gap	Comment
HRPR	PSHA Licensing and Housing Enforcement Service Manager – Vacant post (8 months savings)	Strategic Housing	0.052	0.052	0	Achieved
HRPR	Housing Needs Customer Access Officer vacant post	Strategic Housing	0.039	0.039	0	Achieved
HRPR	NRPF Caseworker vacant post	Strategic Housing	0.051	0.051	0	Achieved
HRPR	PSHA Licensing Enforcement and Grants Coordinator (x2) (6 months savings) vacant posts	Strategic Housing	0.039	0.039	0	Achieved
HRPR	PSHA Empty Homes Officer salary underspend	Strategic Housing	0.018	0.018	0	Achieved
HRPR	PSHA Head of PSHA salary underspend	Strategic Housing	0.032	0.032	0	Achieved
HRPR	Cleansing: Reduce Agency Staff Costs	Public Realm	0.077	0.077	0	Achieved
HRPR	Cleansing: Stop overtime to sweep secondary shopping areas on Saturdays from 1 <sup>st</sup> September 2020	Public Realm	0.048	0.048	0	Achieved
HRPR	Recycling - Contaminations crew	Public Realm	0.032	0.032	0	Achieved
HRPR	Cleansing: Service Change	Public Realm	0.080	0.080	0	Achieved
HRPR	Reduction in highway maintenance expenditure (footways)	Public Realm	0.250	0.250	0	Achieved
HRPR	Cleansing: Stop Overtime on bank holidays – Starting 31/8/20	Public Realm	0.010	0.010	0	Achieved
HRPR	Not filling vacancies for the rest of the year	Planning	0.084	0.084	0	Achieved

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HRPR	Strategic Development Team (SDT) Salaries	Regen'	0.064	0.064	0	Achieved
<b>Total for Housing, Regeneration and Public Realm</b>			<b>0.876</b>	<b>0.876</b>	<b>0</b>	

### Corporate Resources Directorate

Ref	Proposal	Division	£m	Achieved	Gap	Comment
CORP	Holding budget underspends in corporate H&S team	Corp Services	0.020	0.020	0	Achieved
CORP	Holding vacancies for the Corporate H&S officer post	Corp Services	0.030	0.030	0	Achieved
CORP	Holding vacancies in Strategic Finance for 6 months (NB salary is in the financial services budget)	Corp Services	0.000	0.000	0	Achieved
CORP	Reduce frequency of risk assessments	Public Services	0.005	0.005	0	Achieved
CORP	Mobile Phone/SIM Card Reduction	IT & Digital	0.050	0.050	0	Achieved
CORP	Printing Reduction	IT & Digital	0.030	0.030	0	Achieved
CORP	Facilities Management - Delay in in-sourcing cleaning contract	Public Services	0.100	0.100	0	Achieved
CORP	Climate Resilience- Meter operator savings	Public Services	0.006	0.006	0	Achieved
<b>Total for Corporate Services Directorate</b>			<b>0.241</b>	<b>0.241</b>	<b>0</b>	

### Chief Executive's Directorate

Ref	Proposal	Division	£m	Achieved	Gap	Comment
CE	In year savings from previous restructure	ACE / LG&HR	0.130	0.130	0	Achieved
CE	Vacant post held for Service Development and Integration Manager	ACE	0.050	0.050	0	Achieved
<b>Total for Chief Executive's Directorate</b>			<b>0.180</b>	<b>0.180</b>	<b>0</b>	

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## 26. APPENDIX 3 – Update on Capital Projects and Programmes

### Schools

#### Schools – School Places Programme

- 26.1. 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, to conclude in 2024. They include:
- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works commenced in April 2019 and were substantially completed in March 2021, with the handover of the new building. The project delivered 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. Final refurbishment and remodelling works within the existing school building are due to be completed over the summer holidays this year.
  - 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. Construction works began earlier this year, and are due to be completed in February 2022.
  - New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and works to expand the facility took place over the summer holidays 2019, ensuring that the school could provide a full curriculum. The works included 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. The final works including boundary treatment were completed in October 2020, and the final account has recently been agreed.
  - 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 through the construction of a new teaching block on the existing site, and a new set of feasibility studies are due to be commissioned this year.

#### Schools – Minor Works Capital Programme

- 26.2. 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.
- 26.3. **Highways & Bridges**
- 26.4. The Council continues to invest resources in maintaining its 397km of highway borough roads, most notably through its annual programme of carriageway and footway resurfacing works. The budget for highways has allowed 70 roads (or part of a road) to be resurfaced each year. 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.
- 26.5. In 2020/21, the carriageway programme resurfaced 32 roads (or part of road) funded

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from the Council's Capital programme. The carriageway resurfacing programme was fully completed on time and within budget.

- 26.6. The Council also carries out ongoing responsive carriageway maintenance works that remedies localised hazards and defects caused through accidents and deterioration of the asset from wear, age, excavations and failures.
- 26.7. The footway programme resurfaced 17 roads where the Condition Index classifies as "Red" and thus was subjected to improvement works. The 2020/21 footway resurfacing programme has been completed on time and within budget.
- 26.8. The replacement of the span for the Sydenham Park footbridge is in its planning and design development stage, with active discussions about the footbridge's span structural design, access arrangements, method of construction, risk management and approvals with key stakeholders, such as Network Rail, underway. The Council in its client capacity, is working closely with its principal consultant to secure a delivery plan agreement with Network Rail. Subject to a Network Rail track possession agreement, the earliest that the replacement span could be delivered is September 2022.

### **Catford Town Centre**

- 26.9. Architect's Studio Egret West have now completed work with officers to develop a framework plan to help guide the regeneration of the Town Centre. The framework aims to form the basis of any future developments for the Town Centre and involved input from Viability Assessors, Construction Programme Advisors and an independent Planning Consultant. The Masterplan will be used as an evidence base for the emerging Local Plan.
- 26.10. Work is also continuing, with TfL on the proposal to realign the South Circular A205 through the Town Centre. GLA Housing Infrastructure Funding (HIF) in the sum of £10m has been secured on condition that the road is delivered by TfL with officers currently seeking an extension due to the impact of Covid19 upon the programme resulting from the furlough of staff in 2020. Subject to an approved design, early work is expected to start in the first quarter of 2023/24. Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team is expected to continue to support projects currently being delivered in Catford and beyond.
- 26.11. The draft Framework plan was presented to Mayor & Cabinet in September 2021. Approval was obtained to enter into a process of non-statutory public consultation that took place between November 2020 and February 2021. Officers plan to take a refined version of the Framework to Mayor & Cabinet in July 2021 Asset Management Programme.
- 26.12. 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 some 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 has recently been completed. A programme of work has now been compiled to help address the investment needs of the estate.

### **Asset Management Programme**

- 26.13. 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

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and sites. A full condition survey of the corporate estate was completed in 2020 and is helping define the future investment need of the estate, the Asset Review, and underpin the use of the AMP capital programme funding for future years. A comprehensive Corporate Estate Maintenance Programme starts in 2021-22 (with some urgent health and safety works already underway).

### **Broadway Theatre**

- 26.14. Investment in the Broadway Theatre in Catford will address the urgent health and safety, mechanical and electrical, DDA and compliance requirements within the building, along with the overdue upgrade/refurbishment of identified areas throughout the building. The works will ensure the building is fit for purpose, meets current regulations and is compliant to function as a public venue. Improvements will also enable the Theatre to attract wider audiences and hirers and expand its delivery of events and shows.
- 26.15. The theatre plays an important part in the Catford Town Centre Masterplan which seeks to regenerate the town centre including providing housing, retail, open space and a civic heart for the town centre, with the theatre, a crucial part of that. Investment in the theatre takes forward the commitments given in the Capital Programme to invest in key parts of the Council estate in Catford as an early and certain commitment to the emerging Catford Masterplan.
- 26.16. The project is in design stage with works due to start in late 2021, with a view to completing in late 2022 and re-opening for a grand finale for the Borough of Culture year.

### **Lewisham Gateway**

- 26.17. Lewisham Gateway Phase 2 is a major £252m regeneration project, located between Lewisham Town Centre and the DLR, rail station and bus interchange. It has been designed as a high-density mixed use development representing contemporary sustainable urban living.
- 26.18. This project is the second phase of the development with Phase 1 already having delivered 362 new homes, alongside new shops and restaurants, a public park with children's play space and access to the rivers, plus major infrastructure improvements which include the removal of the Lewisham northern roundabout and the implementation of a new highways system.
- 26.19. Phase 2 has secured £13.5m in GLA Housing Infrastructure Funding and a further £9,558m in S.106 contributions to secure 106 affordable homes. Overall the scheme will provide 530 PRS units, 119 co-living units, a cinema, gym, retail and coworking space.

### **Achilles Street**

- 26.20. Residents on the Achilles Street Estate have voted for the redevelopment of the estate to go ahead. Work is underway to carry out due diligence and the procurement of the design team has completed 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.

### **Edward Street**

- 26.21. Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. The tender and contractor appointment has been completed following Mayor and Cabinet approval. The manufacturing of the homes is ongoing in the factory.

### **Deptford Southern Sites**

- 26.22. The three Deptford Southern Sites – Frankham Phases 1 and 2, Frankham Phase 3

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and Amersham Vale form an estate regeneration scheme being delivered in partnership with Peabody. Good progress is being made.

- 26.23. Frankham Phase 1 and 2 is under construction and will deliver 79 social homes. Frankham Phase 3 which is due to start construction in 2023 will deliver 38 social rent homes. Residents from Phase 3 are able to move into the Phase 1 and 2 homes where they wish to. Amersham Vale is also under construction and will deliver 24 social homes. The homes at Amersham Vale are due to be completed this year.

### **Residential Portfolio Acquisition – Hyde Housing Association**

- 26.24. 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. The Council completed on the acquisition of a portfolio of homes from Hyde Housing Association earlier this financial year. Hyde Housing Association have offered the option of further acquisitions. The Council are currently considering this option and carrying out due diligence in relation to this.

### **Fleet vehicle replacement**

- 26.25. This budget was to 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. The total number of vehicles currently on order is 65 (the buses were reduced by 10).
- 26.26. As of mid-November we have had delivered, 40 Buses and 18 refuse vehicles at a total cost of £5.9m. This order should be complete by mid-December. There are a further six refuse trucks and one tipper to come, costing £1.1m and that will complete the order for this year.

### **Temporary Accommodation Conversions – Morton House**

- 26.27. Morton House was, until recently, let to the Salvation Army. The property became surplus to requirements and was offered to the Council to purchase, as it was considered highly suitable to meet the Council's temporary housing accommodation need. The site was acquired by the Council in July 2020 for circa £3.5m
- 26.28. Refurbishment works to the building are expected to cost around £1.2m in total. The project is due to be tendered in June this year, with works commencing in August and completing by the end of March 2022

### **Other - Beckenham Place Park**

- 26.29. 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.
- 26.30. 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.
- 26.31. 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.
- 26.32. 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.
- 26.33. Early consultation and design work has now started on the eastern side of the park. An options appraisal is also being prepared for M&C to try and secure a future for the Mansion.

### **Lewisham Homes – Property Acquisition**

- 26.34. This funding supports the delivery of the Lewisham Homes acquisitions programme that secures properties for temporary accommodation for homeless households,

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making a saving on the Council's spend on bed & breakfast accommodation.

### **Building for Lewisham Programme**

- 26.35. The Building for Lewisham (BfL) supersedes the Housing Matters Programme. In January 2020, the Mayor and Cabinet approved recommendations to advance and expand the Council's housebuilding programme to meet the corporate objectives set for the period between 2018 and 2022.
- 26.36. This Programme will deliver a significant proportion of new council housing for the borough. Funding has currently been agreed for the continuation of the former New Homes Better Places programme and for a series of additional infill sites. In addition, funding for feasibility and preparation of planning and tender information for major strategic projects at Lady well, Achilles Street Estate and Catford has been allocated as well as funding for design and planning stage work for sites across the borough.
- 26.37. The Council, via its development agent, Lewisham Homes, is also investigating acquisition opportunities on land and sites from the market. These schemes may offer an opportunity to deliver more homes on an expedited timescale.
- 26.38. The current consolidation of the BfL programme notes funding for over 1,500 new homes across a mix of tenures. This has been modelled over a 40 year period and has been inflation-adjusted accordingly. However, the assumptions used represent an over-programming of developments and not all developments modelled will necessarily come forward. Therefore, this represents the most budget-intensive scenario. The financial and programme risk associated with the BfL programme will be monitored closely and mitigations implemented accordingly. However, should any significant changes to this budget be required, approval via Mayor and Cabinet will be duly sought.
- 26.39. The programme is supported by grant funding from the GLA via the Building Council Homes for London Programme. This provides £37.7m at a rate of around £100k per social unit. In addition to this the Council have secured funding from the GLA through their Small Sites Small Builders Fund, Housing Capacity Fund and Accelerated Construction Fund. The NHS have also provide grant support for Supported Housing. In addition to this, the Council will continue to subsidise the programme with the use of Right to Buy 1-4-1 receipts. The Council have also bid for further grant funding from the GLA and are waiting for the outcome of the negotiated bidding round at present.
- 26.40. The majority of spend for 20/21 relates to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site.

### **HRA Capital Programme**

- 26.41. 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.

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## 27. APPENDIX 4 – Capital Programme Major Projects 2020 / 2023

Major Projects over £2m	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
<b>GENERAL FUND</b>				
Schools - School Places Programme	3.4	10.4	2.4	16.2
Schools – Minor Works Capital Programme	3.9	0.1		4.0
Schools - Other Capital Works	1.7	1.6		3.3
Highways & Bridges – LBL	3.0	2.5	2.5	8.0
Highways & Bridges – TfL and Others	4.3	0.8	0.1	5.2
Catford town centre	1.0	0.3	0.3	1.6
Asset Management Programme	1.5	2.8	2.5	6.8
Other AMP Schemes	1.1	5.7	1.7	8.5
Beckenham Place Park ( Inc. Eastern Part)	0.7	1.7		2.4
Catford Phase 1 – Thomas Lane Yard/ CCC	0.1	0.6	2.6	3.3
Catford Station Improvements	0.1	0.3	1.0	1.4
Lewisham Gateway ( Phase 2)	14.8	3.5		18.3
Lewisham Homes – Property Acquisition	0.0	3.0		3.0
Residential Portfolio Acquisition – Hyde Housing Ass.	2.9			2.9
Disabled Facilities Grant	0.4	2.1		2.5
Private Sector Grants and Loans	0.2	2.1		2.3
Edward St. Development	9.0	8.4		17.4
Achilles St Development	0.8	1.0		1.8
Mayow Rd Development	0.6	6.6	1.1	8.3
Canonbie Rd Development	0.8	1.4	0.3	2.5
Fleet Replacement Programme	7.0	0.8	0.8	8.6
Ladywell Leisure Centre Development Site	0.1	2.7		2.8
Acquisition of Sydney Arms		3.8		3.8
Travellers Site Relocation	0.2	3.6		3.8
Temporary Accommodation Conversions-Morton House	5.2	0.1		5.3
Other Schemes	5.0	4.1	1.3	10.4
	<b>70.4</b>	<b>70.3</b>	<b>16.6</b>	<b>157.3</b>
<b>HOUSING REVENUE ACCOUNT</b>				
Building for Lewisham Programme	37.3	48.3	56.4	142.0
Creekside Acquisition	5.7	13.9	2.0	21.6
HRA Capital Programme ( Decent works)	47.7	31.6	42.7	122.0
Ladywell Leisure Centre Development	4.5	15.4	43.4	63.3
Achilles St. Development	4.3	0.4	1.0	5.7
Mayow Rd Development	1.1	0.8		1.9
Other HRA Schemes	0.6	3.6	4.0	8.2
	<b>101.2</b>	<b>114.0</b>	<b>149.5</b>	<b>364.7</b>
<b>TOTAL PROGRAMME</b>	<b>171.6</b>	<b>184.3</b>	<b>166.1</b>	<b>522</b>

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**28. APPENDIX 5 – Capital Programme Revised 2020/21 budget – reconciliation from budget in Finance Forecasts report to Mayor & Cabinet on 9 July 2020**

	Total £'000	Total £'000
<b>APPROVED CAPITAL PROGRAMME BUDGET</b>		
<b>M&amp;C – February, 2021</b>		<b>164,087</b>
<b>New Schemes Post Budget Report</b>		
TFL 2020/21 Programme	1,556	
Temporary Accommodation Conversions-Morton House	<u>5,206</u>	
		6,762
		170,849
Increase in HRA	<u>777</u>	
		<u>777</u>
<b>Latest Capital Programme Budget 2020/21</b>		<b>171,626</b>

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## Public Accounts Select Committee

### Overview of Draft Contract Management Framework

**Date:** 7 July 2021

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Strategic Procurement and Commercial Services Manager

### Outline and recommendations

Overview of the new Contract Management Framework that is being developed by the Procurement Service which is set to be rolled out in July 2021. This report covers an overview of the Contract Management Framework model which the Council has developed (based on best practice and in consultation), the training and support which will be delivered, the culture change that may be required, and the expected benefits from the use of the Contract Management Framework, and next steps.

Public Accounts Select Committee are recommended to note the intended Contract Management Framework approach, and the timetable for its delivery.

### Timeline of engagement and decision-making

November 2020 - Development of the Contract Management Framework began;

January 2021 – June 2021 consultation and survey with stakeholders and discussion at Directorates' Management Team meetings;

7 July 2021 – Public Accounts Select Committee;

July 2021 - Contract Management Framework adopted and implemented

## 1. Introduction

1.1. Advising, supporting, and challenging Services on their contract management practices

forms an integral part of the Council's Procurement and Contract Management function role as it provides an assurance function for the Council on whether its contracts for works, services or supplies are running as designed and deliver the outputs and outcomes that were intended for our residents.

- 1.2. Over 300,000 people live in the London Borough of Lewisham in around 130,000 households. We have a young population, with 70% of our residents being of working age and 25% being between the ages of 0-19 years old. 46% of our population is composed of people from ethnic minorities and there are more than 9,000 businesses registered in the Borough. Lewisham continues to grow, however, and is projected to have a population of 366,400 by the year 2041. Lewisham Council's most recent gross revenue expenditure budget was just over £1.2bn, with around £320m of this being spent on contracts for works, services and supplies. This spend on externally procured services includes both contracted and commissioned services, and it is the contracted services which the Contract Management Framework will apply to, as these are procured in accordance with the Council's Contract Procedure Rules (CPRs) and relevant UK legislation.
- 1.3. It is therefore imperative that the Council continues to build upon procedures and due diligence in every stage of the procurement cycle, including beyond contract award and throughout its contract term. The new Contract Management Framework will build on existing knowledge and skills that Council staff hold whilst encouraging and developing new avenues of contract management, monitoring and reporting. It will ensure that there is transparency and consistency in the reporting of contract performance to enable appropriate action to be taken if required.

## **2. Recommendations**

- 2.1. Public Accounts Select Committee is recommended to note the overview of the Contract Management Framework provided, and adoption and implementation of this throughout the Council for contracted goods, works and services in the Summer of 2021 once finalised.

## **3. Policy Context**

- 3.1. The Council's 2018 to 2022 Corporate Strategy identifies seven corporate priorities and four core values which are the driving force behind what we do as an organisation. It sets out a vision for Lewisham and the priority outcomes that organisations, communities and individuals can work towards to make this vision a reality.
- 3.2. In developing and adopting a single Contract Management Framework we will seek to ensure the continued delivery of value for money and best value. In developing and adopting this framework we will be driven by the Council's four core values:
  - We put service to the public first.
  - We respect all people and all communities.
  - We invest in employees.
  - We are open, honest and fair in all we do.
- 3.3. These core values align with the Council's seven corporate priorities namely:
- 3.4. Open Lewisham - Lewisham is a welcoming place of safety for all where we celebrate the diversity that strengthens us.
- 3.5. Tackling the housing crisis - Everyone has a decent home that is secure and affordable.
- 3.6. 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.

- 3.7. Building an inclusive local economy - Everyone can access high quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- 3.8. Delivering & defending: Health, Social Care and Support - Ensuring everyone receives the health, mental health, social care and support services they need.
- 3.9. Making Lewisham greener - Everyone enjoys our green spaces and benefits from a healthy environment as we work to protect and improve our local environment.
- 3.10. Building safer communities - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.
- 3.11. As the Council seeks to support the borough and its businesses and residents through the pandemic and beyond, this recovery is based on the four key themes of Future Lewisham, these are:
  - A Greener Lewisham;
  - A healthy and well future;
  - An economically sound future; and
  - A future we all have a part in.

The Contract Management Framework will directly support the theme of an economically sound future.

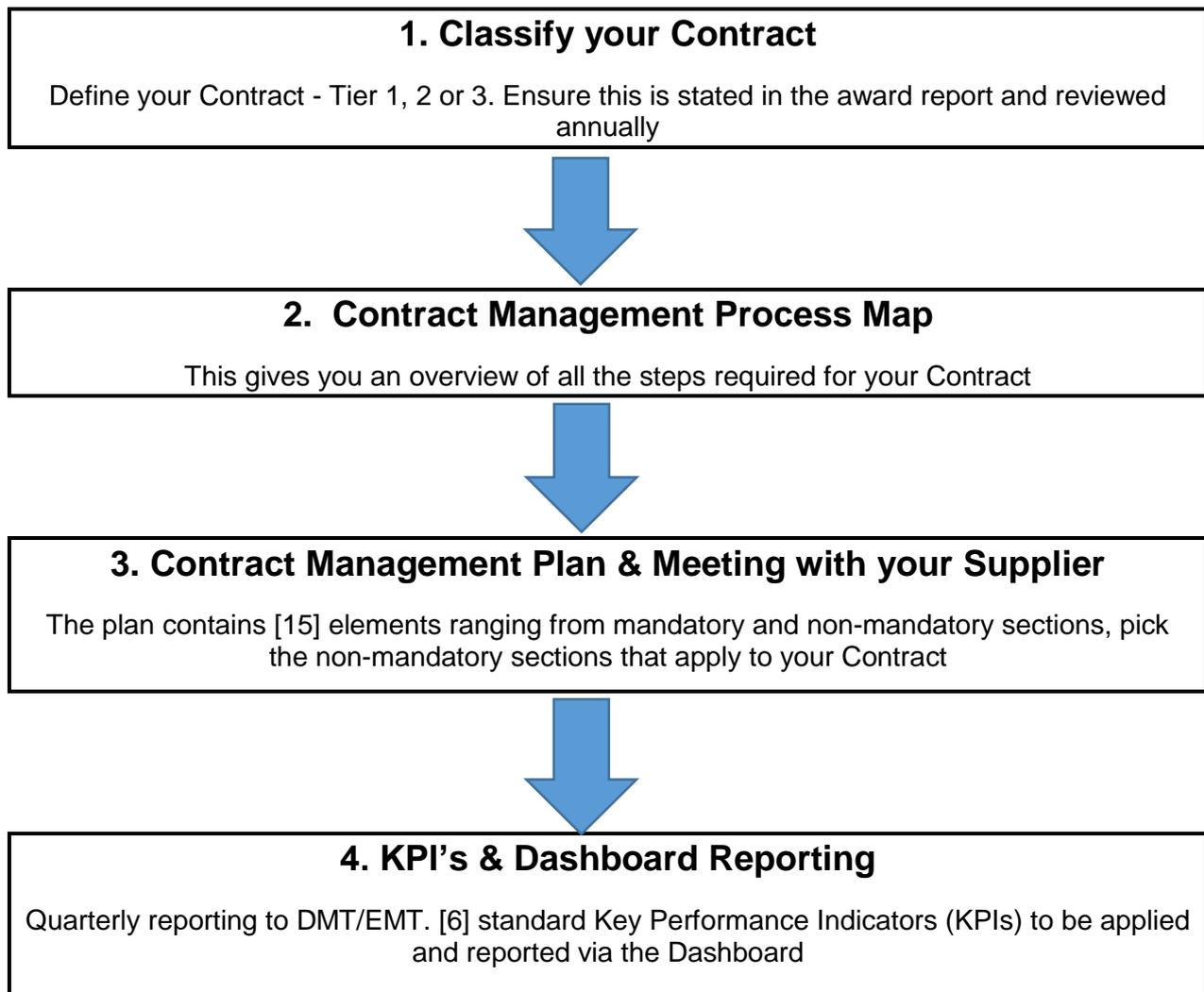
## 4. Current Position

- 4.1. The Public Accounts Select Committee has retained a keen interest and support for both Income Generation and Procurement for a number of years and and it was through this group's recommendations that the interim post of Strategic Procurement and Commercial Services Manager was created and then filled in January 2018. This was followed by the cessation of the service level agreement with Lambeth Council which enabled the creation of the current internal service. The Team has embedded and developed well, building upon the robust foundations laid in previous years. The procurement function operates effectively and contributes to the Council's requirements and strategic priorities, and the Contract Management Framework will support the demonstration of clear benefit outcomes through improved contracts delivering better value for money.
- 4.2. With increased capacity and high levels of motivation, there have been numerous initiatives developed, including three sets of training opportunities ranging from Procurement, Contract Management and Social Value, regular reviews and updates to policies and procedures (where necessary) to ensure effectiveness, and adhering to reporting requirements. The service is now looking to ensure that (as with procurements), a single framework for contract management is established that will be administered (on a tiered basis to be proportionate to the contract complexity and scale) and supported by the service. This Framework will be built into the procurement lifecycle and will be a natural evolutionary step for the Procurement service and Council staff to focus upon. The documents are currently in the final stages of being drafted and reviewed prior to roll-out.
- 4.3. The Framework provides information and guidance covering the Contract Management process and its importance for the Council and residents, it includes:
  - Classifying contracts based on value, criticality and risk through the application of a tiering methodology (Tier 1 / 2 / 3);
  - Three approaches to Contract Management outlined in a clear and concise flowchart for each tier recommending monthly / quarterly / annual contract management meetings as appropriate;
  - A Contract Management Plan template for use at Contract Management

meetings;

- Regular summary performance reporting via a Contract Management Dashboard which will be presented to Directorate Management Teams (DMTs) and the Executive Management Team (EMT) on a quarterly basis; and
- An annual standard compliance report for all contracts.

4.4. The Framework can be summarised into four key steps, see below, in order to provide a concise overview of the processes that must be undertaken as part of the Contract Management Framework.



## 5. Approaches for Success

5.1. Four key behaviours, shown below, will be essential in the roll-out and sustainability of the Contract Management Framework and practices within the Council. These are in line with the proposals surrounding Contract Management as set out in the Sustainable Procurement Strategy 2021 – 2025.

- **Communication** – Holding regular and effective communication between Lewisham and providers will enable a better understanding of how each supplier directly contributes to Lewisham's corporate priorities and brings about added value to the Council and Lewisham residents.

- **Prioritisation** –The Framework will ensure that we properly prioritise resources and focus on appropriately managing contracts with regard to their relative complexity and risk through assigning contract classifications and associated Contract Management approaches. This shall ensure that we are appropriately prioritising resources to minimise risk and maximise positive outcomes and benefits. The Council’s publicly available contract register will ensure that all contracts procured enter the Contract Management Framework.
- **Measuring** – Regularly measuring the outcomes of contracts through KPIs in a way that provides an insight into and understanding of supplier benefit realisation and the achievement of outcomes for residents.  
**Reporting** – Creating and adhering to the requirement of quarterly dashboard reporting to DMT / EMT in order to provide consistency and transparency across the Council and for our residents. Data reporting should be timely, accurate and able to deliver actionable insights.

## 6. Training and Feedback

- 6.1. Training is a key element of the support that the Procurement Team provides to the Council. Numerous training opportunities and sessions have been made available over the years, both for the Procurement Team itself and especially those staff involved in procurement or contract management activities. Examples include a nine month Chartered Institute Public Finance and Accounting (CIPFA) training course which offered one training day a month and assignments to be completed on a regular basis with attainment of a certificate in Contract Management, as well as an in-house one day course on procurement delivered jointly between procurement and legal. The service moved all of its training to a virtual platform within months of Covid lockdown, ensuring that staff had regular access to support and development. Given the challenges of longer virtual training sessions, these have now been transformed into shorter, separate modules to increase take up and to increase the underlying knowledge and understanding of the procurement function and processes amongst Council staff. These modules are: ‘Introduction to Procurement’, ‘Contract Management’, and ‘Social Value’. These sessions had high attendance and feedback gathered through short surveys highlighted that attendees found them informative and effective.
- 6.2. The Procurement Team will continue to provide guidance and support to commissioners at every stage of the procurement cycle via one to one sessions as required and the roll-out of Contract Management training sessions to embed the framework. The Procurement Team will set up one-and-a-half hour training sessions covering: contract classification; Contract Management approaches based on the Tiers; use of the Contract Management Plan, and dashboard reporting. The training sessions will be published on the Learning Academy Portal, sessions will be held once a week for a six to twelve week period (dependent on demand) and will offer spaces up to twenty individuals. If there is an interest from particular Teams or on specific topics the Procurement Team will work with services to deliver bespoke training sessions. The Procurement Team will advertise all training sessions on the intranet and to Directorate representatives at the Corporate Procurement Board.
- 6.3. Consultation has played a key role in the development of the Contract Management Framework. This is to ensure that the framework builds on the good contract management practice already within the Council, and that it is proportionate, i.e the reporting and monitoring requirements for each tier of contract appropriately reflect the criticality, risk and value of the contracted service. Stakeholders were consulted about the roll out of the framework and a short questionnaire was sent out to contract managers enquiring about their current contract management practices. The feedback received has all been of a positive nature and has highlighted that contract management (e.g. monitoring meetings and data capture) is currently being well

conducted among contract managers. Contract management and all that it includes is not new to the majority of contract managers, rather the application of consistent processes will enable a more standardised and transparent approach to contract management within the Council. This approach has been discussed at DMTs to ensure that there is commitment to the Contract management Framework across the Directorates.

- 6.4. The new processes and Framework will be piloted and reviewed based on feedback to ensure processes, templates and reporting is understandable, achievable and sustainable. The Procurement team will hold meetings with key stakeholders and contract managers over a six month period, this will enable discussions to be had regarding the Framework and its usage and allow for any amendments and continuous improvements to be made. The feedback loop will allow for greater transparency and enable the Procurement Team to know if the resources are fit for purpose.

## 7. Capturing Expenditure and Efficiencies

- 7.1. The Procurement Service has recently developed a template to capture and report contract efficiencies. The Tender Evaluation Matrix which is used to compile the comments and scores of tender returns has recently been updated in order to explicitly capture potential savings at the award stage. A CIPFA savings model has been built into the matrix, enabling monetary savings to be highlighted against the budget allocation for the project in question.
- 7.2. Efficiencies will also be captured during the post-award stage of contracts as part of the Dashboard reporting requirements as set out in the Contract Management Framework. The dashboard will capture performance and direct contract spend information, enabling a more centralised review of contracts than at present. The data that is captured will be reported to Business Partners, Group Finance Managers, and DMTs to assist in the regular financial monitoring undertaken by each Directorate.

## 8. Culture Change

- 8.1. The Council continuously seeks to improve the performance and effectiveness of its services and ways of working in order to deliver its priorities in a way that is system wide; planned and intentional; part of a continuous effort; and people focused. The newly developed Organisational Development Strategy 2021 – 2026 sets out the vision that seeks to make changes within the Council in order to better serve Lewisham residents and deliver the Council's priorities by using collective and individual resources in the most effective ways. This strategy is divided into seven core areas of development, each with a specific vision for how the Council should operate from the perspective of residents and individual staff members as well as the organisation as a whole.
- 8.2. The Contract Management Framework will contribute to the overall vision as set out in the Organisational Development Strategy. Linking specifically to the following core areas:
- 8.3. **One Council** – The Contract Management Framework will involve cross-Council collaboration to ensure the delivery of our shared goals of more effective Contract Management. As currently, Contract Managers will remain accountable for the management of their contracts, but the roles and responsibilities as set out in the Framework add clarity to this.
- 8.4. **Our Values** – The procurement function at the Council assists in the demonstrable achievement of value for money, quality services for our residents, and ensuring compliance with legislation and due diligence in all processes. The Procurement Team adhere to the Council's values and the Contract Management Framework is aligned to these values too.

- 8.5. **Ways of Working** – The Contract Management Framework strives to improve the efficiency of existing contract management practices across the Council and increase the availability of accurate service-level data, through use of the Dashboard, which can be shared across departments to allow for better evidence-based decisions.
- 8.6. **Systems and Processes** – The new ways of working and processes involved with the new Framework seek to be fit-for-purpose, add value and enable us to meet the needs of our residents. Improved Contract Management practices will ensure providers and contractors continue to meet the expected performance requirements, adhere to their Social Value commitments, and improve awareness around risks and risk mitigation. Processes will include increased transparency and accountability.
- 8.7. **Performance** – Gathering performance information through the Contract Management Dashboard will enable an increased understanding of how providers are performing and where the areas for improvement are. There will be increased consistency, transparency and responsiveness resulting from the processes involved in the Contract Management Framework, maintaining relevance to both the Council's and residents' priorities. It is expected that there will be tighter financial grip upon contract spend and efficiencies through the Dashboard reporting requirements linked to the Framework, enabling further understanding of the commerciality of the Council and promoting opportunities for increased wealth within the Borough.

## 9. Expected benefits from the Contract Management Framework

- 9.1. Overall the Contract Management Framework and dashboard will bring increased benefits to the Council and Lewisham residents. There will be more consistent oversight and potentially control of service delivery and contract performance, we will be able to see what is working well and what can be improved. Risks will be monitored regularly and mitigated appropriately if they arise, the Council will be able to better understand changes in service risk. Reporting will allow for a more holistic insight into the Council's expenditure, efficiencies and compliance with corporate priorities and contractual agreements.
- 9.2. Both the regular contract monitoring, and specifically the annual compliance check will focus on risk reporting, mitigation and assurance. Some of the key risks include:
- service outcomes (performance KPIs);
  - service protection through insurances and financial resilience checks;
  - safety, including Health and Safety (H&S) and safeguarding considerations;
  - information governance and security requirements; and
  - monitoring of sub-contractors
- 9.3. The Framework provides clarity with regards to roles and responsibilities which empowers Contract Managers to be accountable for their Contract Management processes and outcomes, whilst being able to receive support and training from the Procurement Team and the Corporate Procurement Board (CPB).
- 9.4. Lewisham residents will also benefit from this new Contract Management approach, service delivery will continue to be kept to high standards through regular KPI monitoring and residents will be impacted through various Social Value commitments and outcomes which form part of all Council contracts going forwards.

## 10. Next Steps

- 10.1. The research and consultation stage involved in developing the Contract Management Framework has been completed and concluded. The next steps involved include:
- Finalising the Contract Management Framework including the Contract Management Plan and Dashboard;

- Roll out of the Contract Management Framework from July 2021 – this will be advertised through DMT, CPB, email, and intranet;
- The roll out of training sessions on Learning Academy Portal;
- Undertake feedback review until end of calendar year;
- Start quarterly reporting following the adoption and implementation of the framework;
- Annual compliance checks and reporting to be collated and completed at the beginning of 2022. This work will build upon the data that was gathered and collated in 2021.
- Review and informal benchmarking against other local authorities via networks and keeping up to date with policies and good practice.

## **11. Financial Implications**

- 11.1. This report provides an overview of the Contract Management Framework that is intended to be adopted and implemented across the Council in July 2021. It has been developed such that it appropriately prioritises resources to minimise risk and maximise positive outcomes and benefit.
- 11.2. It is not intended that any additional funding or resources will be required to achieve this, however the Procurement service will utilise the 6 month review period post implementation to assess whether there are any resource impacts that require further consideration as the full impact on both Directorates and the Procurement service are as yet unknown.
- 11.3. The adoption of the Contract Management Framework directly supports the strategic intent of one of the six thematic strands of the current budget cuts programme, namely, being more commercial in our approach. This ensures that when offering cuts linked to the re-procurement of contracted services, the Council ensures that this is not only implemented through the procurement, but sustainably maintained through the effective and robust management and reporting of the contract.

## **12. Legal Implications**

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

## **13. Equalities Implications**

- 13.1. The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). 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. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 13.2. 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. 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 Mayor and Cabinet, bearing in mind the issues of relevance and proportionality. Mayor and Cabinet must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

- 13.3. The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the 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 on the EHRC website.
- 13.4. The EHRC has issued five guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.
- 13.5. There are no equalities implications directly arising from this report.

## **14. Climate change and Environmental Implications**

- 14.1. There are no environmental implications directly arising from the report.

## **15. Crime and Disorder Implications**

- 15.1. There are no crime and disorder implications directly arising from the report.

## **16. Health and Wellbeing Implications**

- 16.1. There are no health and wellbeing implications directly arising from the report.

## **17. Appendices**

- 17.1. The following appendices provide an overview of the key elements of the Contract Management Framework.
- 17.2. Appendix 1: Contract Classification Summary Table (Page 8)
- 17.3. Appendix 2: Contract Management Process Map (Page 9)
- 17.4. Appendix 3: Procurement and Social Value Compliance Matrix Report 2020-21



Procurement and SV  
Compliance Matrix Re

## **18. Background papers**

- 18.1. None

## 19. Glossary

<b>Term</b>	<b>Definition</b>
CPRs	Contract Procedure Rules
DMTs	Directorate Management Teams
EMT	Executive Management Team
KPIs	Key Performance Indicators
CIPFA	Chartered Institute of Public Finance and Accounting
H&S	Health and Safety
CPB	Corporate Procurement Board
EHRC	The Equalities and Human Rights Commission

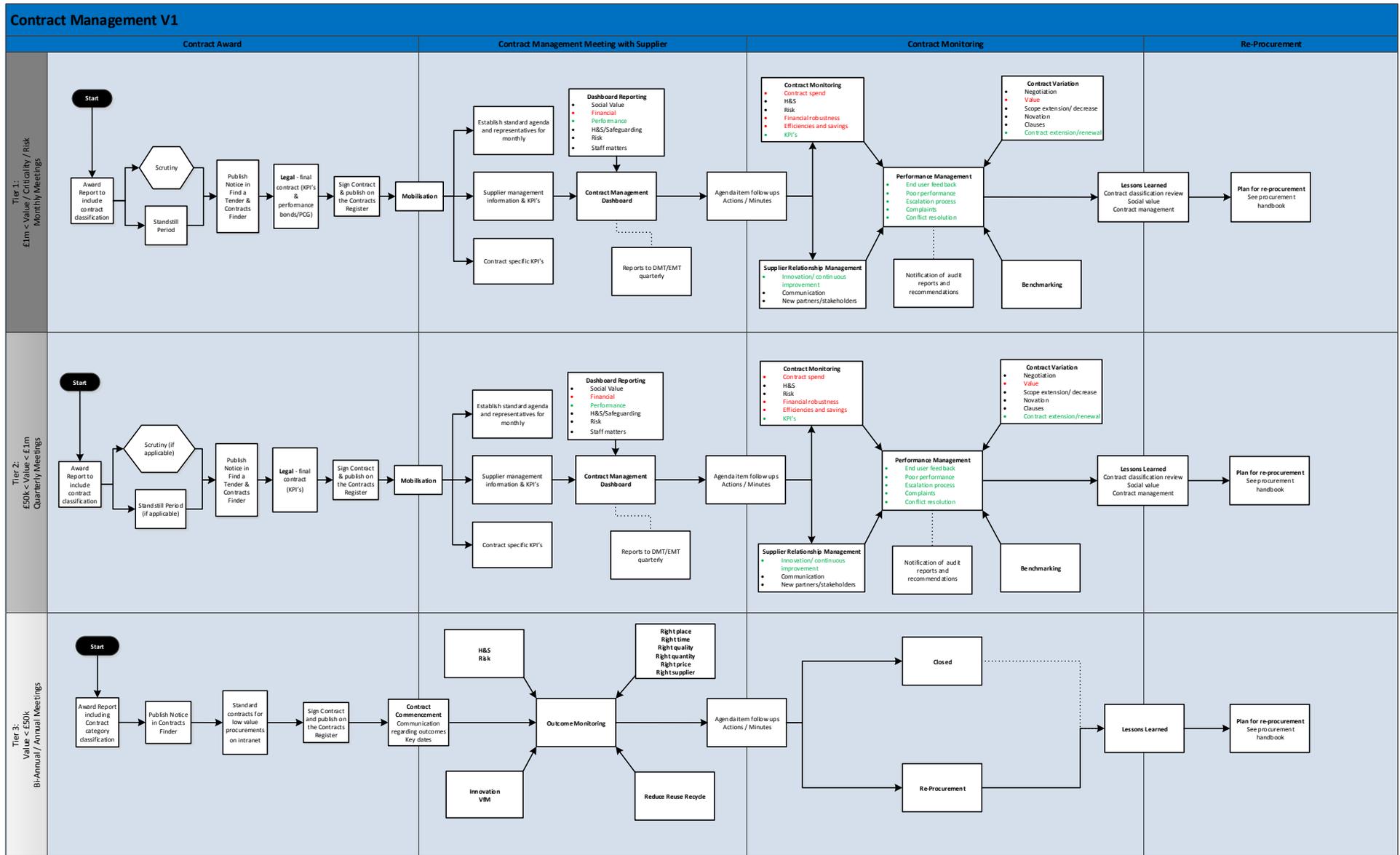
## 20. Report author(s) and contact

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Appendix 1: Contract Classification Summary Table

Contract Classification Category	Total Contract Value	Criticality	Risk	Contract Management Approach
Tier 1	<ul style="list-style-type: none"> <li>Over £1,000,000.00</li> </ul>	<ul style="list-style-type: none"> <li>Business critical in both the short-term and long-term</li> <li>Service provision would be compromised without strategic suppliers</li> <li>Significantly contributes to the Council's corporate priorities and statutory requirements</li> <li>Provides strategic function/s</li> <li>Directly / indirectly impacts Lewisham residents to a significant degree</li> <li>Continuity of supply is essential</li> </ul>	<ul style="list-style-type: none"> <li>High risk (Likelihood and impact) – high value / statutory obligations / risk in supply chain</li> <li>Continuity of supply is essential and service would be compromised if risks not identified and mitigated appropriately</li> <li>Risk could significantly affect the Council's statutory requirements, strategic approach, or reputation</li> </ul>	<ul style="list-style-type: none"> <li>Monthly meetings between Contract Manager and Supplier (Strategic / Bottleneck)</li> <li>Dashboard Reporting on monthly basis</li> </ul>
Tier 2	<ul style="list-style-type: none"> <li>Between £50,000.00 - £999,000.00</li> </ul>	<ul style="list-style-type: none"> <li>Provides important services to the Council and Lewisham residents</li> <li>Contributes to the Council's corporate priorities and statutory requirements</li> <li>Directly / indirectly impacts Lewisham residents to a moderate degree</li> </ul>	<ul style="list-style-type: none"> <li>Moderate level of risk (either likelihood or impact)</li> <li>Risk could have moderate impact upon the Council's statutory requirements, strategic approach, or reputation</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly meetings between Contract Manger and Supplier (Bottleneck / Leverage)</li> <li>Dashboard Reporting on Quarterly basis</li> </ul>
Tier 3	<ul style="list-style-type: none"> <li>Below £50,000.00</li> </ul>	<ul style="list-style-type: none"> <li>Provides generic / operational services to the Council and Lewisham Residents</li> </ul>	<ul style="list-style-type: none"> <li>Low risk – low cost to switch providers, high buyer power</li> <li>Governed through simple contracts (agreed volumes / timeframes)</li> </ul>	<ul style="list-style-type: none"> <li>Bi-annual / Annual meeting between Contract Manager and Supplier (Routine)</li> <li>Outcome / output monitoring bi-annually / annually</li> </ul>

# Appendix 2: Contract Management Process Map





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## Public Accounts Select Committee

### Select Committee work programme report

**Date:** 07 July 2021

**Key decision:** No

**Class:** Part 1

**Wards affected:** All (none specific)

**Contributors:** Assistant Chief Executive (Scrutiny Manager)

### Outline and recommendations

To ask members to discuss the committee's priorities for the 2021-22 municipal year and to agree an annual work programme.

The Committee is asked to:

- Consider the themes set out in the draft work programme at **appendix D**.
- Note the four strategic themes of the borough's recovery plan: 'Future Lewisham'
- Discuss the committee's priorities and agree a work programme for 2021-22.
- Consider opportunities for public engagement throughout the work programme.

### Timeline of engagement and decision-making

The meeting dates below were agreed at the Council AGM on 26 May 2021:

- Wednesday 7 July 2021
- Thursday 23 September 2021
- Wednesday 1 December 2021
- Thursday 27 January 2022
- Thursday 17 March 2022

## 1. Summary

- 1.1. This report asks members to discuss and agree priorities for the committee's work programme for the year ahead and describes the process for approval by the business panel and ongoing monitoring by the committee.

## 2. Recommendations

- 2.1. The Committee is asked to:
- Consider the themes set out in the draft work programme at **appendix D**.
  - Note the strategic themes of the borough's Covid recovery plan: Future Lewisham
  - Discuss the committee's priorities and agree a work programme for 2021-22.
  - Consider opportunities for public engagement throughout the work programme.

## 3. The role of the Select Committee

- 3.1. The Committee his Committee looks at how the Council manages and uses money.
- 3.2. It can:
- Review the way Council managers make decisions about spending money
  - Challenge the Council to use the most effective means of managing money
  - Examine and challenge the Council's plans for spending over the whole year - and delivering its budget
  - Recommend ways to improve the Council's processes for buying goods and services (and for managing services to get the best value)
  - Listen to the views of the Council's Audit Panel and challenge it to do its best work.
- 3.3. The Committee's full terms of reference are set out in appendix A.

## 4. Agreeing the Committee's work programme

- 4.1. A draft work programme is attached at appendix D. It currently includes:
- suggestions made by the Committee at the last meeting of 2020-21
  - issues arising as a result of previous scrutiny
  - suggestions from Council officers
- 4.2. It is for the Committee, however, to set its own work programme and agree any other priority issues it would like to include – the committee does not have to look into everything officers, the public or other members suggest.
- 4.3. When deciding on issues to include in the work programme, the committee should consider the key services and programmes within the committee's remit, the criteria for selecting and prioritising topics (see flowchart below), upcoming Mayor & Cabinet decisions (appendix D) and avoid duplicating the work of any agreed task and finish groups.
- 4.4. The Committee should also note and take into account the four strategic themes of the borough's Covid-19 recovery plan, 'Future Lewisham', which support what we want for every single resident and that we know are what we need to focus on locally:

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#### 4.5. **An economically sound future**

We are working to get the borough back in business, with a future where everyone has the jobs and skills they need to get the best that London has to offer.

We are a borough with businesses that are adaptable and prepared for change, a thriving local economy that sees 'local' as the first and best choice, with digital inclusion at the heart of our plans. We do all we can to support residents into jobs that pay fairly and provide families with the opportunities and security they deserve.

#### 4.6. **A healthy and well future**

Good health and wellbeing should be something we can all depend on, something that is equally accessible to everyone.

We know this is much wider than 'medicine' and the NHS. Our health and well-being is also dependent on our Public Accounts, the air we breathe, our support networks and more. We will make sure to pay as much attention and invest as much effort into improving these wider factors and taking action on inequality at every turn. Rectifying health inequalities and developing good mental health & wellbeing for everyone drives what we do.

#### 4.7. **A greener future**

Our next steps will be our greenest yet, continuing our efforts to preserve our climate for future generations and ensuring everyone can enjoy the place we call home.

We will capture and build on the best of what we saw from the increase in walking and cycling locally, and all the other ways our environment benefitted from behaviour changes over the last year. We will nurture and protect the place we call home so that we can continue to appreciate its benefits for generations to come.

#### 4.8. **A future we all have a part in**

We work together as one borough, within our communities and identities, to harness the power of volunteering and community spirit that has helped get us through the last year.

We will work alongside our strongest asset – our community – to strengthen and enhance our borough for everyone. We achieve more together and being connected and taking an active role in our borough benefits us all. Our year as Borough of Culture 2022 will be Lewisham's best year yet, celebrating our fantastic part of London and providing opportunities for everyone to connect and get involved in our local community.

4.9. Items within the work programme should also be linked to the priorities of the Council's Corporate Strategy for 2018-2022 (appendix B).

4.10. The committee is recommended to schedule **two substantive items per meeting**, leaving space available for Mayor & Cabinet responses and other urgent business as the need arises throughout the year.

4.11. Provision is made for meetings to last for up to 2.5 hours, but the committee should aim to **manage its business within 2 hours**. In exceptional cases the committee may decide to suspend standing orders and extend the meeting for a further 30 minutes to conclude any urgent business.

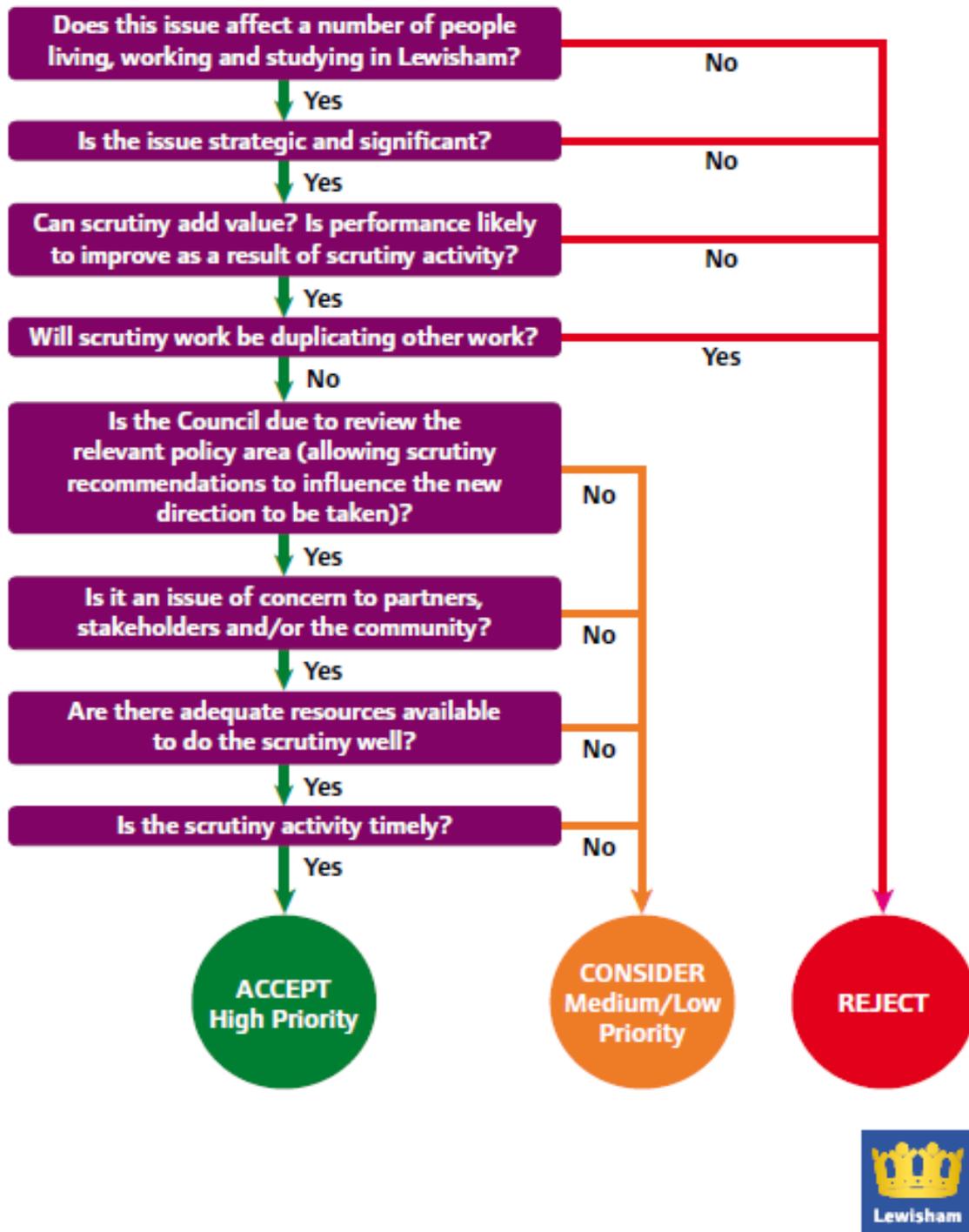
4.12. The committee should specify the information it would like for each item to ensure that officer reports and other evidence meets its needs. This should be done under the work programme item at every meeting.

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## Scrutiny work programme – prioritisation process



- 4.13. There is no provision at committee for the discussion of information items (reports to note). If required, they will be circulated to members by email with questions put to the report author for a written response.

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- 4.14. Some of the regular reports that fall under the Committee’s remit, which are usually presented as reports to note and therefore likely to be circulated by email in the first instance, include:
- The annual complaints report
  - Financial results 2020-21 (considered at Mayor and Cabinet on 9 June 2021)
  - Reserves update
  - Asset strategy update
- 4.15. It is the Chair’s responsibility to keep abreast of other developments within the committee’s remit and escalate any issues that require action by the committee to the work programme as appropriate.
- 4.16. Suggestions made by the committee at the last meeting of 2021-20
- Adult social care
  - Children’s social care
  - Finances of the public realm division
  - Financial implications of the recovery plan
  - Income generation and commercialisation
- 4.17. Suggestions from officers in view of forthcoming developments
- Medium term financial strategy
- 4.18. Issues arising as a result of previous scrutiny
- Budget cuts

## 5. Different types of scrutiny

- 5.1. It’s important to think early on about the most effective way to scrutinise each item on the work programme. Some issues may only require an initial briefing, circulated by email, for information, some may require site visits and public engagement, and others may require detailed questioning at a formal committee meeting and input from stakeholders
- 5.2. The Effective Scrutiny Guidelines at **appendix C** sets out 5 key principles to take into account when carrying out scrutiny: Prioritise; Be independent; Work Collectively; Engage; make SMART recommendations. This will help the committee decide on the most appropriate approach for the issue at hand.
- 5.3. Members should also note the comments in the [Local Democracy Review](#) about how scrutiny can be even more effective, participative and open. Suggestions included:
- Focusing on fewer issues more closely linked to council priorities
  - More engagement with the public outside of formal meetings
  - Individual scrutiny members leading on defined topic areas
  - Contributing to new policy proposals at an early stage
- 5.4. Some of the most common scrutiny methods are described below, but members are encouraged to try new ways of gathering evidence and engaging the public.
- 5.5. ‘Standard items’
- 5.6. The majority of work programme items tend to be “standard items”, where scrutiny is carried out as part of a single meeting with members:
- agreeing in advance the information and analysis needed

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Please give us feedback so we can improve.

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- receiving an officer report presenting the relevant information
- gathering additional evidence from activity outside of meetings
- asking questions of the presenting officers or expert guests
- agreeing recommendations to Mayor and Cabinet and partners.

#### 5.7. Policy development

5.8. When the council is due to renew a policy the committee may be asked to consider the options available and officer recommendations before a decision by Mayor and Cabinet. Select committees should be engaged at an early enough stage to be able to influence and contribute to the new policy.

#### 5.9. Performance monitoring

5.10. Scrutiny can request a wide range of performance information to examine the effectiveness of council services. This includes monitoring data on key performance indicators and outcomes and assessing the delivery of particular programme or projects against set targets or timescales.

#### 5.11. Task and finish groups

5.12. For issues that require more extensive evidence gathering, members may put forward a proposal for a task and finish group. The Overview & Scrutiny Committee will agree which task and finish groups should be established, their membership, terms of reference and duration. Task and finish groups are independent of select committees and make recommendations directly to Mayor and Cabinet.

#### 5.13. Information items

5.14. Some low-priority items may only require a briefing report to be circulated to committee members by email, with questions put to the report author for written response. There is no provision for discussion of information items at committee meetings.

## 6. Approval and ongoing monitoring of the work programme

6.1. Each select committee is required to submit its work programme to the Overview and Scrutiny Business Panel for approval. This is to ensure a coordinated overview and scrutiny work programme across select committees that avoids duplication of effort and supports effective scrutiny. The Business Panel will meet on 20 July 2021.

6.2. The committee's work programme can be reviewed at each meeting to allow urgent items to be added and lower priority issues to be removed. Any potential items should be considered against the priority criteria outlined earlier in this report. If a high-priority item is included, a lower-priority item should be removed. The committee's work programme must be achievable in the time available.

## 7. Financial implications

7.1. 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

## 8. Legal implications

8.1. 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.

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## 9. Equalities implications

- 9.1. The [Equality Act 2010](#) (The Act) legally protects people from discrimination in the workplace and in wider society. It replaced the previous anti-discrimination laws with a single act, making the law easier to understand and strengthen protection in certain situations. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.2. The Act also imposes a public sector equality duty. This means that in public bodies, of which this Council is designated, they must consider all individuals in carrying out their day-to-day work when shaping policy, in delivering services and in relation to their own employees. It also requires public bodies to:
- Have due regard to the need to eliminate discrimination
  - Advance equality of opportunity
  - Foster good relations between different people when carrying out their activities
- 9.3. The Council recognises diversity is one of its strengths and is committed to creating a more inclusive community. Therefore, having due regard to the Act, is confirmation of the Council's commitment to eliminating all forms of discrimination against any group within the community and to actively promote an equality of opportunity and positive community partnership.
- 9.4. The delivery of the Council's equalities objectives is to be achieved through the delivery of all of the Council's strategies, plans and procedures. As such, all select committees and other scrutiny bodies, when planning their work and scrutinising items, bear in mind the delivery of the Council's equality objectives.
- 9.5. Scrutiny tries to make sure that its work reflects the diversity of Lewisham's communities and that the views of residents are fairly represented in scrutiny processes. Any recommendations arising from scrutiny work support the Council's corporate strategy and reflect the needs of local residents

## 10. Climate change and environmental implications

- 10.1. There are no direct climate change or environmental implications arising from the implementation of the recommendation in this report. However, in February 2019 Lewisham Council declared a Climate Emergency and proposed a target to make the borough carbon neutral by 2030. Items on the work programme may have climate change and environmental implications and all reports considered by the Committee should acknowledge this.

## 11. Crime and disorder implications

- 11.1. 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.

## 12. Health and wellbeing implications

- 12.1. 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.

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## 13. Report author and contact

13.1. If you have any questions about this report please contact:

Timothy Andrew, Scrutiny Manager, [timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk)

## 14. Appendices

Appendix A – Committee terms of reference (see below)

Appendix B – Council corporate priorities (see below)

Appendix C – Effective scrutiny guidelines (see below)

Appendix D – Draft work programme (see attached)

Appendix E – Notice of forthcoming executive decisions (see attached)

### Appendix A

The following roles are common to all select committees:

#### (a) General functions

- To review and scrutinise decisions made and actions taken in relation to executive and non-executive functions
- To make reports and recommendations to the Council or the executive, arising out of such review and scrutiny in relation to any executive or non-executive function
- To make reports or recommendations to the Council and/or Executive in relation to matters affecting the area or its residents
- The right to require the attendance of members and officers to answer questions includes a right to require a member to attend to answer questions on up and coming decisions

#### (b) Policy development

- To assist the executive in matters of policy development by in depth analysis of strategic policy issues facing the Council for report and/or recommendation to the Executive or Council or committee as appropriate
- To conduct research, community and/or other consultation in the analysis of policy options available to the Council
- To liaise with other public organisations operating in the borough – both national, regional and local, to ensure that the interests of local people are enhanced by collaborative working in policy development wherever possible

#### (c) Scrutiny

- To scrutinise the decisions made by and the performance of the Executive and other committees and Council officers both in relation to individual decisions made and over time
- To scrutinise previous performance of the Council in relation to its policy objectives/performance targets and/or particular service areas
- To question members of the Executive or appropriate committees and executive directors personally about decisions
- To question members of the Executive or appropriate committees and executive directors in relation to previous performance whether generally in comparison with service plans and targets over time or in relation to particular initiatives which have been implemented
- To scrutinise the performance of other public bodies in the borough and to invite them to make reports to and/or address the select committee/Business Panel and local people about their activities and performance

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- To question and gather evidence from any person outside the Council (with their consent)
- To make recommendations to the Executive or appropriate committee and/or Council arising from the outcome of the scrutiny process

**(d) Community representation**

- To promote and put into effect closer links between overview and scrutiny members and the local community
- To encourage and stimulate an enhanced community representative role for overview and scrutiny members including enhanced methods of consultation with local people
- To liaise with the Council's ward assemblies so that the local community might participate in the democratic process and where it considers it appropriate to seek the views of the ward assemblies on matters that affect or are likely to affect the local areas, including accepting items for the agenda of the appropriate select committee from ward assemblies.
- To keep the Council's local ward assemblies under review and to make recommendations to the Executive and/or Council as to how participation in the democratic process by local people can be enhanced
- To receive petitions, deputations and representations from local people and other stakeholders about areas of concern within their overview and scrutiny remit, to refer them to the Executive, appropriate committee or officer for action, with a recommendation or report if the committee considers that necessary
- To consider any referral within their remit referred to it by a member under the Councillor Call for Action, and if they consider it appropriate to scrutinise decisions and/or actions taken in relation to that matter, and/or make recommendations/report to the Executive (for executive matters) or the Council (non-executive matters).

**(e) Finance**

- To exercise overall responsibility for finances made available to it for use in the performance of its overview and scrutiny function.

**(f) Work programme**

- As far as possible to draw up a draft annual work programme in each municipal year for consideration by the overview and scrutiny Business Panel. Once approved by the Business Panel, the relevant select committee will implement the programme during that municipal year. Nothing in this arrangement inhibits the right of every member of a select committee (or the Business Panel) to place an item on the agenda of that select committee (or Business Panel respectively) for discussion.
- The Council and the Executive will also be able to request that the overview and scrutiny select committee research and/or report on matters of concern and the select committee will consider whether the work can be carried out as requested. If it can be accommodated, the select committee will perform it. If the committee has reservations about performing the requested work, it will refer the matter to the Business Panel for decision.

In addition to the general terms of reference outlined above, the Public Accounts Select Committee has the following specific terms of reference.

To exercise all the functions and roles of the overview and scrutiny committee in relation to the following matters:

- To make reports and recommendations to the Council or the Executive which promote the better custodianship of the Council's finances and to make recommendations for best financial practice across the authority.
- To investigate the possibilities for improving the Council's financial management

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practice and to make reports and recommendations to Executive or Council as appropriate.

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

## Appendix B

Council corporate priorities 2018-2022

Items within the work programme should be linked to the priorities of the Council's Corporate Strategy for 2018-2022 (set out below):

**Open Lewisham** - Lewisham is a welcoming place of safety for all, where we celebrate the diversity that strengthens us.

**Tackling the Public Accounts 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.

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## Appendix C

### Effective Scrutiny Guidelines

At Lewisham we:

#### 1. Prioritise

It is more effective to look at a small number of key issues in an in-depth way, than skim the surface of everything falling within scrutiny's remit. We try to focus on issues of concern to the community and/or matters that are linked to our corporate priorities. We only add items to the work programme if we are certain our consideration of the matter will make a real and tangible difference.

#### 2. Are independent

Scrutiny is led by Scrutiny Members. Scrutiny Members are in charge of the work programme and, for every item, we specify what evidence we require and what information we would like to see in any officer reports that are prepared. We are not whipped by our political party or unduly influenced by the Cabinet or senior officers.

#### 3. Work collectively

If we collectively agree in advance what we want to achieve in relation to each item under consideration, including what the key lines of enquiry should be, we can work as a team to question witnesses and ensure that all the required evidence is gathered. Scrutiny is impartial and the scrutiny process should be free from political point scoring and not used to further party political objectives.

#### 4. Engage

Involving residents helps scrutiny access a wider range of ideas and knowledge, listen to a broader range of voices and better understand the opinions of residents and service users. Engagement helps ensure that recommendations result in residents' wants and needs being more effectively met.

#### 5. Make SMART evidence-based recommendations

We make recommendations that are based on solid, triangulated evidence – where a variety of sources of evidence point to a change in practice that will positively alter outcomes. We recognise that recommendations are more powerful if they are:

- Specific (simple, sensible, significant).
- Measurable (meaningful, motivating).
- Achievable (agreed, attainable).
- Relevant (reasonable, realistic and resourced, results-based).
- Time bound (time-based, time limited, time/cost limited, timely, time-sensitive).

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**Public Accounts Select Committee Work Programme 2021-22**

Item	Type of item	Corporate priority	07-Jul-21	23-Sep-21	01-Dec-21	27-Jan-22
Draft contract management framework	Policy development	All				
Medium term financial strategy	Standard item	All				
Financial results 2020-21	Performance monitoring	All				
Children's social care	Performance monitoring	All, CP3				
Adult social care review	Performance monitoring	All, CP5				
Budget cuts	Performance monitoring	All				
Capital programme review	Performance monitoring	All				
Council budget 2022-23	Policy development	All				
Audit Panel update	Performance monitoring	All				

## 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 June 2021 - September 2021

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](mailto: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
June 2021	<b>Shaftesbury Centre Approval of S106 funding for Housing Development parts 1 &amp; 2</b>	09/06/21 Mayor and Cabinet	Karen Barke, Head of Strategic Development and Councillor Paul Bell, Cabinet Member for Housing & Planning		
April 2021	<b>Organic waste disposal contract</b>	09/06/21 Mayor and Cabinet	Wendy Nicholas, Strategic Waste and Environment Manager and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport		
April 2021	<b>Enforcement and regulation of the private rented sector in Lewisham</b>	09/06/21 Mayor and Cabinet	Fenella Beckman, Director of Housing and Councillor Paul Bell, Cabinet Member for Housing & Planning		
April 2021	<b>Libraries Consortium - Courier Service Framework Agreement reprocurement.</b>	09/06/21 Mayor and Cabinet	and Councillor Jonathan Slater, Cabinet Member for Community Sector		
February 2021	<b>Thames Water Rebates</b>	09/06/21 Mayor and Cabinet	Rachel Dunn, Service Group Manager - Partnerships and Service Improvement and Councillor Paul Bell, Cabinet Member for Housing & Planning		
April 2021	<b>Permission to tender Adults "Core" Substance Misuse Contract</b>	09/06/21 Mayor and Cabinet	and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
April 2021	<b>Hong Kong British Nationals Overseas Programme</b>	09/06/21 Mayor and Cabinet	Paul Aladenika, Service Group Manager, Policy Development and Analytical Insight and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
May 2021	<b>M365 (Agile &amp; Collaborative working) business case</b>	09/06/21 Mayor and Cabinet	Jamie Parris, IT Procurement Specialist and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
May 2021	<b>Financial Results 2020/21</b>	09/06/21 Mayor and Cabinet	Selwyn Thompson, Director of Financial Services and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
May 2021	<b>Supported housing and floating support permissions to procure</b>	09/06/21 Mayor and Cabinet	Sarah Miran, Commissioning Manager and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		
May 2021	<b>Increase of learner fees and café prices for Adult Learning Lewisham centres and courses</b>	09/06/21 Mayor and Cabinet	Sidra Hill-Reid, Head of Adult Learning 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		
June 2021	<b>Contract award school meals centralised catering</b>	09/06/21 Mayor and Cabinet	Fiona Gavin, Senior Contracts Officer and Councillor Chris Barnham, Cabinet Member for Children's Services and School Performance		
May 2021	<b>Making of Instrument of Government The Phoenix Federation</b>	22/06/21 Executive Director for Children and Young People	Suhaib Saeed, Strategic Lead Governors' Services and School Leadership and Councillor Chris Barnham, Cabinet Member for Children's Services and School Performance		
May 2021	<b>Making of Instrument of Government The Leathersellers' Federation</b>	22/06/21 Executive Director for Children and Young People	Suhaib Saeed, Strategic Lead Governors' Services and School Leadership and Councillor Chris Barnham, Cabinet Member for Children's Services and School Performance		
April 2021	<b>The Calabash Improvement Project Contract Award</b>	22/06/21 Executive Director for Community Services	and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		
May 2021	<b>Brockley Rise Adult Learning</b>	22/06/21	Uchenna Forjoe, Project		

**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
	<b>Centre Works</b>	Executive Director for Housing, Regeneration & Environment	Manager Capital Programmes and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		
May 2021	<b>Procurement to deliver the M365 programme</b>	22/06/21 Executive Director for Corporate Services	Jamie Parris, IT Procurement Specialist and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
June 2021	<b>Contract 1 of the Schools Minor Works Programme 2021</b>	22/06/21 Executive Director for Children and Young People	Lemuel Dickie-Johnson, Project Manager Capital Delivery Programme and Councillor Chris Barnham, Cabinet Member for Children's Services and School Performance		
June 2021	<b>Contracts 2, 3 and 4 of the Schools Minor Works Programme 2021</b>	22/06/21 Executive Director for Children and Young People	Lemuel Dickie-Johnson, Project Manager Capital Delivery Programme and Councillor Chris Barnham, Cabinet Member for Children's Services and School Performance		
May 2021	<b>Building for Lewisham - Enabling Works</b>	14/07/21 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor Paul Bell, Cabinet		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Member for Housing & Planning		
May 2021	<b>Besson Street - Approval of Business Plan</b>	14/07/21 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor Paul Bell, Cabinet Member for Housing & Planning		
September 2020	<b>Catford Regeneration Partnership Ltd Business Plan 2020-21</b>	14/07/21 Mayor and Cabinet	Kplom Lotsu, SGM Capital Programmes and Councillor Paul Bell, Cabinet Member for Housing & Planning		
February 2021	<b>Review of Public Consultation Feedback &amp; Approval to adopt the Catford Town Centre Framework</b>	14/07/21 Mayor and Cabinet	Paul Moore, Interim Director for Regeneration and Place and Councillor Paul Bell, Cabinet Member for Housing & Planning		
April 2021	<b>Emission based short-stay parking and motorcycle parking charges</b>	14/07/21 Mayor and Cabinet	Seamus Adams, Parking Service Manager and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport		
April 2021	<b>Waste Strategy</b>	14/07/21 Mayor and Cabinet	Wendy Nicholas, Strategic Waste and Environment Manager and Councillor Sophie McGeevor, Cabinet Member for Environment		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			and Transport		
May 2021	<b>LGSCO public report into complaint about Children's Social Care</b>	14/07/21 Mayor and Cabinet	Lucie Heyes, Assistant Director of Children's Social Care and Councillor Chris Barnham, Cabinet Member for Children's Services and School Performance		
May 2021	<b>Financial Monitoring Report 2021/22 - Period 2</b>	14/07/21 Mayor and Cabinet	Selwyn Thompson, Director of Financial Services and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
May 2021	<b>Medium Term Financial Strategy</b>	14/07/21 Mayor and Cabinet	Katharine Nidd, Strategic Procurement and Commercial Services Manager and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
May 2021	<b>Sustainable Procurement Strategy 2021-25</b>	14/07/21 Mayor and Cabinet	Katharine Nidd, Strategic Procurement and Commercial Services Manager and Councillor Amanda De Ryk, Cabinet Member for Finance and Resources		
June 2021	<b>Public Realm Framework Contract</b>	14/07/21 Mayor and Cabinet	Zahur Khan, Director of Public Realm and		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Councillor Sophie McGeevor, Cabinet Member for Environment and Transport		
June 2021	<b>Business case and procurement strategy for young people's sexual health and substance misuse services</b>	14/07/21 Mayor and Cabinet	Emily Newell, Joint Commissioner 0-19 Health and Maternity and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		
June 2021	<b>New parking enforcement arrangements on LH and RB3 managed Housing Estates</b>	14/07/21 Mayor and Cabinet	Rachel Dunn, Service Group Manager - Partnerships and Service Improvement and Councillor Paul Bell, Cabinet Member for Housing & Planning		
June 2021	<b>Adult Social Care service-wide review</b>	14/07/21 Mayor and Cabinet	Tom Brown, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		
June 2021	<b>Borough of Culture 2022 Delivery</b>	14/07/21 Mayor and Cabinet	Liz Dart, Head of Culture and Community Development and Councillor Andre Bourne, Cabinet member for Culture, Jobs and Skills (job share)		

**FORWARD PLAN – KEY DECISIONS**

<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
June 2021	<b>Provision of a textile bring bank collection service</b>	14/07/21 Mayor and Cabinet	Luke Ellis, Support and Engagement Officer Strategic Waste and Environment and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport		
June 2021	<b>Energy Contracts Review</b>	14/07/21 Mayor and Cabinet	Brian Colyer, Head of Facilities Management and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport		
June 2021	<b>Statutory Proposal to Close St Mary Magdalen's Catholic Primary School</b>	14/07/21 Mayor and Cabinet	Matthew Henaughan, Head of Business, Infrastructure, Compliance and Education and Councillor Chris Barnham, Cabinet Member for Children's Services and School Performance		
June 2021	<b>Contract variation for substance misuse services from additional Public Health (S31) Grant</b>	20/07/21 Executive Director for Community Services	Iain McDiarmid and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		
June 2021	<b>Refurbishment of Old Town Hall</b>	20/07/21 Executive Director for Housing, Regeneration & Environment	Uchenna Forjoe, Project Manager Capital Programmes and Councillor Kim Powell, Cabinet member for		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Culture, Jobs and Skills (job share)		
June 2021	<b>Award of contract Oracle Cloud Fusion support</b>	20/07/21 Executive Director for Corporate Services	Jamie Parris, IT Procurement Specialist and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
April 2021	<b>Reginald Road Land Assembly parts 1 &amp; 2</b>	15/09/21 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor Paul Bell, Cabinet Member for Housing & Planning		
April 2021	<b>GLA Affordable Housing Grant 2021-26</b>	15/09/21 Mayor and Cabinet	Karen Barke, Head of Strategic Development and Councillor Paul Bell, Cabinet Member for Housing & Planning		
May 2021	<b>Achilles Street</b>	15/09/21 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor Paul Bell, Cabinet Member for Housing & Planning		
December 2020	<b>Approval of a new Housing Allocations Scheme'</b>	06/10/21 Mayor and Cabinet	Michael Moncrieff, Housing Policy & Partnerships Manager and Councillor Paul Bell, Cabinet Member for		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Housing & Planning		
November 2019	<b>Approval to appoint operator for concessions contract at the lake, Beckenham Place Park</b>	06/10/21 Mayor and Cabinet	Gavin Plaskitt, Programme Manager and Councillor Sophie McGeevor, Cabinet Member for Environment and Transport		
June 2021	<b>Catford Regeneration Programme - Update &amp; Next Steps</b>	06/10/21 Mayor and Cabinet	Sandra Plummer, Senior Project Manager and Councillor Paul Bell, Cabinet Member for Housing & Planning		
October 2019	<b>Mayow Road Supported Living Service Parts 1 &amp; 2</b>	03/11/21 Mayor and Cabinet	Heather Hughes, Joint Commissioner, Learning Disabilities and Councillor Chris Best, Cabinet Member for Health and Adult Social Care		

**FORWARD PLAN – KEY DECISIONS**

<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>