



AGENDA

MAYOR AND CABINET

Date: WEDNESDAY, 20 SEPTEMBER 2023 at 6.00 pm

**Council Chamber
Civic Suite
London SE6 4RU**

**Enquiries to: Head of Governance and Committee Services
Email: emma.campbellsmith@lewisham.gov.uk**

MEMBERS

Damien Egan	Mayor
Councillor Brenda Dacres	Deputy Mayor and Housing Development and Planning
Councillor Chris Barnham	Children, Young People and Community Safety
Councillor Paul Bell	Health and Adult Social Care
Councillor Andre Bourne	Culture and Leisure (job share)
Councillor Juliet Campbell	Communities, Refugees and Wellbeing
Councillor Sophie Davis	Housing Management and Homelessness
Councillor Amanda De Ryk	Finance and Strategy
Councillor Louise Krupski	Environment and Climate Action
Councillor Kim Powell	Businesses, Jobs and Skills
Councillor James-J Walsh	Culture and Leisure (job share)

Members are summoned to attend this meeting

**Jeremy Chambers
Monitoring Officer
Laurence House
Catford Road
London SE6 4RU
Date: Tuesday, 12 September 2023**

ORDER OF BUSINESS – PART 1 AGENDA

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MINUTES OF THE MAYOR AND CABINET

Wednesday, 19 July 2023 at 6.00 pm

PRESENT: Councillors Brenda Dacres, Chris Barnham, Paul Bell, Andre Bourne, Sophie Davis, Amanda De Ryk, Louise Krupski, Kim Powell and James-J Walsh

ATTENDING ONLINE: Councillor Juliet Campbell

ALSO IN ATTENDANCE: Tom Brown – Executive Director of Community Services, Emma Campbell Smith – Head of Governance and Committee Services, Emma Talbot – Director of Planning

Apologies for absence were received from Mayor Damien Egan

1. Minutes

It was MOVED, SECONDED and RESOLVED that the minutes of the meeting held on 21 June 2023 were agreed and held as an accurate record.

2. Declaration of Interests

Cllr Bell declared a non-pecuniary interest in the Task and Finish Group report on Community Food Growing (Item 3). He is currently on the waiting list for an allotment in Lewisham.

3. Matters Raised by Scrutiny and other Constitutional Bodies

Cllr Shrivastava, Chair of the Safer Stronger Communities Select Committee, introduced a referral on the Public Space Protection Order consultation outcome, setting out a number of concerns and making recommendations to the Mayor & Cabinet.

Cllr Schmidt, Chair of the OSC, had intended to make a presentation on the Workspaces Task and Finish Group (TFG), but he was unable to attend. Cllr Ingleby, former Chair of OSC, spoke briefly in support of the Workspaces TFG report.

Cllr Howard, Chair of the Community Food Growing TFG, outlined the recommendations in the report.

The Cabinet Member for Communities, Refugees and Wellbeing referenced the council's Food Justice Action Plan, which included work to address food inequality and injustice. She welcomed the work of the TFG which expanded on existing work.

It was MOVED, SECONDED and RESOLVED that Mayor and Cabinet:

- 1) Noted the referral from the Safer Stronger Communities Select Committee

- 2) Noted the final reports and recommendations of the Workspaces and Community Food Growing Task and Finish Groups and requested that the relevant Executive Directors prepare responses to come back to Mayor and Cabinet for approval.

4. Loan to Lewisham Plus Credit Union

Having considered an open officer report, it was **MOVED** by Councillor De Ryk, **SECONDED** by Councillor Walsh and **RESOLVED** to approve the loan of £200k to Lewisham Plus Credit Union subject to the merger with Crownsavers Credit Union and to delegate to the Director of Finance the agreement of the final terms of loan agreement.

5. New Procurements for Oracle support and enhancement services

Having considered an open officer report, it was **MOVED** by Councillor De Ryk, **SECONDED** by Councillor Davis and **RESOLVED** to approve procurements for:

1. An Oracle support service (comprising of Human Resources, Finance and Payroll services) starting from 1st August 2024 for a period of 3 years with the option to extend for up to a year at an annual cost of £250k and total cost of £1 million over the contract period.
2. an enhancement contract to deliver new functionality. The contract is expected to start from 1st January 2024 for a period of 3 years with the option to extend for up to a year at an annual cost of £250k and total cost of £1 million over the contract period.
3. Approve the award of contract for both the support service contract and the enhancement contract to the preferred providers, provided the contract value is within authorised limits.
4. Delegate authority to Executive Director for Corporate Resources (in consultation with Director of Law & Corporate Governance and Applications Manager) to select the preferred providers in accordance with the selection and award criteria published in the tender documentation and agreed final form of contracts.
5. Seek approval to use a compliant public body organisation framework (G-Cloud 13) for both procurements.

6. Delegated Authority for use of school premises

Having considered an open officer report, it was **MOVED** by Councillor Barnham, **SECONDED** by Councillor Davis and **RESOLVED**:

1. To note that Governing Bodies of maintained schools in the Borough have responsibility for lettings and use of their premises by third parties outside of school hours

2. To delegate to the Executive Director for Children and Young People the authority to approve the entry by maintained schools into transfer of control agreements during school hours provided that the purpose (or one of the purposes) is to promote community use of school premises and such use does not interfere with the primary activity of the school

7. LUF Lewisham Library Refurbishment Works - Approval to award contract to Lead Consultant Part 1

Having considered open and closed officer reports, Cllr Walsh MOVED, Cllr Krupski SECONDED and it was RESOLVED to approve the appointment of Architecture 00 as the lead consultant to carry out and deliver the refurbishment of Lewisham Library 199 – 201 Lewisham High St, SE13 6LG in accordance with RIBA stages 1-7 at the tendered sum of £570,375 for a period of three years and six months.

8. Update on the 6 Annual Besson Street Business Plan

Item 9 was considered ahead of Item 8.

Having considered open and closed officer reports, Cllr Dacres MOVED, Cllr Davis SECONDED and it was RESOLVED to:

1. Note that the 2023/24 Annual Business Plan will come forward in September 2023.
2. Note the variation to the scale and duration of the predevelopment loan
3. Approve the appointment of Katharine Nidd (to replace David Austin) as a Member Representative on Lewisham Grainger Holdings LLP and Besson Street LLP and as a Director of Besson Street Second Member Limited; and
4. Agree to enter into a Deed of Indemnity with Katharine Nidd in respect of the appointments referred to at recommendation 2.4.

9. Excalibur Phase 4 and 5 updates - Part 1

Having considered open and closed officer reports, Cllr Dacres MOVED, Cllr Davis SECONDED and it was RESOLVED that Mayor and Cabinet:

1. Noted the progress of the Excalibur Estate Regeneration Scheme as set out in this report;
2. Approved the increase in the land assembly budget as set out in the accompanying Part 2 report;
3. Agreed to the Council pursuing the purchase of 18 units from L&Q under the 'Housing Acquisition Programme for Homeless Households' programme within the parameters as set out in the accompanying Part 2 report;
4. Delegated authority to the Executive Director of Corporate Resources in consultation with the Executive Director for Place and Director of Law, Governance and Elections, to negotiate the terms of, and complete the

- purchase of the 18 units from London and Quadrant Housing Association within the parameters as set out in the accompanying Part 2 report; and
5. Approved the lease of properties purchased through the Housing Acquisitions Programme to a housing management agent or council subsidiary, to provide housing management services for the 300 units. Delegate to the Executive Director for Place the authority to approve the issue of such lease.

10. Home Park and Edward Street Development Budget and Programme Update report - THIS ITEM HAS BEEN WITHDRAWN

This item was withdrawn.

11. CIL Governance

Having considered an open officer report, Cllr Dacres MOVED, Cllr De Ryk SECONDED and it was RESOLVED that Mayor and Cabinet:

1. Approves the SCIL Governance procedures which are set out in the report.
2. Approves the allocation of SCIL to three projects, subject to detailed PIDS being submitted in regard to each;
 - Movement of the South Circular - £3,694,782
 - Works at Lewisham Play Tower - £265,600
 - Levelling up Fund (LUF) projects match fund requirement plus funding to enable additional elements to be delivered - £4,000,000
3. Authorise Officers to review the prioritisation process after a year of implementation to ensure and make any necessary changes to the Project Prioritisation Forms.
4. Note the legal and financial implications set out in Section 6 and 7.

The Committee invited Emma Talbot, Director of Planning, to the table. They reported that after 19 years at Lewisham Council, she was leaving. They thanked her for her service and wished her well with her future endeavours.

12. Sustainable Transport and Parking Improvements programme - recommendations for Phase 1

Having considered an open officer report and a presentation from the Cabinet Member, Cllr Krupski MOVED, Cllr Davis SECONDED and it was RESOLVED to:

1. Note the updated Parking Policy, as noted in Section 10.9
2. Note the feedback of the Phase 1 Sustainable Streets public consultation

3. Agree that proposals for a permanent traffic order for new Sustainable Streets zones in Deptford, Honor Oak Park, and Ravensbourne Park be published and that the statutory processes be conducted
4. Agree to implement 'no waiting at any time' junction protection markings (double yellow lines) at junctions of all roads consulted within Phase 1 areas
5. Agree to officers using their delegated powers to make any changes they consider necessary to address any issues raised following a 6-12 month review of the Phase 1 zones
6. Agree to proceed to Phase 2 engagement and consultation in Evelyn
7. Agree to proceed to the review of existing Controlled Parking Zones in Zone B (Lewisham), Zone BHA (Blackheath) and Zone E (Rushey Green West)
8. Agree to the revised engagement and consultation approach for future phases of the Sustainable Streets programme

13. 2023/24 Capital Programme for Highways and Transport - Borough-wide Footway Improvements & Carriageway Resurfacing and Local Implementation Programme

Having considered an open officer report, Cllr Krupski MOVED, Cllr Barnham SECONDED and it was RESOLVED that the Mayor and Cabinet in consultation with the Cabinet Member for Environment and Transport:

1. authorise the implementation of the 2023/24 Local Implementation Plan (LIP) capital programme and the 2023/24 borough wide carriageway footway improvements and carriageway resurfacing capital programme to this report.
2. authorise officers to make permanent the Experimental Traffic Orders for school streets currently in force as listed in this report and due to expire 4th August 2023, 4th October 2023, 21st Feb 2024. Also, that no public Inquiry is required on the basis that there has been significant opportunity for all views to be canvassed during the consultation period, including objections to making the orders permanent.
3. authorise officers to make decisions on road danger reduction schemes using the methodology outlined in this report and this be adopted as policy.
4. authorise officers to make decisions on Electric Vehicle (EV) implementation using the methodology outlined in the Electric Vehicle Infrastructure Implementation Plan 2023 – 2026 and this be adopted as policy.

14. Approval of a 5 year Physical Activity Strategy and implementation plans

Having considered an open officer report, Cllr Bourne MOVED, duly seconded SECONDED and it was RESOLVED to:

1. Adopt the Physical Activity Strategy 2023-2028
2. Note the Lewisham Indoor Built Sports Facilities – Independent Assessment 2021 – 2033

15. Approval of the councils updated Homelessness & Rough Sleeping Strategy 2023-26

Having considered an open officer report, Cllr Davis MOVED, Cllr Barnham SECONDED and it was RESOLVED the strategy set out in the report is approved

16. Cultural Strategy

Having considered an open officer report, Cllr Walsh MOVED, it was duly SECONDED and it was RESOLVED to

1. Note that We are Lewisham – A cultural strategy for Lewisham 2023 – 2028 is a partnership strategy for culture in Lewisham.
2. Adopt the attached strategy document We are Lewisham – A cultural strategy for Lewisham 2023 - 2028

17. Affordable Workspace Strategy

Having considered an open officer report, Cllr Powell MOVED, and duly SECONDED and it was RESOLVED to

1. Approve the Affordable Workspace Strategy and action plan
2. Approve the proposed grant programmes for occupying empty properties and creating more workspace in the borough, including in Council-owned assets, funded by UK Shared Prosperity Fund

18. Medium Term Financial Strategy 2024/25 - 2028/29

Having considered an open officer report, Cllr De Ryk MOVED, Cllr Krupski SECONDED and it was RESOLVED to

1. Note the risks with regards to current year budget reduction measures, the persistent overspends and the uncertainty of future government funding; and the potential for this to impact negatively on the forecast balanced budget position for 2024/25; and
2. Agree the 2024/25 to 2027/28 Medium Term Financial Strategy (MTFS) and outline approach being taken to identify budget reduction proposals required to meet the remaining estimated budget gap of £15m over the next four years

19. Financial Monitoring Period 2

Having considered an open officer report, Cllr De Ryk MOVED, and duly SECONDED and it was RESOLVED to note the current financial forecasts for the year ending 31 March 2024 and that Executive Directors will continue to work on bringing forward action plans to manage down budget pressures within their directorates.

20. Exclusion of Press and Public

All Part 2 reports were considered alongside their open counterparts therefore there was no need to exclude the press and public.

21. Excalibur Phase 4 & 5 update - Part 2

22. Update on the 6 Annual Besson Street Business Plan - Part 2

23. Home Park and Edward Street Development Budget and Programme Update - Part 2 *WITHDRAWN*

24. LUF Lewisham Library Refurbishment Works - Approval to award contract to Lead Consultant - Part 2

Agenda Item 2



Mayor and Cabinet

Declarations of Interest

Date: 20 September 2023

Class: Part 1

Contributors: Head of Governance and Committee Services

Outline and recommendations

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

Declaration of interests

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

1 Personal interests

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

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

2 Disclosable pecuniary interests are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person* for profit or gain
- (b) Sponsorship –payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).

- (c) Undischarged contracts between a relevant person* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member’s knowledge, the Council is landlord and the tenant is a firm in which the relevant person* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:-
 - (a) that body to the member’s knowledge has a place of business or land in the borough; and
 - (b) either
 - (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

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

(3) Other registerable interests

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

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

(4) Non registerable interests

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

(5) Declaration and Impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in consideration of the matter and vote on it unless paragraph (c) below applies.
- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their, family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.
- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

(6) Sensitive information

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

(7) Exempt categories

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

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

Agenda Item 3

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input type="checkbox"/>
Non-Key Decision	<input checked="" type="checkbox"/>

Date of Meeting	20/09/2023	
Title of Report	Response to Workspaces TFG Recommendations	
Author	John Bennett	Ext. 7791

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

Category	Yes	No
Financial Comments	X	
Legal Comments	X	
Cabinet Briefing consideration		X
EMT consideration	X	



Signed:

Cabinet Member for Business, Jobs and Skills

Date: 07/09/2023

Signed:



Executive Director for Place

Date: 07/09/2023



Mayor and Cabinet

Response to recommendations of the Workspaces Task and Finish Group

Date: 20 September 2023

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Executive Director, Place

Outline and recommendations

In July 2023 the Workspaces Task and Finish Group of the Overview and Scrutiny Committee published its report and recommendations to protect and create workspace within the borough. This report is the response to those recommendations from the Executive Director of Place.

Timeline of engagement and decision-making

The Workspaces Task and Finish Group was agreed by Overview and Scrutiny Committee on 21 September 2022.

The scope and key lines of enquiry for the review were agreed on 16 November 2022.

Between November 2022 and June 2023, the group carried out a range of evidence gathering and engagement sessions. The group met on 5 July 2023 to agree its final report and recommendations.

The final report was presented to Mayor and Cabinet on 19 July 2023.

1. Summary

- 1.1. In July 2023 the Workspaces Task and Finish Group (TFG) of the Overview and Scrutiny Committee published its report and recommendations to protect and create workspace within the borough. This report is the response to those recommendations from the Executive Director of Place.

2. Recommendations

- 2.1. Mayor and Cabinet are asked to note the responses provided by the Executive Director of Place to the recommendations of the Workspaces Task and Finish Group.

3. Policy Context

- 3.1. The Council's Corporate Strategy 2022-26 identifies seven corporate priorities which are the driving force behind what Lewisham Council does as an organisation. It sets out a vision for the borough and the priority outcomes that organisations, communities and individuals can work towards to make this vision a reality.
- 3.2. The scope and recommendations of the Workspaces TFG aligns most closely with the corporate priority for a "Strong Local Economy". It also aligns with the Affordable Workspace Strategy and Cultural Strategy, both approved by Mayor and Cabinet in July 2023.

4. Background

- 4.1. The Workspaces Task and Finish Group (TFG) was agreed by Overview and Scrutiny Committee on 21 September 2022. The scope and key lines of enquiry for the review were agreed on 16 November 2022. The purpose of the Workspaces TFG was to explore how the Council can maximise strategic opportunities for inclusive, creative and community workspace in Lewisham, following our year as Borough of Culture, and to ensure that we grow and retain talent within the Borough and attract inward investment.
- 4.2. Between November 2022 and June 2023, the group carried out a range of evidence gathering and engagement sessions. The group met on 5 July 2023 to agree its final report and recommendations.
- 4.3. The final report was presented to Mayor and Cabinet on 19 July 2023. Mayor and Cabinet asked the Executive Director of Place to provide a response to the recommendations.

5. Response to TFG Recommendations

- 5.1. The response from officers to the recommendations of the Workspaces TFG is set out in Appendix A.

6. Financial implications

- 6.1. Responses to the recommendations from the Workspaces TFG need to be managed within existing service budgets and funding. There is no additional funding available to implement any of the recommendations.

7. Legal implications

- 7.1. There are no significant legal implications arising from this report.

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8. Equalities implications

8.1. There are no direct equalities implications arising from this report as this provides a response to the TFG recommendations. However, each of the areas of work that the recommendations relate to is aiming to have a positive equalities impact through, for example, increasing the availability of affordable workspace in the borough.

9. Climate change and environmental implications

9.1. There are no direct climate change or environmental implications arising from this report.

10. Crime and disorder implications

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

11. Health and wellbeing implications

11.1. There are no direct health and wellbeing implications arising from this report.

12. Background papers

12.1. [Workspaces Task and Finish Group Final Report, July 2023](#)

13. Glossary

13.1. [Link to Oxford English Dictionary here.](#)

Term	Definition
Affordable workspace	Workspace which is provided at below market rent
CDI	Creative and Digital Industries
CEZ	Creative Enterprise Zone in Deptford and New Cross

14. Report author(s) and contact

- 14.1. John Bennett, 020 8314 7791, john.bennett1@lewisham.gov.uk
- 14.2. Comments for and on behalf of the Executive Director for Corporate Resources
- 14.3. Shola Ojo, Strategic Business Partner HRPR, Finance, shola.ojo@lewisham.gov.uk
- 14.4. Comments for and on behalf of the Director of Law, Governance and HR
- 14.5. Melanie Dawson, Principal Lawyer – Place, melanie.dawson@lewisham.gov.uk

15. Appendices

15.1. Appendix A – Officer Response to Recommendations

Appendix A – Officer Response to Recommendations

No.	Recommendation	Response
5.1	<p>The Council should review and update its policies to prevent demolition and sale of Council-owned assets that have potential for repurposing with minimal investment. Choosing to repurpose buildings instead of demolishing them would create lasting economic value and promote sustainability.</p>	<p>The ongoing Asset Review (linked to the preparation of the Strategic Asset Management Plan) across the Council's corporate, operational and office estate, seeks to enable better utilisation of the Council's assets, land supply for housing development and to enable service transformation. It also identifies assets where disposal is considered an opportunity to provide a capital receipt for the Capital Programme and reinvestment in core Council objectives.</p> <p>The asset review will ensure efficient and appropriate use which maximises social, economic and monetary value.</p> <p>As part of that, officers undertake an options appraisal to fully explore all possible options for an asset including repurposing buildings or service or commercial use where viable.</p>
5.2	<p>If and when disposing of assets, the Culture and Economy, Jobs and Partnerships teams should be consulted to assess the impact on local jobs and cultural facilities. Cross-directorate coordination is crucial in considering the future of council-owned buildings, with all repurposing options explored before making disposal decisions</p>	<p>The Asset Review Board is made up of representatives from across all Directorates, including the culture and economy, jobs and partnerships teams. All assets subject to review are deliberated and discussed at the board before a recommendation is made to the Regeneration and Capital Board.</p>
5.3	<p>The Council should create more awareness around community groups being able to nominate assets to be considered as 'Assets of Community Value' (ACV). Listed ACVs stay on the Council's list for up to 5 years and offer the nominating community the 'Right to Bid' for the asset when it comes up for sale, ensuring the preservation of valuable assets for the local community.</p>	<p>The process for making an application to nominate an assets of community value alongside what ACV status means is clearly set out on our AVC webpage, https://lewisham.gov.uk/mayorandcouncil/community-support/community-assets</p> <p>The webpage can be found by via google search using a combination of the words <i>Lewisham Council Assets of Community Value</i></p>

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5.4	The Council should review its current approach to asset management to ensure it is strategic and pragmatic. The Overview and Scrutiny Committee should consider having asset management on its agenda for in-depth scrutiny. This would provide valuable insight into the Council's current practices and opportunities for improvement.	Officers are currently working on developing a Strategic Asset Management Plan (SAMP) to be approved by M&C. It will set out how the Council intends to manage its asset portfolio, enabling better decisions to be made around the future use and maintenance of the estate and ensure limited finances are spent in the best way possible.
5.5	The Council should assess its existing underused cultural spaces, such as community centres and libraries, to identify potential areas that can be repurposed as workspaces with appropriate investments.	The Council and partners are continuously looking at how existing assets can be maximised for the benefit of the local community. Recent workspace examples include placing a new Business Centre (BIPC Local) in Catford Library and the use of a former respite centre in Hither Green for affordable workspace on a meanwhile basis (House on the Hill). A structured review of all the spaces within the council's cultural assets would require additional funding which is not currently available. In the meantime, officers will seek to identify opportunities as and when they arise.
5.6	The transformation of Lewisham Library offers the Council a golden opportunity to optimise the provision of affordable workspaces and promote the idea of flexible workspaces. The revamped space could cater to a diverse range of age groups, incorporating flexible workspaces for adults and informal study areas for young people. In light of this, the Task and Finish Group recommends that the Council consider the Group's findings while planning the transformation of Lewisham Library, ensuring the expansion of workspaces to meet the community's needs.	The Levelling Up Fund programme will transform Lewisham Library into a Cultural and Business Hub which will provide a range of facilities and support to local residents and businesses. One key aspect of the transformation will be to create a dedicated business workspace in the library. Early engagement is currently taking place to look at workspace operators in the borough and elsewhere in London. This, along with the Workspace TFG report and the new Affordable Workspace Strategy, will help to shape the specification for the business space which is developed.
5.7	To strategically utilise Council-owned assets, the Council should develop a comprehensive database of potential sites for short-,	There is ongoing work to develop a comprehensive asset database for the council. This will draw together all existing information on the council assets portfolio and update where possible to assist in the above asset review work and support service requirements in the

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	medium- and long-term workspace provision. This database should be compiled through a survey of properties in the borough	short, medium and long-term, including workspace provision.
5.8	The Council should ensure regular updates to its online corporate asset register, providing comprehensive details on the current use of the asset along with the dates for when the information was last updated.	The production of the asset register noted 5.7 above will help ensure the Council's publicly available asset register is kept up to date.
5.9	The Council should develop a clear 'Meanwhile Space Strategy' that promotes and encourages the use of vacant high-street units and pre-development sites for meanwhile use purposes.	The Affordable Workspace Strategy and action plan, approved by Mayor and Cabinet in July 2023, includes a dedicated focus on meanwhile space. This includes vacant high street units and sites which will be brought forward for development, as well as other under-used assets in the borough. The strategy also provides guidance on the minimum requirements from workspace operators for meanwhile spaces such as lease length and size.
5.10	<p>To enhance workspace provision in the borough, the Council's planning department should:</p> <ul style="list-style-type: none"> <input type="checkbox"/> integrate equalities and the Fairer Lewisham Duty into developer guidance during the planning pre-application stage. Additionally, they should actively collaborate with developers to ensure that proposed plans align with the needs of the local community and uphold our corporate priorities around equalities, diversity and inclusion. The Good Developer Engagement Protocol serves as an opportune framework to incorporate these objectives. <input type="checkbox"/> review its use of key developer funding streams- Section 106 and CIL (Community Infrastructure Levy), to understand if these are being used efficiently for 	<p>The Planning Service is currently drafting Good Development Engagement Protocol. This was considered and be influenced by recommendations made by Overview and Scrutiny Committee in July 2023. Equalities will be a key issue for developers to consider and report to the Council as part of the application Statement of Community Involvement document.</p> <p>The Councils Draft Local Plan supports the delivery of affordable workspace. Policy EC4 – this states that developments should provide 10% as low-cost workspace. The policy also resists the loss of low-cost workspace in redevelopment proposals. Where developments provide low-cost workspace this will be secured by S106 agreement.</p> <p>The Council has a robust process and governance structure in place for the allocation and spend of both S106 and CIL which has been agreed by Mayor and Cabinet. The use of S106 and CIL is regularly monitored by the Developer Contributions team, the Economy, Jobs and Partnerships team and the Culture team to ensure these are being used efficiently for delivering affordable workspaces and wider cultural facilities amongst other priorities. For S106, a strategic sums spreadsheet of all S106 sums is distributed bi-annually to all relevant teams to consider how they use the sums collected within the</p>

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	<p>delivering affordable workspaces and wider cultural facilities.</p> <ul style="list-style-type: none"> <input type="checkbox"/> enhance transparency in the Community Infrastructure Levy (CIL) and Section 106 processes to provide reassurance to local stakeholders, including Councillors, that decision making will align with local needs. <input type="checkbox"/> actively encourage developers to utilise Lewisham's Infrastructure Delivery Plan to inform their planning applications. This plan identifies the necessary infrastructure required to support planned growth in the borough and can ensure that proposed developments align with identified infrastructure needs. 	<p>legal definitions of the S106 agreement. Meetings are held regularly between the Developer Contributions team and relevant council departments to discuss upcoming projects and priorities for spend. The Planning Service promotes the Infrastructure Delivery Plan when developers are considering development proposals. This is useful to inform of necessary infrastructure that makes development acceptable.</p> <p>With regard to transparency, the Council publishes an annual Infrastructure Funding Statement (IFS) which outlines all matters relating to S106 and CIL including; total S106 and CIL receipts, sums collected for the financial year, sums allocated and sums spent. All S106 agreement are publicly available connected to approved planning applications. The Developer Contributions team is in the process of reviewing its webpages to ensure that they are fit for purpose. Within this review we are considering how to ensure that the agreed process of agreeing, monitoring, collecting and spending developer contributions is easy for all stakeholders to understand.</p>
5.11	<p>The Council should develop a document that provides a timeline for upcoming new developments in the borough that have planning permissions or the resolutions to grant planning permission. This document should be accessible on the Council's website. This will enable workspace providers to approach developers proactively, fostering early-stage collaborations.</p>	<p>There are existing development update pages on the website. These are updated periodically, and there is significant scope to modernise these pages with better coverage across the borough. This could include interactive mapping.</p>
5.12	<p>The Council should update the SHAPES Lewisham website to correctly display all the workspaces in the borough and look into improving its accessibility. GLA's Cultural Infrastructure Map draws information from SHAPES Lewisham. Having incomplete data on the SHAPES Lewisham website is leading to the GLA's map not showcasing all the</p>	<p>SHAPESLewisham is updated via the workspace providers themselves. Studio Raw are working with the Council to continue to drive membership numbers on the SHAPESLewisham website. This is done so that SHAPESLewisham provides up-to-date information on workspace provision and to reduce the administrative burden on the Council to maintain the information on the SHAPESLewisham website and to give greater autonomy to the local workspace providers. The Lewisham Council website currently points users to the SHAPESLewisham website and so would not need to host its own map. However, action will be taken to increase the prominence of the</p>

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	workspaces that Lewisham has to offer. The Council may also consider the possibility of incorporating a map of workspaces on the Lewisham Council website, akin to the implementation by Brent Council, to provide a user-friendly resource for individuals seeking information on affordable workspaces.	SHAPESLewisham information on the council website.
5.13	The Council should develop an accredited Affordable Workspace Provider List, that developers should consult with for delivering affordable workspaces as part of new developments. The Economy, Jobs and Partnerships team should develop an accreditation framework to assess workspace providers before they can be added on to this list and this framework should recognise and reward workspace providers for various social outcomes.	This recommendation will be enacted by the Economy, Jobs and Partnerships service in Autumn 2023. The application process has been drafted based on feedback from local and regional workspace operator forums. This list will then be updated annually and kept on the Council website. The Accredited Affordable Workspace Provider List will be developed and maintained by the Economy, Jobs and Partnerships service from within existing resources.
5.14	<p>The Council should proactively assess the social value impact of workspaces by conducting meetings or conferences with workspace providers twice a year.</p> <p>These sessions will help us understand the demographics of the residents using our workspaces, demand trends and market challenges/opportunities.</p> <p>Cockpit have done some incredible work on assessing the impact of their spaces on the community showcased in their award-winning annual report “The Cockpit Effect”, making them a valuable choice to lead these</p>	The Economy, Jobs and Partnerships service convenes quarterly meetings of the Lewisham Affordable Workspace Provider Forum. This forum began in 2022 and provides an opportunity for local workspace operators to network and share information with the council. Currently the sharing of information on demographics and trends is ad-hoc. The introduction of the accreditation process will allow the Council to collect this data and use it for the purposes suggested by the TFG.

	meetings / conferences.	
5.15	The Council should explore utilising the Affordable Workspace Forum to enhance the workspace provision in the borough. Additionally, it should consider implementing a business support programme for the forum members to help them thrive as small businesses in the borough.	The Economy, Jobs and Partnerships team is committed to working with the Affordable Workspace Forum to engage on new developments and new workspace opportunities. The new Affordable Workspace Strategy was co-designed with the Forum and the new accreditation process will further cement their role in providing more workspace in the borough. At the next Forum meeting officers will raise the question of business support to assess the interest and needs. Should the forum members require business support, this will be commissioned using UKSPF Local Business Support funding which is available until March 2025.
5.16	The Affordable Workspace Strategy recognises the shortage of rehearsal spaces in Lewisham but providing more of these spaces has been assigned a 'low-medium priority' in the strategy. However, evidence collected by the Task and Finish Group highlights the significant demand for affordable rehearsal spaces. As a result, the Group recommends that the Council take a more proactive role in supporting the provision of these spaces and give it a higher priority	The Strategy has been updated and the recognition of rehearsal spaces has been moved up from low-medium priority to medium. It has not been prioritised higher as whilst demand for rehearsal space is high, as referenced in the TFG report, the economic outputs such as jobs which are created by rehearsal space are lower than through other types of workspace such as offices, maker spaces and creative studios.
5.17	The Council should explore whether it can operate a discretionary business rates relief scheme specifically for affordable workspaces that demonstrate a significant contribution to the upliftment of local community and have a positive social value impact.	The discretionary business rate relief scheme is open to all charities that qualify for the 80% mandatory relief. Workspace providers that are registered charities and demonstrate social value impact will be considered with all applicants for this scheme. Any further discretionary business rate relief schemes would require additional budget to be allocated.
5.18	The Council's Cultural Strategy should acknowledge the fundamental role of creative and co-working spaces in supporting the cultural sector. It should outline the Council's vision	We are Lewisham: Cultural Strategy for Lewisham 2023-2028. Priority 2 of 4 priorities is Creative Places - outcome Cultural and creative places meet the changing needs of Lewisham's communities and creatives. Actions against this priority include; addressing the shortage of creative workspace; protecting existing workspace; creating creative

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	and actions necessary to increase the provision of more such spaces in Lewisham as well as protect and promote existing workspaces.	workspace in public sector buildings through our Creative Lewisham Enterprise Workspace project (UK Shared Prosperity Fund) and the development of a flagship culture and business hub at Lewisham Library (Levelling Up Fund).
5.19	The Council should carry out a review of cultural infrastructure in the borough which would help us identify the key gaps in the provision of creative and coworking spaces in Lewisham. GLA's Cultural Infrastructure Map is a useful tool but has some gaps. The Council should liaise with GLA to ensure that their Cultural Infrastructure Map has up-to-date information about all workspaces and wider cultural facilities in Lewisham.	This work is being carried out between LBL Economic Development and Culture teams. Currently a Goldsmiths MA Student is working on the Cultural Infrastructure Map data sets to highlight the gaps and errors to support robust cultural mapping baseline. The Culture team are in contact with the GLA team responsible.
5.20	The Council should maintain the dialogue initiated by this Task and Finish Group with the Musicians' Union to gather input from South London Musicians regarding potential music hubs and venues. This input will help inform the work of the Cultural Strategy moving forward.	Economy, Jobs and Partnerships will work with the Culture team to continue conversations with the Musicians Union. This will support the development and work of the Creative Enterprise Zone and the Culture Strategy.
5.21	The Council should explore how the Lewisham Strategic Partnership could work together and provide support to improving the provision of affordable workspaces in Lewisham as part of a wider one public estate approach.	The Investment and Opportunity Partnership, one of the working groups of the Lewisham Strategic Partnership, is currently producing an Investment and Opportunity Strategy which will guide economic development in the borough. Workspace, including affordable workspace, will be included in the scope of this strategy.
5.22	The Public Accounts Select Committee should scrutinise the Council's capital programme and investigate whether there are any opportunities for the Council to acquire land and buildings	Not for officers to respond

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	including industrial sites and vacant units in town centres for workspace provision	
5.23	While the Task and Finish Group made a sincere effort, they were unable to address a specific line of enquiry concerning the support required by young people in accessing communal spaces due to time constraints. As a result, the group recommends that the Children and Young People Select Committee thoroughly examine this matter and explore it through their scrutiny process.	Not for officers to respond
5.24	The Council should explore innovative ways of attracting inward investment, including investigating various options such as public-private partnerships or public share offers. These approaches can help deliver the necessary investment, development and services to stimulate economic growth and recovery.	A number of teams at the Council are collaborating on updating the Council's approach to inward investment. This includes updating the Lewisham.London website which was established to showcase investment opportunities across the borough, and a senior level presence at events such as UK Real Investment and Infrastructure Forum and London Real Estate Forum.

Report for: Mayor and Cabinet

Part 1

Part 2

Key Decision

Non-Key Decision

Date of Meeting	20 th September 2023	
Title of Report	Response from the Executive Director for Community Services to the report of the Community Food Growing Task and Finish Group	
Author	Tom Brown	Ext. 48107

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


Category	Yes	No
Financial Comments	x	
Legal Comments	x	
Cabinet Briefing consideration (Cabinet Member consideration only)	x	
EMT consideration	x	



Signed:

Cabinet Member for Communities, Refugees and Wellbeing

Date: 12/09/2023

Signed: 

Executive Director Community Services

Date: 08/09/2023



Mayor and Cabinet

Response from the Executive Director for Community Services to the report of the Community Food Growing Task and Finish Group

Date: 20th September 2023

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Tom Brown, Executive Director for Community Services

Outline and recommendations

In July 2023 the Community Food Growing Task and Finish Group published its report and recommendations.

This report provides a response to those recommendations from the Executive Director of Community Services.

It is recommended that Mayor and Cabinet agrees that the response to the recommendations of the Community Food Growing Task and Finish Group, as set out in this report, is approved.

Timeline of engagement and decision-making

The outline proposal for the Community Food Growing Task and Finish group and its membership was put forward and agreed by the Overview and Scrutiny Committee at its meeting in September 2022.

Evidence gathering and engagement sessions were held between October 2022 and June 2023.

The final report of the Community Food Growing Task and Finish Group was published in July 2023.

1. Summary

The outline proposal for the Community Food Growing Task and Finish Group and its membership was agreed by the Overview and Scrutiny Committee at its meeting in September 2022.

Engagement and evidence gathering took place between October 2022 and June 2023.

The final report of the Community Food Growing Task and Finish Group was published on 4th July 2023.

This report sets out the response to the recommendations made in that report.

2. Recommendation

2.1 It is recommended that Mayor and Cabinet agrees that:

The response to the recommendations of the Community Food Growing Task and Finish Group, as set out in this report, is approved.

3. Policy Context

3.1 This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):

- Cleaner and Greener
- A Strong Local Economy
- Quality Housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

The work of the task and finish group related most closely to the priority for a 'cleaner and greener' Lewisham, which proposes that 'by 2026 we will have planted more street trees, tiny forests and community orchards across our borough'.

3.2 Lewisham's new Local Plan

Lewisham is currently developing a new Local Plan The plan is still in draft form but it is intended that the final plan be adopted in the coming year.

Policy GR6 of the plan (see page8 349) emphasises the importance of community food growing:

'Allotments and community gardens will be protected in order to support sustainable food growing locally and to enhance opportunities for leisure, social interaction and education.'

'Major development proposals for housing and proposals for community facilities are encouraged to include provision of space for community gardening and food growing. Where such existing provision exists and a site is to be

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redeveloped, this should be retained or re-provided.’

3.3 This report also aligns with proposals within the Food Justice Action Plan 2023 related to community food growing:

- Map existing growing spaces, community food growing projects and foraging spaces and identify suitable, unused public spaces that could be utilised for food growing e.g. parks, green spaces, school gardens.
- Ensure food growing activities provide opportunities for people of all ages to become involved.
- Provide support and advice on what and how to grow food at home and in the community.
- Increase the support available for existing community allotments (e.g. admin tasks, maintenance etc.).
- Further decrease the waiting time for Council owned allotments’.

4. Recommendations of the Final report of the Community Food Growing Task and Finish Group

4.1 In reviewing the recommendations from the Task and Finish Group Report it appears that work to implement them could broadly be divided into two areas:

- Work relating to the management and development of council owned allotments, recommendations; 1, 2, 7, 8, 11.
- Work on improving, creating and promoting community growing opportunities, recommendations; 3, 4, 5, 6, 9, 10, 12, 13, 14, 15.

This work sits between the Parks, Sports & Leisure Team and the Public Health Team. There are currently insufficient staff resources within either of these teams to lead the implementation of the recommendations within this report.

It is proposed therefore that a new “Community Food Growing Officer” post be created by re-purposing recurrent funding from the Public Health Grant. Further details about this post can be found in the response to recommendation 14 in the table below.

4.2 The table below sets out the report recommendations and the response from the Executive Director for Community Services.

Officers are happy to meet with the TFG to discuss these responses further.

Plans to implement the responses set out will take place as part of the implementation of the Lewisham Food Justice Action Plan and establishment of the Food Justice Alliance. This will include detailed action planning and monitoring of impact.

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Recommendation	Response
<p>1. Conduct an annual survey of people on the allotments waiting list. This should ensure that those who no longer wish to be on the waiting list (or who wish to update their preferences for allotment sites) are removed or reallocated accordingly.</p>	<p>A new “Community Food Growing Officer” could develop and implement this survey.</p> <p><i>See the response to recommendation 14 for further details.</i></p> <p>Officers recommend that this survey should be carried out at a time of year when allotment activity is relatively low.</p> <p>The Allotments Team can support the annual survey by distributing it to waiting list applicants via the allotment management software.</p> <p>When designing the survey consideration should be given as to how the council could maximise the benefits of collecting this information e.g. to provide intelligence for other council activities or provide an opportunity to consult on issues that this cohort may also have views on.</p> <p>Officers also note that the current policy is that; if allotment applicants wish to change their allotment site preferences this constitutes a new application with a new date, this is to prevent ‘queue-jumping’ ahead of other applicants. Therefore, information on allotment site preferences should not be part of the survey.</p> <p><i>See also the response to recommendation 9.</i></p>
<p>2. Use the demographic information from the annual survey to identify underrepresented groups and consider what options there are for engaging with community groups from those populations.</p>	<p>The Public Health Analytics team can support the analysis of the annual survey results to identify underrepresented groups.</p> <p>The new “Community Food Growing Officer” could use this insight to identify options to engage with community groups from within those underrepresented populations.</p> <p><i>See the response to recommendation 14 for further details.</i></p> <p>Subjective observation suggests Lewisham’s broad range of social groups is represented in</p>

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	<p>allotments but officers recommend key areas for investigation would be:</p> <p>1) Young People</p> <p>2) Accessibility (range of and requirements of disabilities and the potential benefits for access for residents with disabilities)</p> <p>Acceptance of this recommendation should come with the caveat that it relies on the implementation of recommendation 1 and that the data collected via that annual survey includes the information that we need to identify underrepresented groups i.e. a sufficient number of people respond to the survey and provide the demographic information that we ask for.</p> <p><i>See also the response to recommendation 9.</i></p>
<p>3. Create opportunities for residents to become involved in all of the excellent work that is already taking place in the borough: information about allotment open days and community gardening projects looking for volunteers should be provided to those on the waiting list. This could also include links to the work of Lewisham Local and the Good Food Lewisham Network.</p>	<p>Lewisham Local are adding the details of existing community gardenening projects to their new online Lewisham Exchange Directory which will also be linked to the Good Food Lewisham website. A printable version of this directory will also be made available.</p> <p>Residents currently on the allotments waiting list can be signposted to this new web resource to enable them to find opportunities for community gardening in their area.</p> <p>The self-managed allotment sites were recently canvassed for interest in holding open days. Only one of the 27 expressed interest. Concerns centred on health and safety and the limited value of showing people allotments when there is a long waiting list. Public access to allotments will require specific event applications to be processed.</p>
<p>4. Explore the options for updating the website with the latest information about community gardening. This might include an easy-to-view map of the existing</p>	<p>See response to recommendation 3 re: the ongoing work to promote community gardening projects on the new Lewisham Exchange Directory. A link to this new directory can be placed on the <i>Community Gardens</i> page of the Council's website.</p>

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<p>community gardens, allotments, and accessible green spaces in the borough. This should be done in collaboration with Lewisham Local.</p>	<p>The Lewisham Exchange Directory doesn't currently include details of allotments and accessible green spaces. The mapping of these assets can be included in the job description for the new "Community Food Growing Officer" – see recommendation 14 for further details.</p>
<p>5. Review and refresh the guide to community gardening – which links with the objectives in the food justice action plan and builds on the Council's corporate priority to enhance and enlarge green spaces, orchards, and gardens across Lewisham.</p>	<p>Rather than update the current guide to community gardening it may be more prudent to signpost residents to existing external resources that are kept up to date, e.g. Social Farms & Gardens (farmgarden.org.uk). This was formerly the Federation of City Farms and Gardens and was the primary reference source for the Lewisham Guide.</p> <p>The Allotments Team can put a link to this website on the on the <i>Community Gardens</i> page of the Council's website.</p>
<p>6. Start a community garden waiting list. This should run in parallel to the allotments waiting list and would hold a list of spaces on Council land that are available for community gardening. The offer could also be made to housing and other public sector partners to add available spaces to the list. The waiting list could also hold a register of groups that are interested in setting up their own community gardens – so that they can be matched with suitable plots when they become available.</p>	<p>The new "Community Food Growing Officer" should liaise with colleagues at Lewisham Local to ascertain the best method for implementing this recommendation, based on evidence of unmet demand for community gardening opportunities.</p> <p>In terms of opportunities for community gardening space on the 10 direct-managed council allotments; 3 are not suitable due to size, 4 already have established community gardening projects which leaves 3 which could potentially host new community gardening projects.</p> <p>The management agreement between the Council and Self-managed allotment sites was updated some years ago to allow for the encouragement of community groups onto allotment sites. Officers will gauge current usage and interest in further development of this, with existing resources.</p> <p>For other open spaces e.g. verges it is demand-led by residents identifying plots of</p>

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	<p>land of interest which officers then assess for suitability. This method works for the current demand which is approximately two enquiries per year.</p> <p>The Allotment team can share any information on new Community Gardening Projects on council-owned land with the Good Food Lewisham Team at Lewisham Local who could add the details to the new Lewisham Exchange Directory and promote them to their network of Community Food Growers and via their WhatsApp group and newsletters.</p> <p>Work to collate a list of community gardening or food growing opportunities on social housing land and on spaces owned by wider partners, could be undertaken by the new “Community Food Growing Officer”.</p> <p>See the response to recommendations 13 & 14 for further details.</p>
<p>7. Consider the options for resourcing a community gardens management association. This would draw on the example of the successful self-managed allotment association and be tasked with coordination and problem solving in and between community gardening sites. It should also seek to ensure that growing spaces are open to as wide a group of residents as possible, for as much of the year as possible.</p>	<p>The new “Community Food Growing Officer” can scope the options for implementing this recommendation once in post.</p> <p>See the response to recommendation 14 for further details.</p>
<p>8. Continue to split larger allotment plots as they become available – and offer those on larger plots the opportunity to split their plot, rather than relinquish their tenancy if they are finding it difficult to</p>	<p>The policy of splitting allotment plots will continue to be implemented where appropriate and feasible.</p>

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maintain.	
<p>9. Improve data to back-up policy decisions – this should include the annual survey of the waiting list as well as considering the resource implications for surveying existing plot holders in order to identify common issues as well as any gaps in representation from sections of Lewisham’s different communities. Further work should also be done to ascertain the demand for community gardening and growing amongst housing tenants both with and without external/council support.</p>	<p>This recommendation will be partially implemented via the survey of people on the allotments waiting list (see response to recommendation 1).</p> <p>There is already a process for allotment holders to identify and raise issues. This function is served by the Lewisham Self-managed Allotments Association (LSMAA). The LSMAA represents the self-managed sites and provides the forum for sharing views amongst the self-managed sites. Issues are discussed in their meetings and motions can be carried for the LSMAA committee to raise matters with the council.</p> <p>On direct-managed sites plot-holders have direct point of contact with the Green Space Contract Officer.</p> <p>A survey of existing plot holders, to identify gaps in representation can be undertaken in parallel to the survey of people on the allotments waiting list.</p> <p>Work to identify demand for community gardening and growing amongst housing tenants can be undertaken by the new “Community Food Growing Officer”, in collaboration with the Registered Social Landlords in the borough.</p> <p><i>See also the response to recommendation 14.</i></p>

<p>10. Seek to better understand any barriers identified through our improved data gathering – specifically by engaging with groups that are already working with marginalised communities. This work should seek to engage with residents in Lewisham’s social housing – particularly those at risk of isolation.</p>	<p>This recommendation could be implemented by a new “Community Food Growing Officer”.</p>
<p>11. Establish a list of key tasks that need to be done on allotment land. Where there are tasks that could be carried out by volunteers or groups looking for ad-hoc opportunities to support community initiatives, the list could be used to offer opportunities and free up allotment land for use.</p>	<p>This process is currently managed at the site level by Self-managed committees, and by the Green Space Contract Officer on direct sites with regular site-inspections. Long-term overgrown plots are a relatively small scale issue.</p> <p>Health and Safety implications mean that any such task would need to follow an application process.</p> <p>Officers recommend that further scoping work is undertaken to determine the feasibility of implementing this proposal before progressing this initiative.</p>

<p>12. Assess the options for funding. Lewisham offers some funding for permanent improvements to allotment and community garden sites through the greening fund. Thought should be given to providing funding to support community gardening in social housing developments, especially the most-deprived ones, even if on a one-off basis to meet start-up costs.</p>	<p>See response to recommendation 14.</p>
<p>13. Review the options for proactively delivering and supporting community gardening in social housing developments where there is interest, especially in more-deprived estates. This should involve consideration of how large community gardens consisting of multiple growing beds could reduce maintenance costs to offset costs to the council; the wellbeing and community benefits of community</p>	<p>Work to scope the options for delivering support for community gardening in social housing developments could be undertaken by the new “Community Food Growing Officer” in partnership with Lewisham’s Registered Social Landlords.</p> <p>See the response to recommendation 14 for further details.</p>

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gardening; and, if pursued, whether the council, local voluntary group or an external organisation would be the best delivery vehicle.	
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<p>14. Decide whether the implementation of these recommendations requires additional officer resources and/or time to deliver. The potential for a new 'community gardening' post should be explored. This role would co-produce the revised community gardening guidance in collaboration with Lewisham Local and other community and voluntary organisations. This post might also provide administrative assistance for established projects, to give time and space for volunteers and part-time coordinators to dig, plant and grow. This could be in exchange for supporting the Council's corporate priorities, equality, and food justice objectives.</p>	<p>There are insufficient resources within the existing Allotments and Parks Team or Public Health Team to lead the implementation of the recommendations within this report.</p> <p>A new fixed term "Community Food Growing Officer" post can be created by using one-off funding from the Public Health Grant. The job description and employment arrangements for this post should be co-developed by the Public Health Team, Allotments and Parks Team and the Good Food Lewisham Team from Lewisham Local.</p> <p>A key focus of the role would be to support the implementation of recommendations; 1, 2, 3, 4, 5, 6, 9, 10, 12, 13, 15 of the report.</p> <p>The post holder may also be asked, subject to capacity, to support other activity relating to the implementation of the Food Justice Action Plan such as mapping and promoting community cookery projects.</p>
<p>15. Further explore options with schools to support their work. A 'growing network' for schools could help to share ideas, plants and best practice. This might be linked to the role recommended above – depending on priorities, workload and additional resources being available.</p>	<p>This recommendation can be implemented by the Good Food Lewisham Team by building on the connections made at the recent meeting of the Good Food Lewisham Network which focussed on gardening and food growing opportunities taking place in Lewisham Schools.</p> <p>In addition the Public Health Team are also currently co-ordinating an ongoing programme of engagement with specific schools using funding from the London School Superzones programme. One of the local aims of this programme is to improve access to green space for the children, families and staff at the selected schools with the objective to develop food growing space within the school grounds.</p> <p>The Public Health Team are currently working on this objective with Kender Primary School</p>

	<p>(SE14 5JA) and Edmund Waller Primary School (SE14 5LY) as well as continuing to support the previous Lewisham School Superzone project in partnership with Haseltine School.</p> <p>These schools can be asked to share their knowledge and experience with other schools via the new “Growing Network for Schools”.</p>
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6. Financial implications

6.1 The use of one-off public health funding for a fixed term post has been agreed with the Director of Public Health.

7. Legal implications

7.1 There are no significant legal implications of this report.

8. Equalities implications

8.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.2 The Council must, in the exercise of its functions, have due regard to the need to:

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

8.3 There are a number of recommendations (2 and 10) within the final report of the Community Food Growing Task and Finish Group that look to reduce inequality around community food growing. The report recommends the council should; identify groups that are underrepresented in current community food growing activities in Lewisham , learn more about the barriers these groups face to participating in community food growing and consider what options there are for engaging with community groups from those populations.

9. Climate change and environmental implications

9.1 The report acknowledges that increasing access to community gardening within the borough could, in some small ways, support Lewisham's response to the climate emergency. Growing fresh food that is unprocessed – which will travel a minimal distance from harvest to plate will help reduce the carbon footprint of the food consumed by Lewisham's residents.

10. Crime and disorder implications

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

11. Health and wellbeing implications

11.1 There are numerous health and wellbeing benefits associated with the recommendations of this report. Increasing opportunities for community gardening would provide more access to green open spaces which can improve mental health, the activity of gardening has cardiovascular and musculo-skeletal health benefits and improved access to fresh and nutritious food can also increase mental and physical health and wellbeing.

12. Background papers

12.1 *Final report of the Community Food Growing Task and Finish Group, July 2023*

14. Report author(s) and contact

14.1 Tom Brown, Executive Director of Community Services,
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14.2 Yusuf Shaibu, Strategic Business Partner for Community Services, Finance
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14.3 Melanie Dawson, Principal Lawyer – Place,
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Agenda Item 4

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input checked="" type="checkbox"/>
Key Decision	<input checked="" type="checkbox"/>

Date of Meeting	20 September 2023	
Title of Report	Update to 2022/23 Besson Street Business Plan	
Author	Angela Bryan	Ext. 43015

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

Category	Yes	No
Financial Comments	X	
Legal Comments	X	
Cabinet Briefing consideration	X	
EMT consideration	X	

Signed:
Cabinet Member for Housing Development and Planning
Date:



Signed:
Executive Director for PLACE
Date: 11th September 2023

Control Record by Committee Services

Action	Date
Listed on Key Decision Plan	
Date submitted to Legal & Finance	
Date submitted to Cabinet Members for sign off	
Date submitted to Executive Director for sign off	



Mayor and Cabinet

Besson Street: Annual Business Plan Update

Date: 20 September 2023

Key decision: Yes

Class: Part 1

Ward(s) affected: Telegraph Hill

Contributors: Interim Executive Director for Corporate Resources, Interim Executive Director of Place, Director of Law

Outline and recommendations

The Mayor and Cabinet agrees the sixth annual Business Plan for Besson Street attached as **Appendix A** to the Part 2 report: and

Delegates authority to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place, to implement the Besson Street Business Plan once finalised.

Agree to reduce the Council's financial threshold of a 7% IRR so that the scheme can proceed with an IRR of 6% or above.

Agree a revised finance strategy to permit the Council to input up to 50% of the debt funding required during the development phase and to delegate to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place, to vary (if required) the Hold Co agreement to reflect this revised strategy.

Delegate authority to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place, to approve and implement (based upon professional advice) a first buyer, second buyer structure to improve tax efficiency and to vary (if required) the legal agreements to reflect this new structure.

Delegate to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place the further extension/s necessary to the longstop date of the Option Agreement for Besson Street such that the longstop date for exercise of the option and subsequent land transfer is extended to align with the anticipated date for the satisfaction of the Final Viability Test, currently expected to be August 2024.

Timeline of engagement and decision-making

Annual Business plan Interim update report, approved by Mayor and Cabinet, 19 July 2023

1. Summary

- 1.1. As part of the JV Governance, Reporting and Council Oversight arrangements approved by Mayor and Cabinet in December 2017, it was agreed that the Besson Street Business Plan would be updated annually and then presented to Mayor and Cabinet for approval.
- 1.2. This Part 1 report provides information on the sixth annual Besson Street Business Plan, which has been updated to reflect the progress during the current year and notably the second staircase redesign process along with the proposed variation to the financial strategy to seek to deliver a financially viable scheme. The accompanying Part 2 report provides commercially sensitive financial information in relation to the Business Plan.
- 1.3. The main differences between the previous Business Plan and the new Business Plan are set out in section 5 below.

2. Recommendations

- 2.1. It is recommended that Mayor and Cabinet:
- 2.2. Agrees the sixth annual Besson Street Business Plan attached as **Appendix A** to the Part 2 report: and
- 2.3. Delegates authority to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place, to implement the Besson Street Business Plan once finalised.
- 2.4. Agree to reduce the Council's financial threshold of a 7% IRR so that the scheme can proceed with an IRR of 6% or above.
- 2.5. Agree a revised finance strategy to permit the Council to input up to 50% of the debt funding required during the development phase and to delegate authority to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place, to vary (if required) the Hold Co agreement to reflect this revised strategy.
- 2.6. Delegate authority to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place, to approve and implement (based upon professional advice) a first buyer, second buyer structure to improve tax efficiency and to vary (if required) the legal agreements to reflect this new structure.
- 2.7. Delegate to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place the further extension/s necessary to the longstop date of the Option Agreement for Besson Street such that the longstop date for exercise of the option and subsequent land transfer is extended to align with the anticipated date for satisfaction of the Final Viability Test, currently expected to be August 2024.

3. Policy Context

- 3.1. **Policy Context**

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- 3.2. The Council's Corporate Strategy (2022-2026) outlines the Council's vision to deliver for residents over the next four years. Building on Lewisham's historic values of fairness, equality and putting our community at the heart of everything we do, the Council will create deliverable policies underpinned by a desire to promote vibrant communities, champion local diversity and promote social, economic and environmental sustainability. Delivering this strategy includes the following priority outcomes to the provision of quality housing in the borough:
- Tackling the Housing Crisis – deliver more social homes for Lewisham residents, working to provide as many people as possible with safe, comfortable accommodation that they can be proud of and happy living in.
 - Develop a Lewisham Repairs Charter – improving the condition of the borough's housing stock.
 - Support for renters – providing support through further landlord licensing and enforcement of poorly managed homes, holding landlords to account and giving a voice to renter across the borough.
 - Safeguarding our heritage – preserving and restoring our historic buildings and landmarks, ensuring Lewisham's history is preserved and maintained for future generations.
- 3.3. Lewisham's Housing Strategy (2020-2026), includes the following themes that relate to the provision of new affordable homes:
1. Delivering the homes that Lewisham needs.
 2. Preventing homelessness and meeting housing need.
 3. Improving the quality, standard and safety of housing.
 4. Supporting our residents to live safe, independent and active lives.
 5. Strengthening communities and embracing diversity.

4. Background

- 4.1. On 9 December 2015, Mayor and Cabinet agreed that the Council should seek to develop a Build to Rent development on the Besson Street site using a Joint Venture (JV) with an experienced private sector partner, in order to bring in expertise and share risk.
- 4.2. On 13 July 2016 and following an extensive review of the ways in which the Council could both play an active role in the private rented sector and could generate a sustainable income to support service provision, Mayor and Cabinet agreed that officers should start a selection process, to select a partner to form a JV to deliver a Build to Rent housing scheme on Besson Street.
- 4.3. On 6 December 2017 Mayor and Cabinet approved the selection of Grainger plc as the Council's preferred bidder to form a JV to deliver the Besson Street development in the manner previously agreed.
- 4.4. This 50/50 partnership between the Council and Grainger has created a new ethical and socially minded commercial landlord, which will set new standards including:
- Offering tenants, a residency period of at least 10 years, by providing a five-year tenancy with an automatic right to renew.
 - Tenants, however, will have the flexibility to leave at a time of their choosing.
 - Rent increases will be fixed at the time of sign-up, and linked to inflation (CPI), so that tenants can know in advance what rent they will pay in the future.
 - Tenants will deal with their landlord direct. There will be no agents, and therefore no

- fees.
 - Tenants will benefit from a very high standard of housing management and additional services including:
 - 24/7 responsive repairs
 - Pet friendly options
 - The opportunity to customise their home
- 4.5. The structure of the development itself, and the JV landlord that will bring it forward will also create additional social benefits for the Council. The nature of the structure incentivises a patient and long-term return, meaning that there is less pressure on the partnership to generate an up-front return. The Council is effectively investing rather than selling its land, and this again reduces the imperative to drive up-front receipts. The net effect of this arrangement, in the case of Besson Street, enables:
- A model where homes are rented rather than sold, and owned by the company that develops them, creating an inherent incentive to build high quality new homes and to maintain them effectively.
 - The provision of 35% affordable housing to be delivered as the London Living Rent product aimed at low-to-median earning Lewisham households.
 - Genuine tenure-blind development, with all homes built to the same standard, all tenants having the same service offer regardless of tenure, full pepper-potting across the development and an equal distribution of living and full market rents across all unit sizes.
 - A new and fully fitted out GP surgery and health centre for New Cross. This is in keeping with the original ethos of the scheme, as a healthy living development.
 - A stable, long term and inflation linked income to the Council; and
 - A continuing 50% ownership by Lewisham Council of the site and the development.
- 4.6. In December 2017, Mayor and Cabinet agreed the Heads of Terms that had been negotiated with Grainger through the partner selection process and agreed that the Council could enter into a JV with Grainger on those terms.
- 4.7. In March 2018 Mayor and Cabinet agreed the final terms of the agreement to form the JV with Grainger and approved the Officers' Mandate and Governance Guide and Indemnities required to establish the JV Company.
- 4.8. At the Mayor and Cabinet in March 2018, authority was delegated to the Executive Directors of Resources and Regeneration to agree the first annual Besson Street Business Plan, which was agreed on 10 September 2018.
- 4.9. The JV agreement was then formally signed in November 2018, and since then, the partnership has been working to design the Besson Street development based on the agreed vision of the site.
- 4.1. At the Mayor and Cabinet in June 2019 the draft second annual Besson Street Business Plan was approved.
- 4.2. At the Mayor and Cabinet meeting of the 9 July 2020 the third annual Besson Street Business Plan was approved.
- 4.3. The planning application for the Besson Street development was submitted by the Besson Street LLP on 13 November 2019 and was validated on 4 December 2019. The Planning Committee granted planning permission on 30 July 2020 for the following development:
- 324 residential units (35% affordable at London Living Rent level) in six blocks (Block A1– D), ranging in height between three and twelve storeys

- 550sqm dedicated resident amenity space, with direct access to a roof terrace
 - 690sqm GP surgery
 - 120sqm pharmacy
 - 122sqm community centre
 - 100sqm flexible commercial space
- 4.4. The original planning application was approved by the strategic planning committee on 30 July 2020.
 - 4.5. The application was returned for consideration at the Strategic Planning committee 15th December 2021, following an application stage design review panel review and an independent Noise Survey being undertaken in relation to the adjacent Music Room. The committee resolved to grant permission subject to planning conditions and conclusion of a S106 legal agreement.
 - 4.6. The application was referred to the GLA for a Stage 2 response, which raised no objections to the proposals, or the draft S106.
 - 4.7. The S106 legal agreement was finalised on the 12 January 2022, and full planning approval was achieved on the 28 January 2022.
 - 4.8. Following the successful achievement of the Initial Viability test, the project entered the Final Viability stage in accordance with the current year's agreed business plan.
 - 4.9. The Executive Director for Corporate Resources and Executive Director for Housing, Regeneration and Environment approved the land transfer to the JV in March 2022, in accordance with the current Business Plan as agreed by the 14 July 2021 Mayor and Cabinet.
 - 4.10. The 'Initial Viability Test' was confirmed as satisfied in June 2022 and the relevant notices served, however the transfer of the land into the ownership of the JV has not yet occurred. The members agreed on 18th October 2022 to postpone the transfer of the land into the JV's ownership until there is greater clarity on the start on site date.
 - 4.11. As a result of the above the longstop date for drawing down the land value was extended to 6th November 2023.
 - 4.12. A decision was made to continue to work on the stage 4 design before commencing the procurement process for the contractor rather than procure at end of stage 3. This decision was made due to the unprecedented rise in inflation and seeking to de-risk the scheme whilst waiting for the market to settle. However, market uncertainty has been further compounded by the potential changes in building regulations and the potential need to include a second staircase in residential dwellings.
 - 4.13. The Loan Agreement for Grainger plc (GPlc.) to provide funding to the JV for the Final Viability Test Phase (detailed design and main contractor procurement) is in place.
 - 4.14. This provides funding for detailed design and main contractor procurement along with the refinancing of all other costs incurred to date. The current loan agreement expired on 30th June 2023.
 - 4.15. Given the delays to the commencement for the procurement of the main contractor, the current scheme viability and the added uncertainty of the second staircase redesign there was a requirement to extend the term of the loan agreement.
 - 4.16. 19 July Mayor and Cabinet approved the extension of the loan agreement to 31 October 2023 and to increase the loan sum.
 - 4.17. 19 July Mayor and Cabinet also approved the appointment of Katharine Nidd (to replace David Austin) as a Member Representative on Lewisham Grainger Holdings

LLP and Besson Street LLP and as a Director of Besson Street Second Member Limited and agreed to enter into a Deed of Indemnity with Katharine Nidd in respect of the appointments.

5. Key updates in the Sixth annual Besson Street Business Plan

- 5.1. The sixth annual Business Plan is attached as Appendix A to the Part 2 report. This is an updated version of the previous Besson Street Business Plan that was agreed by Mayor and Cabinet in July 2022.
- 5.2. The Besson Street Business Plan defines the activities of the JV in relation to the Besson Street site. It sets out:
 - The Vision and Red Line Requirements for Besson Street.
 - The Development Management Approach, including key appointees, project board members, programme dates, key design objectives, unit mix, planning strategies and the construction and delivery approach.
 - The Asset and Operational Management Approach, including the community and place making approach and the stabilised operating expenditure aims.
 - The Housing Management Approach, including the product offer and the creation of the Besson Street resident's charter.
 - The Stakeholder and Community Engagement Approach.
 - The Financial Summary, including the minimum financial requirements, the management fees and transfer land value calculation model, funding assumptions, details of future investment, cost predictions based on an increased scheme density, and details of how each partner will obtain approvals from within their own organisations.
 - The Risk Management Strategy; and
 - Agreed Key Performance Indicators.
- 5.3. The second annual Business Plan expanded and provided additional detail to all of the above elements, informed by the ongoing design process, although the essential approaches set out Business Plan remained the same.
- 5.4. The third Business Plan was updated in light of the submission of the planning application, the key milestones in the period post planning approval, and recent COVID 19 issues.
- 5.5. The fourth annual Business Plan was updated to reflect the delayed submission of the planning application and revised the key milestones for the period post planning approval concluding the pre-development phase, which also concluded with the Initial Viability Test being achieved, which triggered the potential transfer of the land from the Council to the JV and the start of the Final Viability Phase.
- 5.6. The fifth annual Business Plan concluded that the Final Viability Test had been achieved provided that the Council's Red Lines have been met with the exception of the minimum internal rate of return (IRR) which must be equal to or greater than 6% instead of the 7% as set out in the Joint Venture Agreement.
- 5.7. The fifth annual business plan also approved the replacement of Katharine Nidd by Patrick Dubeck as a Member Representative on Lewisham Grainger Holdings LLP and Besson Street LLP and as a Director of Besson Street Second Member Limited and agreed to enter into a Deed of Indemnity with Patrick Dubeck in respect of the appointments.
- 5.8. The sixth annual Business Plan updates are summarised below:
The Procurement Strategy
- 5.9. The following main contractors were shortlisted following a competitive PQQ (Superseded by the SSQ (Standard Selection Questionnaire)) process in Q3 2022

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(based on the previous two-stage procurement strategy):

- McLaren
- Sisk
- Vistry
- Higgins
- Bouygues.

The RIBA Stage 4a design work is now complete, and the revised strategy will propose to procure a main contractor on a single stage basis. A single stage procurement process is the most reasonable tendering strategy going forward, which will save time and reduce risk by agreeing to a construction price with a selected contractor.

- 5.10. The current programme assumption is that main contractor procurement will commence in January 2024 (upon the assumed completion of any second staircase related redesign), with selection of a preferred main contractor in June 2024.
- 5.11. The SSQ shortlisted contractors will need to be reassessed in time to reconfirm their suitability and interest.
- 5.12. The Procurement Strategy will also be reviewed by the Development Manager on an ongoing basis and updated by Gardiner & Theobald as appointed Quantity Surveyor prior to approval of the procurement route and programme.
- 5.13. There are no changes to the procurement principals, as detailed in previous reports.

Amendments to Planning Consents

- 5.14. Due to the changes required as a result of the second staircase related redesign, a planning amendment application will need to be submitted within the next reporting period to reflect the changes to the design since the original planning consent was granted.
- 5.15. The Department for Levelling Up Housing and Communities, have indicated that the transitional period for this change will be short, stating it “encourage[s] all developments to prepare for this change now.”
- 5.16. A pre-application meeting was held with the planning department on 11th May 2023 during which the Case Officer indicated that the extent of the changes made are within the scope of a Non-Material Amendment (NMA) application, so will limit further delays to the planning approval process.
- 5.17. However, the submission of the NMA application will need to be delayed until any required redesign to incorporate a second staircase into impacted buildings has been made. This development has four of the five residential buildings which are over 18m and one which is over 30m in height, so this will have a significant impact on both cost and redesign.
- 5.18. The government consultation period initially ran until 17th March 2023 with guidance expected in October of 2023. However, it remains uncertain as to the exact date that the revised Approved Document B will be issued and the timeline in which these regulatory changes will take effect.
- 5.19. As a result of the above members agreed at the Members’ Meeting on 14th June 2023 to pause further progress on the project between July 2023 and October 2023 (whilst confirmation of the outcome of the Government’s second staircase consultation progresses).
- 5.20. The extended time would allow the time to explore changes that could be made to the development to enable the Viability Tests to be met.

Section 106 Agreement

Affordable Housing

- 5.21. The S106 Agreement permits the London Living Rents (LLR) rents to increase for the duration of the tenancy in line with CPI + 1% up to the stated rent caps, the financial model assumes indexing of the affordable rent caps to enable rental growth at 3% per annum. This change will require agreement with planning and the GLA and an amendment to the S106 agreement, however, this change will aid the overall viability of the development.

LLP Structure Change

- 5.22. To enable the scheme to improve its viability, Members are considering a change in the structure of the LLP. The changes may enable tax efficiencies to be achieved subject to further professional advice.
- 5.23. The current LLP structure (which was originally established for corporation tax reasons) does not currently incorporate a first buyer, second buyer structure which subject to further tax advice may have advantages in terms of recoverability on VAT on professional fees and other costs.
- 5.24. This Business Plan seeks approval to amend the financing structure and make the required changes to the relevant legal agreements to allow for this change if approved by Members. Further details on the financial implications are provided in the Part 2 report.

Council Viability Test Requirements

- 5.25. The fifth annual business plan confirmed approval for the Initial Viability Test. LBL's Viability Test Requirement of "a minimum anticipated level of return generating a 7% Project IRR over a 10-year investment period" is being reduced and approval is being sought by Members so that the Council can proceed within an IRR tolerance of 6% or above for the purposes of the Initial Viability Test.
- 5.26. As a result of the above the Initial Viability Test was confirmed as satisfied on 30th June 2022. Under normal circumstances this milestone would have triggered the transfer of the land to the JV. However, a decision was made by Members on 18th October 2022 to postpone the transfer of the land into the JV. The parties subsequently agreed an extension to the Option Agreement on 28th October 2022 extending the longstop date for the exercise of the option and subsequent transfer of the land until 6th November 2023. It is proposed that the land transfer is now aligned with the successful completion of the Final Viability Test and Mayor and Cabinet are therefore asked to delegate to the Interim Executive Director of Corporate Resources, in consultation with the Interim Executive Director of Place, the further extension/s necessary to the longstop date to enable this. The Business Plan for 2023/24 expects this to be August 2024.
- 5.27. The 2022-23 business plan committed to reviewing the inputs to the financial model throughout the final viability phase and to work with members to improve the viability test metrics.
- 5.28. Currently, neither the Council nor Grainger's viability tests are being met.
- 5.29. The sixth annual business plan now requires a further extension to August 2024 for the land transfer in line with the anticipated start on site date and the conclusion of the final viability test. This will provide more time for members to determine an appropriate financial strategy, i.e. exploring opportunities to achieve the required cost savings and or value increases to bring forward a viable scheme and meet the viability test metrics.
- 5.30. A number of options will be explored including the use of grant funding further value

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engineering and an option for the Council to provide development finance into the scheme. Further details of these options are contained in the Part 2 report.

- 5.31. Members will work in the following months to evaluate the opportunities described above to achieve the JV's acceptable terms and overall viability prior to commencing further work on the scheme. Upon determining a path forward within the JV's acceptable terms (and in line with the approvals provided by Mayor and Cabinet as set out in this report), the JV will then seek approval from its Members to proceed with tendering and subsequently the Final Viability Test.
- 5.32. The Final Viability Assessment Phase will end when, the Financial Model shows that the Viability Tests (to the extent not waived by either the Council or Grainger) are satisfied.
- 5.33. It is important that the council do not miss the opportunity to secure such an important development for the area, providing much needed housing, along with the re-provision of the existing GP surgery on Queens Road along with a pharmacy community facility and an improved public realm.

The Programme

- 5.34. The Programme for the previous Business Plans, compared to the current programme is set out below:

Milestones	1 st Business Plan	2 nd Business Plan	3 rd Business Plan	4 th Business Plan	5 th Business Plan (Current)	6 th Business Plan (New)
Enter into JV legal agreements. Formation of LLP	March 2018	November 2018	N/A	N/A	N/A	N/A
Appoint Consultant Team	March 2018	December 2018	N/A	N/A	N/A	N/A
Commence Planning Design Work	March 2018	December 2018	N/A	N/A	N/A	N/A
Consultation, Engagement and Design	April 2019 – October 2019	January 2019 – July 2019	January 2019 – November 2019	N/A	N/A	N/A
Planning Submission	Autumn 2018	Summer 2019	Winter 2019	N/A	N/A	N/A
Detailed Planning Consent	Winter 2019	Spring 2020	Autumn 2020	Summer 2021	Winter 2022	N/A
Start on Site	Winter 2019	Spring 2021	Spring 2021	Autumn 2022	Spring 2023	Summer 2024
Practical Completion	Winter 2021	Spring 2023	Spring 2024	Autumn 2025	Spring 2025	Spring 2027

The Financial Summary

- 5.35. The financial summary section of the Business Plan has been updated based on the additional costs of the redesign of the second staircase for the block that is over 30 meters. A sensitivity has also been carried out if the blocks over 18 meters also require a second staircase, along with the revised financial strategy to support a viable scheme.
- 5.36. Further details on the financial strategy are contained in the Part 2 report.

6. Financial implications

- 6.1. The Council will be required to inject equity into the JV to ensure its 50:50 ownership is retained. This equity will take the form of both the land and cash. The Council agreed to transfer the land into the JV following the achievement of the initial viability test in March 2022, however the land transfer is now proposed to be delayed to August 2024 which is the current target for satisfying the final viability test.
- 6.2. Given current challenges with inflation and borrowing costs the JV is looking for alternative funding arrangements. The proposal now is that each partner of the JV funds 50% of the development phase cost via loan agreements.
- 6.3. Further financial implications are referred to in the Part 2 report.

7. Legal implications

- 7.1. In relation to the proposal that the Council inputs up to 50% of the debt funding required during the development phase, it is important that this loan is made to the JV at a proper commercial rate to satisfy subsidy control requirements.

8. Equalities implications

- 8.1. This development will provide increase the number of social rent homes in the borough to enable more households on low incomes to access secure and safe accommodation, which will have positive equalities implications.
- 8.2. It should be noted that the Council is committed to ensuring developments are inclusive and feature accessible and adaptable homes that would meet the needs of our residents throughout their life.

9. Background papers

- 9.1. Besson Street: Annual Business Plan Update, Approved by Mayor and Cabinet 6 July 2022:
[Besson Street Annual Business Plan Update Part 1.pdf](#)

10. Report author and contact

- 10.1. Angela Bryan – Strategic Development Officer
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11. Comments for and on behalf of the Executive Director for Housing, Regeneration and Public Realm

- 11.1. Sandra Gray – Principal Account
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12. Comments for and on behalf of the Director of Law, Governance and HR

- 12.1. Melanie Dawson – Principal Lawyer
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Agenda Item 5

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input checked="" type="checkbox"/>
Key Decision	<input type="checkbox"/>

Date of Meeting	20.09.23	
Title of Report	Home Park & Edward Street Developments	
Author	Patrick Dubeck	Ext. 47279

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

Category	Yes	No
Financial Comments	X	
Legal Comments	X	
Cabinet Briefing consideration	X	
EMT consideration	X	



Signed:
Cabinet Member for Housing Development and Planning
Date: 12th September 2023



Signed:
Executive Director of PLACE
Date: 12th September 2023

Control Record by Committee Services

Action	Date
Listed on Key Decision Plan	
Date submitted to Legal & Finance	
Date submitted to Cabinet Members for sign off	
Date submitted to Executive Director for sign off	



Mayor and Cabinet

Home Park and Edward Street Developments.

Date: 19th July 2023

Key decision: Yes

Two-part report:

Part 1: Summary, Recommendations, Background, Risk and Disposal Options

Ward(s) affected: Deptford and Bellingham

Outline and recommendations

1. Mayor and Cabinet are asked to note:
 - a) The background to this contract with a total scheme cost of £34m to invest in modular homes on the Home Park and Edward Street sites, split £13.5m and £20.5m respectively with the delivery of the development tasked to Lewisham Homes.
 - b) The intended outcome to bring forward 31 social homes on the Home Park site within the HRA and 34 social/temporary accommodation homes on the Edward Street site within the General Fund.
 - c) That the appointed contractor, very late in the offsite construction and site preparation phases, has gone into administration leaving the commissioned units incomplete and not meeting the contracted specifications.
 - d) Following the company's collapse into administration, the extensive work undertaken to explore options for continuing the schemes or mitigating the loss the Council from aborting them.
2. Mayor and Cabinet are asked to approve the recommendation for Officers to progress Option 1 as set out in this report with the commercially sensitive and confidential aspects covered in the part 2 report on the agenda.
3. Mayor and Cabinet are also asked to approve the delegation to the interim Executive Director for Place, in consultation with the Monitoring Officer and s151 Officer, to work with Lewisham Homes to implement Option 1.

Timeline of engagement and decision-making

Mayor and Cabinet, 11 July 2018 - New Homes Programme

Mayor and Cabinet, 10 October 2018 - PMH Programme Update & Procurement Strategy

Mayor and Cabinet, 15 January 2020 - Building for Lewisham Programme

Mayor and Cabinet, 11 March 2020 – Precision Manufactured Homes Programme Procurement Part 2

Mayor and Cabinet, 8 July 2020 - Building for Lewisham Update

Mayor and Cabinet 6 July 2022 – Edward Street and Home Park Update report

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1. Summary

- 1.1 Following the launch of the Building for Lewisham (BfL) programme in January 2020 and building on the previous New Homes Programme, Lewisham Homes were the Council's direct delivery partner building new Council homes.
- 1.2 It should be noted since March 2023 this programme is now being delivered in house through the Council direct delivery team.
- 1.3 The BfL programme adopted a mixture of construction methods to deliver the new homes. Most of the programme being delivered through traditional building methods, however following the success of the PLACE Ladywell project, two projects in the programme were identified to be delivered through modern methods of construction (MMC), namely homes being built in a factory and then transported and assembled on site. The projects are at Home Park in Lower Sydenham and Edward Street in Deptford.
- 1.4 Following a competitive process, Caledonian Modular Ltd (CML) were selected as the main contractor for both projects.
- 1.5 Lewisham Homes entered contract with CML in August 2020 for a contract value across both sites of circa £25m. Work commenced on building the modules in the CML factory as well as works on the individual sites to prepare them for the delivery and ultimate assembling of the modules.
- 1.6 In March 2022, the Council were informed that CML had entered administration. Remaining amounts across both projects totalled circa £10m remaining.
- 1.7 Lewisham Homes own and have vesting certificates for the partially completed homes. These are currently being stored offsite.
- 1.8 Since then, officers have been reviewing options for these projects and this report sets out the options considered, risk and financial implications.
- 1.9 Following CML insolvency and the integration of Lewisham Homes development team into the Council it has been agreed that the ongoing management, oversight, decisions required, and risk should be managed by the Council as shareholder of Lewisham Homes.
- 1.10 It should also be noted that any cost recovery through ongoing legal claims and potential disposal of assets with any value obtained is paid directly to Lewisham Homes to offset any ascertained losses.
- 1.11 Following analysis of the options available the recommendations support that they are removed from the capital programme and priority is given to cost recovery through all routes available.
- 1.13 Following contractor insolvency Lewisham Homes secured the sites, completed the relevant legal notices and began activation of the performance bond within the contract.
- 1.14 The performance bond being a surety bond and mechanism contractually for the employer to recoup fixed costs for non-completion of the contract. This sum is capped at 10% of construction cost across both projects therefore will not cover majority of spend to date.

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Options for the partially completed homes outlined within this report:

- i) Disposing of the modular homes for best value, assessing other options for the two sites and focusing on cost recovery.
- ii) Completing the works with newly owned company JRL Group
- iii) Completing the works through competitive market tender

We will outline within this report the risk attached to each option above and therefore our recommendation for members on both sites.

2. Recommendations

2.1 Mayor and Cabinet are asked to note:

- i) The background to this contract with a total scheme cost of £34m to invest in modular homes on the Home Park and Edward Street sites, split £13.5m and £20.5m respectively with the delivery of the development tasked to Lewisham Homes.
- ii) The intended outcome to bring forward 31 social homes on the Home Park site within the HRA and 34 social/temporary accommodation homes on the Edward Street site within the General Fund.
- iii) That the appointed contractor, very late in the offsite construction and site preparation phases, has gone into administration leaving the commissioned units incomplete and not meeting the contracted specifications.
- iv) Following the company's collapse into administration, the extensive work undertaken to explore options for continuing the schemes or mitigating the loss the Council from aborting them.

2.2 Mayor and Cabinet are asked to approve the recommendation for Officers to progress Option 1 as set out in this report with the commercially sensitive and confidential aspects covered in the part 2 report on the agenda.

2.3 Mayor and Cabinet are also asked to approve the delegation to the interim Executive Director for Place, in consultation with the Monitoring Officer and s151 Officer, to work with Lewisham Homes to implement Option 1.

3. Background

3.1 Actions and negotiations since administration

3.1.1 It should be noted that contractor insolvency is impacting all organisations across the sector and as an example, recent government statistics show there were over 2,000 company insolvencies in March 2023 – a 16% rise on the same month in 2022. This data also shows construction as the hardest-hit sector for company insolvencies in the UK this can be down to several reasons including high inflation and interest rates.

3.1.2 We have also seen a rise in negative attention within the press impacting the modular

homes construction. Ilke Homes closing operations, Legal and General significantly reducing activities and some Caledonian Modular completed developments being highlighted in press due to quality issues. These issues are wide and far reaching with ramifications impacting several organisations across the sector.

- 3.1.3 This sharp rise in insolvencies is down to many factors which include long term effects of the pandemic, the Russian/Ukraine conflict, overall inflation, and the increase in energy prices.
- 3.1.4 The schemes at Home Park and Edward Street are Precision Manufactured Homes (PMH). These are homes that are built offsite in a factory and then delivered to the site for assembling and final fix of services. PMH is considered a form of Modern Methods of Construction (MMC).
- 3.1.5 The Council has been at the forefront of PMH homes in the sector having delivered the award-winning PLACE Ladywell building in 2016. The building provides 24 x two-bedroom temporary homes and commercial space.

The schemes at Home Park and Edward Street were identified as part of the Council's legacy of providing good quality PMH homes. Whilst the Council has experience in providing PMH homes, the use of PMH to deliver affordable housing is still relatively new within the sector.

- 3.1.6 Modular construction comes with many efficiencies coupled with a degree of risk. Some of these include speed of delivery, energy efficient homes, safety during construction and quality management. However, this method of construction does carry risks and these risks have been seen and experienced by many developers in both the public and private sector over many years.
- 3.1.7 The main risk attached to this form of construction is contractor insolvency during construction which we have seen across both sites. When this does happen, it can be very difficult for Clients to secure the product and continue to delivery. This coupled with a rise in build costs not seen in some decades makes delivery challenging.
- 3.1.8 Early in the contract there had been some unexpected delays and costs to both schemes which resulted in delays to the programmes. Officers were preparing to present a report to Mayor and Cabinet in March 2022 referencing these when we were informed that CML had entered administration.
- 3.1.9 The report was withdrawn whilst officers considered the impact of the administration and explored the options for the future of the projects.
- 3.1.10 Following CML administration, Lewisham Homes acted quickly to secure the sites and the homes and undertook several activities – including, completing the necessary cable diversions and undertaking temporary drainage works on Home Park, instructing a full condition survey of the modules for both sites, adapting hoardings to allow for temporary traffic management equipment to be removed and ensuring that both sites were set up with remote security monitoring.
- 3.1.11 The project team also identified that a component of the construction did not comply with our own employer requirements specification. This issue related to the vapour control layer “VCL”. A VCL is a component mainly designed to protect the property from condensation, mould, and damp. The products used were A2 rated however within our specification we require A1 rated.

3.1.12 Therefore, if the properties were built to completion remediation would have been required. The cost of this remediation is included within our cost estimates to date. If these homes are ultimately disposed of, any value reduction due to the VCL specification will be part of a claim to the Caledonian Modular professional indemnity policy. This is being managed by the commissioned legal advisors for the scheme.

3.1.13 On 1 April 2022, the JRL Group purchased the assets of CML but not the business. This created a 'phoenix company' which is known as JRL Caledonian. These assets do not include the completed modules which are owned by Lewisham Homes/Council.

3.2 JRL Negotiation

3.2.1 Given the investment to date the focus and priority of the project team has always been to complete remaining works and deliver the housing planned for both sites. Therefore, work was undertaken by JRL Ltd to provide a costed PCSA scope for both sites, to include module remediation and design works. This was followed by a main works contract cost for the installation of modules on site and completion of the onsite works. Neither the PCSA nor the contract was entered into due to higher-than-expected cost estimates and tender prices received.

3.2.2 Simultaneously to JRL providing cost estimates our appointed QS team at Arcadis provided independent cost advice on their own assessment of costs to complete

3.2.3 The works cost tenders and estimations provided by both JRL and Arcadis heavily exceed the amounts remaining within the Caledonian modular contracts by significant sums and therefore create an unviable position on both sites.

3.2.4 In summary both development options will require a c30m additional investment to deliver these sites in the current form with the usual development risk.

3.2.5 Therefore, exit and delivery options have been considered across both sites.

3.3 Disparity between remaining contract sum and estimated cost to complete:

3.3.1 Lewisham Homes entered contract with Caledonian Modular mid-2020. Since this time, we have seen unusual and significant industry events which have impacted a rise in build costs across the sector. Rising works costs comprise of general inflation, labour costs and materials all increasing at a higher rate than experienced in decades. The rise in build costs is a significant factor influencing the high works costs estimated and tenders received by JRL and Arcadis.

3.3.2 **Due to the estimates received to complete the works the following three options have been reviewed:**

- i) **Option 1:** Do not proceed with works. Abort project in current form with costs. Establish a new use for the site and maximise cost recovery.
- ii) **Option 2:** Carry out remaining works on site. Continue to negotiate with JRL at an indicative cost identified.
- iii) **Option 3:** Carry out remaining works on site. Procure and carry out remaining works with a suitable contractor yet to be identified.

3.3.3 All the above options will carry political, economic, social, legal and environmental risk.

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- 3.3.4 Priority will be to deliver best economic and social value for the council and residents.
- 3.3.5 Summaries and financial details of each option will be contained in part 2 of this report.

Option 1 – Do not proceed with works. Abort project in current form with costs, as per costs identified within Part 2 report

Mitigation and cost recovery

Performance Bond: Claim underway

PI insurance claim: Lewisham Homes' legal team have advised that Lewisham Homes have a potential PI claim due to specification breach on both sites. We are yet to establish an indicative amount with the legal team for this at present and will also be dependent on future use of the pods.

Value of pods in current form. We have instructed JLL to carry out a valuation of both the existing use value, demand in market and land value and option analysis. This piece of work is expected July 2023 and will inform our next disposal options.

GLA grant on Home Park has been repaid.

GLA grant on Edward Street to be repaid if decision taken not to proceed.

Option 2 – Proceed with works on site. Continue to negotiate with JRL, as per costs identified within Part 2 report

Option 3 – Proceed with works on site. Establish procurement process for preferred contractor, as per costs identified within Part 2 Report.

3.4 Risk

- 3.4.1 **Financial impact** – All three options carry significant financial risk. If the Council were to decide to abort the current scheme through option 1, it must maximise its potential returns through insurance claims and potential disposal of the units and land value obtained.
- 3.4.2 **New contractor premium:** If the Council were to decide to pursue delivery through option 2 or 3 and carry out the works, the work on both sites will come at a premium and will impact the viability of both schemes. The perceived risk that an incoming contractor will need to accept will influence cost. This has been evidenced in both Arcadis' independent cost estimate and the JRL contractor price estimate.
- 3.4.3 **Programme** – the selection and appointment of a new contractor plus the works on site and the remedial work to the modules will undoubtedly result in programme delay. If the Council were to decide to re-procure the sites within the market, it would have no guarantee of an active market at the likely point of procurement.
- 3.4.4 **Rising works costs:** Impact of inflation, labour, materials and uncertain market – it is difficult to predict how the cost to complete works will be affected by construction inflation given the levels of market uncertainty – however cost advice from Arcadis has indicated

a likely significant premium, higher the value of the previous works contract with Caledonian Modular.

3.5 Storage and security costs for modular homes

- 3.5.1 Since the pausing of negotiation with JRL they have advised storage costs will now be payable from March 2023 and up until present.
- 3.5.2 JRL have advised of these costs and there are identified within Part 2 of this report. These costs relate to site security and storage. To transfer these units to another site would require significant space and capability to store such a significant number of modular homes. The Council would also incur a significant cost to move the pods and to co-ordinate and incur future security costs.
- 3.5.3 It is acknowledged the ongoing storage costs are high, however given the significant investment to date it is important all options have been considered and assessed before proceeding to disposal. This work has been undertaken by the project team and appointed consultants and advisors. Therefore, this report recommends a decision to accelerate disposal of these units once approved by cabinet.

3.6 Recommendation for cabinet and supported by Officer New Homes Programme Board in May 2023:

- 3.6.1 Given the significant capital investment to date on the units, the high estimates to complete the works and the further risks associated, it is recommended that option 1 is preferred and no further costs are incurred.
- 3.6.2 If this option is supported by Mayor and Cabinet, officers will continue to prioritise cost recovery through our legal claims and disposal of the partially completed homes.

3.7 Disposal options and next steps:

- 3.7.1 Subject to the approval of Mayor and Cabinet, work to progress the disposal of the homes will proceed in the second half of 2023. The options for disposal will include:
- 3.7.2 **Market Disposal:** Either to another developer or a supplier who would use these pods or breakdown into components for other similar construction methods and or council sites.
- 3.7.3 **Demolition / Steel disposal:** This would be the least preferred option of disposal and would likely receive a lower return, however, would remove future and ongoing expenses relating to security, storage and maintenance.
- 3.7.4 **Future use:**
- 3.7.5 It should be noted that beyond the decision to pursue all cost recovery avenues, Officers are exploring other uses for the sites.
- 3.7.6 The priority being to maximise delivery, testing traditional build options and seeking valuations on the sites with planning consent having been granted.
- 3.7.7 Officers will work to identify solutions that enable the delivery of a revised housing scheme which includes affordable housing on one or both sites. We will examine several

delivery and partnering options for these sites. If the decision is taken to dispose, Officers will bring back options for future delivery within a separate report Autumn 2023.

4. Financial implications

4.1 As identified within Part 2 report

5. Legal implications

5.1 This report seeks approval to remove the Home Park and Edward Street development projects from the Building for Lewisham Programme. The Council has sufficient powers to do this. The Council must comply with grant funding conditions applicable to the sites, particularly in relation to repayment of funding because of the removal of these schemes.

5.2 The Council must at all times be mindful of its fiduciary duties in acting as a trustee of Council tax and public sector income on behalf of its rate and taxpayers, including the obligation to act efficiently in a "business-like manner" after proper consideration of the risks and rewards of the proposed course of action. The decisions taken because of the recommendations in this report must be taken in the context of this fiduciary duty.

5.3 The contract for the delivery of the schemes was between Lewisham Homes Limited and the contractor and Lewisham Homes are progressing with claims to seek to recover losses because of the insolvency of the contractor and have received advice from their own lawyers in this regard. Lewisham Homes are the legal owners of the completed modular housing units and storage fees will be payable by Lewisham Homes. Options for the ongoing storage and disposal of the units is a decision that must be taken by Lewisham Homes.

5.4 Any decision about the future development of these sites will be a matter for Mayor and Cabinet in a separate report.

5.5 Any future procurement of works in respect of the sites must comply with the Public Contracts Regulations 2015 (or, if applicable, its replacement legislation) and the Council's constitution.

6. Equalities implications

6.1 Despite the loss of Housing Units previously approved, we will work to identify solutions that enable the delivery of a revised housing scheme which includes affordable housing on one or both sites.

7. Climate change and environmental implications

7.1 Existing planning consents obtained for both sites were in line with the standards expected by the Council and the GLA.

7.2 Due to the nature of this report and recommendations set out it is likely the future development proposals for these sites will change and therefore climate change and environmental implications will be reviewed once revised development options are prepared

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for approval. These will be set out within any subsequent approval to Mayor and Cabinet.

7.3 Whilst options are considered for both sites, every effort will be made to enhance the natural environment, enhance landscape and amenity space with any future development options considered.

8. Crime and disorder implications

8.1 The sites are currently managed and secure with adequate hoarding and regular site inspections taking place.

9. Health and wellbeing implications

9.1 There are no direct health and wellbeing implications arising from this report

10. Social Value Implications

10.1 The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Lewisham pay their staff at a minimum rate equivalent to the LLW rate.

10.2 Any future development options for these sites will be expected to meet LLW requirements and any associated contract conditions requiring the payment of LLW will be included in the service specification and contract documents.

11. Report author(s) and contact

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12. Appendices

None

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input checked="" type="checkbox"/>
Non-Key Decision	<input type="checkbox"/>

Date of Meeting	20 th September 2023	
Title of Report	Permission to procure the Integrated Community Equipment Service	
Author	Tristan Brice	Ext. 3342


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

Category	Yes	No
Financial Comments	x	
Legal Comments	x	
Cabinet Briefing consideration (Cabinet Member consideration only)	x	
EMT consideration	x	

Signed: 

Cabinet Member for Health and Adult Social Care

Date: 12/09/2023

Signed: 

Executive Director Community Services

Date: 12/09/2023



Mayor and Cabinet

Permission to procure the Integrated Community Equipment Service

Date: 20 September 2023

Key decision: Yes.

Class: Part 1

Ward(s) affected: All Wards

Contributors: Executive Director, Community Services, Director of Law, Director of Finance

Outline and recommendations

1.0 Purpose of the report

The purpose of this report is to seek agreement from Mayor and Cabinet to procure the Integrated Community Equipment Service through a further competition tender via the Kent framework agreement.

2.0 Recommendation

Mayor & Cabinet are recommended to:

Authorise officers to run a procurement for the Integrated Community Equipment Service that is due to expire on 31 March 2024 through a further competition tender via the Kent framework agreement. The new service will be for a period of three years, with an option to extend for a further two years at a total estimated cost of £10.5m over the full 5 year period of which £3.5m is LBL commissioned and £7m is ICB commissioned.

Approve the use of the KCS Professional Services – Integrated Community Care Equipment Framework Y21006 to undertake a mini competition.

Approve the award of contract to the preferred provider, provided the contract value is within authorised limits.

Delegate authority to Executive Director for Community Services, (in consultation with the Director of Law and Corporate Governance and Associate Director, Community Support and Care) to select the preferred provider in accordance with the selection criteria published in the tender documentation and agree final form of contract.

3.0 Summary

- 3.1 The Integrated Community Equipment Service (ICES) is currently provided by Medequip through the Kent framework agreement which was approved by Mayor and Cabinet on 21 June 2023 for a one-year period to enable officers to undertake a comprehensive review of the options available in reprocurring this contract.

- 3.2 This paper summarises the findings from the comprehensive review of the procurement options available in reprocurring this contract.

4.0 Recommendation

- 4.1 Mayor & Cabinet are recommended to:
- 4.1.1 Authorise officers to run a procurement for the Integrated Community Equipment Service that is due to expire on 31 March 2024 through a further competition tender via the Kent framework agreement. The new service will be for a period of three years, with an option to extend for a further two years at a total estimated cost of £10.5m over the full 5-year period of which £3.5m is LBL commissioned and £7m is ICB commissioned.
- 4.1.2 Approve the use the KCS Professional Services – Integrated Community Care Equipment Framework Y21006 to undertake a mini competition.
- 4.1.3 Approve the award of contract to the preferred provider, provided the contract value is within authorised limits.

Delegate authority to Executive Director for Community Services (in consultation with the Director of Law and Corporate Governance and Associate Director, Community Support and Care to select the preferred provider in accordance with the selection and award criteria published in the tender documentation and agree final form of contract.

5.0 Policy Context

- 5.1 Local authorities in England have a statutory duty to plan for the provision of certain home-based services, including the provision of disability aids and ‘community equipment’, to meet the assessed eligible needs of service users who are ordinarily resident in their area. The supply of Community Equipment is a statutory duty under:
- Care Act 2014 (Adult Social Care only)
 - Chronically Sick and Disabled Persons Act 1970
 - Children and Families Act 2014
 - National Health Service Act 2006
 - Health and Safety at Work act 1974 and Regulations
- 5.2 The provision of community equipment to eligible children and adults is vital in helping to achieve efficiency and cost-effectiveness across a range of other local authority and health authority services, and to help achieve local and health authority strategic objectives.
- 5.3 The report supports the following Corporate priorities:
- Cleaner and greener
 - A strong local economy
 - Open Lewisham
 - Health and wellbeing

6.0 Background

- 6.1 Local authorities in England have a statutory duty to plan for the provision of certain home-based services, including disability aids and community equipment, to meet the assessed eligible needs of those individuals who are ordinarily resident in their area. It is an important element in supporting independence, one of the key objectives of both Lewisham Council and South East London ICB (Lewisham).
- 6.2 The Integrated Community Equipment Service enables the provision of equipment to individuals living in the community either to improve their quality of life while in the community or, and more typically, to enable them to live independently in the community when otherwise their needs would cause them to be in hospital or in another care setting.

The equipment in question can take many forms and includes items such as mobility aids, bathing and toileting aids, pressure care mattresses, sensory aids, community nursing beds, moving and handling equipment. Prompt provision of the equipment can be important in order to prevent further deterioration of health thus avoiding hospital admission and to facilitate hospital discharge including enabling a person at end of life to move from hospital to die at home.

- 6.3 In February 2012, Mayor and Cabinet agreed that the Council should join the London Community Equipment Consortium (the Consortium), hosted by the London Borough of Hammersmith and Fulham. Since 2018, Westminster City Council has taken over the hosting of the Consortium.
- 6.4 Until the 31 March 2023, the Consortium operated a single framework agreement with Medequip Assistive Technology Limited, with whom each Consortium member local authority had a call-off contract. This framework agreement had been in place since 2017 with Medequip Assistive Technology Limited and was due to end on 31 March 2021. On 24 March 2021 Mayor and Cabinet approved a two-year extension up until 31 March 2023. Medequip Assistive Technology Limited was also the provider of services under predecessor agreements which had been in place since 2009. The earlier agreements were smaller in scale with the first involving seven boroughs and they expanded in extent as more boroughs joined the Consortium.
- 6.5 In January 2022 the consortium carried out a new procurement for the Integrated Community Equipment Service (ICES.) The contract was awarded to Nottingham Rehab Centre Ltd for a period of 5 years with the option to extend for a further 2 years. Once informed of the award Medequip Assistive Technology Limited challenged the decision to award by the consortium and commenced legal proceedings on 23rd September 2022. This resulted in a suspension of contract mobilisation which was lifted on the 22nd December 2022 following a High Court decision.
- 6.7 As a result of the challenge there was a delay and this impacted on Lewisham Council officers undertaking a comprehensive review of the options available in relation to the re-procurement of Integrated Community Equipment Service. Consequently, they were unable to present these findings to Mayor and Cabinet, via a permission to procure report, before the Council's contract expired on the 31 March 2023.
- 6.8 Officers were able to present two options to Mayor and Cabinet on 21st June 2023 for provision of the Integrated Community Equipment Service for the current year to enable a comprehensive review of the procurement options available. These included:
- One year extension with the London Community Equipment Consortium
 - Awarding a contract direct to Medequip Assistive Technology Limited for one year via the Integrated Community Care Equipment framework agreement (Y21006).
- 6.9 Mayor and Cabinet agreed to award a contract direct to Medequip Assistive Technology Limited for one year via the Kent Integrated Community Care Equipment framework agreement (Y21006).

7.0 Procurement Options Considered – Route to Market

- 7.1 As the Council's current contract with Medequip is due to end on 31st March 2024, officers have carried out an options appraisal on the options available to the Council going forward. This is set out below.

	Pros	Cons
Insource	<ul style="list-style-type: none"> • It would be a locally run service for Lewisham residents with potential to offer jobs in the new service to Lewisham residents • Decision-making would be quicker and speed of delivery better managed if stock 	<ul style="list-style-type: none"> • Moving the service in-house is a financial risk as catalogue prices would need to be negotiated • There would be a lengthy mobilisation period which could be disruptive to the current service

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	Pros	Cons
	<p>is located within the borough. This would lead to better responsive service.</p> <ul style="list-style-type: none"> • Would enable autonomy to design and specify the service model 	<p>provision which is currently well regarded by prescribers.</p> <ul style="list-style-type: none"> • Would require significant investment in the service start-up costs such as IT installation and maintenance, recruitment of technicians / drivers / warehouse staff, fleet of vehicles, rent attributed to warehouse/venue and associated heating/lighting costs, shipping and import costs if equipment is purchased from outside UK • Impact on reputation of the Council should the service not be reshaped in time to support this option
Rejoin the London Community Equipment Consortium	<ul style="list-style-type: none"> • Will benefit from the collective bargaining and purchasing economies of scale. • Access to shared 'Specials' across London and lower activity fees in the new contract • Sharing of good practice with consortium members • Benchmarking of performance • Four boroughs in the South East London ICB are members of the London Consortium 	<ul style="list-style-type: none"> • There have been issues with supply of equipment in the new contract which has delayed delivery of equipment • There would be a lengthy mobilisation period which could be disruptive to the current service provision which is currently well regarded by prescribers. • The Council would need to renegotiate a return to the London Consortium, and this could mean accepting a specification which may not offer the same flexibility as the current KPF arrangement. • Potential disruption by moving to a new ordering system and catalogue. Lewisham staff would need training on the new system and wait times for equipment could be long. • Governance and decision making can be slow as a consensus is required from all Consortium members to make contractual decisions, bring about change and standardise procedures • The current Framework does not require a management fee or contribution towards running costs there would be cost pressure of returning to the Consortium. There would be a fixed management annual fee of £9,450 towards running costs for a) placing orders with the supplier via an IT system and b) consortium administration (maintaining a central team at RBKC) • Purchasing of shared specials has not been completely successful as not enough information about items is catalogued such as insufficient detail images and product knowledge of specialist and bespoke details. Often items require bringing up to current

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	Pros	Cons
		specification at a cost to the purchasing borough
Further competition via the Kent Framework tender Y21006	<ul style="list-style-type: none"> The three main suppliers are already on the framework Prices on the Kent Framework are competitive compared to other frameworks Bidders will not need to re-submit a full tender submission. Procurement evaluation panel will not need to evaluate a full tender submission The suppliers have already passed the minimum eligibility criteria (e.g. such as financial standing and health and safety requirements). Therefore there is no need for the buyer to assess suppliers' capability or capacity. Will enable officers to further refine service requirements. Will enable LBL to determine items included within the equipment catalogue Commissioners have a strong working relationship with the team managing the Integrated Community Care Equipment framework agreement (Y21006). 	<ul style="list-style-type: none"> Only suppliers on the framework can bid for the contract. This could exclude new more innovative companies from bidding
Open tender	<ul style="list-style-type: none"> Could enable a locally based service to win the contract with potential to offer jobs in the new service to Lewisham residents Would enable commissioners to deal directly with the market Would enable commissioners to fully determine the conditions that the new provider would operate in 	<ul style="list-style-type: none"> There would be a lengthy mobilisation period which could be disruptive to the current service provision which is currently well regarded by prescribers. LBL would lack the bargaining power that frameworks enable

7.2 Using the Kent Framework Y21006 offers access to pre-approved providers who have been selected for their ability to provide clients with the provision of Community Care Equipment. The framework agreement covers the provision of a full range of daily living health and social care equipment.

The benefits of using the Kent Framework Agreement are as follows:

- The five main suppliers are already on the framework
- [Prices on the Kent Framework are competitive compared to other frameworks reviewed](#)
- Bidders will not need to re-submit a full tender submission.
- Procurement evaluation panel will not need to evaluate a full tender submission
- The suppliers have already passed the minimum eligibility criteria (e.g. such as financial standing and health and safety requirements). Therefore there is no need for the buyer to assess suppliers' capability or capacity.
- Will enable officers to further refine service requirements.
- This framework is compliant with UK procurement legislation.

8.0 Procurement Project Plan

8.1 The proposed route to market is a call-off from the Kent Framework Y21006 inviting all five suppliers under the framework agreement to submit a bid.

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- 8.2 The procurement opportunity will be advertised via the Council's online tendering system (ProContract Procurement Portal) to suppliers listed in the framework.
- 8.3 Suppliers listed in 8.4 will be invited to tender via the ProContract portal and will be assessed on a criterion of Price, Quality with a percentage of 45:45 split. 10% will be allocated to Social Value, in line with the Council's procurement policies.
- 8.4 Y21006 framework contains 5 suppliers, Millbrook Healthcare Group, AJM Healthcare, Mediquip UK, NRS Healthcare and Ross Care.
- 8.5 Proposed procurement timetable is below:

Activity	Proposed Date
<u>Mayor & Cabinet approval</u>	September 2023
Tender Issued	October 2023
Tender Return Deadline	November 2023
Tender Evaluation Period	December 2023
Contract Preparation	January 2024
Contract Commencement	1 April 2024

9.0. Financial implications

- 9.1 The annual gross budget available for this service in 23/24 is £2.2m. It is funded from ICB, CYP and ASC budgets. This proposal recommended in paragraph 2 does not present any significant additional risk to current estimated spend forecasts. The contract allows for continued provision of a service which is key to the preventative and transformation agenda in Lewisham council. The service is demand led and so there remains some risk should there be a sudden surge in demand. This however is not expected based on present demand and market analysis. Also any such risks burden will be shared across the various partners and the impact to Lewisham if any will be limited

10.0 Legal implications

Approval to Procure

- 10.1 The report seeks approval to procure an external provider to provide integrated community equipment. Given the potential spend on the contract (at a length of 3 years with the option to extend for up to a further 2 years) the contract would be categorised by Contract Procedure Rules as a "Category A" contract. The report sets out the other options considered and explains why this is the recommended option.
- 10.2 Assuming that Mayor and Cabinet accepts the recommendation to procure a provider, the Contract Procedure Rules ("CPR") place requirements on how that should happen. The CPR require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (Rule 5). Given the potential spend on this contract the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations ("the Regulations") will apply. The requirements of both the CPR and the Regulations would be satisfied by use of a framework agreement. As a Category A contract, it would be for Mayor and Cabinet to take a decision on the award of any contract.
- 10.3 Under the Council's Contract Procedure Rules the Council may use a framework agreement set up by a public sector body where that framework agreement has been procured in accordance with the Regulations and allows for the Council to use the Framework Agreement. It appears that the Kent framework agreement is compliant with the Regulations and that the Council is entitled to use the framework.

Approval to Award

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- 10.4 This report proposes that Mayor and Cabinet approve the award of contract for integrated community equipment. This report further proposes that Mayor and Cabinet instruct the Executive Director for Community Services (in consultation with the Director of Law and Corporate Governance and Associate Director, Community Support and Care to give effect to this decision by applying the selection and award criteria to determine and enter into the contract with the preferred provider.
- 10.5 The decision to award the contract contained in this report means that it is a Key Decision. It is therefore required to be contained in the current Key Decision Plan and the Council's Key Decision procedure must be followed.
- 10.6 Provided that the final contract value is within authorised limits set out in the recommendation and the preferred provider is selected in accordance with the selection and award criteria published in the tender documentation, then the selection by Executive Director for Community Services of the preferred provider in accordance with Mayor and Cabinet's direction will not be a Key Decision. For audit purposes a written record should be kept setting out how the selection process has been applied and the preferred provider selected, and officers from Legal Services should be consulted as necessary throughout the selection and award process.

11.0 Equalities implications

- 11.1 The recommendation made in this report relates to children and adults who have been identified and assessed as being in need of equipment services in order for them to maintain their independence and remain in their own home. Implementing this recommendation will not have an impact on individual client choice or control.
- 11.2 The COVID-19 pandemic has shone a spotlight on the health inequalities experienced by those from Black, Asian and Minority Ethnic communities. Embedding community voice and lived experience, particularly for those from Black, Asian and Minority Ethnic minority communities, into the procurement process of the Integrated Community Equipment Service will be a critical part of ensuring that any existing equalities are taken into account in developing the new service. The findings of the Birmingham and Lewisham African Caribbean Health Inequalities Review (BLACHIR) will also be considered within the procurement process for the service.

12.0 Climate change and environmental implications

- 12.1 The Council's environmental objectives will be addressed in the contract documentation and form part of criteria used at evaluation.

13.0 Crime and Disorder implications

- 13.1 There are no specific crime and disorder implications arising from this piece of procurement.

14.0 Health and wellbeing implications

- 14.1 It is expected that the new contract will focus on increasing Service User's independence by giving them more choice and control in ordering equipment.

15.0 Social Value implications

- 15.1 The procurement will require bidders to detail how they would ensure social value across the contract and provide the Council with clear and ambitious targets
- 15.2 Specific social value metrics will be set for the contract being tendered through this procurement exercise. Progress against these will be monitored in line with the Council's Social Value Policy (2019) and will be built into the formal contract management and monitoring processes.

16.0 Background Papers

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Title of Document	Date	File Location	Contact Officer
Permission to direct award to Medequip Assistive Technology Limited until 31 March 2024	21 June 2023	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Covid-10 Contract Related Extensions	24 March 2021	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Community Equipment Services (award call off contract)	8 February 2017	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Commissioning arrangements for community equipment – Pan London Consortium	15 February 2012	Governance Team	Emma Campbell Smith

17. Report author and contact

17.1 Tristan Brice (Associate Director, Integrated Commissioning Team),
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Finance comments for and on behalf of the Executive Director for Corporate Resources

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Comments for and on behalf of the Director of Law and Corporate Governance

17.3 Mia Agnew (Senior Solicitor) mia.agnew@lewisham.gov.uk


Agenda Item 7

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input checked="" type="checkbox"/>

Date of Meeting	20/09/23	
Title of Report	Supported Housing all Services Review	
Author	Assistant Director- Integrated commissioning	Ext.

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

Category	Yes	No
Financial Comments	✓	
Legal Comments	✓	
Cabinet Briefing consideration	✓	
EMT consideration	✓	
Agenda Planning Group consideration	✓	

Signed: 
 Councillor Paul Bell - Cabinet Member for Health and Adult Social Care
 Date: 06/09/23

Signed: 
 Tom Brown - Executive Director for Community Services
 Date: 01/09/23

Control Record by Committee Services

Action	Date
Listed on Key Decision Plan	30/06/23
Date submitted to Legal & Finance	
Date submitted to Cabinet Members for sign off	01/09/23
Date submitted to Executive Director for sign off	01/09/23



Mayor and Cabinet

Report title: Supported Housing all Services Review

Date: 20 September 2023

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Commissioning Manager, Supported Housing. Assistant Director, Adult Integrated Commissioning

Outline and recommendations

This report describes significant inflationary pressures in Supported Housing, and the work undertaken by officers with partners to release funding to address these pressures to ensure properly staffed, quality and safe service provision.

The report recommends that Mayor and Cabinet give permission for officers to remove supported housing funding of £250,036 a year for the Phoenix Futures Bromley Road contract from April 2024.

The report recommends that Mayor and Cabinet give officers permission to uplift Lewisham supported housing contracts by a value negotiated with each provider to meet the specific pressures for each service. These uplifts total £481,412 a year.

The report recommends that Mayor and Cabinet give permission for officers to make a smaller one-off payment to providers for 23/24 in recognition of the current and urgent inflationary pressures identified, totalling £250,000.

Timeline of engagement and decision-making

- December 2021 on going: From Harm to Hope multi agency drug strategy group meet to prioritise drug strategy.
- 2022: Quarterly contract monitoring for supported housing contracts, feedback received on challenges around funding and maintaining safe staffing levels.
- December 2022: Officers presented the options for reviewing Supported Housing services to the Housing, Regeneration and Public Realm DMT.
- February 2023: A consultation event with all LBL commissioned supported housing providers. Presented issues and consultation of best way forward with the market.
- March to May 2023: Each Supported Housing contract holder submitted an uplift request with a breakdown of costs.
- April 2023: Key stakeholders were consulted on local priorities for Supported Housing.
- April to July 2023: Service Users in local Supported Housing consulted on local priorities for Supported Housing.

1. Summary

- 1.1 Inflationary pressures and a lack of investment over a number of years in Supported Housing, in Lewisham and nationally, has led to significant cost pressures across the sector. Recent high inflation has exacerbated this, causing staffing and service issues, increasing risk to service users, and the risk of unplanned service closures and provider failure.
- 1.2 The current financial envelope in Lewisham therefore was insufficient to continue to provide the same quantity of provision at the levels of quality and safety required. This report outlines the process undertaken by officers to quantify these pressures and agree a course of action to prioritise services for closure to properly fund those remaining and concurrently seeking investment from partners to minimise service closures.
- 1.3 The report describes an overall pressure of £481,412. To address this pressure this reports recommends, following the consultation process and needs & equalities analyses undertaken, that the Phoenix Futures Bromley Road contract be defunded. The report also describes additional investment from system partners, and a saving from a tender exercise, that address the cost pressure in full.
- 1.4 The report recommends uplifting a range of contracts according to provider submissions and negotiations on the exact cost pressures in each service. The report further outlines the intention of officers to negotiate a different use of the Phoenix Futures site with the provider as part of Lewisham's residential detoxification and rehabilitation pathway.

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2. Recommendations

Mayor and Cabinet are recommended to:

- 2.1 approve the removal of supported housing funding for the Phoenix Futures Bromley Road contract from April 2024. This contract has a value of £250,036 a year. The service is under contract until April 2027.
- 2.2 approve the uplift to Lewisham supported housing contracts by a value negotiated with each provider (as set out in table 1) to meet the specific pressures for each service. These uplifts total £481,412 a year, funded by the £250,036 from the Phoenix Futures contract, and £236,000 additional system investment of £236,000 laid out in table 3.
- 2.3 approve a smaller one-off payment to providers for 23/24 in recognition of the current and urgent inflationary pressures identified, laid out in table 4, totalling £250,000.

3. Policy Context

- 3.1 The Prevention, Inclusion and Public Health Commissioning (PIPHC) Team's supported housing funding is an important strand in the delivery of many government priorities. It plays a key role in delivering national strategies such as the Reducing Reoffending National Plan, the new National Drugs Strategy, and the National Statement of Expectations for Supported Housing.
- 3.2 The services within this report meet the corporate strategy 2022-26 as follows:
- 3.3 Children and Young People. The supported housing provision procured and monitored by the PIPHC Team contributes to ensuring the most vulnerable children and young people are protected from harm. Supported housing gives options for supporting young people leaving care.
- 3.4 Quality Housing. The recommendations in this report will support improvement of supported housing provision procured and monitored by the PIPHC Team, which gives people with support needs safe, comfortable accommodation that they can be proud of and happy living in. This increases the offer of safe and comfortable accommodation to more of Lewisham's residents.
- 3.5 Safer Communities. The services commissioned by the PIPHC Team work to prevent people entering the criminal justice system, including young people. Supported housing services work as part of the Safer Lewisham Partnership's Public Health approach to youth violence, aiming to reduce knife crime and sexual exploitation.
- 3.6 Health and Wellbeing. Recommendations in this report will support improvement of services commissioned by the PIPHC Team, in particular their work to improve health outcomes through more psychologically informed environments and improved access to health services.

4 Background

- 4.1 The accommodation based support services in Lewisham are legacy 'Supporting People' services. These services are arranged in 3 'pathways' for mental health, young people and single adults with different levels of support, broadly grouped from 'assessment' (24 hour) specialist (medium) to 'move-through' (visiting).
- 4.2 Due to the Council's financial position, investment in these services has reduced from

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£13,901,015 in 2010 to £4,478,101 in 2019, or a 68% cut, with a commensurate reduction in commissioning staffing. Cuts to date have been through significant staffing reductions across the board, and through service closure, particularly large reductions in lower support accommodation.

- 4.3 As far as possible these cuts have been made working with providers to reduce costs and maximise other income to minimise service closures. Buildings have been retained for supported housing use by adding buildings on to contracts as step down accommodation without onsite support and by working with exempt providers.
- 4.4 The Supported Housing sector is under enormous pressure nationally, across London and in Lewisham. Grant funding has reduced massively over the last decade, and no inflationary uplifts have been supplied to providers across the sector in that time. Providers and officers have worked creatively to maintain a good level of provision across Lewisham.
- 4.5 Recent inflationary and economic issues have exacerbated this, however it has been an ongoing issue for some time. Providers are now extremely stretched in their ability to staff and provide quality services. Even absent any further cuts, the current amount of provision is not sustainable within the current financial envelope.
- 4.6 Supported Housing in Lewisham offers important support to the wider health and social care system, in both physical and mental health, and Social Care for both children and adults. In order to ensure properly funded and staffed services, quality and safety of services, and to safeguard against unplanned closures and provider failure, it is vital to ensure services are properly funded.

5. Process of Review

- 5.1 The PIPHCT contract monitoring processes have flagged increased risk to service users and service viability caused by funding issues, most acutely felt in staff recruitment and retention. Officers identified the following increased risk indicators associated with lack of investment:
 - Difficulty recruiting and retaining staff for all contracts.
 - Staff struggling with the cost of living.
 - More salary competition amongst providers.
 - Staff leaving London / supported housing / client work.
 - Higher need referrals being made to all services.
 - Increase in serious incidents and evictions.
 - Funding uplift requests / warnings of inflationary pressure.
 - Strike action over pay and conditions.
- 5.2 Providers, key internal and external stake holders, and service users were consulted separately. The following options were presented:
 - Status quo- stretching provision to keep the number up but significant quality and safety risks, likely provider withdrawal from these services.
 - Significant (estimated c.10%, or £499,516) additional investment in services .
 - To review pathway provision, and to close some services in order to reinvest in ensuring quality services across the remainder.
- 5.3 The consensus amongst all consulted parties was that maintaining the status quo was not viable given the pressures on the services. In principle agreement was consistent amongst those consulted for the closure of some services in order to uplift most of the

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remaining providers within the pathway. Ongoing demonstrable evidence of the continued high demand for supported housing was our void rate from August 2022 to August 2023 which sits at only 5.07% across 493 bed spaces.

5.4 Officers took a 3 point approach to the review.

- Conducting a needs and equalities analysis on the 19 Supported Housing and floating support contracts. To ascertain which service(s) would cause the least impact by closure. This process involved an analysis of performance data, equalities data, stake holder feedback, service user consultation, an analysis of the transactional cost of closing each service.
- Seeking additional funding from system partners, including South London and Maudsley Trust (SLaM) and the Southeast London Integrated Care Board (SEL ICB).
- Exploring alternative models with providers where provision could be maintained with support funding being released.

6 Needs and Equalities Analysis

6.1 The full needs and equalities analysis has been attached as Appendix 1.

6.2 A process of exclusion, set out in the Needs Assessment and Equalities Analysis, took contracts out of scope for closure for the reasons below:

- Rough Sleeping Initiative funded contracts are out of scope for closure as 100% funding is ringfenced grant from the Department for Housing, Levelling up and Communities (SHLUC) and any uplifts will need to be provided by the funder.
- The Young Persons services are joint funded using children's social care placements funding through a spend to save initiative and are therefore out of scope for closure.
- The three assessment centres are key elements of the Pathways to be able to efficiently process new referrals. Without the assessment centres the rest of the pathway would not function well, this would have significant pressures on the other contracts so are out of scope for closure.
- The South London and Maudsley NHS Trust (SLaM) and the Mental Health Alliance agreed £90k per year additional funding with the understanding that this would safeguard mental health pathway services from closure. This takes the mental health pathway services out of scope for closure.
- There is only 1 remaining commissioned floating support service in the borough, given the utility this provides it was also taken out of scope.

6.3 Within scope for closure are 3 services.

Service	Current Contract Value	Provider	Best Spaces	Pathway
Bromley Road	£250,036	Phoenix Futures	25	Single Adults
Hither Green	£683,000	St Mungo's	68	Single Adults
SHP Adults	£388,260	SHP	67	Single Adults

6.4 The PIPHCT Involvement and Engagement Officer working with Lewisham's Expert by

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Experience Network (LEEN) of people with lived experience of services and recovery carried out a service user consultation. The consultation focused on the 3 services within scope for closure. The service users were asked what type of supported housing they would prioritise. The results of this consultation can be found in Appendix 2. Service user feedback generally prioritised fewer overall units with 24 hour cover, over more over all units with lower support. Given freedom to prioritise the spending of the supported housing budget service users would prioritise; abstinence accommodation, better accommodation, and the recruitment / training of more support staff.

- 6.5 Stakeholder feedback was gathered from a wide range of sources, including formal consultations and one to one meetings. A questionnaire was circulated widely, asking for prioritisation on types of Supported Housing, this was sent to; Housing, Adult Social Care, ICB, SLaM, Joint Commissioning, Children's Social Care, Substance Misuse services. In addition priorities were discussed at Mental Health and Childrens Social care commissioning joint working groups. A breakdown of the findings from this can be found in the attached Needs and Equalities analysis. The key priority was to maintain 24 hour Supported Housing over lower support Supported Housing.
- 6.6 Analysis of the equalities, need and performance data did not demonstrate any clear case for closure of a particular service based on equalities and protected characteristics. The usage and throughput of each service was similar as was the equalities breakdown. Given this, of three services in scope the recommendation for closure is the service with the fewest units and the fewest units with 24 hour staff cover. The recommendation for closure is Phoenix Futures Bromley Road.

7 Additional Funding and Uplift Requirements

- 7.1 The current total budget for the services in scope for uplifts, including Phoenix Futures Bromley Road, is £5,731,634 per year. Each provider was asked to submit a funding uplift request with a breakdown of the costs and requirements for the uplift. Negotiations are ongoing with each provider. The uplift requests are shown here:

Table 1

Contract	Uplift %	Current Value	Uplift Amount	New Amount
Equinox Edward Street	0%	£511,440	£0	£511,440
One Support Mental Health	8%	£853,950	£68,316	£922,266
IHASS	10%	£279,866	£27,987	£307,853
Equinox Coulgate	0%	£407,000	£0	£407,000
St Mungos Newstead	9%	£433,809	£39,043	£472,852
Gypsy Roma Traveller Service	10%	£31,507	£3,151	£34,658
Marsha Phoenix	13%	£223,896	£29,106	£253,002
Peabody	0%	£122,774	£0	£122,774
SHP assessment	3%	£354,113	£10,623	£364,736
SHP adults	5%	£388,260	£19,413	£407,673
St Mungos Hither Green	14%	£683,000	£95,620	£778,620
St Mungos assessment	45%	£387,902	£174,556	£562,458
SHP YP specialist	3%	£543,899	£13,597	£557,496
One support Lewisham Young Person Service	0%	£260,182	£0	£260,182
Phoenix Futures	0%	£250,036	£0	£0

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- 7.2 St Mungo's Assessment service is a clear outlier in the uplift request amount at 45%. Through negotiation Officers think this request is reasonable. This is a 24 hour assessment centre for some of the highest needs service users in the borough. The below cost per units comparison shows has been historically significantly underfunded in comparison to other higher needs service in borough. Previously this has been cross-subsidised through rental income, but a new rental valuation has been undertaken and rental charges by the Council have increased significantly.

Table 2

Contract	Current Value	Units	Cost per unit
Equinox Edward Street	£511,440	33	£15,498.18
One Support Mental Health	£853,950	51	£16,744.12
Peabody	£122,774	8	£15,346.75
St Mungos Hither Green	£683,000	68	£10,044.12
St Mungos assessment	£387,902	43	£9,020.98
Phoenix Futures	£250,036	17	£14,708.00

- 7.3 The proposed contract variations in this report will not change the nature of the services provided, the provider or the scope of the services. The financial uplifts set out in the report address only the financial pressures on each contract. There will be no change of provider because of this report.
- 7.4 Additional funding was requested from SLaM, the ICB and the Council to be able to maintain the level of Supported Housing. Officers worked closely with ICB colleagues and the mental health alliance to identify the system impacts of service closure.
- 7.5 Following this joint work, and £90,000 additional a year has been committed by the mental health alliance through SLaM. £45,000 additional a year has been committed by the ICB which has been matched by the Council. £56,000 per year in savings was made from a 2022 procurement process. Securing the additional funding 1 service needs to close rather than 2 to meet uplift requirements
- 7.6 With the £250,036 from the Phoenix Futures contract a total of £486,036 is available to meet the £481,412 needed for the recurrent uplifts.

Table 3

Funding	Amount
Phoenix Savings	£ 250,036
SLaM Additional Investment	£ 90,000
ICB Additional investment	£ 45,000
LBL Additional investment	£ 45,000
2022 savings	£ 56,000
Total	£ 486,036
Uplift Required	£ 481,412

- 7.7 This process has been welcomed by providers, however given the timescales needed for formal consultation, and for service closure, will not be implemented recurrently until

2024/25. In recognition that the service pressures are real and current, and the risk this presents to services, staff and residents, officers propose an additional one-off payment for 2023/24. This would total £250,000, and be met through one-off underspends and contract savings, and one-off allocation of non-pay inflation. This would be allocated in exact proportion to the identified recurrent pressures.

Table 4

Contract	Uplift 24/25	Payment 23/24
Equinox Edward Street	£0	£0
One Support Mental Health	£68,316	£35,477
IHASS	£27,987	£14,534
Equinox Coulgate	£0	£0
St Mungos Newstead	£39,043	£20,275
Gypsy Roma Traveller Service	£3,151	£1,636
Marsha Phoenix	£29,106	£15,115
Peabody	£0	£0
SHP assessment	£10,623	£5,517
SHP adults	£19,413	£10,081
St Mungos Hither Green	£95,620	£49,656
St Mungos assessment	£174,556	£90,648
SHP YP specialist	£13,597	£7,061
One support Lewisham Young Person Service	£0	£0
Phoenix Futures	£0	£0
Total	£481,412	£250,000

8 Phoenix Futures

- 8.1 The Phoenix Futures contract started on 1st April 2018 and was issued for a period of 2 years and then extended for another 2 years until 31st of March 2022. In March 2022 the contract was extended by a further 5 years until March 2027.
- 8.2 Officers are in discussions with Phoenix Futures about opportunities following the removal of supported housing funding for the current service. Particularly the potential for additional provision within Lewisham's 'tier 4' residential detoxification and rehabilitation pathway.
- 8.3 The new drug strategy "From Harm to Hope" has been running a multi-agency working group since December 2021. A key aim of the strategy is: Improving access to accommodation alongside treatment & keeping prisoners engaged in treatment after release. Initial needs analysis and consultation with service users and communities has highlighted abstinence based provision to support sustained recovery from alcohol and drugs for Lewisham residents exiting residential drug treatment and those released from prison who are abstinent.
- 8.4 Any new service receiving funding from the Public Health grant or associated grants would need to meet the aims of the new drug strategy "From Harm to Hope" (improving access to accommodation alongside treatment & keeping prisoners engaged in treatment after release), and form part of Lewisham's 2-24/25 delivery plans for

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investment against the strategy.

9 Financial implications

- 9.1 The recommendations proposed in paragraph 2 is to be funded from multiple sources. In Total a £481k cost is estimated. From this, £346k will be funded from general fund via combination of contract reviews and terminations and from reduced spending in non-pay inflation budgets. These are viable sources with no adverse financial implication. The balance of £135k is to be funded from external sources i.e. SLAM/ICB. LBL have received written assurances that this commitment will be underwritten. However, as with all NHS commitments to joint arrangements this will be reviewed on a year-by-year basis, so there remains an annual risk should that funding be stopped

10 Legal implications

Under the contract between the council and Phoenix Futures the Council has the right to terminate the contract by giving 6 months' notice. Should Mayor and cabinet approve the recommendation to withdraw funding for this service then officers will need to ensure that they provide a minimum of 6 months' notice in writing to Phoenix Futures.

In taking this decision, the Council's public sector equality duty must be taken into account. 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.

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 bearing in mind the issues of relevance and proportionality and understanding 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.

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.

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.

The report recommends that the contracts are varied as set out in tables 1, 3 and 4 without carrying out a competitive process. The Council is obliged to comply with the Public Contracts Regulations 2015 (“Regulations”). Some variations to existing contracts may trigger a requirement to undertake a new competitive tender process. The Council’s Contract Procedure Rules set out which variations can be made without a new competitive process (Constitution Part IV I, paragraph 17 of Contract Procedure Rules). This report explains why the variations to the contracts are proposed.

Contract Procedure Rules say that where a contract variation is ‘not substantial’, the variation can be made (paragraph 17.5). The definition of ‘substantial’ takes into account matters including the nature and size of the proposed change relative to the original contract, and the likely market effect of the change (including the change to the scope and economic balance of the contract). There is a reasonable argument that the proposed variations are not substantial. As such, the variations do not trigger a requirement to undertake a new procurement. On that basis, therefore, the proposed changes are allowable under the Council’s Contract Procedure Rules paragraph 17.

11 Equalities implications

- 11.1 Equality Analysis Assessments were completed for the Mental Health & Single Adults Pathway, and for the Young Persons, Single Adult pathways. These assessments have been completed using the methodology and approach set out in Lewisham Corporate Equalities policy in line with the Equalities Act 2010.
- 11.2 An Equality Analysis Assessment was conducted as part of this service review and is contained within appendix 1. It found that whilst given the inequalities faced by service users of supported housing, any service closure has an equalities impact, that there was no comparative equalities impact on different protected characteristics between the options considered.
- 11.3 One of the key quality criteria measured during any framework commissioning process is “Processes for addressing equality and diversity”. The criteria will continue to be measured for all future commissioning.
- 11.4 All the services contained in this report will be specified to record and report demographic data to better monitor trends and gaps in supported housing service provision.

12 Climate change and environmental implications

- 12.1 The Council has made a commitment to making the borough carbon neutral by 2030.
- 12.2 The extension to the supported housing contracts listed in this report will not have any negative impact on the rate of energy consumption or increase of carbon admissions.
- 12.3 Supported housing service buildings are maintained by various landlords. The energy efficiency of services etc will be discussed in contract monitoring meetings and assessed during Quality Assurance visits.
- 12.4 Recycling should be proactively promoted in supported housing services and will be

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monitored during scheme visits and will be discussed with residents.

13 Crime and disorder implications

- 13.1 Provision of suitable supported accommodation links directly to the delivery of S17 of the Crime and Disorder Act. Section 17 of the Act recognises that there are key stakeholder groups who have responsibility for the provision of a wide and varied range of support services to and within the community. In carrying out these functions, section 17 places a duty on partners to do all they can to reasonably prevent crime and disorder in their area.
- 13.2 The purpose of section 17 is simple: the level of crime and its impact is influenced by the decisions and activities taken in the day-to-day of local bodies and organisations. The responsible authorities are required to provide a range of services in their community. Section 17 is aimed at giving the vital work of crime and disorder reduction a focus across the wide range of local services and putting it at the heart of local decision-making.
- 13.3 Research by the Home Office has shown that stable housing is a significant factor in reducing the likelihood of people re-offending. For example, stable accommodation reduces the potential for committing further crime by offenders within the community by about 20%. The Supporting People Framework Agreement, which has been used to procure services, reduces risk to offenders and the community and therefore benefits community safety and cohesion.

14 Health and wellbeing implications

- 14.1 Extension of the supported housing services detailed in this report will have a positive impact on health, mental health, and wellbeing by providing housing with support to homeless vulnerable service users in the borough.
- 14.2 The supported housing services will have a positive impact on social, economic and environmental living conditions that indirectly affect health by providing good quality accommodation with support to address health issues early on and to ensure wrap around services are in place.

15 Social Value

- 15.1 The services listed are delivering support to vulnerable residents in the borough independently of local authority funding, promoting a range of social value in the borough. Further the delivery of the Council's wider Social Value forms 5% of the tender scoring.
- 15.1 The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Lewisham, pay their staff at a minimum rate equivalent to the LLW rate. Successful contractors will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the service specification and contract documents.
- 15.2 The incorporation of Social Value into Lewisham contracts will help the Council to deliver on its strategic priorities and deliver added value for the borough as a whole.

15.3 For all contracts officers agree social value aims and KPI's with providers as a condition of the contract.

16 Report author(s) and contact

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Iain McDiarmid, Assistant Director - Adult Integrated Commissioning.
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Comments for and on behalf of the Executive Director for Corporate Resources

Yusuf Shaibu, Strategic Business Partner

Comments for and on behalf of the Director of Law

Mia Agnew, Senior Lawyer

17. Appendices

1- Needs Assessment and Equalities Analysis (EAA)



Appendix 1
EAA.docx

2- Service Users Consultation



appendix 2 Service
User consultation.docx

3- Service User Consultation Data



appendix 3 service
user consultation data.xlsx

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Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input checked="" type="checkbox"/>

Date of Meeting	20 September 2023	
Title of Report	Lewisham Homes Legacy Company - Update	
Author	Interim Director of Finance, Executive Director of Place & Director of Law & Corporate Governance	Ext. 46651

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

Category	Yes	No
Financial Comments	x	
Legal Comments	x	
Cabinet Briefing consideration	x	
EMT consideration	x	

Signed: 
 Councillor Sophie Davis, Cabinet Member for Housing Management, Homelessness and Community Safety
 Date: 12/09/23

Signed: 
 Nazeya Hussain, Interim Executive Director of Place
 Date: 12/09/2023

Control Record by Committee Services

Action	Date
Listed on Key Decision Plan	
Date submitted to Legal & Finance	
Date submitted to Cabinet Members for sign off	
Date submitted to Executive Director for sign off	



Mayor and Cabinet

Lewisham Homes Legacy Company – Update

Date: 20 September 2023

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Interim Director of Finance, Executive Director of Place & Director of Law & Corporate Governance

Outline and recommendations

This report sets out the interim Business Plan and management agreement and associated schedules for the properties remaining in the legacy Lewisham Homes company for the period 1 October 2023 – 31 March 2024. It also seeks agreement to the appointment of the new company directors.

Mayor and Cabinet are recommended to approve this interim Business Plan, note the development of the management agreement and associated schedules, appoint new directors to the company, note the amended Articles of Association and delegate any necessary finalisation of arrangements and implementation of the interim Business Plan and the management agreement and associated schedules to the Executive Director for Housing in consultation with the Executive Director for Corporate Resources and the Director of Law and Corporate Governance.

Timeline of engagement and decision-making

Lewisham Homes Annual Business Plan 2023/24 – April 2023

Lewisham Homes transferred back to Lewisham Council – 1 October 2023

1. Summary

- 1.1. The Council decided in December 2022 to terminate its management agreement with Lewisham Homes and to directly manage and deliver its housing services to its over 19,000 homes within the borough.
- 1.2. Some services transferred back in February and May 2023, with the remaining services returning on the 1 October 2023.
- 1.3. However, Lewisham Homes company will remain as a wholly owned subsidiary of the Council. In part this is to ensure that the necessary legacy arrangements and services can be provided and secondly because it remains necessary that certain properties and tenancy arrangements continue to operate outside of the Council, in particular to support the provision of temporary accommodation.
- 1.4. Therefore it is necessary that a new interim Business Plan for Lewisham Homes as well a new management agreement and associated schedules between the Council and Lewisham Homes are in place to ensure that these operations and activities can be delivered and to ensure the long term sustainability of Lewisham Homes.

2. Recommendations

- 2.1. Mayor and Cabinet are recommended to:
- 2.2. Approve the interim Business Plan for the Lewisham Homes legacy company for the period 1 October 2023 – 31 March 2024;
- 2.3. Note the development of the management agreement and associated schedules between the Council and Lewisham Homes;
- 2.4. Note the amended Articles of Association for Lewisham Homes;
- 2.5. Approve the appointment of the Council officers Simon Williams, Head of Housing Finance, and Fenella Beckman, Director of Strategic Housing, as directors of Lewisham Homes with effect from the company's Annual General Meeting (AGM) on 29 September 2023;
- 2.6. Delegate any necessary finalisation of arrangements and the implementation of the interim Business Plan and the management agreement and associated schedules to the Executive Director for Housing in consultation with the Executive Director for Corporate Resources and the Director of Law and Corporate Governance

3. Policy Context

- 3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):
- Cleaner and Greener
 - A Strong Local Economy
 - Quality Housing
 - Children and Young People
 - Safer Communities
 - Open Lewisham
 - Health and Wellbeing
- 3.2. In particular, this report is closely aligned to priority of quality housing as it ensures that those homes remaining within Lewisham Homes will continue to be able to provide quality homes for our residents.

4. Background

- 4.1. Following a review of the way that housing management is delivered in the borough, Lewisham Council took the decision in December 2022, to terminate its management agreement with Lewisham Homes and to directly manage and deliver its housing services to its over 19,000 homes within the borough.
- 4.2. In February 2023 responsibility for the delivery of new homes returned, with finance, IT, Tenants Management Organisations (TMO) and temporary accommodation (TA) services returning in May 2023.
- 4.3. The remainder of all transferring services will take place on 1 October 2023.
- 4.4. Whilst Lewisham Homes has agreed, published and implemented its annual Business Plan for 2023/24, due to this significant change a new interim Business Plan for the period 1 October 2023 – 31 March 2024 is required for those homes not transferring back to the Council but remaining in Lewisham Homes.
- 4.5. There are 153 properties previously purchased (with £40m of loans from the Council) by Lewisham Homes which will remain within the ownership and control of Lewisham Homes, plus 50 properties which it will manage on behalf of the Council under existing lease arrangements. The Council is also undertaking an acquisitions programme some of which properties may also be

- leased to Lewisham Homes to be used for temporary accommodation purposes.
- 4.6. It is for the management of these properties that the Interim Business Plan, management agreement and associated schedules have been drafted.

5. Interim Business Plan 1 October 2023 – 31 March 2024

- 5.1. To support the delivery of the Business Plan there will be a management agreement in place between the Council and Lewisham Homes to cover the services that the Council will provide to Lewisham Homes after 1 October 2023.
- 5.2. The management agreement will set out the services that will be retained by Lewisham Homes, the services that will be provided by the Council and the charges that the Council will make. It will also include the agreement between the parties in respect of handover arrangements following termination of the previous management agreement, requirements in relation to the updating of the Business Plan, how changes to service provision will be agreed and general working arrangements.
- 5.3. It will have separate schedules for the various services that will be provided by the Council including, management of Lewisham Homes' owned properties, central support (legal, finance, IT) and secretariat services, etc.
- 5.4. The legacy company will continue as a wholly owned subsidiary of the Council to perform housing related services. The company will have; a) a number of operating functions, and b) range of residual transitional activities to complete.
- 5.5. The operational functions will include but are not limited to the following: -
- Fulfilling the landlord obligations as owner of the properties purchased with £40m of loans from the Council.
 - Ensuring the company's assets are managed and tenanted appropriately to cover the landlord costs / obligations and repay the outstanding debt.
 - Leasing properties from the Council to be let under short term assured tenancies for private market or temporary accommodation purposes;
 - Setting and collecting rents for those properties under its ownership or management;
 - Ensuring commercial arrangements are in place for the maintenance of these properties by the owner (the Council) to maximise their value to the Council.
 - Being available to consider future commercial arrangements to enable the company to expand its property portfolio in line with the Council's objectives.
 - Responding to the Council's business plan asks of the company as the relationship between Council and company continues to evolve.
- 5.6. The transitional activities will include but are not limited to the following: -

- Contract managing any active third-party relationships in respect of contracts not novated to the Council by the 1 October transfer date.
 - Completing the novation of any contracts or leases to the Council where their terms permit and/or suppliers are amenable to varying them.
 - Managing contractual liabilities for work completed by Lewisham Homes prior to the 1 October – for example defect periods on completed developments.
 - Preparing the half year accounts and then moving to an operational model rightsized for the legacy company for the remainder of 2023/24 and onwards.
- 5.7. To perform the above operational functions and transition activities a number of agreements or service level arrangements are being put in place. The company will operate without staff and will procure from the Council or other third-party providers if necessary the operational support necessary to conduct its affairs. This will be recorded in the closing and opening profit and loss and balance sheet statements, including reserves and related cashflow, to be prepared for the company.
- 5.8. The specific services to be provided by the Council to the legacy company include advice and support in respect of: legal and company secretariat; financial – accounting, tax, treasury and insurance; housing management and maintenance; development activities; and procurement. To assist with this the Council will ensure that separate accounting arrangements are in place, utilising the current Lewisham Homes finance systems until the 31 March 2024 and then transferring to a commercial product which will enable robust, accurate and transparent accounting records to be maintained. This will ensure all transactions and recharges are kept separate and the company retains a separate bank account and independent external audit arrangements. In addition, the company's financial activities will continue to be consolidated into the Council's financial statements as a wholly owned subsidiary.
- 5.9. The interim Business Plan for the legacy company business broadly mirrors those of the current Lewisham Homes operating model and contractual commitments per property. For example; the rental income, operating costs – financing, management, maintenance, repairs etc.. This will be kept under review for the six months to March 2024 and a new full year business plan will then be proposed for April 2024 to align with the Council's financial year.
- 5.10. The interim Business Plan and associated management agreement schedules are appended to this report.

6. Appointment of Company Directors

- 6.1. The current Board of Directors of Lewisham Homes will step down from their roles at the company's AGM on 29 September 2023. The Council will be required to appoint replacement directors as the company will continue to operate, albeit fulfilling limited functions, post transfer on 1 October 2023.
- 6.2. It is recommended to Mayor & Cabinet that Simon Williams, Head of Housing Finance, and Fenella Beckman, Director of Strategic Housing, be appointed as company directors of Lewisham Homes with effect from the company's AGM.
- 6.3. Appropriate arrangements will be put in place regarding training, conflict of interest management and secretarial & governance support to the company post 1 October 2023.

7. Articles of Association

- 7.1. Given the majority of the functions of Lewisham Homes will sit with the Council with effect from 1 October 2023, the Articles of Association of the company have been reviewed to ensure they are fit for purpose.
- 7.2. The revised articles have been approved by the current Board of Directors on behalf of Lewisham Homes and by the Director of Law & Corporate Governance and (former) Executive Director of Resources on behalf of the Council.
- 7.3. Mayor & Cabinet is asked to note the revised articles, attached as Appendix 2 for ease of reference.

8. Financial implications

- 8.1. The company will have a new balance sheet, profit and loss account and cashflow set up for 1 October 2023.
- 8.2. The company will continue to pay the required interest payments to the Council on the £40m of loans advanced to it to purchase the 153 properties remaining under its management. The accounts will include the necessary depreciation charge for the assets.
- 8.3. The company will purchase almost all of its services from the Council, which will be considered to be VATable services. The company will also pay corporation tax on any profits.

- 8.4. The draft Business Plan financial accounts have been based on agreed cost models used previously between Lewisham Homes and the Council or market assumptions where appropriate.
- 8.5. The company is forecast to remain cash positive by circa £400k per annum, however the inclusion of the depreciation charge means that an annual deficit of circa £220k will be shown in the accounts after corporation tax. The £400k per annum will be retained to meet lifecycle costs as they arise and is considered sufficient and appropriate for this purpose. This position will be monitored, tested and adjusted appropriately based on actual costs arising.
- 8.6. The Company will report on performance against the business plan via annual audited accounts and the Council, as sole shareholder, will be able to set new or revised priorities and objectives including new financial expectations should the assumptions above need varying over time.
- 8.7. The 153 properties owned by Lewisham Homes have recently been valued at £47.6m, therefore this gives a positive balance sheet balance of circa £7.6m.
- 8.8. From 1 April 2024 the properties will be revalued on an annual basis, which with capital appreciation is expected to offset most of the depreciation charge each year. Therefore it is forecast that the Company will be a going concern and it is not expected to require financial support from the Council, other than continuing with the arrangements for the £40 million of loan agreements that are existing arrangements.
- 8.9. For audit purposes the Council will need to provide a letter of support each year including confirmation that it does not intend to call in the £40m loan, which is standard practice for subsidiary Companies.
- 8.10. The forecast cashflow also considers the impact of the transitional arrangements and activities and it is estimated that in undertaking these either on behalf of itself, the Council or jointly, that the Council will need to make a monthly cash advance of up to £1.5m . At the end of each month all costs will be reconciled, any costs falling to the Council will be netted off against the cash advance, with any costs attributable to the company and any unspent funds returned. The level of this cash advance may require review in the event that it is necessary for Lewisham Homes to continue to pay for more services on behalf of the Council than currently envisaged.

9. Legal implications

9.1. All relevant legal matters have been addressed in the main body of the report.

10. Equalities implications

10.1. There are no specific equalities implications arising from this report. The interim Business Plan and management agreement and schedules mirror those of the current Business Plan and management agreement and all of the implications associated with those remain.

11. Climate change and environmental implications

11.1. There are no specific climate change and environmental implications arising from this report. The interim Business Plan and management agreement and schedules mirror those of the current Business Plan and management agreement and all of the implications associated with those remain.

12. Crime and disorder implications

12.1. There are no specific crime and disorder implications arising from this report. The interim Business Plan and management agreement and schedules mirror those of the current Business Plan and management agreement and all of the implications associated with those remain.

13. Health and wellbeing implications

13.1. There are no specific health and wellbeing implications arising from this report. The interim Business Plan and management agreement and schedules mirror those of the current Business Plan and management agreement and all of the implications associated with those remain.

14. Background papers

14.1. Agenda item 8: [Lewisham Council - Agenda for Mayor and Cabinet on Wednesday, 7th December, 2022, 6.00 pm](#)

14.2. [Our Business Plan 2023/24 - Lewisham Homes](#)

<https://www.lewishamhomes.org.uk/our-business-plan-2023-24/>

15. Glossary

Term	Definition
ALMO	Arms Length Management Organisation
VAT	Value added tax
SDLT	Stamp duty land tax

16. Report author(s) and contact

- 16.1. Katharine Nidd, Interim Director of Finance and Jeremy Chambers, Director of Law and Corporate Governance.
- 16.2. Comments for and on behalf of the Executive Director for Corporate Resources
- 16.3. Katharine Nidd, Interim Director of Finance.
- 16.4. Comments for and on behalf of the Director of Law and Corporate Governance
- 16.5. Jeremy Chambers, Director of Law and Corporate Governance

17. Appendices

- 17.1. Appendix 1 – draft Interim Business Plan
- 17.2. Appendix 2 – Articles of Association

Lewisham Homes Interim Business Plan 1 October 2023 – 31 March 2024

THE FUTURE OF LEWISHAM HOMES

Lewisham Homes has been a proud partner of Lewisham Council since its inception in 2007; managing and maintaining 19,000 homes on behalf of Lewisham Council.

Following a review of the way that housing management is delivered in the borough, Lewisham Council took the decision in December 2022, to terminate its management agreement with Lewisham Homes, effective 1 October 2023.

However, whilst the management and maintenance responsibility for nearly all Lewisham homes returned to the Council, there are currently 203 properties which remain under the care of Lewisham Homes, and therefore it is necessary for the company to set an interim business plan for the period 1 October 2023 – 31 March 2024 to ensure that there is clarity in terms of how the company will operate and what its residents can expect.

Lewisham Homes remains a not-for-profit organisation with a mission to provide safe, quality homes, deliver efficient services and enhance the life chances of its residents.

This interim Business Plan has been prepared to align with the Council's Corporate Strategy 2022-2026; a strategy that is ambitious for Lewisham but compassionate for the people it serves. This Business plan covers the six month period from 1 October 2023 to 31 March 2024. The next business plan brought forward will be for the financial year 1 April 2024 – 31 March 2025.

Quality housing is explicitly one of the seven priorities identified by the Council. It is also both integral and implicit to delivery of the other six.

- Quality Housing
- Cleaner and Greener
- A Strong Local Economy
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

Our vision:

- To create thriving communities and places people are proud to call home

To deliver our mission and vision we will:

- Ensure our homes and services are safe and compliant
- Meet our residents' service expectations
- Deliver a more personalised service based on needs
- Demonstrate our effectiveness, value for money and social impact

OUR SERVICES TO RESIDENTS

The residents housed in the properties which remain under the care of Lewisham Homes will continue to receive the same services as they did prior to the termination of the management agreement.

The management of these properties will be managed under the same regulation and polices as the housing stock now managed by Lewisham Council. These are summarised as follows:

Improving the quality of our Homes and Estates & Keeping Residents Safe

Across the housing sector, the last two years have seen an increase in residents' expectations from maintenance services and a change in the volume and nature of the demand for repairs; our experience mirrors the national trend, which includes increasing numbers of complaints and disrepair cases. This has coincided with the media spotlight on property condition. Our stock condition survey undertaken in 2019 and 2020, brought into sharp focus the condition of many of the ageing properties in Lewisham, which required significant investment. This will be kept in sharp focus for the remainder of the financial year.

- **Damp and Mould**

We will continue to build on the work already underway in Lewisham to invest more in tackling damp and mould, make it easier for customers to report, and take swift remedial action to put things right. Added to this we are helping prevent damp and mould in the first place through effective communications, and by working in partnership with our residents through use of smart technology to proactively manage cases.

- **Asset Management**

Our priority is keeping our residents safe and during 2023. Major investment will be undertaken on fire safety, building safety, lift and door entry. We will continue to deliver on decent homes and major works that support this. This includes replacing windows, doors, roofs, and preventative maintenance.

We are working with our contractors to make our homes more sustainable and lower our carbon footprint also. Grants continue to be applied for to assist us to commit to further works such as better insulation and moving away from gas boilers to more sustainable energy such as ground and air source heating.

- **Environment**

Having consulted residents extensively in 2022/23, we will be developing more waste containerisation schemes and rationalising our bulky household waste collection offer. We also plan to prototype different caretaking offers in areas where there is resident support. Post-transfer there will be opportunities for closer working. Waste management is an area where Lewisham Council will be

investigating opportunities for how this service could integrate to deliver better services for residents.

- **Keeping Residents Safe**

Keeping residents safe will remain a top priority for Lewisham Homes. As a result of new regulations for buildings in scope of the Fire Safety Act 2022, we will set out a new regime to undertake checks on all flat front doors in blocks five stories or more. Ongoing safety checks continue to take place with gas safety checks being undertaken in residents' homes annually. There is 100% compliance within this area alongside undertaking fire risk assessments, asbestos checks, electrical testing, water hygiene and servicing lifts in all communal areas.

As a result of the introduction of the Building Safety Act 2022, properties within Lewisham Homes will continue to benefit from the roll out of the Resident Engagement Strategy and to work with all residents in high-rise buildings (at least 18 metres in height, or with at least seven stories). Lewisham Homes will have access to the dedicated Building Safety Resident Engagement lead, and we will be looking to engage and consult with residents on building safety and how their building is managed.

OUR FINANCIALS

The company has prepared a new balance sheet, profit and loss account and cashflow for 1 October 2023.

The company will continue to pay the required interest payments to the Council on the £40m of loans advanced to it to purchase the 153 properties remaining under its management. The accounts will include the necessary depreciation charge for the assets.

The company will purchase almost all of its services from the Council, which will be considered to be VATable services. The company will also pay corporation tax on its profits.

The draft Business Plan financial accounts have been based on agreed cost models used previously between Lewisham Homes and the Council or market assumptions where appropriate.

The company is forecast to remain cash positive by circa £400k per annum, however the inclusion of the depreciation charge means that an annual deficit of circa £220k will be shown in the accounts after corporation tax. The £400k per annum will be retained to meet lifecycle costs as they arise and is considered sufficient and appropriate for this purpose. This position will be monitored, tested and adjusted appropriately based on actual costs arising.

The 153 properties owned by Lewisham Homes have recently been valued at £47.6m, therefore this gives a positive balance sheet balance of circa £7.6 million.

From 1st April 2024 the properties will be revalued on an annual basis, which should offset most of the depreciation charge each year. Therefore it is forecast that the Company will be a going concern and it is not expected to require financial support from the Council, other than continuing with the existing arrangements for the £40 million of loan agreements that are existing arrangements.

For audit purposes the Council will need to provide a letter of support each year including confirmation that it does not intend to call in the £40m loan, which is standard practice for subsidiary Companies.

The forecast cashflow also considers the impact of the transitional arrangements and activities and it is estimated that in undertaking these either on behalf of itself, the Council or jointly, that the Council will need to make a monthly cash advance of up to £1.5m, although this is expected to reduce significantly by January 2024. At the end of each month all costs will be reconciled, any costs falling to the Council will be netted off against the cash advance, with any costs attributable to the company and any unspent funds returned.

The tables below show the forecast Income Statement for the year ending 31 March 2024 and the forecasted Balance Sheet as at March 31 2024.

Lewisham Homes Limited
Statement of Income & Expenditure Profit and Loss
Account
For the Year Ending 31st March 2024

TURNOVER	
Rental Income	3,308,565
Cost of Sales	<u>-1,252,008</u>
GROSS PROFIT	2,056,557
Administrative Expense	-146,244
Depreciation	<u>-642,337</u>
OPERATING PROFIT	1,267,976
Interest Payable	<u>-1,347,600</u>
PROFIT BEFORE TAXATION	-79,624
Tax on Profit	-140,678
LOSS FOR THE FINANCIAL YEAR	<u>-220,302</u>
Gain on Revaluation of tangible assets	650,000
RETAINED EARNINGS	<u>429,698</u>

Lewisham Homes Limited
Balance Sheet
For the Year Ending 31st March 2024

£

FIXED ASSETS

Tangible Assets 47,664,663

CURRENT ASSETS

Cash at Bank 150,561

CREDITORS

Amounts falling due within one year -158,178

NET CURRENT ASSETS

-7,617

TOTAL ASSETS LESS CURRENT LIABILITIES

47,657,046

CREDITORS

Amounts falling due more than one year -40,000,000

NET (LIABILITIES)/ ASSETS

7,657,046

CAPITAL AND RESERVES

Retained Earnings

7,657,046

Dated

2023

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION

Contents

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

LEWISHAM HOMES LIMITED (COMPANY NUMBER: 05887410) (the "Company")

(Adopted by special resolution passed on _____ 2023)

Interpretation, objects and limitation of liability

1 Interpretation

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

Annual Business Plan: means the business plan which is approved by the Council's Authorised Officer as part of the Council's annual budgeting process in February of each year;

Articles: means the Company's articles of association for the time being in force;

bankruptcy: includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day: means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

Conflict: means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;

Council: means the London Borough of Lewisham, Lewisham Council;

director: means a director of the Company and includes any person occupying the position of director, by whatever name called;

document: includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form: has the meaning given in section 1168 of the Act;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to article 12, any director whose vote is not to be counted in respect of the particular matter);

Interested Director: has the meaning given in article 12.1;

Member: means a person whose name is entered in the Register of Members of the Company and **Membership** shall be construed accordingly; and

Model Articles: means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles and reference to a numbered "**Model Article**" is a reference to that article of the Model Articles;

ordinary resolution: has the meaning given in section 282 of the Act;

participate: in relation to a director's meeting, has the meaning given in Model Article 10;

proxy notice: has the meaning given in Model Article 31;

special resolution: has the meaning given in section 283 of the Act;

subsidiary: has the meaning given in section 1159 of the Act;

writing: means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6 Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 The following Model Articles shall not apply to the Company:
 - 1.8.1 1 (Defined terms);
 - 1.8.2 2 (Liability of Members);
 - 1.8.3 8 (Unanimous decisions);
 - 1.8.4 9(1) and (3) (Calling a directors' meeting);

- 1.8.5 11(2) and (3) (Quorum for directors' meeting);
 - 1.8.6 13 (Casting vote);
 - 1.8.7 14 (1), (2), (3) and (4) (Conflicts of interest);
 - 1.8.8 17(2) (Methods of appointing directors);
 - 1.8.9 21 (Applications for membership);
 - 1.8.10 30(2) (Poll votes);
 - 1.8.11 31(1)(d) (Content of proxy notices);
 - 1.8.12 35 (Company seals);
 - 1.8.13 38 (Indemnity);
 - 1.8.14 39 (Insurance).
- 1.9 Model Article 3 (Directors' general authority) shall be amended by the insertion of the words "in accordance with its objects" after the words "the management of the Company's business".
- 1.10 Model Article 7 (Directors to take decisions collectively) shall be amended by:
- 1.10.1 the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and
 - 1.10.2 the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
 - 1.10.3 the insertion of the words at the end of Model Article 7(2) "A sole director shall be entitled to exercise all powers and discretions conferred on the directors by the Act or the Articles and that nothing in these Articles is to be construed as requiring the company to have more than one director".

2 **Object**

The object for which the Company is established is to:

- 2.1 acquire assets and provide, construct, improve or manage accommodation including temporary accommodation and to do anything ancillary to this activity to further support the business of the Company;
- 2.2 provide, manage, maintain, improve, demolish or convert the non-social housing stock owned or managed by the Council or by the Company from time to time together with any other amenities or facilities for the benefit of residents of such non-social housing stock;
- 2.3 provide amenities and services of any description for residents of non-social housing stock owned or managed by the Council or by the Company from time to time either exclusively or together with persons who are not residents of such non-social housing stock;

- 2.4 provide advice and assistance to all tenants, leaseholders, and licensees, of the Council or the Company and applicants for non-social housing advice in respect of the Council's housing;
- 2.4.1 carry out any activity which contributes to regeneration or development including but not limited to:-
- (a) securing that land and buildings are brought into effective use;
 - (b) contributing to or encouraging economic development;
 - (c) creating an attractive and safe environment;
 - (d) preventing crime or reducing the fear of crime;
 - (e) providing, constructing, managing, maintaining, demolishing or improving housing or social and recreational facilities for the purpose of encouraging people to live or work in the said area or for the purpose of benefiting people who live there;
 - (f) providing employment for local people;
 - (g) providing or improving training, educational facilities or health services for local people;
 - (h) assisting local people to make use of opportunities for education, training or employment; and
 - (i) meeting the special needs of local people which arise because of disability or because of their sex or the racial group to which they belong.
- 2.5 provide, construct, improve or manage housing (for sale on shared equity or shared ownership or other similar basis) or to be kept available for letting or hostels;
- 2.6 provide, manage, maintain or improve accommodation required from time to time for the benefit of persons who require temporary accommodation;
- 2.7 provide services of any description for the Council;
- 2.8 assess applicants for non-social housing;
- 2.9 assess applications by residents of non-social housing stock owned or managed by the Council to exercise the right to buy under Part V of the Housing Act 1985;
- 2.10 enabling or assisting any residents of the non-social housing stock owned or managed by either the Council or the Company to acquire, or to acquire and enter into occupation of, houses;
- 2.11 carry out any other business that may be carried out from time to time by a private company limited by guarantee that is also an arm's length management organisation, provided always that:

- 2.11.1 its operations shall be carried out primarily within those areas in which the Council owns or manages housing stock; and
- 2.11.2 from the date of adoption of the Articles, it obtains the Council's specific consent to carrying out any further business outside those areas prior to starting such further business.

3 Powers

- 3.1 In pursuance of the objects set out in article 2, the Company has the power to:
 - 3.1.1 buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
 - 3.1.2 borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets. The Company should only borrow with the agreement of its Members and within the parameters of the Agreed Business Plan;
 - 3.1.3 invest and deal with the funds of the Company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
 - 3.1.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
 - 3.1.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;
 - 3.1.6 lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;
 - 3.1.7 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or company to pay the same;
 - 3.1.8 enter into contracts to provide services to or on behalf of other bodies;

- 3.1.9 provide and assist in the provision of money, materials or other help;.
- 3.1.10 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.1.11 incorporate subsidiary companies to carry on any trade; and
- 3.1.12 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the object set out in article 2.

4 Income

- 4.1 The income and property of the Company from wherever derived shall be applied solely in promoting the Company's objects.
- 4.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:
 - 4.2.1 reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
 - 4.2.2 any interest on money lent by any Member or any director at a reasonable and proper rate;
 - 4.2.3 reasonable and proper rent for premises demised or let by any Member or director; or
 - 4.2.4 reasonable out-of-pocket expenses properly incurred by any director.

5 Winding up

On the winding-up of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this Article) but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Company. Such body to be determined by resolution of the Members at or before the time of winding up and, subject to any such resolution of the Members, may be made by resolution of the directors at or before the time of winding up.

6 Guarantee

- 6.1 The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for
 - 6.1.1 payment of the Company's debts and liabilities contracted before he ceases to be a Member,
 - 6.1.2 payment of the costs, charges and expenses of the winding up, and
 - 6.1.3 adjustment of the rights of the contributories among themselves.

Directors

7 Appointment of directors:

- 7.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
- 7.1.1 by ordinary resolution; or
- 7.1.2 by a decision of the directors provided that the appointment is approved in writing by a simple majority of the Members within 10 Business Days of such decision, if no such approval is received then the decision to appoint shall not take effect.
- 7.2 In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director.
- 7.3 For the purposes of article 7.2, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

8 Unanimous decisions

- 8.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 8.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 8.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

9 Calling a directors' meeting

- 9.1 Any director may call a directors' meeting by giving not less than five Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors to give such notice.
- 9.2 Notice of a directors' meeting shall be given to each director in writing.
- 9.3 The directors must meet at least quarterly.
- 9.4 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

10 Quorum for directors' meetings

- 10.1 Subject to article 10.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors, unless the members have resolved pursuant to article 14 that there is to be only one director in office for the time being, then that director shall form a quorum.

- 10.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 12 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 10.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - 10.3.1 to appoint further directors; or
 - 10.3.2 to call a general meeting so as to enable the Members to appoint further directors.

11 Casting vote

- 11.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.
- 11.2 Article 11.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

12 Directors' conflicts of interest

- 12.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty to avoid conflicts of interest under section 175 of the Act.
- 12.2 Any authorisation under this article 12 shall be effective only if:
 - 12.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
 - 12.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 12.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 12.3 Any authorisation of a Conflict under this article 12 may (whether at the time of giving the authorisation or subsequently):
 - 12.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 12.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- 12.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 12.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 12.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 12.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 12.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 12.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 12.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 12.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 12.7.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 12.7.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 12.7.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

- 12.7.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 12.7.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 12.7.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

13 Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

14 Number of directors

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than two.

15 Disqualification and removal of directors:

In addition to any power of removal conferred by the Act, the Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with section 312 of the Act, remove a director before the expiry of their period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a director in their place.

16 Termination of directorship

16.1 A person ceases to be a director as soon as:

- 16.1.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 16.1.2 a bankruptcy order is made against that person;
- 16.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 16.1.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become

physically or mentally incapable of acting as a director and may remain so for more than three months;

16.1.5 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; and/or

16.1.6 an ordinary resolution has been passed by the Company's Members terminating the director's directorship.

17 Appointment and removal of alternate directors

No director shall be entitled to appoint an alternate director to the board.

18 Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

19 Change of company name

19.1 The name of the Company may be changed by:

19.1.1 a decision of the directors, or

19.1.2 a special resolution of the Members,

or otherwise in accordance with the Act.

Members: becoming and ceasing to be a member

20 Membership

20.1 The Company shall admit to Membership an individual or organisation which:

20.1.1 applies to the Company using the application process approved by the directors; and

20.1.2 is approved by the directors and the Council in its capacity as a member of the Company.

A letter shall be sent to each successful applicant confirming their Membership of the Company and the details of each successful applicant shall be entered into the Register of Members by any director.

20.2 An applicant for Membership must be proposed by a director and such proposal must be seconded by another director.

20.3 The directors may in their absolute discretion decline to accept any application for Membership and need not give reasons for doing so.

20.4 The directors may prescribe criteria for Membership of the Company but shall not be obliged to accept persons fulfilling those criteria as Members.

21 **Termination of membership:**

21.1 A member may withdraw from membership of the Company by giving 7 days' notice to the Company in writing.

21.2 Membership is not transferable

21.3 A person's membership terminates when that person dies or ceases to exist.

Decision making by members

22 **Votes of members**

22.1 Subject to the Act, at any general meeting:

22.1.1 every Member who is present in person (or by proxy) shall on a show of hands have one vote; and

22.1.2 every Member present in person (or by proxy) shall on a poll have one vote.

23 **Poll votes**

23.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.

23.2 Model Article 30(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

24 **Proxies**

24.1 Model Article 31(1)(d) shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

24.2 Model Article 31(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

Administrative arrangements

25 **Means of communication to be used**

25.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

25.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient,

provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- 25.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 25.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 25.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

- 25.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

26 Indemnity and insurance

- 26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 26.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them;

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

- 26.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 26.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

- 26.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 26.4 In this article:
- 26.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - 26.4.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
 - 26.4.3 a **relevant officer** means any director or other officer or former director or other officer of the Company , but excluding any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

Process for amending Lewisham Homes Limited (LHL) articles of association:

Formalities to change the articles of association:

1. In order to amend its articles of association, LHL must obtain member approval. The Companies Act 2006 (**CA06**) specifies that amending the articles of association requires a special resolution to be passed. In other words, the resolution must be supported by at least 75% of the members. This can be done via a special resolution at a general meeting or by a written resolution. As LHL is a sole member company, only one “qualifying person” is required to attend a general meeting for it to be quorate or vote on any written resolution for this to be resolved.
2. A qualifying person includes any person authorised under section 323 of the CA06 to act “as the representative of a corporation at a meeting”. Section 323 CA06 confirms that if a corporation is a member of a company, it may “by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at any meeting of the company”. Therefore, the Council can authorise for an individual to act as its representative to approve any matters at a general meeting of LHL to amend the articles.
3. Alternatively, as stated above, LHL can pass a written resolution which has the same effect if passed in a general meeting. This is a practical and convenient alternative to passing a resolution at an in person general meeting. If LHL were to proceed with a written resolution, the form of resolution must state that it is a special resolution otherwise it will not be valid to approve the amendments to the articles of association (due to the CA06 requiring a special resolution to amend the articles of association).

Practicalities to pass the resolution:

4. As stated above, as LHL is a sole member company, a special resolution can be passed by one qualifying person voting on the resolution at a general meeting by way of a show of hands or poll. Companies House does not refer to a need to print a record of a sole member’s resolution however, as this is the equivalent to a resolution which has been agreed by a company that has more than one member, we recommend a copy of the special resolution be filed in any event (if the Council chooses general meeting approach).
5. Alternatively, a written resolution can be passed which would need to be signed by an authorised representative on behalf of the Council. The process for passing a written resolution is slightly different depending on whether the written resolution is proposed by the board of directors of LHL, or by the Council.
6. If the board of directors propose the written resolution, this must be sent to the Council in hard copy, electric form or through a website and must be accompanied by a statement confirming:
 - a. the details of the proposed resolution;
 - b. that it is a special resolution;
 - c. how to signify agreement to the resolution;
 - d. the date on which the resolution must be passed if it is not to lapse;

-
- e. the deadline for casting votes; and
 - f. clear instructions on how to cast votes.
7. The directors of LHL should also pass a board resolution approving the circulation of the written resolution and evidencing its decision to circulate this.
 8. Alternatively, the Council can propose a written resolution. The request for the written resolution can be in hard copy or electric form and must identify the resolution, provide any accompanying statement and be authenticated by those demanding circulation. If the Council propose the written resolution, it is good practice to have board minutes to evidence LHL's board of directors, consideration of the resolution and to approve its circulation.

Suggested approach:

9. As LHL is a sole member company, the decisions at any general meeting should be recorded. For this reason, we suggest that the Council proceed with the written resolution route as this covers all bases and ensures there is a written record of the resolution passed. In terms of the two approaches for proposing a written resolution, these are not too dissimilar given LHL is a sole member company. We would advise that a written resolution be proposed by the board of LHL for expediency, and the process in paragraph 6 and 7 is followed.

Filings with the Registrar of Companies

10. Once the resolution has been passed LHL must file a copy of the resolution and amended articles to the Registrar of Companies within 15 days after the amendment takes effect. As there will be a change in LHL's objects (what it does as a business) and this will be reflected in the amended articles of association, LHL must also file a statement of company objects using form CC04 with the Registrar of Companies. This must be filed at the same time as the resolution and articles. The amendment to the objects is not effective until entry of this form on the register with the Registrar of Companies.

Other points:

11. As the Council also proposes to make changes to the board of directors, the appointment and resignation of any directors will need to be approved at a meeting of the board of directors and forms AP01 and AP02 will need to be filed with the Registrar of Companies within 14 days of the changes made.

Report for: Mayor and Cabinet	
Part 1	X
Part 2	<input type="checkbox"/>
Key Decision	<input type="checkbox"/>

Date of Meeting	20 th September 2023	
Title of Report	Catford Regeneration Partnership Limited (CRPL) Director Appointment	
Author	Kplom Lotsu – Head of Property, Estates and Capital Programmes	Ext. 49283

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

Category	Yes	No
Financial Comments	X	
Legal Comments	X	
Cabinet Briefing consideration	X	
EMT consideration	X	

Signed: 

Cabinet Member: Brenda Dacres – Cabinet Member for Housing Development and Planning

Date: 12th September 2023

Signed: 

Executive Director: Nazeya Hussain – Interim Executive Director for Place

Date: 11th September 2023

Control Record by Committee Services

Action	Date
Listed on Key Decision Plan	
Date submitted to Legal & Finance	
Date submitted to Cabinet Members for sign off	
Date submitted to Executive Director for sign off	



Mayor and Cabinet

Catford Regeneration Partnership Limited (CRPL) Director Appointment

Date: 20th September 2023

Key decision: No

Class: Part 1.

Ward(s) affected: Rushey Green / Catford South

Contributors: Director of Inclusive Regeneration; Head of Property, Estates and Capital Programmes.

Outline and recommendations

Outline and recommendations:

This report seeks the appointment of directors for the wholly owned Council Company Catford Regeneration Partnership Limited (CRPL) following the resignation of two Directors. It proposes a review of the company and its Articles of Association to be reported to Mayor and Cabinet in due course.

Recommendation:

Mayor and Cabinet approves the appointment of Nick Penny and Melanie Dawson as Company Directors to replace John Bennet and David Austin who have both resigned as Directors. It also recommends that Mayor and Cabinet notes a proposed review of the company's operations and how it interacts with its shareholder – Lewisham Council.

Timeline of engagement and decision-making

- Nomination of a new directors by Exec Director for Place – July 2023

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1. Summary

- 1.1. The Catford Regeneration Partnership Limited (CRPL) is a wholly owned company of Lewisham Council. The company was originally created in January 2010 to purchase the leasehold interests in and around the Catford Centre in order to manage and regenerate the assets to improve the economic, social and environmental wellbeing of the people of the London Borough of Lewisham (LBL).
- 1.2. The day to day activities of the Company are managed by two Directors comprising two Council officers supported by other Council employees in the Property, Estates and Capital Programme team. Following the resignation of two directors, it has been agreed to appoint two new officer Directors to manage and oversee the activities of the company.
- 1.3. This report recommends the appointment of Nick Penny, Head of Finance and Melanie Dawson, Principal Lawyer and Deputy monitoring Officer, as directors of the company to support the activities of CRPL. The appointments will be made using the same Director's Mandate agreed at the inception of the company.
- 1.4. The report also asks Mayor and Cabinet to note that a review of the company's operations and its interaction with the Council, as its sole shareholder, is proposed, and that this will be reported to Mayor and Cabinet in due course.

2. Recommendations

Mayor and Cabinet is asked to:

- 2.1 approve the appointment of Nick Penny and Melanie Dawson as a Directors of Catford Regeneration Partnership Limited (CRPL);
- 2.2 agree that Nick Penny and Melanie Dawson are indemnified as Directors in accordance with the attached Deed of Indemnity agreed at the inception of the Company.
- 2.4 to note that a review of the company is proposed, and that the outcome together with a new business plan will be reported to Mayor and Cabinet in due course.

3. Policy Context

- 3.1 The Council's Local Development Framework sets the vision, objectives, strategy and policies that will guide development and regeneration in the borough to 2025 and together with the Mayor of London's 'London Plan', forms the statutory development plan for the Borough. It anticipates major change and includes a focus on Catford Town Centre as a major development opportunity. The London Plan reinforces this view by identifying Catford as having potential for significant urban renewal.
- 3.2 In July 2021, Mayor and Cabinet agreed the Catford Town Centre Framework. The framework sets out a long-term strategy for the transformation of the town centre along with a 15-20 year development programme.

- 3.3 The content of this report is consistent with the Council's policy framework, namely the Corporate Strategy 2022 – 2026. Delivering this strategy includes the following priority outcomes that relate to the Council's regeneration activities:
- Cleaner and Greener – working to tackle the climate crisis through our development policies.
 - A Strong Local Economy – continue to expand our apprenticeship programme and invest in our high streets, doing what we can to be the best place in London for new businesses.
 - Quality Housing and Safer Communities – we will deliver more social homes for Lewisham residents, providing as many people as possible with safe, comfortable accommodation that they can be proud of and happy to live in.
 - Open Lewisham – we will co-design services and ensure strong consultation processes that reach out to people whose voices are seldom heard.
- 3.4 The Local Authority has a duty to ensure the long-term growth of its town centres is planned and managed, to ensure that viable and vital functions of its town centres are integrated as part of a sustainable development strategy.
- 3.5 CRPL's core objectives accords with the above. It is against this policy background that the proposed appointments of Nick Penny and Melanie Dawson to the directorship of CRPL is being made as well as furthering the objectives of CRPL as set out in its Articles of Association.

4. Background and Narrative:

- 4.1. CRPL is a wholly owned company of Lewisham Council. The company was originally created in January 2010 to purchase leasehold interests in and around the Catford Centre in order to manage and regenerate the properties to improve the economic, social and environmental wellbeing of the people of the London Borough of Lewisham.
- 4.2. The Company's Articles of Association appear at Appendix 1. The appointment of Directors is the responsibility of the London Borough of Lewisham as the sole shareholder.
- 4.3. The primary duty for the Directors when considering company business is to the Company, with a secondary duty being owed to the Council.
- 4.4. In essence, Directors owe a fiduciary duty to act in the best interest of the company. A Director's Mandate (attached as Appendix 2) is also given to each director including reference to their indemnity, setting out their duties as a Director. The Mandate includes a requirement to respect their position as Council appointee and not to act in contravention of a properly given Council instruction.
- 4.5. Many key decisions in relation to the Company are classified as reserved matters and must be approved by the Council as sole shareholder. The complete list of shareholder reserved matters are listed in the Articles of Association at paragraph

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25. These reserved matters ensure that the Council retains control over the direction of the Company and that the Company operates strictly within its approved business plan.
- 4.6. At its inception, two Directors were appointed, both of them Council officers. Initially one was a senior finance officer and the other a senior regeneration officer. However, to avoid any perception of conflict of interest for the regeneration officer, it has become the Council's practice not to appoint a senior regeneration officer.
- 4.7. The most recent directorships were David Austin, Director of Finance and John Bennett, Head of Economy, Jobs and Partnerships. Together, the directors have been actively managing the affairs of the company until recently. David Austin can no longer act as a Director because of his new role as Acting Executive Director for Corporate Resources and Council's s151 Officer and John Bennett has resigned from the Council's employ leaving both director positions vacant.
- 4.8. To ensure effective management and governance of the affairs of the company, it is proposed that Nick Penny – Head of Finance and Melanie Dawson, Principal Lawyer and Deputy Monitoring Officer, are appointed to fill the vacancies left by David Austin and John Bennett.
- 4.9. If the Council agrees to the appointment of Nick Penny and Melanie Dawson, it is proposed that it should be on the same terms as for all former and current directors and that they are given the same indemnity against personal liability as is currently afforded David Austin and John Bennett.
- 4.10. Further, the newly appointed Directors will be offered training from Institute of Directors (IoD) who offer reputable accredited courses for Directors in a number of sectors including the Public Sector.
- 4.11. The proposed appointment acknowledge the current status of the wider Catford Town Centre Regeneration Framework plan recently agreed by Mayor and Cabinet and its implications for the operations of the company.
- 4.12. In the meantime however, the ongoing cost of living crisis continues to create a very challenging environment for commercial tenants and individual households. Although some key indicators such as cost of fuel, energy price and general inflation have started to fall in recent months, the full impact has not filtered through to the commercial tenants and households due in part to rises in interest rates. This, together with managing the post COVID debt of arrears in service charge and rent continues to create challenges for the company.
- 4.13. Although the majority of tenants continue to meet the contractual obligations of their lease with CRPL, for some, this still remains a challenge and this places further pressure on the company and its ability to meet its own obligations including loan and interest repayments to the Council. As a mitigation, the company agreed a short (3-year) deferment of the interest payments on loans from the Council to enable it stabilise its cashflow over the current business plan period which ends in 2023.
- 4.14. As set out in the Financial Implications, the deferral of the payment of the interest costs, coupled with the recent valuation of the property portfolio, has meant that the Council is likely to have to make a Minimum Revenue Provision (MRP) charge for the outstanding debt to the Council.

- 4.15. In light all of the above, CRPL's financial position and operations will need to be reviewed given its current asset value and the growing pressure of capitalised interest on Council loan and the company's likely ability, in the very near future, to continue to meet its own obligations. Further, managing the growing expectations of the company given its controlling land interests and their being central to the future regeneration of the town centre will require clear distinction between what are Council decisions and actions and those of the company, and the related reputational risks.
- 4.16. As noted in 4.5 above, the company currently interacts with the Council, its sole shareholder, on terms set out in the Articles of Association which were agreed at its inception. As the timeline for regeneration draws closer and shareholder expectations as well as operating environment change, it has become necessary to review the company and its operations along side the Articles of Association to ensure that they and the current company composition remains fit for purpose.
- 4.17. It is therefore proposed that a review of the company and the Articles of Association is undertaken urgently and the outcome together with a new Business Plan is reported to Mayor and Cabinet in due course.

5. Financial Implications:

- 5.1. Directors are nominated by the Council and do not receive additional remuneration for undertaking this role. There is therefore no direct financial implications resulting from this appointment.
- 5.2. The indemnity against personal liability provided to the proposed new director will be on the same terms as all former and current directors and is therefore not expected to lead to an increase in the relevant insurance premium.
- 5.3. The Council undertook an independent valuation of the CRPL assets as at 31 March 2023 which equates to £16.6m. At the start of the financial year the value of the loan liabilities was £16.3m. However, as the interest is not being paid it is forecast that the loan liability and capitalised interest as at 31 March 2024 will be £16.9m, meaning that the value of the loan liabilities will exceed the current property valuation by £0.3m.
- 5.4. As the value of the loan will no longer be fully backed by the value of the assets, the Council will be required to make a MRP charge to its balance sheet in the year 2023/24, chargeable on the difference between the asset and loan value. The value of the MRP charge to the Council's balance sheet is estimated to be circa £3k, noting that this is a partial year impact.
- 5.5. In the event that the value of the properties remained at £16.6m and the interest continued to be capitalised this would increase to £27k for 2024/25.
- 5.6. This will remain under review, as the MRP calculation and charge will change if the property valuation changes, or if CRPL are able to start making interest payments.
- 5.7. It is noted that there will be a further report to Mayor & Cabinet following the wider review of the company, and the financial impact on the Council will be carefully considered and reported alongside any financial implications for the company itself.

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6. Legal Implications:

- 6.1. Appointments to CRPL are an executive function, under Part III of the Council's Constitution and must therefore go to Mayor and Cabinet for approval. There is no constitutional change required.
- 6.2. Under the Local Authorities (Indemnities for Members and Officers) Order 2004 (Statutory Instrument 3082) local authorities are empowered to indemnify Members and officers in a wide range of circumstances and any additional appointment would be subject to the existing Director's Mandate and Indemnity.

7. Equalities implications

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

8. Climate change and environmental implications:

- 8.1. There are no immediate climate change and environmental implications directly arising from this report.

9. Crime and disorder implications

- 9.1. None specific to this report.

10. Health and wellbeing implications

- 10.1. None specific to this report.

11. Background papers

- 11.1. None

12. Report author and contact

- 12.1. Kplom Lotsu – Head of Property, Estates and Capital Programmes
020 8314 9283 – kplom.lotsu@lewisham.gov.uk

13. Comments for and on behalf of the Executive Director for Corporate Resources

- 13.1. Katharine Nidd – Acting Director of Finance
020 8314 6651 – katharine.nidd@lewisham.gov.uk

14. Comments for and on behalf of the Director of Law & Corporate Governance
- 14.1. Jeremy Chambers – Director of Law and Corporate Governance, Monitoring Officer
Jeremy.chambers@lewisham.gov.uk

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dated 27 January 2010

Catford Regeneration Partnership Limited

Articles of Association

adopted by special resolution on 27 January 2010

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draft dated 22.01.2010

Company number: 07077434

Private company limited by shares

Articles of Association

of

Catford Regeneration Partnership Limited

Model Articles

- 1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles (the **Model Articles**), shall apply to the Company save in so far as they are excluded or varied hereby and such Model Articles (save as so excluded or varied) together with the following articles shall be the articles of association of the Company. References to **these articles** shall be to the following articles as amended from time to time together with such Model Articles as apply to the Company.

Objects clause

- 2 The Company's objects are unrestricted and include but are not limited to:
 - 2.1 carry on a business with a view to improving the economic, social and environmental well being of the area and residents of Catford and wider London Borough of Lewisham; and
 - 2.2 carry out the management and regeneration of the Catford Centre and adjacent land in the London Borough of Lewisham.

Unanimous decisions

- 3 A decision of the directors which takes the form of a resolution in writing may consist of several copies each signed by one or more eligible directors. Article 8 of the Model Articles shall be modified accordingly.

Calling a directors' meeting

- 4 A director may waive the requirement that notice of a meeting of the directors or of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a director gives such notice to the Company after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it. Article 9(4) of the Model Articles shall be modified accordingly.

- 5 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Article 10(3) of the Model Articles shall not apply to the Company.

Quorum for directors' meetings

- 6 The quorum for the transaction of business of the directors shall be two unless there is a sole director, in which event, the sole director shall constitute a quorum. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Article 11(2) of the Model Articles shall be modified accordingly.
- 7 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 7.1 to appoint such number of further directors as are required to make up the quorum required; or
- 7.2 to call a general meeting so as to enable the shareholders to appoint further directors. Article 11(3) of the Model Articles shall not apply to the Company.

Authorisation of directors' conflicts of interest

- 8 Notwithstanding section 175(4)(b) of the Companies Act 2006, as amended, consolidated or re-enacted from time to time (the **2006 Act**), the directors shall not have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the 2006 Act. Any such matter shall require the prior written approval of the members. Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 9 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 9.1 disclose any such information to the Company, the directors or any other director or employee of the Company; or
- 9.2 use or apply any such information in connection with the performance of his duties as a director;
- provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this article shall apply only if such situation or relationship has been authorised by the members under article 8.
- 10 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter

authorised by the members under article 8 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

Appointment and removal of directors

- 11 Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is one.
- 12 Notwithstanding any other provision of these articles, the holder or holders of a majority in nominal value of the issued ordinary shares in the capital of the Company may at any time and from time to time:
- 12.1 appoint any person to be a director (provided that any such appointment does not cause the number of directors to exceed a number fixed by or in accordance with these articles as the maximum number of directors); or
- 12.2 remove any director from office.

Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice). Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.

- 13 In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

Termination of a director's appointment

- 14 Notwithstanding any other provision of these articles, a person ceases to be a director as soon as he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

Appointment and removal of alternate directors

- 15 Any director (the **appointor**) may appoint as an alternate any other director, or any other natural person to:
- 15.1 exercise that director's powers; and
- 15.2 carry out that director's responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate's appointor. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate and, in the case of a

notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

- 16 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor. Alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors. A person who is an alternate director but not a director may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and may sign a written resolution (but only if it is not signed or to be signed by that person's appointor). No alternate may be counted as more than one director for such purposes.
- 17 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

Termination of alternate directorship

- 18 An alternate director's appointment as an alternate terminates:
- 18.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 18.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the terminate of the appointor's appointment as a director;
- 18.3 on the death of the alternate's appointor; or
- 18.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

Business Plans

- 19 No more than five months before nor less than two months before the start of each financial year the board of directors shall circulate a draft Business Plan for the next financial year to the members.
- 20 The draft Business Plan shall not take effect unless and until approved by the members in accordance with article 25.
- 21 The directors shall take account of the approved Business Plan when exercising their functions in the management of the Company.

Budgets

- 22 No more than five months before nor less than two months before the start of each financial year the board of directors shall circulate a draft Budget for the next financial year to the members.
- 23 The draft Budget shall not take effect unless and until approved by the members in accordance with article 25.
- 24 The directors shall take account of the approved Budget when exercising their powers in the management of the Company.

Shareholder reserved matters

- 25 The following matters shall require the prior written consent of the members:
- 25.1 the approval of each Business Plan;
- 25.2 the approval of each Budget and in any financial year changes over £20,000 in any one amendment to the Budget and changes to the Budget exceeding £100,000 in aggregate in any financial year;
- 25.3 the declaration and/or payment of any dividends by the Company save where such declaration and distribution is made in accordance with the Company's dividend policy;
- 25.4 the approval of and any change to the Company's dividend policy;
- 25.5 the increase in any indebtedness of the Company other than in accordance with the prevailing Budget;
- 25.6 the commencement by the Company of any new business not being ancillary to or in connection with the Business or making any change to the nature of the Business;
- 25.7 the Company participating in any activity which is detrimental to and/or incompatible with the Business;
- 25.8 the making of any political or charitable donation;
- 25.9 the making of any acquisition or disposal by the Company other than in accordance with the then current Business Plan and Budget;
- 25.10 writing off a bad debt exceeding £25,000 provided that if debts of that person or organisation have been written off by the Company in the previous three years in an aggregate amount of £50,000 or more, the decision to write off any further bad debts for that person or organisation shall also be a reserved matter;
- 25.11 the making of any application for external funding;

- 25.12 the repurchase or cancellation by the Company of any shares, or the reduction of the amount (if any) standing to the credit of its share premium account or capital redemption reserve (if any) or any other reserve of the Company;
- 25.13 a change of name of the Company or location of its registered office;
- 25.14 any issue of new shares in the Company.
- 25.15 the devolution or transfer of all or part of the management of the Company or its business to persons who are not directors of the Company and, if approved, the terms of such devolution;
- 25.16 without limiting the generality of article 25.15, the appointment of any Chief Executive Officer or person holding a similar role and the terms of such appointment;
- 25.17 the appointment or removal of any director of the Company;
- 25.18 the engagement of (and terms of engagement of) any individual person as a consultant (but excluding for such purposes any firm/professional advisers) or employee;
- 25.19 the engagement of (and terms of engagement of) any company, partnership, individual person or other entity for the provision of services to the Company where the services provided are not contemplated in the then current Business Plan and Budget and/or where the value of the services is above the Official Journal of the European Union limit for services and/or where the services have not been tendered in accordance with the Company's Contract Lettings Procedure;
- 25.20 any change to the terms of employment/engagement and/or remuneration of a person referred to in articles 25.18 and 25.19;
- 25.21 the letting of any contract for the provision of supplies to the Company where the supplies provided are not contemplated in the then current Business Plan and Budget and/or where the value of the contract is above the Official Journal of the European Union limit for supplies and/or where the contract has not been tendered in accordance with the Company's Contract Lettings Procedure;
- 25.22 the letting of any contract for the provision of works to the Company where the works provided are not contemplated in the then current Business Plan and Budget and/or where the value of the contract is above £200,000 and/or where the contract has been not tendered in accordance with the Company's Contract Lettings Procedure;
- 25.23 the instigation of any court proceedings where the directors have not taken appropriate legal advice or where such proceedings would be against that legal advice;
- 25.24 the authorisation of the levying of distress against the occupants of land or property in arrears where the directors have not taken appropriate legal advice or where such actions would be against that legal advice;

- 25.25 the making of any application for planning permission;
- 25.26 the implementation of any regeneration initiative other than in accordance with the then current Business Plan;
- 25.27 the commencement of any winding-up or dissolution of or the appointment of any liquidator, administrator or administrative receiver of the Company or any of its assets unless it shall have become insolvent.

Financial information

- 26 The members shall be entitled to have access to and to examine (and, if required, audit at their own cost) the separate books, records, accounts and tax records to be kept by the Company and to be supplied with all information in such form as they may reasonably require to keep them properly informed about the financial and business affairs of the Company and to be promptly notified of any significant event (including without limitation any litigation or arbitration) the outcome of which will or is likely to affect the Company or its business, finances, assets or affairs.
- 27 The members shall be entitled to require the Company, and the Company shall as soon as possible comply with such a request, to provide any documents, information and correspondence necessary to enable the members to comply with filing, elections, returns or any other requirements of HM Revenue and Customs or of any other revenue authority or tax authority.
- 28 The Company will prepare and deliver at its cost to the members:
 - 28.1 within fourteen days of the end of each calendar month, a financial statement and unaudited management accounts for the Company made up to and as at the end of the calendar month and cumulative management accounts for the current accounting period up to and including that month including a rolling cash flow forecast for a period of twelve months from the end of each month and details of the Company's capital expenditure and work in progress at such date and an explanation of any difference between the actual revenue and expenditure of the Company against the previous month's forecast.
 - 28.2 a report from the board of directors on the financial position and affairs of the Company within fourteen days after the end of each calendar quarter, and
 - 28.3 annual audited accounts of the Company to be prepared in accordance with GAAP and certified by the Auditors within two months of the end of the financial year to which they relate.

Company secretary

- 29 The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

Nil- or partly-paid shares permitted

- 30 Article 21(1) of the Model Articles shall not apply to the Company. If the Company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the Company and form part of these articles as if the text of such provisions was set out in full in these articles.

Share certificates

- 31 Every share certificate must specify the amount paid up on the shares to which it relates. Article 24(2)(c) of the Model Articles shall not apply to the Company.

Share transfers

- 32 The instrument of transfer of any share taken on formation of the Company by a subscriber to the company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.

Calculation of dividends

- 33 Except as otherwise provided by these articles or the rights attached to shares, all dividends must be:

33.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

33.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount. Article 30 of the Model Articles shall be modified accordingly.

Appropriation of capitalised sums

- 34 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled.

Proceedings at general meetings

- 35 If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given to all the members of the Company. Article 41(5) of the Model Articles shall be modified accordingly.

Poll votes

- 36 A poll may be demanded by any member (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation. Article 44(2)(c) of the Model Articles shall be modified accordingly.
- 37 A demand for a poll may, before the poll is taken, be withdrawn. A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made. Article 44(3) of the Model Articles shall not apply to the Company.

Proxies and corporate representatives

- 38 The failure of any proxy or corporate representative to vote in accordance with any instructions given by the member by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and the Company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative.

Written resolutions

- 39 A proposed written resolution of the members of the Company (or of a class of members) shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the 2006 Act).

Means of communication to be used

- 40 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 40.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 40.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 40.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 40.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 41 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the 2006 Act.

Indemnity

- 42 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)) **provided that** this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the 2006 Act. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the 2006 Act and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled. Article 52 of the Model Articles shall not apply to the Company.

- 43 To the extent permitted by, and subject to the restrictions in, the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the 2006 Act, or to enable him to avoid incurring such expenditure.

- 44 Without prejudice to the provisions of article 53 of the Model Articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.

- 45 In these articles:

- 45.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;

- 45.2 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor;

- 45.3 **Budget** means the financial projections and forecasts, including anticipated expenditure, of the Company for each financial year;
- 45.4 **Business** means the objects as set out in article 2;
- 45.5 **Business Plan** means the business plan of the Company for each financial year.



DEED OF INDEMNITY

Dated October 2023

London Borough of Lewisham

and

(INSERT NAME)

Deed of Indemnity

relating to the carrying out of (INSERT NAME) duties as a Director on the Board of Catford Regeneration Partnership

This Deed

Dated October 2023

Parties

- (1) The Mayor and Burgesses of the London Borough of Lewisham of 1st Floor, Laurence House, 1 Catford Road, Catford, London SE6 4RU (the Council); and
- (2) (INSERT NAME) of 1st Floor Laurence House, 1 Catford Road, Catford, London SE6 4RU (the Director).

1 Introduction

- 1.1 On the 27th January 2010 the Council resolved to set up Catford Regeneration Partnership Limited (the Company). The objective of setting up the Company was to purchase the freehold and leasehold interests in and around the Catford Centre (the Property) from St Modwen Investments Limited in order to manage and regenerate the Property to improve the economic, social and environmental wellbeing of the area and residents of Catford and the wider London Borough of Lewisham.
- 1.2 On 1st October 2023 the Council nominated the Director as its representative on the board of the Company. On 1st October 2023 the Director was appointed to the board of the Company.
- 1.3 Under the Local Authorities (Indemnities for Members and Officers) Order 2004, the Council has power to indemnify its members and officers and insure them where they carry on functions when acting as a director of a company at the Council's request.
- 1.4 In exercising that power, the Council has agreed to enter into this Deed of Indemnity with the Director.

It is agreed as follows:

2 Definitions and Interpretation

- 2.1 In this Deed, unless the context otherwise requires, the following definitions apply:

Act means the Local Authorities (Indemnities for Members and Officers) Order 2004;

Relevant Liability means a liability falling within clause 3.1.

- 2.2 In this Deed (except for the context otherwise requires):

2.2.1 words in the singular include the plural and vice versa;

2.2.2 references to clauses are the clauses of this Deed;

2.2.3 the clause headings are included for ease of reference only and shall not affect the interpretation of this Deed; and

2.2.4 reference to a statute or statutory provision includes a reference to such a statute or statutory provision as from time to time amended, re-enacted or replaced (whether before or after the date of this Deed).

3 Indemnity

3.1 Subject to the Act and the provision of this Deed, the Council shall indemnify and keep indemnified the Director against all liabilities (other than the liability set out in clause 3.2) attaching to her in connection with any negligence, default, breach of duty or breach of trust by her as a result of her acts and/or omissions relating to her role as the Council's representative on the board of the Company.

3.2 Clause 3.1 shall not apply to any liability incurred by the Director as a result of any action by or failure to act by her which:

3.2.1 constitutes a criminal offence; or

3.2.2 is the result of fraud, or other deliberate wrong doing or recklessness on her part.

3.3 Notwithstanding clause 3.2 and subject to clause 3.4 and clause 5, the Council shall provide an indemnity in relation to the defence of any criminal proceedings brought against the Director and any civil liability arising as a consequence of any action or failure to act which also constitutes a criminal offence provided that the Director believed that the action, or failure to act, in question was within the powers of the Company and it was reasonable for her to hold that belief at the time when she acted or failed to act.

3.4 Any indemnity payment by the Council to the Director pursuant to clause 3.1 is conditional upon:

3.4.1 compliance by the Director with clause 5 to the extent applicable in the circumstances; and

3.4.2 the Director having made an application in writing to the Council supported by the production of documentation which is, in the reasonable opinion of the Council satisfactory evidence that the Relevant Liability has been incurred by the Director and of the date that it was incurred.

3.5 The obligation of the Council to indemnify the Director pursuant to clause 3.1 shall (subject to clauses 3.2 and 3.4 and 5) remain in full force and effect in respect of any Relevant Liability arising from the acts or omissions of the Director at any time during her period of office as a director on the board including, without limitation, any Relevant Liability arising from the Director's acts or omissions during such period but incurred after she ceases to hold the office of director on the board.

4 Insurance

4.1 The Council shall secure in relation to this indemnity professional indemnity insurance cover for the Director which will include arranging for and paying for that insurance.

5 Conduct of Claims and Recovery

5.1 If the Director becomes aware of any circumstances which may lead to the Council being liable to make a payment or advance funds under this Deed, the Director shall:

5.1.1 as soon as practicable, give written notice of such circumstances.

5.1.2 keep the Council informed of any developments in relation to such circumstances (including by providing the Council with such information and copies of such documents as the Council may reasonably request) and consult the Company regarding the conduct of any claim arising in connection with such circumstances; and

5.1.3 not make any admission of liability, agreement or compromise with any person in relation to any such circumstances without the prior written consent of the Council (such consent not to be unreasonably withheld or delayed).

5.2 In the event that the Council makes any payment pursuant to this Deed, the Council shall be subrogated to the extent of such payment to all of the Director's rights of recovery against third parties (including any claim under any applicable directors' and officers' insurance policy) in respect of the payment and the Director shall do everything that may be necessary to secure any rights including:

5.2.1 the execution of any documents necessary to enable the Company effectively to bring an action in the name of the Director, and

5.2.2 the provision of assistance as a witness.

5.3 If the Council makes any payment to or for the benefit of the Director pursuant to this Deed and the Director subsequently recovers or becomes entitled to recover from a third party any amount which is referable to any part of the liability for which payment was made by the Council, the Director shall immediately repay or procure the repayment to the Council of so much of the amount paid by the Council as does not exceed the amount recovered (or entitled to be recovered) by the Director, less any reasonable costs and expenses incurred by the Director in effecting any such recovery which are not recoverable from any third party.

5.4 The Director shall not be entitled to recover more than once pursuant to this Deed in respect of any matter giving rise to a Relevant Liability.

6 General

6.1 This Deed shall be binding on and shall inure for the benefit of the successors of the parties to this Deed.

6.2 A party may not (whether at law or in equity) assign, transfer, grant any security interest over, hold on trust or deal in any other manner with the benefit of the whole or any part of this Deed, nor purport to do any of the same.

6.3 A person who is not a party to this Deed (a third party) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

- 6.4 No variation of this Deed shall be effective unless it is in writing and signed by or on behalf of each of the parties to this Deed.
- 6.5 Any notice or other communication to be given under this Deed shall be in writing and shall be delivered personally or sent by pre-paid first class recorded delivery post or receipted courier (marked, in the case of communications to the Council, for the attention of the Executive Director of Resources) to the parties' respective addresses set out in this Deed or as otherwise notified by the relevant party from time to time (in accordance with the provisions of this clause). A notice or other communication given under this Deed shall be deemed to have been received upon delivery to the address referred to in this Deed.
- 6.6 This Deed shall be governed by and construed in accordance with the laws of England.
- 6.7 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Deed.

In witness of which this document has been executed by each of the Council and the Director as a Deed on the date set out at the head of this document.

THE COMMON SEAL of)
 THE LONDON BOROUGH)
 OF LEWISHAM was)
 hereunto affixed in)
 the presence of:-)

For Head of Law

Executed as a deed by)
 (INSERT NAME))

in the presence of

Witness Signature:.....

Witness Name:

Witness Address:.....

Occupation:.....

Agenda Item 10

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input type="checkbox"/>

Date of Meeting	20 September 2023	
Title of Report	Adoption of Statement of Community Involvement	
Author	Michael Forrester, Head of Development Management	Ext. 48747

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

Category	Yes	No
Financial Comments	x	
Legal Comments	x	
Cabinet Briefing consideration		x
EMT consideration	x	



Signed:
 Cabinet Member for Housing Development and Planning
 Date: 7/9/2023



Signed:
 Executive Director Housing Regeneration and Public Realm / Place
 Date: 7/9/2023

Control Record by Committee Services

Action	Date
Listed on Key Decision Plan	
Date submitted to Legal & Finance	
Date submitted to Cabinet Members for sign off	
Date submitted to Executive Director for sign off	



Mayor and Cabinet

Adoption of the Statement of Community Involvement

Date: 20 September 2023

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Head of Development Management

Outline and recommendations

The purpose of this report is to adopt the Statement of Community (SCI) Involvement.

Mayor and Cabinet are recommended to:

- a) Adopt the Statement of Community Involvement

Timeline of engagement and decision-making

July 2006 – The current Statement of Community Involvement was adopted in July 2006.

May 2018 – Mayor Damien Egan promises to launch a review that will make the Council 'even more democratic, open and transparent'

July 2018 – Full Council agrees to establish a Local Democracy Review Working Group consisting of eight councillors. They are tasked with making recommendations about how the Mayor and Council could enhance their openness and transparency, increase public involvement in Council decisions and promote effective decision-making

September 2018 to January 2019 – the Working Group gathers evidence from a wide range of residents, community groups and local councillors (including an online questionnaire completed by over 700 respondents, workshops at four secondary schools and attendance at over 40 events)

January to March 2019 – the Working Group collates their evidence into a final report, which identifies 57 recommendations for change

March/April 2019 – Mayor & Cabinet and Full Council agree the report and recommendations

April 2019 to March 2020 – the retained Local Democracy Working Group oversees delivery of the recommendations

February 2020 – the Local Democracy Working Group welcomed the direction of travel for recommendations 25-30 which propose improvements to the planning service, including *"If required, the Planning Statement of Community Involvement should be reviewed in line with the democratic standards once developed, and the other relevant recommendations made within this report (#30)"*

June 2020 – temporary changes agreed to the Council's Statement of Community Involvement (SCI) to facilitate virtual meetings for a period of 3 months

September 2020 – temporary changes to the SCI are extended for a period of 6 months due to the ongoing pandemic and consultation on permanent changes to those sections addressing planning policy consultation agreed

December 2020 – permanent changes to the SCI to those sections addressing planning policy consultation approved by Mayor and Cabinet.

February 2021 – update to the Local Democracy Working Group (LDWG) on proposals to increase the openness and transparency around the planning process, particularly focused on effective decision making at planning committees which were endorsed by the LDWG. This included the Planning Service preparing a new SCI following the development of proposals and a period of engagement with amenity societies/community groups and Members.

June 2021 – Community Group meeting to, amongst other matters, update on progress with the Local Democracy Review (LDR) work programme

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November 2021 – Community Group meeting to, amongst other matters, update on progress with the LDR work programme

January 2022 – a standalone revision agreed to the SCI at Mayor and Cabinet in relation to Design Review Panels

July 2022 – Community Group Meeting where discussions began on a new working relationship with amenity societies and community groups to begin the period of engagement. A questionnaire was sent following this meeting to all amenity societies and community groups.

October 2022 – Community Group Meeting continuing engagement with amenity societies including the responses received from the July questionnaire.

October 2022 – Sustainable Development Select Committee – an update of the Local Democracy Review projects

1 February 2023 – M&C meeting for approval to start public consultation

February 2023 – Community Group Meeting continuing engagement with amenity societies, highlighting ongoing formal consultation of SCI.

20-February – 3 April 2023 – formal public consultation of the SCI

June 2023 – Sustainable Development Select Committee – an update on the representations received and ways forward for a revised SCI draft

July 2023 – Overview and Scrutiny Committee – discussion and recommendations for Good Developer Engagement Protocol

Purpose

- 1.1. The purpose of this report is to seek approval for a new Statement of Community Involvement also known as the SCI.

Summary

- 1.2. An SCI is a legal planning requirement and sets out the Council's policy for involving and communicating with interested parties in matters relating to the preparation and revision of local development framework documents and the exercise of the authority's functions in relation to planning application consultation.
- 1.3. This report outlines the consultation of a new draft SCI carried out to date and how officers have responded to the representations raised which have informed the final SCI for adoption, which is attached to this report at Appendix 1.

Recommendations

- 1.4. It is recommended that Mayor and Cabinet:
 - a) Adopt the Statement of Community Involvement.

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Policy Context

- 1.5. The content of this report is consistent with the Councils policy framework. The SCI is a legal planning document that sets out how the Council will consult with the public and other stakeholders when preparing the statutory development plan and supporting documents, and how it will consult on planning applications. The SCI also sets out how the Council will fulfil its statutory duty to support neighbourhood planning. The Council must (as a minimum) comply with statutory requirements for consultation set out in relevant legislation and policy including:
- The Town & Country Planning (Development Management Procedure) (England) Order 2015 – for planning applications
 - The Planning (Listed Buildings and Conservation Areas) Regulations 1990 (as amended) – for listed building consents
 - Planning and Compulsory Purchase Act (PCPA) 2004 (as amended)
 - The Town & Country Planning (Local Planning) (England) Regulations 2012 (as amended)
 - Localism Act 2011 (as amended)
 - The Neighbourhood Planning (General) Regulations 2012
 - Neighbourhood Planning Act 2017
 - Environmental Assessment of Plans and Programmes Regulations 2004
 - Town and Country Planning (Local Planning) (England) (Coronavirus) (Amendment) Regulations 2020
 - National Planning Policy Framework (NPPF) (2021) and National Planning Practice Guidance (NPPG).

Background

- 1.6. The draft SCI (to replace the 2006 version) was published for public consultation between March and April 2023. This was an early-stage draft which provided the public with an opportunity to comment on the scope of the SCI. There were 21 responses to the SCI consisting of 11 Amenity Societies and Community Groups (and a further 4 representations of individuals affiliated to those groups), 1 Ward Councillor and 5 residents from the borough.
- 1.7. The representations referred to the removal of the decision-making details (the constitution), legalistic language and digital exclusion. The representations also focused on two key areas in relation to Local Meetings, particularly when and how they take place.
- 1.8. There was a very low level of engagement in relation to formal recognition of Amenity Societies and following the close of the consultation, comments were received from the London Forum of Amenity and Civic Societies, welcoming that the Council is seeking to formally recognise Amenity Societies but raising concern at the detailed proposals around London Forum membership.
- 1.9. Officers, presenting to the Sustainable Development Select Committee (June 2023) set out how representations have shaped the outcomes for a new SCI in relation to consultation on planning applications and provision of local meetings. Officers further advised that given the low level of engagement from groups and

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comments from the London Forum that a period of further engagement was proposed to take place over the summer to consider the exact working arrangements with Amenity Societies.

- 1.10. As this is a process which sits outside the SCI (the consultation was an annex to the SCI), this would mean that the adoption of a new SCI does not impact the process of establishing any local criteria for the formal recognition of groups.
- 1.11. The changes to call-in powers for Amenity Societies have already been established by the Council's new Constitution and would therefore remain unaffected by SCI proposals.
- 1.12. This report therefore does not address the formal recognition of Amenity Societies, as engagement is continuing with the Planning Service.

Draft SCI for consultation

- 1.13. The draft SCI proposed several areas for modernisation and improvement. The following paragraphs set these out by topic, and how the Planning Service proposes to progress these. Nothing that consultation proposals for formal recognition of Amenity Societies has been de-coupled from the SCI to allow for further engagement.

Clarity of Purpose

- 1.14. The SCI will clearly set out its purpose, which is to explain how the Council will consult on applications and promote pre-application engagement. Its role is not to explain or set out decision making processes. It will not seek to replicate other published policy or information, but instead provide clear signposts.

Dealing with repetition

- 1.15. A key area for update in the SCI will be the removal of repetitious information contained within other Council Policies, namely the Scheme of Delegation and committee processes. These are contained within the Council's Constitution.
- 1.16. The role of the SCI is to set out how the Council will consult and engage on policy making and planning applications, whereas the Constitution sets out how the Council makes decisions. The repetition of other Council policies and decision-making arrangements, does not allow the Council to work flexibly, nor respond to changing patterns of communication or work practices. This was particularly evident during the Covid-19 Pandemic.
- 1.17. The SCI is proposed to be much more concise and strategic in nature, setting a level of engagement (as required by legislation) which can be expanded as necessary through advisory notes hosted on the Council's website. This would enable standards to be set but give the Council greater flexibility to respond quickly to new and improved ways of working. Furthermore, by removing repetition, this would make the document as a whole easier to read and provide clarity on its purpose. The removal of details around the scheme of delegation would not change current working practices. This would mean that if the constitution requires updating, the SCI does not and vice versa.
- 1.18. Any future proposals to committees and the scheme of delegation would form part of the Council's Constitution review which has separate reporting and approval processes to the SCI, via Full Council.

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Reflecting modern ways of working

- 1.19. The current SCI reflects ways of working and communication that was largely paper based. It is proposed to ensure that email and online methods of communication are prioritised, reflecting the changes seen over the last 16 years. References to newsletters and fortnightly meetings to review cases with amenity societies are also proposed to be removed as these are no longer held as well as any other references to working practices which are no longer followed.

Updating legislation and policy position

- 1.20. Throughout the SCI all legislative and policy references will be updated. This will include the status of the SCI which is now no longer defined by Government as a development plan document.

Promoting pre-application engagement

- 1.21. The Planning Service receive regular feedback on the desire of the local community and groups to engage at the earliest possible stage to meaningfully influence schemes. Whilst the SCI is unable to force any developer to undertake pre-application engagement, it is a useful document to be clear that there is an expectation that early engagement takes place. As part of this, it is proposed that there is a clear expectation that for major developments, a pre-application Local Meeting is held to inform proposals as they develop.

Consultation feedback and changes to the draft SCI

- 1.22. This section provides a summary of the main issues raised during the draft SCI consultation, and how Council Officers considered these responses.
- 1.23. The representations were focused on the removal of decision-making details (the constitution), legalistic language and digital exclusion. The representations were focused on the arrangement of Local Meetings, particularly how and when they take place.

Removal of decision-making details

- 1.24. The role of an SCI is to set out how the Council engages on the preparation of planning policies and undertakes statutory consultation of planning consultations. The existing 2006 SCI contains repetitious information, namely details around decision making which are copied from the Constitution.
- 1.25. The SCI is now out of date regarding the scheme of delegation following the adoption of the 2023 Constitution.
- 1.26. Representations received raised concern to the removal of the decision-making sections repeating parts of the constitution, citing a lack of clarity for how decisions are made.

Response

- 1.27. There is no legal requirement for an SCI to repeat information from the Constitution, and its inclusion within a new SCI would lead to a repeat of the existing SCI which has proven to be inflexible. Officers have committed to making much greater use of the Council website to explain the planning and

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decision-making process via a simpler representation of the scheme of delegation and committee structure within the Constitution. The website page will be prominently positioned and is able to be easily updated.

- 1.28. As such, it is not considered appropriate or necessary to include details of the Constitution within the SCI.

Reflecting modern ways of working

- 1.29. The current SCI reflects ways of working and communications that was largely paper based. The draft SCI proposes modern methods of communications that are already established and working in practice.
- 1.30. Representations received were concerned that the SCI is too digitally focused and may therefore exclude some people from participation.

Response

- 1.31. The requirement to carry out consultation on planning applications is a statutory requirement set by the Government, and there are no proposals to change existing practice of sending letters to surrounding occupiers to notify of a planning application. In addition, site notices and press notices are displayed advertising a planning application (where legislation requires such as development affecting Conservation Areas and Listed Buildings). Therefore, there would be no impact or digital exclusion to residents and occupiers for how they are consulted on planning applications.

Legalistic language Abbreviations

- 1.32. Concerns were raised at the use of legalistic language which respondents found made the document difficult to read.

Response

- 1.33. The SCI is a legal document, and references to legislation and some technical terms are unavoidable. It is recognised that the SCI should be read as a public document and therefore understood as such. Efforts have been made to minimise the use of technical language and where abbreviations are used they will be fully explained. The SCI also contains a full glossary with a simple explanation of all technical terms.

Local meetings

- 1.34. Local Meetings are public meetings held for a planning application that is chaired by a local Ward Member and attended by the developer/ applicant and an officer to take notes.
- 1.35. The existing SCI states that these should take place prior to a decision being made, where an application has 10 + objections. The draft consultation version of the SCI proposed that Local Meetings were moved to pre-application stage and held where a development proposal contained 50+ new residential units.
- 1.36. The consultation demonstrated strong support for Local Meetings and collaboration, but raised concern as to Local Meetings being held at the pre-application process, and as to who would be invited to participate. Further concerns were raised regarding the anticipated online format and impact upon digital exclusion and perceived limits on general participation.

Response

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- 1.37. The proposals for Local Meetings attracted the highest level of interest from all the representations received. Officers have sought to positively respond to these comments, recognising the important that the public and Members have placed on this type of engagement.
- 1.38. The SCI now proposes to retain Local Meetings at application stage, held prior to a decision being made where invitations are issued to those who have made representations on a planning application.
- 1.39. The SCI will set a Local Meeting threshold of 20 valid planning objections, which is considered to capture the most controversial applications. The SCI will also exclude householder applications (for residential extension works such as single storey kitchen extensions) from Local Meetings given their limited impact.
- 1.40. Officers consider the revised Local Meeting provisions provide clarity and certainty as to when a meeting is held and who is invited.
- 1.41. The SCI will make clear that the Council expects Local Meetings to be held in accessible formats, including online and hybrid meetings which would ideally make use of a suitable local venue. Officers consider this provides assurances that the SCI caters for wide variety of options to make meetings accessible

Promoting pre-application engagement

- 1.42. There was strong public support for the Planning Service producing a Good Developer Engagement Protocol, which would set out the Council's expectations for developer engagement at early stages for development proposals.

Response

- 1.43. Proposals for the promotion of pre-application engagement are advancing following recommendations from Overview and Scrutiny Committee in July 2023. The Good Developer Engagement Protocol will be finalised over the summer, uploaded to the Council website and promoted by the Planning Staff to developers seeking to progress sites in the borough.

Financial implications

- 1.44. All costs relating to this report will be contained within existing service budgets and there will be no other call on Council resources.
- 1.45. There are cost implications of arranging Local Meetings at application stage. These costs can be mitigated via a higher threshold that captures the most controversial applications and excluding small-scale householder development.

Legal implications

- 1.46. The SCI is a document which sets out a Local Planning Authority's (LPA) policy for consulting and engaging with individuals, communities and other stakeholders, both in the preparation and revision of Local Development Documents (LDDs) and in development management decisions (section 18(a), PCPA 2004).
- 1.47. LPAs must prepare a SCI (section 18(1), PCPA 2004), however, there is no statutory framework for the scope and content of the SCI, main parts of such a

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document usually include:

- The process of consultation and how the results will feed into the preparation of LDDs.
 - The various stages at which the LPA will involve the community in preparing LDDs and associated documents.
 - Details of general and specific consultation bodies are usually provided in an SCI.
- 1.48. The Localism Act 2011 removed the requirement for LPAs to submit a SCI to the Secretary of State or the Mayor of London. The LPA can now adopt the SCI itself following public consultation. Responses received from the formal public consultation will be given full consideration prior to the formal adoption of a new SCI.
- 1.49. Once adopted the LPA must demonstrate how it has used and complied with the consultation requirements set out in the SCI at various stages of LDD preparation and prior to making decisions on planning applications. Once adopted, the SCI should be published on the LPA website.
- 1.50. The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

In summary, the council must, in the exercise of its function, 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 persons who do not share it
- 1.51. The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 1.52. The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<https://www.equalityhumanrights.com/en/publication-download/technical->

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Equalities implications

- 1.53. The Council's Comprehensive Equality Scheme for 2020-2024 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.
- 1.54. Concerns have been raised at the potential for digitally biased consultation. There are no proposals to change how the Council consults on planning applications as this is a statutory requirement set by the Government.

Climate change and environmental implications

- 1.55. The adoption of a new SCI would have a positive impact on climate change and the environment by reducing the need to send paper-based communications in response to emails.

Crime and disorder implications

- 1.56. There are no crime and disorder implications.

Health and wellbeing implications

- 1.57. There are no health and wellbeing implications.

Conclusion

- 1.58. Mayor and Cabinet and recommended to:

a) Approve the Statement of Community Involvement.

Background papers

- 1.59. Lewisham Statement of Community Involvement
<https://lewisham.gov.uk/myservices/planning/policy/ldf/statement-of-community-involvement>
- 1.60. Sustainable Development Select Committee report October 2022 (Item 4)
<https://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=136&MIId=7915&Ver=4>
- 1.61. Mayor and Cabinet February 2023 (item 9)
<https://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MIId=7981&Ver=4>
- 1.62. Sustainable Development Select Committee report June 2023 (Item 4)

Glossary

Term	Definition
Statement of Community Involvement	The SCI forms part of the Local Development Framework and is a legal planning requirement. It sets out the Council's policy for involving and communicating with interested parties in matters relating to the preparation and revision of local development framework documents and the exercise of the authority's functions in relation to planning applications.
Amenity Society	A group set up with a specific interest in built environment conservation and heritage. Linked to a specific conservation area.
Community Group	A group set up with a specific interest to represent a community with a defined area of interest to promote benefit residents.
Residents Association	A group set up who live in a particular area, could be a street, collection of local streets or a single development site who have a specific interest in their local area.
Local Meeting	A meeting to be held with the local community and affected residents to discuss a live planning application.
General consultation bodies	<p>Prescribed by the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). For Lewisham they include:</p> <ul style="list-style-type: none"> - Voluntary bodies some, or all of whose activities benefit any part of the Borough, including but not limited to Neighbourhood Forums and Amenity Societies - Bodies which represent the interests of different racial, ethnic, or national groups in the Borough - Bodies which represent the interests of different religious / faith groups in the Borough - Bodies which represent the interests of disabled persons in the Borough - Bodies which represent the interests of persons carrying on business in the Borough

Term	Definition
	<ul style="list-style-type: none"> - Bodies which represent the interests of different age groups in the Borough - Bodies which represent the interests of different equalities groups

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Lewisham Planning Service

Statement of Community Involvement

Draft for adoption September 2023

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1 Introduction

- 1.1 The Statement of Community Involvement (SCI) is a document which sets out how and when the council will consult with and involve the community and other stakeholders in planning matters including in the preparation of Lewisham’s development plan, its supporting documents and in the planning application consultation process.
- 1.2 The Council is required by law to have an adopted SCI (as set out in the Planning and Compulsory Purchase Act (2004) (as amended)). Being part of the planning process means that the Lewisham’s diverse communities can play an active and visible role in shaping our neighbourhoods with a meaningful part in the decision-making process. The SCI will be accompanied by the Council’s published guidance on good practice consultation.
- 1.3 The SCI is set out as follows:
- 1.4 **Section 2 Stakeholders** – The legislation regarding different types of consultee groups and their constituent bodies or persons.
 - **Section 3 Consultation Tools** – The range of consultation tools available to the Council in order to:
 - Meet the latest statutory requirements for public consultation.
 - To ensure Council officers can continue to facilitate effective public consultation using a variety of methods, recognising improvements, and increasing use of Council’s webpage and other digital/online platforms; and
 - **Section 4 Important Information** – Information about document access, and contact details for internal and external bodies.
 - **Section 5 Local development Framework** – The Council’s minimum commitments for public consultation during the preparation of planning policy and guidance documents.
 - **Section 6 Planning Applications** – Explanation of Development Management and outlines how the Council will consult and engage on planning applications
 - **Section 7 Resources and Monitoring** – Explanation of the legislative requirements in respect of SCI reviews and to clarify Council commitments in respect of monitoring the SCI.
 - **Appendix 1** – The latest legislation on sustainability appraisal, including that it is no longer required for Supplementary Planning Documents. Updates references to latest standing guidance (i.e. NPPG).
 - **Appendix 2** – Tests of Soundness for a Development Plan – Factual updates to reflect the revised Tests of Soundness set out in the NPPF (2019) and to provide a new informative on the ‘basic conditions’ that neighbourhood plans are required to meet.
 - **Further information and contacts** – Details regarding Council planning webpages and contact information (email, telephone, post).
 - **Glossary** – a full explanation of technical terms
 - **Annex A** – a list of Specific, General and Duty to Cooperate bodies

2 Stakeholders



- 2.1 The Government is proposing substantial planning reforms through the Levelling Up and Regeneration Bill. Some parts of this SCI may need to be reviewed as any planning reforms take effect.
- 2.2 This section describes the broad categories of stakeholder groups who may engage in the planning process, whether through participation in the preparation of the development plan and supporting documents or through involvement in planning applications. The categories reflect those set out by planning legislation. However, within these categories there will be stakeholder groups that are unique to Lewisham, reflecting the number and diversity of individuals, community organisations and other bodies with an interest in the borough.

Who we consult when preparing the Local Plan and its supporting documents

- 2.3 The procedures and requirements for preparing a Local Plan are set out in legislation. There are several stages of formal public consultation in the plan-making process. At all stages, the Council has a legal requirement to make information available to interested residents and organisations, as well as a duty to consult defined ‘specific’ and ‘general’ consultation bodies.

Specific consultation bodies are groups that have expertise and knowledge in a particular subject.

General consultation bodies include: recognised voluntary bodies; recognised bodies which represent the interests of certain groups (such as racial, ethnic, national, religious, disabled persons, and age groups); and bodies which represent persons carrying out businesses in the borough.

- 2.6 There are also a range of **Other Consultees** which have an interest in planning. They include local representative bodies who are regularly consulted, including individuals, organisations and businesses that have formally indicated to the Council they wish to be actively engaged in the preparation of Lewisham’s Local Plan, or other planning documents.

Duty to Cooperate

- 2.7 Under the Localism Act 2011 and the National Planning Policy Framework, the Council has a legal ‘Duty to Cooperate’ with other local planning authorities, including neighbouring boroughs, and various other public bodies and organisations that address strategic planning matters. The duty to Cooperate helps to ensure coordination in the approach to planning across administrative boundaries. It supports partnership working to address key issues through the plan making process.
- 2.8 To maximise effective working on strategic matters during the preparation of local plans, Section 33A of the Planning and Compulsory Purchase Act 2004 requires the Council to engage “constructively, actively and on an ongoing basis” with relevant policy makers and bodies. The Council will carry out the Duty to Cooperate and document how it has done so, in line with the legal requirements. The preparation of Statements of Common Ground is one way in which this will be demonstrated.

Planning policy consultation database

- 2.9 The Council’s Planning Service maintains a planning policy ‘consultation database’. This includes Other Consultees, along with contacts from specific and general consultation bodies. It is a live database and regularly updated. Everyone on the database is notified of public consultations for Local Plan documents. Organisations, groups and individuals can choose to be added or deleted from the database at any time by contacting the Planning Policy Team. Those who have previously responded to a formal public consultation on a specific planning document are automatically added to the database but can be removed by request.

Supplementary Planning Documents

- 2.10 For Supplementary Planning Documents (SPDs), current legislation specifies that consultation must take place with narrowly defined ‘statutory consultees’. When preparing SPDs and other guidance documents, we will consult with the relevant statutory consultees. We will also seek to engage more widely with the above noted stakeholder groups, ensuring consultation is effective and proportionate in scope to the nature of the document and the communities likely to be affected by the proposals.
- 2.11 Where Strategic Environmental Assessment screening exercises or full SEA assessments are undertaken for an SPD, we will consult with the relevant ‘statutory bodies’.
- 2.12 Please refer to Annex A for a list of Specific, General and Duty to Cooperate bodies that are routinely consulted. This will be reviewed and updated regularly, where appropriate, to reflect the latest statutory requirements. The names of organisations may be subject to change over the lifetime of the SCI.



Image 1 Consultation for the Lewisham Characterisation Study

3 Consultation tools

3.1 This section provides information about the range of consultation tools available to the Council, which may be used to support the preparation and implementation of Lewisham’s development plan. Further information about the documents that make up and support the development plan are set out in Chapter 5 of this Statement of Community Involvement.

3.2 Consultation with the community and other stakeholders is a vital part of the planning process. The Council will seek to ensure that effective and inclusive consultation with communities and other stakeholders is undertaken. Whilst meeting its statutory obligations, the Council will tailor public consultation using the tools available to it, taking into account:

- The nature and scope of a policy or guidance document. For example, development plan documents prepared by the Council (such as the Local Plan) are likely to require a larger program of consultation activities than other planning documents, due to the statutory requirements governing their preparation, as well as their influence on the borough and other local authorities.
- The nature and scale of a development proposal.
- Who the consultation is aimed at. For example, a more focussed consultation is likely to be appropriate when the Council consults on a neighbourhood plan or an Article 4 direction covering a particular area of the borough.
- Resources. This includes an appropriate response to reduce the material costs for the Council, such as printing materials or postage costs.

3.3 In preparing for and undertaking consultation the Council will have regard to changes in legislation and Government guidance. Some consultation tools which have been used previously by the Council may therefore not be appropriate now, or at a future time. For example, COVID-19 and the public health emergency required the Council to adapt its consultation processes to ensure compliance with the Government’s latest standing guidance on social distancing.

Consultation tools available

- **Physical copies of documents:** Physical copies of documents made available for public inspection at the Council’s principal office, as well as other offices or facilities the Council considers to be appropriate, for example, public libraries.
- **Lewisham council website:** Electronic copies of documents made available to access on the internet via the Lewisham Council website. The Council will ensure online documents meet the relevant legal requirements and/or standards for accessibility.
- **Social media platforms:** Information publicised through the Councils official social media accounts.

- **Posters and leaflet:** Posters and leaflets which publicise or display information about public consultations. These will normally be sited or made available at prominent visitor and/or community destinations within the borough.
- **Public notices and press releases:** Consultation information published in press outlets (such as Lewisham Life and the News Shopper). Public notices may also be used to publicise information regarding site or area specific consultations.
- **E-mail and postal correspondence and notifications:** Electronic mail (e-mail) correspondence and notifications. This includes notifications to consultees included on the planning policy ‘consultation database’. Where an individual or body included on the database expressly does not wish to receive correspondence by e-mail, a postal notification may be sent. The consultation database will be maintained by the Council having regard to the latest legal requirements on data protection, currently the General Data Protection Regulations (GDPR) 2018. The Council may also send information about consultation and receive feedback or representations from the public by way of e-mail or post.
- **Public meetings:** Meetings which the general public are invited to attend, including forums. The Council will use tools available to notify the public about opportunities to attend such meetings or forums.
- **Public exhibitions/drop-in events:** Public exhibitions and drop-in events which are open for members of the public to attend. These can be used to publicise information about planning documents or planning applications. Where Council officers are present, they may be available to speak to members of the public regarding proposals or other matters.

Public exhibitions may not always involve the presence of a Council officer. Drop-in events will normally involve at least one Council officer being present.
- **Internal consultation with Members and Council service areas:** Internal consultation in which Council planning officers engage both informally and formally with elected Members, as well as informally with officers in other service areas across the Council. Internal consultation is important to ensure a coordinated approach to preparation and implementation of Lewisham’s development plan.
- **Other digital tools and telephone calls:** A range of modern communication tools are now available and which continue to be used more widely by the public. These tools including online conferencing, ‘virtual’ workshops or meetings, as well as telephone conferencing and calls. These tools can often be useful to engage with hard to reach groups, and others whose circumstances make attending events in person a challenge.
- **Internet (online) consultation and engagement platforms:** Consultation and engagement platforms hosted online. These can be used, for example, to display or publicise information and enable the public to submit comments or formal representations to consultations.
- **Planning Applications:** How the Council engages with the public and applicants for planning permission is set out in Part 6 of this report.

4 Important Information

4.1 This section outlines important information relating to planning, consultation and how the community can access planning information. It is presented in a 'question and answer' style.

How can planning information and consultation material be accessed?

4.2 4.2. Information and consultation material can be accessed in a number of ways. To learn more, see the 'Further information' section of this document for details on contacting the Planning Service.

Can I obtain written information in alternative formats?

4.3 Yes. The Council will provide advice and assistance to ensure all documents can be provided in alternative formats on request. The Council will also advise the community of the existence of this service as part of its consultation documents. Some common alternative formats include languages other than English, large print, audio, PDF and Braille. Those in the community requiring alternative formats are encouraged to discuss their requirements with the Council.

Is there a mailing list for keeping me informed on planning activities?

4.4 Yes. The Council has developed a planning policy Consultation Database which you can request to be added to if you want to be contacted about planning matters in the borough. Contact the Council if you would like to be added.

Who is on the planning policy Consultation Database?

4.5 The planning policy Consultation Database contains the names of individuals, groups and organisations on which the Council holds contact information for the purpose of consulting with them on matters relating to the Local Development Framework and Local Plan.

How can I speak to a council officer?

4.6 The Council provides a range of pre-planning application advice services which enable prospective planning applicants to seek and receive advice on their proposals prior to submitting an application. A fee is payable, and this will vary depending on the type of service being sought.

4.7 Further information on the different types of service offered can be found at:

<https://lewisham.gov.uk/myservices/planning/apply-for-planningpermission/get-planning-advice>

How do I make a written representation to the Council?

4.8 Those wishing to make a written representation/submission on a planning document or planning application can do so in the following ways:

- online via the Council's website (www.lewisham.gov.uk)
- by email (planning@lewisham.gov.uk)
- by sending a letter to the Council
- See the 'Further Information' section of this document for key contact information.

Where can I go for independent advice?

4.9 Planning Aid for London is a registered charity and may be able to provide advice to individuals and groups unable to afford professional consultants.

The details for Planning Aid for London are:

- Planning Aid for London
- Tel: 030 077 29 808
- Website: www.planningaidforlondon.org.uk
- Email: info@planningaidforlondon.org.uk

How can I comment on, compliment or complain about the service I receive?

4.10 It's the community's feedback that helps the Council improve the way things are done. If you would like to make a comment, give a compliment or complain, you can contact the Planning Service or the Council switchboard – see the 'Further Information' section for details. The Council can also provide you with information about how to complain to the Local Government Ombudsman.

What if I have special requirements stopping me from participating?

4.11 The Council is conscious of the need to ensure all in the community are able, if they so choose, to participate in planning at Lewisham. The Council also recognises that many have requirements that need to be considered before they are able to participate (e.g. a disability, caring responsibilities, limitations on availability, mobility issues). In order to accommodate any special requirements people may have in order to participate, people can contact the Planning Service so that suitable arrangements (where feasible) can be put in place.

What is meant when the Council says it will do something where/as appropriate?

4.12 Planning is very diverse in the issues it deals with and the people it impacts on. It is not possible to determine every possibility and, to this extent, the Statement of Community Involvement is intended to be flexible enough to accommodate various circumstances as they arise. In situations where there will be a need for the Council to exercise discretion in deciding how something should be dealt with, the terms 'where appropriate' or 'as appropriate' are used to reflect the reality that something will only happen if, having regard to the specific circumstances of the matter being considered, the Council considers it is a suitable and/or reasonable approach to take. Anyone in the community is able to raise and discuss with the Council circumstances where they think an action was not appropriate.

What is the role of my ward councillor?

4.13 Ward councillors receive notification of planning applications and may be involved in local meetings, as outlined in Section 6. The community are able to contact their ward councillor(s) about their concerns in relation to any planning matter. Councillor information can be obtained from the Council and on the Lewisham website.

5 Plan Making



- 5.1 The planning system in England is ‘plan-led’. Local planning authorities, (including Lewisham Council) must prepare and have in place an up-to-date plan for their area, covering a specified period. The plan sets out policies and guidelines for the development and use of land, taking into account the direction provided by higher-level policies, including the National Planning Policy Framework. Adopted plans are used as the basis for planning decisions, including the determination of planning applications.
- 5.2 Most local planning policy and guidance documents for Lewisham are prepared through consultation with the community and other stakeholders. The following section describes the various types of planning policy documents and the hierarchy of these (see also Figure 1). It also sets out the opportunities for the public to get involved in their preparation.

The planning policy framework

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National planning policy

The UK government sets out guidelines for preparing local planning policies, and what they should include or take account of, through the National Planning Policy Framework (NPPF). Further details on how these national policies should be implemented are provided in the associated National Planning Practice Guidance (NPPG).

Regional planning policy - The London Plan

- 5.4 The London Plan, prepared by the Mayor of London, sets out the Spatial Development Strategy for London and forms part of Lewisham’s statutory Development Plan. The London Plan includes policies on the development and use of land. It also instructs what the Local Plan should include to address London’s future needs, as well as to ensure investment is appropriately coordinated across and within boroughs. The London Mayor also prepares Supplementary Planning Guidance (SPG) documents to support implementation of the London Plan.

Lewisham’s Development Plan

- 5.5 Lewisham’s statutory Development Plan is made up of the London Plan, the Local Plan (or Local Development Framework plans) and Neighbourhood Plans. Most applications for new development (with exceptions, such as for permitted development) are assessed against the Development Plan and the policies contained in the NPPF.

Lewisham Local Plan

- 5.6 The Lewisham Local Plan is the main strategic planning policy document prepared by the Council, in consultation with the community and key stakeholders. It sets out a long-term development and investment strategy for the borough along with strategic planning policies and guidelines to implement this. The Local Plan must be prepared in accordance with the processes and procedures set out by legislation. It is required to be consistent with national planning policy (i.e. NPPF) and in general conformity with the London Plan.

Supplementary Planning Documents (SPDs)

- 5.7 Supplementary Planning Documents are prepared by the Council to support Lewisham’s Development Plan. They provide further details and guidance on planning policies to help ensure these are implemented effectively. The planning matters addressed by SPDs can vary in scope, for example, by focussing on local areas within the borough, specific sites and/or certain types of development. SPDs do not contain policy themselves and therefore do not carry ‘development plan’ status. However, they are a material consideration in the determination of planning applications.
- 5.8 SPDs are not subject to independent public examination. Although the NPPF and planning legislation make clear that SPDs should be prepared through consultation with the community and other stakeholders.

Neighbourhood Plans

- 5.9 Neighbourhood Plans are planning policy documents that are produced for specific areas by local community groups, called Neighbourhood Forums, which are designated by the Council. Once a proposed Neighbourhood Plan successfully passes through a public examination and local referendum, it is adopted by the Council and forms part of the statutory Development Plan. Neighbourhood Plans set out non-strategic planning policies for their respective designated Neighbourhood Areas. A Neighbourhood Plan can focus on one particular policy area or a number of different policy areas that the Forum feels is necessary to address. Neighbourhood plans must be in conformity with adopted strategic policies in higher-level documents, including the Local Plan.

Plan-making in Lewisham

- 5.10 This section provides further details about the key stages of plan-making for different types of planning policy and guidance documents and the Council’s consultation commitments during their preparation.

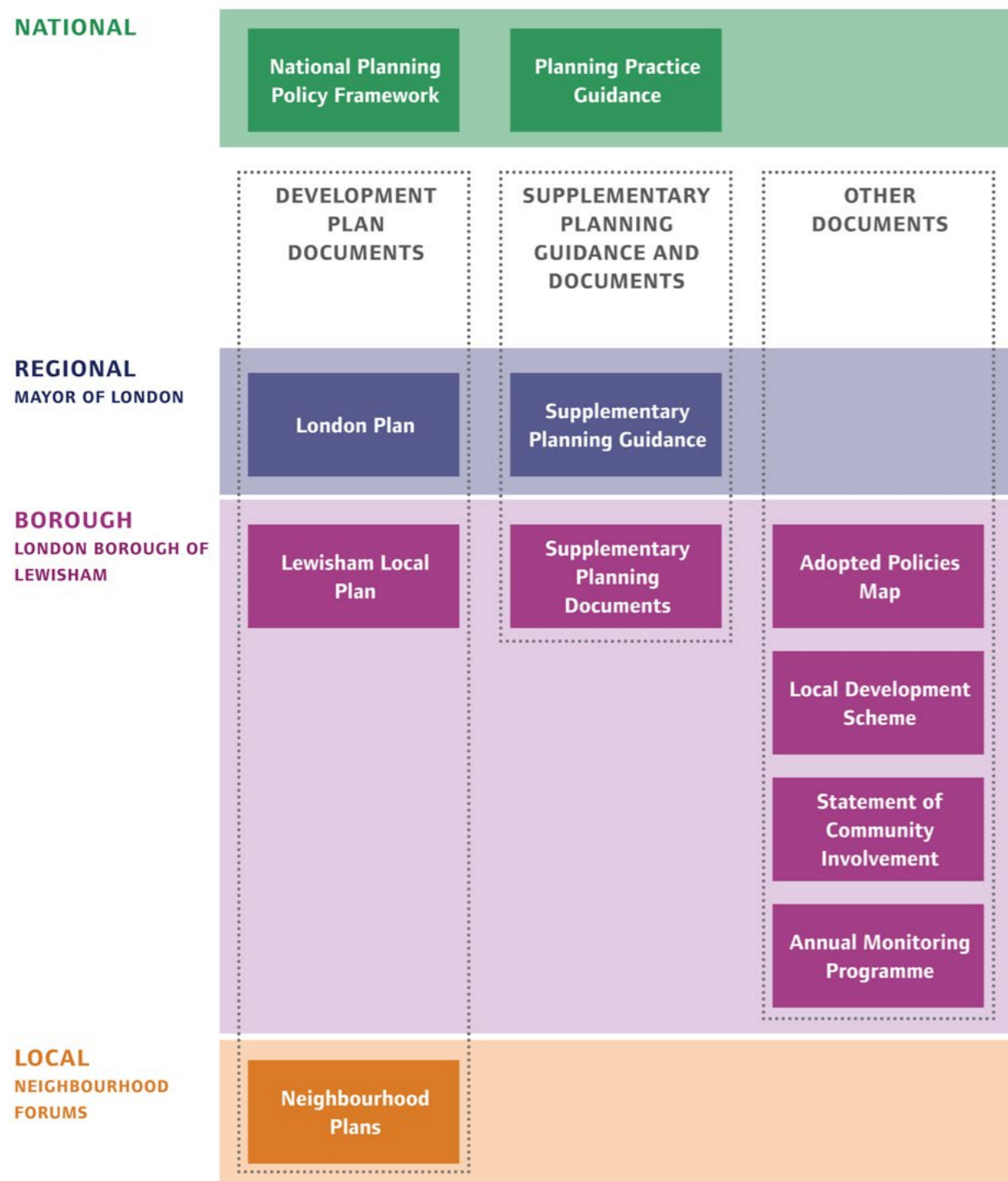


Figure 1 Planning policy hierarchy

Lewisham Local Plan

- 5.11 The Council is required to prepare the Local Plan in accordance with relevant planning legislation and national planning policy. This includes consultation with specific and general consultation bodies, and other consultees (see Section 2).
- 5.12 The following table provides a summary of the key stages of the plan-making process and highlights where there are opportunities for communities and other stakeholders to get involved. It also sets out the Council's commitments to public consultation at different stages throughout the process. We will follow the relevant planning regulations for the statutory stages of consultation.

	Stage of preparation	What is involved?	Our commitment
1	Regulation 18 Early engagement, scoping and Options appraisal	The Council publicises its intention to undertake the preparation of a Local Plan document. The public is invited to comment on the scope of the document. This is an opportunity for the public to assist with the identification of the main issues for the Local Plan along with possible options to address these. The options, which may be presented as proposed policy approaches, will be informed by technical evidence and where possible, early engagement with stakeholders. This is an options testing stage of the plan-making process, which may be repeated.	A minimum 6-week period of public consultation. Afterwards, a 'Consultation Statement' will be published setting out who was involved in the consultation, the main issues and other matters raised, and how the Council has addressed these in preparing the plan.
2	Regulation 19 Publication	A more complete draft of the Local Plan document, including detailed policy proposals, is published for further public feedback. At this stage, the consultation is more narrowly focussed on matters of 'soundness', as set out in national planning policy, and legal compliance.	A minimum 6-week period of public consultation. Afterwards, a 'Consultation Statement' will be published setting out who was involved in the consultation, the main issues and other matters raised, and how the Council has addressed these in preparing the plan.

	Stage of preparation	What is involved?	Our commitment
3	Regulation 22 Submission	The Local Plan document is submitted to the Secretary of State for independent examination.	There is not a formal public consultation at this stage. The Council will give notice of its submission of the Local Plan, as required by legislation.
4	Regulation 24 Examination	A Planning Inspector, who is appointed by The Secretary of State, undertakes a public examination of the Local Plan document. The Inspector invites participants to the hearings, which are open to the public. The Inspector may require that modifications are made to the Local Plan in order to ensure it is sound and legally compliant.	The Council will publish the dates, times and locations of public examination hearings in advance of them taking place. The Council will consult the public on any modifications to the Local Plan, where required.
	Regulation 25 Planning Inspector's report	The Planning Inspector issues their recommendations, which are published by the Council.	The Council will publish the Inspector's Report and give notice to those who requested to be notified.
6	Regulation 26 Adoption	Where the Local Plan document is judged to be sound by the Planning Inspector, it can be formally adopted by a decision of Council.	A public meeting will be held, where Council will decide to adopt the Local Plan. If the plan is adopted, the Council will make available the required Local Plan documents. An Adoption Statement will be sent to the Secretary of State and others who asked to be notified of the plan's adoption.

Table 1 Lewisham Local Plan stages of preparation

Sustainability Appraisal

- 5.13 Section 19 of the Planning and Compulsory Purchase Act 2004 requires local planning authorities to carry out a Sustainability Appraisal for each of the proposals in the Local Plan and prepare a report of the findings of the appraisal.
- 5.14 Sustainability Appraisals (SA) consider how the Local Plan document and its policies contribute to sustainable development, and assess whether the policies and proposals in the Local Plan document are the most appropriate given the reasonable alternatives. SAs are required for all Local Plan documents.
- 5.15 In accordance with the regulations, when deciding on the scope and level of detail to be included in a sustainability appraisal report, the Council will consult relevant consultation bodies. Where a consultation body decides to respond, it will be required to do so within a 5-week period after receipt of the request.
- 5.16 The Council will consult and invite public representations on SAs alongside the consultation of Local Plan documents.

Strategic Environmental Assessment

- 5.17 Strategic Environmental Assessment (SEA) considers only the environmental effects of a Local Plan document, whereas sustainability appraisals consider the wider economic and social effects in addition to its potential environmental impacts.



Image 2 Beckenham Place Park (photo by BDP)

Supplementary Planning Documents (SPDs)

- 5.18 SPDs offer detailed guidance to support the implementation of the Lewisham Local Plan.
- 5.19 There are three main stages involved in preparing an SPD, as set out in the table below. We will follow the relevant planning regulations for the statutory stages of consultation.

	Stage of preparation	Our Commitment
1	Notification and preparation	The Council will publish its intention to produce an SPD. Work will then commence on the preparation of the SPD. This can include the gathering of technical evidence and early engagement with key stakeholders to inform the direction of the document.
2	Public consultation and refining the draft SPD	A draft SPD will be prepared and published for public consultation, for minimum 4-week period. We will notify the community and other stakeholders, including statutory bodies, about the public consultation and details for submitting representations. The Council will take into account feedback received from the public consultation, and use this to inform necessary changes to the draft SPD. Prior to adopting an SPD, the Council will publish a Consultation Statement setting out who was involved in the public consultation, the main issues and other matters raised, and how the Council has addressed these in preparing the SPD.
3	Adoption	Once an SPD is adopted, the Council will make publicly available the SPD and an Adoption Statement.

Table 2 Supplementary Planning Document stages of preparation

Strategic Environmental Assessment

- 5.20 SPDs do not require Sustainability Appraisals but may in exceptional circumstances require a Strategic Environmental Assessment (SEA) if they are likely to have significant environmental effects that have not already been assessed during the preparation of the Local plan or other development plan documents.
- 5.21 Where relevant, the Council will consult and invite representations on SEAs, including for screening reports, or other associated statements alongside the consultation of SPDs.

Neighbourhood planning

- 5.22 Neighbourhood planning was introduced under the Localism Act 2011. It gives local communities statutory powers to create planning policy documents that can help shape development within a local area. This can be achieved through the preparation of Neighbourhood Plans and Neighbourhood Development Orders.
- 5.23 The NPPF (2021) states that Neighbourhood Plans “should support the delivery of strategic policies contained in local plans or spatial development strategies; and should shape and direct development that is outside of these strategic policies”¹
- 5.24 Neighbourhood Plans are prepared by local community groups called Neighbourhood Forums, which are formally designated by the Council. The Council has a duty to support those who are preparing Neighbourhood Plans.² To be clear, the responsibility for preparing a plan lies with a Neighbourhood Forum. However, we will support all Forums with a view to ensuring their policy proposals have the best chance of succeeding at independent examination, so that the plan can be brought into force.
- 5.25 The process for preparing a Neighbourhood Plan is set out in legislation. In summary, the process involves five main stages:
1. Initiation (including designation of a Neighbourhood Forum and Area)
 2. Preparation of the plan (including public consultations)
 3. Independent examination
 4. Referendum
 5. Adoption by the Council
- 5.26 We will seek to provide the local community and Neighbourhood Forums with guidance and advice at all stages of the plan-making process, and carry out the Council’s statutory functions within the resources available. Some of this support is set out in in planning regulations³, which reflect that the Council will have a more active role at key stages in the plan process. This support includes:
- Checking, publicising and determining applications for Neighbourhood Areas and Neighbourhood Forums;

1 NPPF (2021), paragraph 13

2 A requirement under Section 6 of the Neighbourhood Planning Act 2017

3 The Neighbourhood Planning (General) Regulations 2012

- Publicising Neighbourhood Plan proposals in order to provide the local community and other stakeholders with an opportunity to comment on them;
- Appointing a plan examiner to undertake a public examination of the Neighbourhood Plan proposals; and where appropriate;
- Coordinating, carrying out and paying for a local referendum, in which members of the public can decide whether to support the Neighbourhood Plan so that it becomes part of Lewisham’s Development Plan.

5.27 In addition, the Council will provide Neighbourhood Forums with planning and other technical advice, and share information (such as evidence base documents), to help support preparation of the Neighbourhood Plan.

5.28 It is vital that Neighbourhood Plans reflect the aspirations of the wider community. Community groups or other bodies interested in establishing a Forum, as well as designated Forums themselves, will therefore have an important role in engaging with the community at different stages in the plan process. Effective and inclusive consultation with the community (and others likely to be affected by a Neighbourhood Plan proposal) is therefore strongly encouraged, whilst recognising that the nature of consultation will depend on the stage in the plan-making process.

5.29 Further information on neighbourhood planning is available from:

- Lewisham Council’s planning webpage
- The National Planning Practice Guidance (NPPG)⁴
- The Locality webpage⁵

Other planning documents

5.30 The Council may produce of a number of other planning documents, where there will be an opportunity for the public involvement and/or consultation.

Document	Our commitment
Community Infrastructure Levy (CIL) Charging Schedule	The process of preparing and bringing into force a CIL Charging Schedule is set out in legislation. The Council will follow the relevant legal procedures. The Council will publish a draft Charging Schedule on its website and notify relevant stakeholders (such as local residents, community organisations, landowners and developers). The necessary periods of consultation(s) in line with statutory requirements will be carried out. Relevant Consultation Statement(s) will be published on the Council website, showing who submitted representations and how these representations have been addressed by the Council. A final draft Charging Schedule, which will then be submitted to an independent examiner.
Neighbourhood Community Infrastructure Levy (NCIL)	To consult on spending priorities with the wider community for a minimum 6-week period. The results of the consultation will be made publically available. Priorities for NCIL spend will be agreed through community meetings, that will be published through the Council website and, where possible, social media.
Brownfield Land register	The Council will consult for 42 days the first time Part 2 is published, and 21 days thereafter. For sites included in Part 2, where the Council receives an application for Technical Details Consent, there is a requirement to display a notice under Article 15(a) of the Permissions in Principle Order 2017 on or near the site.
Other documents	To consult on with the public and relevant stakeholders on planning policy documents according to the scale, details and nature of these documents also taking into account legislative requirements. These documents may include, but are not limited to, Conservation Area Appraisals; Masterplans; Area Action Plans; and Article 4 directions.

Table 3 Other planning documents

⁴ The NPPG is issued by the Department for Levelling UP, Housing and Communities (DLUHC)

⁵ Locality also provides information on grant funding that may be available for community groups – see www.locality.org.uk

6 Planning Applications

What is Development Management?

- 6.1 Development Management is an integral part of the planning process. Policies are used to achieve sustainable, high quality and inclusive development. Development Management includes all applications submitted for planning permission (and Listed building Consent, Advert Consent and Prior Approvals).
- 6.2 Development Management also includes pre-applications where applicants seek advice on how their schemes can best meet policy and deal with key planning issues. The Council strongly promotes the use of pre-application engagement but there is no legal requirement for an applicant to do so.
- 6.3 The Council strongly believes that pre-application engagement leads to a better-quality development, increases the likelihood of a successful application, and better informs affected communities.
- 6.4 Development Management also includes planning enforcement, and the Council intends to prepare an Enforcement Plan which explains how we will carry out those duties.
The Planning Service also carries out continuous engagement via the Community Forum, which is a meeting of Community Groups and Amenity Societies held quarterly. The purpose of this forum is to seek a positive working relationship between the Planning Service and our community groups, update on changes to the Planning System and Council policies/ strategies, provide direct feedback to Officers and discuss planning issues thematically.
- 6.6 Applications for planning permission (regardless of the applicant) are assessed against policies in the adopted Development Plan, National Planning Policy, adopted Guidance and all other material planning considerations, including representations received from consultation.

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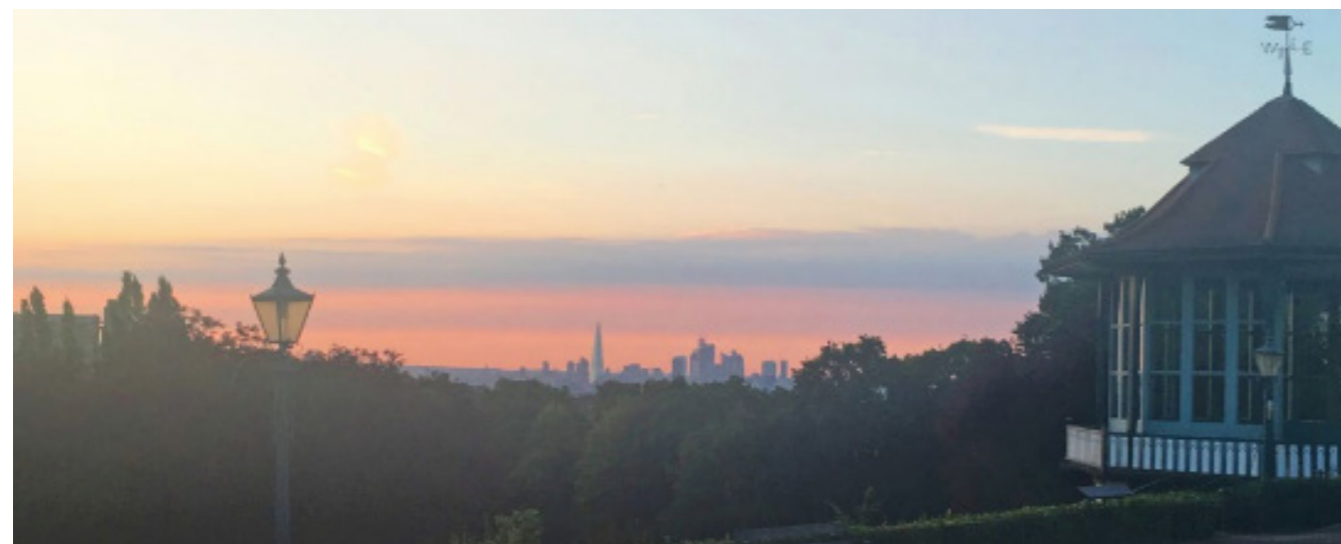


Image 3 View towards central London from Horniman Gardens

Development Management process summary

1. Pre-application Stage

The Council has a range of pre-application services for potential applicants. The Council will provide written feedback on a proposed development.

The applicant is expected to undertake pre-application engagement with their local community which includes residents, businesses and visitors. Pre-application engagement should include relevant ward Councillors, other Council service areas formal and other stakeholders where appropriate.

The Council expected applicants/ developers to positively engage with the published guidance on good practice consultation and demonstrate through their preapplication discussions with the Planning Service how they have collaborated with local communities, ward Councillors and stakeholders throughout the design process.



2. Application Stage

The Council will carry out consultation on an application where required by legislation. Consultation will meet the legal minimum standards and in some cases be expanded depending on the type of application. Council Officers will assess the application against planning policy and any representations received from consultation. A formal recommendation will be made to approved or refuse permission.



3. Decision Making Stage

A final decision issued. The majority of applications are determined by senior officers with delegated authority. Applications with high public interest are decided by planning committee.

Pre-Application

- 6.7 The Council has a range of pre-application services that suit all types and scale of proposed development. This service offers professional planning advice and has any benefits in contributing to quality outcomes and avoiding delay through:
 - Early identification of key issues
 - Opportunity to give early advice on policies
 - Advice on the level of pre-application engagement with the local community

- Potential for higher quality applications
 - Deal with issues upfront which will lead to quicker and more straightforward processing of applications
 - Identify key risks that may avoid refusal of planning permission and appeals
 - Potential to save time and money
- 6.8 Details of the Councils pre-application advice service and charges are on the website.
- 6.9 Major and complex proposals should be managed via Planning Performance Agreements. Developer Protocol and undertaking good engagement
- 6.10 The Council expects that developers/ applicants undertake pre-application engagement with those affected by development proposals, the level of which should be proportionate to the scale of the scheme. This could include speaking to neighbours on smaller scale residential proposals up to the holding of meetings and exhibitions to give information about schemes, where larger and more complex.
- 6.11 Applicants are expected to refer to the Councils guidance on good practice consultation, published on the website.
- 6.12 Applicants are strongly encouraged to discuss their pre-application engagement plans with the Planning Service who can advise on the type and extent of consultation including identification of key stakeholders in the community, and that any queries from the community directed to the Council can be readily responded to. Discussions should include what steps are taken to minimise digital exclusion.
- 6.13 Engagement that is taken only just prior to submission is likely to be viewed as tokenistic, with limited chance for the community to engage and influence a proposal.

Design Review Panel

- 6.14 The Council expects that all new development is of the highest design quality to enhance townscape and the quality of place for its residents and visitors. The Council has an established Design Review Panel who will assist and encourage developers and their design teams to achieve high quality design.
- 6.15 The Design Review Panel referral should be undertaken at an appropriate stage during pre-application discussions, to ensure schemes deliver high quality developments and ensures that design review is undertaken early enough to inform a scheme. There is however, no statutory obligation to require an applicant to present to the Design Review Panel, the Council will strongly encourage this via pre-application engagement.
- 6.16 The following pre-application schemes will be encouraged to attend the Design Review Panel:
- Major new developments and significant alterations to existing buildings with scope to impact the boroughs townscape at the discretion of officers.
 - Proposals for Listed Building Consent involving substantial demolition or alteration of any Grade II* and Grade 1 listed buildings

- Any other proposals as considered necessary by the Director of Planning

6.17 Applicants would be expected to show how their scheme has evolved as a result of local engagement and consultation including the Lewisham Design Review Panel in their submissions, most likely as part of the Design and Access Statement/ Planning Statement.

6.18 Details of Lewisham Design Review Panel service and its charges are available on the [website](#).

Application Consultation

- 6.19 The Council has a number of procedures in place to involve the community in the Development Management planning process. Consultation will depend on the nature of the application but may include:
- Notification to occupiers of adjoining properties (that share a boundary) – this could include, but is not limited to letters, communal foyer notices, and emails
 - Display of a Site Notice
 - Upload of all application documents to the Councils website
 - Publication of notice in local press.
 - Notification to ward Members
 - Consultation with relevant statutory and non-statutory stakeholders
 - Automatic notification via customer self-registration on the website
- 6.20 National legislation in the Town and Country Planning (General Development Management) (England) Order 2015 sets out situations where site and press notices must be used and situations where there is discretion to use either site notices or letters to notify people occupying nearby properties that an application has been received. This legislation says that letters must be sent to the occupiers of “adjoining land or properties”, but there is no definition of what this means.
- 6.21 The Council takes a proportionate approach to consultation to suit the specifics of the application and may consider additional approaches where necessary.
- 6.22 An individual or organisation does not need to be specifically consulted in order to make their formal views on an application. Anyone is open to make representations on applications.
- 6.23 The Councils website will provide further information on good practice consultation.

Notification

- 6.24 All occupiers who adjoin a site boundary (typically to the side and rear) will be notified of planning applications, this is typically via letter addressed to the property, but could include foyer notices for blocks of flats, emails and/or site notices as appropriate.
- 6.25 Extended consultation (i.e. beyond just those adjoining the site boundary) will take place for larger scale development with potentially wide-ranging impacts. Notifications will contain details of the proposals, where plans can be viewed and how comments can be made. The Council will allow at least 21 days for interested parties to respond.

Site notices

- 6.26 Some types of applications require the display of a site notice in or around the application site. This will contain information on the proposal, where the plans can be viewed and how, and by when, to comment. The Council will ensure that the notices are as visible as possible. More than one notice may be required for major applications or large sites.

Website

- 6.27 All applications received will be uploaded to the Councils website. All plans and documents can be viewed and downloaded. Comments can also be made via the website online form.
- 6.28 Previous applications on a site can also be viewed and personal notifications can be set up that will send a user an email alert when an application is received in a certain street.

Public Notice in local press

- 6.29 Certain applications require the Council to put advertisements in a local newspaper. These include applications within a Conservation Area, applications affecting or adjacent to a Listed Building and where an application is contrary to the development plan. All Major development involving 10 or more dwellings or on sites of over 0.5 hectares will also be advertised.

Notification to ward Members

- 6.30 Elected Members will be notified of applications in their ward and have the chance to comment on applications.

Automatic notification via website

- 6.31 The website allows anyone to register for automatic notification of an application at an address point using an email address.

How do I make a comment on an application?

- 6.32 Comments on applications must be received in writing received by using online application page on the Council website, an email or letter.
- 6.33 The Councils website provides a guide to commenting on planning applications including our published privacy statement.
- 6.34 Representations should be received by the date posted on the consultation letter or site notice. This will be for a minimum of 21 days.
- 6.35 The Council will consider all representations received in reaching a decision.

Local Meetings

What is a Local Meeting?

- 6.36 A Local Meeting is a meeting held between an applicant/ developer (and where necessary their technical team) and third parties who have made representations on a planning application. Local Meetings provide the opportunity to discuss outstanding comments/ concerns prior to a decision being made.
- 6.37 Local Meetings are normally chaired by a local ward Councillor and a representative from the Planning Service attends to take a formal record of the meeting. Where a local ward Councillor is unable to attend, the Planning Service may invite Councillors from other wards.
- 6.38 In some circumstances, a drop-in session may be offered as an alternative to a Local Meeting. These may be suited to particularly large applications where there is a significant amount of information to review and discuss. The Council will decide if a drop-in session is more appropriate than a Local Meeting on a case-by-case basis.

Who is invited to Local Meetings?

- 6.39 Anyone who has made representations will be invited to a Local Meeting or drop-in session by email or letter. This includes residents and business occupiers.

What can I expect from a Local Meeting?

- 6.40 Local Meetings will start with formal introductions from the Local Ward Councillor or meeting Chair, the applicant team and the Planning Service representative. The applicant will make a short presentation summarising their scheme with most of the session available for questions and answers.

When do Local Meetings take place?

- 6.41 A Local Meeting will be offered to those who have made representations and the applicant prior to a decision being made on an application in the following circumstances
- Where 20 or more valid planning objections have been received on applications for Full Planning Permission/ Outline and Hybrid permission.
- 6.42 Where an application is to be refused planning permission, a Local Meeting may not be offered. Applications for Householder development are excluded from Local Meetings.
- 6.43 Local Meetings are expected to be held in accessible formats which could include online meetings and hybrid meetings and which ideally make use of a suitable local venue to the planning application site. Drop-in sessions are expected to be held in person in local venues where possible which are accessible.
- 6.44 Applicants/ Developers will be expected to cover the Councils costs of arranging Local Meetings and drop-in sessions via written confirmation to the Planning Service.

What happens after the Local Meeting?

- 6.45 The formal record of the Local Meeting taken by the Planning Service representative will be made available on the Council website, uploaded to the relevant application page.
- 6.46 Participants at Local Meetings will be invited to a Planning Committee by email.
- 6.47 Where a drop-in session has been held, participants will be asked to sign a register providing their email contact details so that invitations to Planning Committee can be issued.

Guidance on revised submissions

- 6.48 Where revised plans are submitted, the Council may seek to notify interested parties of the amended plans, particularly where the changes to a development are considered material in terms of impact to neighbouring properties. The length of time for re-consultation is normally 14 days, although this will depend on the revisions proposed.

Negotiation with the applicant

- 6.49 The Council will negotiate with an applicant as appropriate to achieve an acceptable outcome on the application, having regard for the representations received, the Local Development Framework and any other material considerations This negotiation may not take place where an application is to be recommended for refusal.
- 6.50 For clarity, the Council will negotiate only on applications for Planning Permission. Applications for Lawful Development Certificates and Prior Approval are assessed as set out in legislation.
- 6.51 The Council will not normally negotiate on applications for Approval of Details/ Conditions and will consider all material submitted as valid on receipt.
- 6.52 Applicants will be directed to the pre-application service where negotiation during the formal application process is not possible or appropriate.

Decision Making

- 6.53 The majority of applications are decided using delegated powers, meaning that decisions are made and issued by senior officers in accordance with the adopted Scheme of Delegation.
- 6.54 Certain applications that are of high public interest are dealt with by Planning Committee, which is formed of elected Members.
- 6.55 The Scheme of Delegation and details of Planning Committees are contained within the [Councils Constitution](#) and further details can be found on the [Councils planning pages](#).

7 Resources and monitoring

- 7.1 Resourcing consultation activities is important if the Council is to achieve the consultation standards set out in this document. The Statement of Community Involvement envisages using consultation tools which operate at a corporate level and at the Planning Service level.
- 7.2 Corporate consultation tools are undertaken by other departments and by the Council’s partners, such as the Lewisham Strategic Partnership, community groups and statutory authorities. It is considered that this consultation will not have any resource implications, as it is not funded by the Planning Service and is consultation that would take place anyway.
- 7.3 Consultation operated and funded by the Planning Service generally comprises planning-specific consultation exercises. The Council anticipates savings (time and cost) on consultation by investing in consultation early in the plan-making process and achieving savings towards the end of the process. Where appropriate, the Council will seek to link community involvement initiatives on different Local Development Documents, for example where a Supplementary Planning Document (SPD) and a Development Plan Document (DPD) are prepared in parallel because the details set out in the former are fundamental to the early delivery of the policies in the latter. Overall, it is expected that consultation will be resourced within existing budgets but this will be continually monitored.
- 7.4 The Statement of Community Involvement will be subject to periodic review in accordance with the statutory requirements and updated where necessary, for example, to respond to changes in legislation or local circumstances. To facilitate meaningful information, the Council will also periodically seek information from those participating in consultation activities on who they are so as to ensure consultation is reaching all of the community. The Council will refer to and use good practice guidance to inform the gathering of this information.
- 7.5 There is no requirement in legislation for local planning authorities to consult when reviewing and updating their Statement of Community Involvement. However, as a matter of good practice the Council will seek to inform the public of its intentions to update this document.

Appendix 1 Sustainability / sustainability appraisal

1. The Planning and Compulsory Purchase Act 2004 requires the Council, in its capacity as a local planning authority, to carry out a sustainability appraisal of each of the proposals in a plan during its preparation.

2. Sustainability appraisal is a process that is carried out during the preparation of local plan documents. Its main purpose is to promote sustainable development by assessing the extent to which the emerging plan, when considered against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives. Sustainability appraisal is undertaken as an iterative process throughout the plan-making process. It is an opportunity to consider ways by which the plan can contribute to improvements in environmental, social and economic conditions, as well as a means of identifying and mitigating any potential adverse impacts. Sustainability appraisal reports are prepared and made publicly available at key stages throughout the plan process.

3. Sustainability appraisal normally incorporates the requirements of the Environmental Assessment of Plans and Programmes Regulations 2004 (also known as the 'Strategic Environmental Assessment (SEA) Regulations'). The scope of SEA is focussed on assessment of environmental effects. Where SEA is fully integrated with the sustainability appraisal, this ensures that potential environmental effects are considered alongside social and economic issues.

4. Strategic Environmental Assessment can be required in some circumstances, even where sustainability appraisal is not needed. This is usually only where either neighbourhood plans or supplementary planning documents could have significant environmental effects. To establish whether a document requires a full SEA, a 'screening' exercise is carried out in line with the relevant legislation.

5. This Appendix has been compiled drawing from the National Planning Practice Guidance (NPPG), which should be referred to for further information. The NPPG is regularly updated to reflect changes in legislation and policy.

Appendix 2 Tests of soundness Local plans

1. Local plans are subject to an independent public examination, where a Planning Inspector will assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound.

2. Paragraph 35 of the National Planning Policy Framework (2019) sets out that plans are 'sound' if they are:

- Positively Prepared – Providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development
- Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence
- Effective – deliverable over the plan period, and based on effective joint working on cross – boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- Consistent with national policy – enabling the delivery of sustainable development in accordance with policies in this framework

3. The NPPF (2021) also provides that 'non-strategic' policies will be subject to the test of soundness in a proportionate way, taking into consideration the extent to which they are consistent with relevant strategic policies for the area. Neighbourhood plans

4. Before a neighbourhood plan can come into force, it must meet certain 'basic conditions' and other legal requirements set out in paragraph 8, schedule 4B of the Town and Country Planning Act 1990 (as amended). These are tested through an independent examination before the neighbourhood plan may proceed to a referendum.

Further information

Further information about planning consultations and accessing consultation materials, the Statement of Community Involvement, and other planning policy documents is available.

Online:

By accessing our planning webpages at <https://lewisham.gov.uk/planning>.

Email:

By contacting the planning policy team at planning.policy@lewisham.gov.uk.

Telephone:

Alternatively, you can request to speak with an officer by calling the Council's automated switchboard on 020 8314 6000.

Post:

Planning Service - Laurence House, 1 Catford Road, London, SE6 4RU

Glossary

Authority Monitoring Report (AMR)

A report that outlines the work carried out by the Planning Service. It sets out key information about the operation and performance of the Planning Service and assesses the extent to which the Council's planning policies are being implemented. It also highlights the wide range of projects that the Planning Service are involved in and the collaborative work being carried out with other Council teams and partners.

Amenity Society

A group set up with a specific interest in the built environment, conservation and heritage. Community Group A group set up with a specific interest to represent a community with a defined area of interest to promote public benefits for residents.

Core Strategy

The Core Strategy is part of the current Development Plan and sets out the long-term vision for Lewisham. It provides the strategic policies and proposals that will deliver that vision.

Constitution

A document which sets out how the Council elects its members, makes local decisions, sets out ethics and codes and how the public can influence key decisions.

Delegated decisions

A decision made on a planning application by designated senior officers who review the recommendations and reasons set out in a report prepared by the planning application case officer.

Development Plan

The Development Plan can be a single document or a number of documents that together provide adopted planning policy. Planning applications must be determined in accordance with the Development Plan unless material considerations indicate otherwise

Householder Applications/ Permission

A proposal to alter or enlarge a single house (but not a flat), including works within the boundary/ garden. This is commonly used if you are a homeowner wishing to complete work on your home. This does not apply to flats/ apartments, more than one house or changes of use.

Full Planning Permission

A proposal for development which is not covered by a householder application or permitted development rights. This is commonly the case for new buildings of any kind and any commercial project.

Hybrid Planning Permission

A hybrid application is one which is part detailed 'a full planning permission' with separate buildings or phases submitted in 'outline' form. Typically, such applications are used for large and strategic development proposals.

Independent examination

Development Plan Documents are subject to an examination by a planning inspector to rigorously test whether the plan has been prepared in accordance with legal and procedural requirements and if it is sound. The tests of soundness are set out in the National Planning Policy Framework (NPPF).

Local Development Scheme (LDS)

The LDS sets out the timetable for preparing Development Plan Documents and Guidance including the Local Plan, Area Action Plans (AAPs), Supplementary Planning Documents (SPD) and Neighbourhood Plans.

Local Development Framework

A Local Development Framework (LDF) is a set of documents which guide planning and development in a local authority's area.

Local Ward Councillor/ Member

Persons elected to represent their local community in the running of their local Council. Your local councillor can be found on the Councils website.

Local Meeting

A meeting held between an applicant/ developer and third parties who have made representations on a planning application. Local Meetings provide the opportunity to discuss outstanding comments/ concerns prior to a decision being made.

Major Planning Application

Defined by the Town and Country Planning (Development Management Procedure) (England) (Order) 2015. An application for the creation of 10 or more residential units, development of a site of 0.5 hectares or more, non-residential development or change of use on a site of at least 1 hectare, creation of change of use of 1000sqm or more or gross floorspace.

Minor Planning Application

An application that involves residential development between one and nine dwellings. Where the development created is less than 1000sqm, development is on sites less than one hectare and changes of use less than 1000sqm.

Material considerations

A material planning consideration is one which is relevant to making the planning decision in question (e.g. whether to grant or refuse an application for planning permission). The scope of what can constitute a material consideration is very wide. However, as planning is concerned with land use in the public interest, the protection of purely private interests such as the impact of a development on the value of a neighbouring property or loss of private rights to light would not normally be material considerations.

National Planning Policy Framework (NPPF)

This sets out the Government's planning policies for England and how these are expected to be applied. It provides guidance for local planning authorities and decision makers, both in drawing up plans and making decisions about planning applications. It must be taken into account in the preparation of planning policy document and is a material consideration in planning decisions. This is accompanied by Planning Practice Guidance which sets out how the NPPF is to be interpreted.

Neighbourhood Planning

This was introduced by the Localism Act 2011, and it gives rights and powers for local communities to shape new development by coming together to prepare Neighbourhood Plans. A neighbourhood planning process can be used to prepare a Neighbourhood Plan, a Neighbourhood Development Order or a Community Right to Build Order, or a combination of the three.

Neighbourhood Development Plan/Neighbourhood Plan

A plan generally prepared by a Neighbourhood Forum, which establishes planning policies for the development and use of land in a defined area. A Neighbourhood Plan must be in conformity with the Development Plan and will undergo examination and a referendum.

Neighbourhood Forums

A designated neighbourhood forum is an organisation or group empowered to lead the neighbourhood planning process in a neighbourhood area where there is no town or parish council. A group or organisation must apply to the Council to be designated as a neighbourhood forum (a forum application). Those making a forum application must show how they have sought to comply with the conditions for neighbourhood forum designation. These are set out in section 61F(5) of the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004.

Outline Planning Permission

A proposal submitted to agree the principle of how a site can be developed. As a minimum, outline applications must include information on: use; amount of development; indicative layout; scale parameters; indicative access points. Outline planning permission is granted subject to conditions, which can govern the use of a development as well as requiring the subsequent approval of one or more reserved matters. Planning and Compulsory Purchase Act (2004) Legislation that updates the 1990 Town and Country Planning Act introducing statutory systems for regional planning, new systems for local planning, reforms to development control and compulsory purchase and compensation systems and removal of crown immunity from planning controls.

Planning Committee

A public meeting which decides whether planning permission should be granted for a planning application. The committee is formed from elected members.

Planning Inspectorate (PINS)

The Planning Inspectorate holds independent examinations by appointed Planning Inspectors to determine whether Development Plan Documents are 'sound'. The Planning Inspectorate also handles planning and enforcement appeals.

Planning Practice Guidance

The Government's detailed online, web-based guidance on national planning policies, which adds detail to the National Planning Policy Framework.

Reserved Matters

An application submitted within the specified timescale of the approval of an outline application. Reserved matters are normally layout; scale; appearance; access and landscaping.

Sound/soundness

This describes where a Development Plan Document is considered to 'show good judgement' and also to fulfill the expectations of legislation, as well as conforming to national policy.

Statement of Community Involvement (SCI)

This is a document that sets out how the Council will consult and involve the public in preparation of planning policy and in the determination of planning applications.

Supplementary Planning Document (SPD)

These are generally topic specific documents which provide further information and details to support the implementation and delivery of policies in Development Plan Documents. Guidance within SPD's can be a material consideration in the determination of planning applications.

Public Sector Equalities Duty (PSED)

The Public Sector Equality Duty (PSED) contained in Section 149 (1) of the Equality Act 2010 imposes a duty on public authorities to consider or think about how their policies and decisions affect people who are protected under the Equality Act.

Strategic environmental assessment

A generic term used to describe environmental assessment as applied to policies, plans and programmes.

Annex A

This Annex should be read in conjunction with Section 2 of the Addendum to the Lewisham Statement of Community Involvement. The list of Specific, General and Duty to Cooperate bodies that are routinely consulted is current as of December 2020, and is not exhaustive. It may be reviewed and updated, where appropriate, to reflect the latest statutory requirements. Names of organisations may be subject to change over the lifetime of the SCI.

Specific Consultation Bodies

Specific consultation bodies are prescribed by the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). For Lewisham they include:

- The Mayor of London
- Adjoining authorities (London boroughs): Bromley, Royal Borough of Greenwich, Southwark, Tower Hamlets
- The Coal Authority
- Environment Agency
- Historic England
- Natural England
- Marine Management Organisation
- Network Rail
- Highways England
- Transport for London
- NHS London / Clinical Commissioning Groups
- Homes England and Regulator of Social Housing¹
- Thames Water
- Electronic communications operators (e.g. telephone, mobile, broadband)
- Gas and electricity operators

General consultation bodies

General consultation bodies are prescribed by the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). For Lewisham they include:

- Voluntary bodies some or all of whose activities benefit any part of the Borough, including but not limited to Neighbourhood Forums and Amenity Societies
- Bodies which represent the interests of different racial, ethnic or national groups in the Borough
- Bodies which represent the interests of different religious / faith groups in the Borough

¹ Formerly the Homes and Communities Agency

- Bodies which represent the interests of disabled persons in the Borough
- Bodies which represent the interests of persons carrying on business in the Borough
- Bodies which represent the interests of different age groups in the Borough
- Bodies which represent the interests of different equalities groups

Duty to Cooperate bodies

The Duty to Cooperate was introduced by the Localism Act 2011, and is set out in section 33A of the Planning and Compulsory Purchase Act 2004. It places a legal duty on local planning authorities in England and prescribed public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of a local plan. For Lewisham, the Duty to Cooperate bodies include:

- Environment Agency
- Historic England
- Natural England;
- Mayor of London
- Civil Aviation Authority
- Homes England and Regulator of Social Housing²
- Clinical Commissioning Groups established under the National Health Service Act 2006³
- Office of Rail Regulation
- Transport for London
- Highways England
- Marine Management Organisation
- Local Enterprise Partnership⁴
- Adjoining authorities (London boroughs): Bromley, Royal Borough of Greenwich, Southwark, Tower Hamlets

² Formerly Homes and Communities Agency

³ Legislation refers to each Primary Care Trust established under section 18 of the National Health Service Act 2006 or continued in existence by virtue of that section;


⁴ Local Enterprise Partnership means a body, designated by the Secretary of State, which is established for the purpose of creating or improving the conditions for economic growth in an area.

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input checked="" type="checkbox"/>
Non-Key Decision	<input type="checkbox"/>

Date of Meeting	20/09/23	
Title of Report	Investing in Good Jobs and Skills	
Author	Spike van der Vliet-Firth	07736373934

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

Category	Yes	No
Financial Comments	X	
Legal Comments	X	
Cabinet Briefing consideration	X	
EMT consideration	X	

Signed: 

Cabinet Member for Business, Jobs and Skills

Date: 06/09/23

Signed: 

Executive Director for Place

Date: 07/09/23



Mayor and Cabinet

Investing in Good Jobs and Skills

Date: 20 September 2023

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Spike van der Vliet-Firth, Jobs and Skills Programme Lead

Outline and recommendations

That Mayor and Cabinet approve the allocation of £1,967,944 of Section 106 monies to fund employment and training programmes, ensuring the continuation of the Lewisham Works service.

That Mayor and Cabinet approve acceptance of a UK Shared Prosperity Fund 'People and Skills' grant of £525,000 to deliver support to economically inactive residents.

Timeline of engagement and decision-making

9th March 2022, Mayor and Cabinet: "Lewisham Works – adoption of the 'Connecting Communities' ESF grant award to provide all-age employment support to Lewisham Residents"

1. Summary

- 1.1. In March 2022 the Council agreed to establish 'Lewisham Works', a new service to support residents 18+ with their employment. Since then, the service has successfully launched and supported hundreds of residents in that time. Following the successful delivery of the European Social Fund (ESF) 'Connecting Communities' grant, additional funding is required to build on this success and continue to deliver high-quality Jobs and Skills services to residents.
- 1.2. This report provides a background on the economic context which has led to the delivery of Lewisham Works and wider Jobs and Skills services. It outlines our recent success in supporting residents to access 'good' employment and proposes using ringfenced Section 106 (S106) employment and skills funds in addition to Lewisham's UK Shared Prosperity Fund (UKSPF) 'People and Skills' allocation to maintain the Jobs and Skills service offer until at least March 2026. This report also highlights our planned 'mixed model' of direct delivery complimented with specialist commissioned services.

2. Recommendations

- That Mayor and Cabinet approve the allocation of £1,967,944 of Section 106 monies to fund employment and training programmes, ensuring the continuation of the Lewisham Works service.
- 2.1. That Mayor and Cabinet approve acceptance of a UK Shared Prosperity Fund 'People and Skills' grant of £525,000 to deliver support to economically inactive residents.

3. Policy Context

- 3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):
 - A Strong Local Economy
- 3.2. In particular, this report is closely aligned to priorities regarding employment, skills and attracting businesses to the borough. These include expanding the Mayor's Apprenticeship Programme to target growth sectors in London's economy, attracting new investment and building on the success of Lewisham Works to attract jobs and businesses to the borough.
- 3.3. This proposal provides the necessary resources to contribute to the target to support 1,000 residents to find good work and develop their skills. From April 2022 – March

2023, the Jobs and Skills made good progress towards this target. Between the Lewisham Works offer and commissioned employment support targeted at Lewisham residents, 397 residents were supported into employment.

4. Background

- 4.1. The Covid-19 pandemic had a significant economic impact on Lewisham's residents and businesses. Unemployment more than doubled at the height of the pandemic, rising from around 8,000 in January 2020 to a peak of over 20,000 in early 2021. Over the last few months residents claiming unemployment support has stabilised, but is still over 12,000 now. Lewisham retains deep structural labour market challenges, including a 16-24 youth unemployment rate of 13% with a further 8% 'economically inactive'. Economic inactivity across all ages has grown significantly in recent years to around 1-in-5 working age residents. There are comparatively fewer jobs in Lewisham compared with other London boroughs, and elsewhere in the country. Lewisham's job density of 0.42 is among the lowest of all council areas in Great Britain and Lewisham has the second lowest number of jobs out of all London boroughs.
- 4.2. There are opportunities Lewisham can capitalise on to tackle the unemployment and economic inactivity challenge in the borough. Lewisham has a great number of economic assets that should enable it to thrive. We have a large number of highly skilled residents, we are located close to the huge Central London economy, and we are home to a leading UK university in Goldsmiths. Key sectors such as creative & digital, health & life sciences, zero-carbon/green businesses and professional services show great post-pandemic growth in the capital. Lewisham and its residents are well placed to secure some of this growth with effective employment and skills support complimented with a growing supply of affordable commercial workspace being created across the borough, attracting more jobs and businesses to Lewisham.
- 4.3. The Councils' Jobs and Skills service has delivered excellent progress against 'A Strong Local Economy' Corporate Priorities, securing good work for residents through Lewisham Works and the wider programme. In March 2022, Mayor and Cabinet agreed to establish Lewisham Works and approve receipt of £755,647.40 of European Social Fund (ESF) to deliver the 'Connecting Communities' programme. Lewisham Works surpassed our ESF employment targets and achieved the highest job

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conversion rate among the 12 London boroughs delivering the programme.¹ In the 2022/23 financial year, Jobs and Skills' first full year of delivery, we achieved:

- 190 residents securing 'good' work
- 27 Apprenticeships within the Council
- 23 external Apprenticeship opportunities
- 31 Construction Jobs for residents
- 207 job outcomes through core partners and commissioned programmes
- 375 residents supported with soft skills training
- 153 residents accessing vocational training
- 37 residents achieving a 'basic' skills outcome

4.4. The ESF grant is due to end in December 2023. Originally the grant was due to end in July 2023 but additional grant was secured due to the high levels of performance by the service. Further funding is now required to allow the Council to continue delivering this effective service, directly aligned to the Council's Corporate Priorities.

4.5. The S106 funds proposed for use to deliver employment and skills activity in the borough are ringfenced exclusively for employment and skills activity. These funds have been secured through planning obligations from developments in the borough. Using S106 funds to provide employment support and skills training ensures that local people benefit from growth in the borough.

4.6. A 'mixed-model' of direct delivery and commissioning is proposed, to provide a combination of mainstream and specialist services. The funding will be utilised for continuation of the Lewisham Works service, including a particular focus on young people's employment; the multi award-winning Mayor's Apprenticeship Programme; the Local Labour and Business Scheme which secures resident opportunities arising for development; and specialist commissioned provision for residents who require a programme tailored to their needs and circumstances. Specialist provision in development includes bespoke support for Care Leavers, Refugees, those who are in low-pay and insecure work and adults with learning disabilities. There is also scope to respond to economic uncertainty and shocks in the medium-term, given the unpredictability of the labour market.

¹ Enrolling 506 residents and achieving 200 job starts represents an 'employment conversion' rate of 40%, the highest achievement rate across the Central London Forward region.

- 4.7. UK Shared Prosperity Fund (UKSPF) is the Government's successor programme to the legacy European Structural Investment Fund (ESIF). European Social Fund (ESF) was a component of this programme. Central London Forward is set to receive £8.28 million of UKSPF under the 'People and Skills' investment priority. A proportion of this funding will be retained at a sub-regional level for the continued delivery of shared employment programmes, most notably the Work and Health programme, with the remainder devolved directly to boroughs. Based on national UKSPF funding formulas, Lewisham will receive an initial direct allocation of £525,000 for the 2024/25 financial year. Allocations for future years is not known at this time.
- 4.8. Our UKSPF activity is expected to align with the London UKSPF 'Investment Plan' produced by the Mayor of London which focusses on economically inactive residents. The fund prioritises people aged over 50, people with disabilities, women, people from an ethnic minority, young people not in education or employment and people with complex needs. These priority areas of focus directly align with current Lewisham Works activity, where our local strength has been reaching residents who are economically inactive and not currently engaging with DWP services. UKSPF targets the Council are required to deliver are achievable given the amount of funding available and our existing programme success. Targets include:
- 30 economically inactive people engaging with keyworker support services
 - 121 people supported to engage in job-searching
 - 41 people engaged in job-searching following support
 - 23 people in employment, including self-employment, following support
- 4.9 The UKSPF targets will be easy to achieve for Lewisham Works. For example, a target to support 23 people into employment is very small compared to the 190 job starts supported directly by the Jobs and Skills team in 2022/23. Every London borough receives a UKSPF allocation, and the Council has not been given any indication there will be any consequences for not delivering on these targets. We will continue to deliver a high-quality Lewisham Works offer beyond the baseline UKSPF targets. We have been given good indication on how UKSPF will be received by the Council. Funds will be paid to the Council based on actual costs (e.g. staff salaries to deliver Lewisham Works), there will be sample but not routine audit checks, and the Council will receive quarterly payments upon submission of an invoice. These elements closely mirror European Social Fund procedures, a fund Lewisham Works has successfully claimed, in full.

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5. Proposal

5.1. This report proposes utilisation of £1,967,944 of S106 employment and skills funding and our £525,000 allocation of UK Shared Prosperity to deliver a mixed-model of directly delivered services and externally commissioned support. Our core offer will include:

- Lewisham Works, the Council's flagship employment programme. This service will continue to provide holistic and compassionate support for any residents seeking employment. This service will also support employers to find local employees. This could enable the service to provide support to residents who in low paid work, as well as those who are unemployed. Lewisham Works is well established to support at least 250 residents per year with employment support.
- A youth employment and training focus through our delivery space in Unit-19, Lewisham Shopping Centre. This will be delivered within the 'Lewisham Works' brand. Working closely with other service such as 'Baseline', we will continue to provide a bespoke offer which understands the needs and challenges of our young people. A particular push on youth employment is planned following A-Level results into the autumn.
- Continuing with the Mayor's Apprenticeship Programme to create at least 250 apprenticeships within the Council, the public sector and local businesses from 2022-26. This builds on the 260 apprenticeships created from 2018-22. The focus of the programme will be broadened to work with employers in the wider Central London economy, particularly those in industries which are likely to see future jobs growth such as digital and technology.
- Working with employers and partners outside of the borough to secure more opportunities in London's growing sectors for our residents while also seeking to attract employers and businesses to our borough, aiming to create 4000 new jobs in the borough by 2026.
- The Local Labour and Business Scheme. The team are responsible for monitoring and collaborating with development in the borough to secure local vacancies, apprenticeships, training opportunities and sub-contracting opportunities for Lewisham-based construction businesses.
- Working with Lambeth and Southwark through our 'Better Placed Partnership' to increase the breadth and accessibility of training and employment opportunities in

retrofit and 'green skills,' contributing to meeting both the Council's net-zero commitments and the projected growth in employment opportunities in the coming years.

5.2. Our mixed model will also lead to the creation of specialist, commissioned employment support programmes for Lewisham residents. These programmes will compliment core Council activity with bespoke employment support for residents facing complex barriers to employment. Jobs and Skills have been working closely with wider Council colleagues in Leaving Care, Housing and Adult Social Care to provide support and expertise to achieving economic security and prosperity for all our residents. Where possible, we will work with local partners from the voluntary and community sector in Lewisham, recognising the trust and effectiveness of these organisations to support residents. This matrix of local providers will strengthen our local offer and the sector. Our plans currently include:

- Creating a care leaver employment support offer, co-located with the Leaving Care service, which helps young people into sustainable employment & training. Youth voice has been the cornerstone of this programme development. The proposed model has been co-designed with young people from the service, ensuring it aligns with their needs and aspirations.
- Delivering bespoke programmes for refugees in the borough. The 'Facework Ukraine' pilot has shown that great outcomes can be achieved through a peer-support model that trains Ukrainian refugees to deliver an employability programme which focusses on soft skills and rebuilding a career based on their previous skills and expertise. Lewisham Works, in partnership with local organisations, has supported 80 refugees since the programme commenced. We aim to build on this success with longer-term commissioning of services to support refugees.
- As part of the Council's 'cost of living support programme', Lewisham is one of the first boroughs to commission 'in-work progression' support. This programme launched in June 2023. It recognises that there are many residents in the borough earning below the London Living Wage who feel trapped in low pay, but without access to effective employment support. Should the programme prove effective, there is scope to continue providing this service to low-income residents.
- 'Leading the way' on employment for Adults with Learning Disabilities, Jobs and Skills will develop employment support specific to that cohort. With a heavy emphasis on life skills and engaging with disability confident employment, we aim to improve on low employment rates among this cohort.

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- Scope is also provided to explore new commissioning opportunities, based on emerging challenges and opportunities in the labour market. Given economic turbulence since 2020, this proposal will allow us to respond rapidly and flexibly to any emerging needs in the labour market.
- 5.3. The S106 allocation of £1,967,944 has been identified. This funding is ringfenced exclusively for the purpose of employment and skills support. The S106 drawdown consists of forty-seven funding pots, with each pot having an agreement. Officers in the Council's planning department have confirmed that all pots can be used for the purposes outlined in this report. This was confirmed by the Council's Regeneration and Programme Delivery Board in August 2023 and signed by Katherine Nidd, Director of Finance. The Project Initiation Document, "A Strong Local Economy", approved by Regeneration and Programme Delivery Board is provided in Appendix A. This will cover the delivery period up to at least March 2026 and a combination of Lewisham Council staff salaries, commissioned programmes delivered by external providers, marketing, events and discretionary support to residents who require it.
- 5.4. UKSPF will also be utilised for our 'mixed-model' of delivery, allocated to a combination of direct delivery and commissioned providers delivering more specialist programmes. This will maximise the impact of this funds and ensure we meet our UKSPF targets. The Council is expected to receive UKSPF 'People and Skills' allocations beyond 2024/25 but these have not yet been announced by the Government.

6. Financial implications

- 6.1. This report is seeking approval to utilise £1,967,944 of S106 employment and skills funding and a £525,000 allocation of UK Shared Prosperity Fund to deliver a mixed-model of directly delivered services and externally commissioned support.
- 6.2. The S106 funding is ringfenced exclusively for the purpose of employment and skills support. The use of this funding has been approved by the Council's Regeneration and Capital Programme Delivery Board.
- 6.3. Central London Forward has received verbal confirmation of the level of Lewisham's allocation of the UK Shared Prosperity Fund from the GLA. The allocation is based on national UKSPF funding formulas, Lewisham will receive an initial direct allocation of £525,000 for the 2024/25 financial year. No further future funding has been confirmed.
- 6.4. No other council funding is required.

7. Legal implications

- 7.1. The Council is legally required to apply the money received pursuant to the provisions

of a Section 106 Agreement for the purposes for which it was received and within any time frames required by the specific Section 106 Agreement. Failure to do so may mean that the money has to be repaid and could result in enforcement action being brought against the Council for breach of the requirements of the Section 106.

Members will therefore need to be satisfied that the money from each of the S106 Agreements is being used for the purpose specified in each of those agreements.

8. Equalities implications

- 8.1. The principle and delivery of the Jobs and Skills service is embedded in equalities and support for residents to overcome labour market inequalities, whether this is individual disadvantage or structural labour market inequalities – such as racism or ageism.
- 8.2. Our services, particularly Lewisham Works, will continue to support Black, Asian and Minority Ethnic residents to overcome labour market inequalities. 62 percent of Lewisham Works participants in 2022/23 were from a minority ethnic group. However, Black, Asian and Minority Ethnic residents made up 56.5 percent of outcomes. Some of this disparity can be explained by the number of Ukrainian refugees who were rapidly and successfully supported into employment by Lewisham Works, but the team remain focussed on providing an employment service which is informed by the unequal experience of minority ethnic residents in the labour market. Experience of racism commonly affects self-esteem and confidence, which we will support residents to overcome.
- 8.3. The Jobs and Skills programme also recognise that the challenge of under-employment is experienced more by women and particularly women from a Black, Asian and Minority Ethnic background. Lewisham Council previously ran a pilot ‘in-work progression’ service in 2018 and 2019 called “Routeways”, which supported residents earning below the London Living Wage to progress into better paid and/or more stable employment. This programme supported 45 percent of participants to increase and/or stabilise their income. Participants in Routeways were 61 percent female and 89 percent were from a Black, Asian or Minority Ethnic background. These numbers reflect the disproportionately high representation of these residents in low-paid and poor-quality work. The pilot demonstrated that confidence was a bigger barrier than qualification level, and with effective coaching participants were able to understand their transferrable skills to gain a better paid, more stable job. Recognising the disproportionate impact on Black, Asian and Minority Ethnic residents, Lewisham Council recently re-launched a similar in-work progression service as part of the

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Council's wider Cost-of-Living response.

- 8.4. The Jobs and Skills programme will support challenges faced by disabled residents recognising the social model of disability, that it is employers and the labour market which must adapt to be more inclusive of disabled residents. In addition to working regionally on disability-specific commissioned employment programmes, we will continue to work with Adult Social Care and SEND colleagues to develop a 25+ employment offer for adults with learning disabilities while support the advancement of Supported Internships for younger residents with additional learning needs. Lewisham Works will continue to provide effective support for residents with mild to moderate learning disabilities autistic spectrum disorder. We will continue to engage with disability confident employers, growing this employer base locally.
- 8.5. Jobs and Skills recognise the particular challenges facing younger people yet to secure their first productive steps towards their ideal career, and why we continue to provide a bespoke 18-25 offer with advisors specialised in working with young people. Recognising the challenge faced by care-experienced young people, Jobs and Skills are working closely with Leaving Care to launch a care-leaver specific employment support offer in early 2024. The pandemic has also seen significant increases in economic activity in over-50s. Lewisham Works remains a leading service to support older residents back into the labour market. These groups often are not benefit claimants, therefore unable to access DWP support. Lewisham Works will continue to serve these residents effectively.

9. Climate change and environmental implications

- 9.1. There are no direct climate or environmental implications arising from this funding proposal. Jobs and Skills will continue to work closely with our 'Better Placed' partners of Lambeth and Southwark Councils to develop the careers and training opportunities linked to net-zero careers.
- 9.2. This funding proposal will allow us to continue our partnership work. This has supported the successful launch of the LBSU 'Green Skills Hub', increased local training opportunities, enhanced FE teaching facilities for net-zero occupations (as with the DfE Strategic Development Fund success) and working with the local construction and retrofit sector on this priority.

10. Crime and disorder implications

- 10.1. Continuing to offer a single front door employment service will enable the improved support of ex-offenders to rehabilitate back into society after a custodial sentence. We also understand the relationship between vocation, opportunity & likelihood to commit a criminal offence. Our services aim to complement the existing support already convened by the council in partnership with other agencies.

11. Health and wellbeing implications

- 11.1. Continued funding of Lewisham Works and our wider Jobs and Skills programme will continue our activity addressing the link between work, income and poor health. Employment is widely considered a primary 'social determinant' of health. We will continue to extract maximum local value from health-focussed employment programmes commissioned on a sub-regional basis. We will continue to work with health partners on emerging employment support in primary care. The Council has supported Jobs and Skills to launch a bespoke programme for residents in low-pay and insecure work, and our medium-term commissioning will expand support for adult residents with learning disabilities to access employment.

12. Background papers

- 12.1. There are no background papers to this report.

13. Glossary

Term	Definition
Economic inactivity	Someone who is out of work but not actively seeking employment
Job Density	The number of jobs within a locality compared to the number of residents aged 16-64 (working age). Lewisham's 0.42 job density represents 42 jobs per 100 working age residents.
Complex needs	In employment terms, this refers to a clearly identified barrier preventing someone from entering employment. For example, a long-term health condition is considered a complex need if it prevents someone taking up employment.
NEET	'Not in Employment, Education or Training', a definition specific to young people aged 16-24.
Soft Skills	Also known as 'people skills' – soft skills relate to skills such as communication, interpersonal skills, leadership and

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Term	Definition
	teamwork
Basic skills	The skills considered essential to everyone – reading, writing, numeracy, and computer skills. Also known as ‘skills for life’.

14. Report author(s) and contact

- 14.1. Spike van der Vliet-Firth, Jobs and Skills Programme Lead
- 14.2. spike.vandervliet-firth@lewisham.gov.uk, 07736 373934
- 14.3. Comments for and on behalf of the Executive Director for Corporate Resources
- 14.4. Shola Ojo, Strategic Business Partner
- 14.5. Comments for and on behalf of the Director of Law and Corporate Governance
- 14.6. Paula Young, Senior Planning Lawyer

15. Appendices

- 15.1. Appendix A – ‘A Strong Local Economy – Project Initiation Document’


Programme/Project Initiation Document (PID) & Risk Register

A Strong Local Economy – Jobs and Skills Interventions

Project/Programme Name:	A Strong Local Economy – Jobs and Skills Interventions
Programme: (where applicable)	<ul style="list-style-type: none"> • Lewisham Works • Apprenticeships • Local Labour and Business Scheme • Young Futures • Employer Engagement and Business Support
UPRN (where applicable):	
Project Location/Ward:	All wards
Project Manager: Tel / e-mail	Spike van der Vliet-Firth spike.vandervliet-firth@lewisham.gov.uk 07736373934
Senior Responsible Officer:	John Bennett – Head of Economy, Jobs and Partnerships
Sharepoint Site:	
Budget Cost Centre & Account Codes (insert once funding agreed)	
PID Version Number:	1.0
Date:	

Document Control			
Revision date	Version number	Summary of Changes	Approval obtained

Note: Changes to this document must be authorised and led by the Project Manager in consultation with SRO.

PID Approval			
[Note – the signatures below need to be obtained in the order displayed below]			
	Name/ Title	Signature/Date	Note
Corporate Information Team (section 14 of PID)			Conditional sign off agreeing to the project set up. However, at this stage there may still be a funding gap. The Regeneration Board Chair will only sign the PID off once any funding shortfall has been addressed.
Corporate Asset Services (section 10 Of PID)			
HRA Capital Programme Group (if applicable)			
Client/end user			
s106 Steering Group Chair (if applicable)			
SRO			
Regeneration & Capital Programme Delivery Board Chair	Katharine Nidd	 22/8/23	
Regeneration Board Chair			Not to be signed off unless the funding gap is £0

Current Funding Shortfall: £0

(this must reflect the figures reported in section 10b)

1. Project Summary

Following successful development of the Jobs and Skills team and launch of the flagship 'Lewisham Works' service, funding is sought to secure staff salary and commissioning capacity until end of financial year 2025/26. This project will deliver mainstream and specialist employment & skills support services to Lewisham residents and businesses. This funding will deliver a 'mixed-model' service, delivering on corporate commitments to supporting residents with their employment and skills while growing the local employment base.

2. Project Rational

*The **justification / need** for the project. The extent of information required in this section is dependent on the nature & scale of the project. The following areas will often need to be covered, (see Guidance Notes):*

***Drivers** for the project, **Strategic / policy context**, **Option appraisal / feasibility work** & where appropriate outlining the proposed **Approach** (e.g. procurement strategy). Outline of **Benefits**, initial estimates of **affordability**, **Stakeholder analysis** & consultation. **Service data** that supports the need for the project.*

JUSTIFICATION/NEED

To provide the Economy, Jobs and Partnerships (EJP) Division with the necessary resources to deliver upon its assigned corporate strategy priorities and service plan.

The S106 funds sought are ringfenced for the purpose of employment and skills activity in the borough. These funds will be utilised to provide the Council with the necessary staff resource and commissioning power to tackle Lewisham's economic challenges.

DRIVERS FOR THE PROJECT

In the last five years to 2023, the Central London economy grew, and more jobs were created. However, this jobs growth was not seen in Lewisham. Whilst the number of new businesses being formed in Lewisham has grown rapidly in recent years, increasing by more than 50% since 2011, much of this is due to structural changes on the nature of work with higher levels of self-employment and contract work, and the growth of the gig economy. Compared with neighbouring boroughs Lewisham has a small and declining stock of commercial floorspace. The majority of jobs in the borough are located in the Lewisham-Catford corridor (including the hospital) or in the north of the borough in Deptford and New Cross.

Lewisham remains an economy made of very small firms with just a handful of major employers. The economy of Lewisham is predominantly a local service sector economy, servicing the needs of its local resident population. Our largest sectors are health and education. It also has a large retail sector, although this has been affected by the decline seen nationally in high street retailing. A high proportion of jobs in Lewisham are part-time. This, combined with the overall sectoral make-up of employment in the borough, results in the output, or Gross Value Added (GVA), produced in Lewisham being comparatively low by London standards. GVA per head of population in Lewisham is just 38% of the London average.

There are comparatively fewer jobs in Lewisham compared with other London boroughs, and indeed elsewhere in the country. Lewisham's job density of 0.39 is the lowest of all council areas in Great Britain and Lewisham has the second lowest number of jobs out of all London boroughs.

By contrast to the profile of our residents, employment in Lewisham is under-represented compared to other boroughs in higher value and higher wage sectors such as professional, scientific and technical services and information & communication technologies. In 2017 the council agreed a **Creative and Digital Industries Strategy** to seek to address this, driving the creation of more jobs and business growth in these sectors. This was supplemented by **design guidance** to outline the types of workspace required by the creative and digital industries.

The Covid-19 pandemic has caused some significant economic impacts for Lewisham's residents and businesses. Unemployment more than doubled at the height of the pandemic, rising from around 8,000 in January 2020 to a peak of over 20,000 in early 2021. Over the last few months unemployment has thankfully reduced but is still over 12,000

Lewisham has a great number of economic assets that should enable it to thrive. We have a large number of highly skilled workers, we are located close to the huge Central London economy, and we are home to a leading UK university in Goldsmiths. Post-pandemic there is expected to be economic growth across London in sectors such as creative and digital; health and social care; hospitality; and the green economy. Lewisham is well placed to secure some of this growth providing there is a steady and growing supply of affordable commercial workspace being created across the borough. This S106 PID provides Economy, Jobs and Partnerships with resources to deal with the challenges outlined and seize on post-pandemic economic opportunities.

Our approach will be to utilise these funds in a mixed model of delivery:

- Direct staffing costs to sustain the excellent progress made by the Lewisham Works team and the wider EJP Division in response to these challenges.
- Commission specialist providers to work closely with our services to provide a greater range of relevant support to residents with additional needs. These plans include specific employment support offers for Care Leavers, Refugees, those in-work but earning below the London Living wage, residents with disabilities and young people not in education, employment or training.

These interventions will have substantial benefits on residents and the local economy. Approval of this S106 PID will provide the essential resources to deliver on a wide range of corporate priorities. These benefits are included in the service plan context below, but most notably include:

- Growing the number of jobs in the borough by 4000
- Supporting 1000 people into work through Lewisham Works
- Expanding our Apprenticeship programme to secure new opportunities in London’s growing sectors
- Growing more employers, paying London Living Wage, in the borough

STRATEGIC/POLICY CONTEXT (Including explanation of which [Corporate Priority](#), [Departmental Strategy](#), [proposal in IDP](#) that project aligns with and/or how it supports the growth planned for in the [Development Plan](#))

This S106 PID has several alignments to the Corporate Strategy:

- 1) “A strong local economy”
 - Expanding the ‘Mayor’s Apprenticeship Programme’
 - Ensuring our borough is the best place in London for entrepreneurs to start their business
 - Providing support for independent businesses
 - Attracting jobs and businesses to Lewisham
 - Working with businesses to achieve ‘Living Wage Accreditation’
- 2) “Inward Investment and Opportunity”
 - Building relationships across the capital to create more opportunities in growth sectors for Lewisham’s Young People
 - Expanding our apprenticeship programme into the arts sector, cementing Lewisham as a cultural hub.
- 3) “Diversity”
 - Attract new investment into the borough that can provide jobs and opportunities for young people
- 4) “Innovation and Ideas”
 - Actively seeking out the insights of those who are experts by experience such as disabled residents and younger people for a unique first-person perspective on how to improve the services we offer

Economy, Jobs and Partnerships hold several ‘service plan’ targets for 2022-26 emerging from the Corporate Strategy:

- Actively look to attract employers and businesses to our borough, aiming to create 4000 new jobs by 2026
- Support 1000 people to find a good job and develop their skills through ‘Lewisham Works’
- Expand the Mayor’s Apprenticeship Programme to include new opportunities in London’s growing sectors
- Create more start-up and co-working spaces throughout Lewisham
- Encourage more local businesses to become London Living Wage employers
- Visible improvements to Town Centres

- Further develop the circular economy in Lewisham
- Support coding and digital skills clubs across the borough
- Support local employers in Lewisham to replicate the council's improvements in training and recruitment of Black, Asian and minority ethnic staff
- Promote and develop Lewisham's credit Unions

Lewisham Council is in the process of developing a standalone 'Economic Development Strategy' providing long-term vision and planned actions to make Lewisham the "best place to work or start a business". This stakeholder analysis will further inform our approach – ensuring it is both effective and coordinated.

The council is also in the process of preparing a new statutory borough-wide development plan. [The Draft Local Plan](#) will set out an overall strategy for sustainable development across the borough, to assist the delivery of new homes and jobs as well as seeking to protect and enhance the natural and built environment.

3. Project Organisation

Name	Internal / External	Role	Responsibilities
Spike van der Vliet-Firth	Internal	Senior Responsible Officer (SRO) (<i>Sponsor</i>)	<ul style="list-style-type: none"> - ensuring that the overall Jobs and Skills Programme meets its objectives and delivers the projected benefits - providing project resources – financial and human - provides strategic assurance to adapt to changing economic circumstances - ensuring that the project is subject to review at appropriate stages - owns the project or programme brief and business case - agreeing major changes & for problem resolution where these are outside the Project Manager's limits of authority - Ensuring effective alignment between the complimentary projects within the Jobs and Skills programme - Regularly reviewing spend against budget to ensure timely draw-down of time-sensitive funding pots - formally closing the project
Hazel Brooks (née Dales)	Internal	Project Manager (Principal Jobs and Skills Officer)	<ul style="list-style-type: none"> - responsible for delivering the Lewisham Works project - leads and manages team members - runs the project on a day-to-day basis - agree work packages with team members / sub-teams - manages risks and issues - make regular reports to the SRO
Charlotte Rowley	Internal	Project Manager (Principal Jobs and Skills Officer)	<ul style="list-style-type: none"> - responsible for delivering the Young Futures project & external commissioning programmes (complimentary to UK Shared Prosperity Fund) - leads and manages team members - runs the project on a day-to-day basis - agree work packages with team members / sub-teams - manages risks and issues - make regular reports to the SRO
Corrina Kasten	Internal	Project Manager (Principal Jobs and Skills Officer)	<ul style="list-style-type: none"> - responsible for delivering the Local Labour and Business Scheme project - ensuring developers and tier 1 contractors deliver against their S106 employment and skills obligations - leads and manages team members - runs the project on a day-to-day basis - agree work packages with team members / sub-teams - manages risks and issues - make regular reports to the SRO

Carol Stewart	Internal	Project Manager (Apprenticeship Programme Manager)	<ul style="list-style-type: none"> - responsible for delivering the Mayor's Apprenticeship Programme - leads and manages team members - runs the project on a day-to-day basis - agree work packages with team members / sub-teams - manages risks and issues - make regular reports to the SRO
Glen Skeel, Sian Nelson-Smith, Elena Draganova, Shirin Akthar, Tony Cisse, Christine Sampson, Dahlia Parkinson	Internal	Lewisham Works Team Members (Employment and Training Advisors)	<ul style="list-style-type: none"> - Delivering the Lewisham Works service for residents - Supporting progression into employment, training and education - Recording progress and outcomes of residents - Working with external employability partners to ensure effective coordination of resident services in the borough - Reporting performance and risks to the Project Manager & Project Coordinator
Eke Hardie-Ejiohuo	Internal	Employment Project Coordinator	<ul style="list-style-type: none"> - Coordinating Lewisham Works Advisors and services to meet resident demand - Overseeing compliance, reporting and joined-up performance tracking against agreed targets - Escalating risks, issues and exceptions to Project Managers and SRO
Charles Osei-Bonsu	Internal	Local Labour and Business Scheme Officer	<ul style="list-style-type: none"> - Working with developers and Tier 1 contractors to report and monitor developer progress against S106 - Connecting the construction sector with local labour and training providers - Joining-up Lewisham Works delivery with local construction opportunities
Shyanne Sargent-Mascoe, Meron Mariam-Wolde, Sarah Cooper	Internal	Project Support Officers	<ul style="list-style-type: none"> - Financial Administration - Data collection and compliance - Performance monitoring
Lewisham College, DWP, Goldsmiths, NHS, VCS sector, training providers	External	Key stakeholders	<ul style="list-style-type: none"> - Core stakeholders collaborating with Lewisham Council - Provision of employment support, training and education to residents - Complimentary resident support (Universal Credit, Financial Resilience, Soft Skills) contributing to the overall effectiveness of a coordinated offer

4. Project Governance		
Group	Role	Reporting Frequency
SRO	Reporting progress against Corporate Strategy to Executive Officers, Members and Committees	Quarterly
Regeneration & Capital Delivery Board	Reporting progress against key metrics, including <ul style="list-style-type: none"> - Residents supported into employment - Residents supported into training - Apprenticeships created - Local Labour and Business Outcomes 	Annually
Regeneration Board	N/A	N/A

Project/Programme Board	N/A	N/A
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5. Project Feasibility

Option appraisal / feasibility work
 This PID supports continued delivery by the Jobs and Skills team against Corporate Targets and the EJP service plan. The services developed in the last two years have established well and developed effective delivery. In 2022/23, the first full financial year of delivery, the service achieved:

- 190 residents securing 'good' work
- 27 Apprenticeships within the Council
- 23 External Apprenticeship opportunities
- 31 Construction Jobs for residents
- 207 job outcomes through core partners and commissioned programmes
- 375 residents supported with soft skills training
- 153 residents accessing vocational training
- 37 residents achieving a 'basic' skills outcome

We recognise this is a good start, but there is more to do in order to achieve the Council's 2022-26 commitments and ensure the Council can respond to an uncertain economic outlook in the coming years.

Not continuing the funding and delivery of these services would result in the Council failing to meet its stated aims related to employment, jobs, apprenticeships & local labour and leave it poorly placed to respond to emerging challenges and opportunities in the economy and labour market.

6. Project Definition/ Scope of Work

Project Objectives *(what the project seeks to achieve, i.e. the desired overall outcome(s), often expressed in - 'service' terms rather than/ technical terms).*

- Actively look to attract employers and businesses to our borough, aiming to create 4000 new jobs by 2026
- Support 1000 people to find a good job and develop their skills through 'Lewisham Works'
- Expand the Mayor's Apprenticeship Programme to include new opportunities in London's growing sectors
- Create more start-up and co-working spaces throughout Lewisham
- Encourage more local businesses to become London Living Wage employers
- Visible improvements to Town Centres
- Further develop the circular economy in Lewisham
- Support coding and digital skills clubs across the borough
- Support local employers in Lewisham to replicate the council's improvements in training and recruitment of Black, Asian and minority ethnic staff
- Promote and develop Lewisham's credit Unions

Project Approach

To achieve objectives, EJP will adopt a 'mixed' model of delivery. The 'core' direct delivery will see the Council continue to deliver our Lewisham Works, Young Futures, Apprenticeship and Local Labour & Business Scheme services. We have commissioned a specific CRM to ensure that all this activity is well aligned and all performance, internal & external, is recorded.

EJP also recognise an externally commissioned approach allows us to deliver more specialise support to residents where a typical 'mainstream' employment support service is not the best fit. We are working with colleagues across the Council to complement our core delivery with:

- Care-Leaver Specific Employment Support
- In-Work Progression service for working residents earning below the London Living Wage
- Services for 'NEET' young people with complex barriers to work
- Specific support for residents with a learning disability, such as Autism
- Zero-Carbon/'Green' skills opportunities in partnership with LB Lambeth & Southwark

- Skill programme related to growth opportunity sectors, such as digital & creative industries
- Support for refugees, Ukrainian and Afghan, creating a dual-language peer support model

Project Scope/ Exclusions *(what is / isn't included, in terms of the work to be done, client groups etc)*

- Staff salaries delivering Lewisham Works, Young Futures, Apprenticeships, Local Labour and Business and complimentary support roles across EJP.
- Commissioned employment and skills services aligned to the project approach (above)

Project Assumptions *(any assumptions made at the start of the project)*

- Employment and Skills Services will continue to be in-demand from residents for the period outlined
- There will not be a significant alteration to demand from external shock (e.g. a second pandemic)
- The current employment and skills system will not undergo transformative national policy changes (e.g. devolution of employment and skills support to London or boroughs).

CDM/'Whole life' cycle costings *(estimated costs should be prepared on a whole life costing basis, to demonstrate that the chosen option does provide value for money in the long term (though costs may not be the only factor determining choice).*

The entire staff salary and commissioned programme budget for the programme delivery period is £3,428,213.27. This represents £2,473,213.37 of direct staff salary costs £955,000.00 for commissioning.

S106 PID funding compliments other sources of income for EJP:

- UK Shared Prosperity fund, which represents £550,000.00 in 2024/25. Future funding beyond this financial year are yet to be announced.
- £420,000.00 of General Fund allocated in 2023/24

EJP also has the ability to bid for and secure additional funding the enhance our offer to residents. Since April 2022 we have secured (and utilised):

- £1,050,000.00 of European Social Fund
- £135,000.00 for 'Connected Futures' from Youth Futures Foundation **

The chosen options provide value for money in the following ways:

- The Lewisham Works Service delivered the highest 'job conversion' rate of any CLF London Borough, showing some of the most effective employment support delivery in London
- Wider benefits on the 'public purse' of moving unemployed residents into work and reduced dependency on other Council services e.g. Housing

** There is a strong possibility of securing £1m - £2m from Youth Futures Foundation as part of Connected Futures Phase 2.

Project Deliverables *(what the project will actually produce, i.e. 'outputs' – quantified whenever appropriate)*

- 550 residents supported into 'good' jobs
- 150 apprenticeships (internal and external) created
- 100 jobs in construction for residents
- 900 residents supported with soft skills training
- Creating 2000 additional employments in the borough
- Increased Care Leaver ETE rates
- Increased refugee ETE rates
- Increased ETE rates for people with disabilities
- 100 residents supported to increase their income to above London Living Wage/ 10%+ hourly income

Project Constraints *(any known limitations on the project, e.g. time / budget issues, including grant spend deadlines)*

- Our services are primarily designed to support unemployed residents, providing a less comprehensive offer for residents who are working

- 13 of the 47 S106 Applications where funding drawdown is sought have time-sensitive spending deadlines. £369,408.98 has to be allocated/spent during 2024/25. Our service delivery plan ensures this funding will be allocated and spent. Managing this constraint effectively ensures that no S106 employment and skills funding secured for Lewisham is unallocated.

7. Measures of Success / KPI

(note: link to 'Lessons Learnt' section when closing project)

- 550 residents supported into 'good' jobs
- 150 apprenticeships (internal and external) created
- 100 jobs in construction for residents
- 900 residents supported with soft skills training
- Creating 2000 additional employments in the borough
- Increased Care Leaver ETE rates
- Increased refugee ETE rates
- Increased ETE rates for people with disabilities
- 100 residents supported to increase their income to above London Living Wage/ 10%+ hourly income

8. Project Interfaces

(Critical interdependencies / relationships with programmes, other projects, other pieces of work or organisations, eg: CYP, Housing, Planning, Public Realm & Highways)

EJP is well aligned to the wider organisation, supporting other services to deliver overall corporate objectives. We work most closely with:

- Housing Services, to improve the employment outlook for tenants and residents seeking housing support for the Council.
- Housing Services for Refugees, in particular officers delivering the 'Homes for Ukraine' Scheme
- CYP (Leaving Care) to enhance to ETE offer to care leavers in the borough
- Baseline, and 16-17 transitional support services for young residents
- Planning, to ensure effective relationships with Developers in relation to S106 commitments
- Climate Change, in relation to 'Green Skills'
- Adult Social Care, for supporting adults with disabilities and the 'Proud to Care' initiative.

EJP understands and recognises the role of employment and skills support for achieving improved lives for residents who have touch-points with other Council services.

9. Project Communication and Engagement Plan

Consider who you need to inform about your project, and the most appropriate channels through which to do so (this could include things like the Council website, social media, direct mail, posters and drop-in events,) If you are intending to canvas the public or other stakeholders for their views, you should first submit a completed proforma to the Consultation Steering Group for input/approval. See <http://ls/C16/SPCB%20Delivery%20Group/default.aspx> for further details.

- The Lewisham Works Microsite will launch in Autumn 2023. This will provide a direct interface with residents and partners on local vacancies, training programmes and our services.
- We continue to advertise in Lewisham Life on a regular basis.
- We regularly engage with nearly 100 other relevant organisations in the borough, coordinated through the Lewisham Employment and Skills Alliance.
- Regularly utilising Lewisham Council Social Media channels.
- Using the 'LIFT' database on resident financial circumstances, we are piloting direct mail campaigns to residents who we understand would most benefit from our support.
- Regular events, with a Careers Fair planned for November 2023.
- Appointments are advertised and delivered across the borough, from Deptford to Downham, each week.

Cabinet Member Briefings are regularly provided on our approach.

10. Project Finances

NOTE: where the outcome of a project is the establishment of an Asset to be retained by the Authority then the project costs are to be capitalised. Otherwise all costs are to be revenue based. If in doubt please contact the Finance Team for clarification

Where relevant, indicate below any **additional ongoing revenue costs** arising from capital works / acquisitions and details of how these are to be **funded**, in order to demonstrate that the project is financially sustainable. (To obtain advice on operating costs see a Corporate Asset Services officer). **The SRO will be prompted not to sign off the PID unless additional revenue funding has been agreed by the relevant budget holder, or growth agreed by the Exec. Dir for Resources.**

Note: See Guidance Notes regarding **Insurance costs** on Capital schemes (notifying the Council's Insurance Section re. new buildings, demolished buildings, or changes of use).

Property-related projects

Corporate Asset Services (CAS) must be consulted and sign off their approval on page 2. In preparing a pre-tender estimate / cost profile, it is **essential** that all costs relating to actions / facilities required **to make the building fit for occupation** are included. This may include e.g. costs for ICT, fire safety, water hygiene, DDA etc. Early consultation with CAS is essential in order to ensure that these matters have been addressed. They will also want to ensure that proposals have no other adverse effects, e.g. on building maintenance. See p17.

10. Project Finances					
10a. Project Expenditure					
Estimated Project Costs					
Costs	Current Year/Future Years				Total
	2023/24	2024/25	2025/26	Future years	
PROJECT 1					
External Fees – Project management	£170,000	£180,000	£200,000		550000
Contingency sum	£0.00	£50,000.00	£53,666.64		103666.64
Staff Costs	£87,569.25	£472,226.30	£729,482.07		1289277.62
Marketing	£5,000.00	£10,000.00	£10,000.00		25000
TOTAL PROJECT 1	£262,569.25	£712,226.30	£993,148.71	0	£1,967,944.26
TOTAL PROJECT /PROGRAMME	£262,569.25	£712,226.30	£993,148.71	0	£1,967,944.26

Corporate Finance Team has been consulted on the above table, and they have approved the Financial figures presented above.

*Please reference below and attach written confirmation from external funding bodies and indicate here the status of (any) unsecured funding. Detail any other funding issues. **Where total funding doesn't match total estimated expenditure there must be an explanation of how the funding gap will be closed** (and in the event of some funding not becoming available, an indication of whether the project could be re-scoped and still meet core objectives)*

10c. s106 monies (if using s106 monies, boxes and table below MUST be completed):

Has availability of s106 funds been verified by Development Contributions Team?	YES
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Please insert each s106 contribution that is being proposed for use in the table below:

Planning App No	Address	Ward	Which s106 clause/s (obligation/s) does the funding relate to? e.g. Schedule 2 Clause 1, wording of clause Definition and how the project meets the definition	Total Contribution Available	Amount to be used by project and amount remaining in contribution
DC/16/095488	STEPHEN JAMES BMW, LEE TERRACE, LONDON, SE13 5DL	Blackheath	S2,1.1 <i>Definition:</i> "Employment Contribution" means Ninety Thousand Pounds (£90,000) for the investment in employment opportunities elsewhere in the borough as a result of the loss of commercial floorspace and reduction of employment	£96,862.97	£96,862.97 <i>Leaving £0.00</i> Sum must be spent by 14/05/2024
DC/11/78175	The Deptford Project	New Cross	S3,1.1e-1.2 <i>Definition:</i> "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities.	£88,106.28	£88,106.28 <i>Leaving £0.00</i> Sum must be spent by 18/07/2024
DC/18/109604	223-229 LEWISHAM HIGH STREET, LONDON, SE13 6LY	Lewisham Central	S4,1a-2 <i>Definition:</i> "Local Labour and Business Scheme" means the Council's scheme for working with developers and contractors to ensure that local people and local businesses are able to take advantage of construction jobs and contracts as well as wider employment and business opportunities (including training and support for Local People) arising from new development within the Council's administrative area	£14,000.00	£14,000.00 <i>Leaving £0.00</i> No spend or committed by date
DC/12/80369	180 Brockley Road	Brockley	S3,P1,1.1-1.2 <i>Definition:</i> "Employment and training initiatives" means purposes which in the opinion of the Council promote or enhance employment and/or employment training whether within the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£22,063.45	£22,063.45 <i>Leaving £0.00</i> Sum must be spent by 09/01/2025
DC/17/101909	9-19 RUSHEY GREEN, LONDON, SE6 4AZ	Rushey Green	S4,1.1.1 <i>Definition:</i>	£39,601.04	£39,601.04 <i>Leaving £0.00</i>

			"Employment and Training Initiatives" means such measures which in the reasonable opinion of the promote or enhance employment and or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example or not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities		No spend or committed by date
DC/10/75331	Site of Parkside House buildings and adj yard, Grinstead Rd (Neptune Wharf)	Evelyn	S1,P6,2.1 <i>Definition:</i> 'Employment and Training Purposes' means initiatives plans programmes and other measures which seek to get Local People into jobs whether construction or end use related and whether temporary or permanent Phases of the Development) and to provide appropriate skills and other training for Local People whether through the Council's Economic Development Team or otherwise;	£45,175.24	£45,175.24 <i>Leaving £0.00</i> No spend or committed by date
DC/19/110610	FORMER CARPETRIGHT, LOAMPIT VALE, LONDON, SE13 7SN	Lewisham Central	"Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£50,154.64	£50,154.64 <i>Leaving £0.00</i> No spend or committed by date
DC/18/106467	1 WALDRAM PARK ROAD, LONDON, SE23 2PW	Perry Vale	S2,5-6 <i>Definition:</i> "Local Labour Contribution" means the sum of £7155 (seven thousand one hundred and fifty-five pounds) 7 The Council hereby covenants with the Owners to: apply the Local Labour Contribution towards the Lewisham Local Labour Scheme No further definition.	£7,293.03	£7,293.03 <i>Leaving £0.00</i> No spend or committed by date
DC/17/104772	1 WHITE POST STREET, LONDON, SE15 1DR	New Cross	S3,1.1-2.3 <i>Definition:</i> "Employment Training Purposes" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£13,032.71	£13,032.71 <i>Leaving £0.00</i> Sum must be spent by 05/08/2025
DC/15/93101	ARKLOW TRADING ESTATE, ARKLOW ROAD, LONDON, SE14 6EB	Evelyn	S4,1.3.3-1.3.5 <i>Definition:</i> "Employment and Training Contribution the sum of £210,940 (Index Linked) to be paid by the Owner to the Council in accordance with paragraph 1.3 of Schedule 4 and to be applied by the Council to Employment and Training Purposes. Employment and Training Purposes initiatives,	£80,335.73	£80,335.73 <i>Leaving £0.00</i> Sum must be spent by 05/08/2025

			plans, programmes and other measures which seek to get Local People into jobs at the Development (whether construction or end use related and whether temporary or permanent) and to provide appropriate skills and other training for Local People, whether through the Council's Economic Development Team or otherwise."		
DC/14/88367	Land at Thurston Road to the NW of Sherwood Court, Thurston Rd, Se13 7sd	Lewisham Central	S4,P1,1.1-1.2 <i>Definition:</i> Employment and Training Contribution means the sum of £19,090.91 (nineteen thousand and ninety pounds ninety one pence) towards Employment and Training Initiatives means purposes which in the reasonable opinion of the Training Initiatives Council promote or enhance employment and/or employment training, whether in the vicinity of the Site or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities;	£19,090.91	£19,090.91 <i>Leaving £0.00</i> No spend or committed by date
DC/14/88227	HAZELHURST COURT, BECKENHAM HILL ROAD, BROMLEY, SE6 3AG	Downham	S3,1.1-1.2a <i>Definition:</i> "Employment Training Contribution" means the sum of £20,454.60 (Twenty Thousand Four Hundred and Fifty Four Pounds and Sixty Pence) as a contribution towards purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation, making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£20,653.50	£20,653.50 <i>Leaving £0.00</i> Sum must be committed by 02/12/2025
DC/15/093731	43-49 POMEROY STREET, LONDON, SE14 5BW	Telegraph Hill	S3,1.1.2 <i>Definition:</i> "Employment and Training Initiatives' means towards purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation, making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£64,440.05	£64,440.05 <i>Leaving £0.00</i> No spend or committed by date
DC/15/91087	MARINE WHARF EAST, LAND ON THE SOUTH SIDE OF, PLOUGH WAY, LONDON SE16 7UD	Evelyn	S6,1.1-1.2 <i>Definition:</i> "Employment Training Contribution" means the sum of £103,054.55 (one hundred and three thousand and fifty four pounds and fifty five pence) towards Employment Training Initiatives "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the	£103,492.40	£103,492.40 <i>Leaving £0.00</i> Sum must be spent by 29/03/2026

			vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation, making grants towards employment training initiatives or which facilitate the provision of employment opportunities		
DC/10/75973	Excalibur Estate Regeneration Area, SE6	Whitefoot	S4,P1,1.1-1.2 <i>Definition:</i> "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£11,003.80	£11,003.80 <i>Leaving £0.00</i> Sum must be committed by 11/04/2026
DC/12/82000	FAIRCHARM TRADING ESTATE, CREEKSIDE, LONDON, SE8 3DX	New Cross	S9,1 <i>Definition:</i> "Employment Training Contribution" means the sum of £50,454 (Fifty Thousand Four Hundred and Fifty Four Pounds) towards Employment Training Initiatives "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£50,454.00	£50,454.00 <i>Leaving £0.00</i> Sum must be spent by 31/05/2026
DC/15/91987	29 POMEROY STREET, LONDON, SE14 5BW	Telegraph Hill	S3,1.3b <i>Definition:</i> "Employment Space Contribution" means the sum of £110,000.00 (One Hundred and Ten Thousand Pounds) to be paid towards such measures the Council in its reasonable opinion believes will improve or provide employment space elsewhere than on the Land in the Borough	£110,084.75	£110,084.75 <i>Leaving £0.00</i> Sum must be committed by 01/06/2026
DC/15/92295	DEPTFORD LANDINGS. Formerly known as DEPTFORD WHARVES, & THE TIMBERYARD	Evelyn	S4,1.1.1d <i>Definition:</i> "Employment and Training Contribution" means the sum of £250,000 (Index Linked) to be paid by the Owner to the Council in accordance with paragraph 1.1 of Schedule 4, to be applied by the Council for Employment and Training Purposes. Employment and Training Purposes initiatives, plans, programmes and other measures which seek to get Local People into jobs at the Development (whether construction or end use related and whether temporary or permanent) and to provide appropriate skills and other training for Local People, whether through the Council's Economic Development Team or otherwise.	£25,000.00	£25,000.00 <i>Leaving £0.00</i> Sum must be contractually committed/spent by 08/06/2026
DC/13/83358	Convoys Wharf, Prince Street,	Evelyn	S2,2.1(a) <i>Definition:</i>	£50,351.05	£50,351.05 <i>Leaving £0.00</i>

	London, SE8 3JH		<p>"Employment and Training Contribution" means the sum of £500,000 to be paid by the Owner to the Council and applied by the Council to the provision of Employment and Training Initiatives.</p> <p>"Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment or employment training or both of them whether within the vicinity of the Site or elsewhere within the Borough and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities.</p>		Sum must be committed by 08/07/2026
DC/13/83358	Convoys Wharf, Prince Street, London, SE8 3JH	Evelyn	<p>S2,2.1(b)</p> <p><i>Definition:</i> "Employment and Training Contribution" means the sum of £500,000 to be paid by the Owner to the Council and applied by the Council to the provision of Employment and Training Initiatives.</p> <p>"Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment or employment training or both of them whether within the vicinity of the Site or elsewhere within the Borough and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities.</p>	£164,443.33	<p>£164,443.33 <i>Leaving £0.00</i></p> <p>Sum must be committed by 29/10/2026</p>
DC/15/91069	RIVERDALE HOUSE, 68 MOLESWORTH STREET, LONDON, SE13 7EY	Lewisham Central	<p>S3,1.1a</p> <p><i>Definition:</i> "Employment and Training Contribution" means Twenty Thousand Pounds (£20 000) for the purpose of employment training initiatives within the borough.</p>	£20,392.61	<p>£20,392.61 <i>Leaving £0.00</i></p> <p>Sum must be committed by 16/11/2026</p>
DC/18/107234	93-99 LADYWELL ROAD, LONDON, SE13 7JA	Ladywell	<p>S2,1.1.2</p> <p><i>Definition:</i> "Lewisham Local Labour and Business Strategy Contribution" means the sum of £7,950 (seven thousand nine hundred and fifty pounds) and payable in accordance with paragraph 1.1 of Schedule 2. "Lewisham Local Labour and Business Strategy" means the local initiative operated by the Council that helps local businesses and residents to access the opportunities generated by regeneration and development activity in the borough of Lewisham.</p>	£9,407.71	<p>£9,407.71 <i>Leaving £0.00</i></p> <p><i>No date by which sum has to spent or committed by.</i></p>
DC/15/92295	DEPTFORD LANDINGS. Formerly known as DEPTFORD WHARVES, & THE TIMBERYARD	Evelyn	<p>S4,1.1.1e</p> <p><i>Definition:</i> Employment and Training Contribution the sum of £250,000 (Index Linked) to be paid by the Owner to the Council in accordance with paragraph 1.1 of Schedule 4, to be applied by the Council for Employment and Training Purposes.</p> <p>Employment and Training Purposes initiatives, plans, programmes and other measures which seek to get Local People into jobs at the Development or construction or end</p>	£26,072.39	<p>£26,072.39 <i>Leaving £0.00</i></p> <p>Sum must be spent by 25/08/2027</p>

			use related and whether temporary or permanent) and to provide appropriate skills and other training for Local People, whether through the Council's Economic Development Team or otherwise.		
DC/15/90721	WALPOLE ARMS, 407 NEW CROSS ROAD, LONDON, SE14 6LA	New Cross	S2,P1,1 <i>Definition:</i> "Employment and Training Contribution" means the sum of £22,273 (twenty two thousand two hundred and seventy three pounds) towards employment and training initiatives within the borough of Lewisham. "Employment & Training Initiatives" means purposes which in the opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the site or elsewhere in the borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£25,762.10	£25,762.10 <i>Leaving £0.00</i> Sum must be spent by 13/12/2027
DC/14/86930	Childers Street, London SE8 (S R House)	Evelyn	S6,P1,1.1-1.2 <i>Definition:</i> "Employment and Training Contribution" means the sum of £70,392 (Seventy Thousand three hundred and ninety-two Pounds) Indexed "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities.	£75,993.85	£75,993.85 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/14/89436	MARINE WHARF WEST, PLOUGH WAY, LONDON, SE16 7UE	Evelyn	S4,1.1-1.2 <i>Definition:</i> "Employment and Training Contribution" means the sum of £5,380 (five thousand three hundred and eighty pounds) to be used by the Council for Employment and Training Initiatives "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£5,863.86	£5,863.86 <i>Leaving £0.00</i> Sum must be committed by 13/12/2027
DC/10/75331	Site of Parkside House buildings and adj yard, Grinstead Rd (Neptune Wharf)	Evelyn	S1,P6,2.2" <i>Definition:</i> 'Employment and Training Purposes' means initiatives plans programmes and other measures which seek to get Local People into jobs whether construction or end use related and whether temporary or permanent Phases of the Development and to provide	£38,005.26	£38,005.26 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>

			appropriate skills and other training for Local People whether through the Council's Economic Development Team or otherwise;		
DC/10/73624	The Spotted Cow Public House 104 Hither Green Lane	Lewisham Central	Sch 7 para 1-1.2 <i>Definition:</i> "Employment and training purposes means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in' the Borough of Lewisham and may include by way of- example but not limitation making grants towards employment training initiatives -or -which facilitate the provision of employment opportunities	£50.00	£50.00 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/10/75452	Land at Fishers Court, Besson Street	New Cross	S4,1.1-1.2 <i>Definition:</i> "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities or the provision of business support initiatives	£103.22	£103.22 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/11/77418	Land at Goodwood Road	New Cross	S2,1 <i>Definition:</i> "Employment and Training Contribution" means the sum of£55,545.44 (fifty five thousand five hundred and forty live pounds and forty four pence) as adjusted to reflect inflationary changes between the Baseline Date and the date of actual payment to the Council. The Relevant index will be the Retail Price Index. "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities.	£56,554.92	£56,554.92 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/11/78800	1-13 Lewisham High Street (Kings Hall Mews) SE13 5AF	Lewisham Central	S7,1.1-1.2 <i>Definition:</i> "Employment and Training Contribution" means the sum of £8,000 (Eight Thousand Pounds) as adjusted to reflect inflationary changes between the Baseline Date and the date of actual payment to the Council in accordance with the provisions of Clause 22 to be expended by the Council in accordance with the terms of Schedule 7 "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the	£8,388.48	£8,388.48 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>

			vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities or initiatives available to the Stephen Lawrence Trust		
DC/14/88613	VACANT LAND TO THE NORTH AND, 54B TRUNDLEY'S ROAD, LONDON, SE8 5JG	Evelyn	S4,1.1.3 <i>Definition:</i> "Employment and Training Contribution" means the sum of £9,000.00 (nine thousand Pounds) Indexed. "Employment & Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£9,000.00	£9,000.00 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/11/78207	Land at St Clement's Heights, Sydenham Hill, Upper Sydenham	Sydenham	S3,1 <i>Definition:</i> Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives which facilitate the provision of employment opportunities or the provision of business support initiatives.	£16,746.92	£16,746.92 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/14/86354	GARAGES AND FORMER ANTON BOBB COMMUNITY HALL, CORNER OF MARISCHAL ROAD AND MERCATOR ROAD, MERCATOR ROAD, LONDON, SE13	Lewisham Central	S3,1.2.4 <i>Definition:</i> Employment Contribution: the sum of £4,261.36 (Four Thousand Two Hundred and Sixty One Pounds and Thirty Six Pence) to be expended by the Council in accordance with the terms of paragraph 2 of Schedule 6; Employment and Training Initiatives: purposes which in the opinion of the Council acting reasonably promote or enhance employment and/or employment training within the borough and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities;	£4,292.79	£4,292.79 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/14/89953	KENT WHARF, CREEKSIDE, LONDON, SE8 3DZ	New Cross	S3,P1,1.1-1.2 <i>Definition:</i> Employment and Training Contribution: the sum of £84,934.21 (eighty four thousand nine hundred and thirty four pounds and twenty one pence) towards Employment and Training Initiatives;" Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and	£85,417.82	£85,417.82 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>

			may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities.		
DC/14/87793	36 OLD ROAD, LONDON, SE13 5SR	Lee Green	Sch 2 Para 1-3 <i>Definition:</i> Unilateral Undertaking - No further definition for Employment and Training.	£5,774.96	£5,774.96 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/15/92929	DOWNHAM FIRE STATION, 260 REIGATE ROAD, BROMLEY, BR1 5JN	Whitefoot	S3,1.2 <i>Definition:</i> "Employment and Training Contribution" means the sum of £15,900.000 (fifteen thousand nine hundred and Pounds) Indexed "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere In the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training Initiatives or which facilitate the provision of employment opportunities	£15,900.00	£15,900.00 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/16/095258	TROPHY HOUSE, BLACKHORSE ROAD, LONDON, SE8 5HY	Evelyn	S2,P1,1 <i>Definition:</i> "Employment and Training Contribution" means the sum £40,000 (forty thousand pounds) and any additional sum generated by the application of clause 16.1 (indexation) towards employment and training initiatives within the borough of Lewisham. "Employment & Training Initiatives" means purposes which in the opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the site or elsewhere in the borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£39,984.90	£39,984.90 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/15/91734	FORSTER HOUSE, WHITEFOOT LANE, BROMLEY, BR1 5SD	Whitefoot	S3,1-2 <i>Definition:</i> "Employment and Training Contribution" means the sum of £11,660 (eleven thousand six hundred and sixty pounds) Indexed "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£11,660.00	£11,660.00 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/09/71953	Land to the rear of 39-53 Honor Oak Road and 15- 17A Tyson	Forest Hill	S12,1.1-1.2 <i>Definition:</i> "Employment and Training Initiatives" means purposes which in the opinion of the Council promote or enhance employment and/or	£22,535.70	£22,535.70 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>

	Road, Forest Hill, SE23 3AA		employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities		
DC/17/104571	154-158 SYDENHAM ROAD, LONDON, SE26 5JZ	Sydenham	S3,1.1 <i>Definition:</i> "Employment and Training Contribution" means the sum of £61,000 (sixty-one thousand pounds) Indexed. "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities.	£61,000.00	£61,000.00 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/16/095039	LAND NORTH OF REGINALD ROAD & SOUTH OF FRANKHAM STREET, LONDON, SE8 4RL	New Cross	S4,1.1.1 <i>Definition:</i> "Employment Training Contribution" means the sum of £110,770 (one hundred and ten thousand seven hundred and seventy Pounds) Indexed means purposes which in the reasonable opinion of the Council promote or enhance employment. Employment and Training Initiatives means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example but not limitation, making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£114,780.84	£114,780.84 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/17/101332	HAULAGE YARD, HEREFORD PLACE, LONDON SE14	New Cross	S3,1.5 <i>Definition:</i> "Employment and Training Contribution" means the sum of £38,780 (thirty-eight thousand seven hundred and eighty pounds). "Employment and Training Initiatives" means such measures which in the reasonable opinion of the Council promote or enhance employment and or employment training whether in the vicinity of the Land or elsewhere in the Borough of Lewisham and may include by way of example or not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities	£39,895.38	£39,895.38 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/18/109972	1 SILVER ROAD, LONDON, SE13 7BQ	Lewisham Central	S4,P1,1.1,2-2.1 <i>Definition:</i> "Local Labour and Business Contribution" means the sum of £92,750 (ninety two thousand seven hundred and fifty pounds) payable to the Council in accordance with paragraph 2 of Schedule 4 "Local Labour and Business Scheme" means the Council initiative of the same name which has as its objective securing and raising	£93,590.63	£93,590.63 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>

			awareness of opportunities in employment, training and business within the borough to ensure that Local People and businesses are best positioned to take advantage of new employment, training and business opportunities through the development and regeneration taking place in the borough and in the wider London area		
DC/17/104264	LAND AT CHURCH GROVE, LONDON, SE13 7UU	Lewisham Central	S3,1.1-2.3 <i>Definition:</i> "Local Labour and Business Strategy Contribution" means the sum of £17,490 (seventeen thousand four hundred and ninety pounds) paid by the Developer in accordance with paragraph 1 of Schedule 3 "Lewisham Local Labour and Business Strategy" means the local initiative operated by the Council that helps local businesses and residents to access the opportunities generated by regeneration and development activity in the borough of Lewisham "Planning Permission" means planning permission in the form of the drafts attached to this Deed at Appendix 1	£17,864.40	£17,864.40 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/19/110610	FORMER CARPETRIGHT, LOAMPIT VALE, LONDON, SE13 7SN	Lewisham Central	C3.4 <i>Definition:</i> "Employment and Training Contribution" means a contribution of £20,000 (twenty thousand pounds) towards employment and training Initiatives within the London Borough of Lewisham. "Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training. whether in the vicinity of the Site or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives or which facilitate the provision of employment opportunities;	£20,000.00	£20,000.00 <i>Leaving £0.00</i> <i>No date by which sum must spent or committed by.</i>
DC/18/106708	1 CREEKSIDE, LONDON, SE8 4SA	New Cross	S4,1.1.5 <i>Definition:</i> "Local Labour and Business Scheme Contribution" means the sum of £63,600 (sixty three thousand six hundred pounds) means the Council's scheme for working with developers and contractors to ensure that Local People and Local Businesses are able to take advantage of construction jobs and contracts as well as wider employment and business opportunities (including training and support for Local People) arising from new development within the Council's administrative area	£67,266.64	£67,266.64 of £86,487.05 <i>Leaving £19,220.41</i> <i>No date by which sum must spent or committed by.</i>

Since there are nearly 50 sums each will not be tested individually in this PID but each case the legal obligations have been reviewed and it is considered that the project meets the legal obligations listed above. By way of example the most common types of definition are below:

Sums collected towards Lewisham's Local Labour and Business Scheme which means the Council's scheme for working with developers and contractors to ensure that local people and local businesses are able to take advantage of construction jobs and contracts as well as wider employment and business opportunities (including training and support for Local People) arising from new development within the Council's administrative area



Local Labour and Business Scheme project sits within the remit of the Strong Local Economy Project and the project involves the placement of local labour in jobs arising from construction in the borough. As such the project meets the legal obligations.

And

"Employment and Training Initiatives" means purposes which in the reasonable opinion of the Council promote or enhance employment and/or employment training. whether in the vicinity of the site or elsewhere in the Borough of Lewisham and may include by way of example but not limitation making grants towards employment training initiatives, or which facilitate the provision of employment opportunities.

The project seeks to promote and enhance employment opportunities and employment training. As such the project meets the legal obligations.

And

"Employment Space Contribution" means measures the Council in its reasonable opinion believes will Improve or provide employment space elsewhere than on the land in the Borough. The project seeks to create more start-up and co-working spaces throughout Lewisham so meets the legal obligations.

²S106 funds MUST be used for the purposes agreed by this PID. Any future changes to project definition and the proposed allocation of S106 funds without the prior approval of the Board/Mayor and Cabinet will be likely to invalidate the use of the funds, and subsequently require reimbursement. Monies can only be drawn down if an Update/Closure Report has been submitted.

11. Project Plan – Key Milestones

The Project Plan (delivery timetable or programme) provides the basis for assessing satisfactory progress. Detailed Project Plans are often represented on a Gantt Chart. If a detailed Project Plan has been produced, attach this to the PID and just give an indication of key milestones below. These will be used to assess successful progress of the project. In other cases, give fuller details of all main tasks / work areas, with milestones (Significant points to be used to measure progress).

KEY MILESTONES (or full timetable of TASKS / WORK AREAS)	Start	Finish
e.g.		
Direct Service delivery		
- Lewisham Works	Ongoing	May 2026
- Apprenticeships	Ongoing	May 2026
- Local Labour and Business	Ongoing	May 2026
- Young Futures	Ongoing	May 2026
Commissioned Services		
- In-Work Progression	01/06/2023	30/05/2024
- Care Leavers	November 2023	October 2026
- Learning Disability Support	January 2024	December 2026
- UKSPF projects	April 2024	March 2025

12. Project Controls

Methods, processes / procedures that will help ensure project success, in addition to structures, measures described elsewhere. The headings below are not intended to be an exhaustive list, e.g. it may be appropriate to reference particular procedures to be adhered to.

Monitoring - Methods for assessing progress against the Project Plan, tracking expenditure, risk register, etc,¹

- Monthly reviews of income & expenditure with Finance Partners
- Regular meetings between SRO and Project Managers, tracking performance
- Quarterly statistical reviews of programme performance against targets

Management Reporting – Who is to receive progress reports & at what frequency. This will invariably include the SRO. All that use s106 contributions must provide quarterly updates to DCT.

- Monthly performance reports provided by Project Managers to SRO
- Quarterly Performance reports provided to Cabinet Member and Director of Inclusive Regeneration
- Annual performance reports submitted to Corporate Tracker
- Annual performance reporting against EJP Service Plan to Cabinet Member and Director of Inclusive Regeneration, managed through the Hanlon CRM

Exceptions & Changes – Arrangements for escalating issues & changes that require a decision / authorisation. e.g. where the project is forecast to go outside agreed time, cost, scope or quality parameters / tolerances*. For many projects this will just involve reporting to the SRO.

Issues of under-performance of adjusting target resident group or delivery model must be submitted in a business case to the SRO, and validated with Head of Economy, Jobs & Partnerships.

Tolerances

Record here any tolerances agreed with the SRO, e.g. on time & cost performance. (Tolerances can also be set for quality, scope, benefits & risk).

¹ If proposing to use s106 funds then you are committing to provide quarterly updates on project progress/spend which MUST be provided to the Developer Contributions Team (CIL@lewisham.gov.uk).

13. Project Risks

Please highlight the main project risks in this section. A detailed risk register must also be completed and attached to this document

- Staffing absence prevents service from delivering it's 'customer standards'
- UKSPF 'People and Skills' not issued beyond 2024/25, creating funding shortfall potential in 2025/26
- Unsuitable specialist provision to commission against stated priorities
- External event creating significant impact on the economy or labour market
- Service demand outstripping capacity

14. Equalities Analysis Assessment

In order to meet our obligations under the Equality Act 2010 Public Sector Equality Duty, the Council is required to consciously think about eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations as part of its decision-making process. We are legally required to consider the potential effects of activities or decisions on the following protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

This 'equality analysis' should be carried out at the earliest stage so that the assessment is an integral part of the development of a proposal, not as a later justification for a proposal that is about to be, or has already been adopted. The scale and resources dedicated to an equalities assessment should always be proportionate. See <http://ls/C7/Equality%20Impact%20Assessments/default.aspx> for further details.

The principle and delivery of Lewisham Works, Apprenticeships, Local Labour and specialist support programmes is embedded in equalities and supporting residents to overcome labour market inequalities, be they individual disadvantage or structural labour market inequalities – such as racism and ageism.

- Provide holistic support to Black, Asian and Minority Ethnic residents to overcome labour market inequalities. Experience of racism commonly affects self-esteem and confidence, which we will support residents to overcome. The Council will also engage employers on this issue.
- The programme will support challenges faced by disabled residents. Physical disabilities and long-term health conditions may be best supported by the existing Work and Health Programme. Lewisham Works and commissioned services will play a key role in supporting residents with mild to moderate learning difficulties and autistic spectrum disorder. The Council will also work with local employers on positive approaches to hiring staff with disabilities.
- There are particular challenges facing our oldest and youngest residents in the labour market. Our project approach is tailored to address both of these, with a particular focus on young residents.
- Re-entry to work by lone parents, particularly women, is a challenge. This programme will emphasize support for lone parents. This will be the first mainstream employment support in Lewisham to offer support, in advance, for childcare costs until an individual is established in post.
- There is little existing support available for benefit non-claimants. This disadvantages those who cannot claim employment support, such as asylum seekers and refugees. With Lewisham Works, residents unable or unwilling to claim unemployment support from DWP will have a comprehensive employment support offer available to them. This will also be linked to essential English and Maths support.

Will a full EIA be undertaken?

NO

15. Privacy Impact Assessment

The Council is its own data controller which means officers are responsible for the data collected and must protect that data. It is therefore important for the Council to know and record any personal/sensitive or financial data that is shared. A PIA must be carried out at the beginning of a project.

Please complete a **Privacy Impact Assessment** in order to decide what the best solutions are to protect the data being shared. A member of the Corporate Information Team will subsequently be in touch.

A Data Protection Impact Assessment DPIA is currently with Information Governance (Dapian ID #64) for the 'Hanlon CRM' which has been commissioned to support the collection and protection of residents, business and overall performance data.

Information Sharing Agreements are currently in place for active partnership projects (Dapian ID #105).

16. Environmental / Sustainability Impact

Detail all environmental impacts from project activity, both positive & negative, with details of planned actions to minimise any potential negative impacts. (See references to the Guide to Green Procurement and the Carbon Reduction & Climate Change Strategy in the attached Guidance Notes).

There are no direct climate or environmental implications stemming from EJP Projects or this PID. Lewisham Works will focus on skills and jobs in the 'green economy'. Achieving net-zero carbon emissions by 2030 cannot be achieved without the skilled workforce to decarbonise the economy. The initial focus will be on skills for construction and retrofit.

The Council's Jobs and Skills Team are working closely with our 'Better Placed' partners of Lambeth and Southwark Councils to develop a green skills action plan. The Council is currently co-funding a Strategy Officer to develop this proposal.

17. Health & Safety

Have any H&S issues been identified and arrangements been put in place for their management? (A detailed plan is not required here, just a brief description of issues & how they are to be addressed).

Direct delivery of face-to-face services are subject to H&S assessments, ensuring all delivery premises provide a safe environment for staff and residents. This includes panic alarms in spaces where any private 1:1 appointment takes place. We deliver in public venues that have security measures in place (e.g. Council buildings and libraries).

A 'duty manager' process is in operation, with all staff having clear escalation procedures for any urgent issues.

We also recognise and surface wellbeing issues among the team, particularly frontline staff. It is recognised that working on a daily basis with residents facing acute personal challenges requires high levels of emotional intelligence and resilience. These are surfaced in 1-to-1s, and all staff have training in 'trauma-informed' practice.

18. Compliance with Lewisham Council Policies

Please confirm whether there are any Lewisham Council policy requirements which apply to this proposal and, where they do, confirm that the project is policy compliant

Policy	Applies? Y/N	Complies? Y/N
Core Strategy Planning Policy 1 – Housing provision, mix and affordability	N	N
Core Strategy Planning Policy 2 – Gypsies and travellers	N	N

Core Strategy Planning Policy 3 – Strategic industrial locations and local employment locations	Y	Y
Core Strategy Planning Policy 4 – Mixed use employment locations	Y	Y
Core Strategy Planning Policy 5 – Other employment locations	Y	Y
Core Strategy Planning Policy 6 – Retail hierarchy and location of retail development	N	N
Core Strategy Planning Policy 7 – Climate change and adapting to effects	N	N
Core Strategy Planning Policy 8 – Sustainable design & construction and energy efficiency	N	N
Core Strategy Planning Policy 9 – Improving local air quality	N	N
Core Strategy Planning Policy 10 – Managing and reducing the risk of flooding	N	N
Core Strategy Planning Policy 11 – Rivers and waterways network	N	N
Core Strategy Planning Policy 12 – Open space and environmental assets	N	N
Core Strategy Planning Policy 13 – Addressing Lewisham’s waste management requirements	N	N
Core Strategy Planning Policy 14 – Sustainable movement and transport	N	N
Core Strategy Planning Policy 15 – High quality design for Lewisham	N	N
Core Strategy Planning Policy 16 – Conservation areas, heritage assets and the historic environment	N	N
Core Strategy Planning Policy 17 – The protected vistas, the London panorama and local views, landmarks and panoramas	N	N
Core Strategy Planning Policy 18 – The location and design of tall buildings	N	N
Core Strategy Planning Policy 19 – Provision and maintenance of community and recreational facilities	N	N
Core Strategy Planning Policy 20 – Delivering educational achievements, healthcare provision and promoting healthy lifestyles	N	N
Core Strategy Planning Policy 21 – Planning obligations	N	N
<i>Others – please add</i>		

19. Attachments/Links

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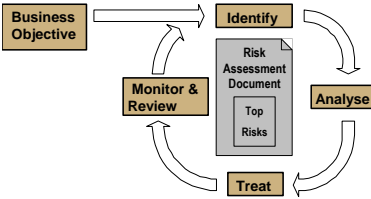
20. Lessons Learnt

To be updated throughout the life of the project

LESSON LEARNT DESCRIPTION	RECOMMENDATION

RISK REGISTER TEMPLATE & GUIDANCE

Risk Management - is a modern management discipline and is about getting the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other. 4 elements of Risk management:

Risk Identification	Assessment of Risks	Action on Risk	Monitor & Review																																						
<p>Identify all key project risks, before placing them on the Risk Register under 'risk identification'. Best done in groups – by those responsible for delivering the objectives</p> <p>Risk: it's the chance of something happening that will have an impact on objectives</p> <p>Event ⇒ Consequence ⇒ Impact</p> <p>Threats & Opportunities When: Setting strategic aims Setting business objectives Early stages of project planning & key stages Options appraisals Service improvement plans Categories can help: e.g. Strategic/Operational Internal/External</p> <p>(or refer to LBL's 'Categories of Risk' & 'Risk Identification Questionnaire' documents - available from the Programme Management Team)</p>	<p>Combination of the probability of an event and its consequences gives a risk 'score'</p> <p><i>i.e. Likelihood x Impact Score both on scale of 1-5. L x I = Risk score</i></p> <table border="1" data-bbox="616 687 1093 919"> <thead> <tr> <th colspan="2"></th> <th colspan="5">IMPACT</th> </tr> </thead> <tbody> <tr> <th rowspan="5">LIKELIHOOD</th> <th>Very High</th> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Dark Red</td> </tr> <tr> <th>High</th> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Dark Red</td> </tr> <tr> <th>Medium</th> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Dark Red</td> </tr> <tr> <th>Low</th> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Dark Red</td> </tr> <tr> <th>Very Low</th> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Dark Red</td> </tr> </tbody> </table> <ul style="list-style-type: none"> HIGH (RED) <ul style="list-style-type: none"> Plan Immediate action MEDIUM (AMBER) <ul style="list-style-type: none"> Review closely LOW (GREEN) <ul style="list-style-type: none"> Limited action - long term plans 			IMPACT					LIKELIHOOD	Very High	Green	Yellow	Orange	Red	Dark Red	High	Green	Yellow	Orange	Red	Dark Red	Medium	Green	Yellow	Orange	Red	Dark Red	Low	Green	Yellow	Orange	Red	Dark Red	Very Low	Green	Yellow	Orange	Red	Dark Red	<p>Concentrate on Top Risks: Can we reduce the likelihood? Can we reduce the impact? Actions on risk fall broadly under four categories:</p> <p>Terminate</p> <p>Treat</p> <p>Transference</p> <p>Tolerate</p> <p>Devise Contingencies</p> <ul style="list-style-type: none"> i.e. Risk Management Plan <p>Set Risk Tolerances (deviation from a plan which must be reported to the SRO & project board) i.e.</p> <ul style="list-style-type: none"> for cost, say, +5% to -10%, for time, over +1 day delay to -5 days <p>Identify who is managing the risk as the 'risk owner'</p> <p>Monitor and Review 'risk status'</p>	<p>Risk Registers: Baseline data to be prepared and monitored regularly. These should clearly indicate consequences, countermeasures and contingencies as well as the risk owner.</p> <p>Review Top Risks regularly as agenda item at relevant meetings.</p> <p>Immediately report risks expected to exceed tolerance levels to next level of authority above.</p> <p>Report progress on risk to senior responsible owner and the project board via agreed communication channels</p> 
		IMPACT																																							
LIKELIHOOD	Very High	Green	Yellow	Orange	Red	Dark Red																																			
	High	Green	Yellow	Orange	Red	Dark Red																																			
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Risk Category	Risk Response Definition
POL = Political/Reputation ECO = Economic/Finance SOC = Social/Community/Citizen/Stakeholder TECH = Technological/Construction/Design LEG = Legal ENV = Environmental & MGT./RES. = Management/Resources	Avoid (Terminate) Reduce (Treat) Transfer (Transfer) Accept - (Tolerate the risk as the cost to mitigate will exceed reasonable levels)

[\(DoubleClick on excel worksheet below to populate Risk Register\)](#)

RISK REGISTER

Risk No.	Risk Cat.	RISK IDENTIFICATION (Description of risk & underlying cause)	CONSEQUENCES (Worst case)	LIKELIHOOD 1 - 5	IMPACT 1 - 5	CURRENT SCORE (L x I)	CURRENT STATUS (Low, Medium, High)	WHAT HAVE WE DONE/PLANNING TO DO (strategy & counter-measures)	RISK OWNER	DATE IDENTIFIED	PROXIMITY (likely start date)	CURRENT STATUS (open, closed, on hold)	COST OF MITIGATION	COST OF NON MITIGATION
1	Pol	Staffing absence prevents service from delivering it's 'customer standards'	Unable to provide timely or sustained services to residents, not achieving outcomes	3	4	12	MEDIUM	Working with partner organisations to bolster capacity, using agency where appropriate, working with Adult Learning and Baseline for additional advice service capacity	Spike van der Vliet-Firth	18-Jul-23	18/07/2023	open	Minimal - solved through partnership. Agency cost would be moderate depending on amount of cover needed over what duration	COST OF NON MITIGATION
2	RES	UKSPF 'People and Skills' not issued beyond 2024/25, creating funding shortfall potential in 2025/26	Funding shortfalls will need to be addressed with additional S106 drawdown	2	4	8	MEDIUM	Working closely with GLA and CLF to stay up to date on UKSPF. £500k+ contingency funding in S106 pots remains unallocated	Spike van der Vliet-Firth	18-Jul-23	18/07/2023	Open	Additional drawdown from S106 employment and skills pots in 2025/26, meaning less resources overall to support residents	COST OF NON MITIGATION
3	SOC	Unsuitable specialist provision to commission against stated priorities	Unable to provide specialist employment services	3	3	9	MEDIUM	Increase direct delivery of Lewisham Works to meet resident need rather than commission.	Spike van der Vliet-Firth	18-Jul-23	18/07/2023	Hold	Minimal - direct delivery might be slightly more costly, but capacity can be provided	COST OF NON MITIGATION
4	ECO	External event creating significant impact on the economy or labour	Mass unemployment, business failure, acute recession and economic instability	2	5	10	MEDIUM	Close work with national and regional bodies to understand upcoming & potential economic impact	Spike van der Vliet-Firth	18-Jul-23	18/07/2023	Hold	Hard to determine - based on level of economic shock and macro	COST OF NON MITIGATION

Appendices

USING THE RISK EVALUATION AND SCORING SYSTEM

Table 1 – Likelihood (Probability Score)

Use Table 2 to determine the Likelihood score(s) L, for the event.

Likelihood Score	1	2	3	4	5
Descriptor	Rare	Possible	Likely	Probable (Highly Likely)	Almost Certain
Probability	< 1%	1 – 5%	6 – 20%	21 – 50%	> 50%
Description	Will only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	Likely to occur	More likely to occur than not

Table 2 – Impact (Assessment of Risk Score)

Impact Score	1	2	3	4	5
Descriptor	Insignificant	Minor	Moderate	Major	Catastrophic
Objectives	Barely noticeable reduction in scope or quality	Minor reduction in quality / scope	Moderate reduction in scope or quality	Doesn't meet secondary objectives	Doesn't meet primary objectives
Project (on-time performance)	No effect/ Insignificant cost increase / schedule slippage	Low cost increase/schedule slippage	Significant cost increase/ schedule slippage	Large delay	Major % over budget / schedule slippage
Service / Business Interruption	Insignificant loss / Interruption	Minor loss / Interruption	Moderate loss / Interruption	Major loss / Interruption	Permanent loss / Interruption
Staffing	Short term low level temporarily reduces service quality (<1 day)	On-going low staffing level reduces service quality	Late delivery of key objective / service due to lack of staff (ongoing staffing issues)	Uncertain delivery of key objectives / service due to lack of staff	Non-delivery of key objective / service due to lack of staff (loss of key staff)
Competence	Insignificant error	Minor error due to poor training	Moderate error due to poor training	Major / serious error due to poor training	Catastrophic / critical error due to insufficient training

Project Funding	No reduction in scope of project	Minor changes to scope of quality of project	Moderate changes to scope or quality of project	Some secondary objectives cannot be met	Project cannot be delivered to budget
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Table 3: Risk Matrix: Shown below to determine the level of risk.

PROBABILITY (Likelihood of occurrence)		IMPACT (Most Likely Impact [if in doubt grade up not down])				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5					
Probable (highly likely)	4			5		
Likely	3			3	1	
Possible	2				2	4
Rare	1					

HIGH (RED) Risk score 15-25

Plan Immediate action

MEDIUM (AMBER) Risk score 8-12

Review closely

LOW (GREEN) Risk Score 1-6 -

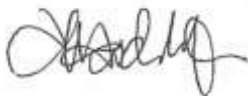
Limited action - long term plans

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input checked="" type="checkbox"/>

Date of Meeting	20 September 2023	
Title of Report	Treasury Management Mid-Year Review 2023/24	
Author	Katharine Nidd – Interim Director of Finance	Ext. 46651

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

Category	Yes	No
Financial Comments	x	
Legal Comments	x	
Cabinet Briefing consideration	x	
EMT consideration	x	



Signed:
Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy
Date: 07/09/23



Signed:
David Austin, Interim Executive Director of Corporate Resources
Date:

Control Record by Committee Services

Action	Date
Listed on Key Decision Plan	
Date submitted to Legal & Finance	
Date submitted to Cabinet Members for sign off	
Date submitted to Executive Director for sign off	



Mayor and Cabinet

Treasury Management Mid-Year Review 2023/24

Date: 20/09/2023

Key decision: No.

Class: Part 1.

Ward(s) affected: All

Contributors: Interim Director of Finance Katharine Nidd

Outline:

The purpose of this report is to set out the following:

- A review of the Treasury Management position as at 31 March 2023;
- An economic update for the five months of the 2023/24 financial year;
- An update of the Treasury Management Strategy for 2023/24;
- An update on the Council's Capital Programme forecast and prudential indicators;
- A review of the Council's investment portfolio for 2023/24;
- A review of the Council's borrowing strategy for 2023/24; and
- A review of compliance with treasury and prudential limits for 2023/24.

Recommendation:

Mayor and Cabinet are recommended to:

1. Note the report, in particular the macroeconomic updates, Treasury Management Outturn 2022/23, performance of investments to date, the revised forecast Capital Programme 2023-27 and borrowing forecast in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA).
2. To approve, and recommend that Council approves, the updated Treasury Management Strategy 2023/24 including the prudential indicators.

Timeline of engagement and decision-making:

1 March 2023 – 2023/24 Budget Report to Council (Section 5.21 onwards: Treasury Management Strategy)

8 February 2023 – 2022/23 Budget Report to Mayor & Cabinet

1. Executive Summary

- 1.1. This report sets out the current economic conditions in which the Council is operating in respect of its investments and borrowing. It details the Council's treasury performance (focused on security, liquidity and return in that order) and forecast capital position as at 30 June 2023 (or alternative date as stated) and provides updates on performance against the current Treasury Management Strategy as required by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice.
- 1.2. Inflation has risen dramatically following the war in Ukraine and this has led to a large increase in the cost of energy, food, goods and services. The Bank of England has subsequently raised interest rates to combat inflation. There is uncertainty in the financial markets due to the Covid pandemic recovery, the war in Ukraine and climate events. The Bank of England is expected to continue to increase interest rates and the UK Government is expected to increase its borrowing to support individuals and businesses during the energy and cost of living crisis.
- 1.3. The overall capital programme for 2023/24 was agreed as £193.5m in February 2023 and is now forecast to be £190.7m as at 30 June 2023, a £2.8m reduction. The reduction comes from the decrease in the HRA and general Fund projects due to re-profiling of the current schemes into future years.
- 1.4. In January 2023 the Council added a new source of borrowing of a Community Municipal Investment through a peer to peer platform. The Community Investment was launched in May 2023 and has raised over £650,000 by attracting retail investors and local residents to invest in local carbon reduction projects.
- 1.5. The Council's Operational Boundary (being the limit which external debt is not normally expected to exceed) and Authorised Limit (being the limit beyond which borrowing is prohibited) have not been breached in the year to date, and no difficulties are envisaged for the current or future years in complying with the Code's requirements for prudential borrowing. These borrowing limits for 2023/24 that were set by the Council in March 2023 have not been changed by this report.
- 1.6. The current investments of £377m as at 30 June 2023 will give the Council a 4.8% return compared to 1.6% at September 2022. With interest rates continuing to rise it is likely that the final 2023/24 yield will exceed the returns of 2022/23. The investment return is expected to continue to increase due of the higher Bank of England bank rate, although working cash balances will reduce in line with the planned capital programme spending.

2. Recommendations

- 2.1. Mayor and Cabinet are recommended to:
 - 2.1.1. Note the report, in particular the macroeconomic updates, Treasury Management Outturn 2022/23, performance of investments to date, the revised forecast Capital Programme 2023-27 and borrowing forecast in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA).
 - 2.1.2. To approve, and recommend that Council approves, the updated Treasury Management Strategy 2023/24.

3. Policy Context

- 3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's Corporate Strategy (2022-2026):
- Cleaner and Greener
 - A Strong Local Economy
 - Quality Housing
 - Children and Young People
 - Safer Communities
 - Open Lewisham
 - Health and Wellbeing
- 3.2. These recommendations in this report support all the Council's priorities generally through effective risk management and efficient placement of adequate insurance arrangements for all of its activities and duties.
- 3.3. The Treasury Management 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 remainder of this report is structured as follows:

5. Background and Prior Year Outturn
6. 2022/23 Treasury Management Outturn
7. Economic Update
8. Interest Rate Forecast
9. Annual Investment Strategy 2023/24
10. Investment Portfolio
11. Capital Strategy 2023/24
12. Financing the Capital Programme
13. Borrowing and Prudential Indicators
14. Minimum Revenue Provision (MRP) Policy Statement
15. Financial Implications
16. Legal Implications
17. Equalities Implications
18. Climate Change and Environmental Implications
19. Crime and Disorder Implications
20. Health and Wellbeing Implications
21. Background Papers
22. Report Author and Contacts

Appendix 1 – Interest Rate Forecasts 2023 - 2026

Appendix 2 – Extract from Credit Worthiness Policy

Appendix 3 – Benchmarking Extract

Appendix 4 – Economic Update from Link Group

Appendix 5 – Approved Countries for Investment

Appendix 6 – Requirement of the CIPFA Treasury Management Code of Practice

5. Background and Prior Year Outturn

- 5.1. The Council is required to operate a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return. The continued war in Ukraine has led to unprecedented levels of economic and fiscal uncertainty as well as the challenges of high inflation. This has made the balanced budget even more challenging to achieve than in the previous years.
- 5.2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3. The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either for day-to-day revenue purposes or for larger capital projects. Treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund.
- 5.4. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, arising usually from capital expenditure, and are separate from the day to day treasury management activities.
- 5.5. Accordingly, treasury management is defined as “the management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 5.6. The Council complies with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021). The primary requirements of the Code are as follows:
 - a) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.

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

6. 2022/23 Treasury Management Outturn

6.1. The overall treasury management outturn for the year ending 31 March 2023 is set out in the table below:

BORROWING	Outstanding at 31 March 2023	Weighted Average Coupon Rate	Weighted Average Remaining Duration	Outstanding at 31 March 2022
	£m	%	Years	£m
Fixed Rate Borrowing				
Public Works Loan	91.9	4.2	25.3	92.9
Market Loans	82.5	4.0	31.0	82.5
Subtotal – Fixed Rate Borrowing	174.4	4.2	28.2	175.4
Variable Rate Borrowing				
Public Works Loan	0.0	0.0	0.0	0.0
Market Loans	37.2	2.2	35.3	37.4
Subtotal – Variable Rate Borrowing	37.2	2.2	35.3	37.4
Total Debt	211.6	3.8	29.6	212.8

INVESTMENTS (short term investment for 0-12 months)	Outstanding at 31 March 2023	Weighted Average Coupon Rate	Outstanding at 31 March 2022
	£m	%	£m
Banks and Building Societies	225.0	0.2	185.0
Local Authorities	0	0	0
Subtotal – Fixed Rate Investments	225.0	0.2	185.0
Money Markets	91.0	0.1	116.2
Notice Accounts	0	0.0	90.0
Subtotal – Variable Rate Investments	91.0	0.1	206.2
Total Investments	316.0	0.2	391.2

6.2. In respect of the net borrowing requirement for 2022/23 it was £32.8m, this being

£34.9m higher than the net borrowing requirement of (£2.1m) for 2021/22 as set out in the table below:

Net Borrowing Requirement	2022/23	2021/22
	£m	£m
Capital Investment	137.2	117.6
Capital Grants	(29.8)	(20.8)
Capital Receipts	(12.5)	(7.8)
Repair Reserves	(25.7)	(27.1)
Revenue	(21.6)	(51.7)
Net position	47.6	10.2
MRP	(4.7)	(4.3)
Other Financing	(10.1)	(8.0)
Net Borrowing Requirement	32.8	(2.1)

- 6.3. As at 31 March 2023, this internal borrowing was £146.4m, which is the difference between the Capital Financing Requirement (CFR) and the Council's actual borrowing.

Debt and CFR Movement	2022/23	2021/22
		£m
Capital Financing Requirement*	358.0	301.7
External Debt**	(211.6)	(212.8)
Difference – Internal Borrowing	146.4	88.9

* Excluding other long-term liabilities.

**Excluding Fair Value adjustments.

7. Economic Update

7.1. The Economic update is provided by the Council’s treasury advisors Link Group and is at Appendix 4; this includes commentary on the impact of the war in Ukraine on global markets.

8. Interest Rate Forecasts

8.1. The Council’s treasury adviser, Link Group, has published its latest interest rate forecasts up to 30 June 2025 as below:

	Sep-2023	Dec-2023	Mar-2024	Jun-2024	Sep-2024	Dec-2024	Mar-2025	Jun-2025
Bank Rate View	5.50%	5.50%	5.50%	5.25%	4.75%	4.25%	3.75%	3.25%
5yr PWLB Rate	5.60%	5.30%	5.10%	4.80%	4.50%	4.20%	3.90%	3.60%
10yr PWLB Rate	5.20%	5.00%	4.90%	4.70%	4.40%	4.20%	3.90%	3.70%
25yr PWLB Rate	5.40%	5.20%	5.10%	4.90%	4.70%	4.50%	4.20%	4.00%
50yr PWLB Rate	5.10%	5.00%	4.90%	4.70%	4.50%	4.30%	4.00%	3.80%

8.2. The war in Ukraine has affected economies around the world with increases in energy and food costs which have led to the rise in inflation. The Bank of England's Monetary Policy Committee (MPC) are trying to reduce inflation by increasing the Bank Rate. The Bank of England increased the Bank Rate again at their meeting in June to 5.0%. The headline Consumer Prices Index (CPI) rate is now forecast to fall slowly during the remainder of 2023-24.

8.3. The overall balance of risks to economic growth in the UK is very low due to the war in Ukraine and the effects of high inflation on world prices. It is likely that the UK will go into recession as the UK population cuts back on retail spending in order to pay for the increasing energy and food costs as well as higher mortgage costs. Interest rates will continue to increase as the Bank of England raises interest rates to combat inflation.

8.4. The upside is that the increasing interest rates is that the Council has been earning a higher return on its investments in 2022/23 and in 2023/24 which will help to meet higher costs of providing local services.

9. Investment Strategy 2023/24

- 9.1. The Treasury Management Strategy Statement (TMSS) for 2023/24 was approved by Council on 1 March 2023.

Investment Policy – Management of Risk

- 9.2. The DLUHC (Department for Levelling Up, Housing and Communities) and CIPFA (Chartered Institute of Public Finance and Accountancy) have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals predominantly with financial instruments (as managed by the Strategic Finance – Treasury Team) and non-financial investments and loans.
- 9.3. The Council's investment policy has regard to MHCLG's Guidance on Local Government Investments ("the Guidance"), the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"), and CIPFA's Treasury Management Guidance Notes 2021.
- 9.4. The Council's investment priorities will be security first, liquidity second, then return. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, given increasing interest rates, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.
- 9.5. The Council uses Link Group as its external treasury management advisor. The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information including, but not solely, our treasury advisors. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 9.6. The Guidance and CIPFA TM Code place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long term ratings.
 2. Other information; ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end, the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings, as well as information on outlooks and watches. This is fully integrated into the credit methodology provided by the advisors in producing its colour codings which show the varying degrees of suggested institution creditworthiness. This has been set out in more detail at Appendix 2.
 3. Other information sources used will include the financial press, share prices and other such information pertaining to the financial sector in order to establish

the most robust scrutiny process on the suitability of potential investment counterparties.

4. The Council has defined the list of types of investment instruments that the treasury team are authorised to use in the financial year, and these are listed in Appendix 2 under the categories of “specified” and “non-specified” investments
 - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
 - Non-specified investments and loans are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
5. Lending limits (amounts and maturity) for each counterparty will be set through applying the credit criteria provided by advisors, and are set out in Appendix 2.
6. Interest rate limits are set out in paragraph 9.9 and place restrictions on the exposure to variable and fixed rate investments.
7. The Council has placed a limit on the amount of its investments which are invested for longer than 365 days (see paragraph 13.9).
8. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating (see Appendix 5).
9. All investments and loans will be denominated in sterling.
10. As a result of the change in accounting standards for 2018/19 under IFRS 9, the Council will, on an ongoing basis, consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant changes at the end of the year to the General Fund. The DLUHC enacted a statutory override, which expires on 31 March 2025, for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. The Council would not be affected if the override was removed as it does not at present have any pooled investments. Although the Council has scope to do so as per the creditworthiness policy in Appendix 2.

- 9.7. Investments will be made with reference to the core balances and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). In order to maintain sufficient liquidity, the Council will seek to utilise its notice accounts, money market funds and short-dated deposits (overnight to three months). The remainder of its investments will be placed in deposits of up to 36 months to generate improved returns, depending on prevailing market conditions.

Creditworthiness Policy

- 9.8. The Council's Treasury Team applies the creditworthiness service provided by its advisors Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- Credit watches and credit outlooks from credit rating agencies;
 - CDS spreads that may give early warning of changes in credit ratings; and
 - Sovereign ratings to select counterparties from only the most creditworthy countries.
- 9.9. This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for

which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments:

- Yellow 5 years*
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour Not to be used**

*for UK Government debt, or its equivalent, Constant Net Asset Value (CNAV) money market funds and collateralised deposits where the collateral is UK Government debt.

**except for those building societies rated BBB- or higher as set out in the policy.

- 9.10. The Council's creditworthiness policy has been set out at Appendix 2.

Country limits

- 9.11. The Council has determined that it will only use approved counterparties from the UK and from other countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5. This list will be added to, or deducted from, by officers should country ratings change in accordance with this policy.

Updates to Investment Strategy

Investment Returns

- 9.12. Investment returns are likely to continue to increase due to the rise in inflation and the continued increases in the Bank of England interest rate. The continued war in Ukraine has caused huge economic damage to the UK and world economies and has caused large increases in the cost of energy and food.
- 9.13. The Bank of England is combatting the rise in inflation by increasing the Base Rate, on an almost monthly basis. The base rate has increased from 0.1% in December 2021 to 5.0% in June 2023.
- 9.14. Money market yields have risen in line with the Bank of England base rate rises and now offers a better return for cash held for the Council's cashflow. The Money Market rates are expected to continue to increase further in 2023.
- 9.15. The Council uses the services of its advisor, Link Group, to formulate a view on interest rates; their view is that the Bank Rate will continue to increase through 2023 but will peak and start to fall in late 2024. Given the interest rates will peak soon the Council will continue to invest to lock into long term fixed rates so that it can take advantage of the high rates.
- 9.16. In light of these predictions for increasing returns the Council continues to assess, with support from its advisors, the potential risk and return offered by investing for longer (five or more years) in pooled asset funds. Any investments entered into will be taken after taking advice from the Council's advisors and will continue to meet the objectives of security, liquidity and return.
- 9.17. A more extensive table of interest rate forecasts for September 2023 onwards, including Public Works Loan Board (PWL) borrowing rate forecasts, is set out in Appendix 1.

Non-Treasury Investments

- 9.18. Treasury management investments represent the placement of cash in relation to the

S12 Local Government Act 2003 investment powers, i.e. they represent investments using the residual cash available to the authority from its day to day activities, under security, liquidity and yield principles.

- 9.19. The Council recognises that non-treasury investments in other financial assets and property, primarily for financial return, taken for non-treasury management purposes, requires careful management. Such investments tend to be either:
- Policy type investments; whereby capital or revenue cash is advanced for a specific Council objective and will be approved directly through Committee. This may be an advance to a third party for economic regeneration, investments in subsidiaries and joint ventures, etc.
 - Strategic type investments; whereby the objective is primarily to generate capital or revenue resources to help facilitate local services.
- 9.20. The Council can make loans to other enterprises as a non-treasury investment in line with the Guidance on Local Government Investments.
- 9.21. The Council does not set a limit on the amount of loans that it can approve because it considers each application on a case by case basis. Due diligence must be carried out on all applications and the total financial exposure must be proportionate.
- 9.22. The Council's risk appetite for these investments is reviewed on a case-by-case basis depending on the scale and nature, and strategic fit, of the proposed investment. Where such non-treasury investments exist, they will be identified and summarised at high level within this strategy. The detail and rationale for non-treasury investments are covered in the separate Capital Strategy.

Subsidiary Companies

- 9.23. The Council has two wholly owned subsidiary companies, Lewisham Homes Limited and Catford Regeneration Partnership Limited (CRPL). It has invested in these subsidiaries as summarised below.

Lewisham Homes Limited

- 9.24. Lewisham Homes is an arms-length management organisation (ALMO) set up in 2007 as part of the Council's initiative to deliver better housing services and achieve the Decent Homes Standard. The company manages approximately 18,000 homes.
- 9.25. The Council has to date agreed two separate loan facilities with Lewisham Homes, the first on proxy commercial terms financed from internal borrowing and the second on cost-neutral terms financed through the PWLB. Both loans allow Lewisham Homes to purchase properties to address temporary accommodation needs in the borough, and will be repaid on set maturity dates.
- 9.26. Agreement of the property acquisition programme and relevant loan agreements was obtained from Mayor and Cabinet. State Aid issues and other risks and mitigations were considered in the approval of the loan facilities, including for the second loan the requirement for collateral against the loan in order to obtain MRP exemption.
- 9.27. The Council has provided a £40m commercial loan facility to Lewisham Homes Ltd and the agreed facility financed from PWLB debt.

Catford Regeneration Partnership Limited (CRPL)

- 9.28. The CRPL is a property investment company created in January 2010 which owns the Catford Shopping Centre and several neighbouring properties used to generate income whilst driving forward a regeneration programme for the town centre and surrounding area.

The Council has provided CRPL with loans totalling £16.2m, currently on an interest only basis, with interest being capitalised until 2024/25.

Other Non-Treasury Investments

Besson Street Joint Venture

- 9.29. The Council is an equal equity partner in a joint venture with Grainger Plc. to bring forward the development of the currently vacant Besson Street site to provide properties for the Private Rented Sector on long term tenancies. The Council has invested land at this stage and will be required to put forward an estimated £22-27m of cash to make up its share (50%) of the assumed 40% equity, with 60% external long-term borrowing, to be invested once the scheme is built. This is currently forecast to be in 2026/27.
- 9.30. The Council also holds minority stakes in the following:
- 10% in Lewisham Schools for the Future LEP Limited, a Local Education Partnership established under the Council's Building Schools for the Future (BSF) programme to rebuild and refurbish secondary schools within the borough;
 - Less than 1% in South-East London Combined Heat and Power Ltd (SELCHP), a joint venture with the London Borough of Greenwich for the provision of waste disposal and waste to energy processes; and

10. Investment Portfolio 2023/24

- 10.1. In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link Group suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information. As set out in Section 6, the rising Bank of England base rates will help the Council to earn a higher return on its investments in 2022/23 and this will help to meet higher costs of providing local services.

a) Performance as at 30 June 2023

- 10.2. The Council held £377m of investments as at 30 June 2023 (£385m at 31 March 2022) and the current annualised yield as at 30 June 2023 is 4.8% (compared to 1.9% at September 2022). These investments provide some assurance when matched to the level of debt held, represent the reserves held for investment, and provide the working balances and cash flow to support the Council's service delivery.
- 10.3. The Council is a member of a treasury benchmarking group (organised by Link Group) containing 15 authorities, including 12 other London authorities. An extract from the latest available benchmarking report is shown in Appendix 3; this shows that the return on investments as at June 2023 is below the Council's model weighted average rate of return provided by the treasury advisors, which is adjusted for the risks inherent in the portfolio. Compared to our peers Lewisham has slightly more fixed term short term investments and were therefore more impacted by the extremely low bank rates during Covid. The Council is now however obtaining improved investment returns as its short term investments mature and it takes advantage of the rising interest rates.

A full list of outstanding investments held as at 30 June 2023 is shown below:

Counterparty	Duration (Days)	Principal £m	Interest Rate	Interest £
Fixed Rate Investments – Banks and Building Societies				
OP Corporate Bank plc	365	25.0	2.95%	737,500
DBS Bank Ltd.	181	5.0	4.30%	106,616
Australia and New Zealand Banking Group Ltd.	92	15.0	4.76%	179,967
National Westminster Bank PLC (RFB)	364	10.0	4.75%	473,699
DBS Bank Ltd.	183	5.0	4.65%	116,568
Australia and New Zealand Banking Group Ltd.	365	10.0	4.93%	493,000
Landesbank Hessen-Thueringen Girozentrale	365	15.0	5.07%	760,500
Standard Chartered Bank	185	20.0	4.95%	501,781
Bank of Montreal	364	10.0	4.68%	466,718
Close Brothers Ltd	184	10.0	5.00%	252,055
Close Brothers Ltd	184	10.0	5.00%	252,055
Toronto-Dominion Bank	364	15.0	4.85%	725,507
Royal Bank of Canada	367	25.0	4.82%	1,211,603
Bank of Montreal	364	15.0	5.00%	747,945
Toronto-Dominion Bank	364	5.0	5.22%	260,285
National Westminster Bank PLC (RFB)	364	20.0	5.15%	1,027,178
Toronto-Dominion Bank	364	5.0	5.34%	266,268
Lloyds Bank Corporate Markets Plc (NRFB)	364	10.0	4.90%	245,671
Skandinaviska Enskilda Banken AB	365	25.0	5.06%	1,261,534
Commonwealth Bank of Australia	365	10.0	5.16%	475,003
Variable Rate Investments – Money Markets				
Aberdeen Standard	N/A	30.0	4.82%	N/A
BlackRock	N/A	30.0	4.75%	N/A
Federated Hermes	N/A	21.6	4.73%	N/A
Insight	N/A	30.0	4.75%	N/A
TOTAL INVESTMENTS		376.6	4.82%	

- 10.4. The Executive Director of Corporate Resources confirms that there were no breaches of the approved limits within the Annual Investment Strategy during the first five months of 2023/24.
- 10.5. The current investment counterparty criteria as set out in the Credit Worthiness Policy and included at Appendix 2 of this report are meeting the requirements of the treasury management function,.

11. Capital Strategy 2023/24

11.1. The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to produce a Capital Strategy, which will provide the following:

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

11.2. The aim of the Capital Strategy is to ensure that all elected Members on full Council fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite

11.3. The Capital Strategy is reported separately from the Treasury Management Strategy; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and strategic investments are usually driven by expenditure on an asset.

The Capital Strategy shows:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- For non-loan type investments, the cost against the current market value; and
- The risks associated with each activity.

11.4. On 8 February 2023, Mayor & Cabinet agreed the Capital Strategy for 2023/24.

Capital Programme

11.5. The table below sets out the budget and profile for the Capital Programme for 2023-2027 as of 30th June 2023.

Capital Programme budget 2023-27	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m
General Fund					
Resources Directorate (ICT)	0.6	0.0	0.0	0.0	0.6
Community Services	1.0	0.0	0.0	0.0	1.0
Children and Young People	10.1	8.5	1.7	0.0	20.3
Regeneration	26.6	18.5	39.8	6.4	91.3
GF Housing	32.5	47.9	38.8	7.6	126.8
Total General Fund	70.8	74.9	80.3	14.0	240.0
HRA					
Building for Lewisham	31.1	53.6	49.7	6.0	140.4
Decent Homes	81.1	0.0	0.0	0.0	81.1
Other HRA	1.4	0.9	0.0	0.0	2.3
HRA Unallocated	6.3	2.2	3.1	3.2	14.8
Decent Homes Unallocated	0.0	67.0	66.8	51.3	185.1
Total HRA	119.9	123.7	119.6	60.5	423.7
Total Capital Programme	190.7	198.6	199.9	74.5	663.7

The 2023/27 budget for the Capital Programme as agreed by the Council in March 2023/27 was £480.6m. The Capital Programme has increased by £183.1m to £663.7m.

The main increases have come from the increase the housing development and regeneration of £153.3m in the general fund and a decrease of £35m in the Building for Lewisham programme and an increase of £60.1m to the Decent Homes programme in the HRA.

12. Financing of the Capital Programme

- 12.1. The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure in 2023/24.
- 12.2. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing).
- 12.3. The table below shows the required prudential borrowing 2023/24 and this has decreased by £12.2m for from the original capital programme that was approved in March 2023. This is due the changes in the revised capital programme; for new schemes along with a decrease in HRA schemes and the re-profiling of projects.
- 12.4. Capital Expenditure Financing

Capital Financing Forecast

Capital financing forecast	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	
Grants	16.2	19.1	42.7	10.4	88.4
S106 & CIL	12.2	2.5	0.4	0	15.1
Capital Reserves	5.8	1.1	0.9	0.2	8.0
Corporate Reserves	4.1	3.6	2.1	0.5	10.3
Capital Receipts	8.5	11.6	5.9	2.2	28.2
Prudential Borrowing	24.0	37.0	28.3	0.7	90.0
General Fund	70.8	74.9	80.3	14.0	240.0
Grants	15.7	24.3	30.5	12.8	83.3
Capital Reserves & Revenue Contribution	5.7	2.0	3.9	4.2	15.8
Major Repair Allowance	26.2	26.7	27.2	27.7	107.8
Prudential Borrowing	72.3	70.7	58.0	15.8	216.8
HRA	119.9	123.7	119.6	60.5	423.7
Total	190.7	198.6	199.9	74.5	663.7

- 12.5. Forward projections for borrowing as at 31 March 2023 are summarised in the table below, which shows the actual external debt from treasury management operations and other long-term liabilities against the underlying capital borrowing need (the Capital Financing Requirement - CFR) which is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness, and its underlying borrowing need; any increase to capital expenditure which has not immediately been paid for through a revenue or capital resource will increase the CFR.
- 12.6. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they

are used.

- 12.7. The CFR includes any other long-term liabilities (e.g. PFI liabilities). Whilst these increase the CFR and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI or PPP provider and so the Council is not required to separately borrow for these schemes.
- 12.8. Changes in external debt incorporate upcoming loan maturities and projected prudential borrowing requirements in both the General Fund and the Housing Revenue Account (HRA).
- 12.9. The table below illustrates over/(under) borrowing relative to the combined CFR for the General Fund and HRA.

External Debt Projections

	2023/24 Forecast £m	2024/25 Forecast £m	2025/26 Forecast £m	2026/27 Forecast £m
External Debt at 1 April	222.0	240.1	270.7	291.7
Prudential Borrowing – General Fund	18.1	30.5	21.1	(7.1)
Prudential Borrowing – HRA	71.2	67.8	55.1	12.9
Other Long-Term Liabilities	199.1	186.7	174.3	162.1
Gross Debt at 31 March	510.4	525.2	521.2	459.6
Total Capital Financing Requirement at 31 March*	630.7	718.4	782.3	774.1
Borrowing – over / (under)	(120.4)	(193.2)	(261.1)	(314.5)

*The Capital Financing Requirement includes the prudential borrowing figures.

- 12.10. The borrowing requirements will be reviewed on a regular basis and will be dependent on the progress of the Capital Programme therefore the borrowing forecast will be updated in later reports.
- 12.11. Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 12.12. The Executive Director for Corporate Resources officer's reports that the Council has complied with this prudential indicator in the current year to date and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

13. Borrowing and Prudential Indicators

Borrowing Strategy

- 13.1. The Council's external debt as at 30 June 2023, gross borrowing plus long term liabilities, was £416.2m. The Council's borrowing strategy is consistent with last year's strategy. The Council is currently maintaining an under-borrowed position in that the CFR is not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as an alternative funding measure. In the current economic climate, this strategy is considered prudent while investment returns are lower than the cost of borrowing.
- 13.2. The Executive Director for Corporate Resources will continue to monitor interest rates in the financial markets and adopt a pragmatic and cautious approach to changing circumstances. With the interest rates rising the cost of borrowing has been increased so it is less expensive to use internal borrowing (cash held from reserves and balances).

Policy on Borrowing in Advance of Need

- 13.3. Members should note that the Council's policy is not to borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved forward CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Sources of borrowing

- 13.4. Previously approved sources of borrowing: The approved sources of long-term and short-term borrowing are:
1. HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 2. any institution approved for investments (see below)
 3. any other bank or building society authorised to operate in the UK
 4. any other UK public sector body including local authorities
 5. UK public and private sector pension funds (except Lewisham Pension Fund)
 6. capital market bond investors
 7. UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
 8. Investors in capital market bonds and retail bonds issued by the Council
 9. Individuals lending via a peer-to-peer platform where appropriate Individuals lending via a peer-to-peer platform where any necessary counterparty checks (for example proof of identity or money laundering requirements) are conducted by the platform.
 10. Investors in capital market bonds and retail bonds issued by the Council.

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

1. leasing
2. hire purchase
3. Private Finance Initiative
4. sale and leaseback

Treasury Indicators

13.5. There are three debt-related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. These limits need to be balanced against the requirement for the treasury function to retain some flexibility to enable it to respond quickly to opportunities to reduce costs and improve performance.

13.6. The debt related indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates; and
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

13.7. The treasury indicators and limits are set out below:

Limits on Interest Rate Exposures	2023/24	2024/25	2025/26
	Upper	Upper	Upper
Limits on fixed interest rates:			
• Debt only	100%	100%	100%
• Investments only*	90%	90%	90%
Limits on variable interest rates			
• Debt only	15%	15%	15%
• Investments only*	50%	50%	50%
* For this calculation short term (less than 12 months) investments for 1-12 months are treated as fixed interest rates.			
Limits on Maturity Structure of Fixed Interest Rate Borrowing 2022/23			
	Lower	Upper	
Under 12 months	0%	10%	
12 months to 2 years	0%	10%	
2 years to 5 years	0%	10%	
5 years to 10 years	0%	25%	
10 years to 20 years	0%	25%	
20 years to 30 years	0%	25%	
30 years to 40 years	0%	50%	
40 years to 50 years	0%	60%	
Limits on Maturity Structure of Variable Interest Rate Borrowing 2023/24			
	Lower	Upper	
30 years to 40 years	0%	60%	
40 years to 50 years	0%	40%	

Long Term Investments Indicator

- 13.8. This indicator sets a limit on the total principal funds invested for greater than 365 days. This limit is set with regard to the Council's liquidity requirements and to manage the risks associated with the possibility of loss which may arise as a result of having to seek early repayment, or redemption of, principal sums invested.
- 13.9. The indicator is set out below. As at 30 June 2023, the Council is not expected to hold any investments for longer than 365 days.

Maximum Principal Sums Invested for Longer than 365 days			
	2023/24	2024/25	2025/26
	£m	£m	£m
Limit on principal sums invested for longer than 365 days	50.0	50.0	50.0

Debt Rescheduling

- 13.10. As short-term borrowing rates are currently higher than longer term fixed interest rates, there may not be many opportunities to generate efficiencies by switching from long-term debt to short-term debt. However, these efficiencies will need to be considered in light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 13.11. The reasons for any rescheduling to take place will include:
- The generation of cash savings and/or discounted cash flow savings;
 - Helping to fulfil the Treasury Strategy; and
 - Enhancing the balance of the portfolio (to amend the maturity profile and/or the balance of volatility).
- 13.12. During 2023 the council has been in correspondence with a few banks that provide its LOBO loans to see if there were any opportunities to reschedule the debt. On 4th September 2023 the Council repaid a £15m LOBO loan from Bayerische Landesbank at a nil premium.
- 13.13. The Council has reduced its LOBO loans from £119.7m to £104.7m and as at 4th Septmber 2023 there is a further £20m that have call options in 2023/24. In the event that the lender exercises the option to change the rate or terms of the loans within their call period, the Council will consider the terms being provided and also the option of repayment of the loan without penalty.
- 13.14. The Council continuously reviews its debt position to optimise its cash flow. Any consideration of debt rescheduling will be reported to Mayor and Cabinet and subsequently to Council at the earliest meeting possible.
- 13.15. The Council will continue to explore rescheduling opportunities as appropriate in respect of the financing of its PFIs and external loans.
- 13.16. No new external borrowing has been undertaken to date in 2023/24 because the Council uses its internal borrowing when required in this financial year.
- 13.17. Debt rescheduling opportunities have been very limited in the current economic climate therefore no debt rescheduling has been undertaken to date in the current financial year.

Limits to Borrowing Activity (remain unchanged from the approved limits set by Council in March 2023)

- 13.18. There are two measures of limiting external debt: the 'operational boundary' and 'authorised limit for external debt', which the Council reports on as part of its prudential indicators. Both are described in further detail in the following paragraphs.

The Operational Boundary for External Debt

- 13.19. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. The Council's operational boundary is set out below:

Operational Boundary (unchanged)	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Maximum External Debt at 31 March	254.5	353.2	434.9	469.0
Other Long-Term Liabilities	209.8	198.4	186.1	172.2
Provision for Non Receipt of Expected Income	56.0	56.0	56.0	56.0
Operational Boundary for Year	520.3	607.6	677.0	697.2

The Authorised Limit for External Debt

- 13.20. This key indicator represents a control on the maximum level of borrowing and provides a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term but is not sustainable in the longer term.

- 13.21. This is a statutory limit determined under Section 3(1) of the Local Government Act 2003, and needs to be set and revised by full Council. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.

- 13.22. The authorised limits are set out as below:

Authorised Limits (unchanged)	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Maximum External Debt at 31 March	310.5	409.2	490.9	525.0
Other Long-Term Liabilities	209.8	198.4	186.1	172.2
Additional 10% Margin	52.0	60.8	67.7	69.7
Authorised Limit for Year	572.3	668.4	744.7	766.9

Liability Benchmark

- 13.23. A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

- 13.24. There are four components to the LB: -

1. Existing loan debt outstanding: the Council's existing loans that are still outstanding in future years.
2. Loans CFR (Capital financing Requirement): this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. Net loans requirement: this will show the Council's gross loan debt at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

Liability Benchmark	2023/24 Forecast £m	2024/25 Forecast £m	2025/26 Forecast £m	2026/27 Forecast £m
External Borrowing	211.6	212.7	301.2	378.3
Less: Opening Treasury Investments	(316.0)	(213.9)	(203.9)	(203.9)
Plus Planned Prudential Borrowing	96.3	107.7	86.3	16.5
Less: MRP & loan repayments	(6.9)	(9.3)	(10.1)	(10.7)
Net Loans Requirement**	(15.0)	97.2	173.5	180.2
Capital Financing Requirement (CFR)				
General Fund	260.9	293.1	314.2	305.3
Housing Revenue Account (HRA)	170.8	238.6	293.7	306.7
Underlying Borrowing Requirement (Loans CFR*)	431.7	531.7	607.9	612.0
Liquidity and Investment allowance above net debt	200.0	200.0	200.0	200.0
Liability Benchmark (Gross loans requirement)	185.0	297.2	373.5	380.2
Under / (Over) Liability Benchmark	169.9	394.4	547.0	560.4
<i>Underborrowing as a % of Underlying Borrowing Requirement</i>	39%	74%	90%	92%

* The Loans CFR is the borrowing requirement excluding finance from PFI and Leases

** The Net Loans Requirement is the authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

13.25. The liability benchmark is showing the borrowing requirement subject to using internal borrowing while maintaining £200m (liquidity allowance) in Treasury Management investments, so in 2023/24 the external debt is circa £26m above the benchmark.

14. Minimum Revenue Provision (MRP) Policy Statement

- 14.1. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision – VRP). The MRP must be determined by the Council as being a prudent provision having regard to the MHCLG Statutory Guidance on Minimum Revenue Provision.
- 14.2. The MRP is the amount the Council charges to the revenue account and does not correspond to the actual amount of debt repaid, which is determined by treasury related issues. Historically the Council has applied a consistent MRP policy which comprises prudential borrowing being repaid over the useful life of the asset concerned and previous borrowing being repaid at the rate of 4% (equivalent to 25 years) of the outstanding balance.
- 14.3. In 2016/17, this policy was changed to reflect the useful lives of the specific asset classes on the Council's balance sheet. It moved to:
- A straight line MRP of 14% equivalent to seven years for plant and equipment (such as IT and vehicles); and
 - A straight line MRP of 2.5% equivalent to forty years for property (such as land and buildings).
- 14.4. In 2017/18 a third element was added to the Council's MRP policy, whereby no MRP need be charged on capital expenditure where the Council has assessed that sufficient collateral is held at a current valuation to meet the outstanding CFR liability, and that should it be determined at any point that insufficient collateral is held to match the Council's CFR liability a prudent MRP charge will commence.
- 14.5. In 2019/20 the Council commissioned an independent review of its current MRP policy to ensure it is fit for current and future spending plans, as well as a review of historic calculations and a reconciliation to the CFR to identify any potential efficiencies. The review was undertaken by the Council's treasury advisors, Link Group.
- 14.6. The Council implemented one of the recommendations from the report from 2019/20 onwards, specifically to adjust for an historic overcharging of MRP from 2003/04 as a result of a miscalculation in the 'Adjustment A' figure (an accounting adjustment designed to ensure minimal changes in liability when new capital financing regulations were introduced in 2003/04). The Prudential Code allows for MRP to be reduced appropriately, in line with an authority's own judgement, where Adjustment A reflects an error that increases the current MRP liability. As such, the Council reduced its ongoing liability by reducing its MRP charge to account for the higher Adjustment A figure, whilst additionally offsetting current and future years' MRP charges to recover the historic overcharging since 2003/04.

15. Financial Implications

- 15.1. There are no additional financial implications besides those mentioned elsewhere in this report.

16. Legal Implications

- 16.1. Local authorities are required to produce and monitor for the forthcoming year a range of indicators based on actual figures; these are set out in the report. The CIPFA Treasury Management Code of Practice says that movement may be made between

the various indicators during the year by an Authority's Chief Finance Officer so long as the indicators for the total Authorised Limit and the total Operational Boundary for external debt remain unchanged. Any such changes are to be reported to the next meeting of the Council.

- 16.2. Under Section 5 of the Local Government Act 2003, the prudential indicator for the total Authorised Limit for external debt is deemed to be increased by an amount of any unforeseen payment which becomes due to the Authority within the period to which the limit relates, which would include, for example, additional external funding becoming available but not taken into account by the Authority when determining the Authorised Limit. Where Section 5 of the Act is relied upon to borrow above the Authorised Limit, the Code requires that this fact is reported to the next meeting of the Council.
- 16.3. Authority is delegated to the Executive Director of Corporate Resources to make amendments to the limits on the Council's counterparty list and to undertake treasury management in accordance with the CIPFA Code of Practice and the Council's Treasury Policies.

17. Equalities Implications

- 17.1. There are no equalities implications directly arising from this report. An initial Equality Analysis was undertaken to assess the likely adverse impact the contract award would have on protected groups compared to non-protected groups. The analysis concluded that a full equality analysis was not required due to the fact that Treasury Management would not have any adverse impact on protected groups compared to non-protected groups.
- 17.2. The organisations and counterparties that Treasury Management uses to invests or borrow are large institutions and should all conform to The Equality Act 2010.

18. Climate Change and Environmental Implications

- 18.1. There are no direct climate or environmental implications arising from this report.

19. Crime and Disorder Implications

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

20. Health and Wellbeing Implications

- 20.1. There are no direct health and wellbeing implications arising from this report.

21. Background Papers

- 21.1. The following papers are appended to this report:
- *Appendix 1 – Interest Rate Forecasts 2023 – 2026*
 - *Appendix 2 – Extract from Credit Worthiness Policy*
 - *Appendix 3 – Benchmarking Extract*
 - *Appendix 4 – Economic Update from Link Group*
 - *Appendix 5 – Approved Countries for Investment*
 - *Appendix 6 – Requirement of the CIPFA Treasury Management Code of Practice*

22. Report Author and Contacts

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David.Austin@lewisham.gov.uk
- 22.2. Financial implications: Chris Flower Treasury and Investment Manager
- 22.3. Legal implications: Mia Agnew, Contracts Lawyer

APPENDIX 1: Interest Rate Forecasts 2023 - 2026

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table provides Link's latest central view.

Period	Bank Rate	PWLB Borrowing Rates % (including certainty rate adjustment of 20 basis points)			
		5 year	10 year	25 year	50 year
	%				
Jun 2023	5.00	5.50	5.10	5.30	5.00
Sep 2023	5.50	5.60	5.20	5.40	5.10
Dec 2023	5.50	5.30	5.00	5.20	5.00
Mar 2024	5.50	5.10	4.90	5.10	4.90
Jun 2024	5.25	4.80	4.70	4.90	4.70
Sep 2024	4.75	4.20	4.20	4.50	4.30
Dec 2024	4.25	4.20	4.20	4.50	4.30
Mar 2025	3.75	3.90	3.90	4.20	4.00
Jun 2025	3.25	3.60	3.70	4.20	4.00
Sep 2025	2.75	3.40	3.50	3.90	3.60
Dec 2025	2.75	3.30	3.50	3.80	3.60
Mar 2026	2.75	3.30	3.50	3.80	3.50
Jun 2026	2.50	3.00	3.40	3.70	3.50

APPENDIX 2: Extract from Credit Worthiness Policy

(Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)

Annual Investment Strategy:

The key requirements of both the CIPFA Code of Practice on Treasury Management in the Public Services and Department for Levelling Up, Housing and Communities (DLUHC's) Investment Guidance are to set an annual investment strategy, as part of its annual Treasury Management Strategy for the following year, covering the identification and approval of the following:

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

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments: These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under twelve months. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

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

Within these bodies, and in accordance with the Code, the Council has set additional criteria to define the time and amount of monies which will be invested in these bodies, as shown in the table further below.

Non-Specified Investments: These are any investments or loans with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.

These include certificates of deposit issued by banks or building societies, fixed deposits with building societies that do not meet the basic security requirements of specified investments, corporate bonds, and property funds. Provision has been made in the Strategy to invest in a limited number of lower rated building societies within the restrictions set out, certificates of deposit with both banks and building societies, and pooled asset funds and other investment (should the relevant opportunity arise). The Council will seek guidance on the status of any pooled fund or collective investment scheme it may consider using, and appropriate due diligence will also be undertaken before investment of this type is undertaken

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

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

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

The Link Group creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue precedence to just one agency's ratings.

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

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	UK sovereign rating	£30m	1 year
UK Government Treasury bills	UK sovereign rating	£60m	6 months
Money Market Funds - CNAV per fund	AAA	£35m	Liquid
Money Market Funds - LVNAV per fund	AAA	£35m	Liquid
Money Market Funds - VNAV per fund	AAA	£35m	Liquid
Local authorities	N/A	£50m	1 year

Term deposits with banks and building societies	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £25m £20m £15m Not for use**	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use**
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£40m £25m £20m £15m Not for use**	Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use**
Term deposits or CDs with building societies on Link's counterparty list rated 'No colour'	BBB-	£10m	Up to 3 months
Call accounts and notice accounts	Yellow* Purple Blue Orange Red Green No Colour	£30m £25m £40m £25m £20m £15m Not for use	Liquid
Pooled asset funds or other investment		£50m	At least 5 years

*for UK Government debt, or its equivalent, Constant Net Asset Value (CNAV) money market funds and collateralised deposits where the collateral is UK Government debt.

**except for those building societies rated BBB- or higher as set out elsewhere in the table.

The monitoring of investment counterparties: The credit rating of counterparties will be monitored regularly, on at least a weekly basis. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and when ratings change, and the impact of those changes are assessed promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest upon maturity. Any counterparty failing to meet the criteria will be removed from the lending list immediately, and if required new counterparties which meet the criteria will be added to the list. Any fixed term investment held at the time of the downgrade will be left to mature as such investments cannot be broken mid-term.

Sole reliance will not be placed on the use of this external service. In addition, the Council will make use of market data and information on any external support for banks to help support its decision-making process.

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

APPENDIX 3: Benchmarking Extract

The following three pages present an extract, with glossary, of the Council's treasury benchmarking report as at 31 December 2022.

London Borough Of Lewisham

Summary Sheet

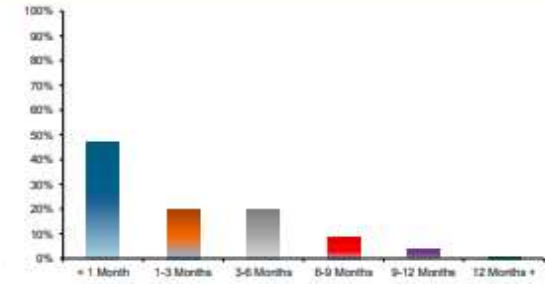
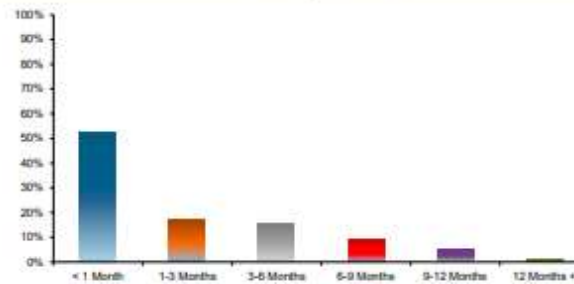
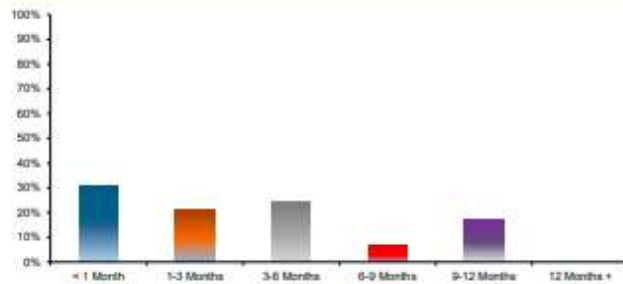
	London Borough Of Lewisham	Benchmarking Group 2 (15) Basic Portfolio Characteristics	London (21)
WARoR	3.25%	2.64%	2.76%
WAM	112	73	73
WATT	204	188	183
WA Credit Risk	3.15	2.67	2.59
Model WARoR	2.80%	2.70%	2.71%
Difference	0.45%	-0.06%	0.05%
Model Band	2.61% - 3.00%	2.50% - 2.90%	2.51% - 2.90%
Performance	Above	Inline	Inline

Asset Breakdown

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



Maturity Profiles



London Borough Of Lewisham

Peer Comparison

	London Borough Of Lewisham	Benchmarking Group 2 (15)		London (21)		Population Average (229)	
Basic Characteristics							
Principal	£355,323,000	£272,410,296		£279,468,706		£108,685,449	
WARoR	3.25%	2.64%		2.76%		2.82%	
WAM	112	73		73		68	
WATT	204	188		183		144	
WA Credit Risk	3.15	2.67		2.59		2.97	
Portfolio Breakdown							
Fixed Deposits	68.95%	51.67%	12	56.92%	18	55.70%	207
Calls & O/N	0.00%	12.50%	6	7.77%	9	14.98%	171
MMFs	31.05%	26.67%	13	26.79%	17	24.46%	180
USDBFs	0.00%	0.36%	1	0.86%	2	0.93%	15
Struct. Prods.	0.00%	0.00%	0	0.00%	0	0.15%	4
Bonds	0.00%	5.43%	3	2.74%	3	0.90%	14
CDs	0.00%	3.37%	2	4.93%	3	2.88%	26
Institution Breakdown							
Banks	68.95%	45.43%	15	40.21%	21	46.78%	219
Building Socs.	0.00%	2.17%	3	4.16%	6	4.78%	74
Government	0.00%	24.26%	10	27.19%	14	22.65%	139
MMFs	31.05%	26.67%	13	26.79%	17	24.43%	180
USDBFs	0.00%	0.36%	1	0.86%	2	0.93%	15
MLDBs	0.00%	0.00%	0	0.00%	0	0.01%	1
Other	0.00%	1.11%	2	0.79%	2	0.42%	15
Domestic/Foreign Exposure							
Domestic	22.51%	62.29%	15	60.62%	21	64.75%	228
Foreign	46.44%	10.67%	6	11.73%	10	9.89%	90
MMFs	31.05%	26.67%	13	26.79%	17	24.43%	180
USDBFs	0.00%	0.36%	1	0.86%	2	0.93%	15
Maturity Structure							
< 1 Month	31.05%	52.48%		47.10%		53.90%	
1-3 Months	21.11%	17.25%		19.93%		20.35%	
3-6 Months	23.92%	15.08%		20.04%		15.25%	
6-9 Months	7.04%	8.82%		8.18%		5.51%	
9-12 Months	16.89%	5.26%		3.96%		3.99%	
12 Months +	0.00%	1.11%		0.79%		1.02%	

Definitions

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

APPENDIX 4: Economic Update from Link Group

Economic Update

- 1.1. The first quarter of 2023/24 saw:
 - A 0.2% m/m rise in real GDP in April, partly due to fewer strikes;
 - CPI inflation falling from 10.1% to 8.7% in April, before remaining at 8.7% in May. This was the highest reading in the G7;
 - Core CPI inflation rise in both April and May, reaching a new 31-year high of 7.1%;
 - A tighter labour market in April, as the 3myy growth of average earnings rose from 6.1% to 6.5%;
 - Interest rates rise by a further 75bps over the quarter, taking Bank Rate from 4.25% to 5.00%;
 - 10-year gilt yields nearing the “mini-Budget” peaks, as inflation surprised to the upside.
- 1.2. The economy has weathered the drag from higher inflation better than was widely expected. The 0.2% m/m rise in real GDP in April, following March’s 0.3% m/m contraction will further raise hopes that the economy will escape a recession this year. Some of the strength in April was due to fewer strikes by train workers and teachers in that month. Moreover, some of the falls in activity in other areas in April were probably temporary too. Strikes by junior doctors and civil servants contributed to the fall in health output (0.9% m/m) and the meagre 0.1% m/m increase in public administration.
- 1.3. The fall in the composite Purchasing Managers Index (PMI) from 54.0 in May to a three-month low of 52.8 in June (>50 points to expansion in the economy, <50 points to contraction) was worse than the consensus forecast of 53.6. Both the services and manufacturing PMIs fell. The decline in the services PMI was bigger (from 55.2 to 53.7), but it remains consistent with services activity expanding by an annualised 2%. The fall in the manufacturing PMI was smaller (from 47.1 to 46.2), but it is consistent with the annual rate of manufacturing output falling from -0.8% in April to around -5.0%. At face value, the composite PMI points to the 0.1% q/q rise in GDP in Q1 2023 being followed by a 0.2% q/q gain in Q2 2023.
- 1.4. Meanwhile, the 0.3% m/m rise in retail sales volumes in May was far better than the consensus forecast of a 0.2% m/m decline and followed the robust 0.5% m/m rise in April. Some of the rise was due to the warmer weather. Indeed, the largest move was a 2.7% m/m jump in non-store sales, due to people stocking up on outdoor-related goods. But department stores also managed to squeeze out a 0.6% m/m rise in sales and the household goods sub-sector enjoyed a reasonable performance too. Overall, the figures were far better than analysts had expected. In addition, the GfK measure of consumer confidence rebounded from -27 to a 17-month high of -24 in June.
- 1.5. The recent resilience of the economy has been due to a confluence of factors including the continued rebound in activity after the pandemic, households spending some of their pandemic savings, and the tight labour market and government handouts both supporting household incomes. That said, as government support fades, real household incomes are unlikely to grow rapidly. Furthermore, higher interest rates will mean GDP is likely to contract later this year. Our central assumption is that inflation will drop to the 2.0% target only if the Bank triggers a recession by raising rates from 5.00% now to at least 5.5% and keeps rates there until at least mid-2024. Our colleagues at Capital Economics estimate that around 60% of the drag on real activity from the rise in rates has yet to bite, and the drag on the quarterly rate of real GDP

growth over the next year may be about 0.2ppts bigger than over the past year.

- 1.6. The labour market became tighter over the quarter and wage growth reaccelerated. Labour demand was stronger than the consensus had expected. The three-month change in employment rose from +182,000 in March to +250,000 in April. Meanwhile, labour supply continued to recover as the size of the labour force grew by 303,000 in the three months to April. That was supported by a further 140,000 decline in inactivity as people returned to work from retirement and caring responsibilities (while inactivity due to long-term sick continued to rise). But it was not enough to offset the big rise in employment, which meant the unemployment rate fell from 3.9% to 3.8%
- 1.7. The tighter labour market supported wage growth in April, although the 9.7% rise in the National Living Wage on 1st April (compared to the 6.6% increase in April last year) probably had a lot to do with it too. The 3myy rate of average earnings growth reaccelerated from 6.1% to 6.5% (consensus 6.1%) and UK wage growth remains much faster than in the US and the Euro-zone. In addition, regular private sector wage growth increased from 7.1% 3myy to 7.6%, which left it well above the Bank's forecast for it to fall below 7.0%. Overall, the loosening in the labour market appears to have stalled in April and regular private sector wage growth was well above the Bank's forecast.
- 1.8. CPI inflation stayed at 8.7% in May (consensus 8.4%) and, perhaps more worryingly, core CPI inflation rose again, from 6.8% to a new 31-year high of 7.1%. The rise in core inflation built on the leap from 6.2% in March to 6.8% and means it is accelerating in the UK while it is slowing in the US and the Euro-zone (both fell to 5.3%). A further decline in fuel inflation, from -8.9% to -13.1%, and the second fall in food inflation in as many months, from 19.3% to 18.7%, explained why overall CPI inflation didn't rise. And the scheduled fall in the average annual utility price from £2,500 to £2,074 on 1st July means overall CPI inflation will probably ease in the coming months. But the problem is that the recent surge in core inflation and the reacceleration in wage growth shows that domestic inflationary pressures are still strengthening.
- 1.9. This suggests the Bank may have more work to do than the Fed or ECB. Indeed, the Bank of England sounded somewhat hawkish in the June meeting. This came through most in the MPC's decision to step up the pace of hiking from the 25bps at the previous two meetings. The 7-2 vote, with only two members voting to leave rates unchanged at 4.50%, revealed support for stepping up the fight against high inflation.
- 1.10. That said, the Bank has not committed to raising rates again or suggested that 50bps rises are now the norm. What it did say was that "the scale of the recent upside surprises in official estimates of wage growth and services CPI inflation suggested a 0.5 percentage point increase in interest rates was required at this particular meeting". Moreover, the Committee did not strengthen its forward guidance that any further rate hikes would be conditional on the data. However, it looks highly probable, given the on-going strength of inflation and employment data, that the Bank will need to raise rates to at least 5.5% and to keep rates at their peak until the mid-point of 2024. We still think it is only a matter of time before the rise in rates weakens the economy sufficiently to push it into recession. That is why instead of rising to between 6.00%-6.25%, as is currently priced in by markets, we think rates are more likely to peak between 5.50-6.00%. Our forecast is also for rates to be cut in the second half of 2024, and we expect rates to then fall further than markets are pricing in.
- 1.11. Growing evidence that UK price pressures are becoming increasingly domestically generated has driven up market interest rate expectations and at one point pushed the 10-year gilt yield up to 4.49% in late June, very close to its peak seen after the "mini-budget". Yields have since fallen slightly back to 4.38%. But growing expectations that rates in the UK will remain higher for longer than in the US mean they are still more than 70 bps above US yields. While higher interest rates are priced into the markets,

the likely dent to the real economy from the high level of interest rates is not. That's why we think there is scope for market rate expectations to fall back in 2024 and why we expect the 10-year PWLB Certainty Rate to drop back from c5.20% to 5.00% by the end of this year and to 4.20% by the end of 2024.

- 1.12. The pound strengthened from \$1.24 at the start of April to a one-year high at \$1.26 in early May, which was partly due to the risks from the global banking issues being seen as a bigger problem for the US than the UK. The pound then fell back to \$1.23 at the end of May, before rising again to \$1.28 in the middle of June as the strong core CPI inflation data released in June suggested the Bank of England was going to have to raise rates more than the Fed or ECB in order to tame domestic inflation. However, sterling's strong run may falter because more hikes in the near term to combat high inflation are likely to weaken growth (and, hopefully, at some point inflation too) to such a degree that the policy rate will probably be brought back down, potentially quite quickly, as the economic cycle trends downwards decisively. This suggests that additional rate hikes are unlikely to do much to boost the pound.
- 1.13. In early April, investors turned more optimistic about global GDP growth, pushing up UK equity prices. But this period of optimism appears to have been short-lived. The FTSE 100 has fallen by 4.8% since 21st April, from around 7,914 to 7,553, reversing part of the 7.9% rise since 17th March. Despite the recent resilience of economic activity, expectations for equity earnings have become a bit more downbeat. Nonetheless, further down the track, more rate cuts than markets anticipate should help the FTSE 100 rally.

MPC meetings 11th May and 22nd June 2023

- 1.14. On 11th May, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 25 basis points to 4.50%, and on 22nd June moved rates up a further 50 basis points to 5.00%. Both increases reflected a split vote – seven members voting for an increase and two for none.
- 1.15. Nonetheless, with UK inflation significantly higher than in other G7 countries, the MPC will have a difficult task in convincing investors that they will be able to dampen inflation pressures anytime soon. Talk of the Bank's inflation models being "broken" is perhaps another reason why gilt investors are demanding a premium relative to US and Eurozone bonds, for example.
- 1.16. Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has already hiked short-term rates to a range of 5.00%-5.25%, but a further increase is pencilled in for July, whilst the ECB looks likely to raise its Deposit rate at least once more to a peak of 3.75%, with upside risk of higher to come.

Gilt Yields/PWLB Rates

- 1.1 Since the start of 2023, there has been a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates in Appendix 1 shows, the forecast to continue to rise for a few quarters before starting a steady reduction, in both Bank Rate and gilt yields during the period to June 2026, though there will be a lot of unpredictable volatility during this forecast period.
- 1.2 The current PWLB rates are set as margins over gilt yields as follows:
 - PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
 - PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)
 - PWLB HRA Standard Rate is gilt plus 100 basis points (G+100bps)
 - PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)
 - Local Infrastructure Rate is gilt plus 60bps (G+60bps)

As the interest forecast table for PWLB certainty rates, (gilts plus 80bps), above shows, there is likely to be more upward movement in PWLB rates before the Bank of England can start to reduce rates if the economic conditions allow.

PWLB RATES

- 1.17. Gilt yield curve movements have shifted upwards, especially at the shorter end of the yield curve since our previous forecast but remain relatively volatile. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.90% to 5.60%.
- 1.18. We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

The balance of risks to the UK economy: -

- 1.19. The overall balance of risks to economic growth in the UK is to the downside.

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

- 1.20. Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, the rising gilt yields we have seen of late).
- 1.21. The Bank of England increases Bank Rate too fast and too far over the coming months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- 1.22. UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- 1.23. Geopolitical risks, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.
- 1.24. A broadening of banking sector fragilities, which have been successfully addressed in the near-term by central banks and the market generally, but which may require further intervention if short-term interest rates stay elevated for longer than is anticipated.

Creditworthiness

- 1.3 Significant levels of downgrades to Short and Long Term credit ratings have not materialised since the war in Ukraine. In the main, where they did change, any alterations were limited to Outlooks. Now that inflation has begun to fall there have been some instances of previous lowering of Outlooks being reversed. However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

APPENDIX 5: Approved Countries for Investment

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- USA

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

APPENDIX 6: Requirement of the CIPFA Treasury Management Code of Practice

Treasury Management Scheme of Delegation

(i) Full Council

- budget consideration and approval;
- approval of annual Treasury Management Strategy;
- approval of/amendments to the organisation's adopted clauses and treasury management policy statement.

(ii) Public Accounts Committee

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

The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer has responsibility for:

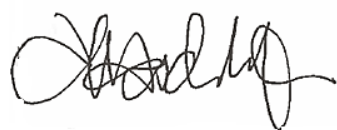
- recommending treasury management policies for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- approval of the division of responsibilities;
- approving the organisation's treasury management practices;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that Members are adequately informed and understand the risk exposures taken on by an authority; and
- ensuring that the authority has adequate expertise, either in-house or externally, to carry out the above.

Report for: Mayor and Cabinet	
Part 1	<input checked="" type="checkbox"/>
Part 2	<input type="checkbox"/>
Key Decision	<input type="checkbox"/>
Non-Key Decision	<input checked="" type="checkbox"/>

Date of Meeting	20 th September 2023	
Title of Report	Corporate Performance Report Q4 - 2023	
Author	Deimantas Jasiulionis	Ext.

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

Category	Yes	No
Financial Comments	x	
Legal Comments	x	
Cabinet Briefing consideration		
EMT consideration	x	



Signed:

Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy
Date: 12/09/23

Signed: *David Austin*

Acting Executive Director for Corporate Resources

Date: 12/09/23

Lewisham Corporate Performance Report

Q4 2022

Welcome to Lewisham Corporate Performance Report

The Council's Performance Report demonstrates how we are performing against our priorities.

This report helps us to monitor the Council's performance against key indicators, making sure that decisions about performance and improvements are taken in line with the Council's priorities. It is periodically updated to provide trends over time.

Our new [Corporate Strategy](#) sets out how Lewisham Council plans to deliver for our residents over the next four years.

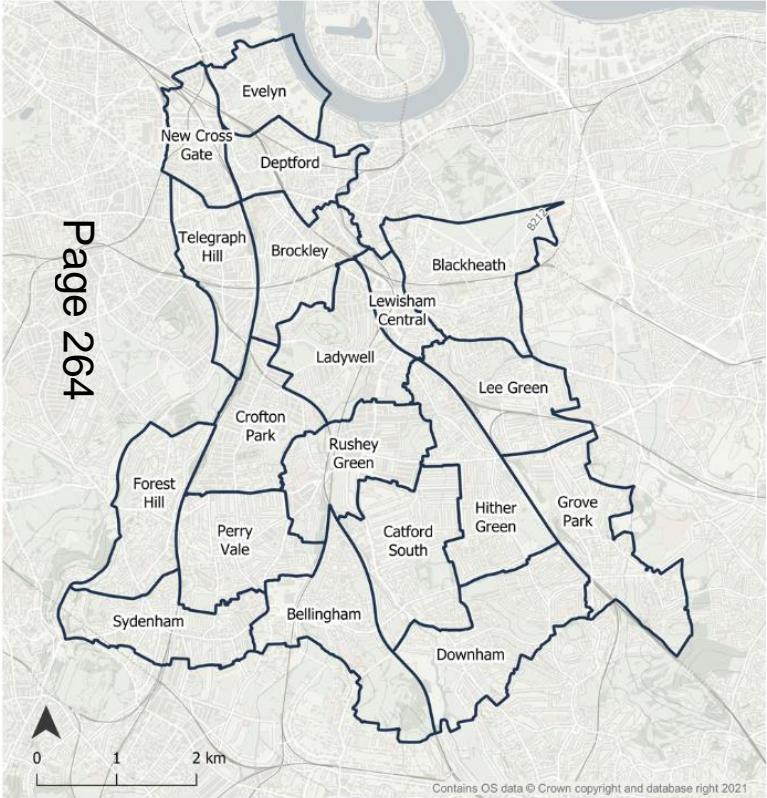
Our Priorities

- Clean and greener
- Strong local economy
- Quality housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

[Performance Report >](#)



Lewisham Borough Profile



300,600
Population



9.0% 26.8% 8.1%
Asian Black Mixed
4.7% 51.5%
Other White



19.3% 71.1% 9.5%
0-15yr 16-64yr 65yr+



52.5%
Female



81.7%
Good/Very good health



67%
Economically active residents



47.5%
Male



6.14%
LGBT+ Population



£37K
Average income



129,132
Households



17.7%
Residents with disability under the Equality Act



49.8%
Level 4 Qualifications

Data sources: ONS Census 2021; Average Income (median): ONS 2022

Lewisham priorities

Lewisham Priorities

All Performance KPIs

Period

2022/23 Q4



Click on each banner to see KPIs performance

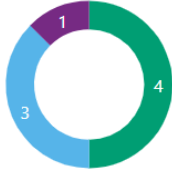
Cleaner and Greener



Strong Local Economy



Quality Housing



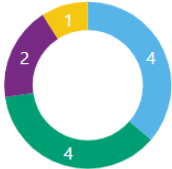
Children and Young People



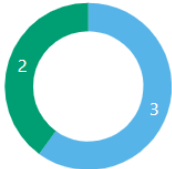
Safer Communities



Health and Wellbeing



Open Lewisham



Corporate Health



- Key
- On or above target
 - No target
 - Working to improve
 - Almost at target

Lewisham priorities

Cleaner and Greener

Residual Household Waste

Number of kilograms of residual household waste collected per household

Lower is better

42.79 ▲
Target: 40 (+2.79)
March 2023



Almost at target: There were a number of issues with the original implementation of our new food waste contract that had a negative impact on our

EV Charging Points

Number of new electric vehicle charging points approved or delivered by the council

Higher is better

250 ▲
Target: 193 (+57)
March 2023



Performing well: With regards to electric vehicle charging points delivered by the council, the roll out has continued as expected this year with the

Household Waste

Percentage of household waste sent for reuse, recycling and composting

Higher is better

Edg. 42.1% Lon. **33.6%** SN. 32.6%

27.0% ▲
Target: 35.0% (-8.0%)
March 2023



Working to improve: Recycling rates fluctuate seasonally with autumn and Christmas generating figures above the median average, hence the total

NO2 & PM above threshold

Total number of days the levels of nitrogen dioxide (NO2) and particulate matter (PMs) in the borough are above moderate.

Lower is better

9 ▲
March 2023



Working to improve: During the colder winter month's (Jan/ Feb) we observed an increase in pollutant activity.

Cycle Storage

Number of new secure cycle storage facilities approved or delivered by the council

Higher is better

160 ◆
Target: 171 (-11)
March 2023



Almost at target: Cycle hangars have continued to be rolled out this past year but the numbers of hangars installed in 2022 was significantly higher

Trees

Number of trees planted on streets and in parks

Higher is better

1509 ▲
Target: 250 (+1259)
March 2023



Performing well: Review quarter to better reflect season planting. Number of park trees is for standard trees

Lewisham priorities

Strong Local Economy

Strong Local Economy

2022/23 Q4

% of 16-17yr NEET

Proportion of young people (16-17) not in employment, education or training

Lower is better

Eng. 3.5% **Lon. 3.1%** SN. 2.0%

1.8% ▲
Target: 4.0% (-2.2%)
March 2023



Performing well: Once we know what our YP are doing it is the work of the Participation Team to engage with NEETs to find appropriate post-16

Vacant properties in Asset Register

% of vacant properties in Asset Register categorised as commercial

Lower is better

3.2% ▼
Target: 6.0% (-2.8%)
March 2023



Performing well: Demand for vacant commercial premises has remained strong during Q4, with several more lettings being concluded and a few

Apprentices in Mayor's Apprenticeship

Number of apprentices supported into the Mayor's Apprenticeship Programme

Higher is better

65 ▲
Target: 63 (+2)
March 2023



Performing well: Our internal programme received excellent recognition at the 2022 London Borough Apprenticeship awards, winning the following

Living wage employers

Number of London Living Wage employers in Lewisham

Higher is better

90 ▲
March 2023



Performing well: Continued to offer our Business Rate incentive for newly accredited Living Wage employers

Adults with LD in paid employment

Proportion of adults with a primary support reason of learning disability support in paid employment

Higher is better

Eng. 5.9% **Lon. 8.0%** SN. 5.0%

6.6% ▼
Target: 7.5% (-0.9%)
March 2023



Working to improve: There is an Learning Disability improvement plan in place, this includes working closely with providers to increase the

Proportion of 16-17yr ET

Proportion of 16-17 year olds recorded in education and training (ET)

Higher is better

Eng. 92.6% **Lon. 96.1%** SN. 95.4%

94.1% ▲
Target: 48.0% (+46.1%)
March 2023



Performing well: Q3 provides a partial picture of participation for Lewisham 16-17 year olds, as at the beginning of each September, all destinations

Key ■ On or above target ■ Almost at target ■ Working to improve ■ No target | Direction of Travel ▲ Improving ▼ Declining ◆ No change

Lewisham priorities

Quality Housing

% Minor planning applications

Percentage of minor planning applications determined within timescales
Eng. 81% **Lon. 84%** SN. 80%

Higher is better

94% ▲
Target: 80% (+14%)
March 2023



Performing well: Performance for the year has exceeded corporate targets, with the vast majority of decisions made in time, and robust appeals

% Other planning applications

Percentage of other planning applications

Higher is better

92.0% ▼
Target: 85% (+7.0%)
March 2023



Performing well: Performance for the year has exceeded corporate targets, with the vast majority of decisions made in time, and robust appeals

Households on housing register

Number of households on the housing register

Lower is better

10,670 ▲
March 2023



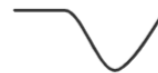
Working to improve: Last year the Housing Division introduced a new Allocation Policy (31 Oct 22). There was a big emphasis in ensuring all

% Major planning applications

Percentage of major planning applications determined within timescales
Eng. 85% **Lon. 93%** SN. 91%

Higher is better

100% ▲
Target: 80% (+20%)
March 2023



Performing well: Performance for the year has exceeded corporate targets, with the vast majority of decisions made in time, and robust appeals

HMOs currently licenced

Number of Houses in Multiple Occupation (HMOs) that are currently licensed
Eng. 421 **Lon. 973** SN. 754

Higher is better

1206 ▲
March 2023



Performing well: Since the introduction of borough-wide HMO licensing the licensing and housing enforcement team have Inspected and

Households in temp. accommodation

Number of households living in temporary accommodation
Eng. 293 **Lon. 1669** SN. 2147

Lower is better

2782 ▲
March 2023



Working to improve: Temporary Accommodation (TA) has been slowly rising over the last year with 2,782 households in TA at the end of March 2023.

% Planning appeals dismissed

Percentage of planning appeals dismissed

Eng. 64.5% **Lon. 69.3%** SN. 82.0%

Higher is better

76% ▼

Target: 73% (+3%)
March 2023



Performing well: Performance for the year has exceeded corporate targets, with the vast majority of decisions made in time, and robust appeals

Net additional homes

Net additional homes provided

Higher is better

599 ▲

Target: 1385 (-786)
2021/22



Working to improve: A total of 599 net homes were delivered during 2021-22. Housing delivery has yet to return to normal. 599 net homes is a

Lewisham priorities

Children and Young People

Rate of referrals (per 10K under 18)

Referral rate per 10K population children under 18 in Lewisham

Eng. 537.7 **Lon. 566.2** SN. 577.8

Lower is better

593.0 ▲

March 2023



Working to improve: The rate of referrals for a statutory social work assessments of children and young people is now stable and where we would

Lewisham learners with Education, Health and Care Plan educated in Lewisham settings

Of residents in Lewisham with EHCP, the perc. attending provisions/schools within the borough of Lewisham

% schools judged good/better by Ofsted

Proportion of schools with a good or outstanding Ofsted judgement

Eng. 88% **Lon. 95%** SN. 96%

Higher is better

67.8% ▲

March 2023



Working to improve: We will continue to secure local SEN provision for local children, assuring our children who require specialist provision can stay

Rate of Care Leavers per 10K under 25yr

Rate of Care Leavers eligible for a service as at the end of period

Rate of CiN per 10K population

Rate of CiN per 10K population (incl. Child Protection Plan & Children Looked After as per DfE definition)

Rate of children under CPP

Rate of children currently subject to a Child Protection Plan (per 10K under 18 year olds)

Eng. 42.1% **Lon. 36.9%** SN. 37.7%

Lower is better

59.6 ▼

March 2023



Performing well: There were 530 Care Leavers aged 18 - 25 years old receiving a service, with an allocated personal advisor. There are a further 136

Lower is better

325.0 ▲

March 2023



Working to improve: As at the end of March 2023 Lewisham Children's Social Care was assessing, supporting and looking after a total of 2217

Lower is better

47.9 ▼

Target: 40.00 (+7.9)

March 2023



Working to improve: Following an elevated rate through the pandemic, through the latter part of 2022 early 2023 we have been gradually

% Pupils at KS2 reaching the exp. standard in reading, writing and maths combined

Eng. 59% **Lon. 66%** SN. 65%

Higher is better

59.0%

Target: 59.0% (+0.0%)
2021/22



Performing well: In 2022, 59% of pupils in Lewisham met the expected standard or higher in reading, writing and maths. This was in line with

% Pupils permanently excluded from school (primary)

Eng. 0.00% **Lon. 0.00%** SN. 0.02%

Lower is better

0.0% ◆

Target: 0.0%
2020/21



Performing well: We await benchmarked 2021/22 DfE data (which is always published in the July of the following year) and our primary school

% Pupils achieving good passes in English and Maths GCSEs (9-4)

Eng. 69% **Lon. 74%** SN. 71%

Higher is better

67.0%

Target: 69.0% (-2.0%)
2021/22



Almost at target: In 2022, KS4 attainment was once again measured by exams after two years of disruption due to the COVID-19 pandemic. Ofqual

Rate of children looked after

Rate of Children Looked After (per 10,000 under -18 year olds)

Eng. 67.0 **Lon. 54.0** SN. 58.9

Lower is better

65.2 ▼

Target: 65.00 (+0.2)
March 2023



Almost at target: Through 2022/23 167 CYP came into care, 44 less than the previous year. As at the end of March Lewisham was looking after a total

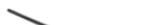
% Pupils permanently excluded from school (secondary)

Eng. 0.20% **Lon. 0.08%** SN. 0.08%

Lower is better

0.1% ▼

Target: 0.1% (+0.0%)
2020/21



Performing well: We await benchmarked 2021/22 DfE data (which is always published in the July of the following year). Secondary permanent

% Children who are obese - Reception

% of children in reception who are obese or severely obese

Eng. 23.0% **Lon. 21.6%** SN. 23.5%

Lower is better

22.6% ▲

Target: 21.5% (+1.1%)
2021/22



Almost at target: National Child Measurement Programme data for the 2021/22 academic year has now been released. This is the first local

Attendance Rates in Lewisham schools (Primary)

Eng. 93.81% **Lon. 94.33%** SN.

Higher is better

94.7% ▼
Target: 94.4% (+0.3%)
2021/22



Performing well: Attendance rates for children in primary schools remain high and better than average rates in London.

Attendance Rates in Lewisham schools (Secondary)

Eng. 91.36% **Lon. 93.21%** SN.

Higher is better

93.4% ▼
Target: 93.3% (+0.1%)
2021/22



Performing well: Attendance rates for children in secondary schools remains high.

% Children who are obese - Year 6

% of children in year 6 who are obese or severely obese.

Eng. 35.2% **Lon. 38.2.0%** SN. 41.8%

Lower is better

41.4% ▲
Target: 37.5% (+3.9%)
2021/22



Working to improve: National Child Measurement Programme data for the 2021/22 academic year has now been released. This is the first local

Average Progress 8 Score

Progress that pupils in a school make from the end of primary school to the end of key stage 4 (KS4)

Eng. 0.11 **Lon. 0.23** SN. 0.13

Higher is better

0.08 ▲
2021/22



Performing well: Lewisham had a positive Progress 8 score of +0.08 in 2022, indicating that pupils in Lewisham made more progress, on average, than

Lewisham priorities

Safer Communities

First-time entrants to youth justice system

Total number of people aged 10-17 who have entered the Youth Justice System for the first time. Lower is better

Eng. 166.3 Inner London. 178.4

161 ▼

Target: 259 (-98)
March 2023



Performing well: The impact of Community based resolutions and partnership prevention work is impacting on diverting children & young people

Re-offending rates

Re-offending rate - violent offences, further violent offences Lower is better

16.7% ▲

Target: 25% (-8.3%)
March 2023



Performing well: The rate of re-offending has dropped significantly and is seen as an endorsement of the Lewisham YJ Trauma-

Test purchasing operations

Number of successful test purchases for knives, alcohol and tobacco Higher is better

100% ▲

March 2023



Performing well: A total of 13 test purchase operations were carried this month with a 100% success rate. A 100% rate of test purchases

Lewisham priorities

Health and Wellbeing

Admissions to res. & nurs. homes (65+)

Perm. admissions to residential and nursing care home: Adults aged 65+ per 100,000 pop (cumulative)
Eng. **Lon. 401.2** SN.

Lower is better

493.10 ▲

Target: 698.0 (-204.90)
March 2023



Performing well: This has been a very difficult winter, but we have maintained our continued plan to reduced the numbers of older adults

% 65+ still at home after discharge

% of adults aged 65+ still at home 91 days after discharge from hospital into reablement/rehabilitation services (eff. of the service)
Eng. 77.6% **Lon. 73.1%** SN.

Higher is better

89.2% ▲

Target: 80.0% (+9.2%)
December 2022



Performing well: Following our Empowering Lewisham program, investment and resources have been provided to grow this service and

Number of visits to LBL's leisure centres

Number of visits to leisure centres per 1,000 population

Higher is better

366 ▲

March 2023



Working to improve: External grant has been secured to fully fund replacement and upgrade to LED. More generally attendance continues to

Bowel cancer screening coverage

The number of persons registered to a GP Practice who have been screened
Eng. 70.3 **Lon. SN. 62.1**

Higher is better

59.6% ▲

Target: 60.0% (-0.4%)
22/23



Almost at target: Bowel cancer screening uptake has improved since the last reporting period and is now close to the target. Efforts to further

Disabled Facilities Grant (DFG)

Number of Disabled Facilities Grant (DFG) adaptations completed

Higher is better

11 ▼

March 2023



Working to improve: The Housing Improvement and Assistance team continue to work through service improvement planning to increase

HIV at a late stage of infection

Proportion of residents where HIV has been detected at a late stage of the infection.
Eng. 42.4% **Lon. 38.4%** SN. 42.1%

Lower is better

47.3% ▲

Target: 33.5% (+13.8%)
2021/22



Working to improve: HIV testing in A&E is now fully embedded. Lewisham has a GP HIV champion who is championing HIV prevention, diagnosis and

Uptake of NHS checks

The proportion of residents who have had NHS health checks in the period

Eng. 42.4% **Lon. 49.0%** SN. 83.9%

Higher is better

40.0% ▼

Target: 40.0% (+0.0%)
March 2023



Performing well: One Health Lewisham (OHL), our NHS Health Check service provider, are now delivering more NHS Health Checks than at any

Low birth weight

Children born weighing less than 2,500g

Lower is better

6.9% ▼

Target: 7.4% (-0.5%)
2021/22



Performing well: The most recent data for Lewisham's low birth-weight rate (2021) of 6.9% shows an improvement. The rate is now

Uptake of flu vaccine in persons 65+

The proportion of residents who are aged 65year and above who have taken a flu vaccine.

Eng. 72.4 **Lon.** SN. 66.2

Higher is better

57.9% ▼

Target: 71.0% (-13.1%)
22/23



Working to Improve: Flu vaccination uptake in persons over 65 years of age in 2022-23 is lower than previous years. The Immunisation

Discretionary DFG Spend (year to date)

The amount spent year to date on discretionary Disabled Facilities Grant adaptations.

Higher is better

201.88K ▲

March 2023



Working to improve: The Housing Improvement and Assistance team continue to work through service improvement planning to increase

Mandatory DFG spend (year to date)

The amount spent year to date on mandatory Disabled Facilities Grant adaptations.

Higher is better

826.40K ▲

March 2023



Working to improve: The Housing Improvement and Assistance team continue to work through service improvement planning to increase

Lewisham priorities

Open Lewisham

Visits to Libraries

Number of visits to libraries (per 1,000 population)

Higher is better

412.5 ▲

Target: 238 (+174.5)
March 2023



Performing well: The excellent news of the successful Levelling Up fund bid has energized the service. We had very positive LGRTQ+ and

Adult Learning Lewisham enrolments

Number of Adult Learning Lewisham enrolments

Higher is better

8556 ▲

Target: 7400 (+1156)
March 2023



Performing well: Enrolments are on track to hit pre-pandemic levels. Success and learner satisfaction are up to date. Satisfaction rates are

Homes for Ukraine - guests hosted

Number of families hosted under the Homes for Ukraine scheme

Higher is better

57 ▼

March 2023



The number of visas issued under the Homes for Ukraine scheme stands at just over 160,000 at the current time, with a steady decline in new arrivals.

Homes for Ukraine - number of hosts

Number of hosts under the Homes for Ukraine scheme

Higher is better

41 ▲

March 2023



As the number of guests arriving has been reducing, the number of hosts needed has also reduced.

Refugee families resettled

Number of families resettled under Lewisham's Refugee Resettlement Scheme

Higher is better

86 ▲

March 2023



Performing well: The council remains confident of meeting its targets and has enough properties in the private rented sector to match to refugee

Corporate Health

Percentage of Council Tax collected

Proportion of council tax collected.

Eng. 96.1% **Lon. 93.8%** SN. 93.5%

Higher is better

92.8% ▲

Target: 96.0% (-3.2%)
March 2023



Almost at target: The effect of the cost of living crisis is being felt by all and the negative impact that rising costs have had on taxpayers/businesses

Percentage of Business Rates collected

Proportion of business rates collected

Eng. 96.3% **Lon. 93.2%** SN. 94.9%

Higher is better

93.0% ◆

Target: 99.0% (-6.0%)
March 2023



Almost at target: The effect of the cost of living crisis is being felt by all and the negative impact that rising costs have had on taxpayers/businesses

Percentage of complaints & casework responded

Percentage of complaints and casework responded to within time scales

Higher is better

81.0% ▲

Target: 90.0% (-9.0%)
March 2023



Almost at target: Of the 811 Complaints and Casework due in Qtr 4, we completed 659 on time which equates to performance of 81% compared

Percentage of complaints upheld

Percentage of complaints upheld

Lower is better

29.0% ▲

March 2023



Working to improve: 29% of corporate wide complaints fully upheld - This is a decrease in performance of 8% when compared to 21% in Qtr

Percentage of complaints partially upheld

Percentage of complaints partially upheld.

Lower is better

12.0% ◆

March 2023



Performing well: 12% of corporate wide complaints partially upheld – This is the same performance as the previous quarter of 12%

FOI requests within timescale

% of Freedom of Information (FOI) requests responded to within timescales

Higher is better

71.0% ▼

Target: 90.0% (-19.0%)
March 2023



Working to improve: Of the 375 FOI requests due in Qtr 4, we completed 265 within time which equates to performance of 71%. This is a

Page 286

SARs within timescale

Percentage of Subject Access Requests (SARs) responded to within timescales

Higher is better



Working to improve: Of the 54 SARs received in Qtr 4, we completed 27 on time which equates to performance of 50% compared to Qtr 3 where we

Agency

Number of active agency workers assignments registered with third party provider

Lower is better

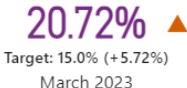


Working to improve: The Council's aim is to reduce/limit its use of agency workers. Processes are in place to actively monitor and challenge all

Agency rate

Agency headcount as a percentage of the entire workforce

Lower is better



Working to improve: The agency rate represents the number of agency workers compared to the size of the workforce. The Council has an active

Average sickness days per employee

Average of days lost to sickness absence, per employee

Lower is better



Working to improve: Average sickness days per employee has decreased compared to last quarter but remains higher than our target. Our target

Turnover

Monitor turnover to reduce its possible negative effects

Aim for stability



Performing well: Turnover has decreased compared to the last quarter and is now just below our target of 13%. Target is based on Par-

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Top 5% earners who are disabled

The percentage of disabled staff amongst the top 5% earners reflects the Council's workforce profile

Aim for parity

8.3% ▲

Target: 5.0% (+3.3%)
November 2022



Performing well: Disabled staff are well represented in the top 5% earners, as representation for this group exceeds the

Top 5% earners who are female

The percentage of female diverse staff amongst the top 5% earners reflects the Council's workforce profile

Aim for parity

62.5% ▼

Target: 62.6% (-0.1%)
March 2023



Almost at target: The percentage of female staff within the top 5% earners is proportionate to our workforce profile.

Top 5% earners who are ethnically diverse

The percentage of ethnically diverse staff amongst the top 5% earners reflects the Council's workforce profile

Aim for parity

26.7% ▼

Target: 45.7% (-19.0%)
March 2023



Working to improve: The percentage of staff from an ethnic background, within the top 5% earners in the Council has seen a decrease of 1.8 percentage

Ethnicity pay gap

Difference in the avg. pay between staff from ethnic minority backgrounds, compared to 'White' staff

Aim for parity

11.2% ▲

Target: 0.0%
2021/22



Working to improve: The 2021/22 Ethnicity Pay Gap shows a reduction of 9%, compared to the previous year, which shows a positive direction of

Gender pay gap

Difference between the average (mean or median) earnings of men and women across a workforce

Aim for parity

-9.1% ▲

Target: 0.0%
2021/22



Performing well: The 2021/22 Gender Pay Gap shows an increase of 8% in favour of women, which shows women fare positively across the

Eng. 4.8% Lon. 2.4% SN. 0.6%

User guide

User Guide

Power BI is an online tool that allows users to connect to various data sources and visualise data in a dashboard. Power BI has been used to display the Corporate Performance indicators to monitor progress and measure impact. The dashboard is divided into the themes and uses data from various sources.

Symbols Key

KPIs performance relative to target

On or above target	■
Almost at target (-/+ 10%)	■
Working to improve	■
No target	■

Direction of Travel

KPIs performance in comparison to a previous quarter.

Improving	▲▼
Declining	▲▼
No change	◆

Good performance is classified as follows:


Higher is better: The aim is to increase or maximise and maintain at agreed or expected levels

Lower is better: The aim is to decrease or reduce and maintain at agreed or expected levels

Aim for parity: The aim is for proportionality across all protected characteristics, in relation to the workforce representation to ensure equity

Aim for stability: The aim for a stable workforce, avoiding sharp changes or fluctuations

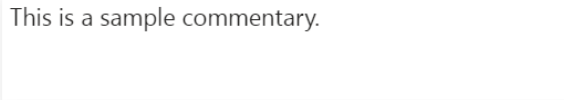
KPI snapshot guide

Bar: Status →  **Household Waste** ← **KPI**
Percentage of household waste sent for reuse, recycling and composting ← **KPI Description**

Polarity → Higher is better
Lower is better

Performance Last Quarter →  ← **Direction of Travel**
Target: 80.0% (+9.2%) ← **Target (Distance from Target)**
September 2022 ← **Month/Year**

Trend line →  ← Performance for previous quarters can be seen by hovering over trend line.

Commentary → 



Mayor and Cabinet

Report title: Corporate Performance Report Q4 - 2023

Date: 20th September 2023

Key decision: No.

Class: Part 1

Ward(s) affected: All

Contributors: Corporate Performance Management Team, Acting Executive Director for Corporate Resources, Director of IT & Digital

Outline and recommendations

The purpose of this report is to share Q4 2022 performance in preparation and ahead of the publication of the corporate performance dashboard on <https://lewisham.gov.uk/>.

Interactive Q4 2022 performance information can be accessed [here](#).

It is recommended that Mayor and Cabinet:

- Approve updated Q4 2022 performance dashboard for publication on the Council's website.

Timeline of engagement and decision-making

N/A

1. Summary

- 1.1. Earlier this year we published our refreshed corporate performance dashboard for Quarter 3 2022. We are now in a position to publish the Quarter 4 (year end) 2022 performance report as set out.

2. Recommendations

- 2.1. It is recommended that Mayor and Cabinet:
 - 2.1.1. Approve updated Q4 2022 performance dashboard for publication on the Council's website.
- 2.2. Note the timetable for bringing forward the next quarterly updates for the 2023/24 financial year.

3. Policy Context

- 3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):
 - Cleaner and Greener
 - A Strong Local Economy
 - Quality Housing
 - Children and Young People
 - Safer Communities
 - Open Lewisham
 - Health and Wellbeing

4. Background

- 4.1. Following the corporate strategy 2022-26 development and release insight & delivery and performance management teams developed interactive PowerBI dashboard to show a number of KPIs / metrics assigned to corporate priorities.
- 4.2. In June the Quarter 3 2022 performance information was published. This report focuses on Quarter 4 (Q4).

5. Highlights from the Q4 Performance report

Improved, on or above target

5.1. Priority - Cleaner and Greener

5.1.1. EV Charging points

The roll out of EV charging points has progressed as expected and the number of available charging points continues to increase in the borough.

5.2. Priority - Strong Local Economy

5.2.1. Young people not in education, employment or training

Lewisham has a low proportion of 16-17 year olds who are Not in Employment, Education or Training (NEET) exceeding the national and London averages, as well as our statutory neighbours. This success is attributed to the work done by the Participation Team, who actively engage with these young people to find appropriate post-16 pathways, offering progression advice and guidance.

They also provide a drop-in service at the Lewisham shopping centre.

5.2.2. Young people in education or training

In Q4, Lewisham has a high proportion of 16-17 year olds remaining in education or in training.

5.2.3. Apprenticeships

In addition to the recognition at the 2022 London Borough Apprenticeships awards, a continued positive trend was noted for Apprentices supported into the Mayor's programme which is very encouraging. The team is looking for ways to enhance engagement with schools even further.

5.2.4. Asset Register

A reduction in vacant properties on the Asset Register continues to be noted as demand for vacant properties remained strong with more lettings being concluded and more properties under offer.

5.3. Priority - Quality Housing

5.3.1. Planning applications

Good performance is noted across the board for the handling of planning applications.

5.4. Priority – Children and Young People

5.4.1. Schools with a good or outstanding OFSTED judgement

The proportion of all schools judged to be good or outstanding in Lewisham has improved to 97.4% in Q4.

While this is an improvement over the year it still leaves two secondary schools that are judged by Ofsted to “Require improvement”. These two schools are the main focus of our improvement work along with activity to help us maintain the high quality in all of our other schools.

5.5. **Priority - Safer Communities**

5.5.1. First time entrants to youth justice system

The number of first-time entrants to the youth justice system has decreased significantly. This is attributed to the positive impact of community-based resolutions and partnership preventative work, which help divert children and young people away from the justice system.

5.5.2. Re-offending rates

Re-offending rates are relatively low which is credited to the Lewisham Youth Justice Trauma informed, Anti-Racist Restorative model in place.

5.6. **Priority - Corporate Health**

5.6.1. Staff turnover

Staff turnover has reduced and is stable in the most recent period.

Working to Improve

5.7. **Priority - Cleaner and Greener**

5.7.1. Waste and recycling rates

There has been an increase in the amount of residual waste collected per household in Q4. There has been some improvement in household waste sent for reuse, recycling, and composting, although performance remains below target. The recent fall in recycling rates across London is thought to be due to the reduction in weight of newspaper, magazines, and packaging in response to the cost-of-living crisis. Recycling contamination also remains high, which the service is addressing through communications and improved bin stock to keep recycling dry.

Additionally, the service begun to split garden and food waste collection at the end of 2022/23 which has begun to generate increased amounts of both streams. This approach is now being rolled out to collect food waste from flats and schools which it is hoped will further increase recycling and decrease residual rates.

5.8. **Priority - Strong Local Economy**

5.8.1. Adults with Learning Disabilities (LD) in paid employment

The proportion of adults with learning disabilities in paid employment has been declining and is now below target.

In response, our teams collaborate with providers to increase the number of work opportunities on offer for these residents.

5.9. **Priority - Quality Housing**

5.9.1. Households in temporary accommodation

The number of households living in temporary accommodation has been increasing and remains high, despite the service employing preventative measures. Challenges in the market, such as the lack of supply of accommodation and costs in the private rented sector, have resulted in a gradual increase in the number of people in temporary accommodation, as the rate of moving out of temporary accommodation for households is low.

The new allocations policy has led to the establishment of a temporary accommodation reduction project, which aims to reduce spending and the number of households in temporary accommodation. Additionally, a procurement strategy has been developed to outline how the service will increase the supply of temporary accommodation and private rented sector properties for homeless households.

5.10. **Priority - Children and Young People**

5.10.1. Lewisham learners with Education, Health and Care Plan attending LBL provision

The proportion of learners with Education, Health and Care Plans (EHCPs) in the borough has remained steadily high.

To ensure that children in need of specialist provision can remain in the borough, the service is working to secure local Special Educational Need (SEN) provision, prevent escalation and build relationships with local providers.

The service is also on track to create SEND resource provision in mainstream primary schools.

5.10.2. Referral rate

Though the rate of referrals per 10,000 has now stabilised and is more comparable with other local authorities, it remains high and has increased in the last quarter.

5.10.3. Rate of Children in Need

An increase is noted in the rate of CIN per 10,000. The service is in the process of reviewing all open cases for an extended period to identify any drift or delay. Through the work that is in progress to develop Lewisham's Early Help Offer, Children Social Care expects to see this rate and number reduce in 2023/24.

5.10.4. Rate of children subject to a Child Protection Plan

The rate of children subject to a Child Protection Plan per 10,000 has been decreasing but remains high compared to historic levels after the elevated rate experienced during the pandemic and subsequent period.

The service has been gradually reducing the number of children and young people supported and protected by these plans. The rate of new children and

young people being made subject to a plan is now in line with other local authorities and it is expected that this trend will continue and therefore reflected in the rate of CP going forward.

5.11. Priority - Corporate Health

5.11.1. Freedom of Information and Subject Access Requests

Although the position on completed Subject Access Requests (SARs) has improved this quarter, they remain below target. Similarly, the proportion of Freedom of Information (FOI) requests responded to within timescales has been improving since the last financial year. However, a reduction was noted in the last quarter, and this remains below target.

A reorganisation was concluded in April 2023, and as a result, improvement is expected for both FOI and SAR performance through 2023/24.

5.11.2. Agency workers

Overall, the number of agency workers and the rates as a proportion of the entire workforce have been steadily increasing.

The council is committed to reducing the number of agency workers, and has processes in place to actively monitor and challenge all assignments. There are still some instances where agency workers are needed, such as to cover long-term sickness or parental leave, or to respond to short-term peaks in service demand such as the work to bring Lewisham Homes back in house.

5.11.3. Ethnicity pay gap

The proportion of ethnically diverse earners in the top 5% decreased in Q4 and remains below expected threshold.

The council aims to achieve proportionality in the representation of ethnically diverse earners in the top 5%, in line with the workforce profile. This is a longer term challenge so the trend will be more significant than individual quarter results and will continue to be monitored as part of the Council's focus on Equality, Diversity and Inclusion.

6. Financial implications

6.1. There are no direct financial implications arising from this report.

7. Legal implications

7.1. There are no direct legal implications to this report.

8. Equalities implications

9. There are no direct equalities implications arising from this report.

10. Climate change and environmental implications

10.1. There are no direct climate change and environmental implications arising from this report.

11. Crime and disorder implications

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

12. Health and wellbeing implications

12.1. There are no direct health and wellbeing implications arising from this report.

13. Background papers

13.1. In addition to interactive dashboard with all performance information which can be found [here](#) a PDF version is appended to this report.

14. Glossary

14.1. [Link to Oxford English Dictionary here.](#)

Term	Definition
KPI	Key Performance Indicator

15. Report author(s) and contact

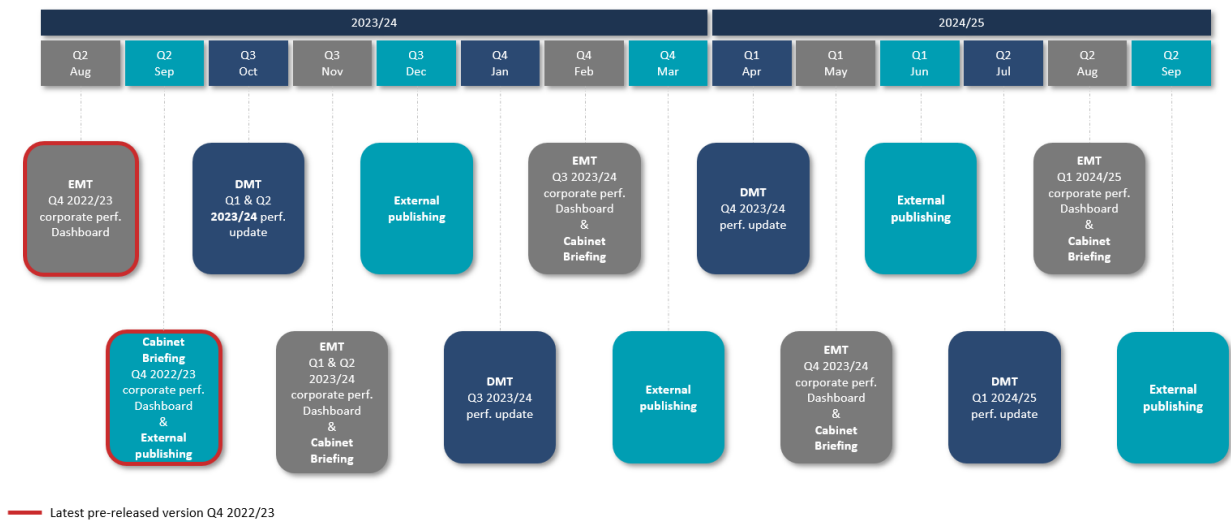
15.1. Corporate Performance Team, IT & Digital, Lewisham Council.

15.2. deimantas.jasiulionis@lewisham.gov.uk

16. Appendices

16.1. Lewisham Corporate Performance Report – Q4 2022/23.

16.2. Corporate Performance Report Timeline





Mayor and Cabinet

Exclusion of the press and public

Date: 20 September 2023

Key decision: No

Class: Part 1

Ward(s) affected: n/a

Contributors: Head of Governance and Committee Services

Outline and recommendation

Members are asked to consider excluding the press and public from the meeting for one item of business.

Recommendation

It is recommended that in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012 and under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12(A) of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

15. Approval of Annual Besson Street Business Plan (Part 2)
16. Home Park and Edward Street Developments (Part 2)

Agenda Item 15

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Agenda Item 16

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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