



Mayor and Cabinet

Financial Monitoring 2022/23

Date: Wednesday 5th October 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 monitoring position for the 2022/23 financial year, setting out the position as at 31 July 2022.

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 £18.1m, this is reduced by the utilisation of £4m Covid Local Authority support grant carried forward from 2021/22 and £7.6m of corporate funding to partially mitigate the pressures. This means that the General Fund is forecast to overspend by £6.5m, an adverse movement of £2.4m since Period 2.

The increased financial pressure since Period 2 is partially due to the anticipated pay award (based on a pay award of £2,355 per employee), which is £4.5m above the budgeted level. The remaining adverse movement relates to £0.9m Temporary Accommodation demand pressures, £0.8m pressure on the Highways and Transport budgets, £0.7m pressures across Education Services, £0.6m energy pressure on the Council's leisure contract, £0.4m increased scope of the fly tipping service and a net £0.1m other movements. The level of corporate funding being used to mitigate this overspend has increased by £5.6m since Period 2, of which £4.5m is use of reserves to fund the 2022/23 pressure due to the anticipated pay award and £1.1m released from corporate budgets held to meet inflationary pressures.

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

7th September 2022 – Period 4 (July) Financial Monitoring 2022/23 to Executive Management Team

22nd September 2022 – Period 4 (July) Financial Monitoring 2022/23 to Public Accounts Select Committee

5th October 2022 - Period 4 (July) Financial Monitoring 2022/23 to Mayor and Cabinet

1.0 EXECUTIVE SUMMARY

- 1.1. This report sets out the financial forecasts for 2022/23 as at 31 July. The key areas to note are as follows:
- i. The General Fund (GF) has a forecast overspend of £6.5m against the directorates' net general fund revenue budget, after the application of £4m Covid grant funding carried forward from 2021/22 to support the costs arising from the ongoing legacy impact of the pandemic and £7.6m of corporate funding. This is set out in more detail in sections 4 to 10 of this report.
 - ii. There are additional costed risks estimated at £2.8m, as well as risks which are as yet unquantified, work is on going led by Executive Directors to seek mitigations should any of the risks partially or fully materialise as financial pressures. This is set out in more detail in section 11.
 - iii. To date £17.8m (69%), of the £25.8m savings have either been achieved or are on track to be achieved. The forecast outturn position takes into account this level of savings delivery. Where savings have not been achieved to date, services are working to deliver these or find alternative savings/cost reductions to enable the overall savings target to be achieved.
 - iv. The Dedicated Schools Grant (DSG) is currently forecasting a deficit of £4m for 2022/23, due to the full year effect of increased placements costs in 2021/22 and the increased provision in special schools and resource basis in 2022/23. This is on top of a deficit of £10.4m brought forward from prior years following the high needs secondary transfer process. It should be noted that at present the DSG remains a ringfenced deficit and Lewisham is part of the 'Delivering Better Value Programme' sponsored by the DfE. From 2023/24, changes in accounting practice mean the DSG deficit is no longer ringfenced, meaning the deficit would be considered as part of the councils overall financial position. This is set out in more detail in section 12 of this report.
 - v. The Housing Revenue Account (HRA) is currently projecting a £4.3m pressure due to the anticipated lack of income from billing Leaseholders for work undertaken. This is set out in more detail in section 13 of this report.

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- vi. As at 30 June, some 34.3% of council tax due and 44.8% of business rates due had been collected. This is set out in more detail in section 14 of this report.
- vii. The Capital Programme has a budget for 2022/23 set as part of the budget setting process in February of £230.1m (GF and HRA). This has been set out in more detail in section 15 of this report and Appendix 2.

2.0 PURPOSE AND RECOMMENDATIONS

- 2.1 The purpose of this report is to set out the financial forecasts for 2022/23 as at the end of June 2022, projected to the year-end, 31 March 2023.
- 2.2 Mayor and Cabinet are asked to: Note the current financial forecasts for the year ending 31 March 2023 and that Executive Directors will continue to work in bringing forward action plans to manage down budget pressures within their directorates.
- 2.3 Mayor and Cabinet are asked to: Note that as part of the national initiatives supporting early intervention, Lewisham has been provisionally allocated a minimum of £3.9m of Family Hubs and Start for Life grant. The funding covers the remainder of 2022/23 (£1m), with at least £1.4m available in 2023/24 and 2024/25. The final grant awarded will be subject to outcomes, it is intended that regular progress updates are provided to Members at key milestones.

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.
- 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

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across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In delivering our duties, we are guided by the Council's four core values:

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

- 3.5 The Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.
- 3.6 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough for new homes, school improvements, regenerating town centres, renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. There is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to support housing supply and business growth, through to our programmes of care and support to some of our most vulnerable and troubled families.
- 3.7 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.
- 3.8 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.
- 3.9 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.

4.0 GENERAL FUND POSITION

- 4.1 The Council is reporting an overspend on general fund activities of £6.5m after the application of £4m Covid Local Authority support grant and £7.6m of corporate funding. The £4m of Local Authority support grant is utilising the remaining Covid funding carried forward from 2021/22, to mitigate costs arising due to the legacy impact of Covid. The £7.6m of corporate funding consists of:

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- £1m one off funding in corporate provisions set aside to provide the Children and Young People’s Directorate with time to fully deliver savings as part of the sufficiency strategy.
- £1.1m corporate budget set aside to fund inflation during 2022/23. It should be noted that inflation awards have not been fully made across services and therefore the monitoring position may worsen once these are made.
- £1m of budgeted reserve funding to partially fund the pressure on the General Fund due to the increase in energy prices.
- £4.5m of unbudgeted reserve funding to meet the anticipated pay award over and above the budgeted level for 2022/23, this will need to be met on an ongoing basis as part of budget setting for 2023/24.

Table 1 – General Fund Outturn Position for 2022/23 at Period 4

General Fund	Net Budget	Net Forecast	Period 4 Variance	Period 2 Variance	Movement since Period 2
	£m	£m	£m	£m	£m
Children & Young People	61.1	64.8	3.7	3.0	0.7
Community Services	82.4	85.6	3.2	1.9	1.3
Housing, Regeneration and Public Realm	21.6	27.1	5.5	2.5	3.0
Corporate Resources	31.9	37.6	5.7	2.7	3.0
Chief Executives	11.7	11.7	0.0	0.0	0.0
Directorate Totals	208.7	226.8	18.1	10.1	8.0
Covid Funding	0.0	(4.0)	(4.0)	(4.0)	0.0
Reserves	0.0	(5.5)	(5.5)	(1.0)	(4.5)
Corporate Items	39.5	37.4	(2.1)	(1.0)	(1.1)
Corporate Budget Totals	39.5	27.9	(11.6)	(6.0)	(5.6)
Total	248.2	254.7	6.5	4.1	2.4

4.2 The reported pressures are detailed further in paragraphs 6-10 with Section 11 containing an explanation of any further financial risks not included within the reported positions.

4.3 Below is a summary of the key movement between Period 2 and 4:

Children and Young People: An adverse movement of £0.7m due to recruitment challenges in Education Psychology leading to increased agency usage and a staffing pressure of £0.5m. The remainder relates to a £0.3m increase in demand on Continuing Care due to the level of complexity and associated costs of children with complex needs. Both of these were pressures in prior years which were contained within service budgets. There has been a minor improvement of £0.1m on Children’s Social Care placement costs.

- **Communities:** An adverse movement of £1.3m largely due to a £1m pressure on energy costs across the Council’s contract with GLL, the Glassmills Leisure centre and other buildings within the Directorate. £0.4m of these costs were shown within the Corporate Resources position in Period 2 but have been apportioned out to the service where the costs are being incurred. There is also a £0.1m income shortfall on both Community Centres and Libraries as well as a £0.1m pressure on the contribution to the Coroners Court Consortium.
- **Housing, Regeneration and Public Realm:** An adverse movement of £3m due to £0.9m

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demand risk on Temporary Accommodation realising as a financial pressure (previously shown as a financial risk within Section 11), a Highways and Transport budget pressure of £0.8m, £0.8m pressure on energy costs which were previously shown within the Corporate Resources position but have now been allocated out to the Directorates where the costs are incurred, £0.4m of costs incurred providing an enhanced fly tipping service across the borough and a £0.1m income shortfall within Regeneration.

- **Corporate Resources:** An adverse movement of £3m. A pay award offer has been presented for 2022/23 that the Unions are to put to their membership, if accepted this will add a £4.5m pressure to the budget, the impact of which is shown within Corporate Resources and is to be funded from reserves in 2022/23. This is included within the updated Medium Term Financial Strategy (MTFS) for 2023/24, as permanent savings will need to be found to fund this on an ongoing basis. This is partially negated by £1.2m of energy costs which are now shown across Directorates (within Communities and Housing, Regeneration and Public Realm and a £0.3m improvement on Residents and Business Services due to £0.2m reduction in supported accommodation costs and £0.1m due to an improved position on responsive repairs.
- **Corporate Budget:** £4m of covid grant funding is being utilised to mitigate the impact of legacy covid related expenditure, £1m of corporate provision was set aside in 2022/23 only to fund the pressure on Children's Social Care while the sufficiency strategy embeds and £1m of reserve funding was set aside to mitigate some of the impact of energy tariff increases, both of these were agreed as part of the budget setting process for 2022/23 only. Since Period 2, the use of reserves has increased by £4.5m to cover the anticipated impact of the proposed pay award and a further £1.1m of recurrent funding held corporately to cover inflationary pressures has been included within the reported position.

4.4 The table below shows the service pressures for 2022/23 broken down by type, highlighting those that are expected to reoccur on an ongoing basis and have therefore been considered as part of an exercise to review the MTFS budget gap for 2023/24.

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Table 2 – Period 4 Monitoring Pressure by type

Period 4 Monitoring Pressure by Type	Children & Young People	Community Services	Housing, Regeneration and Public Realm	Corporate Resources	Total	Pressure included in 2023/24 Budget Gap
	£m	£m	£m	£m	£m	£m
Children's Social Care	1.7				1.7	0
Children's Transport	1.7				1.7	1.7
Education	0.8				0.8	0
Adult Social care		1.9			1.9	0.0
Energy		0.9	0.8	1.0	2.7	0.0
Temporary Accommodation			2.9		2.9	2.9
Highways and Transport			0.8		0.8	0.0
Fly Tipping			0.4		0.4	0.4
Pay Award				4.5	4.5	4.5
Revenue's and Benefits Restructure				0.6	0.6	0.0
Other	-0.5	0.4	0.6	-0.4	0.1	0.0
Directorate Totals	3.7	3.2	5.5	5.7	18.1	9.5

4.5 Since the initial budget gap of £10m was identified in June 2022, further work has been done to review the assumptions around unachievable savings, demand pressures and inflation for 2023/24. The level of projected inflation for 2023/24 is higher than had previously been anticipated, as are the level of pressures which will need to be funded (as per table 2 above), due in part to the anticipated pay award for 2022/23. The council is also having to fund significant 2022/23 cost pressures from reserves within the Period 4 2022/23 budget monitoring position, due to the impact of increased energy costs and the 2022/23 impact of the potential pay award.

4.6 The impact of the review has grown the budget gap for 2023/24 from £10m to £12.9m (an increase of £2.9m), with the energy tariff risk for 2023/24 being held corporately to be funded from reserves. This means it is even more important that the £8m of at risk savings detailed in table 4 below are delivered and that budgets continue to be tightly managed. There is also less corporate headroom to support investment and growth so services will have to re-prioritise in 23/24.

5.0 SAVINGS DELIVERY

5.1 At the start of 2022/23 there were £5.6m of savings from 2020/21 and £8.4m of savings from 2021/22 which were yet to be delivered. These alongside £11.8m of savings need to be delivered during 2022/23, as set out in table 3 below, with the individual savings listed in Appendix 1:

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Table 3 - Savings to be delivered by Directorate

Savings to be delivered 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
Totals	5.6	8.4	11.8	25.8

- 5.2 An part of monthly monitoring an assessment of the deliverability of these savings has been undertaken. The table below shows savings which at this stage are not expected to be delivered during 2022/23, but delivery is expected in 2023/24. The £8m of delayed delivery is factored into the reported pressure in Section 4 and services are committed to striving to deliver these savings and where this is not possible they have been highlighted as part of Budget Setting work for 2023/24.

Table 4 –Savings at risk by Directorate

Savings Summary Position	To be Delivered £m	Expected to be Delivered £m	Shortfall £m
2020/21	5.6	(3.9)	1.7
2021/22	8.4	(4.3)	4.1
2022/23	11.8	(9.6)	2.2
Totals	25.8	(17.8)	8.0

6.0 CHILDREN AND YOUNG PEOPLE DIRECTORATE

- 6.1 The Children and Young People Directorate (CYP) are reporting an overspend of £3.7m, an adverse movement of £0.7m since Period 2, as detailed in the table and paragraphs below. It should be noted that the above reported position is before a budgeted £1m drawdown from corporate funding.

Table 5 – Children & Young People Directorate Period 4 Forecast

Children and Young People Directorate Projected Outturn	Net Budget £m	Net Forecast £m	Period 4 Variance £m	Period 2 Variance £m	Movement since Period 2 £m
Children's Social Care	52.0	53.7	1.7	1.8	(0.1)
Education Services	13.4	15.9	2.5	1.7	0.8
Family, Quality Commissioning	(2.1)	(2.6)	(0.5)	(0.5)	0.0
Schools	(2.2)	(2.2)	0.0	0.0	0.0
Total	61.1	64.8	3.7	3.0	0.7

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- 6.2 **Children's Social Care:** The projected pressure is £1.7m, marginally improved from the £1.8m reported at Period 2. There are currently 463 Children Looked After (CLA) at the end of July 2022, compared to 459 CLA's in July 2021. This number fluctuates as children enter and leave care but has been broadly consistent over the past 12 months. Placements is a demand led budget with the cost of individual placements dependent on the needs of the child. Through positive intervention measures put in place during 2019/20, it is estimated that by the end of 2022/23, the service will have avoided an additional 94 children coming into care (across the 4 financial years) at an estimated full year cost of £5.4m. The above forecast assumes savings delivery of £3.1m across placements and staffing, with £1.4m currently showing as unachieved, however the service are striving to deliver these within 2022/23 which would improve the reported position above.
- 6.3 **Education Services:** The Period 4 position is a £2.5m pressure, an adverse movement of £0.8m from Period 2. This is due to recruitment challenges in Education Psychology leading to increased agency usage of £0.5m and £0.3m due to the ongoing increase in demand on Continuing Care due to the level of complexity and associated costs of children with complex needs. Both of these were pressures in prior years which were contained within service budgets. There is a £1.7m overspend on Home to School transport (£1.4m pressure on taxi's and £0.3m on passenger services) based on the current number of children being transported and routes being delivered, this is unchanged from Period 2. The number of Children being transported to schools by taxi's has more than doubled since 2019/20 with the percentage of Children being transported out of borough (longer, more costly journeys) also increasing. There is a risk of further costs as detailed in section 11 below. It should be noted that the costs for 2022/23 will be more certain in October once the academic year has commenced as the transport routes are agreed each September/October.
- 6.4 **Family, Quality Commissioning:** £0.5m underspend, unchanged from Period 2. The projected underspend is based on a combination of staff vacancies currently in place as the service implements its transition from Early Help to Family, Quality and Commissioning. The service delivery has been reviewed and a restructure was undertaken however some elements are yet to be fully implemented leading to posts still being vacant, some underspends are arising from more robust commissioning intentions and also reduced demand. As part of national strategies focused on early intervention Lewisham has been allocated a minimum of £3.9m of Family Hubs and Start for Life grant to be utilised on relevant expenditure during 2022/23 to 2024/25. The grants are outcomes based with clear grant conditions.

7.0 COMMUNITY SERVICES DIRECTORATE

- 7.1 The Community Services Directorate are reporting an overspend of £3.2m, an adverse movement of £1.3m since Period 2, as detailed in the table and paragraphs below. It should be noted £0.4m of this pressure relates to energy costs which were shown in the Corporate Resources position in Period 2 but have been allocated to the service that incur the expenditure for Period 4.

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Table 6 – Community Services Directorate Period 4 Forecast

Community Services Directorate Projected Outturn	Net Budget	Net Forecast	Period 4 Variance	Period 2 Variance	Movement since Period 2
	£m	£m	£m	£m	£
Adults' Social Care	63.4	65.3	1.9	1.9	0.0
Integrated Commissioning	7.5	7.5	0.0	0.0	0.0
Public Health	(0.8)	(0.8)	0.0	0.0	0.0
Communities, Partnerships and Leisure	8.8	10.0	1.2	0.0	1.2
Culture, Learning and Libraries	3.5	3.6	0.1	0.0	0.1
Total	82.4	85.6	3.2	1.9	1.3

7.2 **Adult Social Care:** A pressure of £1.9m is reported, unchanged from Period 2, due to the delayed delivery of savings related to care packages as well as pressures from children transitioning to Adulthood and hospital discharge. This is based on the level of commissioned care on Controcc at Period 4 with adjustments made for anticipated further in year demand and inflationary increases, as well as adjustments for any health funding or savings delivered over the course of 2022/23.

7.3 There are early signs of the impact of work done in partnership with Newton Europe to both improve productivity and also outcomes for people using our Enablement Service and also help to reduce or delay long term care placements. This comes at a time when the NHS recovery plans mean pressure on service remains very high.

7.4 **Communities Partnerships & Leisure:** A pressure of £1.2m is now being reported for the service in Period 4, largely due to the impact of tariff increases on Electricity and Gas. There is a energy tariff pressure on the main Leisure Contract arrangement with Greenwich Leisure Ltd of £0.6m and a further pressure of £0.4m due to largely to increases on the Glassmills Leisure centre, which sits outside of the main contract.

7.5 There is a further pressure of £0.2m within the Service:

- £0.1m shortfall in relation to hire and rental income for Community Centres, the activity levels have not returned to pre Covid levels.
- £0.1m pressure on Bereavement Services in relation to the contribution to the Coroners' Court Consortium arrangements which is a multi borough scheme.

7.6 **Culture, Learning and Libraries:** A pressure of £0.1m is reported for the service as a result of an income shortfall for the Libraries Service where the level of income from photocopying, hires and fines has not recovered to pre COVID levels.

8.0 HOUSING, REGENERATION AND PUBLIC REALM

8.1 The Housing, Regeneration and Public Realm Directorate are reporting an overspend of £5.5m, an adverse movement of £3m since Period 2, as detailed in the table and paragraphs below. It should be noted £0.8m of this pressure relates to energy costs which were shown in the Corporate Resources position in Period 2 but have been allocated to the service that incur the expenditure for Period 4.

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Table 7 – Housing, Regeneration and Public Realm (HRPR) Directorate Period 4 Forecast

Housing, Regeneration and Public Realm Projected Outturn	Net Budget	Net Forecast	Period 4 Variance	Period 2 Variance	Movement since Period 2
	£m	£m	£m	£m	£m
Strategic Housing	3.8	6.7	2.9	2.0	0.9
Public Realm	17.6	19.7	2.1	0.2	1.9
Regeneration	(0.5)	0.0	0.5	0.3	0.2
Planning	0.7	0.7	0.0	0.0	0.0
Total	21.6	27.1	5.5	2.5	3.0

- 8.2 **Strategic Housing:** £2.9m pressure on Temporary Accommodation, an adverse movement of £0.9m from Period 2, after the application of available grant funding. This increase is due to £0.9m of demand pressure which were noted as risks in the Period 2 report. £2.1m of the forecast overspend is due to the increase in the numbers of people in nightly paid accommodation which has risen from 745 at the start of April 2021 to 1,034 at the end of July 2022. The monthly average number of service users accommodated for financial year 2021/22 was 866, the current monthly average for 2022/23 is 1,011. This increase in numbers has put pressure on the 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 remaining £0.8m relates to payments made to Landlords to maintain housing arrangements to reduce the demand on Temporary Accommodation and the repairs costs on stock over and above the budgeted level.
- 8.3 **Public Realm:** A pressure of £2.1m is arising due to increased costs and pressures across the service. The Street Environment Service (SES) is reporting a projected overspend of £0.4m in relation to the cost of an enhanced Fly Tipping Service and Highways and Transport have a budget pressure of £0.8m. There are increased energy costs of £0.7m largely relating to Street Lighting as a result of higher tariff costs which was reported under Corporate Resources in Period 2 but has been allocated out to the services who pay the bills. Finally there is also a £0.2m pressure on fuel costs (previously reported in Period 2), these will be incurred by the different divisions using Fleet Services but is shown under Public Realm until they are apportioned out.
- 8.4 **Regeneration:** There is a £0.3m pressure on the Copperas Street saving due to a change in the delivery plans, this will be achieved in 2023/24. There is further pressures of £0.1m on rental income following the sale of properties within the portfolio, alongside a £0.1m increase in energy costs.
- 8.5 **Planning:** The Planning Service is currently forecast to end the year with a balanced budget position. The service is continuing to experience staffing pressures with staffing costs increasing across London due to demand for planning, urban design and conservation staff. Alongside this, with cost of living increases it is anticipated that fee income may reduce as less people are in a position to undertake development, this will be monitored throughout the year. Government proposals which would increase burdens on local planning authorities through the Levelling Up Bill remain a risk that could increase costs within the service.

9.0 CORPORATE RESOURCES DIRECTORATE

- 9.1 The Corporate Resources Directorate are reporting an overspend of £5.7m, an adverse

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movement of £3m since Period 2, as detailed in the table and paragraphs below.

- 9.2 Since Period 2, the impact of the anticipated £4.5m pressure based on the proposed pay award offer for 2022/23 is shown within Corporate Resources, this is funded from reserves until the necessary savings are agreed when setting the 2023/24 budget to permanently fund this cost. This is partially negated by £1.2m of energy costs which are now shown across the Directorates (within Communities and Housing, Regeneration and Public Realm) and a small underspend across the rest of the Directorate.

Table 8 – Corporate Services Directorate Period 4 Forecast

Corporate Resources Projected Outturn	Net Budget	Net Forecast	Period 4 Variance	Period 2 Variance	Movement since Period 2
	£m	£m	£m	£m	£m
Assurance	2.6	2.4	(0.2)	0.0	(0.2)
Financial Services	5.5	5.5	0.0	0.0	0.0
Resident & Business Services	16.6	17.9	1.3	2.7	(1.4)
IT & Digital Services	7.9	8.0	0.1	0.0	0.1
Reserves	(0.7)	3.8	4.5	0.0	4.5
Total	31.9	37.6	5.7	2.7	3.0

- 9.3 **Assurance:** The service has an underspend of £0.2m due to staff vacancies across the teams, an improvement of £0.2m since Period 2.
- 9.4 **Financial Services:** A balanced position is forecast at Period 4, unchanged from Period 2.
- 9.5 **Residents and Business Services:** In Period 2 a pressure of £2.7m was reported, of which £1.2m related to energy pressure which are now reported in the Directorates that incur the costs (Communities and Housing, Regeneration and Public Realm), which is the majority of the £1.4m improvement since Period 2. An energy pressure of £1m is shown within the Energy Team due to the financial impact of tariff increases on buildings paid for by Corporate Resources. There is a further £0.6m pressure on Revenue's and Benefit's as the service restructure has been delayed due to additional workload arising from the administration of several central government grants including the Council Tax Energy Grant, Household Support fund and Covid Additional Relief Fund (CARF). There is a £0.3m improvement due to £0.2m underspend due to the reduction in supported accommodation costs and £0.1m due to an improved position on responsive repairs.
- 9.6 **IT and Digital Services:** The overspend of £0.1m is due to unbudgeted membership subscriptions, recruitment costs and a shortfall in web communication budget, this is an adverse movement of £0.1m since Period 2.
- 9.7 **Reserves:** The £4.5m pressure due to the anticipated staffing pay award being higher than the level budgeted is shown here.

10. CHIEF EXECUTIVES DIRECTORATE

- 10.1 The Chief Executive's Directorate are reporting a balanced position at Period 4.

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Table 9 – Chief Executive’s Directorate Period 4 Forecast

Chief Executive's Projected Outturn	Net Budget	Net Forecast	Period 4 Variance	Period 2 Variance	Movement since Period 2
	£m	£m	£m	£m	£m
Assistant Chief Executive	7.5	7.5	0.0	0.0	0.0
Law, Governance & Elections	4.2	4.2	0.0	0.0	0.0
Total	11.7	11.7	0.0	0.0	0.0

11. GENERAL FUND RISKS

11.1 The table below shows the identified risks which are not certain to materialise but are significant in terms of financial impact.

Table 10 – General Fund Risks

General Fund	Council Tax	Temp Accom	Comm Waste Income	Transport	Total
	£m	£m	£m	£m	£m
Children & Young People	0.0	0.0	0.0	0.4	0.4
Community Services	0.0	0.0	0.0	0.0	0.0
Housing, Regeneration and Public Realm	0.0	0.5	0.4	0.0	0.9
Corporate Resources	0.0	0.0	0.0	0.0	0.0
Chief Executives	0.0	0.0	0.0	0.0	0.0
Council Wide	1.5	0.0	0.0	0.0	1.5
Directorate Totals	1.5	0.5	0.4	0.4	2.8
Covid Funding	0.0	0.0	0.0	0.0	0.0
Inflation Funding held centrally	0.0	0.0	0.0	0.0	0.0
Corporate Budget	0.0	0.0	0.0	0.0	0.0
Total	1.5	0.5	0.4	0.4	2.8

11.2 **Collection Fund:** 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:** An additional £0.5m risk is highlighted over and above the £2.9m pressure include within the monitoring position resulting from unpaid rent on tenant and prior tenant accounts. The service are reviewing these accounts and seeking to recover the debt where possible but there is a significant risk that not all will be recovered.

11.4 **Commercial Waste:** There is a risk that £0.4m of Commercial Waste income will not be achieved due to companies ceasing trading or no longer using the service as a result of Covid. The service is currently engaging with businesses to increase take up of the service.

11.5 **Transport:** The pressure included within the reported position above is based on the current level of demand and cost of service. Based on historic trend date, each September the children transported increase by approx. 90, this coupled with inflationary increases in

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taxi driver costs and passenger services costs due to fuel and wage increases for taxi drivers present a further risk. The service are working hard to mitigate this risk by bringing into use further in borough provisions which should have a favourable impact on the financial risk above. A Transport Board has set up that includes representatives from the service, finance and Passenger service reviewing routes and considering options to reduce costs whilst maintaining service standards for the user.

Unquantified Risks Being Monitored

- 11.6 **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.
- 11.7 **Planning:** The land charges function will be moving to the land registry in the financial year 2023/24 with work taking place to support that migration over the next 18 months. This migration is likely to affect the level of income received by the Council, with the potential for a risk of £0.4m on income levels in 2023/24.
- 11.8 **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. An allowance of £3m has been made in the budget for a shortfall, however there is a risk this could be higher.
- 11.9 **Market failings for Children Social Care placements:** The impact of reduced availability of adequate provision and a cost increase for the provision available.
- 11.10 **General inflationary costs:** The impact of general inflation (CPI currently 10.1%) 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.
- 11.11 **Cost of capital programme slippage:** Costs which are then borne in full in year on revenue budgets rather than being capitalised over the life of the asset.
- 11.12 **Leisure PFI:** There is a further potential pressure in relation to Downham Healthy Lifestyles Centre where 1Life the operators of the site under the PFI contract have begun the benchmarking process afforded to them within the overarching contract – on both income and utilities. 1Life have formally called the benchmarking process but are willing to try to reach a negotiated solution with the council. A figure of £0.6m has been suggested at this stage however this is only included as a risk at this stage, as it is subject to negotiation.
- 11.13 **Pension Fund:** The tri annual valuation of the pension fund may lead to an increase or decrease in the valuation which will impact the council's financial position.
- 11.14 **CPI Impact of Rent Setting and Fees & Charges Setting:** The rent for the council's housing stock is usually calculated at CPI plus 1% and fees and charges are normally inflated by CPI. The ability to do both is unlikely given CPI is at 10.1% which may lead to financial pressure as the cost of delivering services continues to rise.

12. DEDICATED SCHOOLS GRANT

- 12.1 The final DSG post recoupment and revision to Early Years Block is shown in the table below. A pressure of £4m is reported on the High Needs block which is further broken down as; £2m full year effect of the increased placement cost in 2021/22 and £2m being the part year cost of increased provision in special schools and resource basis. It should be noted that the main placement activity occurs post September as placements are largely driven on academic year basis so there will be more certainty on the forecast during September/October. The final position for Early Years funding showed an additional

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allocation of £0.3m and the Early Years block underspent by £0.7m in 2021/22 which therefore means a potential £1m that could be applied to mitigate some of the pressures in the high needs block.

Table 11 – DSG Projected Outturn 2022/23

DSG Projected Outturn	Schools block £m	Central school services block £m	High needs block £m	Early years block £m	Total DSG allocation £m
Gross	177.3	3.7	69.6	24.5	275.1
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
DSG Budget	176.6	4.2	70.3	24.5	275.6
Expenditure	176.6	4.2	74.3	24.5	279.6
Total Spend	176.6	4.2	74.3	24.5	279.6
Variance	0.0	0.0	4.0	0.0	4.0

- 12.2 The Directorate is currently working towards a mitigation plan supported by Schools forum to reduce the £10.4m deficit, as well as the in year £4m pressure. 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).
 - 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.
- 12.3 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.
- 12.4 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.
- 12.5 The Schools Central Services Block continues to remain under pressure with changes to funding at the national level. CYP is currently reviewing services provided within the block. As part of the MTFS, £0.5m was allocated to support the fall out of grant funding in the current year.

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12.6 Table 12 shows the cumulative position for the DSG across the various funding blocks:

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 Projected Variance 2022/23	0.0	0.0	4.0	0.0	4.0
DSG Variance 2021/22	0.0	0.0	5.4	(0.8)	4.6
DSG Variance Prior Years	(0.4)	(0.3)	5.0	(1.5)	4.6
Balance Carry Forward	(0.4)	(0.3)	14.4	(2.3)	13.2

- 12.7 **Schools Block:** £0.4m balance from previous years, however this is required to support in year growth for secondary bulge and any targeted support for Term time only (for schools in deficits as agreed with schools forum).
- 12.8 **Central School Services Block (CSSB):** As agreed with Schools Forum circa £0.3m remains unused from prior year which will be required to support costs associated within CSSB whilst the service undertakes transformation.
- 12.9 **High Needs Block:** There is currently a cumulative deficit of £10.4m, with a forecast of a further £4m during 2022/23.
- 12.10 **Early Years Block:** There is the potential for the Early Years underspend to be applied to mitigate up to £1.0m of the deficit.
- 12.11 It should be noted that at present the DSG remains a ringfenced deficit and Lewisham is part of the “delivering better value programme” sponsored by the DfE. From 2023/24, changes in accounting practice will mean the DSG deficit is no longer ringfenced, meaning the deficit would be considered as part of the councils overall financial position.

13.0 HOUSING REVENUE ACCOUNT

- 13.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2022/23. The current forecast is for an overspend of £4.3m which is related to the charging of major works at properties for leasehold tenants which is forecast to be lower than the budgeted level by £5.6m, this is partially negated by £1m lower bad debt impairments compared to the budget as well as £0.3m small underspends on water charges. The balanced HRA net budget seen in the table below includes a budgeted contribution 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 September to take account of the final closing position for 2021/22 as well as updating stock numbers and forecast income, expenditure carry forwards and loss of stock.

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Table 13 – Housing Revenue Account

Housing Revenue Account	Net Budget	Net Forecast	Period 4 Variance	Period 2 Variance
	£m	£m	£m	£m
Housing, Regeneration and Public Realm – Housing	13.4	13.5	0.1	0.0
Lewisham Homes & Repairs & Maintenance	39.9	39.9	0.0	0.0
Resources	1.8	1.8	0.0	0.0
Centrally Managed Budgets	(55.1)	(50.9)	4.2	0.0
Total	0.0	4.3	4.3	0.0

- 13.2 There is a significant income target from the charging of major works at properties for leasehold tenants of £6m, which is based on the General Capital programme allocation of £83.4m. Work undertaken on a leaseholder property is currently charged to the leaseholder upon completion, as opposed to being based on estimates. This is being reviewed now that new long-term contracts are in place and planned works can be programmed effectively allowing bills to be raised based on estimates. As at the end of July 2022, a total of £0.4m of charges have been raised to leaseholders. Lewisham Homes Finance have advised that this should be used as the forecast income level for 2022/23, which is a shortfall of £5.6m against the budgeted position. There are ongoing discussions with Lewisham Homes to provide data relating to bills to be raised for prior year's works with the aim of ensuring bills are raised in financial year 2022/23.
- 13.3 Whilst income from tenant's rents and service charges, garage rents and leaseholder service charges is being projected to budget, it would be expected that additional income may arise due in part to void levels being lower than current budgeted rates, and the completion of the leaseholder service charge audit in September 2022. In addition, bad debt impairments charge to the HRA are forecast to be £1m lower than budgeted, based on the current levels of debt projected forward for the remainder of the financial year.
- 13.4 The Thames Water refunds to both current and former tenant accounts has reduced the level of arrears and the resulting impairment charge. There is a small underspend on water charges of £0.3m which is partially mitigating the income shortfall detailed above. Whilst energy costs underspent in 2021/22 by £0.6m, cost price increases have put additional pressure in this area. The current revenue allocation in 2022/23 is £3.2m. The current forecast is £4.2m which is an overspend of £1.0m, however budgets will be revised next month and there is an energy reserve of £1.0m which may be called upon if necessary
- 13.5 Repairs & Maintenance (R&M) is currently forecast to budget, but it should be noted that R&M overspent by £9.6m in 2021/22. Updated forecasts will be provided next month when the 2022/23 updated programme data for the year is available. If any pressures arise in this area, it would be expected that there would be either a compensatory reduction in the Capital programme or costs within the revenue stream are recharged to Capital where appropriate, as these would help to mitigate any overspends which may arise.
- 13.6 The current 30 year HRA financial model has been refreshed, with the final outturn for 2021/22 as well as the latest updates for the general capital programme, revised stock numbers and reserve allocations incorporated into the plans. Budgets will be updated next month to reflect starting stock numbers from 1 April 2022, as well as incorporating the latest consolidation update for the new supply programme to reflect the latest position. The

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revisions to the budgets will be agreed and processed and may push some of the planned capital and new supply expenditure into 2023/24 due to a re-programming of works and programme delays.

- 13.7 The 2022/23 updated capital programme will be available from 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 2023/24. Lewisham Homes have produced a Period 4 forecast for the HRA element of the BfL programme. The current allocation is £41.0m and the Period 4 forecast is £40.6m. However, budgets will updated with the latest programme consolidation, including newly approved schemes, when available and re-profiled accordingly. Underspends and/or re-profiling of the budgets may result in a lower than forecasted revenue capital contribution. This is not yet included in the current forecasts.

14.0 COLLECTION FUND

Council Tax

- 14.1 As at 31 July, £58.6m of Council Tax has been collected representing 34.3% of the total amount due for the year. This is £1.4m below the 35.1% target required in order to reach 95% for the year.

Table 14 - Council Tax Collection Fund

Council Tax	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	2021/22 % Collected
Apr-22	17,397,272	18,376,158	978,885	10.23%	10.81%	0.58%	10.59%
May-22	31,588,028	31,824,427	236,399	18.58%	18.71%	0.13%	18.41%
Jun-22	44,519,536	45,647,028	1,127,492	26.09%	26.75%	0.66%	26.31%
Jul-22	58,551,308	59,939,292	1,387,984	34.26%	35.08%	0.82%	34.14%

Business Rates

- 14.2 As at 31 July, £30m of Business Rates has been collected representing 44.8% of the total amount due for the year. This is £0.6m below the level required in order to reach 99% for the year.

Table 15 – 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	2021/22 % Collected
Apr-22	9,024,446	8,058,757	(965,689)	13.3%	11.9%	-1.42%	2.8%
May-22	15,211,611	17,861,362	2,649,751	22.4%	26.3%	3.90%	12.0%
Jun-22	20,598,053	24,762,086	4,164,033	30.4%	36.5%	6.14%	23.0%
Jul-22	30,014,179	30,576,325	562,146	44.8%	45.6%	0.80%	32.1%

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15.0 CAPITAL EXPENDITURE

15.1 The current budgeted capital programme totals £642.5m. This is made up of £100.3m of General Fund budget and £542.2m of Housing Revenue Account (HRA) budget, profiled over 5 years. This is detailed in Table 16.

Table 16 Approved Capital Budgets

Capital Expenditure	Budgets					
	2022/23	2023/24	2024/25	2025/26	Future Years	Total
	£m	£m	£m	£m	£m	£m
TOTAL GENERAL FUND	56.7	28.6	4.3	10.7	0.0	100.3
TOTAL HOUSING REVENUE ACCOUNT	173.4	140	125.6	86.5	16.7	542.2
TOTAL PROGRAMME	230.1	168.6	129.9	97.2	16.7	643.5

15.2 The budget for 2022/23 is £230.1m, the High Value General Fund capital projects are detailed below in table 17.

Table 17 High Value Capital Projects 2022/23

Directorate	Project / Programme	2022/23 £m
CYP	Greenvale school	2.1
HRPR - Regen	Resurfacing Works (BVR)	2.6
HRPR - Regen	Corporate Estate Maintenance Programme 2021-2023	23.5
HRPR - Regen	Broadway Theatre – Works	6.2
HRPR - Regen	Lewisham Gateway (Phase 2)	28.7
HRPR - Cust	Edward Street Development (PLACE / Deptford)	76.1
HRPR - Cust	Temporary Accommodation - Mayow Rd	58.9
Total		198.1

15.3 An update on each high value scheme is provided below:

15.4 **Greenvale school:** The anticipated final cost of the Greenvale School Expansion project is £11m which will deliver a new secondary special education needs school building for 93 students. The project is due for completion on Wednesday 31st August 2022 and the building is scheduled to open to students from Wednesday 7th September, both dates are on track to be met.

15.5 **Resurfacing Works (BVR):** The Council's Highways Group Service is currently updating its inventory of highway assets and conducting road condition surveys borough wide, in renewed efforts to ensure best value applies and that the worst roads in the Borough are prioritised for treatment. The 2022/23 Highways & Bridges Carriageway Resurfacing and Footway Renewal capital programme is estimated at £2.5m and will be delivered in the third and fourth quarter of the current financial year.

15.6 **Corporate Estate Maintenance Programme (CEMP) 2021-2023:** CEMP phase one works consists of three contracts. Contract 1 works (to buildings at the three cemeteries) commenced in August and is scheduled for 6 months, Contract 2 (Bellingham CC, Bellingham Gateway & Home Park Playground) went out to tender in June and a contract will be awarded in late September with works to commence in October/November. Contract 3 (Lewisham Irish Community Centre, Sydenham CC & Grove Park ALC) went out to

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tender in July and a contract will be awarded in late September with works to commence in November/December. The schedule of works for Phase two sites (Rockbourne, Honor Oak, Manor House, Lochaber Hall & Ladywell Fields) has been prepared and, once verified, the contract will go out to tender in September/October. Phase three sites are being confirmed and schedules of work are being prepared. This will go out to tender in early 2023.

- 15.7 **Broadway Theatre – Works:** The Broadway Theatre Works project will address 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. The contract is in delivery for completion in November 2022.
- 15.8 **Lewisham Gateway (Phase 2):** Lewisham Gateway is a public-sector led development project between Greater London Authority Land and Property Limited (GLAP) (previously the LDA), Transport for London (TfL), TfL Buses (London Bus Services Limited) and the London Borough of Lewisham. The aim of this project is to improve the highway layout to better integrate Lewisham town centre and the transport interchange and create a development plot. The total project budget is £23.1m, with current and future budgets of £7.6m remaining. 28% of the in year budget has been spent to date, so is on track to spend the profiled amount.
- 15.9 **Edward Street Development (PLACE / Deptford):** The project involves the delivery of high-quality two-bed apartments and units for affordable commercial uses, using modular construction methods. The total project budget is £18.4m, with current budget of £7.6m remaining. 1% of the in year budget has been spent to date, so work is required to determine spend profile throughout the year or to slip budget into future years.
- 15.10 **Temporary Accommodation - Mayow Rd:** The projects involves the demolition of premises at Mayow Road to facilitate the redevelopment of the site and construction of a 6/7 storey building, comprising of temporary accommodation and supported living homes. The total project budget is £10.3m, with current budget of £6.0m remaining. 35% of the in year budget has been spent to date, so is on track to spend the profiled amount.

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

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Background Papers

Short Title of Report	Date	Location	Contact
Budget Report 2021/22	3 rd March 2021 (Council)	1 st Floor Laurence House	David Austin

Report Author and Contact

Nick Penny, Head of Service Finance nick.penny@lewisham.gov.uk; or

David Austin, Director of Finance at david.austin@lewisham.gov.uk

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APPENDIX 1 – Summary of agreed revenue budget savings for delivery in 2022/23

Year	Ref	Directorate	Director	Proposal	Savings to be Delivered	Expected Delivery in 2022/23	Expected Savings Shortfall	Risk Rating of Saving in 2022/23	Finance View
2020/21	CYP01	CYP	Lucie Heyes	More efficient use of residential placements	300	150	150		At this stage 50% delivery is assumed
2020/21	CYP03	CYP	Lucie Heyes	More systematic and proactive management of the market	600	300	300		
2020/21	CYP04	CYP	Lucie Heyes	Commission semi-independent accommodation for care leavers	250	125	125		
2020/21	CYP05	CYP	Lucie Heyes	Residential framework for young people. Joint SE London Commissioning Programme	200	100	100		
2021/22	A-13	CYP	Angela Scattergood	Children with complex needs (CWCN Revision)	62	62	-		

2021/22	A-01 and A-01a	CYP	Lucie Heyes	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	663	663	-		
2022/23	B-02	CYP	Lucie Heyes	Strategic recharging	600	600	-		
2022/23	C-03	CYP	Lucie Heyes	Reduction in the use of agency social workers.	215	215	-		
2022/23	C-07	CYP	Angela Scattergood	Review Short breaks provision.	50	50	-		
2022/23	E-05	CYP	Angela Scattergood	Traded services with schools	50	50	-		No agreement in place with schools as yet
2022/23	E-06	CYP	Lucie Heyes	Reduce care leaver costs	100	50	50		At this stage 50% delivery is assumed
2022/23	F-02	CYP	Lucie Heyes	Children Social Care Demand management	500	250	250		At this stage 50% delivery is assumed
2022/23	F-03	CYP	Lucie Heyes	Children Service reconfiguration - fostering	250		250		Delivery slower than anticipated and at this stage no achievement assumed in 22/23

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2022/23	F-05	CYP	Lucie Heyes	VfM commissioning and contract management - CSC	250	125	125		At this stage 50% delivery is assumed
2022/23	C-35	CYP	Sara Rahman	Specialist social care support review	177	89	89		At this stage 50% delivery is assumed
2022/23	C-36	CYP	Lucie Heyes	Reduction of commissioned care leaver housing costs - CSC Placements	400	400	-		
2022/23	C-36	CYP	Lucie Heyes	Reduction of commissioned care leaver housing costs - NRPF	200	200	-		
2022/23	D-13	CYP	Sara Rahman	Review of commercial opportunities for nurseries within children's centres	11	11	-		

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2022/23	A-01	CYP	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	796	796	-		
2022/23	A-03	CYP	All	Transport	67	67	-		
2022/23	F-26	CYP	All	Subscriptions	2	2	-		
CYP Subtotal					5,743	4,305	1,439		
2020/21	COM04	Comm	Joan Hutton	Reduce costs for Learning Disability and Transitions	800	800	-		
2020/21	COM05	Comm	Joan Hutton	Increased focus of personalisation	132	132	-		
2020/21	COM1A	Comm	Joan Hutton	Managing demand at the point of access to adult social care services	900	900	-		

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2020/21	COM2A	Comm	Joan Hutton	Ensuring support plans optimise value for money	500	100	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
2020/21	COM3A	Comm	Joan Hutton	Increase revenue from charging Adult Social Care clients	500	500	-		
2020/21	CUS06	Comm	James Lee	Bereavement Services increase income targets	67	67	-		Burial and Cremation fees increased as part of the fees and charges review.
2021/22	E-04	Comm	Joan Hutton	Introduce charging for certain elements of self-funded care packages	82	82	-		

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2021/22	F-01	Comm	Joan Hutton	Adult Social Care Demand management	2000	900	1,100		A review programme to assess whether the level of packages is correct. The programme is challenged to deliver £3.9m of saving across COM1A and F-01(full year effect). Work is ongoing to reduce the £1.1m undelivered element in 22/23.
2021/22	F-06	Comm	Joan Hutton	Adults with learning difficulties and 14 - 25yrs transitions costs	760	760	-		
2021/22	F-09	Comm	Joan Hutton	In house services reductions - adults passenger transport	100	0	100		Transport costs across passenger and Adults services require review
2021/22	C-17	Comm	Dee Carlin	Re-configuration of MH Supported Housing pay - social interest group	100	100	-		Not being delivered at this stage

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2021/22	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	3,849	1,200	2,649		This is the saving being delivered as part of the Newton programme, the programme is expected to yield c£1.2m savings in 22/23 (lower banding) with the remainder delivered in 23/24.
2021/22	E-03	Comm	James Lee	Review discretionary sales, fees and charges and increase to the point of full cost recovery.	72	72	-		
2022/23	A-02	Comm	James Lee	Hybrid roles - enforcement	50	50	-		
2022/23	B-06	Comm	James Lee	Cuts to the main grants programme	800	800	-		
2022/23	B-07	Comm	Liz Dart	Review of Council run events	30	30	-		

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2022/23	B-10	Comm	James Lee	Reduction in local assemblies service	178	0	178		£128k of saving related to staffing in the Community Development Team. Proposed restructure went to redundancy panel who rejected the proposals on the grounds of potentially high redundancy costs. It was agreed that the saving would be found via natural transition of staff and vacancies. This will probably give a budget pressure in 22-23 of up to £100k.
2022/23	C-02	Comm	Joan Hutton	Adult Learning and Day Opportunities	100	0	100		Work required to achieve this saving
2022/23	C-17	Comm	Dee Carlin	Re-configuration of MH Supported Housing pay – Social Interest Group	150	150	-		
2022/23	C-28	Comm	Dee Carlin	Supported Housing Services	84	84	-		

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2022/23	F-24	Comm	Joan Hutton	Adult Social Care cost reduction and service improvement programme	430	0	430		Continuation of the review savings across COM1A and F-01
2022/23	C-40	Comm	Catherine Mbema	Substance misuse – contract review and staffing	92	92	-		
2022/23	E-14	Comm	James Lee	Changes to leisure concessions for older people	95	95	-		
2022/23	A-01	Comm	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	773	773	-		
2022/23	A-03	Comm	All	Transport	63	63	-		
2022/23	F-26	Comm	All	Subscriptions	1	1	-		
Communities					12,708	7,751	4,957		

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2020/21	CUS04	HRPR	Zahur Khan	Income generation - increase in commercial waste charges	300	150	150		At this stage of the year partial achievement is assumed given the £0.8m on Highways and Transport Budgets.
2020/21	CUS14A	HRPR	Zahur Khan	Parking service budget review	500	250	250		
2020/21	RES15	HRPR	Patrick Dubeck	Commercial estate growth	400	200	200		£200k achievable in 22/23 leaving a £300k pressure in 22/23 which will be achieved in 23/24
2022/23	C-10	HRPR	Fenella Beckman	Housing Services Review	300	300	-		
2022/23	D-02	HRPR	Patrick Dubeck	Business Rates Revaluation for the estate	40	40	-		
2022/23	D-06	HRPR	Patrick Dubeck	Catford Campus - Estate Consolidation	11	11	-		
2022/23	D-07	HRPR	Patrick Dubeck	Meanwhile use - Temporary Accommodation	25	25	-		
2022/23	D-8	HRPR	Patrick Dubeck	Miscellaneous - income generation	25	25	-		
2022/23	E-02	HRPR	Patrick Dubeck	Income from building control	15	15	-		

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2022/23	E-07	HRPR	Fenella Beckman	Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)	375	375	-		
2022/23	F-15	HRPR	Zahur Khan	Environment - environmental operations review	330	330	-		
2022/23	F-15a	HRPR	Zahur Khan	Environment - environmental operations review	567	567	-		
2022/23	F-17	HRPR	Zahur Khan	Road safety enforcement	250	125	125		At this stage of the year partial achievement is assumed given the £0.8m on Highways and Transport Budgets.
2022/23	F-20	HRPR	Zahur Khan	Emission based charging for Short Stay Parking	120	60	60		
2022/23	F-21	HRPR	Zahur Khan	Road Safety Enforcement	375	187.5	188		
2022/23	F-22	HRPR	Zahur Khan	Motorcycle parking charges	80	40	40		
2022/23	C-38	HRPR	Patrick Dubeck	Strategic development team cost capitalisation	100	100	-		

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2022/23	C-39	HRPR	Patrick Dubeck	Aligning the Kickstart scheme with Government plans	25	25	-	
2022/23	C-44	HRPR	Zahur Khan	Removal of graffiti from private property	5	5	-	
2022/23	D-11	HRPR	Patrick Dubeck	Business Rates revaluation of Council owned properties	100	100	-	
2022/23	E-12	HRPR	Patrick Dubeck	Building Control Service Efficiency	20	20	-	
2022/23	E-15	HRPR	Zahur Khan	Seek corporate sponsorship for Festive Lighting	30	30	-	
2022/23	F-25	HRPR	Zahur Khan	Road Safety – new yellow boxes	150	150	-	
2022/23	A-01	HRPR	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	686	686	-	
2022/23	A-03	HRPR	All	Transport	12	12	-	

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2022/23	F-26	HRPR	All	Subscriptions	7	7	-		
Housing, Regen and Public Realm					4,848	3,836	1,013		
2020/21	RES01	Corp	David Austin	Benefits realisation of Oracle cloud	150	150	-		
2021/22	A-04	Corp	Mick Lear	Process automation in Revs and Bens	20	20	-		
2021/22	A-05	Corp	Mick Lear	Revs and Bens - additional process automation	400	200	200		A £600k shortfall is expected across A-05 and A-06 due to the delayed implementation of the restructure due to various government initiatives include Energy rebate and CARF.
2021/22	D-06	Corp	Brian Colyer	Catford Campus - Estate Consolidation	259	259	-		
2022/23	A-04	Corp	Mick Lear	Process automation in Revs and Bens	100	100	-		

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2022/23	A-06	Corp	Mick Lear	Revs and Bens - Generic roles	400	0	400		A £600k shortfall is expected across A-05 and A-06 due to the delayed implementation of the restructure due to various government initiatives include Energy rebate and CARF.
2022/23	C-08	Corp	Murray James	IT - mobile telephony review	10	10	-		
2022/23	D-05	Corp	Brian Colyer	Savings on mothballed assets. A review is in progress - savings on the cost of running the operational estate	50	50	-		
2022/23	E-01	Corp	David Austin	Improved Debt collection	250	250	-		

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2022/23	E-09	Corp	David Austin	Realising further benefits from the Oracle Cloud Solution and exploiting its functionality as a fully integrated enterprise resource planning solution.	100	100	-		
2022/23	A-01	Corp	All	Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment	511	511	-		
2022/23	A-03	Corp	All	Transport	4	4	-		
2022/23	F-26	Corp	All	Subscriptions	6	6	-		
Corporate Resources					2,260	1,660	600		
2022/23	A-01	CE	All	Staffing	234	234	-		
2022/23	A-03	CE	All	Transport	4	4	-		
2022/23	F-26	CE	All	Subscriptions	4	4	-		
Chief Executives					242	242	0		

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Total	25,801	17,793	8,008		
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APPENDIX 2 – Capital Programme Major Projects Budgets 2022 To 2025

Key:

10-30%	See below
<10% / 31-79%	See below
>80%	See below

2022/23 Capital Programme	Revised Budget Proposed July 2022	Total Project Budget	Spend to July 2022	Total Project Spend £	Current Year Spend % RAG	Total Project Spend % RAG
	£`000	£`000	£`000	£`000	%	%
GENERAL FUND						
CCTV Modernisation	466	1,170	0	704	0%	60%
ICT - Tech Refresh	571	10,592	0	9,521	0%	90%
Schools - School Places Programme	924	13,169	301	12,276	33%	93%

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Watergate School	200	3,900	5	445	3%	11%
Greenvale School	2,056	11,038	1,268	9,801	62%	89%
Riverside Youth Club	630	1,329	24	56	4%	4%
Schools – Minor Works	4,542	11,999	350	6,920	8%	58%
Schools – Other	1,079	38,134	15	36,568	1%	96%
Schools – Unallocated	-	977	0	0	0%	0%
Highways & Bridges – TfL	415	2,610	275	2,470	66%	95%
Highways & Bridges – LBL	4,349	51,686	2	47,340	0%	92%
Asset Management Programme	333	9,133	271	9,071	81%	99%
Corporate Estate Maintenance	2,348	4,900	96	314	4%	6%
Other AMP Schemes	1,721	3,278	335	1,652	19%	50%
Unallocated AMP	317	959	0	0	0%	0%
Broadway Theatre	6,213	7,298	1,618	2,353	26%	32%
Catford Phase 1 – Thomas Lane Yard/ CCC	1,249	3,300	77	828	6%	25%
Catford Station Improvements	504	1,516	0	112	0%	7%

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Travellers Site Relocation	557	4,514	17	774	3%	17%
Lewisham Gateway (Phase 2)	2,868	23,059	803	16,215	28%	70%
Beckenham Place Park (Inc. Eastern Part)	1,300	9,320	245	7,693	19%	83%
Catford Library (Winslade Way)	446	598	188	329	42%	55%
Catford Town Centre	321	5,364	113	5,156	35%	96%
Public Sector Decarbonisation	1,621	2,884	1,007	2,270	62%	79%
Other Miscellaneous Schemes	2,312	10,648	612	8,777	26%	82%
Other General Fund Housing Schemes	745	24,454	-15	22,821	-2%	93%
Deptford Southern Sites Regeneration	957	7,240	470	6,753	49%	93%
Milford Towers Decant	250	7,332	10	3,657	4%	50%
Edward St. Development	7,606	18,435	48	10,876	1%	59%
Achilles St Development	750	18,288	398	3,310	53%	18%
Place Ladywell	1,031	1,824	405	1,198	39%	66%
Temporary Accomodation - Mayow Rd	5,888	10,280	2,033	6,302	35%	61%
Temporary Accomodation - Canonbie Rd	814	2,502	175	1,863	22%	74%

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Temporary Accomodation - Morton House	528	5,763	24	4,236	5%	73%
Temporary Accomodation - Manor Avenue	150	1,223	9	21	6%	2%
Private Sector Grants and Loans	600	7,626	131	6,721	22%	88%
TOTAL GENERAL FUND	56,660	338,341	11,310	249,402	20%	74%
HOUSING REVENUE ACCOUNT						
Building for Lewisham Programme(BFL)	84,790	333,708	10,731	95,700	13%	29%
Decent Homes Programme	-	227,577	7,822	235,398	100%	103%
Unallocated Decent Homes Programme	81,374	273,795	0	0	0%	0%
Housing Management System	2,208	2,500	0	292	0%	12%
Other HRA Schemes	884	4,842	98	2,235	11%	46%
HRA Unallocated	4,159	14,799	0	0	0%	0%
TOTAL HOUSING REVENUE ACCOUNT	173,414	857,221	18,651	333,626	11%	39%
TOTAL PROGRAMME	230,074	1,195,561	29,961	583,027	13%	49%

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Appendix 3 – Detailed Monitoring Table

General Fund	Exp Budget	Exp Forecast	Exp Variance	Inc Budget	Inc Forecast	Inc Variance	Net Budget	Net Forecast	Net Forecast Variance	Prior Period Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Children & Young People	475.9	481.3	5.4	-414.8	-416.6	-1.8	61.1	64.8	3.7	3.0
Community Services	178.1	181.1	3.0	-95.7	-95.5	0.2	82.4	85.6	3.2	1.9
Housing, Regeneration and Public Realm	95.4	100.1	4.7	-73.8	-73.0	0.8	21.6	27.1	5.5	2.5
Corporate Resources	205.1	210.8	5.7	-173.2	-173.2	0.0	31.9	37.6	5.7	2.7
Chief Executives	12.3	12.3	0.0	-0.6	-0.6	0.0	11.7	0.0	0.0	0.0
Directorate Totals	966.8	985.6	18.8	-758.1	-758.8	-0.8	208.7	215.1	18.1	10.1
Covid Funding	0.0	0.0	0.0	0.0	-4.0	-4.0	0.0	-4.0	-4.0	-4.0
Reserves	0.0	0.0	0.0	0.0	-6.6	-6.6	0.0	-6.6	-6.6	-1.0
Provision	47.4	46.4	-1.0	-7.8	-7.8	0.0	39.5	38.6	-1.0	-1.0
Corporate Budget	47.4	46.4	-1.0	-7.8	-18.4	-10.6	39.5	28.0	-11.6	-6.0
Total	1014.1	1032.0	17.8	-765.9	-777.2	-11.3	248.2	243.0	6.4	4.1

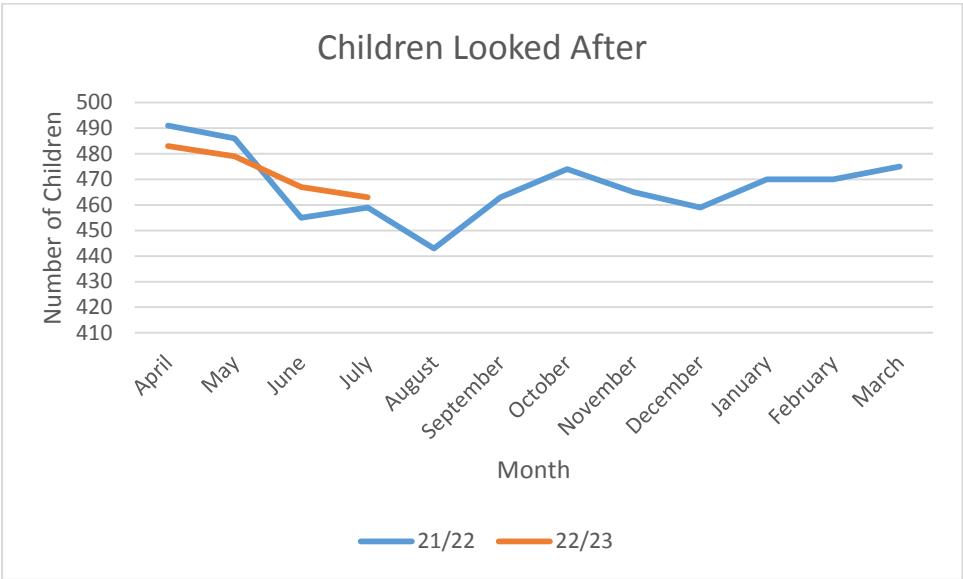
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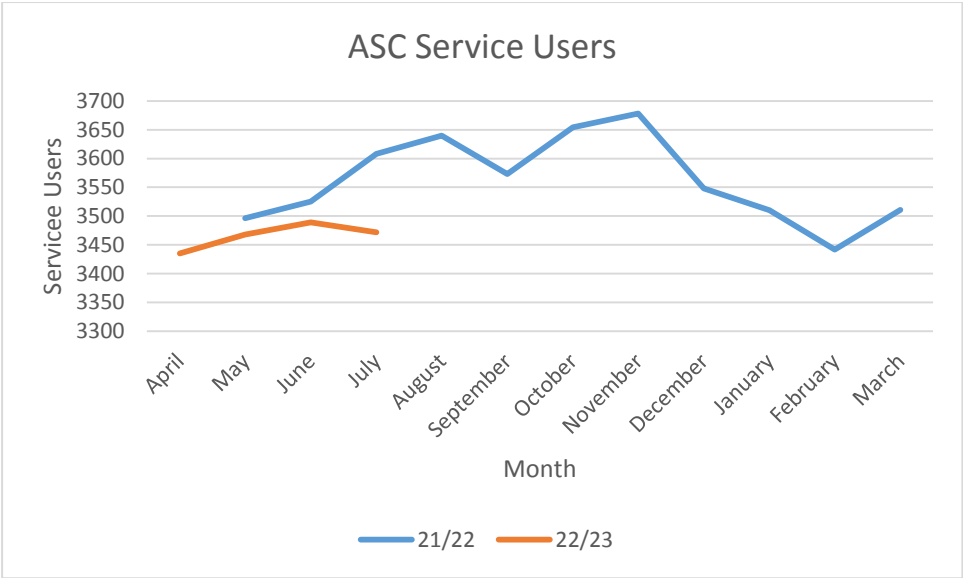
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Appendix 4 – Performance Data

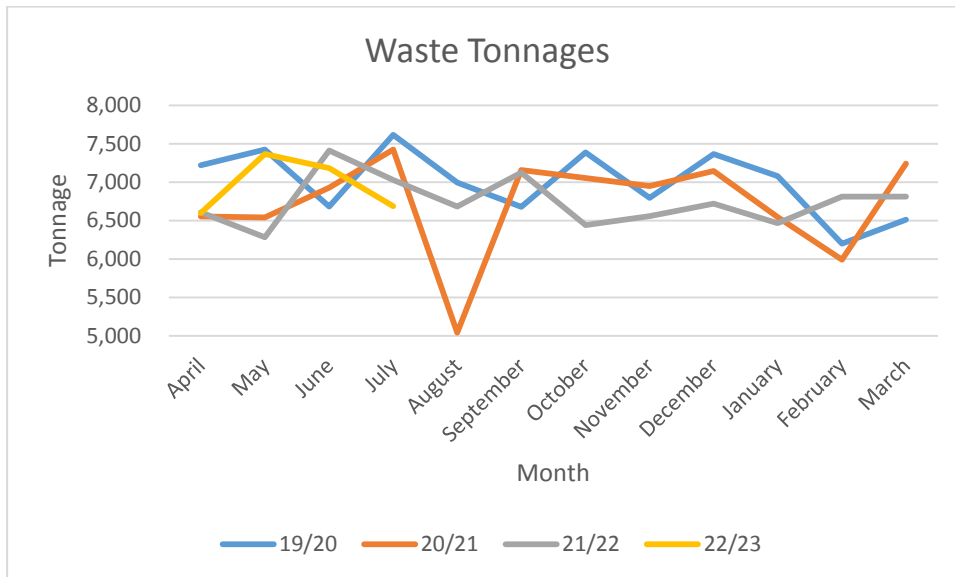
Measure 1 – Children Looked After



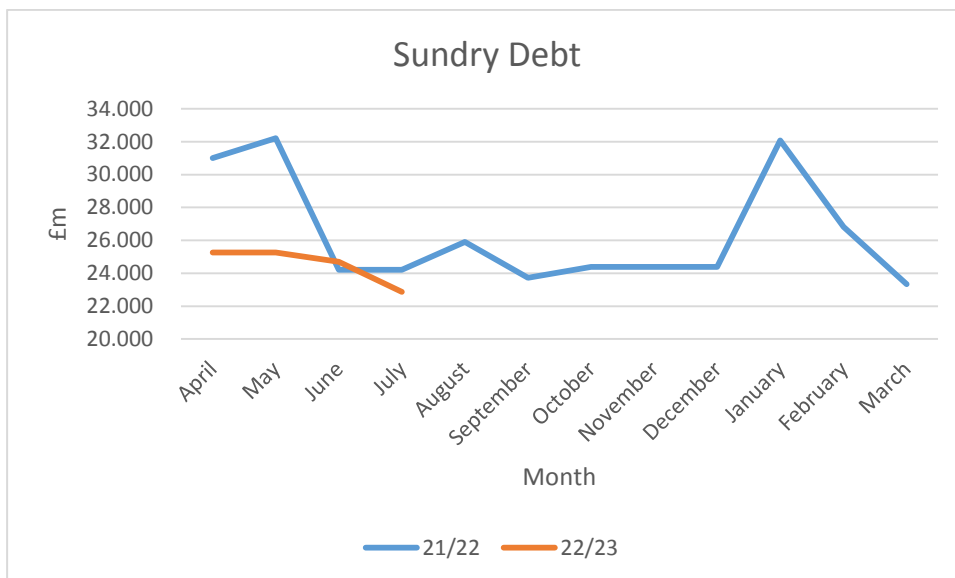
Measure 2 – Adult Social Care Service Users



Measure 3 – Waste Tonnes



Measure 4 – Sundry Debt



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