

# Overview and Scrutiny



## Public Accounts Select Committee Agenda

**7.00 pm**, Wednesday, 28 June 2023, Civic Suite, London SE6 4RU

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

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

### Part 1

Item		Pages
1.	Election of the Chair and Vice-Chair	
2.	Minutes of the meeting held on 16 March 2023	3 – 8
3.	Declarations of interest	9 – 12
4.	Responses from Mayor and Cabinet There are none.	
5.	Financial outturn report 2022-23 This report is due to be/was considered at Mayor and Cabinet on 21 June 2023	13 – 42
6.	Financial forecasts	43 – 67
7.	Medium term financial strategy	69 – 100
8.	Select Committee work programme	101 - 123

# Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 28 June 2023.

Jeremy Chambers, Monitoring Officer  
Tuesday, 20 June 2023

<p><b>Members</b></p> <p>Councillor James Rathbone</p> <p>Councillor Billy Harding</p> <p>Councillor Mark Ingleby</p> <p>Councillor Eva Kestner</p> <p>Councillor Aisha Malik-Smith</p> <p>Councillor Joan Millbank</p> <p>Councillor Susan Wise</p> <p>Councillor Rudi Schmidt (ex-Officio)</p> <p>Councillor Ese Erheriene (ex-Officio)</p>	
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

## Minutes of the Public Accounts Select Committee

Thursday, 16 March 2023 at 7.00 pm

In attendance: Councillor James Rathbone (Chair), Rudi Schmidt (Vice-Chair), Eva Kestner, Eva Stamirowski and Susan Wise

Also joining the meeting virtually: Councillors Joan Millbank and John Paschoud

Also present: Councillor Chris Barnham (Cabinet Member for Children and Young People), Timothy Andrew (Scrutiny Manager), David Austin (Director of Corporate Services), Rich Clarke (Head of Assurance), Kathy Freeman (Executive Director for Corporate Resources), Pinaki Ghoshal (Executive Director for Children and Young People) and Nick Penny (Head of Service Finance)

Also present virtually: Councillor Jacq Paschoud, Councillor Amanda De Ryk (Cabinet Member for Finance and Strategy) and Lucie Heyes (Director of Children's Social Care)

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken or to satisfy the requirements of s85 Local Government Act 1972

### 1. Minutes of the meeting held on 2 February 2023

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

### 2. Declarations of interest

- 2.1 Cllr Paschoud declared an interest as husband of a trustee (Councillor Jacq Paschoud) of Ravensbourne project, which is in receipt from funding from Children's Social Care.

### 3. Responses from Mayor and Cabinet

- 3.1 There were none.

### 4. Children's social care and budget pressures

- 4.1 Cllr Chris Barnham (Cabinet Member for Children and Young People) was invited to address the Committee – the following key points were noted:
  - Children's services have been rated by OFSTED as 'requiring improvement' for too long, with aspects of the service judged as declining in quality between 2015 and 2019.
  - There had been a comprehensive improvement plan developed by new leaders and managers in the service. This was being consistently delivered (and this was supported by OFSTED)
  - This was budget which is difficult to keep under control.
  - We had an expectation that the forecasting and management was as good as it could be.

- The past decade had seen a reduction in broader support services and interventions for families – which had resulted in more children being brought into care.
- The proportions of children in care may be higher in Lewisham (in terms of numbers) due to overall differences in population.
- In only one year since 2016 had the budget been set as high as the previous year outturn. It was not clear where the additional £10m mentioned by finance officers at the meeting had appeared in the directorate budget.

4.2 Lucie Heyes (Director of Children’s Social Care) and Nick Penny (Head of Service Finance) introduced the report – the following key points were noted:

- The budget for children’s social care was overspending. The budget was comprised of three principal areas: (workforce, section 17 (children at home with child protection plans and children in need); and placements (children looked after, 18–25-year-olds who had left care and children in connected care or in kinship networks such as those under special guardianship orders).
- The children’s social care system was working with around 2800 children and young people at any one time
- There had been increases in demand since the pandemic and those cases were increasing in complexity.
- Lots of work had taken place to manage the numbers of children being brought into social care through a range of interventions.
- There were a number of reasons that costs in the social care were increasing (despite the Council managing demand – and the number of children in placements remaining stable)
- The private provider market for care costs had not kept up with demand and Lewisham had a difficult legacy of children who had been in care – and were now leaving care.
- The level of complexity – and the costs of complex placements was also increasing and the numbers of children and young people requiring those placements was increasing. Three percent of the placements cost approximately 30 percent of the entire placements budget due to their high weekly cost.
- Work would be required over a number of years to improve the systems used in social care – and to counter the effects of the legacy of poor practice.
- One of the key challenges in reporting on the budget was the quality of data. Different reporting mechanisms had been in place for different parts of the financial year – which resulted in some distortion in the financial forecasts.
- Work had taken place to develop a placements tracker to forecast costs more closely.

4.3 Lucie Heyes, Pinaki Ghoshal (Executive Director for Children and Young People) and Nick Penny responded to questions from the Committee – the following key points were noted:

- There were previously issues with social work practice which meant that more children were taken into social care out of caution. This meant there was a legacy of older children in social care. This practice had been improved and more children were remaining with their families.
- Older children were more difficult to place because of their complex care needs.

- Lewisham was more vulnerable to fluctuations in the cost of care placements due to those high numbers of older children in care.
- There was a level of risk aversion in the system nationally as a result of poor outcomes for some children and child deaths.
- There was a national increase in older children in social care (in Lewisham 75% of children in care were of secondary age).
- There was a historic imbalance of 14–17-year-olds in the care system – but there was not a particular age that could be pointed to in terms of overrepresentation in the system.
- The Council had done a lot of work with older children to avoid teenagers from being made homeless.
- Lewisham had a high percentage of children in care and care leavers compared to other authorities – and within this number there were a small number of costly placements.
- The numbers of children and young care leavers (under age 22) in Lewisham was disproportionate (in terms of gross numbers) in comparison with the London and statistical neighbour average (due to historic practice)
- It was difficult to draw a direct causal relationship between preventative work and the numbers of children being brought into social care – however – it seemed obvious that more funding for early help, prevention and support for families would reduce the numbers of children in social care.
- There was evidence that Lewisham’s investment in preventative services (specifically in the Meliot family centre) to work intensively with families and improve safety for children at home with their families was effective.
- Younger children tended to stay in care for a shorter time than older children and adolescents.
- Experience from preventative work with younger people was now being expanded to adolescents but this was much more difficult – due to young people’s vulnerability in the community (and not only their families)
- The case management system in Lewisham had suffered from historic underinvestment and underutilisation. This was combined with poor practice in a number of areas which meant there had to be a long-term approach to upgrades and development.
- There was no internal capacity or skills to keep both key software systems up to date which meant there was a reliance on external consultants to carry out the extensive and costly work required to bring systems up to date.
- The service wanted to reach a point where it could see the costs of placements for each individual child.
- The use of casework and software systems would evolve over time – and there would not be a defined end point to the work required.
- Close work was taking place with health partners to allocate costs between social care, health, and education.
- Health partners had requested evidence that additional health services were required for some children (and whether their needs were health or social care needs)
- Funding had been received from health – but the Council believed it should be higher than at present.
- There were both operational and strategic discussions taking place with health partners.

- There were different arrangements in place between health partners and councils in different boroughs.
- Lewisham was part of a south London commissioning group – there were different alliances. There had been a comparison between placement costs in Lewisham and those achieved through the London Commissioning Alliance – which Lewisham intended to join in April.
- A great deal of work had been done to support care leavers – particularly in relation to care leavers’ housing.
- The quality of services for Lewisham’s (nearly seven hundred) care leavers had been acknowledged during an external review.
- Support for care leavers was provided up until the age of twenty-five. Work was also taking place at the points of transition - from age eighteen and after the age of twenty-five.
- There had been significant improvements in the support provided to care leavers but there was still work to do.
- There was an asset management plan for children and young people’s services – which was linked with the corporate approach to assets.
- There was a current piece of work taking place to determine whether there was a suitable cluster of sites available to establish a residential home.
- A business case would be developed to determine whether the Council developing its own accommodation would be more beneficial than paying for care placements – this would be assessed by colleagues in finance.
- Officers were aware of the competition and markets authority report on the profits of social care providers. The Department for Education had produced a response to the report – and the association of directors of children’s services was involved in the discussions about the costs of care.
- It was hoped that work with the commissioning alliance would support the Council with engaging with care providers.
- Work was taking place to review every child in care, guardianship arrangements and care leavers to consider costs. This was an intensive and time-consuming process.
- There were a number of decision-making panels – and boards which reviewed costs and spending.
- In the 2019 inspection of children’s services – Lewisham had been criticised for the poor link up between services for victims of domestic abuse. Work had taken place since then to ensure that services were better connected.
- Work was taking place across Council services to deliver the violence against women and girls’ strategy.
- There had been investment for social workers to receive training on domestic abuse – including working with victims and perpetrators in families to enable children to remain in families.
- There was a very high proportion of families in the social care system where there were issues with domestic abuse.
- The impact of the pandemic lockdowns had resulted in isolated families becoming more isolated – and a reduction in engagement with services. Things that were already difficult for families became worse during the period of pandemic isolation.
- The post pandemic period had been one of the most challenging and complex in terms of social work practice.
- There had been far more social and mental health problems for adolescents following the pandemic.

- Work took place to support families to target and develop services in house to reduce families' levels of need.
- There were more complex arrangements for children placed out of the borough (due to the lack of existing relationships with health and education providers).
- Consideration was given to the long-term strategy for children in complex placements. This is why placements were reviewed on a fortnightly basis.
- Many providers claimed they were providing therapeutic support – consideration had to be given to whether this was effective.
- It was thought that the overspend in 2021/22 and 2022/23 was broadly similar (it was difficult to determine from the statements made by different officers at the meeting whether this was the case).
- There were contrasting comments on the part of different officers about the budget monitoring figures - and the total gross and net budgets - as well as the level of overspending in the directorate.
- There had been an increase in spending and associated budgets by the directorate (it was difficult to determine from the statements made at the meeting whether this was due to the pandemic or other factors)
- Further work would take place to improve future forecasts for spending.
- At 21:25 the Committee agreed to suspend standing orders for no more than 30 minutes.

4.4 Kathy Freeman responded to a question from the Committee about the budget for the Children and Young People Directorate:

- 2022/23 £10.773m of funding had been made available to the directorate from the social care grant. This had been allocated to the Children's Social Care budget with the gross expenditure and gross income budgets.

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

- There appeared to be discrepancy between the demographics noted in the report and the costs.
- A request was made for a timeline for the improvements being made to the case management and software systems.
- Additional information would be welcomed regarding rates of tenancy failures for care leavers.
- The profit margins of home care providers was high.
- There was concern about consistent overspending by the Children and Young People directorate across multiple years.
- Additional funding made available to the directorate appeared to be spent and additional overspending occurred in excess of any sums made available – even in those years where the budget for children's services had been increased to cover all of the previous years' overspend.
- Further detailed information about the budget and annual overspends of the Children and Young People Directorate – with a specific focus on social care would be welcome.

4.6 **Resolved:** that the report would be noted. It was also agreed that the Executive Director for Children and Young People would come back to the Committee in the new municipal year – and that a note would be circulated from the Executive Director for Corporate Resources detailing the budget and expenditure of the Children and Young People Directorate.

## 5. Select Committee work programme

5.1 The Committee discussed the work programme report – noting that the meeting was the last before the Council’s annual general meeting (AGM). Members put forward the following suggestions for the Committee’s 2023-24 work programme:

- Children’s services finance – including scrutiny of the discrepancy in the figures between the Directorate and the finance team.
- An update on adult social care.
- Income generation and commercialisation.
- A briefing on Council insurances

5.2 **Resolved:** that the annual update from the Audit Panel (circulated in advance of the meeting by email – and considered by the Panel on 14 March) be noted. It was also agreed that the Committee’s work programme suggestions be put forward to the membership of the new Committee following the AGM.

The meeting ended at: 21:35

Chair:

-----

Date:

-----





## Public Accounts Select Committee

### Declarations of Interest

**Date:** 2023-24

**Key decision:** No

**Class:** Part 1 (not restricted)

**Ward(s) affected:** All (none specific)

**Contributor:** Jeremy Chambers (Director of Law and Corporate Governance)

### Outline and recommendations

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

#### 1. Summary

1.1. Members must declare any personal interest they have in any item on the agenda. There are three types of personal interest referred to in the Council's Member Code of Conduct:

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

1.2. Further information on these is provided in the body of this report.

#### 2. Recommendation

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

### 3. Disclosable pecuniary interests

3.1 These are defined by regulation as:

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

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

### 4. Other registerable interests

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

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party

- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25.

## **5. Non registerable interests**

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

## **6. Declaration and impact of interest on members' participation**

- 6.1. Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- 6.2. Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in consideration of the matter and vote on it unless paragraph 6.3 below applies.
- 6.3. Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- 6.4. If a non-registerable interest arises which affects the wellbeing of a member, their family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.
- 6.5. Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

## **7. Sensitive information**

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

## **8. Exempt categories**

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

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

## **9. Report author and contact**

9.1. Jeremy Chambers, Director of Law and Corporate Governance - [Jeremy Chambers@lewisham.gov.uk](mailto:Jeremy.Chambers@lewisham.gov.uk), 020 83147648



## Mayor and Cabinet

### Financial Outturn Report 2022/23

**Date:** Wednesday 21 June

**Key decision:** No

**Class:** Part 1

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

**Contributors:** Executive Director for Corporate Resources

## Outline and recommendations

This report presents the financial outturn for the 2022/23 financial year.

The report covers the outturn position on the Council's General Fund, Dedicated Schools Grant, Housing Revenue Account, Collection Fund and Capital Programme.

The Council-wide outturn pressure for General Fund activity is an overspend of £22m. This position is partially mitigated by £2.4m of funding held corporately, drawdowns from Reserves and Provisions of £8.6m to cover the cost of the staff pay award and energy price increase and £4m of legacy covid funding. This leaves a remaining overspend of £7m.

This is an improvement (lower overspend) of £2.6m from the position reported to Mayor and Cabinet, reflecting the ongoing focus on delivering agreed savings and managing costs. The 2023/24 Budget addressed some of these pressures going forward but some of the remaining overspend of £7m, principally reflecting agreed undelivered social care overspend reduction and savings measures, and some continuing inflationary pressures remain to be addressed.

The Housing Revenue Account (HRA) has a surplus of £1.1m, this is primarily driven by slippage in the capital programmes leading to lower than anticipated borrowing costs. The underlying revenue position is an overspend £6.5m.

The Dedicated Schools Grant (DSG) has overspent by £2.5m after using £1.6m of one off funding, which leaves a cumulative deficit of £13m on the high needs block.

The General Fund Capital Programme spend is £33.8m or 70% compared to a revised budget of £48.1m (agreed in March 2023) and the HRA Capital Programme spend is £112.4m or 75% compared to a revised budget of £150.5m (agreed in March 2023). The unspent budget is largely due to delayed expenditure on the programme with the budget transferred into 2023/24, a full reprofiling exercise is currently underway.

At the 31 March, 92.8% of council tax due had been collected which remains (3.2% or £5.5m) below the targeted level of 96%, at the same date, 96% of business rates due had been collected which remains (3% or £2m) below the targeted level. Collection activities continue alongside billing for the new financial year in 2023/24. This reflects the challenges of recovering from the impact of the pandemic and subsequent cost of living crisis.

The Council routinely sets aside funding in the accounts for uncollectable debt consistent with the policies audited by the external auditors. The report seeks Mayor and Cabinet approval for £0.4m of individual debts each over £0.05m.

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## Timeline of engagement and decision-making

February 2023 – Budget Report 2023/24 to Mayor and Cabinet

21 June 2023 – Financial Outturn report 2022/23 to Mayor and Cabinet

### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial outturn for 2022/23 at the end of March 2023. The report compares the final outturn position to the position reported as part of the budget report to Mayor and Cabinet in February. The key areas to note are as follows:
- 1.2 There is a forecast overspend of £22m against the Directorates' net general fund revenue budgets, including £8.6m of costs arising from the staff pay award and energy price increases. These costs are funded from Provisions and Reserves, the overspend is further mitigated by £2.4m of funding held within Corporate Items and £4m of legacy covid grant funding. This leaves a remaining pressure of £7m, a £2.6m improvement (reduced overspend) on the position reported to Mayor and Cabinet in February as part of the Budget Report for 2022/23. The improvement is explained in detail in paragraph 4.2.
- 1.3 The Housing Revenue Account (HRA) has a surplus of £1.1m, arising from slippage in the capital programme leading to lower than budgeted interest charges, this is set out in more detail in section 12 of the report.
- 1.4 The Dedicated Schools Grant (DSG) following the high needs secondary transfer process has overspent by £2.5m, after using £1.6m of one off funding, which leaves a cumulative deficit on the high needs block of £13m. This is set out in more detail in section 13 of the report.
- 1.5 The General Fund Capital Programme spend as at 31 March 2023 is £33.8m, which is 70% of the revised budget (March 2023) of £48.1m. The HRA Capital Programme spend as at 31 March 2023 is £112.4m, which is 75% of the £150.5m budget revised in March 2023. The unspent budget is largely due to delayed expenditure on the programme with the budget slipped into future years, a reprofiling exercise across the capital programme is currently underway. This is set out in more detail in section 14 of the report.
- 1.6 As at 31 March, 92.8% of council tax due had been collected which remains (3.2% or £5.5m) adrift of the targeted level. At the same date, 96% of business rates due had been collected which remains (3% or £2m) adrift of the targeted level. This is set out in more detail in section 15 of the report.

### 2. PURPOSE AND RECOMMENDATIONS

- 2.1 The purpose of this report is to set out the financial outturn for 2022/23 providing a comparison to the financial position reported to Mayor and Cabinet as part of the Budget Setting report and as part of the preparation of the draft financial statements underway to be available for audit from the 1 July 2023.
- 2.2 Mayor and Cabinet are asked to:

#### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- 2.2.1 Note the Outturn Position for 2022/23, including the utilisation of Provision and Reserves funding, applied legacy Covid grant funding and money held within Corporate provisions to partially mitigate the service overspend. This is summarised in section 4 with additional detail in the subsequent sections of the report.
- 2.2.2 Note, as part of routine financial year closing work, the proposed write-off of debts totalling £0.2m under delegation as detailed in section 16.
- 2.2.3 Agree the proposed write off of the specific debts each over £50k totalling a further £0.4m as detailed in section 16, with supporting detail in Appendix B.

### 3. POLICY CONTEXT

- 3.1 This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the borough's residents.
- 3.2 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. 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
- 3.3 This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the growing number of borough residents. The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy.
- 3.4 The Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.
- 3.5 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough for new homes, school improvements, regenerating town centres, renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. There is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to increase housing supply and business growth, through to our programmes of care and support to some of our most vulnerable and troubled families.

#### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



- 3.6 The pace, scope and scale of change has been immense: the current cost of living crisis is demanding agility, creativity, pace, leadership, organisational and personal resilience, strong communications and an unerring focus on the right priorities. The service and finance challenges following Covid are now blending with the wider economic implications of a decade of austerity and erosion of public services, the trading changes arising from Brexit, and the impacts from other global events (e.g. war in Ukraine, Covid lock downs in China, extreme climate events in India, etc..) on supply chains and inflation levels.
- 3.7 While we do not yet fully understand what all of the long-term implications of the above will mean for the borough, there have been many clear and visible impacts on our residents, Lewisham the place and also the Council. We know that coronavirus disproportionately affected certain population groups in Lewisham, matching patterns that have been identified nationally and internationally: older residents, residents born in the Americas & the Caribbean, Africa or the Middle East & Asia, and residents in the most deprived areas of the borough have considerably higher death rates. We know that more Lewisham residents are claiming unemployment benefits compared to the beginning of this year and that food insecurity has increased in the borough.

#### **4. GENERAL FUND OUTTURN POSITION**

- 4.1 The Council is reporting an overspend on general fund activities of £22.0m. This includes £6.4m of salary costs arising from the staff pay award and £2.2m of increased energy costs due to tariff increases, both of which are met from Provision and Reserves. The overspend is further mitigated by £4.0m of legacy Covid grant funding and £2.4m of funding held corporately, £1.4m of which relates to inflation (fully allocated in 2023/24) and £1m set aside to fund Children and Young People's overspend. These mitigations were reported through the in-year monitoring and remain as planned, this leaves a remaining overspend of £7.0m, which is an improvement (reduced overspend) of £2.6m from the position reported to Mayor and Cabinet in February.

**Table 1 – General Fund Outturn Position**

General Fund	Net Budget	Net Spend	Outturn Budget Variance	Budget Report Variance	Movement since Budget Report
	£m	£m	£m	£m	£m
Children & Young People	61.3	68.9	7.6	9.6	(2.0)
Community Services	82.4	84.0	1.6	2.1	(0.5)
Housing, Regeneration and Public Realm	21.7	26.4	4.7	6.0	(1.3)
Corporate Resources	33.8	32.9	(0.9)	0.0	(0.9)
Chief Executives	10.4	10.8	0.4	0.0	0.4
Salary Pressure	0.0	6.4	6.4	4.1	2.3
Energy Pressure	0.0	2.2	2.2	2.5	(0.3)
<b>Directorate Totals</b>	<b>209.6</b>	<b>231.6</b>	<b>22.0</b>	<b>24.3</b>	<b>(2.3)</b>
Corporate Items	39.0	36.6	(2.4)	(4.1)	1.7
<b>Corporate Budget</b>	<b>39.0</b>	<b>36.6</b>	<b>(2.4)</b>	<b>(4.1)</b>	<b>1.7</b>
Salary Pressure Provision and Reserves	0.0	(6.4)	(6.4)	(6.6)	0.2
Energy Pressure Provision and Reserves	0.0	(2.2)	(2.2)	0.0	(2.2)
Covid Funding from Reserves	0.0	(4.0)	(4.0)	(4.0)	0.0
<b>Provisions and Reserves</b>	<b>0.0</b>	<b>(12.6)</b>	<b>(12.6)</b>	<b>(10.6)</b>	<b>(2.0)</b>
<b>Total</b>	<b>248.6</b>	<b>255.6</b>	<b>7.0</b>	<b>9.6</b>	<b>(2.6)</b>

4.2 The movement since the position reported to Mayor and Cabinet in February is detailed below by Directorate:

- Children and Young People: £2m favourable movement due to reduced expenditure on placements following a detailed review of the recently developed service placement tracker, changes in need for individual children and less high cost placements than anticipated in the later part of 2022/23.
- Community Services: £0.5m favourable movement largely due to a one off refund the service have received from the multi-borough coroners court scheme relating to prior year activity.
- Housing, Regeneration and Public Realm: £1.3m favourable movement due to an improvement in the level of highways and transport income, increased rental income in regeneration and utilising the winter support grant funding against expenditure incurred within housing services.
- Corporate Resources: £0.9m favourable movement due to vacant posts across the Directorate, including the programme office and transformation teams which have transferred from the Chief Executives Directorate since the budget report.
- Chief Executives: £0.4m adverse movement due to both internal staff and externally commissioned expenditure on Legal Services, this had previously been offset by the underspend on services which have now transferred into Corporate Resources.

4.3 As in previous years, any overspend in service budgets must be funded through the use of corporate provision budgets where there is capacity or the use of reserves.

## 5. COVID GRANT FUNDING AND UTILISATION

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

5.1 The Council had some legacy Covid grant funding carried forward from 2021/22. The full remaining £4.0m has been utilised to mitigate some of the service pressures incurred during 2022/23. Namely, temporary accommodation costs and Children’s and Adult Social Care demand pressures. For transparency (i.e. noting this is once off monies) this is shown within the Covid funding from reserves line as opposed to the service totals.

## 6. SAVINGS

6.1 The table below shows the savings programme for 2022/23 by Directorate. In 2022/23, there were £25.8m of savings to be delivered, including £5.6m as yet undelivered from 2020/21, £8.4m undelivered from 2021/22 and £11.8m new savings for 2022/23.

**Table 2 – Savings Programme by Directorate**

Savings Programme by Directorate	2020/21 £m	2021/22 £m	2022/23 £m	Totals £m
Children & Young People	1.3	0.7	3.7	5.7
Community Services	2.9	7.0	2.8	12.7
Housing, Regeneration and Public Realm	1.2	0.0	3.7	4.9
Corporate Resources	0.2	0.7	1.4	2.3
Chief Executives	0.0	0.0	0.2	0.2
<b>Totals</b>	<b>5.6</b>	<b>8.4</b>	<b>11.8</b>	<b>25.8</b>

6.2 The table below shows a summary savings delivery position at the end of 2022/23. At the end of of 2022/23, £7.9m of savings remained undelivered.

**Table 3 – Savings Summary Position**

Savings Summary Position	To be Delivered £m	Delivered £m	Shortfall £m
2020/21	5.6	(3.4)	2.2
2021/22	8.4	(4.6)	3.8
2022/23	11.8	(9.9)	1.9
<b>Totals</b>	<b>25.8</b>	<b>(17.9)</b>	<b>7.9</b>

6.3 The table below shows the undelivered prior year savings of £7.7m which remain to be delivered by Directorate (£0.2m deemed unachievable and removed as part of budget setting for 2023/24). There are also £12.6m of further savings approved as part of the 2023/24 budget setting process that also now need to be delivered – total to be delivered in 2023/24 of £20.3m. A detailed breakdown of the savings programme is provided in Appendix A.

**Table 4 – Undelivered Savings by Directorate**

Undelivered Savings by Directorate	2020/21 £m	2021/22 £m	2022/23 £m	Totals £m
Children & Young People	1.4	0.0	1.2	2.6
Community Services	0.4	3.4	0.4	4.2
Housing, Regeneration and Public Realm	0.1	0.0	0.0	0.1
Corporate Resources	0.0	0.4	0.4	0.8
Chief Executives	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>1.9</b>	<b>3.8</b>	<b>2.0</b>	<b>7.7</b>

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 7. CHILDREN AND YOUNG PEOPLE

7.1 The Children and Young People's directorate is showing an overspend of £7.6m, this is before the planned application of £1m of corporate funding held within the corporate items budget to mitigate some of the overspend. The table below shows the variances by Division:

**Table 5 – Children and Young People Directorate Outturn**

Children and Young People Directorate Projected Outturn	Net Budget	Net Spend	Outturn Budget Variance	Budget Report Variance	Movement since Budget Report
	£m	£m	£m	£m	£m
Children's Social Care	52.0	57.5	5.5	8.1	(2.6)
Education Services	13.4	17.2	3.8	2.8	1.0
Family, Quality Commissioning	(2.1)	(3.8)	(1.7)	(1.3)	(0.4)
Schools	(2.0)	(2.0)	0.0	0.0	0.0
<b>Directorate Total</b>	<b>61.3</b>	<b>68.9</b>	<b>7.6</b>	<b>9.6</b>	<b>(2.0)</b>

7.2 **Children's Social Care:** £2.6m favourable movement from the position reported to Mayor and Cabinet in February. The improvement is due to reduced placement expenditure following a review of the service placement tracker, changes in need for individual children and less high cost placements in the later part of 2022/23 than previously anticipated. However placement expenditure incurred still exceeds the budgeted level, placements is a demand led budget, with the cost of placements dependent on the needs of the child, there are currently 445 Children Looked After (CLA) at the end of March 2023, compared to 475 CLA's in March 2022. However, it is important to note that whilst edge of care preventative interventions helps to manage placement demand, the children who do enter care have more complex need and therefore require higher cost placements. The expenditure incurred is comparable with the level of expenditure in 2022/23 suggesting that additional costs arising due to Covid remain within the system or have been replaced by costs at a similar level.

7.3 **Education Services:** The final outturn position shows an adverse moment of £1m since the position reported to Mayor and Cabinet in February. The transport service is forecast to overspend by £2.2m, elsewhere within the service there is a £0.6m pressure on Education Psychology and £1m pressure on Children with Complex Needs. It should be noted that in line with the majority of Local Authorities, the number of Education Health Care Plans (EHCP's) and the associated severity of targeted need continues to increase year on year. All EHCP require assessment by Educational Psychologists as part of the statutory framework and approximately 1 in 3 pupils with a plan are likely to need transport support. The education service is currently working towards a mitigation plan, which aims to place more pupils in Lewisham and is also working with the Department for Education (DfE) as part of the Delivering Better Value support package.

7.4 **Families, Quality and Commissioning:** The service has an underspend of £1.7m, a further underspend of £0.4m since the position reported to Mayor and Cabinet in February. The underspend is due to contract efficiencies on Children's centres of £0.5m, service

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

redesign and improved income on Child and Adolescent Mental Health Services of £0.4m and £0.4m reduced expenditure on Youth offending services due to effective interventions with young people at risk of entering the youth justice system. Staff vacancies and successful bids for additional grant funding have contributed towards the remaining underspend.

- 7.5 **Schools:** Unchanged from the position reported as part of the budget report in February in terms of any immediate impact on the General Fund.

## 8. COMMUNITIES

- 8.1 The Communities Directorate is showing an overspend of £1.6m, an improvement of £0.5m compared to the position reported to Mayor and Cabinet as part of the budget report. The table below shows the variances by Division:

**Table 6 – Community Services Directorate Outturn**

Community Services	Net Budget	Net Spend	Outturn Budget Variance	Budget Report Variance	Movement since Budget Report
Adults' Social Care	62.3	65.6	3.3	1.9	1.4
Integrated Commissioning	7.6	6.4	(1.2)	0.0	(1.2)
Public Health	(0.9)	(0.9)	0.0	0.0	0.0
Communities, Partnerships and Leisure	9.0	8.7	(0.3)	0.1	(0.4)
Culture, Learning and Libraries	3.5	3.3	(0.2)	0.1	(0.3)
Reserves and Provision	0.9	0.9	0.0	0.0	0.0
<b>Directorate Total</b>	<b>82.4</b>	<b>84.0</b>	<b>1.6</b>	<b>2.1</b>	<b>(0.5)</b>

- 8.2 **Adult Social Care and Integrated Commissioning:** There is an adverse movement of £0.2m across these Services since the projected outturn was reported to Mayor and Cabinet in February (the services are best viewed together due to the links between the two). The service have funded £2.8m of payments to Newton Europe without significantly worsening the reported position, due in part to higher than forecast client contributions of £0.3m, a reduction in expenditure of Homecare packages of £0.4m and additional contributions from Health partners of £0.3m. Due to undelivered savings of £4.2m, a significant amount of one off health reserves (in agreement with Health) have been used to bring the pressure down to £2.1m, these savings will need to be delivered in 2023/24. The level of Adult Social Care debt is £17.4m from £14m in 2021/22, this has led to a contribution to the Adult Social Care bad debt provision in 2022/23 of £2.4m, the service area and the debtors team continue to work on collecting this debt.
- 8.3 **Public Health:** The grant has been fully spent on Public Health expenditure with a residual unused element added to the Public Health Reserve.
- 8.4 **Communities, Partnerships and Leisure:** An improvement of £0.4m since the position reported to Mayor and Cabinet as part of the budget report in February due to a refund from the Coroners Court for an overpayment made in prior years.

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

8.5 **Culture, Learning and Libraries:** An improvement of £0.3m since the position reported to Mayor and Cabinet due to a reduction in spend on operational budgets in relation to the Book Fund and to the running costs of the new Catford Library where final costs were lower than projected.

## 9. HOUSING, REGENERATION AND PUBLIC REALM

9.1 The Housing, Regeneration and Public Realm Directorate is showing an overspend of £4.7m. The table below shows the variances by Division:

**Table 7 – Housing, Regeneration and Public Realm Directorate Outturn**

Housing, Regeneration and Public Realm	Net Budget	Net Spend	Outturn Budget Variance	Budget Report Variance	Movement since Budget Report
Strategic Housing	3.8	7.9	4.1	4.5	(0.4)
Public Realm	17.6	18.2	0.6	1.2	(0.6)
Regeneration	(0.4)	(0.5)	(0.1)	0.3	(0.4)
Planning	0.7	0.7	0.0	0.0	0.0
<b>Directorate Total</b>	<b>21.7</b>	<b>26.4</b>	<b>4.7</b>	<b>6.0</b>	<b>(1.3)</b>

9.2 **Strategic Housing:** £0.4m favourable movement from the position reported to Mayor and Cabinet in February. The improvement is utilising the Winter Homelessness Grant funding against qualifying temporary accommodation costs. The £4.1m pressure is due the number of people accommodated within nightly paid accommodation which has increased from 985 at the start of April 2022 to 1,068 at the end of March 2023. This increase in numbers has put additional pressure on recharges for Housing Benefit payments which have exceeded the caps and limits (otherwise known as HB limitation recharges) and therefore not payable through the DWP Housing Benefit claim. The final HB limitation recharge to the service for the financial year 2022/23 was £10.8m, some £3.1m over and above the budgeted level. The remainder of the pressure is due to £0.2m of incentive payments to Landlords over and above the budgeted level (£1.0m cost offset by £0.8m Winter Homelessness Grant), these payments are made to maintain housing arrangements for people at significant risk of needing Temporary Accommodation. A further £0.8m pressure is due to prior tenant arrears from unpaid rental income (over and above the housing benefit contribution) that people make towards their nightly paid accommodation.

9.3 **Public Realm:** £0.6m favourable movement since the position reported to Mayor and Cabinet in February. The favourable movement is due to an improvement in Highways and Transport income, the remaining pressure is due to the increased costs of providing an enhanced fly tipping service at £0.5m and £0.1m pressure on fuel costs.

9.4 **Regeneration:** £0.4m favourable movement since the position reported to Mayor and Cabinet in February. This is due to an increase in commercial rents across the estate and building control income improvement.

9.5 **Planning:** Nil movement since the position reported to Mayor and Cabinet in February. The Planning Service have experienced pressures with staffing costs increasing across London due to demand for planning, urban design, landscape and conservation staff. Alongside this, with cost of living increases and uncertainty due to proposed legislative changes, fee income has been volatile across all type of applications and many larger applications which attract high fees have been delayed. Slowing house sales have also affected land charges income, robust financial management and work to review expenditure and cost recovery has minimised the impact of this volatility to bring the overall

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



Planning Service in on budget.

## 10. CORPORATE RESOURCES

10.1 The Corporate Resources Directorate is showing an underspend of £0.9m, an improvement of £0.9m from the position reported to Mayor and Cabinet in February. The table below shows the variances by Division:

**Table 8 – Corporate Resources Directorate Outturn**

Corporate Resources	Net Budget	Net Spend	Outturn Variance	Budget Report Variance	Movement since Budget Report
Assurance	2.7	2.4	(0.3)	(0.1)	(0.2)
Financial Services	5.5	5.0	(0.5)	(0.2)	(0.3)
Resident & Business Services	16.8	17.0	0.2	0.3	(0.1)
IT & Digital Services	9.5	9.2	(0.3)	0.0	(0.3)
Reserves and Provision	(0.7)	(0.7)	0.0	0.0	(0.0)
<b>Directorate Total</b>	<b>33.8</b>	<b>32.9</b>	<b>(0.9)</b>	<b>0.0</b>	<b>(0.9)</b>

10.2 **Assurance:** The service outturn has improved by £0.2m since the position reported to Mayor and Cabinet in February. The underspend is due to staff vacancies across the teams.

10.3 **Financial Services:** An improvement of £0.3m since the position reported to Mayor and Cabinet in February, the underspend is due to staff vacancies across the service and underspends on non staffing expenditure budgets.

10.4 **Residents and Business Services:** An £0.1m improvement since the position reported to Mayor and Cabinet in February. The overspend is due to the delayed implementation of the service restructure leading to delayed delivery of savings, these will be fully delivered in 2023/24. This is partially negated by underspends on supported accommodation costs and cleaning services within Facilities Management.

10.5 **IT and Digital Services:** An underspend of £0.3m is reported at outturn, an improvement from the balanced position reported to Mayor and Cabinet in February. This is due to underspends on Strategic Transformation and the Programme Management office, two services recently transferred into Corporate Resources from Chief Executive's Directorate.

10.6 **Reserves:** Unchanged position with a planned drawdown relating to Insurance of £0.7m.

## 11. CHIEF EXECUTIVE'S

11.1 The Chief Executive's Directorate is showing an overspend of £0.4m compared to a balanced position reported to Mayor and Cabinet in February. The table below shows the variances by Division:

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

**Table 9 – Chief Executive’s Directorate Outturn**

Chief Executive's	Net Budget	Net Spend	Outturn Variance	Budget Report Variance	Movement since Budget Report
Communications & Engagement	2.7	2.5	(0.2)	0.0	(0.2)
Law & Corporate Governance	5.2	6.0	0.8	0.0	0.8
People & Organisation Development	2.5	2.3	(0.2)	0.0	(0.2)
Reserves and Provision	0.0	(0.0)	(0.0)	0.0	(0.0)
<b>Directorate Total</b>	<b>10.4</b>	<b>10.8</b>	<b>0.4</b>	<b>0.0</b>	<b>0.4</b>

- 11.2 **Communications and Engagement:** The position has improved by £0.2m since the position presented to Mayor and Cabinet in February. This is due to staff vacancies within the service.
- 11.3 **Law and Corporate Governance:** An adverse movement off £0.8m compared to the position reported to Mayor and Cabinet in February. This is due to additional expenditure on Legal Services arising from recruitment challenges leading to additional agency usage and payments to external firms. This external work is planned to be completed in house during 2023/24, it should be noted that this was partially mitigated in previous reports by underspends on the services that have recently transferred to Corporate Resources.
- 11.4 **People & Organisational Development:** An underspend of £0.2m compared to a balanced position reported to Mayor and Cabinet in February. This is due to staffing vacancies within the service.

## 12. HOUSING REVENUE ACCOUNT (HRA)

- 12.1 The table below shows the HRA Outturn Position, which is a surplus of £1.1m due to reduced expenditure on capital leading to lower than budgeted interest charges, this surplus will be transferred to the HRA reserves for use in future years leaving the HRA account with a zero balance for the year. The revenue operational overspend was £6.5m. Capital underspent by £9.6m, this is due to slippage in the works schedule and the capital expenditure will be incurred in future years. There are several key movements within the reported position which are detailed below:



**Table 10 – HRA Outturn**

Housing Revenue Account	Net Budget	Net Forecast	Outturn Variance	Budget Report Variance	Movement
	£m	£m	£m	£m	£m
Housing, Regeneration and Public Realm – Housing	15.2	16.1	0.9	0.2	0.7
Lewisham Homes & Repairs & Maintenance	46.0	47.8	1.8	0.0	1.8
Resources	1.8	2.1	0.3	0.0	0.3
Centrally Managed Budgets	(63.0)	(67.1)	(4.1)	2.4	(6.5)
<b>Total</b>	<b>0.0</b>	<b>(1.1)</b>	<b>(1.1)</b>	<b>2.6</b>	<b>(3.7)</b>

- 12.2 **Housing, Regeneration and Public Realm (Housing):** The £0.9m overspend is due to additional costs incurred for the settlement of the 2022/23 pay deal across the service including Lewisham Homes. Within this position are £1.7m of development costs which could not be capitalised against the Building for Lewisham programme. This was partly off-set by additional hostel income of £0.1m, underspends on rehousing and lettings of £0.1m and other small underspends across the service of £0.1m.
- 12.3 **Lewisham Homes & Repairs & Maintenance Repairs & Maintenance:** The pressure is due to repairs and maintenance expenditure over and above the budget figures, this has arisen due to the volume of repair requests on the service and repair/material costs being higher than anticipated.
- 12.4 **Resources:** The net impact on these budgets is a overspend of £0.3m which mainly relates to additional insurance costs following retendering of the insurance contract.
- 12.5 **Centrally Managed Budgets:** There is a significant income target from the charging of major works at properties owned by leasehold tenants, currently work undertaken on a leaseholder’s property is charged to them upon completion, as opposed to in advance based on estimates. At 31 March, there was a shortfall of £2.4m against the income target with £3.6m of leasehold charges raised for 2022/23. It is anticipated that the remaining works will be billed in 2023/24, Lewisham Homes are planning to move to billing in advance as oppose to in arrears on leaseholder works from August 2023.
- 12.6 The income shortfall of £2.4m is mitigated by the following underspends/income received to leave a surplus of £4.1m:
- A reduction in the forecast interest charges of £1.5m due to the reduction in capital expenditure reducing the need for any external borrowing as well as a lower cash return on investment (CRI) on based on an actual rate of 3.7%.
  - An additional income of £0.9m from tenant’s rents and service charges due to void levels being lower than the budgeted rates.
  - An additional income of £0.2m from other rental charges on non-dwelling stock.
  - Additional income of £0.3m from Leaseholder charges.
  - An overspend on the energy budget of £0.8m, off-set by a drawdown from reserves held for that purpose.

- Other underspends of £0.5m.
- Bad debt impairments charged to the HRA were underspent by £3.1m due to an reduction in overall debt following the adjustments for the Thames Water refunds.

12.7 Lewisham Homes final capital expenditure was £55.3m against the general capital allocations re-profiled budget of £64.9m (was £77.8m). This is a forecast underspend of £9.6m against the re-profiled programme (or £22.5m against the original allocation). In addition, the development programme costs were £57.1m against an original allocation of £72.5m.

12.8 The HRA budgeted contribution from reserves is £17.5m. The forecasted contribution will now increase by £1.0m to reflect the £0.8m drawdown from the Energy Reserve and £0.2m for redundancy costs. This will leave the HRA in a balanced position for financial year 2022/23.

### 13. DEDICATED SCHOOLS GRANT (DSG)

13.1 The table below shows the final position for the DSG in 2022/23:

**Table 11 – DSG Outturn**

DSG Outturn	Schools Block £m	Central School Services Block £m	High Needs Block £m	Early Years Block £m	Total DSG Allocation £m
Gross	180.8	3.7	69.6	24.7	278.8
In year Virements	(0.7)	0.0	0.7	0.0	0.0
General Fund Resources	0.0	0.5	0.0	0.0	0.5
<b>DSG Budget</b>	180.1	4.2	70.3	24.7	279.3
Expenditure	180.1	4.8	73.8	24.7	283.4
<b>Total Spend</b>	180.1	4.8	73.8	24.7	283.4
<b>Net Position</b>	0.0	0.6	3.5	0.0	4.1
Application of funding	(0.1)	(0.6)	(0.9)	0.0	(1.6)
<b>Final Position</b>	(0.1)	0.0	2.6	0.0	2.5

13.2 The DSG has overspent by £2.5m in 2022/23, after the application of £1.6m one off funding.

13.3 The pressure is within the High Needs Block, the final position is after the transfer of £0.7m from the schools block and £0.9m of early years funding relating to 2021/22 which was confirmed in 2022/23.

13.3 The EY block position remain provisional until the Department for Education DfE has confirmed the final figures pending pupil number data validation. There is a potential underspend of £0.6m however this cannot be included until the DfE has formally advised the LA.

13.5 The table below shows the overall deficit on the DSG:

**Table 12 – DSG Overall Position**

DSG Overall	Schools Block £m	Central School Services Block £m	High Needs Block £m	Early Years Block £m	Total DSG Allocation £m
DSG Variance 2022/23	(0.1)	0.0	2.6	0.0	2.5
DSG Variance 2021/22	0.0	0.0	5.4	(1.3)	4.1
DSG Variance Prior Years	(0.3)	0.0	5.0	(0.2)	4.5
<b>Deficit/(Surplus) at end of 2022/23</b>	<b>(0.4)</b>	<b>0.0</b>	<b>13.0</b>	<b>(1.5)</b>	<b>11.1</b>

- 13.6 The DSG variance at the end of 2022/23 was less than previously anticipated due to the application of £1.6m of one off funding, explained above. It should be noted that at present the DSG remains a ringfenced grant and is not offset against the general fund position in the statement of accounts. The ringfenced status is expected to remain for a further 3 year period, after this point there is a strong possibility that the ringfenced status could cease. This would provide wider challenges for the councils overall financial position, it should be noted that Lewisham is not alone in this predicament.
- 13.7 The DfE is currently working with several Local Authorities (LA) using two different approaches. The first is known as the “safety valve” which is for LA’s with currently large levels of deficit, the second approach is the delivering better value (DBV) – which has three tranches and covers 55 Local Authorities. Lewisham is in the third tranche of the second approach which is expected to commence during the summer 2023. The programme will enable Lewisham to benefit from any best practice as well as being able to evidence the challenges Local Authorities face which is not suitably funded. Lewisham has further requested that the review is not solely restricted to Special Educational Need costs but extended to cover associated areas including Transport.
- 13.8 The overall schools position is a surplus of £19m, down from a surplus of £26m in 2021/22. There are now 21 schools are now in a deficit position; 2 nursery schools, 1 special school, 1 secondary school and 17 primary schools.
- 13.9 Schools Finance continues to work closely with Schools to support where this is possible. All schools in deficits will be required to progress a deficit recovery plan where one is not already in place.

#### 14. CAPITAL

- 14.1 The revised budgeted 2022/23 capital programme was £198.5m. This is made up of £48.1m General Fund (GF) budget and £150.5m Housing Revenue Account (HRA) budget. The GF expenditure was £33.8m or 70%, and the HRA expenditure was £112.4m or 75%. This gives a full programme outturn of £146.2m or 74% of revised budget. A breakdown of the 2022/23 Capital Programme can be seen in Table 13:

**Table 13 – Capital Outturn**

2022/23 Capital Programme	Revised Budget - March 2023	2022/23 Outturn	Spend against Budget
GENERAL FUND	£m	£m	%
CCTV Modernisation	0.5	0.0	0%
ICT - Tech Refresh	0.6	0.5	91%
Schools - School Places Programme	0.7	0.8	118%
Watergate School	0.2	0.2	114%
Greenvale School	2.1	2.2	108%
Riverside Youth Club	0.1	0.0	22%
Schools – Minor Works	3.9	3.9	100%
Schools – Other	0.2	0.2	99%
Highways & Bridges – TfL	1.0	1.0	97%
Highways & Bridges – LBL	4.7	2.3	48%
Asset Management Programme	0.8	0.9	111%
Corporate Estate Maintenance	1.7	0.9	52%
Other AMP Schemes	1.0	0.7	74%
Broadway Theatre	6.2	5.6	91%
Catford Phase 1 – Thomas Lane Yard/ CCC	0.3	0.2	67%
Catford Station Improvements	0.1	0.0	29%
Travellers Site Relocation	0.0	0.1	181%
Lewisham Gateway (Phase 2)	2.9	0.8	28%
Beckenham Place Park (Inc. Eastern Part)	0.7	0.7	94%
Catford Library (Winslade Way)	0.4	0.4	97%
Catford Town Centre	0.3	-0.1	-36%
Public Sector Decarbonisation	1.9	1.7	92%
A205 Road Realignment	1.8	0.6	36%
Other Miscellaneous Schemes	2.0	1.0	49%
Other General Fund Housing Schemes	2.6	1.6	64%
Deptford Southern Sites Regeneration	1.0	0.5	52%
Milford Towers Decant	0.3	0.3	119%
Edward St. Development	1.3	0.2	19%
Achilles St Development	0.8	1.5	197%
Place Ladywell	1.0	0.6	59%
Temporary Accommodation - Mayow Rd	5.9	3.6	61%
Temporary Accommodation - Canonbie Rd	0.6	0.2	38%
Temporary Accommodation - Morton House	0.1	0.0	80%
Temporary Accommodation - Manor Avenue	0.2	0.0	20%
Private Sector Grants and Loans	0.6	0.5	88%
<b>TOTAL GENERAL FUND</b>	<b>48.1</b>	<b>33.8</b>	<b>70%</b>
<b>HOUSING REVENUE ACCOUNT</b>			
Building for Lewisham Programme (BFL)	72.7	57.2	79%
Decent Homes Programme	74.7	54.1	72%
Housing Management System	2.2	0.8	35%
Other HRA Schemes	0.9	0.4	43%
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>150.5</b>	<b>112.4</b>	<b>75%</b>
<b>TOTAL PROGRAMME</b>	<b>198.6</b>	<b>146.2</b>	<b>74%</b>

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- 14.2 There are numerous schemes with in-year overspends, these schemes all have budget in future years and the overspend is due to the project being ahead of schedule. Additional commentary on high value schemes and schemes with large underspends is provided:
- 14.3 **Greenvale school:** The final cost of the Greenvale School Expansion project is £111m which has delivered a new secondary special education needs school building for 93 students. The project was completed, and the school opened in time for the start of the academic year. The project spent slightly more than budgeted in year, however there is some budget remaining in 2023/24 for any final costs.
- 14.4 **Broadway Theatre:** The Broadway Theatre Works project addresses the urgent health and safety, mechanical and electrical, Disability Discrimination Act and compliance requirements within the building, along with the overdue upgrade/refurbishment of identified areas throughout the building. This project is nearing completion as the Theatre is now in operation.
- 14.5 **Catford Town Centre:** This project had previously been used to fund the A205 realignment project, and the underspend this year comes from the re-imburement to this budget.
- 14.6 **Edward Street Development:** The project involves the delivery of high-quality two-bed apartments and units for affordable commercial uses, using modular construction methods. The original contractor for this project has gone into administration meaning that this project is currently on hold whilst the next steps are determined.
- 14.7 **Temporary Accommodation - Mayow Rd:** The project involves the demolition of premises at Mayow Road to facilitate the planned redevelopment of the site and construction of a 6 or 7 storey building, comprising of temporary accommodation and supported living homes. The contractor has experienced impaired productivity due to material and labour shortages and the anticipated completion has been pushed back.

**Table 14 - Future Capital Programme Budgets**

Capital Expenditure	Budgets					
	2023/24	2024/25	2025/26	2026/27	Future Years	Total
	£m	£m	£m	£m	£m	£m
General Fund	71.3	28.9	52.8	10.3	0.0	<b>163.2</b>
Housing Revenue Account	183.1	146.1	87.6	8.1	0.0	<b>424.8</b>
<b>Total Programme</b>	<b>254.4</b>	<b>174.9</b>	<b>140.4</b>	<b>18.4</b>	<b>0.0</b>	<b>588.0</b>

## 15. COLLECTION FUND

- 15.1 **Council Tax** - The collection rate for 2022/23 was 92.8% against a target of 96% which is £5.5m below the targeted level. Work to collect the debt due continues, with enforcement activity where necessary, and it is anticipated that this will increase the collection rate for the year by between 1-1.5%. The remaining shortfall will be factored into future year Collection Fund budget as a deficit, reducing the budget available for service spending on those years.

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

**Table 15 – Council Tax Collected**

Council Tax	Cash Collected (cumulative)	Cash needed to meet 96% Profile	Difference between collected and 96% profile	Current Year Collection Rate%	Required Collection Rate to reach 96%	Difference	2021/22 % Collected
<b>Mar-23</b>	157,787,389	163,257,795	5,470,406	92.8%	96.0%	<b>-3.2%</b>	92.4%

15.2 **Business Rates** - The collection rate for 2021/22 was 96% against a target of 99% which is £2m below the targeted level. Work on collection continues as noted above for CTax.

**Table 16 – Business Rates Collected**

Business Rates	Cash Collected (cumulative)	Cash needed to meet 99% Profile	Difference between collected and 99% profile	Current Year Collection Rate%	Required Collection Rate to reach 99%	Difference	2021/22 % Collected
<b>Mar-23</b>	<b>62,389,614</b>	<b>64,359,486</b>	<b>1,969,872</b>	<b>96.0%</b>	<b>99.0%</b>	<b>-3.0%</b>	<b>94.0%</b>

## 16. DEBT

- 16.1 The Council works hard to collect the monies owed to it for services provided and, where individuals may be struggling to pay, engages early and often over extended periods to work with customers to assist them pay. Only as a last resort will the Council use enforcement and court action to collect monies owed to it.
- 16.2 However, as for all organisations, it is not always possible to recover all debts owed. For example, some businesses stop trading or individuals leave the Borough and cannot be traced. The Council therefore routinely sets aside funding in the accounts for uncollected debt, consistent with the policies and judgements set out and audited by the external auditors. At the 31 March 2021, the most recent audited accounts, the balance being held against all uncollected debts (Sundry Debts, Council tax, Business Rates and Housing Benefit overpayment recovery) was £99.6m.
- 16.3 In 2021/22, £126.1m of debt was outstanding across the 4 categories, write offs of £42m were proposed and agreed. This was aimed at some specific debts that were no longer deemed recoverable and largely focussed on clearing the accounts of the older debts. These were typically over six years old (or four years in the case of Sundry debts), with some going back more than ten years. This will enable recovery work to be concentrated on live accounts to ensure the most success in collecting monies owed to the Council.

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



**Table 17 – Debt Write Offs agreed in 2021/22 outturn report**

<b>Debt Summary</b>	<b>Amount Outstanding at 31 March 2022</b>	<b>Write Offs Agreed by M&amp;C</b>
	<b>£</b>	<b>£</b>
General Fund Sundry Debtor	21,922,842	2,141,936
Housing Benefit Overpayments	23,817,821	10,543,640
Council Tax	73,222,018	28,742,709
Business Rates	7,161,208	527,698
<b>Total</b>	<b>126,123,889</b>	<b>41,955,983</b>

- 16.4 Due to some resourcing and system challenges only £7.1m has been written off on the system (although it has been from the financial statements) at 31 May 2023. The bulk of the debt not yet written off is within Council Tax system and it is expected these will be actioned in the coming months.
- 16.5 As a result there is currently £133.5m of debt showing as outstanding within the system. This debt value will decrease by at least £28.3m once the remaining Sundry Debt and Council tax debt write offs have been processed. Business rates write offs were fully actioned in-year and the Housing benefit overpayment write offs require additional work. Therefore the level of unpaid on the various financial systems will be approximately £105m.
- 16.6 At this stage until those write offs have been actioned within the system, it is not proposed to recommended further Sundry Debt, Council Tax or Housing Benefit overpayment write offs. These will be actioned in the Period 4 report to Mayor and Cabinet later in the year and in quarterly reports moving forward.
- 16.7 At this stage £0.2m of Business Rates debt which was raised before the 31<sup>st</sup> March 2017 is proposed for write off, there is also £0.4m of debt for 4 companies who owe the council more than £0.05m individually. These are detailed further with explanations in Appendix B.

## **17. FINANCIAL IMPLICATIONS**

- 17.1 This report concerns the projected financial outturn for 2022/23. Therefore, any financial implications are contained within the body of the report.

## **18. LEGAL IMPLICATIONS**

- 18.1 The Council is under a duty to balance its budget and cannot knowingly budget for a deficit. It is imperative that there is diligent monitoring of the Council's spend and steps taken to bring it into balance.
- 18.2 The individual debts recommended for write off in section 16 of the report and detailed at Appendix C are presented in compliance with the delegations as set out in the Constitution:
- Part 2 Articles, under Article 16, section 16.2 Key Decisions, paragraph c, point (xiv) which state;
- writing off any bad debt in excess of £50,000, unless the Council has within the last 3 years already written off debts for the person/organisation concerned totalling that amount in which case any further write off would be a key decision.

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 19. CRIME AND DISORDER, CLIMATE AND ENVIRONMENT IMPLICATIONS

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

## 20. EQUALITIES IMPLICATIONS

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

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

## 21. BACKGROUND PAPERS

Short Title of Report	Date	Location	Contact
Outturn Report 2021/22	22 <sup>nd</sup> June 2022	1 <sup>st</sup> Floor Laurence House	David Austin
Monitoring Report Period 7 2022/23	7 <sup>th</sup> December 2022	1 <sup>st</sup> Floor Laurence House	David Austin
Budget Report 2022/23	1st March 2021 (Council)	1 <sup>st</sup> Floor Laurence House	David Austin

## 22. REPORT AUTHOR AND CONTACT

David Austin, Director of Finance [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk); or  
Nick Penny, Head of Service Finance [nick.penny@lewisham.gov.uk](mailto:nick.penny@lewisham.gov.uk)



**APPENDIX A – 2022/23 Savings Tracker**

Year	Ref	Directorate	Director	Proposal	Savings Shortfall	Risk Rating of Saving in 2022/23	Finance View
2020/21	CYP01	CYP	Lucie Heyes	More efficient use of residential placements	300		Elements of these savings may have been achieved but have been negated by increased demand/cost arising within the service. A review is to be undertaken in early 2023/24.
2020/21	CYP03	CYP	Lucie Heyes	More systematic and proactive management of the market	600		
2020/21	CYP04	CYP	Lucie Heyes	Commission semi-independent accommodation for care leavers	250		

2020/21	CYP05	CYP	Lucie Heyes	Residential framework for young people. Joint SE London Commissioning Programme	200		
2022/23	E-05	CYP	Angela Scattergood	Traded services with schools	50		No agreement in place with schools as yet
2022/23	E-06	CYP	Lucie Heyes	Reduce care leaver costs	100		Elements of these savings may have been achieved but have been negated by increased demand/cost arising within the service. A review is to be undertaken in early 2023/24.
2022/23	F-02	CYP	Lucie Heyes	Children Social Care Demand management	500		

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2022/23	F-03	CYP	Lucie Heyes	Children Service reconfiguration - fostering	250		Delivery slower than anticipated, no achievement in 22/23.
2022/23	F-05	CYP	Lucie Heyes	VfM commissioning and contract management - CSC	250		Elements of this savings may have been achieved but have been negated by increased demand/cost arising within the service. A review is to be undertaken in early 2023/24.
<b>CYP Subtotal</b>					<b>2,500</b>		

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2020/21	COM2A	Comm	Joan Hutton	Ensuring support plans optimise value for money	400	Task group set up aimed at progressing this saving. Savings delivered in part due to optimising value for money have been badged against F01 - Adult Social Care Demand Management in the first instance
---------	-------	------	-------------	-------------------------------------------------	-----	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2021/22	F-01	Comm	Joan Hutton	Adult Social Care Demand management	1,100		A review programme to assess whether the level of packages is correct. It is now expected that this saving will be delivered in 23-24 as the programme and processes get more embeded in care team and management. There is also more resources dedicated to ths programme to expedite these savings
---------	------	------	-------------	-------------------------------------	-------	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2021/22	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	2,249		This is the saving being delivered as part of the Newton programme, the programme delivered £1.6m savings in 22/23 with the remainder delivered in 23/24.
2022/23	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	430		Continuation of the review savings across COM1A and F-01
<b>Communities</b>					<b>4,179</b>		

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2020/21	CUS04	HRPR	Zahur Khan	Income generation - increase in commercial waste charges	100		£100k still to be delivered in 23/24
2020/21	RES15	HRPR	Patrick Dubeck	Commercial estate growth	300		£300k unachievable and removed as part of 23/24 budget setting
<b>Housing, Regen and Public Realm</b>					<b>400</b>		
2021/22	A-05	Corp	Mick Lear	Revs and Bens - additional process automation	400		Delayed implemetation of the service restructure, full delivery expected in 23/24

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2022/23	A-06	Corp	Mick Lear	Revs and Bens - Generic roles	400		Delayed implemetation of the service restructure, full delivery expected in 23/24
<b>Corporate Resources</b>					<b>800</b>		
<b>Total</b>					<b>7,879</b>		

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



## **APPENDIX B – Business Rates: Individual debts over £50k to be written off**

### **Shop and premise at 40B Lewisham Centre, Riverdale, Lewisham, London SE13 7EP**

Total: £67,506 Period 1/6/22 – 1/4/24

The account was opened further to the company entering Administration on 1st June 2022. Bills were issued to the insolvency practitioners. No dividends were received and cannot continue recovery past final notice with the company being in administration. The Joint Administrators' First Progress Report published on 23 December 2022 confirms there are expected to be insufficient funds to enable a distribution to unsecured creditors

### **Retail Warehouse and Premises at Unit 3 Lewisham Retail Park, Loampit Vale, London SE13 7SN**

Total: £155,592 Period 27/9/18 – 15/11/19

The account was opened in 2018 and bills were issued to the property address. No payment was received and as such, the debtor defaulted on their statutory instalments and recovery proceedings commenced. The Council subsequently obtained a Liability Order in August 2019, and the account was passed to Newlyn the Council's Enforcement Agents for collection. However, the debtor still failed to make payment. The Charity subsequently became insolvent and therefore Council are unable to continue to pursue the debt.

### **Retail Warehouse and Premises at Unit 3 Bromley Road Retail Park, 124 to 138 Bromley Road, London, SE6 2QU**

Total: £112,012 Period 30/6/20 – 16/4/21

The account was opened further to the company entering Administration on 30 June 2020. Bills were issued to the insolvency practitioners. No dividends were received and cannot continue recovery past final notice with the company being in administration. The Council received a letter from the Insolvency Practitioners detailing a full and final dividend amount for the previous account confirming that no further dividends will be issued.

### **Shop and Premises at 104 to 106 Rushey Green, Catford, London, SE6 4HW**

Total: £62,104 Period 10/12/21 – 30/5/23

Account was opened further to the lease agreement received. The account was set to empty as it had been confirmed as empty for a while. The bills were being returned from the registered office. A forwarding address was not able to be located but the company was still active on companies house so continued to send bill to their registered office. During summons vetting in May 2023, it was noticed that the company had recently dissolved on 30 May

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2023. The account was closed on this date and the balance to be written off is for the period the company was active.



## Public Accounts Select Committee

### Financial Monitoring 2023/24

**Date:** Thursday 28<sup>th</sup> June 2023

**Key decision:** No

**Class:** Part 1

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

**Contributors:** Executive Director for Corporate Resources

### Outline and recommendations

This report presents the financial monitoring position for the 2023/24 financial year, setting out the position as at 31 May 2023.

The report covers the latest position on the Council's General Fund, Dedicated Schools Grant, Housing Revenue Account, Collection Fund and Capital Programme. It also provides an update on the progress against savings delivery.

The Council-wide financial forecast for General Fund activities is an overspend of £12.4m, the position assumes delivery of £17.7m of the £20.2m savings programme for 2023/24.

The Dedicated Schools Grant is expected to overspend by £5.2m on the High Needs block due to the level of demand exceeding the funding available.

The Housing Revenue Account is projecting a balanced position at the end of 2023/24, however there is a significant risk of an overspend on Repairs and Maintenance.

Capital expenditure profiles of £79.7m for the general fund and £139.1m for the Housing revenue account have been set following a reprofiling exercise undertaken in May 2023. To date £8.1m of expenditure has been incurred at the 31st May.

At the 31st May, 18.3% of council tax due had been collected which is (0.9% or £1.6m) below the targeted level, at the same date, 22.4% of business rates due had been collected which remains (2.6% or £1.5m) below the targeted level.

Financial monitoring will continue throughout the year and Executive Directors will work to manage down the reported budget pressure within their directorates in a drive to bring spend back into line with cash-limited budgets.

## Timeline of engagement and decision-making

7<sup>th</sup> June 2023 – Period 2 (May) Financial Monitoring 2023/24 to Executive Management Team

28<sup>th</sup> June 2023 – Period 2 (May) Financial Monitoring 2023/24 to Public Accounts Select Committee

19<sup>th</sup> July 2023 - Period 2 (May) Financial Monitoring 2023/24 to Mayor and Cabinet

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecasts for 2023/24 as at 31st May. The key areas to note are as follows:
- 1.2 The General Fund (GF) has a forecast overspend of £12.4m against the directorates' net general fund revenue budget, after utilising £2m of corporate funding set aside to fund costs arising from the Fair Cost of Care reform.
- 1.3 The GF reported position assumes delivery of £5.1m of the £7.6m legacy savings from 2023/23 or earlier. The position also assumes £12.6m of the new savings for 2023/24 are delivered, if these savings cannot be delivered, this will worsen the reported position.
- 1.4 A risk section has been prepared highlighting areas of concern that may become financial pressures as the year continues, work is ongoing to more accurately quantify and monitor these risks for future iterations of the report. This is set out in more detail in section 11 of the report.
- 1.5 The dedicated schools grant (DSG) is projected to overspend by £5.2m on the high needs block, this is set out in more detail in section 12 of the report.
- 1.6 The Housing Revenue Account (HRA) is projecting a balanced position at the end of 2023/24, however there is a significant risk of an overspend on Repairs and Maintenance. This is set out in more detail in section 13 of the report.
- 1.7 The capital budgets have been reprofiled as part of closing 2022/23. The profiled capital spend for the general fund capital programme is £79.7m and the HRA programme £139.1m. This is set out in more detail in section 14 of the report.
- 1.8 As at 31 May, 18.3% of council tax due had been collected which remains (0.9% or £1.6m) adrift of the targeted level. At the same date, 22.4% of business rates due had been collected which remains (2.6% or £1.5m) adrift of the targeted level. This is set out in more detail in section 15 of the report.

### 2.0 PURPOSE AND RECOMMENDATIONS

- 2.1 The purpose of this report is to set out the financial forecasts for 2023/24 as at the end of May 2023, projected to the year-end, 31 March 2023.
- 2.2 Members of the Public Accounts Select Committee are asked to: Note the current financial forecasts for the year ending 31 March 2024 and that Executive Directors will continue to work in bringing forward action plans to manage down budget pressures within their directorates.

### 3.0 POLICY CONTEXT

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

#### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- 3.2 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. 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
- 3.3 This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the growing number of borough residents. The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy.
- 3.4 The Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.
- 3.5 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough for new homes, school improvements, regenerating town centres, renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. There is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to increase housing supply and business growth, through to our programmes of care and support to some of our most vulnerable and troubled families.
- 3.6 The pace, scope and scale of change has been immense: the current cost of living crisis is demanding agility, creativity, pace, leadership, organisational and personal resilience, strong communications and an unerring focus on the right priorities. The service and finance challenges following Covid are now blending with the wider economic implications of a decade of austerity and erosion of public services, the trading changes arising from Brexit, and the impacts from other global events (e.g. war in Ukraine, Covid lock downs in China, extreme climate events in India, etc..) on supply chains and inflation levels.
- 3.7 While we do not yet fully understand what all of the long-term implications of the above will mean for the borough, there have been many clear and visible impacts on our residents, Lewisham the place and also the Council. We know that coronavirus disproportionately affected certain population groups in Lewisham, matching patterns that have been identified nationally and internationally: older residents, residents born in the Americas & the Caribbean, Africa or the Middle East & Asia, and residents in the most deprived areas of the borough have considerably higher death rates. We know that more Lewisham

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

residents are claiming unemployment benefits compared to the beginning of this year and that food insecurity has increased in the borough.

#### 4.0 GENERAL FUND POSITION

- 4.1 The Council is reporting an overspend on general fund activities of £12.4m as shown in the table below

**Table 1 – General Fund Outturn Position for 2023/24**

Directorate	Net Budget	Net Forecast	Period 2 Variance
Children and Young People	75.2	83.0	7.8
Communities	85.4	86.4	1.0
Place and Housing	27.7	30.7	3.0
Corporate Resources	38.0	38.0	0.0
Chief Executive	11.0	11.6	0.6
<b>Directorate Total</b>	<b>237.4</b>	<b>249.8</b>	<b>12.4</b>
Corporate Items	26.3	26.3	0.0
<b>General Fund Total</b>	<b>263.7</b>	<b>276.1</b>	<b>12.4</b>

- 4.2 The above positions assumes energy costs and the impact of the staff pay award can be managed within the funding set aside for these corporately, if this is not the case this will worsen the position reported above. £2m of Corporate funding held within corporate items is being utilised to bring down the Adult Social Care pressure as the funding has been held to meet the 2023/24 costs arising from the fair cost of care reform.

#### 5.0 SAVINGS DELIVERY

- 5.1 At the start of 2023 there were £7.6m of savings from 2022/23 (and older) which remain undelivered. These are shown in Appendix A of this report, an assessment of the expected delivery of these savings has been made and is reflected in the above monitoring position. The Children and Young People’s savings are to be reviewed on a line by line basis by the service and finance to assess if these savings have been delivered but that demand and the cost of current placements has negated the financial impact of the delivery. If any of the £2.5m savings have not yet been delivered and can be in 2023/24, this will improve the reported position above.
- 5.2 In addition to these legacy savings, £12.6m of savings were agreed as part of the budget setting process. At this stage it is assumed that all of these will be achieved as part of the above budget monitoring position, therefore should this not be the case then the reported pressure of £12.4m will worsen. These are shown in appendix B of this report.
- 5.3 The tables below show the savings per Directorate and the current projected saving delivery for 2023/24, which is part of the monitoring position detailed in Section 4.

#### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

**Table 2 – Savings to be delivered in 2023/24**

Savings to be delivered by Directorate	2022/23 (and Older)	2023/24	Totals
	£m	£m	£m
Children & Young People	2.5	2.3	4.8
Community Services	4.2	3.2	7.4
Place and Housing	0.1	3.3	3.4
Corporate Resources	0.8	0.3	1.1
Chief Executives	0.0	0.8	0.8
Corporate Items/All	0.0	2.8	2.8
<b>Totals</b>	<b>7.6</b>	<b>12.6</b>	<b>20.2</b>

**Table 3 – Savings Programme delivery status**

Savings Programme by Directorate	Savings to be delivered	Expected Delivery	Shortfall
	£m	£m	£m
Children & Young People	4.8	2.3	2.5
Community Services	7.4	7.4	0.0
Place and Housing	3.4	3.4	0.0
Corporate Resources	1.1	1.1	0.0
Chief Executives	0.8	0.8	0.0
Corporate Items/All	2.8	2.8	0.0
<b>Totals</b>	<b>20.2</b>	<b>17.7</b>	<b>2.5</b>

## 6.0 CHILDREN AND YOUNG PEOPLE DIRECTORATE

- 6.1 **Children’s Social Care:** The Projected outturn for 2023/24 is currently forecast at £5.5m and is largely based on the 2022/23 outturn. The directorate have been working towards more intervention and support strategies, this involves improved commissioning work with the PAN London Commissioning Alliance to secure more favourable rates and work undertaken to create alternative capacity such as the Amersham and Northover in house provision as well as further support offered to parents and young people.
- 6.2 As the actions embed, the expectation is for a stabilisation in placement numbers and costs with a focus in the longer term of working towards a reduction in the cost base. However, there is a risk this reduction will be offset by increased costs associated with early intervention and support work including staffing and section 17 intervention such as mental health, legal etc.
- 6.3 This work is aimed at further reducing the number of Children Looked After (CLA’s), for context in May 2022 there were 479 CLA’s compared to 435 CLA’s in April 2023. This reduction is a positive and reflects the work being undertaken by the service, however it is likely that Children who need new placement arrangements have a high level of need meaning a higher cost, reflecting the change of focus. For context, a pupil costing £0.010m a week, will cost £0.5m per annum. Whilst the focus moves towards early

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



intervention and support, this service remains high risk statutory and regulated.

- 6.2 **Education Services:** £2.8m pressure assumed at this stage of the year, this is the residual pressure on home to school transport of £1.2m (after £1.5m of corporate pressures funding added to the budget in 2023/24), £1m pressure on Children with complex needs which has emerged as a pressure since the budget setting process for 2023/24 and £0.6m pressure on Education Psychologists due to the continued increasing numbers of Education, health and care plans.
- 6.3 **Family, Quality and Commissioning:** £0.5m underspend due to service redesign in relation to CAMHS and additional grant funding in the Youth Offending Service.

## 7.0 COMMUNITY SERVICES DIRECTORATE

- 7.1 **Adult Social Care and Commissioning:** £1m forecast overspend at Period 2. This position assumes full delivery of savings including those carried forward from prior years. The underlying reason for the overspend remains Hospital discharges which continues to show a post pandemic surge (Covid legacy), with discharged clients being moved onto longer term packages and some requiring more complex support. The council is receiving funding from our Health partners to help mitigate this pressure and the known funding has been assumed within the current projection.
- 7.2 The projected level of pressure on Adult Social Care is £3m, this takes into account anticipated health funding in 2023/24, as well as assumed delivery of all the savings detailed in appendix A & B, as well as assumptions around inflation. There is £2m of corporate funding held to manage the financial impact of the Fair Cost of Care reform which brings the reported pressure down to £1m. A risk to the reported pressure is additional costs arising from children transitioning into Adulthood, despite additional budget there is a risk that the actual cost of placements exceeds the funded level.

## 8.0 PLACE AND HOUSING

- 8.1 **Strategic Housing:** £2m projected pressure on Housing at Period 2 with a risk of this increasing during the remainder of 2023/24, as the number of people using the nightly paid service continues to rise. At May 2023 there are 1,118 people in nightly paid services compared to 764 in April 2021 and 985 in April 2022. In addition, clients have a tendency to stay longer in temporary accommodation as the service is unable to move them on due to the unavailability suitable alternative accommodation. The reported pressure is after £3.5m additional funding allocated as part of the budget setting process.
- 8.2 The main pressure on the service relates to the Housing Benefit (HB) limitation recharge forecast (where rents are in excess of HB caps & limits and are therefore not covered by the department of works and pensions benefit subsidy), which is based on the numbers of clients accommodated in Temporary Accommodation (TA) and more specifically in nightly paid accommodation. At this early stage of the financial year it is unlikely that the full impact of the increase in numbers in the past 6 months, is reflected in the current forecast recharge which will be expected to increase if numbers remain as high as they are. As this is a demand lead service, variations in the numbers accommodated would see a corresponding increase in the recharge applied to the service.
- 8.3 In addition to this, providers of Nightly Paid accommodation continue to approach the authority with requests or notifications to increase the current rental charge to off-set the increase in costs. This has put further pressure on the service via the HB limitation recharge and increase the current forecast overspend.
- 8.4 The service is actively seeking to reduce numbers accommodated and is set to embark on the purchase of up to 300 new units for TA following the award of Greater London Authority (RTB) grant and Mayor and Cabinet approval. This will potentially reduce the numbers accommodated in expensive nightly paid (B&B) accommodation which receives

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



the highest HB limitation recharge at 70% of the total. The service are seeking to minimise the use of the most expensive PMA provider as far as possible and when there is no alternative to using these properties, move clients out as quickly as possible. Work is ongoing to maximise rent income collected and reduce arrears as well as working to place clients in accommodation that is more affordable and where the HB limitation recharge is either zero or lower than where we are currently placing clients. A reduction in numbers in nightly paid accommodation would see a reduction in the HB limitation recharge.

- 8.5 **Public Ream:** £1m pressure on Street Environmental Services, due to operational costs in refuse collection and street management. The service is actively working to manage these costs down by reconfiguring services and anticipates this will be achieved by the start of next financial year, an example of which is making changes to mobile crews but this will take time to fully implement.

## 9.0 CORPORATE RESOURCES DIRECTORATE

- 9.1 A balanced position is projected on the Corporate Resources directorate at Period 2.

## 10. CHIEF EXECUTIVES DIRECTORATE

- 10.1 **Legal Services:** £0.6m pressure on staffing costs, which is a recurrence of the pressure reported in the 2022/23 outturn report. Work is ongoing to complete more of the work internally though recruitment challenges mean this is not always possible and agency staff are required to deliver the work at a higher cost. Where work cannot be contained internally then there is an additional external cost, currently the potential cost of external legal work is being quantified however there is a risk of further pressures emerging later in the financial year.

## 11. GENERAL FUND RISKS

- 11.1 Below is a list of potential risks which are being worked through and quantified for 2023/24.
- 11.2 **Council Tax (Council Wide):** Collection rates for Council Tax may be impacted due to the challenging economic times, especially if unemployment rises significantly. This would put income budgets under pressure, a 1% reduction in collection rates compared to the budgeted level of income is £1.5m.
- 11.3 **Temporary Accommodation:** The £2m reported pressure is based on the average number of nightly paid service users from 2022/23 continuing into 2023/24, the average number of people in nightly paid in 2022/23 was 1,026 however there were 1,118 people in nightly paid in May 2023. If this level continues the estimated risk is a further pressure of up to £3m.
- 11.4 **Energy Care Homes:** There is a risk of an increased ask from Care Homes for inflation in both Adults and Children's Social Care due to the energy tariff price increases and wage increases across the sector.
- 11.5 **Planning:** The land charges function will be moving to the land registry this year, this migration is likely to affect the level of income received by the Council with the potential risk estimated at £0.4m.
- 11.6 **Collection Fund:** Collection rates for Business rates may be impacted due to the challenging economic times, which will put income budgets under pressure, especially if unemployment rises significantly.
- 11.7 **Market failings for Children Social Care placements:** The impact of reduced availability of adequate provision and a cost increase for the provision that is available.
- 11.8 **General inflationary costs:** The impact of general inflation (CPI currently 7.8% in April

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2023) on the £200m of goods and services procured each year by the Council (revenue) and £200m planned capital programme spend. The known impact of this is reflected in the reported position above, however as costs continue to increase further pressures may emerge.

- 11.9 **Cost of capital programme slippage and inflation:** Costs which are then borne in full in year on revenue budgets rather than being capitalised over the life of the asset or which are changing as schemes are brought forward that exceed the original budget assumptions, potentially requiring revenue funds to be diverted away from service budgets.
- 11.10 **Pension Fund:** The annual monitoring between valuations may poses a financial risk to the council.

## 12. DEDICATED SCHOOLS GRANT

- 12.1 The 2023/24 Dedicated Schools Grant (DSG) grant allocation was advised by the Department for Education (DfE) in December 2022 and reported to Schools Forum at the January 2023 meeting. The information provided at that time was the Gross figure before academy recoupement and high needs import export adjustment, the table below shows the projected outturn position for the DSG for 2023/24 against the net funding available.

**Table 4 – DSG projected outturn 2023/24**

DSG Projected Outturn	Schools Block	Central School Services Block	High Needs Block	Early Years Block	Total DSG Allocation
	£m	£m	£m	£m	£m
Gross Budget	231.0	3.3	77.2	26.3	337.8
In Year Virement	(0.7)	0.0	0.7	0.0	0.0
ESFA Holdback	(47.5)	0.0	(0.4)	0.0	(47.9)
<b>DSG Budget</b>	182.8	3.3	77.5	26.3	289.9
Expenditure	182.5	3.3	82.7	26.3	294.8
<b>Total Spend</b>	182.5	3.3	82.7	26.3	294.8
<b>Variance</b>	<b>(0.3)</b>	<b>0.0</b>	<b>5.2</b>	<b>(0.0)</b>	<b>4.9</b>

- 12.2 **Schools Block:** £0.7m has been agreed with schools forum to be transferred to support the high needs block and is shown as an in year virement.
- 12.3 **Central School Services Block:** A balanced position is shown however there has been a reduction in funding nationally over the past 3 years, the figure has been abated by 20% year on year.
- 12.3 **High Needs Block:** High Needs continues to show a pressure against the available funding. Lewisham has been progressing a mitigation plan and is now progressing work with the DfE as part of the Delivering Better Value initiative. Schools forum has agreed a transfer of £0.7m to support the pressure, however the increase both in demand and inflationary pressures continue to prove challenging. Increased places in many schools including Drumbeat, Watergate and Greenvale has been completed or is near completion, and will provide some welcomed capacity. The service will continue working to bring down the projected pressure of £5.2m.
- 12.4 **Early Years Block:** At the time of writing, the Early Years block remains provisional and pending the finalisation of the January 2023 pupil count. In the spring budget statement, the Chancellor stated there would be investment in Early Years funding to support childcare of 30 hours for working parents, limited information has been provided on this

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

initiative. The funding shown in the table above pre-dates this announcement.

- 12.5 The table below shows what the DSG deficit would be at the end of 2023/24, based on the projected outturn position at period 2.

**Table 5 – DSG Overall Position**

DSG Overall	Schools Block	Central School Services Block	High Needs Block	Early Years Block	Total DSG Allocation
	£m	£m	£m	£m	£m
DSG Projected Outturn 2023/24	(0.3)	0.0	5.2	(0.0)	4.9
DSG Variance 2022/23	(0.1)	0.0	2.6	0.0	2.5
DSG Variance 2021/22	0.0	0.0	5.4	(1.3)	4.1
DSG Variance Prior Years	(0.3)	0.0	5.0	(0.2)	4.5
<b>Projected Deficit/(Surplus) at end of 2023/24</b>	<b>(0.7)</b>	<b>0.0</b>	<b>18.2</b>	<b>(1.5)</b>	<b>16.0</b>

### 13.0 HOUSING REVENUE ACCOUNT

- 13.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2023/24. At this early stage of the financial year, the current forecast is for an overall balanced account, the balanced HRA budget seen in the table includes a budgeted contribution to/from reserves which is to be used to fund the HRA major works and new supply programme and is included as a part of the 30-year HRA business plan. The HRA budget will be revised in the next month to take account of the final closing position for 2022/23 as well as updating stock numbers and forecast income, expenditure carry forwards and loss of stock.

**Table 6 – Housing Revenue Account**

Housing Revenue Account	Net Budget	Net Forecast	Period 2 Variance
	£m	£m	£m
Housing, Regeneration and Public Realm – Housing	13.0	13.0	0.0
Lewisham Homes & Repairs & Maintenance	45.6	45.6	0.0
Resources	2.1	2.1	0.0
Centrally Managed Budgets	(60.7)	(60.7)	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- 13.2 There is a significant income target from the charging of major works at properties for leasehold tenants of £12.0m, which is based on the General Capital programme allocation of £81.0m. Work undertaken on a leaseholder property will move to bills raised based on estimates from July/August 2023, as at the end of May 2023, a total of £0.7m of charges have been raised to leaseholders, there are ongoing discussions with Lewisham Homes to provide data relating to bills to be raised for prior year's works and ensure that they are raised in financial year 2023/24. Lewisham Homes have advised that there is currently a total of £4.6m of charges to be raised for prior years' work, with additional charges for the current years' programme being worked on.

#### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- 13.3 Repairs & Maintenance (R&M) is currently forecast to budget, but it should be noted that R&M overspent by £1.0m in 2022/23, after increasing the in-year budget by £5.0m. Lewisham Homes continue to advise of significant pressures on the R&M budget and are in discussions with the authority to assess if any additional resources are available. Even with productivity increasing for day-to-day repairs, Lewisham Homes still subcontracts a number of high-cost workstreams for certain trades and void work is also fully outsourced. This reliance on subcontractors, where the market has seen significant cost inflation, has been a contributing factor to the cost pressures on the R&M budget. If expenditure on the R&M account is similar to 2022/23, then there would be a budgetary pressure in the region of £3.3m for the year, which would need to be covered by reduced expenditure elsewhere. This will not be certain until further into the financial year when a full analysis of the costs within the R&M account has been undertaken by Lewisham Homes.
- 13.4 Whilst income from tenant's rents and service charges, garage rents and leaseholder service charges are being currently projected to budget, however it would be expected that additional income may arise in part due to void levels being lower than the current budgeted rates, and the completion of the leaseholder service charge audit in September 2023. This will be updated once more data is available. In addition, bad debt impairments charge to the HRA may be lower than budgeted, based on the current levels of debt projected forward for the remainder of the financial year. Any additional income or underspends in these areas will be used to compensate for any overspends which may arise as the year progresses.
- 13.5 The current 30-year HRA financial model has been refreshed, with the final outturn for 2022/23 as well as the latest updates for the general capital programme, revised stock numbers and reserves allocations incorporated into the plans. Budgets will be updated shortly to reflect starting stock numbers from 1 April 2023, as well as incorporating the latest consolidation update for the new supply programme to reflect the latest position. The revisions to the budgets will be agreed and processed and may push some of the planned capital and new supply expenditure into 2024/25 due to a re-programming of works and programme delays.
- 13.6 Lewisham Homes have not yet produced a forecast for the capital programme against the general capital allocations budget of £81.0m, this will be updated next month. Any underspends or slippage in the programme will be used to cover for any overspend in R&M or be re-profiled to 2024/25. Lewisham Homes have also not yet produced a forecast for the HRA element of the BfL programme. This will be updated with the latest programme consolidation when available and re-profiled accordingly.
- 13.7 Following the December 2022 Mayor and Cabinet decision to bring Lewisham Homes (LH) housing services into the Council, a phased approach to the re-integration has allowed us to learn and be business ready for the final transition of services and 500+ staff in October 2023. This approach (as detailed in the Housing Futures Progress report to Mayor and Cabinet in June 2023) has also given us a better understanding of costs that are incurred related to the transition of services from Lewisham Homes to Lewisham Council, with existing agreed revenue budgets utilised where available and reasonable to do so for non-transition / business as usual work.
- 13.8 It is proposed that up to £1.9m of the costs are met from existing reserves, with further transfer costs to be funded from the HRA reserves if available or the use of General Fund reserves if not. The level of reserves should be restored through the delivery of a planned HRA savings programme so that the necessary prudent position to meet future unforeseen costs is restored at the earliest opportunity.

## 14.0 CAPITAL EXPENDITURE

- 14.1 The budget 2023/24 – 2026/27 as agreed by Full Council is £480.6m, being £86.7m for the General Fund and £393.9m of Housing Revenue Account (HRA). As set out in the Budget,

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

slippage from 2022/23 will be added to this making the total budget £579.2m, £88.1m for GF and £491.1m HRA. The current capital programme for the four year period totals £611.6m (and £621m including future years). This is made up of £248.4m of General Fund budget and £372.6m of Housing Revenue Account (HRA) budget, profiled over 5 years, and includes schemes which have since been agreed by Mayor and Cabinet for inclusion. As at the end of May 2023, £8.1m of capital expenditure has been incurred, this is detailed in Table 7.

**Table 7 Approved Capital Schemes**

Capital Expenditure	2023/24 Spend	2023/24	2024/25	2025/26	2026/27	Future Years	Total
	£m	£m	£m	£m	£m	£m	£m
General Fund	1.4	79.7	65.0	80.3	14.0	9.4	248.4
Housing Revenue Account	6.7	139.1	105.9	118.3	9.2	0	372.6
<b>Total Programme</b>	<b>8.1</b>	<b>218.8</b>	<b>171.0</b>	<b>198.6</b>	<b>23.3</b>	<b>9.4</b>	<b>621.0</b>

- 14.2 Current in-year expenditure across all projects is 4%, which is rated AMBER, if spend is consistent across the year, we would expect spend at Period 2 to be close to 17%. A large proportion of the 2023/24 profiled spend can be attributed to the “Housing Acquisition Programme”, the “A205 Road Realignment” and the “School Minor Works Programme 2023” which have been set up in year and which total £159.1m. Given the introduction of these new schemes the capital programme budget will be brought back to Council for approval in September, but the actual and forecast spend is such that the budget as agreed is sufficient until this point.
- 14.3 In May the Capital Programme was re-profiled. Slippage from 22/23 was automatically rolled into 23/24, as set out in paragraph 14.1 above, so the re-profiling allowed project managers to distribute this slippage across the life of the projects.
- 14.4 The new approved, high value General Fund capital projects are detailed below in Table 8. As described in paragraph 14.2 above, these will need to return to Council in September for agreement for the programme budget, and this will be considered alongside the mid year Treasury Management Strategy update which will include the funding and financing implications for borrowing.

**Table 8 New High Value General Fund Capital Projects 2023/24**

New GF Schemes						
Project / Programme	2023/24	2024/25	2025/26	2026/27	Future Years	Total
Housing Acquisition Programme	31.8	31.8	31.8	0.0	0.0	95.3
A205 Road Realignment	2.1	12.0	38.3	5.9	1.5	59.8
Schools Minor Works Programme 2023	3.8	0.2	0.0	0.0	0.0	4.0
Other Schemes	1.2	0.0	0.0	0.0	0.0	1.2
<b>Total</b>	<b>38.9</b>	<b>43.9</b>	<b>70.1</b>	<b>5.9</b>	<b>1.5</b>	<b>160.3</b>

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



## 15.0 COLLECTION FUND

### Council Tax

- 15.1 As at 31 May, £33.2m of Council Tax has been collected representing 18.3% of the total amount due for the year. This is £1.6m below the 19.2% target required in order to reach 96% for the year.

**Table 7 – Council Tax Collection**

Council Tax	Cash Collected (cumulative)	Cash needed to meet 96% Profile	Difference between collected and 96% profile	Current Year Collection Rate%	Required Collection Rate to reach 96%	Difference
Apr-22	18,614,933	19,605,534	990,602	10.3%	10.8%	0.5%
May-22	33,167,682	34,752,098	1,584,416	18.3%	19.2%	0.9%

### Business Rates

- 15.2 As at 31 May, £12.6m of Business Rates has been collected representing 22.4% of the total amount due for the year. This is £1.5m below the level required in order to reach 99% for the year.

**Table 8 - Business Rate Collection**

Business Rates	Cash Collected (cumulative)	Cash needed to meet 99% Profile	Difference between collected and 99% profile	Current Year Collection Rate%	Required Collection Rate to reach 99%	Difference
Apr-22	8,123,664	7,495,565	(628,099)	14.1%	13.0%	-1.1%
May-22	12,632,550	14,105,804	1,473,254	22.4%	25.0%	2.6%

## 16.0 FINANCIAL IMPLICATIONS

- 16.1 This report concerns the projected financial outturn for 2022/23. Therefore, any financial implications are contained within the body of the report.

## 17.0 LEGAL IMPLICATIONS

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

## 18.0 CRIME AND DISORDER, CLIMATE AND ENVIRONMENT IMPLICATIONS

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

## 19.0 EQUALITIES IMPLICATIONS

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

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

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

### Background Papers

Short Title of Report	Date	Location	Contact
Budget Report 2023/24	1 <sup>st</sup> March 2023 (Council)	1 <sup>st</sup> Floor Laurence House	David Austin

### Report Author and Contact

Nick Penny, Head of Service Finance [nick.penny@lewisham.gov.uk](mailto:nick.penny@lewisham.gov.uk); or

David Austin, Director of Finance at [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk)

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## APPENDIX A – Line by Line Savings 2022/23 and Older

Year	Ref	Directorate	Director	Proposal	Savings to be Delivered	Expected Delivery in 2023/24	Expected Savings Shortfall	Risk Rating of Saving in 2023/24	Finance View
2020/21	CYP01	CYP	Lucie Heyes	More efficient use of residential placements	300		300		Work is underway between finance and the service to review the future deliverability of these savings or whether they have been delivered already with the financial impact consumed by other costs.
2020/21	CYP03	CYP	Lucie Heyes	More systematic and proactive management of the market	600		600		
2020/21	CYP04	CYP	Lucie Heyes	Commission semi-independent accommodation for care leavers	250		250		
2020/21	CYP05	CYP	Lucie Heyes	Residential framework for young people. Joint SE London Commissioning Programme	200		200		
2022/23	E-05	CYP	Angela Scattergood	Traded services with schools	50	0	50		
2022/23	E-06	CYP	Lucie Heyes	Reduce care leaver costs	100		100		
2022/23	F-02	CYP	Lucie Heyes	Children Social Care Demand management	500		500		



2022/23	F-03	CYP	Lucie Heyes	Children Service reconfiguration - fostering	250		250		
2022/23	F-05	CYP	Lucie Heyes	VfM commissioning and contract management - CSC	250		250		
<b>Children and Young People's Subtotal</b>					<b>2,500</b>	<b>-</b>	<b>2,500</b>		
2020/21	COM2A	Comm	Joan Hutton	Ensuring support plans optimise value for money	400	400	-		
2021/22	F-01	Comm	Joan Hutton	Adult Social Care Demand management	1,100	1,100	-		Amber due to value, delivery expected in 23/24.
2021/22	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	2,249	2,249	-		Amber due to value, delivery expected in 23/24.
2022/23	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	430	430	-		
<b>Communities Subtotal</b>					<b>4,179</b>	<b>4,179</b>	<b>-</b>		

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

2020/21	CUS04	HRPR	Zahur Khan	Income generation - increase in commercial waste charges	100	100	-		Work continuing to deliver the saving in 23/24
<b>Place and Housing Subtotal</b>					<b>100</b>	<b>100</b>	<b>-</b>		
2021/22	A-05	Corp	Mick Lear	Revs and Bens - additional process automation	400	400	-		Restructure implemented in 22/23, full delivery expected in 23/24
2022/23	A-06	Corp	Mick Lear	Revs and Bens - Generic roles	400	400	-		Restructure implemented in 22/23, full delivery expected in 23/24
<b>Corporate Resources Subtotal</b>					<b>800</b>	<b>800</b>	<b>-</b>		
<b>Total</b>					<b>7,579</b>	<b>5,079</b>	<b>2,500</b>		

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## APPENDIX B – Savings to be delivered 2023/24

Reference	Directorate Budget	Title	Savings to be Delivered	Expected Delivery in 2023/24	Expected Savings Shortfall	Risk Rating of Saving in 2023/24	Finance View
CYP_SAV_01	CYP	Review of Children's Centre Budgets	500	500	-		
CYP_SAV_02	CYP	Education - Vacant Post	12	12	-		
CYP_SAV_04	CYP	Youth Service Budget Review	200	200	-		
CYP_SAV_05	CYP	Youth Offending Service Review	100	100	-		
CYP_SAV_06	CYP	Short Breaks	200	200	-		
D-13	CYP	Review of commercial opportunities for nurseries within children's centres	9	9	-		
F-02	CYP	Children Social Care Demand management	1,000	1,000	-		
F-03	CYP	Children Service reconfiguration - fostering	250	250	-		
<b>Children and Young People's Subtotal</b>			<b>2,271</b>	<b>2,271</b>	-		
COM_SAV_01	COM	Introduction of Electronic Call Monitoring	650	650	-		
COM_SAV_02	COM	Delegation of Care Plan Budgets to Operation Managers	100	100	-		
COM_SAV_03	COM	Care Plan Reassessment	1,000	1,000	-		
COM_SAV_04	COM	Empowering Lewisham	1,000	1,000	-		
COM_SAV_05	COM	Review of Staffing Requirement in Supported Housing	55	55	-		

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

COM_SAV_06	COM	Reduction in Mental Health Homecare costs	50	50	-		
COM_SAV_08	COM	Reduction in opening hours at Libraries	90	90	-		
COM_SAV_09	COM	NHS Health Checks	15	15	-		
COM_SAV_10	COM	Sexual and Reproductive Health Services in Primary Care	46	46	-		
COM_SAV_11	COM	PH Weight management savings	13	13	-		
E-14	COM	Changes to leisure concessions for older people	95	95	-		
A-02	COM	Hybrid roles - enforcement	13	13	-		
C-07	COM	Review Short breaks provision.	50	50	-		
<b>Communities Subtotal</b>			<b>3,177</b>	<b>3,177</b>	-		
HRPR_SAV_01	HRPR	Temporary Accommodation Cost Reduction	200	200	-		
HRPR_INC_01	P&H	Additional Yellow Box Junction Enforcement & Moving Traffic Contravention by CCTV	105	105	-		
HRPR_INC_02	P&H	Replacement Bin Charging	50	50	-		
HRPR_INC_03	P&H	Increase the charge for Bulky Waste collections	20	20	-		
HRPR_INC_04	P&H	Charge for mattress collections	25	25	-		
HRPR_INC_05	P&H	Increase the charge for fridge/freezer collections.	78	78	-		
HRPR_INC_06	P&H	Review of fees charged for Garages	130	130	-		

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

HRPR_SAV_02	P&H	Review of the Road Safety Service	70	70	-		
HRPR_SAV_03	P&H	Increased recharging of salary costs to capital	70	70	-		
HRPR_SAV_04	P&H	S106 utilisation for apprenticeships	17	17	-		
HRPR_SAV_05	P&H	Utilisation of UKSPF grant funding to reduce the general fund burden for the service.	100	100	-		
HRPR_INC_08	P&H	Housing Programme Commercial Units' Income Generation	75	75	-		
HRPR_SAV_06	P&H	Review of the Temporary Accommodation (TA) Service Level Agreement (SLA) with Lewisham Homes (LH)	162	162	-		
HRPR_SAV_07	P&H	Reducing general fund spend on private sector housing licensing and enforcement.	150	150	-		
C-39	P&H	Aligning the Kickstart scheme with Government plans	25	25	-		
D-10	P&H	Commercial Estate Review	50	50	-		
D-11	P&H	Business Rates revaluation of Council owned properties	50	50	-		Still waiting to conclude the revaluation review with Wilkes and Head
D-12	P&H	Asset Use Review and Regularisation	15	15	-		

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

E-12	P&H	Building Control Service Efficiency	30	30	-		Service is actively working towards increasing income, income levels remain low after covid
A-02	P&H	Hybrid roles - enforcement	38	38	-		
D-01	P&H	Generating greater value from Lewisham's asset base	500	500	-		This has been reversed in the 23/24 budget
D-02	P&H	Business Rates Revaluation for the estate	20	20	-		Still waiting to conclude the revaluation review with Wilkes and Head
D-06	P&H	Catford Campus - Estate Consolidation	12	12	-		
D-07	P&H	Meanwhile use - Temporary Accommodation	25	25	-		
E-02	P&H	Income from building control	20	20	-		Service is actively working towards increasing income, income levels remain low after covid
F-16	P&H	Environment - new waste strategy	250	250	-		

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

F-18	P&H	Controlled Parking Zone Extension	1,000	1,000	-		£750k to be funded corporately in 23/24 on a one off basis to reflect the delayed profile of the savings delivery
<b>Place and Housing Subtotal</b>			<b>3,287</b>	<b>3,287</b>	-		
COR_SAV_03	COR	Reduction in utilities costs of the Catford Complex	150	150	-		
D-14	COR	Facilities Management	100	100	-		
C-08	COR	IT - mobile telephony review	10	10	-		
<b>Corporate Resources Subtotal</b>			<b>260</b>	<b>260</b>	-		
CEX_SAV_01	CEX	Review of Elections Budget	50	50	-		
CEX_SAV_03	CEX	Legal Invest to Save	233	233	-		Work is required to reduce external legal expenditure to deliver this saving.
ALL_SAV_02	CEX	Senior Management Reductions, Realignment and Restructures	500	500	-		
<b>Chief Executive Subtotal</b>			<b>783</b>	<b>783</b>	-		
COR_SAV_02	CORP ITEMS	Review of Corporate Budgets - interest	2,000	2,000	-		

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

COR_INC_01	CORP ITEMS	Removal of 28 day empty property exemption for Council Tax	110	110	-		
<b>Corporate Items Subtotal</b>			<b>2,110</b>	<b>2,110</b>			
COR_SAV_01	ALL	Review of Corporate Budgets - triennial fund valuation	650	650	-		Salary budgets adjusted
A-03	ALL	Corporate Transport arrangements	50	50	-		
<b>Council Wide Subtotal</b>			<b>700</b>	<b>700</b>			
<b>TOTAL</b>			<b>12,587</b>	<b>12,587</b>	-		

### Appendix C – Gross Budgets by Directorate

Directorate	Expenditure Budget	Expenditure Forecast	Variance	Income Budget	Income Forecast	Variance	Net Budget	Net Forecast	Variance
CYP	741.471	749.271	7.800	(666.230)	(666.230)	0.000	75.241	83.041	7.800
COMM	189.745	190.745	1.000	(104.344)	(104.344)	0.000	85.401	86.401	1.000
P&H	117.210	120.210	3.000	(89.469)	(89.469)	0.000	27.740	30.740	3.000
COR	209.669	209.669	0.000	(171.664)	(171.664)	0.000	38.004	38.004	0.000
CE	11.694	12.294	0.600	(0.672)	(0.672)	0.000	11.022	11.622	0.600
Total	<b>1,269.789</b>	<b>1,282.189</b>	<b>12.400</b>	<b>(1,032.380)</b>	<b>(1,032.380)</b>	<b>0.000</b>	<b>237.409</b>	<b>249.809</b>	<b>12.400</b>
COR Items	46.913	46.913	0.000	(20.643)	(20.643)	0.000	26.270	26.270	0.000
GF Total	<b>1,316.702</b>	<b>1,329.102</b>	<b>12.400</b>	<b>(1,053.023)</b>	<b>(1,053.023)</b>	<b>0.000</b>	<b>263.679</b>	<b>276.079</b>	<b>12.400</b>

This table shows the gross expenditure and gross income budgets by directorate, this shows the overall expenditure the council incurs per directorate which is funded by income including specific government grants and other controllable income.

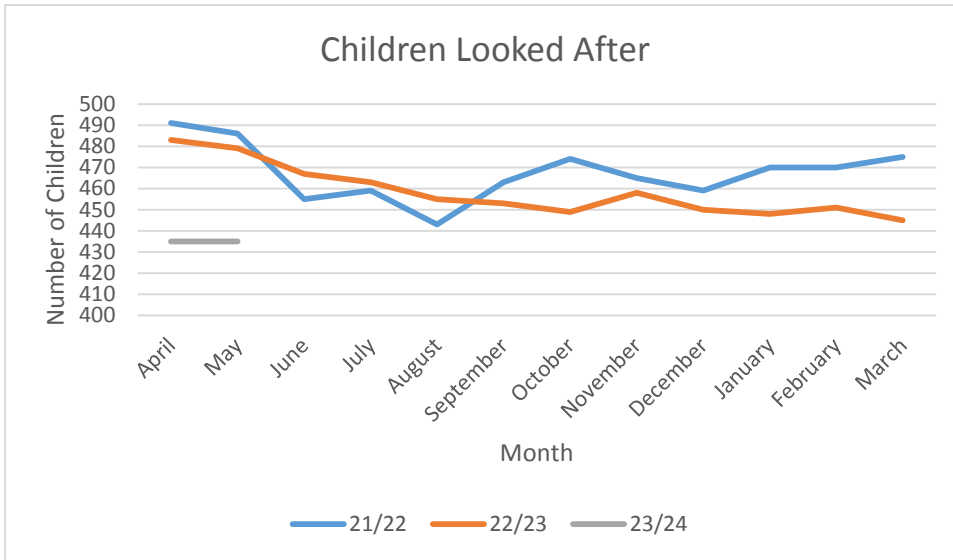
**Is this report easy to understand?**

Please give us feedback so we can improve.

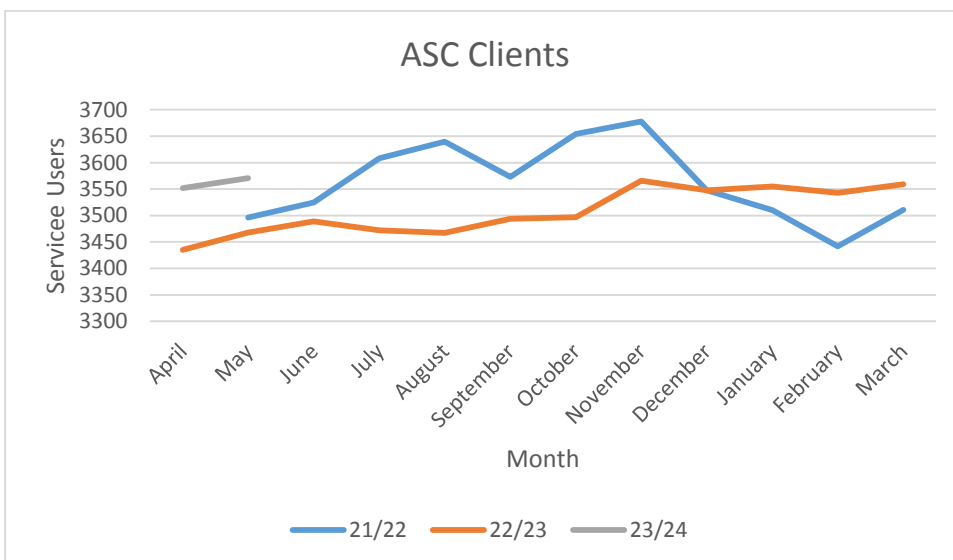
Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



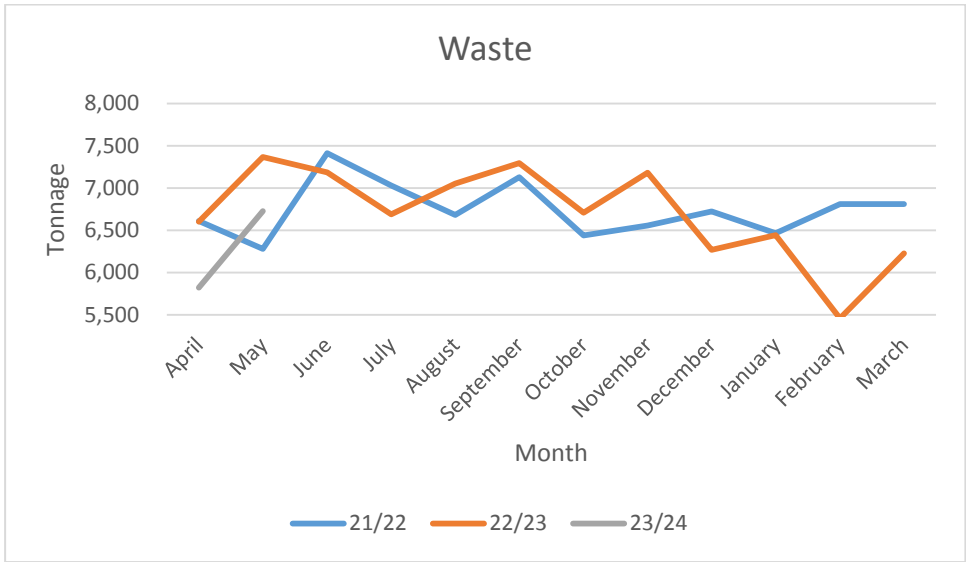
## Appendix D – Key Performance Indicators



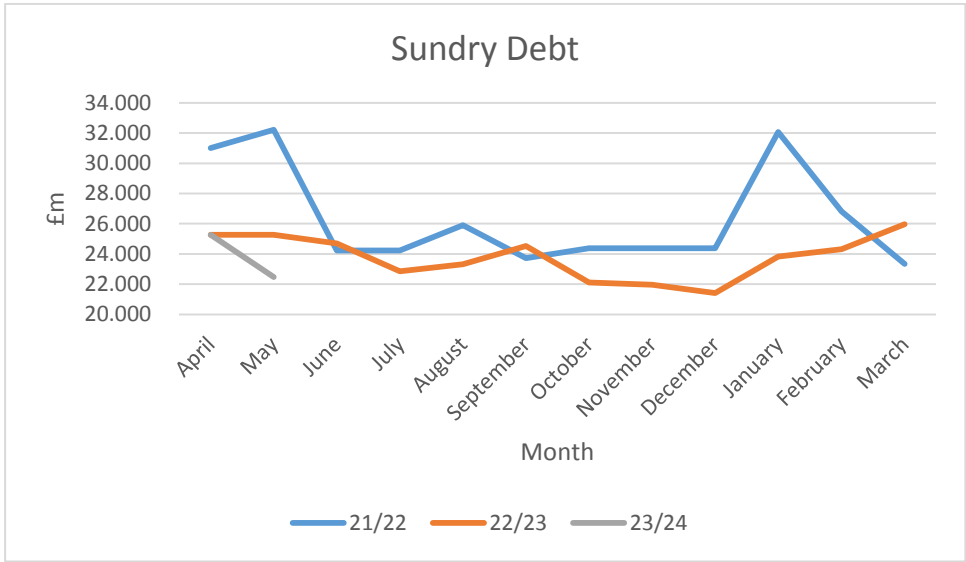
This graph shows the CLA's from 21/22 onwards, this shows the trend that the number of CLA's supported by the service is decreasing. The source document is the monthly performance report.



This graph shows the number of Adults supported from 21/22 onwards. The source document is the Controcc System.



This graph shows the wasted in tonnages from 21/22 onwards. The source document is a monthly SELCHP Waste Delivery File from Veolia.

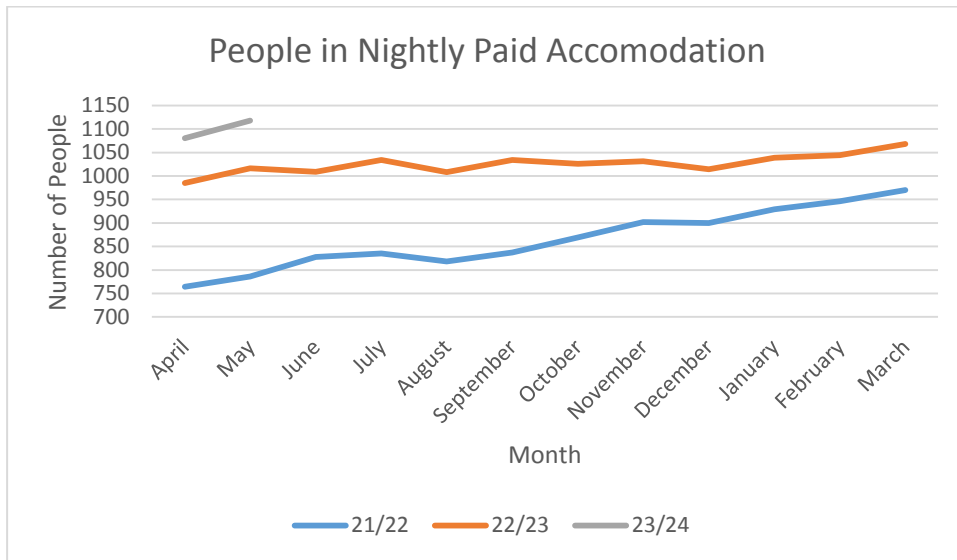


This graph shows the level of sundry debt from 21/22 onwards, the debt in May 2023, is at a lower level than in the comparable month in 21/22 and 22/23. The source document is the debt file produced from the oracle financial system.

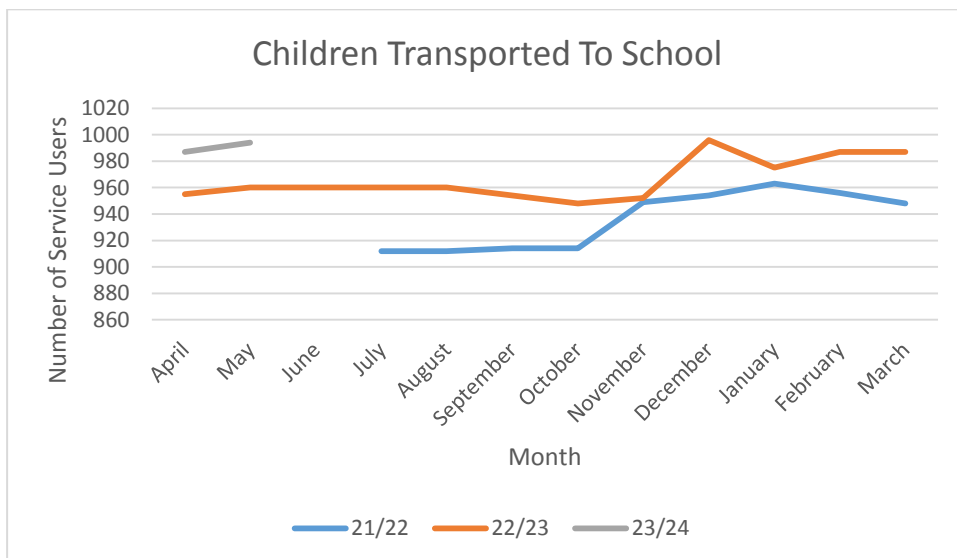
**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



This graph shows the number of people in nightly paid accommodation from 21/22 onwards, the level has increased from 786 in April 2021 to a high of 1,118 in May 2023. The data is sourced from the academy system.



This graph shows the number of children transported from home to school, the number of EHCP's continues to increase and approx. 1/3<sup>rd</sup> of children who have an EHCP require a transport package. The data source is Routewise.

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

This page is intentionally left blank



## Public Accounts Select Committee

### Draft Medium Term Financial Strategy

**Date:** 28 June 2023

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Executive Director for Corporate Resources, Director for Finance and Head of Strategic Finance, Planning and Commercial

### Outline and recommendations

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

Public Accounts Select Committee is recommended to:

- Note the draft report which is being tabled at Mayor and Cabinet on the 19 July 2023;

## **Timeline of engagement and decision-making**

1 March 2023 – Budget report to Council

21 June 2023 – Financial Outturn for 2022/23 – report to Mayor & Cabinet (M&C)

28 June 2023 – Medium Term Financial Strategy – report to Public Accounts Select Committee

19 July 2023 – First 2023/24 financial monitoring report to M&C

### **1. EXECUTIVE SUMMARY**

- 1.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

### **2. RECOMMENDATIONS**

- 2.1. Public Accounts Select Committee is recommended to:
- 2.2. Note the draft report which is being tabled at Mayor and Cabinet on the 19 July 2023.

### **3. POLICY CONTEXT**

- 3.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

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

- 4.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

### **5. FINANCIAL IMPLICATIONS**

- 5.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

### **6. LEGAL IMPLICATIONS**

- 6.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

### **7. EQUALITIES IMPLICATIONS**

- 7.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

## **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

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

- 8.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

## **10. HEALTH AND WELLBEING IMPLICATIONS**

- 10.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

## **11. BACKGROUND PAPERS**

- 11.1. Budget Report 2023/24 – Full Council 1 March 2023

[Lewisham Council - Agenda for Council on Wednesday, 1st March, 2023, 7.30 pm](#)

- 11.2. Financial Results 2022/23 – Mayor & Cabinet 21 June 2023

[Lewisham Council - Agenda for Mayor and Cabinet on Wednesday, 21st June, 2023, 6.00 pm](#)

## **12. GLOSSARY**

- 12.1. As per Appendix 1, the draft Medium Term Financial Strategy being presented to Mayor and Cabinet on the 19 July 2023.

## **13. REPORT AUTHOR AND CONTACT**

- 13.1. For more information please contact David Austin, Director for Corporate Services, 1<sup>st</sup> Floor Laurence House, 020 8314 9114, [David.Austin@lewisham.gov.uk](mailto:David.Austin@lewisham.gov.uk).

- 13.2. Katharine Nidd, Strategic Finance Manager, 4<sup>th</sup> Floor Laurence House, 020 8314 6651, [Katharine.Nidd@lewisham.gov.uk](mailto:Katharine.Nidd@lewisham.gov.uk).

## **APPENDIX 1**

Draft Medium Term Financial Strategy

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

This page is intentionally left blank





## Mayor and Cabinet

### Medium Term Financial Strategy

**Date:** 19 July 2023

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Executive Director for Corporate Resources, Director for Finance and Head of Strategic Finance, Planning and Commercial

### Outline and recommendations

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

Mayor and Cabinet is recommended to:

- 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
- 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

## Timeline of engagement and decision-making

1 March 2023 – Budget report to Council

21 June 2023 – Financial Outturn for 2022/23 – report to Mayor & Cabinet (M&C)

28 June 2023 – Medium Term Financial Strategy – report to Public Accounts Select Committee

19 July 2023 – First 2023/24 financial monitoring report to M&C

### 1. EXECUTIVE SUMMARY

- 1.1. The Council is required to annually set a balanced budget and prepare a sustainable medium term financial plan. Due to the sustained levels of economic and fiscal uncertainty this continues to be as challenging as in recent years. This following a decade of austerity which the Council has successfully navigated but only by significantly reducing its use of resources.
- 1.2. The Covid-19 pandemic drove the country into recession in 2020/2021 and according to the Office of National Statistics, over the year as a whole, Gross Domestic Product (GDP) contracted by 9.9% in 2020, marking the largest annual fall in UK GDP on record.
- 1.3. Whilst the economy returned to pre-Covid levels by November 2021 the Russian invasion of the Ukraine has since driven energy and utility prices up sharply and severely tightened supply chains globally. By June 2022 the level of national inflation reached 40 year highs and triggered concerns for the impact of a cost of living crisis. Whilst the level of GDP has almost returned to pre-pandemic levels the level of inflation in the UK is not falling as quickly as in the US and Europe. Against this economic backdrop, despite the Comprehensive Spending Review in 2021 which set out three year Department spending levels, there is little clarity on what this will mean for local government finances as the government continues to change the policy framework, tweak grant arrangements, and rely on the sector to administer new burdens at short notice.
- 1.4. Despite six years with limited action, it remains the Government's stated intention to implement new funding baselines for all local authorities. The new baselines will be based on a review of local needs and resources (the Fair Funding Review) and a review of the national business rates tax. The last time the 'needs based assessment' was updated was for the 2013/14 settlement using the 2011 census. However, due to other government priorities such as the national response to inflationary pressures, it is expected that these changes will be introduced in 2025/26 or 2026/27 at the earliest.
- 1.5. Alongside unprecedented levels of economic and fiscal uncertainty in 2023/24 the Council is grappling with persistent overspends from 2022/23 into 2023/24 in certain services (exacerbated by the cost of living crisis, Covid 'lag' and inflationary pressures), as well as prior year undelivered savings carried forward, and additional significant budget reductions for 2023/24. These must be delivered in full as planned as any shortfall adds to the funding gap, requiring more cuts to be identified to set a balanced budget.
- 1.6. The Council is setting its medium term financial plan whilst the country seeks to

avoid a further recession and grapples with inflation without the clarity or certainty on the levels of funding it can expect beyond March 2024 at this time. For this reason the assumptions, as set out in the report, will need to be tested and reviewed as future funding announcements and general economic forecasts are themselves revised and updated.

- 1.7. The current base case assumptions produce an assumed budget gap of £15m over the four year period of 2024/25 to 2027/28, with a profile of £0m, £5m, £5m, and £5m in each year. The report also presents the assumptions for an optimistic and pessimistic case which, given the number of variables, moves the four year budget gap down by £13m or up by £15m from the base case of £15m.
- 1.8. Executive Management Team (EMT) have reviewed the assumptions used and confirmed their intention that officers seek to stabilise the budget over 2023/24, bringing forward over £20m of savings proposals towards the end of the year. Members will then be able to scrutinise the savings options, make strategic choices based on corporate priorities, and agree these in 2024/25. These savings can then be implemented well in advance of the start of 2025/26, ensuring that they can be implemented in a considered and robust way, the full year effect achieved and any prior investment required is available.

## **2. RECOMMENDATIONS**

- 2.1. Mayor and Cabinet are recommended to:
- 2.2. 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
- 2.3. 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.

## **3. POLICY CONTEXT**

- 3.1. The Council's 2022 to 2026 Corporate Strategy identifies seven corporate priorities and four core values which are the driving force behind what we do as an organisation. It sets out a vision for Lewisham and the priority outcomes that organisations, communities and individuals can work towards to make this vision a reality.
- 3.2. In setting out the Council's Budget Strategy, in engaging our residents, service users and employees, and in deciding on the future shape, scale and quality of services, we will be driven by the Council's four core values:
  - We put service to the public first.
  - We respect all people and all communities.
  - We invest in employees.
  - We are open, honest and fair in all we do.
- 3.3. These core values align with the Council's seven corporate priorities namely:
  - Cleaner and greener
  - A strong local economy
  - Quality Housing
  - Children and Young People

Safer Communities

Open Lewisham

Health and Wellbeing

- 3.4. The Medium Term Financial Strategy directly supports the achievement of the Council's corporate priorities by ensuring that the Council remains financially sustainable and stable over the medium term.

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

- 4.1. The Report is structured as follows:

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

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

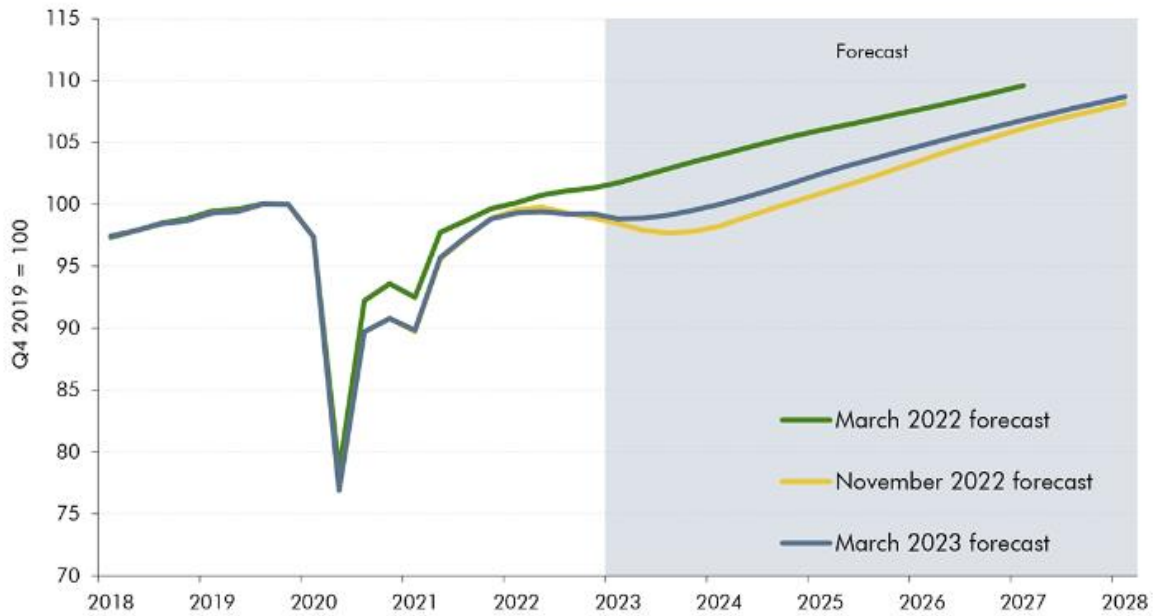
- 5.1. The Medium Term Financial Strategy (MTFS) represents the start of the Council's formal budget process, which concludes with the setting of the overall Budget each year. The Budget Report for 2024/25 will be presented to Mayor and Cabinet and full Council in February/March 2024.
- 5.2. The key objectives of the four year strategic approach continue to be:
- plan the Council's finances over a four year period to take account of local and national economic considerations and priorities;
  - ensure that the Council's corporate priorities continue to drive its financial strategy and resource allocation;
  - assist the alignment of service and financial planning processes;

- ensure that the plan takes account of: stakeholder and partner consultation; external drivers; capital investment; budget risk assessments; and expected developments in services;
  - ensure that the MTFS is linked to other internal strategies and plans; and
  - that the final agreed 2024/25 Budget reflects all these considerations.
- 5.3. The financial outlook for the Council and the public sector as a whole remains extremely challenging. The priorities for public finances are not certain and the resources available for local services continue to be adjusted as a result of post Brexit trading conditions, life and work changes following the Covid pandemic, and other global economic drivers impacting the cost of goods and services, notable the current high levels of inflation.
- 5.4. In the continuing absence of a multi-year local government finance settlement and knowing that the current high levels of inflation will take at least 12 months to return to long term target levels of 2%, during which time the impact will be disproportionately on areas with higher inequality, it is expected that the Council's finances will remain under continued severe financial strain in the coming years. Faced with higher costs, more demands, and lower anticipated income the Council will need to make further budget reductions over the next four year period in order to be able to set a balanced budget for each of the respective years in line with its statutory obligation to do so.
- 5.5. The focus of the MTFS is the Council's General Fund budget. Whilst it is very important, particularly at a time of prolonged financial constraint, to identify ways in which all services can be delivered more effectively across traditional organisational and financial boundaries, the nature of the current continuing financial austerity regime is such that most of the budget reductions have to come from Council's General Fund services. Having a sound General Fund MTFS and a strategy for responding to the challenges it presents is an essential pre-requisite to ensuring effective responses from all of the services the Council directs and influences.

#### **National Economic and Fiscal Context**

- 5.6. In March 2023 the Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook, which by and large was more positive than its November 2022 outlook, however the economy still faces significant structural challenges.
- 5.7. The OBR states that the economy narrowly avoided a technical recession in the second half of 2022 as real GDP fell by 0.2 per cent in the third quarter, but was flat in the fourth quarter. Their forecast it that the economy contracts again in the first quarter of 2023 by 0.4 per cent and GDP is flat in the second quarter as the rise in interest rates, the elevated cost of energy, and an additional bank holiday for the Coronation in May depress output. Growth returns in the second half of 2023 due to the bounce back in activity from the bank holiday and as household energy bills fall. In 2023 as a whole, real GDP falls 0.2 per cent, with private consumption, business investment and net trade all dragging on growth, offset by growth in government consumption. Output regains its pre-pandemic peak in the middle of 2024, six months earlier than expected in November, but more than four years after the start of the pandemic.

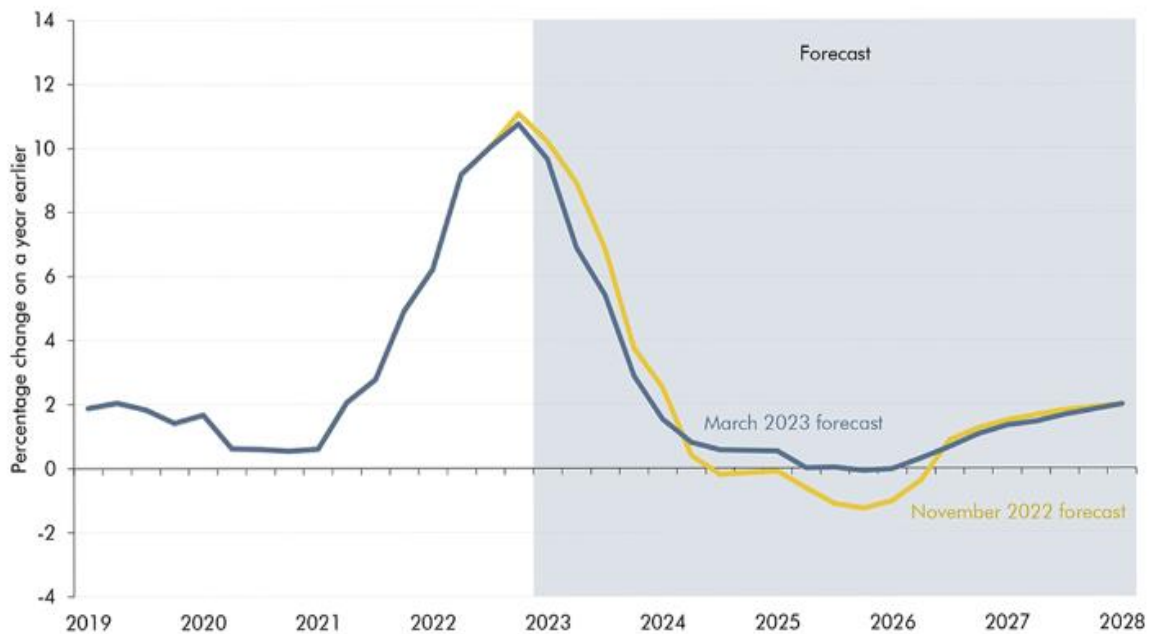
**Chart 1.2: Real GDP**



Source: ONS, OBR

- 5.8. CPI inflation peaked at 11.1 per cent in October and is expected to fall sharply to 2.9 per cent by the end of 2023, a more rapid decline than the OBR expected in November. The drop in wholesale gas prices also means that household energy bills are expected to fall below the energy price guarantee limit from July and to £2,200 by the end of the year. Stronger domestically generated inflation means that inflation oscillates around zero in the middle of the decade rather than falling meaningfully into negative territory as was forecast in November. Inflation returns to target in early 2028.

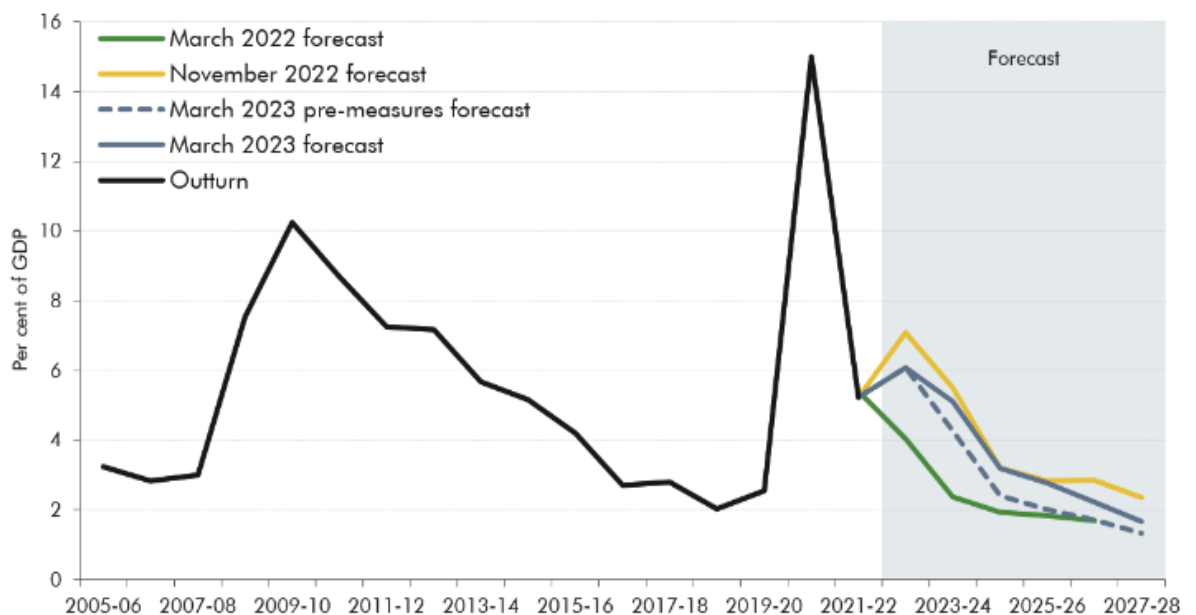
**Chart 1.1: CPI inflation**



Source: ONS, OBR

- 5.9. Despite more positive economic news since November, structural weaknesses remain that have been exacerbated by recent shocks:
- 5.10. **Business investment** has stagnated since 2016, with uncertainty surrounding the UK's future trading relationship with the EU, the pandemic, the energy crisis, and rises in the post-tax cost of capital all weighing on investment decisions since then.
- 5.11. **Labour market participation**, having risen since 2010 (despite the ageing of the population), has fallen dramatically in the wake of the pandemic, especially among older workers. This has left the total labour force 520,000 people smaller than we expected prior to the pandemic. And population ageing continues to weigh on participation over the forecast period.
- 5.12. **Productivity** has grown at less than half its pre-financial crisis rate since 2010 and has been disrupted more recently by the pandemic and higher cost of energy. This reflects both the stagnation in business investment and weak growth in total factor productivity.
- 5.13. The modest improvement in economic prospects between November 2022 and March 2023 has flowed through to a somewhat brighter outlook for the public finances. Public sector net borrowing in 2022-23 is expected to be £152.4 billion, or 6.1 per cent of GDP. This is down £24.7 billion (14 per cent) relative to the November forecast. Headline public sector net debt is expected to finish the year at 100.6 per cent of GDP, 1.2 per cent of GDP lower than forecast in November.
- 5.14. The latest OBR forecast continues to see the tax burden (the ratio of National Accounts taxes to GDP) reach a post-war high of 37.7 per cent of GDP at the forecast horizon in 2027-28, including the highest ratio of corporation tax receipts to GDP since the tax was introduced in 1965. We also still expect the ratio of public spending to GDP to settle at 43.4 per cent, its highest sustained level since the 1970s.

**Chart 1.5: Public sector net borrowing**



Source: ONS, OBR

- 5.15. The OBR states that it is now harder for this Chancellor to deliver a falling path for the debt-to-GDP ratio in the medium term than it has been for any of his predecessors since the OBR was established in 2010. This is due to the combination of: (i) subdued medium-term growth prospects, reflecting post-financial

crisis weakness in productivity growth exacerbated by a series of further shocks in the form of the pandemic and rise in energy prices; (ii) a stock of debt that has been pushed to a 60-year high, largely as a result of those shocks; and (iii) interest rates on that higher stock of debt, which have tripled over the past year to their highest level in over a decade.

- 5.16. It all adds up to a situation in which for any given debt-to-GDP ratio, less can be borrowed without that ratio rising; and for any given level of borrowing, more must be spent on debt interest, leaving less scope to finance other priorities.

## **Local Government**

### Local Government funding reform

- 5.17. It remains the Government's intention to implement new funding baselines for all local authorities. The new baselines to reflect updated assessments of local needs and resources (the Fair Funding Review), the approach to business rates retention, and resetting business rate baselines. The last time the 'needs based assessment' was updated was for the 2013/14 settlement.
- 5.18. The final Local Government Finance Settlement for 2023/24 was received in February 2023. This was another one year only settlement pending the Fair Funding Review. However, this also covered some announcements for 2024/25 which were included in the policy statement published on 12th December 2022. With 2023/24 effectively being another roll forward year with some additional grants, the Government has deferred the fundamental review of the way local government is financed until at least 2025/26 financial year, but potentially later, making the planning for a four year period even more challenging.
- 5.19. On business rates, London continued the business rate pool for 2020/21. The Covid-19 pandemic negatively impacted all boroughs tax bases through the period of disruption and for many the recovery of the tax base has been slow, this resulted in the requirement for the Council to contribute £2.1m to the pool for 2020/21. London ceased pooling for 2021/22, although 8 boroughs formed a local pool, but with no decision for another pan-London pool for future years at present.
- 5.20. The other elements of the impact of rolling over spending decisions pending the funding reform has been the rise in annual grants for specific services (e.g. better care fund, social care grant, homelessness grant), policy changes resulting in the introduction of new grants (e.g. market sustainability grant, lower tier grant) and discontinuation of others (e.g. new homes bonus), as well as new once-off funding such as the Services Grant. This limits the Council's ability to plan with any certainty and constrains local decision making on how to allocate resources. Over the same period councils have been expected to continue to implement above inflationary council tax rises with council tax now providing 50% of the Council's General Fund.

## **6. MTFS ASSUMPTIONS**

- 6.1. The resource envelope set out in this section of the report consists of the following elements:
- The 'Settlement Funding Assessment' (SFA) which is the total of retained business rate income and business rate top-up.
  - Council Tax income.
  - S31 Grants

### **Settlement Funding Assessment (SFA)**



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

**Table 2: Make-up of Lewisham’s 2022/23 and Estimated Settlement Funding Assessment, 2023/24 to 2024/25 to 2027/28**

Settlement Funding Assessment	2023/24 Actual	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Main case	£m	£m	£m	£m	£m
Retained Business Rates	32.39				
Business Rate Top-up	98.71				
Baseline Funding Level (BFL)		134.12	119.83	119.88	119.99
<b>Total SFA</b>	<b>131.11</b>	<b>134.12</b>	<b>119.83</b>	<b>119.88</b>	<b>119.99</b>

**Business rates income**

- 6.4. In 2018/19, the government devolved 100% of Business Rates to London Local Authorities (LA) via the pilot pool. In 2019/20, the level of devolved Business Rates was changed to 75%. In London, this was shared between Local Authorities and the GLA with 48% to local authorities and 27% to the GLA. In the 2019 Spending Round the government announced that other than the established Combined Authorities all sponsored pilots would end and revert to the original business rates system of distribution. At the end of 2020/21 the London pool was suspended by mutual agreement of London Boroughs. Therefore, Lewisham returned to the business rates shares as at 2017-18, which means the LA retains 30% of Business Rates and the GLA 37%. The RSG has been ‘rolled-in’ at this stage thereby phasing it out.
- 6.5. Changes to Business Rates retention were intended to be fiscally neutral by allowing the main local government grant (e.g. Revenue Support Grant) to be phased out and additional responsibilities devolved to local authorities or regions, matching the additional funding from business rates.
- 6.6. The Valuation Office Agency (VOA) updated the rateable values and the most recent revaluation came into effect in England and Wales on the 1 April 2023, and the impact of this, as well as the transitional protection reliefs associated with this formed part of the 2023/24 baseline funding.
- 6.7. The forecast now assumes that the reforms and the business rates reset will be implemented from 2025/26, which is the earliest date that this could be introduced. This is assumed to include the return to the phased reduction of RSG. The government also operates a safety net for business rates with Lewisham’s currently set at £88m, £10.71m below the £98m allocated for 2023/24. This means any loss of collection up to £10.71m is borne by the Council directly before becoming a burden on the national pool. The pandemic impacted the collection rate for the borough and whilst this is improving it has not yet returned to pre-pandemic levels and so the model assumes that in three of the four years there is the need to make a contribution to deficits within the collection fund, although not near the safety net level.

- 6.8. As the London pool has been stopped for 2021/22 no assumptions are made in this MTFS on any risks or benefits should it be re-started.

### **The Fair Funding Review**

- 6.9. Central government funding for local authorities is based on an assessment of relative needs and resources. The overarching methodology that determines how much funding each authority receives annually was introduced over ten years ago and has not been updated since funding baselines were set at the start of the 50 per cent business rates retention scheme in 2013/14.
- 6.10. The government is undertaking the Fair Funding Review to update the needs formula and set new funding baselines. The government is proposing to simplify the funding formula based on a small number of key cost drivers such as population, deprivation, rurality/density, and area costs. The government has so far undertaken two consultation exercises. The consultation identified key areas that require a more detailed assessment of needs such as adult social care, children's services, highways and public transport, waste collection and disposal.
- 6.11. The work required to fully reform approach to funding is such that the earliest that this could be introduced is 2025/26, or even 2026/27, and therefore the MTFS assumes any impact will now be for the start of 2025/26, although the timing and outcome of the next general election is likely to impact this.

### **Council Tax income**

- 6.12. In considering savings proposals and the level of Council Tax, Members make political judgements balancing these with their specific legal responsibilities to set a balanced budget and their general responsibilities to stewardship of the Council's finances over the medium term.
- 6.13. As well as decisions about the level of Council Tax, Council Tax income is also affected by growth in the number of properties in the borough, the rate of Council Tax collection, and the Local Council Tax Reduction Scheme (LCTRS).
- 6.14. The government sets annually the limit by which council tax can be increased locally without triggering the requirement to hold a referendum. Exceptionally this was set at 3% for the two year period 2018/19 and 2019/20. The level then reverted and was set at 2% for 2020/21, 2021/22 and 2022/23. Due to exceptionally high levels of inflation, in the Autumn Budget in 2022, Government again lifted the limit to 2.99% in 2023/24 and 2024/25. While recognising that Council Tax is a regressive tax, the MTFS main case assumes that the Council increases council tax levels by 2.99% in 2024/25 and then back at the 1.99% for the remaining three years.
- 6.15. The Social Care Precept is in addition to this. The Social Care precept was introduced by the government from 2016/17, and the percentages available to levy annually have varied over the six year period. In 2021/22 government gave Local Authorities the option of levying a 3% Social Care Precept over two years. This was agreed by the Council and the 3% included in the 2021/22 budget. A further 1% precept was included in the 2022/23 budget. In light of the high cost of care driven by general inflation, and the longer term impact of the pandemic, the Autumn Budget in 2022 allowed local councils to levy a 2% Social Care Precept in 2023/24 and 2024/25, and it has been assumed that a 1% precept will be available in 2025/26. Given the delay in the long awaited government proposals for the sustainable long-term funding of adult social care services it remains unclear whether and how the government's solution to the longer term funding of social care will include contributions via local authority taxation or grant. Therefore it may be that the precept falls away once the Social Care Reforms are introduced, which further increases the uncertainty with regards to the ability to forecast the Council's funding

envelope post 2024/25.

- 6.16. In 2023/24 Council Tax was raised by 4.99% in total, the 2.99% core increase and the 2% social care precept increase as set out above. This generated additional funding of £6.5m.
- 6.17. For 2024/25 the MTFs main case assumes a 4.99% increase again from 2% precept and 2.99% in core Council Tax and then 1.99% in each year thereafter, with a 1% precept in 2025/26 only. This reflects the assumption that the Council will apply the maximum increase allowed without a referendum in 2024/25 and beyond. In addition, the MTFs assumes a 0.5% average increase in the Council Tax base for 2024/25, increasing to 0.75%, 1.25% and 1% for the years 2025/26 - 2027/28, based on Planning Service's housing trajectory. In total over the period this will add approximately £17m to the Council Tax income base over the four year period to 2027/28. The MTFs also acknowledges the impact on collection rates from Covid-19 which dropped significantly. For 2024/25 the MTFs assumes that the rate moves up from the current levels and achieves 95%, increasing and remaining at 96% for the remaining three years. Given that Council Tax currently makes up circa 50% of the net general fund revenue income for the Council, it is critical that we can and do collect from those able to pay, and that we can increase the collection rates to that assumed in the MTFs model. The Council is drawing on experience and best practice of high performing councils to ensure that our performance can improve to those levels forecast.
- 6.18. Forecast Council Tax income from 2024/25 to 2027/28 is set out in Table 3 using the assumptions in Appendix 1. The amounts collected here are after allowing for the cost of the Council Tax Reduction Scheme and any uncollected debts.

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

	2024/25 projection	2025/26 projection	2026/27 projection	2027/28 projection
	£m	£m	£m	£m
Optimistic	141.373	148.236	154.577	160.791
<b>Main</b>	<b>141.373</b>	<b>146.797</b>	<b>151.590</b>	<b>156.152</b>
Pessimistic	139.885	145.268	150.011	156.152

### **S31 Multiplier Grant**

- 6.19. For 2016/17 to 2023/24 a Section 31 grant has been provided by Government to compensate local authorities for under-indexation of the business rates multiplier in 2014/15, 2015/16, for the switch to Consumer Price Index (from the Retail Price Index), for the purposes of uprating the multiplier from 2018/19 onwards, and the freezing of the multiplier for 2021/22. In 2023/24 the under-indexation grant has been calculated to increase in line with the change in Consumer Price Index between September 2021 and September 2022, which given the extraordinary levels of inflation have increased this grant in magnitude, to the level where it can be formally incorporated (in arrears) into the annual budget setting process.
- 6.20. Previously, this grant was at the level where it was utilised primarily to balance any pressures on the collection fund. It is assumed that £10m is available in 2024/25 and £15m for each of the three years thereafter. Any funding reforms leading to the removal of this funding will further increase the budget gap in future years.

## **7. REVENUE EXPENDITURE ASSUMPTIONS**

- 7.1. In addition to the reduction in the level of resources available over the next four years, the Council faces a number of budget pressures which will add to the overall revenue expenditure, namely sustained higher than average inflation, including legacy pressures from the Covid-19 pandemic, demand pressures in children's and adults social care and temporary accommodation, and the increase in the contribution to the levy for concessionary fares. This section of the report considers the effect such pressures will have on the future years' revenue expenditure.

### **Pay**

- 7.2. The pay award for 2022/23 was a flat rate of £1,925 per person (uplifted for the London Weighting allowance) for officers on all JNC pay points 1 and above. This equated to an average of a 5% pay uplift across the Council's staffing and salary bands. The 2023/24 budget assumed the same level of uplift and provided on this basis. The MTFS model assumes a pay award in 2024/25 of 2.5%, 1% in 2025/26 and 2% for 2026/27 and 2027/28, these assumptions match the long term inflation forecasts from the Bank of England.
- 7.3. The 2023/24 pay offer that has been rejected by the Unions was equivalent to what was offered and accepted for 2022/23 and formed the basis of the budget in 2023/24, officers therefore consider it prudent to assume that the final pay award will be higher than the budget and an allowance of an additional £2m for 2023/24 has been made, this will cause a pressure that requires funding in 2024/25.

### **General price inflation assumptions**

- 7.4. General price inflation is calculated on non-pay expenditure on General Fund services (excluding internal recharges and housing benefit payments). A proportion of this expenditure is contractual with indices linked to inflation but in many cases the Council is in a position to re-negotiate increases. As set out in section 5 above, current levels of inflation remain stubbornly high, however, the Office for Budget Responsibility forecasts this returning to the Bank of England long term forecast of 2% by Q1 of 2024, and dropping to 0% in 2025/26. To reflect the lag between actual inflation and the levels contained within the Council's supply chains, the MTFS assumes that price inflation will be 2.5% in 2024/25, dropping to 1% in 2025/26, and then returning to 2% in 2026/27 and 2027/28. Whilst not building the current stubborn levels of inflation into the MTFS base model, the Council is recognising the temporary impact in 2024/25 and has allowed for additional pressures funding of £2m which is equivalent to a further ~2% uplift on net non-salary budgets.

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

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

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

- 7.6. Forecasting the impact of demand changes is the most difficult aspect of the MTFS. However, the MTFS needs to make allowance for the potential impact of these through the allocation of an amount for risks and pressures. The key challenges that impact on the demand for Council services are as follows:

- **Population growth** – this particularly affects people-based services such as adult and children’s social care. But it also affects general demand for universal services such as leisure and cultural services and school places;
- **Ageing population** – this affects care for the very elderly but also impacts on care for younger adults and children with disabilities who are living longer as a result of improvements in medical care. It also has a direct impact on the funding the Council needs to provide for the London-wide concessionary fares scheme;
- **Household growth** – this impacts on General Fund property-based services such as refuse collection and waste disposal; highways, footpaths and street lighting; and more school places and additional health and care needs.
- **Impact of government policy** – improvements in economic well-being and reduction in crime should potentially mean less demand for Council services. However, the shortage of housing, the impact of welfare changes, and policy toward people with No Recourse to Public Funds are all having a major impact on social needs within the borough. With deep and long lasting implications for the level and impact of poverty as set out in the 2019 United Nations report on the impact of austerity in the UK since 2010, further evidenced through the impact of Covid on local communities in 2020/21 and 2021/22 which further highlighted the current levels of inequality in society, and now the disproportionate impact of high inflation on lower income households.
- **Impact of reducing preventative services** – reductions in budgets for preventative services such as early years, the youth service and aspects of adult social care provision are likely to affect demand for more acute services including children at risk, children involved in crime, adults with drug and alcohol problems, adults in residential accommodation and so on; and
- **Regulations and standards** – following the Covid pandemic, with new responsibilities for local government through anticipated funding changes and as councils respond to changes in community need; standards and ways of working are expected to change.

7.7. The Council is actively trying to address these demand pressures and seeks to ensure, wherever possible, that the changes it has to make to services help residents and the community become more resilient and by that means reduce rather than increase demand.

7.8. Other pressures, such as the cost of transition of children with disabilities into adult services or when specific grants are reduced or withdrawn, are assumed to be managed within service budgets.

7.9. To enable the Council to recognise these pressures and risks in a flexible way as they come to bear, the MTFs includes an annual provision corporately for growth from demand and other unavoidable pressures in the budget. The model assumes this will continue for future years, with £4.5m set aside for 2025/26 – 2027/28.

7.10. Whilst only a single year settlement was provided for 2023/24, the Autumn Budget in 2022 provided some clarity on the expected levels of Government funding for 2023/24 and 2024/25, this has meant that there is some confidence in the level of funding for 2024/25, but it signalled strongly that this growth would be funded via significant reductions from 2025/26 onwards. The confidence in the level of S31 grants expected, the ability to increase council tax levels by 4.99%, and additional

expected social care grant (taken in arrears) has meant that the Council can look to fund specific persistent pressures and growth in 2024/25 above the £4.5m allocation.

- 7.11. This will enable the Council to ensure that it achieves all previously committed savings and removes the persistent overspends which have resulted in an overspend position at outturn. The stabilising of the budget will ensure that the Council services are in a robust position, delivering balanced budget spend in anticipation of the funding reforms and expected resultant reduction in funding assumed in 2025/26 and ensure that the £4.5m of pressures funding allocated in 2025/26 onwards is more likely to be sufficient.
- 7.12. The table below sets out the pressures which have been allowed for within the MTFS model.

**Table 4: Pressures Identified**

	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Pressures</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Concessionary fares increase	4.00	2.50	0.50	0.50	0.50
Corporate Resources persistent pressures	1.09	0.00	0.00	0.00	0.00
CSC persistent pressures	6.40	0.00	0.00	0.00	0.00
ASC persistent pressures	1.50	0.00	0.00	0.00	0.00
Temporary Accommodation persistent pressure	2.00	0.00	0.00	0.00	0.00
Revenue cost of capital delivery	1.00	0.00	0.00	0.00	0.00
Future years unidentified	0.00	2.00	4.00	4.00	4.00
<b>Pressures Funded</b>	<b>15.99</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>

Note: \* this assumes that the insourcing of Lewisham Homes will be cost neutral for the general fund as covered in the HRA.

- 7.13. The Council has been notified by TfL that the level of travel of those eligible for concessionary fares has increased and is on target to return to and exceed pre-Covid levels, this has been forecast by TfL and will create an ongoing budget pressure, which is most acute in 2024/25 and 2025/26.
- 7.14. The 2022/23 budget monitoring has consistently reported persistent overspends in certain services, mainly CSC, ASC and temporary accommodation, it is considered prudent to fund these in 2024/25 given that Government has indicated that funding levels, particularly funding for social care, will increase in 2024/25. The 2022/23 outturn forecast an overspend of circa £25m, offset in the main through corporate resources and remaining Covid grants, which will not be available in 2024/25.
- 7.15. Therefore the funding of these persistent overspends is required in part to fund the Covid drag where demand has been unable to be taken out of the system, and partly to reflect the impact of this on the achievement of savings. Mayor and Cabinet should note though the requirement remains that agreed savings are delivered in full.
- 7.16. The current cost of borrowing, coupled with the high levels of inflation, and the wider aims of regeneration mean that not all capital schemes planned for delivery will be able to self-finance, or that some schemes will be delayed, therefore an allowance of £1m has been made to reflect a combination of the cost of increased borrowing on the Council's balance sheet or the write off of capital costs to revenue for delays.

### Specific grant assumptions

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

- **Public Health** – this grant is £26.91m in 2023/24, an increase of £0.85m from 2022/23. Any future year changes to the public health budgets once announced will need to be the subject of further officer proposals to ensure expenditure on services matches the available grant.
- **Better Care Fund (BCF)** – this grant is £25.97 in 2022/23. The Council receives approximately £10.4m of this funding via the local Clinical Commissioning Group (CCG) to support Council-led services. The 2023/24 funding is yet to be finalised.
- **Improved Better Care Fund (iBCF)** – In 2023/24, the iBCF remained flat at £14.9m, the same as in 2022/23. This grant is for funding adult health and social care activity. Plans for its use, which have not yet been finalised, will also require the agreement of the ICB. The grant is likely to be spent in substantially the same way as in 2022/23.
- **Social Care grant** - the final Local Government finance settlement in February 2023 committed £1,506m more for Social Care grant nationally for 2023/24. This has increased Lewisham's final grant from £14.622m in 2022/23 to £23.402m in 2023/24 (a 60% increase) with the discretion to spend this on both adults and children social care. There was also an uplift of £3.85m in the previous year, and in the 2022/23 budget £1.95m was taken into base budget and the remaining £1.9m was utilised to support once off pressures within these services. It is assumed in the MTFS that in 2024/25 this £1.9m be taken into base budget. Given the scale of the Social Care grant the decision was taken in the 2023/24 budget to build this into the base funding for services, meaning that the Council is now more reliant on its continuation at at least the level of 2023/24. There is a risk that the delayed Social Care Reforms may reduce this when eventually implemented, although it is assumed that this funding will be rolled up into the new funding allocations. Whilst the Autumn Budget in 2022 signalled that there would be further growth in Social Care funding in 2024/25, it is not considered prudent to build into the MTFS model.
- **Other grants** – the Council receives a number of other revenue grants, the most recent and significant being the £3.85m Services Grant first received in 2022/23 at £6.56m, however this is labelled as 'once off' and so is not built into any future budget models. Pending a full financial settlement for local government these have increased in recent years, in number and scale, and therefore pose a greater risk to the Council's budget as they are only annual. These include recent s31 grants which supplement business rates, social care, and special education needs as well as some other relatively small or directly related to specific projects.

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

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

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

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

#### Capital financing charges

- 7.19. Capital financing costs include all revenue costs relating to the Council's outstanding borrowing which comprises repayment of principal and interest charges. It also includes provision for capital spending which is charged directly to revenue and repayment of historic debt in respect of the former Inner London Education Authority. These costs are offset by principal and interest repayments from the Catford Regeneration Partnership Limited, Lewisham Homes, and interest on the Council's investment balances.
- 7.20. The main factors that affect the forecasting of capital financing costs are the level of additional borrowing for capital purposes, the level of the Council's cash balances, and interest rates. The MTFs usually assumes that capital spending will be funded either from grant, capital receipts, capital reserves (including S106 and CIL), be charged direct to revenue or borrowing. However, as set out in paragraph [7.16] above, the scale of the capital programme ambition, or the impact of further delay due to inflation, means that it is assumed that a further £1m will be required for either new borrowing costs or revenue costs not able to be capitalised.
- 7.21. Short term changes to interest rates should not materially affect borrowing costs as the Council borrows long term (typically 30 plus years) at fixed rates. It also assumes that cash balances remain at their current level in the immediate future pending a pick-up in the delivery of the capital programme. If interest rates rise the Council receives more interest on balances invested. However, the projections have not built in any assumptions about changes to interest rates as their scale is likely to be limited and the timing remains uncertain.

#### Levies

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

#### Added years pension costs

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

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

- 8.1. Using the medium term resource envelope and revenue expenditure projections stated above, the resulting overall forecast position for the authority is shown in Table 5 below:



**Table 5: Summary of Projected Financial Position**

	Optimistic Case				Main Case				Pessimistic Case			
	2024/25	2025/26	2026/27	2027/28	2024/25	2025/26	2026/27	2027/28	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Business Rates Baseline Funding Level	134.490	129.526	130.169	130.921	<b>134.490</b>	<b>119.832</b>	<b>119.882</b>	<b>120.154</b>	133.503	116.109	112.630	109.847
BR S31 Grant (RPI to CPI adjustment)	10.000	15.000	15.000	15.000	<b>10.000</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>	10.000	15.000	15.000	15.000
Business Rates Collection Fund losses	(0.000)	(0.000)	(0.000)	(0.000)	<b>(0.000)</b>	<b>(1.000)</b>	<b>(1.000)</b>	<b>(1.000)</b>	(0.000)	(1.000)	(2.000)	(2.000)
Council Tax raised	141.373	148.236	154.577	160.791	<b>141.373</b>	<b>146.797</b>	<b>151.590</b>	<b>156.152</b>	139.885	145.268	150.011	156.152
Council Tax Collection Fund losses	(0.000)	(1.000)	(1.000)	(1.000)	<b>(0.000)</b>	<b>(1.000)</b>	<b>(1.000)</b>	<b>(1.000)</b>	(0.000)	(1.000)	(1.000)	(1.000)
Total Resources	285.863	291.763	298.746	305.712	<b>285.863</b>	<b>279.629</b>	<b>284.472</b>	<b>289.143</b>	283.388	274.376	274.640	277.999
Total Revenue Expenditure	286.101	285.668	301.551	308.640	<b>288.101</b>	<b>285.668</b>	<b>289.418</b>	<b>294.366</b>	287.378	284.521	285.552	285.983
Budget Gap	0.238	(6.094)	2.806	2.928	<b>2.238</b>	<b>6.039</b>	<b>4.946</b>	<b>5.223</b>	3.990	10.145	10.912	7.984
Approved Savings	(2.315)	(0.850)	0.000	0.000	(2.315)	(0.850)	0.000	0.000	(2.315)	(0.850)	0.000	0.000
Additional Annual Savings Required	<b>(2.077)</b>	<b>(6.944)</b>	<b>2.806</b>	<b>2.928</b>	<b>(0.077)</b>	<b>5.189</b>	<b>4.946</b>	<b>5.223</b>	<b>1.675</b>	<b>9.295</b>	<b>10.912</b>	<b>7.984</b>
Cumulative Savings Required	<b>(2.077)</b>	<b>(9.021)</b>	<b>(6.944)</b>	<b>2.924</b>	<b>(0.077)</b>	<b>5.112</b>	<b>10.058</b>	<b>15.281</b>	<b>1.675</b>	<b>10.970</b>	<b>21.882</b>	<b>29.866</b>

- 8.2. Taking the main case scenario as the expected position, the MTFs shows the annual measures required to bridge the budget gap from 2024/25 to 2027/28 as (£0.077m), £5.189m, £4.946m and £5.223m, respectively in each year. A total of £15.281m over the four years to 2027/28.
- 8.3. It is important to note two things. Firstly, any of the pressures not addressed in service spending through 2023/24, or funded through the growth allocated in 2024/25 will result in a cuts target for 2024/25 rather than the balanced budget forecast. Secondly, the cuts offered up in 2021/22 and 2022/23 for 2024/25 and 2025/26, £2.315m and £0.850m respectively, are included within these MTFs figures. If these are not delivered then the budget gap increases proportionately.
- 8.4. The optimistic case scenario has been modelled to show the effect that positive changes in the assumptions will have on the overall budget gap. Here the cumulative budget gap to 2027/28 reduces by approximately £13m to £3m. This is based on lower predicted cuts to baseline funding and higher increase in the Council Tax collection rates.
- 8.5. The pessimistic case scenario reflects the impact of certain risks having a more severe impact. The cumulative budget gap to 2027/28 increases by approximately £15m to £30m. This scenario demonstrates the difficulty the Council could potentially face if the impact of funding cuts are higher and Council Tax collection rates are lower than expected.
- 8.6. The Council has considered how it will manage the longer term financial impact of the Covid pandemic and made some allowance for this in the base case scenario to ensure that there is not unrealistic reliance assumed on Government.
- 8.7. The next section of this report looks at how the Council continues to address the gap in order to produce a balance budget.

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

- 9.1. Officers continue to work on implementing delayed savings not implemented due to the impact of Covid 19, the £12.5m of new budget reductions taken into the budget for 2023/24, while also managing the challenges of continued high inflation and demand pressures. This work is discussed more fully in the P2 financial monitoring reported to Mayor & Cabinet on the 19 July 2023.
- 9.2. Given that the base case model for 2024/25 indicates a balanced budget for 2024/25 a budget reduction process is not required for that year. However, the proposal is that during 2023/24 officers undertake a targeted internal budget process focusing on high volume / high value services, including benchmarking activity data to review current levels of expenditure to ensure that the 2023/24 budget can be stabilised and remain balanced in 2024/25.
- 9.3. During the latter part of the year, the savings process will commence, including Member engagement, with the aim of identifying at least £20m of savings for the period 2025/26 – 2027/28. The level of savings targeted is greater than the forecast required £15m to enable Members to be able to make choices in terms of which items to approve for implementation.
- 9.4. This will be a targeted approach to developing savings from strategic service changes over more than one year. The process will not be one of seeking blanket savings, setting targets nor taking a themed approach.
- 9.5. These options will be scrutinised and agreed in 2024/25, so that officers can begin the work of implementing these in advance of the start of 2025/26 to ensure that the full year effect can be achieved and enabling any necessary prior investment for those items which may be invest-to-save schemes.

- 9.6. If more savings than required are taken then this will enable greater funding of new pressures arising, beyond the funding of inflation assumed in the MTFS.
- 9.7. The progress of the budget stabilisation and savings identification will be robustly monitored and reported via the regular financial monitoring. A further specific update may be brought forward depending on both internal progress and any announcements by Government in either the Chancellor's Autumn Budget or the provisional Local Government Finance Settlement.
- 9.8. Existing governance arrangements will be utilised where appropriate to ensure that there is rigorous oversight of the programmes that are brought forward to support these reduction measures and where necessary new governance will be introduced under the leadership of EMT.

## 10. RISKS

- 10.1. There are a number of risks facing the Council in setting its MTFS for the period 2024/25 to 2027/28. The key issues are discussed below.
- 10.2. As set out above, whilst the Autumn Budget made certain commitments for the current spending round (ending in 2025/26) Government provided only a one year settlement for 2023/24. Furthermore the Budget suggested that the growth provided in the current spending round would be funded via reductions in spending in future spending rounds. **Therefore officers are reasonably confident in the forecasting for 2024/25, but have had to make assumptions for the remaining four year period in the MTFS, and therefore the modelling for 2025/26 – 2027/28 is heavily caveated and uncertain.**
- 10.3. The UK levels of inflation are not decreasing as quickly as the US and Europe, and there is generally a lag between actual CPI and both public sector pay and contract costs, whilst some allowance has been made for this there remains real risk associated with these economic factors.
- 10.4. The Funding Reforms to Business Rates and the Social Care funding reforms have been further delayed and are not expected until 2025/26 at the earliest which introduces further risk and uncertainty. The scale of social care funding is increasing and Local Government grows ever more reliant on both local taxes and the various social care grants (iBCF, BCF, PH, SCG, market sustainability) to support services.
- 10.5. There also remains the significant risk that the general fund may be required to support both the HRA and schools budget. The housing repairs and maintenance costs required to meet the decent homes standard may be unable to be accommodated within the HRA budgets, and the SEN and transport costs may similarly fall to the general fund. The statutory override (which ringfences the current circa £11m schools deficit to schools reserve) may be lifted, meaning that the general fund reserves will be required to fund this.
- 10.6. The progress and outcomes of the capital strategy and programme review work reporting to M&C in July are not yet known. If the capital strategy and its associated risks (given the scale and pace of delivery) put more pressure on the revenue budget (e.g. through abortive costs, overspends, new or extended projects, etc.) this will add to the cuts targets required.

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## **11. CONCLUSION**

- 11.1. The Medium Term Financial Strategy sets out initial estimates based on uncertain assumptions for the funding of local government to prudently anticipate the scale of financial challenge the Council will face over the medium term to 2027/28.
- 11.2. The next stages in the development of the financial strategy will be further refinement of the Council's longer term forecasting in light of the next Spending Round, Local Government Finance Settlement, and clarity on the government's policy agenda as it impacts local government. This, in turn, will inform the Council's development of the saving proposals required to balance the Council's budget and timing of these.
- 11.3. The MTFS identifies that the Council may have to make up to £15m of budget reductions over the next four years, on top of the £2.315mm and £0.85m already put forward in 2021/22 and 2022/23 for 2024/25 and 2025/26.
- 11.4. Given the high level of uncertainty and risk of making cuts which may then have to be reversed if the assumptions used are wrong, the recommended focus now is to ensure that those cuts previously offered remain deliverable, and that the persistent budget overspends arising in 2022/23 and continuing into 2024/25 are reduced and managed to stabilise the Council back to a balanced budget outturn.
- 11.5. The Council will then start preparing savings for the latter three years in the Autumn, adjusted as necessary as Government produces its Autumn Budget and provisional Local Government Finance Settlement, and bring these forward for scrutiny and decision making well in advance of 2025/26 to ensure that there is both choice in which saving to take as well as sufficient time for robust and careful implementation. The timetable in section 9 above allows for this process to be undertaken.
- 11.6. Local authorities have largely acknowledged that deep changes are required if they are to continue to deliver positive outcomes for their citizens. What is not yet clear is how authorities can continue to make this happen in practice if funding levels are cut further, what services local government may be responsible for in future, and how services are expected to transform and change to support the borough and its residents in the longer term.

## **12. FINANCIAL IMPLICATIONS**

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

## **13. LEGAL IMPLICATIONS**

- 13.1. The purpose of this report is to develop a medium term approach in support of better service and financial planning and an update of in-year financial pressures. Members are reminded that the legal requirements are centred on annual budget production, and that indicative decisions made for future years are not binding.
- 13.2. The Local Government Act 2000 and subsequent regulations and guidance says that it is the responsibility of the full Council to set Lewisham's budget, including all of its components and any plan or strategy for the control of the Council's capital expenditure. Regulations provide that it is for the Executive to have overall responsibility for preparing the draft budget for submission to the full Council to consider. Once the budget has been set, it is for the Mayor & Cabinet to make decisions in accordance with the statutory policy framework and the budgetary framework set by the Council.

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- 13.3. Where there are proposals for a reduction to a service which the Council is either under a statutory duty to provide, or which it is providing in the exercise of its discretionary powers and there is a legitimate expectation that it will consult, then consultation with all service users will be required before any decision to implement the proposed saving is taken. The outcome of such consultation must be reported to the Mayor. Where the proposed savings will have an impact upon staff, then the Council will have to consult the staff affected and their representatives in compliance with all employment legislative requirements and the Council's own employment policies.

#### **14. EQUALITIES IMPLICATIONS**

- 14.1. The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 14.2. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for Mayor and Cabinet, bearing in mind the issues of relevance and proportionality. Mayor and Cabinet must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 14.3. The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found on the EHRC website.
- 14.4. The EHRC has issued five guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

#### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 15. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

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

## 16. CRIME AND DISORDER IMPLICATIONS

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

## 17. HEALTH AND WELLBEING IMPLICATIONS

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

## 18. BACKGROUND PAPERS

18.1. Budget Report 2023/24 – Full Council 1 March 2023

[Lewisham Council - Agenda for Council on Wednesday, 1st March, 2023, 7.30 pm](#)

18.2. Financial Results 2022/23 – Mayor & Cabinet 21 June 2023

[Lewisham Council - Agenda for Mayor and Cabinet on Wednesday, 21st June, 2023, 6.00 pm](#)

## 19. GLOSSARY

Term	Definition
<b>Actuarial Valuation</b>	An independent report of the financial position of the Pension Fund carried out by an actuary every three years. The actuary reviews the Pension Fund assets and liabilities as at the date of the valuation and makes recommendations such as, employer's contribution rates and deficit recovery period, to the Council.
<b>Baseline Funding Level</b>	The amount of a local authority's start-up funding allocation which is provided through the local share of the estimated business rates aggregate (England) at the outset of the scheme as forecast by the government. It forms the baseline against which tariffs and top-ups are calculated.
<b>Budget Requirement</b>	The Council's revenue budget on general fund services after deducting funding streams such as fees and charges and any funding from reserves. (Excluding Council Tax, RSG and Business Rates)
<b>Business Rates Baseline</b>	The business rates baseline is equal to the amount of business rates generated locally in a specific year.
<b>Capital Expenditure</b>	Spend on assets that have a lasting value, for example, land, buildings and large items of equipment such as vehicles. This can also include indirect expenditure in the form of grants or loans to other persons or bodies.
<b>Capital Programme</b>	The Council's plan of future spending on capital projects such as buying land, buildings, vehicles and equipment.

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

Term	Definition
<b>Capital Receipts</b>	These are proceeds from the disposal of land or other assets and can be used to finance new capital expenditure but cannot be used to finance revenue expenditure.
<b>Capping</b>	This is the power under which the government may limit the maximum level of local authority spending or increases in the level of spending year on year, which it considers excessive. It is a tool used by the government to restrain increases in Council Tax. The Council Tax cap, currently 2%, means that any local authority in England wanting to raise Council Tax by more than 2% in 2015/16 must consult the public in a referendum, Councils losing a referendum would have to revert to a lower increase in their bills.
<b>CIPFA</b>	The Chartered Institute of Public Finance and Accountancy are one of the UK accountancy institutes. Uniquely, CIPFA specialise in the public sector. Consequently CIPFA holds the responsibility for setting accounting standards for local government.
<b>Clinical Commissioning Group (CCG)</b>	Clinical Commissioning Groups ( <b>CCGs</b> ) were created following the Health and Social Care Act in 2012, and replaced Primary Care Trusts on 1 April 2013. They are clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.
<b>Collection fund</b>	A statutory account maintained by the Council recording the amounts collected from Council Tax and Business Rates and from which it pays the precept to the Greater London Authority.
<b>Collection Fund surplus (or deficit)</b>	If the Council collects more or less than it expected at the start of the financial year, the surplus or deficit is shared with the major precepting authority, in Lewisham's case this is the GLA, in proportion to the respective Council Taxes. These surpluses or deficits have to be returned to the Council taxpayer in the following year through lower or higher Council taxes. If, for example, the number of properties or the allowance for discounts, exemptions or appeals vary from those used in the Council Tax base, a surplus or deficit will arise. The Council generally achieves a surplus, which is shared with the GLA.
<b>Contingency</b>	This is money set-aside centrally in the Council's base budget to meet the cost of unforeseen items of expenditure, such as higher than expected inflation or new responsibilities.

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



Term	Definition
<b>Council Tax Base</b>	The Council Tax base for a Council is used in the calculation of Council Tax and is equal to the number of Band D equivalent properties. To work this out, the Council counts the number of properties in each band and works out an equivalent number of Band D equivalent properties. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992. They are: A 6/9, B 7/9, C 8/9, D 9/9, E 11/9, F 13/9, G 15/9 and H 18/9, so that Band A is six ninths of the 'standard' Band D, and so on.
<b>CPI and RPI</b>	The main inflation rate used in the UK is the CPI (Consumer Price Index), the Chancellor of the Exchequer bases the UK inflation target on the CPI. The CPI inflation target is currently set at 2%. The CPI differs from the RPI (Retail Price Index) in that CPI excludes housing costs. Also used is RPIX, which is a variation on RPI, one that removes mortgage interest payments.
<b>Dedicated schools grant (DSG)</b>	This is the ring-fenced specific grant that provides most of the government's funding for schools. This is distributed to schools by the Council using a formula agreed by the schools forum.
<b>Financial Regulations</b>	These are a written code of procedures set by a local authority, which provide a framework for the proper financial management of the authority. They cover rules for accounting and audit procedures, and set out administrative controls over the authorisation of payments, etc.
<b>Financial Year</b>	The local authority financial year commences on 1st April and finishes on the following 31 March.
<b>General Fund</b>	This is the main revenue fund of the local authority, day-to-day spending on services is met from the fund. Spending on the provision of housing however, must be charged to the separate Housing Revenue Account (HRA).
<b>Gross Domestic Product (GDP)</b>	GDP is defined as the value of all goods and services produced within the overall economy.
<b>Gross Expenditure</b>	The total cost of providing the Council's services, before deducting income from government grants, or fees and charges for services.
<b>Housing Revenue Account (HRA)</b>	A separate account of expenditure and income on housing that Lewisham must keep. The account is kept ring-fenced from other Council activities. The government introduced a new funding regime for social housing within the HRA from April 2012.
<b>Individual authority business rates baseline</b>	This is derived by apportioning the billing authority business rates baseline between billing and major precepting authorities on the basis of major precepting authority shares.

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



Term	Definition
<b>Levies</b>	A levy is an amount of money a local authority is compelled to collect (and include in its budget) on behalf of another organisation. Lewisham is required to pay levies to a number of bodies such as the London Pensions Fund Authority.
<b>Local share</b>	This is the percentage share of locally collected business rates that will be retained by local government, currently 50%.
<b>Net Expenditure</b>	This is gross expenditure less services income, but before deduction of government grant.
<b>New Homes Bonus</b>	Under this scheme Councils receive a new homes bonus (NHB) per each new property built in the borough for the first six years following completion. Payments are based on match funding the Council Tax raised on each property with an additional amount for affordable homes. It is paid in the form of an un-ringfenced grant.
<b>Prudential Borrowing</b>	Set of rules governing local authority borrowing for funding capital projects under a professional code of practice developed by CIPFA to ensure the Council's capital investment plans are affordable, prudent and sustainable.
<b>Revenue Expenditure</b>	The day-to-day running expenses on services provided by Council.
<b>Revenue Support Grant (RSG)</b>	All authorities receive Revenue Support Grant from central government in addition to its baseline funding level under the local government finance system. An authority's Revenue Support Grant amount plus its baseline funding level together comprises its Settlement Funding Assessment.
<b>Section 151 officer</b>	Legally Councils must appoint under section 151 of the Local Government Act 1972 a named chief finance officer to give them financial advice, in Lewisham's case this is the post of the Executive Director for Resources and Regeneration.
<b>Settlement Funding Assessment (SFA)</b>	A Local Authority's share of the local government spending control total which comprises its Revenue Support Grant for the year in question and its baseline funding level.
<b>Specific Grants</b>	As the name suggests funding through a specific grant is provided for a specific purpose and cannot be spent on anything else e.g. The Dedicated Schools Grant (DSG) for schools.

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 20. REPORT AUTHOR AND CONTACT

- 20.1. For more information please contact David Austin, Director for Finance, 1st Floor Laurence House, 020 8314 9114, David.Austin@lewisham.gov.uk.
- 20.2. Katharine Nidd, Head of Strategic Finance, Planning and Commercial, 4th Floor Laurence House, 020 8314 6651, Katharine.Nidd@lewisham.gov.uk.

## APPENDIX 1 – SUMMARY OF MTFs ASSUMPTIONS

RESOURCE ENVELOPE			
	Main case	Pessimistic case	Optimistic Case
Notional Revenue Support Grant	<ul style="list-style-type: none"> <li>□ 2024/25 7.4% inflation change to 2023/24 levels, 45% reduction in 2025/26, thereafter further 5% reduction assumed each year</li> </ul>	<ul style="list-style-type: none"> <li>□ 2024/25 0% inflation change to 2023/24 levels, 50% reduction in 2025/26, thereafter further 20% reduction assumed each year</li> </ul>	<ul style="list-style-type: none"> <li>□ 2024/25 7.4% inflation change to 2023/24 levels, 20% reduction in 2025/26, thereafter further 5% reduction assumed each year</li> </ul>
Business Rates	<ul style="list-style-type: none"> <li>□ 1% real terms increase in 2024/25, and then 1% increase for each further year on the rateable value base and top-up</li> <li>□ £10m S31 grant in 2024/25 and £15m S31 grant in each year thereafter</li> </ul>	<ul style="list-style-type: none"> <li>□ 0% real terms increase in 2024/25, and then 0% increase for each further year on the rateable value base and top-up</li> <li>□ £10m S31 grant in 2024/25 and £15m S31 grant in each year thereafter</li> </ul>	<ul style="list-style-type: none"> <li>□ 1% real terms increase in 2024/25, and then 2% increase for each further year on the rateable value base and top-up</li> <li>□ £10m S31 grant in 2024/25 and £15m S31 grant in each year thereafter</li> </ul>
Council Tax income	<ul style="list-style-type: none"> <li>□ In 2024/25 2.99% change in Council Tax level and 2% Social Care precept), thereafter a 1.99% change in the CTax level each year and a 1% ASC precept</li> </ul>	<ul style="list-style-type: none"> <li>□ In 2024/25 1.99% change in Council Tax level and 2% Social Care precept), thereafter a 1.99% change in the CTax level each year.</li> <li>□ % increase each year in Council Tax base from 2023/24</li> </ul>	<ul style="list-style-type: none"> <li>□ In 2024/25 2.99% change in Council Tax level and 2% Social Care precept), thereafter a 1.99% change in the CTax level each year and a 1% ASC precept in every year after.</li> <li>□ % increase each</li> </ul>

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

RESOURCE ENVELOPE			
	Main case	Pessimistic case	Optimistic Case
	<p>in 2025/26 only.</p> <p><input type="checkbox"/> % increase each year in Council Tax base from 2023/24 onwards is: 0.5%, 0.75%, 1.25%, 1% and 1%</p> <p><input type="checkbox"/> CT collection rate each year from 2023/24 onwards is: 95%, 96%, 96%, 96% and 97%</p> <p><input type="checkbox"/> CTRS changes do not increase nor decrease the cost of the scheme in any year</p>	<p>onwards is: 0.5%, 0.75%, 1.25%, 1% and 1%</p> <p><input type="checkbox"/> CT collection rate each year from 2023/24 onwards is: 94%, 95%, 95%, 96% and 96%</p> <p><input type="checkbox"/> CTRS changes do not increase nor decrease the cost of the scheme in any year</p>	<p>year in Council Tax base from 2023/24 onwards is: 0.5%, 0.75%, 1.25%, 1% and 1%</p> <p><input type="checkbox"/> CT collection rate each year from 2023/24 onwards is: 95%, 96%, 96%, 96% and 97%</p> <p><input type="checkbox"/> CTRS changes do not increase nor decrease the cost of the scheme in any year</p>
Surpluses/deficits on Collection Fund	<p><input type="checkbox"/> The collection fund shortfall to be collected over 3 years is assumed to be from 2023/24: £0m, £2m, £2m, £2m and £2m</p>	<p><input type="checkbox"/> The collection fund shortfall to be collected over 3 years is assumed to be from 2023/24: £0m, £2m, £3m, £3m and £2m</p>	<p><input type="checkbox"/> The collection fund shortfall to be collected over 3 years is assumed to be from 2023/24: £0m, £1m, £1m, £1m and £0m</p>
<p>Grants:</p> <ul style="list-style-type: none"> <li>- Improved Better Care Fund</li> <li>- Social Care Grant</li> <li>- Better Care Fund</li> <li>- Public Health</li> <li>- Market Sustainability and Discharge</li> </ul>	<p><input type="checkbox"/> Total circa £80m – assumes it stays flat</p> <p>£14.9m</p> <p>£23.4m</p> <p>£10m</p> <p>£26.6m</p> <p>£5.3m</p> <p><input type="checkbox"/> Assuming DSG self funds</p>	<p><input type="checkbox"/> Change in RNF basis for distribution - £8m loss</p> <p><input type="checkbox"/> Assuming DSG self funds</p>	<p>Inflation at half of CPI</p> <p>1.25% in 2024/25, 0.5% in 2025/26 and 1% each year afterwards</p> <p><input type="checkbox"/> Assuming DSG self funds</p>

## EXPENDITURE

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

<b>RESOURCE ENVELOPE</b>			
	<b>Main case</b>	<b>Pessimistic case</b>	<b>Optimistic Case</b>
	<b>Main case</b>	<b>Pessimistic case</b>	<b>Optimistic Case</b>
Pay awards	<input type="checkbox"/> 2.5% in 2024/25, 1% in 2025/26 and 2% each year afterwards <input type="checkbox"/> £2m for unfunded 2023/24 pay award in 2024/25	<input type="checkbox"/> 3% in 2024/25, 1.5% in 2025/26 and 2.5% each year afterwards <input type="checkbox"/> £2m for unfunded 2023/24 pay award in 2024/25	<input type="checkbox"/> 2.5% in 2024/25, 1% in 2025/26 and 2% each year afterwards <input type="checkbox"/> £2m for unfunded 2023/24 pay award in 2024/25
General price inflation (incl. fees and charges)	<input type="checkbox"/> % increase each year in non-pay budgets from 2023/24 is: 2.5% in 2024/25, 1% in 2025/26 and 2% each year afterwards	<input type="checkbox"/> % increase each year in non-pay budgets from 2023/24 is: 3% in 2024/25, 1.5% in 2025/26 and 2.5% each year afterwards	<input type="checkbox"/> % increase each year in non-pay budgets from 2023/24 is: 2.5% in 2024/25, 1% in 2025/26 and 2% each year afterwards
Pressures and risks	<input type="checkbox"/> £16m in 2024/25 and £4.5m in 2025/26 – 2028/29	<input type="checkbox"/> £16m in 2024/25 and £4.5m in 2025/26 – 2028/29	<input type="checkbox"/> £16m in 2024/25 and £4.5m in 2025/26 – 2028/29
New legislation	<input type="checkbox"/> Nothing allowed	<input type="checkbox"/> Nothing allowed	<input type="checkbox"/> Nothing allowed
Demographic Change	<input type="checkbox"/> Nothing allowed	<input type="checkbox"/> Nothing allowed	<input type="checkbox"/> Nothing allowed
<b>NB</b> the MTFs assumes that any overspending is addressed in-year or met from reserves			

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



## Public Accounts Select Committee

### Select Committee Work Programme Report

**Date:** 28 June 2023

**Key decision:** No.

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Director of Law and Corporate Governance (Scrutiny Manager)

### Outline and recommendations

To ask members to discuss the committee's priorities for the 2023/24 municipal year and to agree an annual work programme.

The Committee is asked to:

- Consider the potential items set out in the draft work programme at **Appendix D**.
- Consider the policy context: the corporate strategy priorities.
- Discuss the committee's priorities and agree a work programme for 2023/24.
- Note opportunities for public engagement, site visits and expert witnesses.

### Timeline of engagement and decision-making

The Public Accounts Select Committee is scheduled to meet on the following dates in the municipal year 2023-24:

- 28 June 2023
- 21 September 2023
- 30 November 2023
- 23 January 2024
- 14 March 2024

## 1. Summary

- 1.1. This report asks members to discuss and agree priorities for the Select Committee's work programme for the year ahead and describes the process for its approval by the Overview and Scrutiny Committee and ongoing monitoring by the Select Committee.

## 2. Recommendations

- 2.1. The Committee is asked to:
  - Consider the potential items set out in the draft work programme at **Appendix D**.
  - Consider the policy context: the corporate strategy priorities.
  - Discuss the Committee's priorities and agree a work programme for 2023-24.
  - Note opportunities for public engagement, site visits and expert witnesses.
- 2.2. The Committee may wish to consider appointing a climate champion as suggested by the Overview and Scrutiny Committee.

## 3. The role of the Public Accounts Select Committee

- 3.1. The Committee has a key role in scrutinising the performance and supporting the development of the Council's financial functions and budget setting processes.. It also has a role in engaging and reflecting the views of residents in relation to finance-related matters.
- 3.2. The Committee considers how the Council manages and uses money - it can:
  - Review the way Council managers make decisions about spending money.
  - Challenge the Council to use the most effective means of managing its finances.
  - Examine and challenge the Council's plans for spending over the whole year - and delivering its budget.
  - Recommend ways to improve the Council's processes for buying goods and services (and for managing services to get the best value).
- 3.3. The Committee's full terms of reference are set out in **Appendix A**.

## 4. Different types of scrutiny

- 4.1. It's important to think early on about the most effective way to scrutinise each item on the work programme. Some issues may only require an initial briefing, circulated by email, for information, some may require site visits and public engagement, and others may require detailed questioning at a formal committee meeting and input from stakeholders.
- 4.2. The *Effective Scrutiny Guidelines* at **Appendix C** set out 5 key principles to take into account when carrying out scrutiny: *Prioritise; Be independent; Work Collectively; Engage; make SMART recommendations*. This will help the Committee decide on the most appropriate approach for the issue at hand.
- 4.3. Members should also note the comments in the [Local Democracy Review](#) about how scrutiny can be even more effective, participative and open. Suggestions included:
  - Focusing on fewer issues more closely linked to council priorities
  - More engagement with the public outside of formal meetings

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- Individual scrutiny members leading on defined topic areas
  - Contributing to new policy proposals at an early stage
- 4.4. Some of the most common scrutiny methods are described below, but members are encouraged to try new ways of gathering evidence and engaging the public and these categories are not absolute or necessarily discrete from one another.
- 4.5. The majority of work programme items tend to involve the below mentioned activities, where scrutiny is carried out as part of a single meeting with members:
- agreeing in advance the information and analysis needed
  - receiving an officer report presenting the relevant information
  - gathering additional evidence via activities outside of meetings
  - asking questions of the presenting officers or external witnesses
  - agreeing recommendations to Mayor and Cabinet and partners.

#### Pre-decision scrutiny

- 4.6. This is scrutiny undertaken in connection with a forthcoming decision. It may entail reviewing the policy area and issues to which the decision relates and making recommendations to inform the development of the executive's proposals or reviewing the executive's draft or final proposed decision and making recommendations regarding the proposals.

#### Policy review and development

- 4.7. This is where a committee reviews an issue and any relevant policy and develops policy recommendations to address the issue or improve any related policy.

#### Performance monitoring

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

#### Task and Finish Groups

- 4.9. For issues that require more extensive evidence gathering, members may put forward a proposal for a Task and Finish Group (TFG). The Overview & Scrutiny Committee will agree which TFGs should be established, their membership, terms of reference and duration. TFGs are independent of select committees and make recommendations directly to Mayor & Cabinet.

#### Information items

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

## **5. Agreeing the Committee's work programme**

- 5.1. A draft work programme is attached at Appendix D. It currently includes:
- suggestions made by the Committee at the last meeting of 2022-23
  - issues arising as a result of previous scrutiny
  - suggestions from Committee members, Cabinet Members and Council officers (further detail is set out in sections below).
- 5.2. It is for the Committee to set its own work programme and agree the priority issues it would like to include – the Committee does not have to look into everything officers, the public or other members suggest.

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- 5.3. When deciding on issues to include in the work programme, the Committee should consider the key services and programmes within the Committee's remit, the criteria for selecting and prioritising topics (see flowchart below), upcoming Mayor and Cabinet decisions (Appendix E) and avoid duplicating the work of any agreed task and finish groups (TFGs).
- 5.4. The Corporate Strategy 2022-26 sets out how the Council will deliver for its residents up to 2026. The Corporate Strategy provides an overarching framework and focus for all council business; and items within the Committee's work programme should be linked to the priorities in the strategy (Appendix B).
- 5.5. The Committee is recommended to schedule no more than **two substantive items per meeting** to allow enough time for detailed discussions and the involvement of any invited witnesses or guests and to leave space for any Mayor & Cabinet responses that may arise throughout the year. The Committee should be responsive and if urgent business arises throughout the year the work programme can be amended with urgent business added and lower priority business removed.
- 5.6. Provision is made for meetings to last for up to 2.5 hours, but the Committee should aim to **manage its business within 2 hours**. In exceptional cases the Committee may decide to suspend standing orders and extend the meeting for a further 30 minutes to conclude any urgent business.
- 5.7. The Committee should specify the information it would like for each item to ensure that officer reports and other evidence meets its needs. This should be done under the work programme item at every meeting.
- 5.8. There is no provision at Committee for the discussion of information items (reports to note). If required, they will be circulated to members by email with questions put to the report author for a written response.
- 5.9. Some of the regular reports that fall under the Committee's remit, which are presented as reports to note and are circulated to members by email in the first instance, include the following. They are only taken as substantive items if wider engagement and scrutiny would add value, in line with the prioritisation process below.
  - Asset strategy update
  - Treasury management mi-year review
  - Audit Panel update
  - Reserves update
- 5.10. An informal briefing and work programme planning session was held on Wednesday 21 June – with members and senior officers in attendance.
- 5.11. Suggestions made by the Committee at the last meeting of 2022-23
  - Children's services finance
  - An update on adult social care.
  - Income generation and commercialisation.
  - A briefing on Council insurances
- 5.12. Suggestions from Officers in view of forthcoming developments
  - Treasury management briefing
  - Capital programme delivery

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

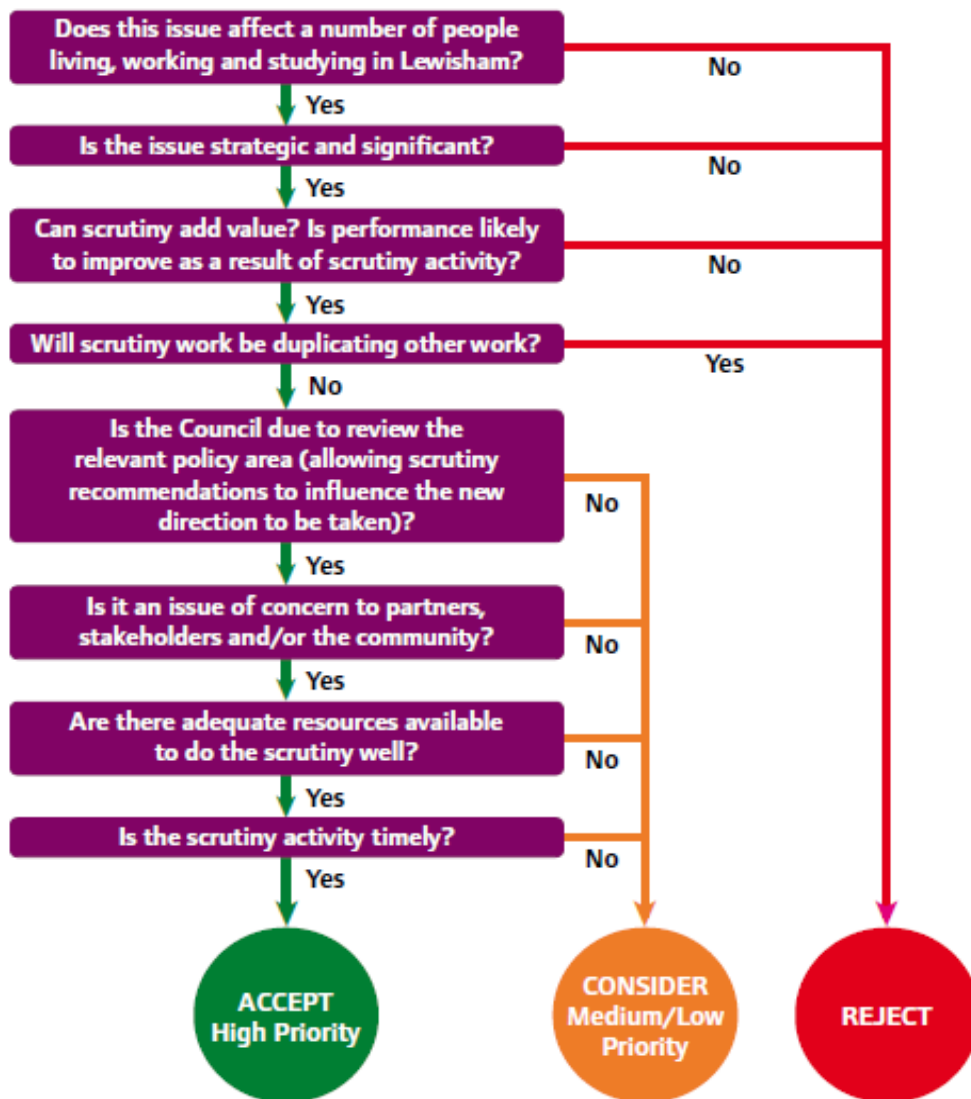


5.13. Issues arising as a result of previous scrutiny

- Financial monitoring
- Income generation and commercialisation

5.14. It is the Chair's responsibility to keep abreast of developments within the Committee's remit, liaise regularly with the relevant cabinet member(s) and escalate any issues that require action by the Committee to the work programme as appropriate.

## Scrutiny work programme – prioritisation process



### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

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

- 6.1. Each select committee is required to submit its work programme to the Overview and Scrutiny Committee for approval. This is to ensure a coordinated overview and scrutiny work programme across select committees that avoids duplication of effort and supports effective scrutiny. The Overview and Scrutiny Committee will meet on 4 July 2023.
- 6.2. The committee's work programme can be reviewed at each meeting to allow urgent items to be added and lower priority issues to be removed. Any potential items should be considered against the priority criteria outlined earlier in this report. If a high-priority item is included, a lower-priority item should be removed. The Committee's work programme must be achievable in the time available.

## **7. Financial implications**

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

## **8. Legal implications**

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

## **9. Equalities implications**

- 9.1. Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.2. The Council must, in the exercise of its functions, have due regard to the need to:
  - eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 9.3. There may be equalities implications arising from items on the work programme and all activities undertaken by the Select Committee will need to give due consideration to this.

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

- 10.1. There are no direct climate change or environmental implications arising from the implementation of the recommendations in this report. However, in February 2019 Lewisham Council declared a Climate Emergency and proposed a target to make the borough carbon neutral by 2030. An action plan to achieve this target was subsequently agreed by Mayor and Cabinet (following pre-decision scrutiny by the

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

Sustainable Development Select Committee)<sup>1</sup>. The plan incorporates all areas of the Council's work. Items on the work programme may well have climate change and environmental implications and reports considered by the Committee should acknowledge this.

- 10.2. The Committee may wish to appoint a climate champion as suggested by the Overview and Scrutiny Committee.

## **11. Crime and disorder implications**

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

## **12. Health and wellbeing implications**

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

## **13. Report author and contact**

- 13.1. If you have any questions about this report please contact:  
Timothy Andrew (Scrutiny Manager) [timothy.andrew@lewisham.gov.uk](mailto:timothy.andrew@lewisham.gov.uk)

## **14. Appendices**

Appendix A – Committee terms of reference (see below)

Appendix B – Council corporate priorities (see below)

Appendix C – Effective scrutiny principles (see below)

Appendix D – Draft Work Programme for Public Accounts Select Committee 2023-24 (see attached)

Appendix E – Forward Plan of Key Decisions (see attached)

---

<sup>1</sup> See <https://lewisham.gov.uk/TacklingTheClimateEmergency> for a summary of the Council's work in

## Appendix A- Public Accounts Select Committee terms of reference

The following roles are common to all select committees:

### (a) General functions

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

### (b) Policy development

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

### (c) Scrutiny

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

### (d) Community representation

- To promote and put into effect closer links between overview and scrutiny members and the local community
- To encourage and stimulate an enhanced community representative role for overview and scrutiny members including enhanced methods of consultation with local people
- To liaise with the Council's ward assemblies so that the local community might participate in the democratic process and where it considers it appropriate to seek the views of the ward assemblies on matters that affect or are likely to affect the local areas, including accepting items for the agenda of the appropriate select committee from ward assemblies.
- To keep the Council's local ward assemblies under review and to make recommendations

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

to the Executive and/or Council as to how participation in the democratic process by local people can be enhanced

- To receive petitions, deputations and representations from local people and other stakeholders about areas of concern within their overview and scrutiny remit, to refer them to the Executive, appropriate committee or officer for action, with a recommendation or report if the committee considers that necessary
- To consider any referral within their remit referred to it by a member under the Councillor Call for Action, and if they consider it appropriate to scrutinise decisions and/or actions taken in relation to that matter, and/or make recommendations/report to the Executive (for executive matters) or the Council (non-executive matters).

**(e) Finance**

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

**(f) Work programme**

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

**Public Accounts Select Committee has specific responsibilities for the following:**

- (a) To exercise all the functions and roles of the overview and scrutiny committee in relation to the following matters:
- To make reports and recommendations to the Council or the Executive which promote the better custodianship of the Council's finances and to make recommendations for best financial practice across the authority.
  - To investigate the possibilities for improving the Council's financial management practice and to make reports and recommendations to Executive or Council as appropriate.
  - To encourage the highest standards of financial custodianship where necessary overseeing training activity for all members in this area.
  - To consult on and to comment on and make recommendations to the Executive in respect of the actual and proposed contents of the Council's budget and without limiting the general remit of the committee, to hold the Executive to account for its performance in respect of all budgetary matters.
  - To receive reports as appropriate from the Audit Panel in respect of their overview of contract procedure rules and financial regulations.
  - To make recommendations and reports for consideration by the Executive or Council to improve procurement practice.
  - To scrutinise the effectiveness of the Audit Panel.

**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## **Appendix B: Corporate Priorities 2022-2026**

### Cleaner and greener

- We will do everything we can to ensure that over the next four years we make the borough cleaner and greener for our residents. Working to tackle the climate crisis through every area of council policy, we will ensure Lewisham is rated as a ‘top tier’ council for our work on climate action.
- We will continue the excellent work we have done over the last four years on tree planting. By 2026 we will have planted more street trees, tiny forests and community orchards across our borough.
- We will strive to maintain our status as having the best parks in London, continuing to invest in our much-loved parks and using our upcoming Play Strategy to create exciting environments for children within them.
- We will enable more active travel, and aim to reduce reliance on cars, introducing new walking paths to connect our borough, making it easier and more pleasant to get about Lewisham by foot or bike.
- We will keep our high streets cleaner by supporting residents to do what they can and increasing our prosecutions for fly-tipping and street littering.

### A strong local economy

- We will continue to expand our apprenticeship programme into new areas of work, building on the 260 apprentices that we placed during the 2018–2022 administration.
- We will invest in our high streets and create more pedestrianised spaces, doing what we can do ensure our borough is the best place in London for entrepreneurs to start their businesses.
- We will continue to promote Lewisham’s Shop Local Campaign, providing support for our independent businesses as well as protecting and improving our local street markets.
- We will actively work to attract jobs and businesses to Lewisham, building on the success of Lewisham Works and creating more spaces for pop-up stores and markets in shops that are temporarily empty.
- We will continue to work with businesses across the borough, encouraging them to become London Living Wage employers.

### Quality housing

- We will 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.
- We will aim to improve the conditions in the borough’s housing stock, working with all housing providers to encourage retro-fitting as part of our drive to be carbon-neutral by 2030, and to develop a Lewisham Rent Repairs Charter that improves the quality and timeliness of repairs.
- We will provide more support to renters through further landlord licensing and enforcement of poorly managed homes, holding landlords to account and giving a voice to renters across the borough.
- We will safeguard our heritage by preserving and restoring our historic buildings and landmarks, ensuring Lewisham’s history is preserved and maintained for future generations.

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



### Children and Young People

- We will continue the fantastic work of the last four years, supporting our schools to improve and increasing the opportunities for young people in Lewisham.
- We will relentlessly focus on pupil achievement, working with our schools and communities to build on our inclusive and high-achieving system of local comprehensive schools.
- We will ensure the most vulnerable children are protected from harm, driving improvement in children's social care and aiming to reduce the number of children coming into care through earlier targeted support for families in crisis.
- We will help to create new breakfast clubs at schools and continue to lobby the government to expand their free school meals programme.

### Safer Communities

- We will work with the police to implement our Violence Against Women and Girls strategy. This will include developing a new reporting tool that allows residents to map areas where they don't feel safe, and feed that back to the Council and police.
- We will continue to support the Mayor of London's Have a Word campaign, which encourages men to reflect on their own behaviour and the way they see, treat and talk about women.
- We will reduce the number of young people who enter the criminal justice system, focusing on prevention and expanding our trauma-informed approach, championed by our Youth Offending Service.
- We will continue to focus and develop our successful public health approach to youth violence, aiming to tackle knife crime and reduce sexual exploitation across the borough.

### Open Lewisham

- We will celebrate Lewisham's diversity, ensuring we are a representative and inclusive council and workforce.
- We will maintain our status as a Borough of Sanctuary and London's leading borough for refugee resettlement.
- We will develop plans to build on our legacy as London's Borough of Culture, celebrating the diverse and creative communities within Lewisham. This will include creating a new Culture and Live Music Strategy and bringing artists, community groups and businesses together to launch a Black Arts Festival.
- We will maintain and strengthen the Lewisham Way of working in collaboration with our voluntary and community sectors and seek new areas where we can partner together.
- We will actively listen to our residents, being responsive to their concerns and communicative in our approach. We will co-design services with those affected by them and ensure strong consultation processes that reach out to people whose voices are seldom heard.

### Health and Wellbeing

- We will partner with local food banks, food growing groups, schools and communities, through our joint Lewisham Food Action Plan. Together, we will ensure that everyone can access food and other essentials.
- We will learn from our Birmingham and Lewisham African and Caribbean Health Inequalities Review, aiming to mitigate and ultimately end, structural racism and

## **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

discrimination as a driver of health inequalities.

- We will progress towards a fairer social care system, improving conditions for care workers to ensure they feel valued, and that Lewisham is known as an exemplary employer.
- We will work with the local NHS to deliver the services Lewisham residents need and create the Lewisham Health Care and Wellbeing Charter.
- We will collaborate with other organisations to deliver the places, activities and programmes our residents need to feel empowered to live a physically active lifestyle.

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>



## **Appendix C- Effective Scrutiny Guidelines**

**At Lewisham we:**

### **1. Prioritise**

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

### **2. Are independent**

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

### **3. Work collectively**

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

### **4. Engage**

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

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

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

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

#### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

This page is intentionally left blank

**Public Accounts Select Committee work plan 2023-24**

Item	Type of item	Priority	28-Jun-23	21-Sep-23	30-Nov-23	23-Jan-24	14-Mar-24
Financial monitoring	Performance monitoring	All	Period 2				
Medium term financial strategy	Standard item	All					
Financial results 2022-23	Performance monitoring	All					
Capital programme delivery	Performance monitoring	All					
Income generation and commercialisation	Standard item	All					
Budget cuts	Performance monitoring	All					
Treasury management	Performance monitoring	All				Strategy 24-25	
Council budget 2024-25	Policy development	All					
TBD	Performance monitoring	All					

Information items

Asset strategy update	Information	All					
Treasury management mid-year review	Information	All					
Audit panel update	Information	All					
Reserves update	Information	All					

**Corporate Priorities****Priority**

<b>1</b>	<b>Open Lewisham</b>	<b>CP 1</b>
<b>2</b>	<b>Quality Housing</b>	<b>CP 2</b>
<b>3</b>	<b>Children and Young People</b>	<b>CP 3</b>
<b>4</b>	<b>A Strong Local Economy</b>	<b>CP 4</b>
<b>5</b>	<b>Health &amp; Wellbeing</b>	<b>CP 5</b>
<b>6</b>	<b>Cleaner and greener</b>	<b>CP 6</b>
<b>7</b>	<b>Safer Communities</b>	<b>CP 7</b>

## FORWARD PLAN OF KEY DECISIONS

### Forward Plan July 2023 - October 2023

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

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Emma Aye-Kumi, the Local Democracy Officer, at the Council Offices or [emma.aye-kumi@lewisham.gov.uk](mailto:emma.aye-kumi@lewisham.gov.uk). However the deadline will be 4pm on the working day prior to the meeting.

A “key decision”\* means an executive decision which is likely to:

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

January 2023	<b>Adventure Playgrounds: Procurement of Play Service and Site Maintenance and Development Service</b>	21/06/23 Mayor and Cabinet	and Councillor Chris Barnham, Cabinet Member for Children and Young People		
April 2023	<b>Amersham Rd and Northover Conversion and Refurbishment Project Contract Award</b>	21/06/23 Executive Director for Housing, Regeneration & Environment	Stephen Sealy and		

**FORWARD PLAN – KEY DECISIONS**

<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
April 2023	<b>Annual Complaints Report</b>	21/06/23 Mayor and Cabinet	Maxine Gordon, Director of Resident and Business Services and		
April 2023	<b>Decision on the proposal to open a new SEN provision at Launcelot Primary School</b>	21/06/23 Mayor and Cabinet	Matthew Henaughan, Head of Business, Infrastructure, Compliance and Education and Councillor Chris Barnham, Cabinet Member for Children and Young People		
April 2023	<b>Distribution of the government's household fund</b>	21/06/23 Mayor and Cabinet	Mick Lear, Service Manager, Benefits and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
April 2023	<b>Housing Futures progress report</b>	21/06/23 Mayor and Cabinet	Nazeya Hussain and Councillor Sophie Davis, Cabinet Member for Housing Management, Homelessness and Community Safety		
April 2023	<b>Permission to award Maximising Wellbeing at Home contracts (Lots 1-4, 7)</b>	21/06/23 Mayor and Cabinet	Tristan Brice, Associate Director, Community Support and Care and Councillor Paul Bell, Cabinet Member for Health and Adult Social Care		
April 2023	<b>Permission to award Maximising Wellbeing of</b>	21/06/23 Mayor and Cabinet	Tristan Brice, Associate Director, Community		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
	<b>Unpaid Carers contract</b>		Support and Care and Councillor Paul Bell, Cabinet Member for Health and Adult Social Care		
April 2023	<b>Permission to procure Integrated Community equipment Services</b>	21/06/23 Mayor and Cabinet	Tristan Brice, Associate Director, Community Support and Care and Councillor Paul Bell, Cabinet Member for Health and Adult Social Care		
April 2023	<b>Refugee Programme contract extension</b>	21/06/23 Mayor and Cabinet	and		
April 2023	<b>Supported Accommodation sites and leases</b>	21/06/23 Mayor and Cabinet	Iain McDiarmid, Assistant Director - Adult Integrated Commissioning and Councillor Paul Bell, Cabinet Member for Health and Adult Social Care		
April 2023	<b>Pay Policy Statement for 2023/24</b>	05/07/23 Council	Claudia Menichetti, Head of Employee Services and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
April 2023	<b>2023/24 Capital Programme for Highways and Transport - Borough-wide Footway Improvements &amp; Carriageway Resurfacing and Local</b>	19/07/23 Mayor and Cabinet	Seamus Adams, Head of Commercial Operations and Development and Councillor Louise Krupski, Cabinet Member		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
	<b>Implementation Programme</b>		for Environment and Climate		
April 2023	<b>Affordable Workspace Strategy</b>	19/07/23 Mayor and Cabinet	Joe Lee, Small Business and Enterprise Officer and Councillor Kim Powell, Cabinet Member for Businesses, Jobs and Skills		
May 2023	<b>Afghan and Ukraine Refugee Housing Acquisition Programme (AURHAP)</b>	19/07/23 Mayor and Cabinet	fnugent, Strategic Housing and Growth Manager • Strategic Housing and Growth and		
March 2023	<b>Approval of a 5 year Physical Activity Strategy and implementation plans</b>	19/07/23 Mayor and Cabinet	Neville Graham, Sports and Leisure Service Manager and		
March 2023	<b>Approval of the councils updated Homelessness &amp; Rough Sleeping Strategy 2023-26</b>	19/07/23 Mayor and Cabinet	Fenella Beckman, Director of Housing and Councillor Sophie Davis, Cabinet Member for Housing Management, Homelessness and Community Safety		
June 2023	<b>Articles of Association - transition of Lewisham Homes</b>	19/07/23 Mayor and Cabinet	Jeremy Chambers, Director of Law, Governance & Elections and Councillor Sophie Davis, Cabinet Member for Housing Management, Homelessness and Community Safety		



**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
April 2023	<b>Cultural Strategy</b>	19/07/23 Mayor and Cabinet	James Lee, Director of Communities, Partnerships and Leisure and Councillor Andre Bourne, Cabinet Member for Culture, Leisure and Communication (job share)		
June 2023	<b>Delegated Authority for use of school premises</b>	19/07/23 Mayor and Cabinet	Matthew Henaughan, Head of Business, Infrastructure, Compliance and Education and Councillor Chris Barnham, Cabinet Member for Children and Young People		
June 2023	<b>Delegated decision to award Care Leavers Medium to High Support Supported Housing contract (Pt 1&amp;2)</b>	19/07/23 Executive Director for Community Services	Jonathan Scarth and Councillor Paul Bell, Cabinet Member for Health and Adult Social Care		
March 2023	<b>Dementia Strategy</b>	19/07/23 Mayor and Cabinet	Tristan Brice, Associate Director, Community Support and Care and Councillor Paul Bell, Cabinet Member for Health and Adult Social Care		
May 2023	<b>Excalibur Phase 4 and 5 updates (Parts 1 &amp; 2)</b>	19/07/23 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Brenda Dacres, Deputy Mayor and Cabinet Member for Housing Development and Planning		
May 2023	<b>Financial Monitoring Period 2</b>	19/07/23 Mayor and Cabinet	Nick Penny, Head of Service Finance and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
June 2022	<b>Home Park and Edward Street Development Budget and Programme Update Report</b>	19/07/23 Mayor and Cabinet	James Briggs, Head of Strategic Housing and Growth and Councillor Brenda Dacres, Deputy Mayor and Cabinet Member for Housing Development and Planning		
April 2023	<b>Medium Term Financial Strategy 2024/25 - 2028/29</b>	19/07/23 Mayor and Cabinet	Kathy Freeman, Executive Director for Corporate Resources and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
April 2023	<b>Millwall FC Lease</b>	19/07/23 Mayor and Cabinet	Patrick Dubeck, Director of Inclusive Regeneration and		
May 2023	<b>New Procurements for Oracle support and enhancement services</b>	19/07/23 Mayor and Cabinet	Mark Froud, IT Procurement Manager - Digital Solutions and Councillor Amanda De		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Ryk, Cabinet Member for Finance and Strategy		
May 2023	<b>Permission to award Maximising Wellbeing at Home contracts (Lots 5,6,8,9)</b>	19/07/23 Mayor and Cabinet	Tristan Brice, Associate Director, Community Support and Care and		
April 2023	<b>Permission to Establish a Dynamic Purchasing System (DPS) for the provision of travel assistance services</b>	19/07/23 Mayor and Cabinet	Paul Creech, Senior Joint Commissioner • Joint Commissioning FQC and Councillor Chris Barnham, Cabinet Member for Children and Young People		
March 2023	<b>Public Space Protection Order consultation outcome</b>	19/07/23 Mayor and Cabinet	James Lee, Director of Communities, Partnerships and Leisure and Councillor Louise Krupski, Cabinet Member for Environment and Climate		
March 2023	<b>Sustainable Transport and Parking Improvements programme - recommendations for Phase 1</b>	19/07/23 Mayor and Cabinet	Martha Lauchlan, Transport Planner and Councillor Louise Krupski, Cabinet Member for Environment and Climate		
May 2023	<b>Update on the Annual Besson Street Business Plan</b>	19/07/23 Mayor and Cabinet	Katharine Nidd, Head of Strategic Finance, Planning and Commercial and Councillor Brenda Dacres, Deputy Mayor and Cabinet Member for		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Housing Development and Planning		
June 2023	<b>Delegated decision to award Mental Health Supported Housing Higher Needs</b>	08/23 Executive Director for Community Services	Jonathan Scarth and Councillor Paul Bell, Cabinet Member for Health and Adult Social Care		
May 2023	<b>Adventure Playgrounds Grant of Leases and Contract Award</b>	20/09/23 Mayor and Cabinet	Harsha Ganatra, Joint Commissioner (FQC) and Councillor Chris Barnham, Cabinet Member for Children and Young People		
June 2022	<b>Approval to appoint operator for concessions contract at Beckenham Place Park Lake</b>	20/09/23 Mayor and Cabinet	Peter Maynard, Contract Officer, Green Scene and Councillor Andre Bourne, Cabinet Member for Culture, Leisure and Communication (job share)		
May 2023	<b>Approval to procure: School Minor Works Programme 2023 (SMWP 23)</b>	20/09/23 Executive Director for Children and Young People	Lemuel Dickie-Johnson, Project Manager Capital Delivery Programme and Councillor Chris Barnham, Cabinet Member for Children and Young People		
February 2022	<b>BfL Programme - Approval to enter into contract Valentines Court</b>	20/09/23 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor Brenda Dacres, Deputy		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Mayor and Cabinet Member for Housing Development and Planning		
May 2023	<b>Children Centre commissioning</b>	20/09/23 Mayor and Cabinet	Harsha Ganatra, Joint Commissioner (FQC) and Councillor Chris Barnham, Cabinet Member for Children and Young People		
November 2022	<b>CIL Governance Proposals</b>	19/07/23 Mayor and Cabinet	Julia Robins, BLE Planning Manager and		
March 2023	<b>Contract award for Council Insurances</b>	20/09/23 Executive Director for Corporate Services	Karen Eaton, Group Manager, Insurance and Risk and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
June 2023	<b>Contract Award for Council Insurances</b>	20/09/23 Executive Director for Corporate Services	Karen Eaton, Group Manager, Insurance and Risk and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
May 2023	<b>Contract Award Report for School Minor Works Programme 2023 (SMWP 23)</b>	20/09/23 Children and Young People Select Committee	Lemuel Dickie-Johnson, Project Manager Capital Delivery Programme and Councillor Chris Barnham, Cabinet Member for Children and Young People		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
May 2023	<b>Contract Award to a Registered Provider for Supported Accommodation for Young People -Site 1 and Site 2</b>	20/09/23 Executive Director for Children and Young People	Chloe Vergara, CLA Placements Contract Manager and		
April 2023	<b>Lewisham and Lee Green LTN monitoring update</b>	20/09/23 Mayor and Cabinet	and Councillor Louise Krupski, Cabinet Member for Environment and Climate		
May 2022	<b>On Street Advertising Contract Variation and Extension</b>	20/09/23 Mayor and Cabinet	and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
May 2023	<b>to approve the annual Besson Street Business Plan</b>	20/09/23 Mayor and Cabinet	Luke Riley, Head of New Initiatives and Councillor Brenda Dacres, Deputy Mayor and Cabinet Member for Housing Development and Planning		
June 2023	<b>Treasury Management Strategy Mid-Year Review</b>	20/09/23 Mayor and Cabinet	Katharine Nidd, Head of Strategic Finance, Planning and Commercial and Councillor Amanda De Ryk, Cabinet Member for Finance and Strategy		
April 2023	<b>Approval to enter into contract - Drakes Court development</b>	01/11/23 Mayor and Cabinet	Eleanor Davies, Associate Director Joint Mental Health Commissioning and Councillor Brenda Dacres, Deputy Mayor		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			and Cabinet Member for Housing Development and Planning		
April 2023	<b>Grant of Leases for Adventure Playground Sites</b>	01/11/23 Mayor and Cabinet	Harsha Ganatra, Joint Commissioner (FQC) and Councillor Chris Barnham, Cabinet Member for Children and Young People		
December 2022	<b>Ladywell - Budget requirement</b>	06/12/23 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor Brenda Dacres, Deputy Mayor and Cabinet Member for Housing Development and Planning		
December 2022	<b>Mayfield - Budget Requirement</b>	06/12/23 Mayor and Cabinet	James Ringwood, Housing Delivery Manager and Councillor Brenda Dacres, Deputy Mayor and Cabinet Member for Housing Development and Planning		
January 2023	<b>Annual progress update on the Autism Strategy Action Plan</b>	24/01/24 Mayor and Cabinet	and		

**FORWARD PLAN – KEY DECISIONS**

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