



## Mayor and Cabinet

### Financial Outturn Report 2021/22

**Date:** Wednesday 15 June 2022

**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 2021/22 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 for General Fund activities is an overspend of £25.7m. This position consists of Covid related expenditure or income foregone of £25.2m which is met entirely by Covid grant funding which leaves a business as usual remaining overspend of £0.5m.

The Housing Revenue Account (HRA) has a surplus of £1.6m which enables a reduction in the budgeted drawdown from HRA reserves.

The Dedicated Schools Grant (DSG) is currently forecasted to overspend by a cumulative £10.4m at the end of the financial year (£5.4m in 2021/22 with £5m brought forward from 2020/21).

The General Fund Capital Programme spend is £42.2m, which is 67% of the revised budget of £66.3m and the HRA Capital Programme spend is £82.8m, which is 70% of the budget of £115.9m. The unspent budget is largely due to delayed expenditure on the programme with the budget transferred into 2022/23.

At the 31 March, 92.4% of council tax due had been collected which remains (2.6% or £4.2m) adrift of the targeted level, at the same date, 94% of business rates due had been collected which remains (5% or £2.8m) adrift of the targeted level. Collection activities continue alongside billing for the new financial year in 2022/23.

The Council routinely sets aside funding in the accounts for uncollectable debt consistent with the policies audited by the external auditors. In recent years these balances have not been cleared down and the older debts written off. The report notes the amount fully provided for of £42m to be written off, the majority under delegation, but with Mayor and Cabinet approval sought for £1m of individual debts each over £50k.

## Timeline of engagement and decision-making

February 2022 – Budget Report 2022/23 to Mayor and Cabinet

15 June 2022 – Financial Outturn report 2021/22 to Mayor and Cabinet

### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial outturn for 2021/22 at the end of March 2022. 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 £0.5m against the Directorates' net general fund revenue budget, after the application of £25.2m Covid grant funding to support the local authority's response to the Covid pandemic. This is a £2.4m improvement 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 Council has received £18.7m of covid funding in 2021/22 which alongside £12.4m of covid funding carried forward from 2020/21 totals £31.1m. This funding has been used to cover £25.2m of expenditure incurred or income forgone with £5.5m of grant funding unspent. Of the unspent £5.5m, £4.4m is Local Authority Support Grant or Contain Outbreak Management Fund which is ringfenced to use against the ongoing impact of Covid in 2022/23. The remaining £1.1m relates to grants which were ringfenced for specific activity or expenditure and for which the Council has not incurred the full value of qualifying expenditure to meet the level of grant awarded, this will be returned to the relevant funding bodies in 2022/23. This is set out in more detail in section 5 of the report.
- 1.4 The Housing Revenue Account (HRA) has a surplus of £1.6m after several favourable movements close to year end. This is set out in more detail in section 12 of the report.
- 1.5 The Dedicated Schools Grant (DSG) following the high needs secondary transfer process is currently forecast to overspend by a cumulative £10.4m at the end of the financial year (£5.4m in 2021/22 with £5m brought forward). This is set out in more detail in section 13 of the report.
- 1.6 The General Fund Capital Programme spend as at 31 March 2022 is £42.2m, which is 67% of the revised budget of £66.3m which was approved at Mayor and Cabinet in February. The HRA Capital Programme spend as at 31 March 2022 is £82.8m, which is 70% of the budget of £115.9m revised and approved at Mayor and Cabinet in February. The unspent budget is largely due to delayed expenditure on the programme with the budget slipped into 2022/23. This is set out in more detail in section 14 of the report.
- 1.7 As at 31 March, 92.4% of council tax due had been collected which remains (2.6% or £4.2m) adrift of the targeted level. At the same date, 94% of business rates due had been collected which remains (5% or £2.8m) adrift of the targeted level. This is set out in more detail in section 15 of the report.

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## 2. PURPOSE AND RECOMMENDATIONS

- 2.1 The purpose of this report is to set out the financial outturn for 2021/22 providing a comparison to the financial position reported to Mayor and Cabinet as part of the Budget Setting report, as part of the preparation of the draft financial statements underway to be available for audit from the 1 July 2022.
- 2.2 Mayor and Cabinet are asked to:
  - 2.2.1 Note the Outturn Position for 2021/22, including the utilisation of Covid funding to mitigate expenditure incurred or income forgone as a result of Covid, as 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 under delegation as detailed in section 16.
  - 2.2.3 Agree the proposed write off of the specific debts each over £50k as detailed in section 16 with supporting detail in Appendix C.

## 3. POLICY CONTEXT

- 3.1 This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the borough's residents.
- 3.2 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its current Corporate Strategy in 2018, with seven corporate priorities as stated below:
- 3.3 Corporate Priorities
  - **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
  - **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
  - **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
  - **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
  - **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
  - **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
  - **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.
- 3.4 Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In delivering our duties, we are guided by the Council's four core values:

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- We put service to the public first
- We respect all people and all communities
- We invest in employees
- We are open, honest, and fair in all we do.

- 3.5 The Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.
- 3.6 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough, for new homes, school improvements, regenerating town centres, renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. There is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to support housing supply and business growth, through to our programmes of care and support to some of our most vulnerable and troubled families.
- 3.8 The pace, scope and scale of change has been immense: the pandemic has demanded agility, creativity, pace, leadership, organisational and personal resilience, strong communications and an unerring focus on the right priorities. The service and finance challenges arising from Covid are now blending with the wider economic implications of a decade of austerity, the trading changes arising from Brexit, and now the impacts arising from other global events (e.g. war in Ukraine, Covid lock downs in China, extreme climate events in India, etc..) impacting the supply of energy, goods and services and driving up inflation.
- 3.9 Within the Council, the impact of the Covid pandemic is felt acutely across all of our service areas and throughout the year we have been grappling with real challenges in how we keep services running for our residents and how we protect the most vulnerable. Across the borough, residents are looking afresh at our borough, their neighbourhoods, and seeing where they live through new eyes.
- 3.10 While we do not yet fully understand what all of the long-term implications of Covid will mean for the borough, there have been many clear and visible impacts of the pandemic on our residents, Lewisham the place and also the Council. We know that coronavirus has disproportionately affected certain population groups in Lewisham, matching patterns that have been identified nationally and internationally: older residents, residents born in the Americas & the Caribbean, Africa or the Middle East & Asia, and residents in the most deprived areas of the borough have considerably higher death rates. We know that more Lewisham residents are claiming unemployment benefits compared to the beginning of this year and that food insecurity has increased in the borough.

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#### 4. GENERAL FUND OUTTURN POSITION

4.1 The Council is reporting an overspend on general fund activities of £25.7m. This includes Covid related expenditure or income foregone of £25.2m which is met by Covid grant funding and a general fund 'Business as Usual' (BAU) overspend of £0.5m.

**Table 1 – General Fund Outturn Position**

General Fund	Net budget	Outturn Full Year	Forecast Variance Over/ (Under)	Covid-19 related Variance	Business as Usual Outturn Over/ (Under)	Projected Outturn in Budget report Over/ (Under)
	£m	£m	£m	£m	£m	£m
Children & Young People	59.0	64.0	5.0	4.4	0.6	0.4
Community Services	81.8	96.5	14.7	13.4	1.3	2.9
Housing, Regeneration and Public Realm	22.5	26.7	4.2	4.8	(0.6)	(0.4)
Corporate Resources	33.1	35.4	2.3	2.5	(0.2)	0.1
Chief Executives	11.2	10.7	(0.5)	0.1	(0.6)	(0.1)
<b>Directorate Totals</b>	<b>207.6</b>	<b>233.3</b>	<b>25.7</b>	<b>25.2</b>	<b>0.5</b>	<b>2.9</b>
Covid-19 Government Grant Income - Applied	N/A	(25.2)	(25.2)	(25.2)	0.0	0.0
Corporate Items	35.5	35.5	0.0	0.0	0.0	0.0
<b>Net Revenue Budget</b>	<b>243.1</b>	<b>243.6</b>	<b>0.5</b>	<b>0.0</b>	<b>0.5</b>	<b>2.9</b>

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

- Children and Young People: £0.2m adverse movement due to additional expenditure on Transport Services.
- Community Services: £1.6m favourable movement due to winter package costs being less than had being forecast.
- Housing, Regeneration and Public Realm: £0.2m favourable movement due to lower tonnage levels within Waste Services.
- Corporate Resources: £0.3m favourable movement due to staffing vacancies and minor underspends across the service.
- Chief Executives: £0.5m favourable movement due to staffing vacancies and prudent budget management.

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. For 2021/22

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we were able to fund the BAU overspend from provisions without an unplanned drawing down of reserves.

## 5. COVID GRANT FUNDING AND UTILISATION

- 5.1 The Council had available £31.1m of Covid grant funding to utilise against relevant expenditure incurred or income foregone as a result of Covid. The £31.1m consisted of £12.4m of grant funding carried forward from 2020/21 (as per the grant conditions) and £18.7m of further grant awarded in 2021/22.

**Table 2 – Covid Grants Received to cover Service Expenditure**

Funding Description	2020/21 Remaining Allocation	2021/22 Allocation	Total Across Both Years
<u>Grants with Carry Forwards into 2022/23</u>	£m	£m	£m
Covid-19 Local Authority Support Grant (Tranches 1 to 5)	7.8	10.0	17.8
Sales, Fees and Charges Income – (Tranche 4)	0.0	1.2	1.2
Contain Outbreak Management Fund	4.2	2.6	6.8
<b>Sub Total Per Annum</b>	<b>12.0</b>	<b>13.8</b>	<b>25.8</b>

Funding Description	2020/21 Remaining Allocation	2021/22 Allocation	Total Across Both Years
<u>Ringfenced Funding - To be used in 2021/22 or paid back to awarding body</u>	£m	£m	£m
Local Election	0.0	0.1	0.1
Sport England Leisure Relief Funding	0.1	0.1	0.2
Community Asymptomatic Testing	0.0	0.4	0.4
Community Champions	0.3	0.2	0.5
LA Practical Support Funding	0.0	0.6	0.6
Clinically Extremely Vulnerable Grant	0.0	0.6	0.6
Workforce recruitment and retention	0.0	2.9	2.9
<b>Sub Total Per Annum</b>	<b>0.4</b>	<b>4.9</b>	<b>5.3</b>
<b>Totals</b>	<b>12.4</b>	<b>18.7</b>	<b>31.1</b>

- 5.2 The outturn position shows the utilisation of £25.2m of Covid funding in 2021/22 to offset General Fund Covid expenditure or income foregone as per the table below. The £4m of Covid-19 Local Authority Support grant can be used in 2022/23 to offset the impact of legacy covid expenditure or income foregone whereas the Contain Outbreak Management Fund carry forward can only be used against specific qualifying expenditure. £0.4m of Community Champions funding, £0.5m of LA Practical Support funding and £0.2m of Clinically Extremely Vulnerable Grant will be repaid as the grants have strict conditions around eligible expenditure. Lewisham has unused elements of these grants which have to be repaid as the level of qualifying expenditure that has arisen is less than the total grant

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value and these grants cannot be used against general expenditure incurred as a result of Covid.

**Table 3 – Covid Grant Utilisation**

Funding Description	Total Across Both Years	Included within Outturn	Used by Non General Fund	Available to use
<b>Grants with Carry Forwards into 2022/23</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Covid-19 Local Authority Support Grant (Tranches 1 to 5)	17.8	13.8	0.0	(4.0)
Sales, Fees and Charges Income – (Tranche 4)	1.2	1.2	0.0	0.0
Contain Outbreak Management Fund	6.8	6.0	0.4	(0.4)
<b>Sub Total Per Annum</b>	<b>25.8</b>	<b>21.0</b>	<b>0.4</b>	<b>(4.4)</b>

Funding Description	Total Across Both Years	Included within Outturn	Used by Non General Fund	To be Repaid
<b>Ringfenced Funding - To be used in 2021/22 or paid back to awarding body</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Local Election	0.1	0.1	0.0	0.0
Sport England Leisure Relief Funding	0.2	0.2	0.0	0.0
Community Asymptomatic Testing	0.4	0.4	0.0	0.0
Community Champions	0.5	0.1	0.0	(0.4)
LA Practical Support Funding	0.6	0.1	0.0	(0.5)
Clinically Extremely Vulnerable Grant	0.6	0.4	0.0	(0.2)
Workforce recruitment and retention	2.9	2.9	0.0	0.0
<b>Sub Total Per Annum</b>	<b>5.3</b>	<b>4.2</b>	<b>0.0</b>	<b>(1.1)</b>
<b>Totals</b>	<b>31.1</b>	<b>25.2</b>	<b>0.4</b>	<b>(5.5)</b>

## 6. SAVINGS

- 6.1 The tables below shows a summary savings delivery position at the end of 2021/22. There are £5.5m of undelivered savings for 2020/21 (which have been largely mitigated by covid funding – for this financial year only) with a detailed breakdown provided in appendix A and £8m of undelivered savings for 2021/22 with a detailed breakdown provided in Appendix B. This non delivery is included within the reported outturn position above and these savings will need to be delivered in 2022/23.

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**Table 4 - Savings Delivered in 2021/22**

<b>2020/21 Savings</b>	<b>2021/22 Agreed Savings</b>	<b>2021/22 Achieved</b>	<b>2021/22 Unachieved</b>	<b>Covered by Covid Grants</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executive Directorate	-	-	-	-
Children and Young People Directorate	1.4	0.0	1.4	1.4
Community Services Directorate	3.7	0.8	2.8	2.8
Corporate Resources Directorate	0.9	0.8	0.2	0.2
Housing, Regeneration and Public Realm Directorate	2.2	1.0	1.2	0.8
<b>Total</b>	<b>8.1</b>	<b>2.6</b>	<b>5.5</b>	<b>5.1</b>

<b>2021/22 Savings</b>	<b>2021/22 Agreed Savings</b>	<b>2021/22 Achieved</b>	<b>2021/22 Unachieved</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executive Directorate	0.8	0.8	0.0
Children and Young People Directorate	2.6	2.5	0.1
Community Services Directorate	12.3	5.7	7.2
Corporate Resources Directorate	2.2	1.5	0.7
Housing, Regeneration and Public Realm Directorate	3.1	3.1	0.0
Cross Cutting	1.5	1.5	0.0
<b>Total</b>	<b>22.6</b>	<b>15.2</b>	<b>8.0</b>

## **7. CHILDREN AND YOUNG PEOPLE**

- 7.1 The Children and Young People's directorate is showing a business as usual overspend of £0.6m after the application of £4.4m Covid grant funding and £3m of one off corporate funding. The table below shows the variances by Division:

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

Children and Young People Directorate	Net budget	Outturn Full Year	Forecast Variance Over/ (Under)	Covid-19 related Variance	Business as Usual Outturn Over/ (Under)	Projected Outturn in Budget report Over/ (Under)
	£m	£m	£m	£m	£m	£m
Children's Social Care	41.6	50.2	8.6	3.4	5.2	4.2
Corporate Funding Adjustment	0.0	(3.0)	(3.0)	0.0	(3.0)	(3.0)
No Recourse to Public Funds	2.6	1.2	(1.4)	0.0	(1.4)	(0.8)
Education Services	11.1	13.6	2.5	1.0	1.5	0.0
Families, Quality & Commissioning	6.2	4.5	(1.7)	0.0	(1.7)	0.0
Schools	(2.5)	(2.5)	0.0	0.0	0.0	0.0
<b>Total</b>	<b>59.0</b>	<b>64.0</b>	<b>5.0</b>	<b>4.4</b>	<b>0.6</b>	<b>0.4</b>

- 7.2 **Children's Social Care:** £1m adverse position from the position reported to Mayor and Cabinet in February. The number of Children Looked After (CLA) in March 2022 was 475, an increase from 459 in December, this increase in numbers reflects the increasing need and costs of supporting these Children. For context there were 479 CLA's in April 2021. Another key pressure is £1m of additional staffing over and above the budgeted level due to additional demands on the service, this has been funded as part of the MTFs process for 2022/23. There continues to be a pressure on the Section 17 payments element within Children's Social Care. The pressure on Children Looked After was partially mitigated by associated income from the Unaccompanied Asylum Seeking Children (UASC) grant funding which funds expenditure incurred supporting these children.
- 7.3 **Reserves:** Unchanged, £3m of one off planned corporate funding to mitigate the expected level of pressure in 2021/22, to provide the Directorate with time to deliver against the 2020/21 overspend reduction measures as part of the sufficiency strategy.
- 7.4 **No Recourse to Public Funds:** An overall underspend of £1.4m which partially offsets the pressure on Children's Social Care. It should be noted that the final outturn position showed a further underspend of £0.6m compared to the position reported to Mayor and Cabinet as part of the budget report in February, reflecting a continuation in the reduced demand for the service.
- 7.5 **Education Services:** The final outturn position shows a pressure of £1.5m against the budget. The transport service is forecast to overspend by £1.4m (after £1.75m was added to the budget in 2021/22), the increase in transport costs is linked to the ongoing pressure on the high needs budget, see Dedicated Schools Grant (DSG) section 13 of the report. The pressure has been further exacerbated by an increase in costs for fuel, driver shortages and other inflationary pressures. An internal Transport board is reviewing the

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use of both in house provision and taxi service. Elsewhere within the service there is a £0.6m pressure on Education Psychology and Children with Complex Need largely mitigated by underspends across the rest of the service.

- 7.6 **Families, Quality and Commissioning:** The service has an underspend of £1.7m, during 2021/22. The service has been undergoing transformation which has led to the appointment of new staff and a number of posts being vacant for extended periods of the financial year. In light of the wider pressures on the directorate, management action has been taken to minimise expenditure to mitigate some of the pressures across Children's Social Care and Education. It should also be noted that there has been reduced spend in some areas such as youth justice due to delays in the justice system as a result of covid.
- 7.7 **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 a business as usual overspend of £1.3m after the application of £13.4m Covid grant funding. The table below shows the variances by Division:

**Table 6 – Community Services Directorate Outturn**

Community Services	Net budget	Outturn Full Year	Forecast Variance Over/ (Under)	Covid-19 related Variance	Business as Usual Outturn Over/ (Under)	Projected Outturn in Budget report Over/ (Under)
	£m	£m	£m	£m	£m	£m
Adults' Social Care	61.3	74.2	12.9	8.4	4.5	3.5
Integrated Commissioning	7.7	6.1	(1.6)	0.0	(1.6)	0.0
Public Health	(0.8)	1.3	2.1	2.1	0.0	(0.3)
Communities, Partnerships and Leisure	10.0	11.5	1.5	2.6	(1.1)	(0.2)
Culture, Learning and Libraries	3.6	3.4	(0.2)	0.3	(0.5)	(0.1)
<b>Total</b>	<b>81.8</b>	<b>96.5</b>	<b>14.7</b>	<b>13.4</b>	<b>1.3</b>	<b>2.9</b>

- 8.2 **Adult Social Care and Integrated Commissioning:** There is a net favourable movement of £0.6m 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). There were significant improvements on Adult Social Care due to £1m of winter placement demand not being realised and £0.7m of additional Workforce Recruitment and

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Retention funding being available to fund existing costs within the forecast. This improvement along with other minor underspends has enabled Adult Social Care to fund the strategic service redesign work on the Empowering Lewisham programme, aimed at improving outcomes for residents in Lewisham. The cause of the remaining net £2.9m pressure is due to undelivered savings with care package budgets.

- 8.3 **Public Health:** The grant has been fully spent on Public Health expenditure.
- 8.4 **Communities, Partnerships and Leisure:** An improvement of £0.9m since the position reported to Mayor and Cabinet as part of the budget report in February. Following a review of eligible expenditure within the forecast the Council has been able to utilise £0.4m Clinically Extremely Vulnerable (CEV) grant, with £0.2m returned to awarding body due to the lack of qualifying eligible expenditure. The remainder of the improvement is due to the forecast requirement for £0.4m of contribution to the London Wide Mortality Management Scheme-Wave 2 not materialising due to the level of contributions made in the prior year being sufficient.
- 8.5 **Culture, Learning and Libraries:** An improvement of £0.4m since the position reported to Mayor and Cabinet due to £0.2m staffing vacancies across the Libraries service and previously forecast expenditure of £0.2m being eligible for funding from the COMF covid grant.

## 9. HOUSING, REGENERATION AND PUBLIC REALM

- 9.1 The Housing, Regeneration and Public Realm Directorate is showing a business as usual underspend of £0.6m after the application of £4.8m Covid grant funding. The table below shows the variances by Division:

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

Housing, Regeneration and Public Realm	Net budget	Outturn Full Year	Forecast Variance Over/ (Under)	Covid-19 related Variance	Business as Usual Outturn Over/ (Under)	Projected Outturn in Budget report Over/ (Under)
	£m	£m	£m	£m	£m	£m
Strategic Housing	3.6	5.7	2.1	1.8	0.3	0.0
Public Realm	18.1	19.5	1.4	2.7	(1.3)	(0.6)
Regeneration	0.0	0.6	0.6	0.2	0.4	0.3
Planning	0.8	0.9	0.1	0.1	0.0	(0.1)
<b>Total</b>	<b>22.5</b>	<b>26.7</b>	<b>4.2</b>	<b>4.8</b>	<b>(0.6)</b>	<b>(0.4)</b>

- 9.2 **Strategic Housing:** £0.3m adverse movement from the position reported to Mayor and Cabinet in February due to the increased numbers of service users within Temporary Accommodation in the later part of 2021/22, a trend that is growing and expected to continue into 2022/23. The overspend (covered by covid funding) is due to the cost of temporary accommodation.
- 9.3 **Public Realm:** £0.7m favourable movement due to improvements in Street and

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Environmental Services. The tonnage levels were lower than forecast and a £0.1m rebate was received from Bywaters (Recycling contract). Covid grant funding is being used to mitigate income pressures across parking services, street markets, commercial and garden waste. The business as usual underspend is due to a net income contribution on moving traffic contraventions which is reinvested into the concessionary fares and restricted Highways and Transport budgets in line with the legislation.

- 9.4 **Regeneration:** £0.1m adverse movement due to a lower level of salary recharge to capital for active schemes than had previously been forecast, the remainder of the pressure is due to a change in the plans on the Copperas Street project.
- 9.5 **Planning:** £0.1m adverse movement due to income incorrectly categorised earlier in 2021/22 which has since been reallocated.

## 10. CORPORATE RESOURCES

- 10.1 The Corporate Resources Directorate is showing a business as underspend of £0.2m after the application of £2.5m Covid grant funding. The table below shows the variances by Division:

**Table 8 – Corporate Resources Directorate Outturn 2021/22**

Corporate Resources	Net budget	Outturn Full Year	Forecast Variance Over/ (Under)	Covid-19 related Variance	Business as Usual Outturn Over/ (Under)	Projected Outturn in Budget report Over/ (Under)
	£m	£m	£m	£m	£m	£m
Assurance	2.7	2.6	(0.1)	0.0	(0.1)	(0.1)
Financial Services	5.5	5.3	(0.2)	0.0	(0.2)	(0.1)
Resident & Business Services	18.0	20.5	2.5	2.5	0.0	0.2
IT & Digital Services	7.6	7.7	0.1	0.0	0.1	0.1
Reserves	(0.7)	(0.7)	0.0	0.0	0.0	0.0
<b>Total</b>	<b>33.1</b>	<b>35.4</b>	<b>2.3</b>	<b>2.5</b>	<b>(0.2)</b>	<b>0.1</b>

- 10.2 **Assurance:** The position is unchanged from the reported position in the budget report in February.
- 10.3 **Financial Services:** An improvement of £0.1m since the position reported to Mayor and Cabinet in February due to various small movements across the service including a reduction in expenditure on recruitment than previously forecast.
- 10.4 **Residents and Business Services:** An £0.2m improvement on the business as usual position since the position reported to Mayor and Cabinet in February due to lower than expected in year expenditure on utilities. There has been also been a £0.5m improvement on income which has meant that £0.5m of Covid grant required is no longer required to mitigate the anticipated shortfall. The pressures mitigated by Covid grant funding are

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arising from the closure of courts which restricted the Council's ability to take enforcement action and collect debts.

10.5 **IT and Digital Services:** The position is unchanged from the reported position in the budget report.

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 a business as usual underspend of £0.6m after the application of £0.1m Covid grant funding. The table below shows the variances by Division:

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

Chief Executive's	Net budget	Outturn Full Year	Forecast Variance Over/ (Under)	Covid-19 related Variance	Business as Usual Outturn Over/ (Under)	Projected Outturn in Budget report Over/ (Under)
	£m	£m	£m	£m	£m	£m
Assistant Chief Executive	7.3	7.1	(0.2)	0.0	(0.2)	(0.2)
Law, Governance & Elections	3.9	3.6	(0.3)	0.1	(0.4)	0.1
<b>Total</b>	<b>11.2</b>	<b>10.7</b>	<b>(0.5)</b>	<b>0.1</b>	<b>(0.6)</b>	<b>(0.1)</b>

11.2 **Assistant Chief Executive:** No change to the position reported underspend to Mayor and Cabinet as part of the budget report in February. It should be noted that Transformation costs of £0.4m and £0.2m of Programme Management Office (PMO) costs have been met within the outturn position enabling this funding to be kept in reserve to be used in future years. The £0.6m business as usual improvement that has enabled this is due to £0.4m of staffing vacancies following a restructure and £0.2m of reduced expenditure across the service.

11.3 **Law, Governance and Elections:** An improvement of £0.5m since the position reported to Mayor and Cabinet in January due to staffing vacancies across the financial year as well as some minor unspent budgets across Legal Services.

## 12. HOUSING REVENUE ACCOUNT (HRA)

12.1 The table below shows the HRA Outturn Position. There are several key movements within the reported position which are detailed below:

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**Table 10 – HRA Outturn 2021/22**

Housing Revenue Account	Net budget	Forecast Outturn	Variance Over / (Under)
	£m	£m	£m
Housing, Regeneration and Public Realm – Housing	15.2	14.8	(0.4)
Lewisham Homes & Repairs & Maintenance	38.3	48.1	9.8
Resources	1.8	1.9	0.1
Centrally Managed Budgets	(55.3)	(66.4)	(11.1)
<b>Total</b>	<b>0.0</b>	<b>(1.6)</b>	<b>(1.6)</b>

- 12.2 **Housing, Regeneration and Public Realm (Housing)** – The £0.4m underspend is due to additional hostel income of £0.2m, underspends on rehousing and lettings of £0.1m and other small underspends across the service of £0.1m. There is an underspend of £1.5m on the service however this will need to be carried forward as allocations for strategic housing and development initiatives have been committed.
- 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 repairs requests on the service and repair/material costs being higher than anticipated.
- 12.4 **Resources** – The net impact on these budgets is a minor overspend of £0.1m.
- 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 £11.3m against the income target with no significant leasehold charges raised for 2021/22. It is anticipated that the totality of these works will be billed in 2022/23, Lewisham Homes are planning to move to billing in advance as oppose to in arrears on leaseholder works from April 2022.
- 12.6 The income shortfall of £11.3m is mitigated by the following underspends/income received to leave a surplus of £11.1m:
- £6.7m lower revenue contribution to capital than was budgeted, see paragraph 12.8 for further detail.
  - A reduction in the forecast interest charges of £1.1m due to the reduction in capital expenditure reducing the need for any external borrowing as well as a lower cash return on investment (CRI) of 3.24% as oppose to the budgeted 4%.
  - An additional income of £0.7m from tenant’s rents and service charges due to void levels being lower than the budgeted rates.
  - An underspend on the energy budget of £0.5m.
  - Other underspends of £0.9m.
  - Bad debt impairments charged to the HRA were close to budget following the additional contribution to provisions to cover the impact of the Thames Water refunds.

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- Additional grant of £9.5m for the removal of Aluminium Composite Material (ACM) cladding (capital programme) has recently been negotiated and agreed with Department for Levelling Up, Housing and Communities (DHLUC (May 2022) following completion of the removal and replacement work at Hatfield & Gerrard house.
- A receipt of £3m from the decent homes programme.
- For both of the above items, the related expenditure has been incurred across the previous financial years (as well as 2021/22), as part of the HRA capital programme. The works were from revenue contributions to capital, receiving this funding enables a lower drawdown from HRA reserves in 2021/22, compared to the budget (see paragraph 12.8), effectively recompensing the HRA reserve for costs funded in prior years.

12.7 Lewisham Homes final capital expenditure was £48.9m against the general capital allocations re-profiled budget of £58.2m (was £78.8m). This is a forecast underspend of £9.3m against the re-profiled programme (or £29.9m against the original allocation). In addition, the development programme costs were £34.0m against a re-profiled allocation of £50.2m. These have combined to result in £6.7m reduction in the forecasted revenue capital contribution.

12.8 The HRA budgeted contribution from reserves is £46.7m. The forecasted contribution will now reduce by £3.2m (£1.6m underspend plus £1.6 carry forward for specific activities) to £43.5m. This will leave the HRA in a balanced position for financial year 2021/22.

### 13. DEDICATED SCHOOLS GRANT (DSG)

13.1 The table below shows the draft DSG Outturn for 2021/22 and the cumulative impact on the overall DSG position. The net deficit on the DSG is £9.1m however each of the sub blocks come with their own condition around expenditure with £1.3m set aside to fund specific challenges across the schools, central school services and early years blocks, leaving a reported deficit of £10.4m.

**Table 11 – DSG Outturn**

DSG 2021/22	Schools block £m	Central school services block £m	High needs block £m	Early years block £m	Total DSG allocation £m
Gross	222.8	4.3	62.1	23.4	312.5
In year Virements	(1.1)	0.0	1.1	0.0	0.0
<b>DSG Budget</b>	221.7	4.3	63.1	23.4	312.5
Expenditure	220.5	4.3	68.5	23.7	317.0
Virement for Term Time Only	1.2	0.0	0.0	0.0	1.2
Offset Against Prior Year Reserves	0.0	(0.1)	0.0	(1.0)	(1.1)
<b>Total Spend</b>	221.7	4.3	68.5	22.6	317.1
<b>Variance</b>	0.0	0.0	5.4	(0.8)	4.6

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**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
Total spend for 2021/22	221.7	4.3	68.5	22.6	317.1
DSG Variance 2021/22	0.0	0.0	5.4	(0.8)	4.6
<b>Balance Brought Forward</b>	(0.4)	(0.3)	5.0	(1.5)	2.9
DSG Variance 2021/22	0.0	0.0	5.4	(0.8)	4.6
Prior Year Funds Applied	0.0	0.1	0.0	1.0	1.1
Estimate of Clawback	0.0	0.0	0.0	0.5	0.5
<b>Balance Carry Forward</b>	(0.4)	(0.2)	10.4	(0.7)	9.1

- 13.2 The DSG is subdivided into four individual “blocks”. Each block has specific application as defined by the Department for Education (DfE) as part of its grant conditions.
- 13.3 Schools Block (SB) – the schools block allowed for a transfer of £1.2m to support the Term Time Only process (as agreed by Schools forum), this has been fully spent. The balance carry forward of £0.4m has been held to provide targeted support for schools in deficit that have been adversely impacted meeting Term time only costs.
- 13.4 Central Schools Services Block (CSSB) - Funding allocations to Local Authorities have been reducing year on year for CSSB, through careful management actions in both 2020/21 and 2021/2022, the CSSB has a marginal surplus at the end of 2021/22 of £0.2m, which is being used to support transitional pressures for 2022/23. Children and Young Peoples are currently reviewing overall core services offer following the initial announcement of the white paper.
- 13.5 The high needs block overspend is £5.4m against a budget of £62.1m, this will be partially offset by a £1.1m funding transfer as agreed with Schools forum to support the pressure. This will result in a cumulative deficit of £10.4m including the deficit brought forward of £5m from 2020/21.
- 13.6 The Directorate is currently working towards a mitigation plan supported by Schools forum. The mitigation plan is currently in its third year of embedding which includes creating more in-house capacity both in special schools and resources basis. The position is not unique to Lewisham, we are currently commencing discussions with the Department for Education (DfE) to progress as part of the DfE safety value scheme. This is the second wave of the initiative and will include approx. 50 other LA's. The main challenges continue to be
- 0-5 year olds as more children are diagnosed with specialist need. This will require early intervention and support to prevent long term need for Education, Health and Care Plan (EHCP).

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- Post 16 /Further Education, continuing increase in numbers staying on to full time /part time education up to 25.
- In borough provision, currently working with schools to create capacity to place more pupils in borough. This has included expansions to special schools and the creation of more targeted resource basis.

- 13.7 It should be noted that the first two bullet points reflect the underfunded nature of the high needs block since the extension of the statutory age from 5 to 18, to 0 to 25. The DfE is aware of the challenges and has provided additional funding over the last 3 years, whilst the funding is welcomed, the demand continues to outstrip the available funding. This is despite an overall reduction in pupil numbers of approx.1,500.
- 13.8 The Government is currently consulting on SEND changes which is expected to be followed by a SEND funding paper. The concern here is that the proposals to further support the needs of young people could again result in greater cost implications. It should be noted that there is an associated budget pressure on the General Fund for transport related costs.
- 13.9 Early Years Block – Unlike the other 3 blocks, funding for Early Years remains provisional until the validation of the pupil data for January, this is expected to be completed in June/July.
- 13.10 2020/21 – The DfE confirmed a favourable end of year position £1.5m, in agreement with schools forum, circa £1m was paid out to providers including schools to support challenges faced by covid. This was in line with the DfE expectation regarding the use of this funding.
- 13.11 2021/22 – The funding remains provisional until the validation process is concluded. Our initial assessment suggests overall increase in 2 year old numbers relative to DfE estimate of circa 6%. However, the 3 & 4 year old funding levels appear to have reduced by circa 3%. A potential clawback of £0.5m is anticipated. Should this be the case, then there would be an underspend of £0.3m, resulting in a cumulative position of £0.7m. Due to the nature of spend and finalisation of the funding it remains prudent to have a level of contingency to support any year on year variations.

## 14. CAPITAL

- 14.1 The revised General Fund Capital Expenditure budget approved at Mayor and Cabinet in February was £66.3m, £42.2m of expenditure has been incurred during 2021/22 which is 67% of the budget.
- 14.2 The HRA Capital Expenditure budget was £115.9m, £83m of expenditure has been incurred which is 70% of the budget.
- 14.3 The table below shows the expenditure versus budget on a scheme by scheme basis, unspent budget will be slipped into 2022/23 when it is expected the costs will be incurred.

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**Table 13 – Capital Outturn**

<b>2021/22 Capital Programme</b>	<b>Revised Budget (M&amp;C Feb 22)</b>	<b>Revised Budget Proposed March 2022</b>	<b>Outturn</b>	<b>Spent to Date (Revised Budget)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
<b>GENERAL FUND</b>				
CCTV Modernisation	1.1	1.1	0.7	61%
Leisure Schemes	3.6	3.6	2.0	57%
Schools - School Places Programme	7.2	7.2	7.5	104%
Schools – Other (Inc. Minor) Capital Works	4.6	4.6	4.7	103%
Schools – Unallocated	0.0	0.0	0.0	0%
Highways & Bridges – TfL	1.5	1.5	1.0	66%
Highways & Bridges – LBL	4.1	4.1	2.8	68%
Asset Management Programme	1.3	1.3	0.6	52%
Other AMP Schemes	1.7	1.7	1.1	65%
Unallocated AMP	0.0	0.0	0.0	0%
Broadway Theatre	2.0	2.0	0.6	28%
Catford Phase 1 – Thomas Lane Yard/ CCC	0.6	0.6	0.6	109%
Catford Station Improvements	0.1	0.1	0.1	95%
Travellers Site Relocation	0.1	0.1	0.0	42%
Lewisham Gateway (Phase 2)	3.5	3.5	0.6	17%
Beckenham Place Park (Inc. Eastern Part)	0.4	0.4	0.0	4%
Catford Town Centre	0.2	0.2	0.7	294%
Milford Towers Decant	0.3	0.3	0.3	83%
Deptford Southern Sites Regeneration	0.3	2.6	2.2	86%
Edward St. Development	12.0	12.0	4.4	37%
Lewisham Homes – Property Acquisition	3.0	3.0	3.0	100%
Achilles St Development	1.0	0.0	0.0	78%
Place Ladywell	0.8	0.8	0.5	69%
Temporary Accommodation - Mayow Rd	7.0	3.9	3.7	96%
Temporary Accommodation - Canonbie Rd	1.8	1.8	1.2	71%
Temporary Accommodation - Sydney Arms	1.0	0.0	0.0	100%
Temporary Accommodation - Morton House	0.6	0.6	0.0	6%
Temporary Accommodation - Manor Avenue	0.3	0.3	0.0	4%
Disabled Facilities Grant	1.3	1.3	1.7	126%
Private Sector Grants and Loans	0.6	0.4	0.6	141%
Other General Fund Housing Schemes	1.5	1.1	0.7	61%
Other Miscellaneous Schemes	3.1	3.2	0.8	25%
<b>TOTAL GENERAL FUND</b>	<b>66.3</b>	<b>63.1</b>	<b>42.2</b>	<b>67%</b>

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2021/22 Capital Programme	Revised Budget (M&C Feb 22)	Revised Budget Proposed March 2022	Outturn	Spent to Date (Revised Budget)
<b>HOUSING REVENUE ACCOUNT</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
Building for Lewisham Programme (BfL)	50.2	50.6	33.5	66%
Decent Homes Programme	57.8	59.4	48.1	81%
Housing Management System	1.3	1.3	0.3	22%
Other Schemes	6.5	6.5	0.9	14%
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>115.9</b>	<b>117.7</b>	<b>82.8</b>	<b>70%</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>182.1</b>	<b>180.8</b>	<b>125.0</b>	<b>69%</b>

## 15. COLLECTION FUND

15.1 **Council Tax** - The collection rate for 2021/22 was 92.4% against a target of 95% which is £4.2m below the targeted level. The billed level of income was £161.7m and the income collected was £12.3m below this level.

**Table 14 – Council Tax Collected**

Collection Fund	Cash Collected (cumulative)	Cash needed to meet 95% Profile	Difference between collected and 95% profile	Current Year Collection Rate%	Required Collection Rate to reach 95%	Difference %	Previous Year Collection Rate
<b>Mar-22</b>	149,414,401	153,611,857	(4,197,456)	92.40%	95.00%	-2.60%	92.82%

15.2 **Business Rates** - The collection rate for 2021/22 was 94% against a target of 99% which is £2.8m below the targeted level. The billed level of income was £55.4m and the income collected was £3.3m below this level.

**Table 15 – Business Rates Collected**

Collection Fund	Cash Collected (cumulative)	Cash needed to meet 95% Profile	Difference between collected and 95% profile	Current Year Collection Rate%	Required Collection Rate to reach 95%	Difference %	Previous Year Collection Rate
<b>Mar-22</b>	52,113,037	54,888,966	(2,775,929)	94.00%	99.00%	-5.00%	91.62%

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## 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 uncollected General Fund debts was £93.1m.
- 16.3. In recent years, due to the focus on the new Finance system implementation, Finance Reorganisation as well as the impact of Covid, these balances have not been cleared down and the older debts written off. At 31 March 2022 the Council had debts owing of £126.1m, with the £93.1m provision available to cover those debts over one year old should they be deemed uncollectable or uneconomic to collect.
- 16.4. Following a detailed review of the Council's debt position undertaken in 2021/22 for the closing of accounts process, the following specific proposals for 2021/22 are set out below for action now. More generally, it is also the intention that this process is followed and refined each year as part of the regular monitoring reported to Members. This will ensure any older debts are critically assessed for the likelihood of recovery and action taken promptly to bring them forward for write off if that is deemed the most economically appropriate action.
- 16.5. It is now proposed to clear the accounts of the older debts, typically over six years old or four years in the case of Sundry debts and with some going back more than ten years, so that recovery work is concentrated on live accounts to ensure the most success in collecting monies owed to the Council.
- 16.6. In summary, the approach taken to derive these proposals for each category was:
- **Sundry Debt** – Debts are reviewed on a category by category basis, debts under £1k which are older than four years as well as specific debts identified as part of the year end review are proposed for write off.
  - **Housing Benefit Overpayments** – Debts over six years old with no payment activity and no benefits claimed in recent years are proposed for write off.
  - **Council Tax** - Those debts over six years and older are proposed for write off.
  - **Business Rates** – Debts over six years old with no payments or activity on the account are proposed for write off.
- 16.7. This work will involve clearing the older fully provided for debts totalling £42m by writing them off against the monies already set aside for this purpose. The majority of individual debts will be cleared under delegation, in line with the Constitution which delegates authority to the Section 151 Officer to approve individual write offs of up to £50k. For those over £50k, totalling just under £1m, Mayor and Cabinet approval is sought for the write off of £1m of individual debts each over £50k.

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16.8. The table below shows the levels of General Fund debt currently and where the proposed write offs by debt type will be made.

**Table 16 – Council’s Debt Position**

General Fund Debt Summary	Amount Outstanding at 31 March 2022	Proposed Write Offs
	£	£
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>

16.9. Of the £42m proposed write offs the table below shows the write offs over £50k by category with a line by line breakdown shown in Appendix C.

**Table 17 – Write Offs for debts over £50k**

Write off by category of debt	Amount
	£
Sundry Debts	432,392
Housing Benefit Overpayments	428,072
Council Tax	0
Business Rates	118,084
<b>Total</b>	<b>978,548</b>

## 17. FINANCIAL IMPLICATIONS

17.1 This report concerns the projected financial outturn for 2021/22. 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;

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- 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.

## 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
Budget Report 2021/22	3 <sup>rd</sup> March 2021 (Council)	1 <sup>st</sup> Floor Laurence House	David Austin

## 22. REPORT AUTHOR AND CONTACT

David Austin, Director of Finance at [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)

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**APPENDIX A – 2020/21 Savings yet to be delivered**

Ref	Director	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap	Covered by Covid Grants
<b>CHILDREN &amp; YOUNG PEOPLE DIRECTORATE</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
CYP01	Lucie Heyes	More efficient use of residential placements	300	-	300	300
CYP03	Lucie Heyes	More systematic and proactive management of the market	600	-	600	600
CYP04	Lucie Heyes	Commission semi-independent accommodation for care leavers	250	-	250	250
CYP05	Lucie Heyes	Residential framework for young people. Joint SE London Commissioning Programme	200	-	200	200
<b>Total for Children &amp; Young People Directorate</b>			<b>1,350</b>	<b>-</b>	<b>1,350</b>	<b>1,350</b>
<b>COMMUNITY SERVICES DIRECTORATE</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
COM04	Joan Huton	Reduce costs for Learning Disability and Transitions	1,000	200	800	800
COM05	Joan Huton	Increased focus of personalisation	482	350	132	132
COM1 A	Joan Huton	Managing demand at the point of access to adult social care services	1,000	100	900	900
COM2 A	Joan Huton	Ensuring support plans optimise value for money	500	-	500	500

Ref	Director	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap	Covered by Covid Grants
COM3 A	Joan Huton	Increase revenue from charging Adult Social Care clients	500	-	500	500
CUS06	James Lee	Bereavement Services increase income targets	67	67	-	-
RES17	James Lee	Beckenham Place Park - income generation	105	105	-	-
<b>Total for Community Services Directorate</b>			<b>3,654</b>	<b>822</b>	<b>2,832</b>	<b>2,832</b>
<b>CORPORATE RESOURCES DIRECTORATE</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
CUS13	Mick Lear	Invest to save - improve sundry debt collection	480	480	-	-
RES01	David Austin	Benefits realisation of Oracle cloud	350	200	150	150
RES14	Brian Colyer	Corporate Estate Facilities Management Contract Insourcing	100	100	-	-
<b>Total Corporate Resources Directorate</b>			<b>930</b>	<b>780</b>	<b>150</b>	<b>150</b>
<b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
CUS02	Zahur Khan	Income generation - increase of garden waste subscription	485	485	-	-

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Ref	Director	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap	Covered by Covid Grants
CUS04	Zahur Khan	Income generation - increase in commercial waste charges	300	-	300	300
CUS14 A	Zahur Khan	Parking service budget review	500	-	500	500
RES11	Emma Talbot	Increase in pre-application fees	100	100	-	-
RES12	Patrick Dubeck	Catford complex office rationalisation	250	250	-	-
RES15	Patrick Dubeck	Commercial estate growth	500	100	400	-
RES18	Zahur Khan	Electric vehicle charging points	50	50	-	-
<b>Total for Housing, Regeneration &amp; Public Realm Directorate</b>			<b>2,185</b>	<b>985</b>	<b>1,200</b>	<b>800</b>
<b>GRAND TOTAL</b>			<b>8,119</b>	<b>2,587</b>	<b>5,532</b>	<b>5,132</b>

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## APPENDIX B – 2021/22 Savings yet to be delivered

Ref	Director	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap
CHIEF EXECUTIVE DIRECTORATE			£'000	£'000	£'000
A-01	All	Staff productivity - arising from new ways of working better collaboration and a return on IT investment (£3m split council wide)	243	243	0
A-03	All	Corporate Transport arrangements (£100k split Council Wide) more use of electric bikes and less spend on public transport and cars	3	3	0
A-10	Jeremy Chambers	Election services	55	55	0
A-09	Salena Mulhere	Support Leadership	105	105	0
A-11	Jeremy Chambers	Legal, governance service and elections review.	340	340	0
A-01a Round 2	All	Staff productivity - arising from new ways of working, better collaboration and a return on IT investment (£1m split Council Wide)	81	81	0
<b>Total for Chief Executive Directorate</b>			<b>827</b>	<b>827</b>	<b>0</b>
CHILDREN & YOUNG PEOPLE DIRECTORATE			£'000	£'000	£'000
E-05	Angela Scattergood	Traded services with schools	50	50	0
F-12	Lucie Heyes	Housing - No Recourse to Public Funds	300	900	-600
A-12	Angela Scattergood	Rationalising Central Education Services functions	150	160	-10
A-13	Angela Scattergood	Children with complex needs (CWCN Revision)	195	133	62
A-14	Angela Scattergood	Replace Educational Psychologist locums through expanding the generic EP Team	200	214	-14
A-16	Lucie Heyes	Reduction of workforce development budget	50	50	0
B-13	Angela Scattergood	Early Years Funding Block	54	54	0
C-09	Sara Rahman	Youth Offending Service (YOS) redesign	152	152	0
C-30	Angela Scattergood	Rationalisation of Business support across Education services	70	70	0

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Ref	Director	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap
D-09	Angela Scattergood	Educational Assets	300	300	0
A-01 and A-01a	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	1053	390	663
A-03	All	Corporate Transport arrangements	56	56	0
E-03	All	Review discretionary sales, fees and charges and increase to the point of full cost recovery.	10	10	0
<b>Total for Children &amp; Young People Directorate</b>			<b>2,640</b>	<b>2,539</b>	<b>101</b>
<b>COMMUNITY SERVICES DIRECTORATE</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
B-04	Catherine Mbema	Smoking cessation service	221	221	0
B-05	Joan Hutton	Recharge OT and housing officer costs to the Disabled Facilities Grant	250	250	0
B-07	Liz Dart	Review of Council run events	42	42	0
B-10	James Lee	Reduction in local assemblies service	45	45	0
C-02	Joan Hutton	Adult Learning and Day Opportunities	50	50	0
E-04	Joan Hutton	Introduce charging for certain elements of self-funded care packages	82	0	82
F-01	Joan Hutton	Adult Social Care Demand management	3,000	1,200	1,800
F-06	Joan Hutton	Adults with learning difficulties and 14 - 25yrs transitions costs	760	0	760
F-09	Joan Hutton	In house services reductions - adults passenger transport	600	600	600
A-18	Liz Dart	Library and Information Service	300	300	0
B-11	Joan Hutton	Improved usage of BCF Funding across partners	1,000	1,000	0
B-12	Liz Dart	Adult Learning Lewisham - back office efficiencies	96	96	0
C-12	Catherine Mbema	Weight management services	25	25	0
C-13	Catherine Mbema	Sexual and Reproductive Health Services in Primary Care	100	100	0
C-14	Catherine Mbema	Substance Misuse Cuts (Public Health Budget)	150	150	0
C-15	Catherine Mbema	Integrated Sexual and Reproductive Health Services	150	150	0
C-16	Dee Carlin	Reduction of Management overheads for the Social Inclusion and Recovery Services (Slam lewisham Community Services)	50	50	0
C-17	Dee Carlin	Re-configuration of MH Supported Housing pay - social interest group	100	0	100
C-24	Liz Dart	Culture Team Salaries & Borough of Culture	60	60	0
C-28	Dee Carlin	Supported Housing Services	169	169	0
C-29	James Lee	Crime, Enforcement & Regulation service restructure	50	50	0

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Ref	Director	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap
F-24	Joan Hutton	Adult Social Care cost reduction and service improvement programme	3,849	0	3,849
A-01 and A-01a	ALL	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	1,027	1,027	0
A-03	ALL	Corporate Transport arrangements	23	23	0
E-03	James Lee	Review discretionary sales, fees and charges and increase to the point of full cost recovery.	72	72	0
<b>Total for Community Services Directorate</b>			<b>12,271</b>	<b>5,680</b>	<b>7,191</b>
<b>CORPORATE RESOURCES DIRECTORATE</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
A-04	Mick Lear	Process automation in Revs and Bens	60	40	20
A-05	Mick Lear	Revs and Bens - additional process automation	400	0	400
B-08	Mick Lear	Review the Power of Attorney service	160	160	0
B-09	Mick Lear	Reduction in the discretionary award of concessionary fares	300	300	0
D-03	Brian Colyer	Facilities management general cost reduction	50	50	0
D-04	Brian Colyer	Operational estate - security	100	100	0
D-06	Brian Colyer	Catford Campus - Estate Consolidation	438	179	259
A-01 Round 1	All	Staff productivity - arising from new ways of working, better collaboration and a return on IT investment (£3m split council wide)	522	522	0
A-03 and E-03 Round 1	All	Corporate Transport arrangements AND Review discretionary sales, fees and charges and increase to the point of full cost recovery (£250k split Council Wide)	7	7	0
A-01a	All	Staff productivity - arising from new ways of working, better collaboration and a return on IT investment (£1m split Council Wide)	174	174	0
<b>Total Corporate Resources Directorate</b>			<b>2,211</b>	<b>1,532</b>	<b>679</b>
<b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
A-07	Fenella Beckman	Housing - Productivity gains	202	202	0
B-05	Fenella Beckman	Recharge OT and housing officer costs to the Disabled Facilities Grant	175	175	0
C-05	Fenella Beckman	Housing needs and procurement service review	50	50	0
C-06	Fenella Beckman	Housing needs and procurement service review	77	77	0

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Ref	Director	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap
D-02	Patrick Dubeck	Business Rates Revaluation for the estate	40	40	0
D-06	Patrick Dubeck	Catford Campus - Estate Consolidation	236	236	0
D-07	Patrick Dubeck	Meanwhile use - Temporary Accommodation	25	25	0
E-02	Patrick Dubeck	Income from building control	15	15	0
E-07	Fenella Beckman	Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)	300	300	0
C-10	Fenella Beckman	Housing Services Review	300	300	0
E-11	Zahur Khan	Environmental Enforcement – Use of Civic Enforcement Officers	100	100	0
F-17	Zahur Khan	Road safety enforcement	250	250	0
F-20	Zahur Khan	Emission based charging for Short Stay parking	120	120	0
F-21	Zahur Khan	Road Safety Enforcement	250	250	0
A-01 & A-01a	Zahur Khan	Productivity (Additional)	969	969	0
<b>Total for Housing, Regeneration &amp; Public Realm Directorate</b>			<b>3,109</b>	<b>3,109</b>	<b>0</b>
<b>Cross-Cutting</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
B-07	All	Review of Council run events	28	28	0
E-01 / E-01a	All	Improved Debt collection	750	750	0
E-08 / E-08a	All	Contract Efficiencies – inflation management	750	750	0
<b>Total for Cross-Cutting</b>			<b>1,528</b>	<b>1,528</b>	<b>0</b>
<b>GRAND TOTAL</b>			<b>22,586</b>	<b>15,215</b>	<b>7,971</b>

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**APPENDIX C – Individual debts over £50k to be written off**

Type	Amount £	Debtors Reason for write Off
Sundry Debt	76,030	These two invoices were issued in 2013 and 2014 to NHS England. They would have ordinarily been sent to the Trust however as Primary Care Trusts (PCTs) were disbanded in 2013 these invoices were issued to NHS England as they were managing a process to pay outstanding PCT invoices. The invoice originator and budget holder did not provide the supporting documentation requested by NHS England for these invoices to be paid.
Sundry Debt	25,084	
Sundry Debt	65,026	236 Evelyn Street – was leased for 20 years from 13/02/1997 at £8,300 pa. The same tenant also held a lease for 238 Evelyn Street. It traded as a Vietnamese restaurant although the basement was used, without consent, as a nightclub. The property was repossessed on the 06/09/2016 due to the breach of covenant (unlawful use) and significant rent arrears.
Sundry Debt	79,061	2-4 Riverpark Gardens – This property was leased comprising a shop with flat above. The tenant was unable to trade due to subsidence and the collapse of culverts and drains running under the concrete floor in the shop. Agreement for the remedy was not reached and the property was sold to Phoenix Housing on 27/03/2013.
Sundry Debt	126,368	Foxgrove Club - this was leased for 12 years from 02/07/1995 at a rent of £12k pa and thereafter the tenants remained in occupation under a Tenancy at Will, although rent arrears continued to rise. The Council began Legal action in the County Court. A Settlement Agreement was completed in 2014 under which the tenant's agreed to deliver up vacant possession in return for the rent arrears being written off. It was terminated 30/09/2015 and this is the associated write off.
Sundry Debt	60,823	Legal recommendation to write off
Housing Benefit Overpayments	84,843	These debts are now judged 'not economically viable' to persue. The debts are over six years old with no payment activity in the past six years in response to recovery actions taken and no benefits claimed in six years. Should the debtor seek to claim benefits in the future the system will highlight this and the team can chose to persue the debt again.
Housing Benefit Overpayments	61,994	
Housing Benefit Overpayments	61,380	
Housing Benefit Overpayments	58,830	
Housing Benefit Overpayments	55,938	
Housing Benefit Overpayments	52,996	
Housing Benefit Overpayments	52,091	
Housing Benefit Overpayments		

Type	Amount £	Debtors Reason for write Off
Business Rates	62,953	The company was registered in November 2015 and bills were issued to the registered office. No payments were received on the account. The statutory instalments were subsequently defaulted upon and recovery proceedings commenced. The Council obtained three Liability Orders and the account was passed to Newlyn and Equita for collection. The Liability Orders were returned as no goods or funds were received. The company entered into dissolution on 5 September 2017.
Business Rates	55,132	The company was registered in April 2010 and demands were issued to the registered office address. No payments were received on the account. The statutory instalments were subsequently defaulted upon and recovery proceedings commenced. The Council obtained Liability Orders and the account was passed to Ross and Roberts Ltd for collection. The Liability Orders were returned as no goods or funds were received. The case was subsequently referred to Wilkin Chapman for winding up proceedings however, a discrepancy with the account name was identified and as such, it was necessary to withdraw all previous recovery. The period of debt is now statute barred.
<b>Total Write Off's for debts over £50k</b>	<b>978,548</b>	

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