

APPENDICES (BUDGET SAVINGS 2025/26)

APPENDIX 1: 2025/26 Budget Reductions – Previously Agreed

2025/26 Budget Reductions – December 2022

Member Decisions:

Directorate:	Saving Reference:	Proposal:	2025/26 Saving (£'000):	Directorate Total (£'000):
Directorate of Place	HRPR_INC_01	Additional Yellow Box Junction Enforcement & Moving Traffic Contravention by CCTV	(100.00)	
Directorate of Place	HRPR_INC_06	Review of fees Charged for Garages	50.00	
Directorate of Place:				(50.00)
Directorate of Housing	HRPR_SAV_01	Temporary Accommodation Cost Reduction	500.00	
Directorate of Housing:				500.00
Total:				450.00

Officer Decisions:

Directorate:	Saving Reference:	Proposal:	2025/26 Saving (£'000):	Directorate Total (£'000):
Directorate of Place	HRPR_INC_07	Development of Surplus Sites	300.00	
Directorate of Place	HRPR_INC_08	Housing Programme Commercial Units' Income Generation	100.00	
Directorate of Place:				400.00
Total:				400.00

Total Previously Agreed Savings (£'000):	850.00
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1. Proposal Overview	
Proposal title:	Parking Services – Additional Yellow Box Junction Enforcement & Moving Traffic Contravention by CCTV
Reference:	HRPR_INC_01_Additional-Yellow-Box-Enforcement
Lead officer:	Kyki Kim-Bajko
Ward/s affected	All wards
Cabinet portfolio	Environment and Climate Action
Scrutiny committee/s	Sustainable Development

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
Y	N	N

3. Contextual Information				
Which service area/s are in the scope of the cuts proposal?				
Lewisham continues to introduce and enforce traffic measures to manage traffic flows, improve road safety, and allow the expeditious movement of vehicles. These schemes have included banned turns, one-way systems, yellow box and other restrictions to address local environmental issues.				
When such measures are complied with, it allows traffic to move freely and reduces road danger, whilst improving air quality. Such conflicts can also cause delays and congestion, leading to a loss of amenity and negatively affect air quality.				
What is the controllable budget of the service area/s?				
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)	
General Fund	7,020	15,679	(8,659)	
HRA				
DSG				
Health				
TOTAL				
What is the staffing profile of the service area/s?				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5				
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
What changes are proposed to the service area/s?
<u>Implementation of 10 additional Yellow Box Junctions</u>

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To help manage safety and congestion on the borough's main roads, LBL has commissioned a review to identify the most eligible road junctions and to recommend and design 10 additional junctions that are suitable for yellow box markings, to enable the Council to enforce moving traffic contraventions at those 30 new locations. These 10 junctions are under LBL's management.

Implementation costs are estimated in the region of £275k which will include the traffic/ road safety and technical inspection along with the hardware and installation. To specify these will also include: -

- A review of the carriageway condition, to determine whether the road marking needs to be refreshed or the carriageway surface repaired to facilitate the implementation of the yellow box road markings.
- A holistic review of existing site condition, for the purpose of identifying any localised factors that may cause a vehicle to stop suddenly in the box junction, for example, a nearby bus stop, on-street parking, traffic lights, forward visibility after exiting the junction, etc.
- An assessment of each study site to understand how traffic interacts throughout the junction and identify any issues that may cause vehicles to stop in the junction.

A conservative estimate of 50 Parking Charge Notices (PCNs) per month has been used for modelling and then multiplying that figure by 12 operational months a year and then by 10 CCTV cameras. This figure is then multiplied by the average gross income per ticket of £75 which equates to £450k. The processing cost of £6.80 per ticket and maintenance cost of £4.01 is then subtracted resulting in a potential surplus in £385k. At this stage this an estimated cost and potential surplus and a full analysis will be set out in the business case. The implementation is currently projected for April 23.

Given the above, it is sensible to consider the financial by-product of adopting this approach would be annual net income in the region of £70k, subject to the further detailed business case, based on an increased level of compliance. Also, the implementation cost which will include hardware and set up fee will need to be funded centrally.

Additional 10 new YBJ sites	Month	Annum
PCN No Projection	500	6,000
PCN Revenue Projection	£37,500	£450,000
PCN Processing Charges & Hosting Fee	-£5,405	-£64,860
One-off Implementation Fee		-£275,000
PCL - Survey & Order		-£40,000
Net Revenue		£70,140

Implementation of 5 additional Moving Traffic Contraventions (MTC)

In order to provide safeguard the community and to achieve satisfactory level of moving traffic behaviour, we propose enforcement on 5 MTC locations. This may include area/ specific location where soft measures have failed to deliver an expected compliance.

Factors to consider:

- location of the restriction
- known or anticipated volume of traffic within proximity to the restriction
- existing traffic order/ proposal for experimental/ temporary traffic order

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Implementation costs are estimated in the region of £157k which will include the traffic/ road safety and tech inspection along with the hardware and installation. To specify these will also include: -

- Review of each location to ensure the location is correctly designed to enable CCTV enforcement (are sign types and locations situated correctly etc.).
- Complete on-site sign and road marking locations will be reflected in CAD (Computer aided design) and site photos and notes made available. As each of the locations is a point restriction, only lines and signs relevant to the restriction will be reflected on the designs.
- Organise the installation of monitoring cameras for one week and analyse the subsequent data, to options for Lewisham to consider:
 - Cameras to monitor 7am to 10am and 4pm to 7pm over 7 days
 - Cameras to monitor 7am to 7pm over 7 days
- Provide a summary of findings, including drawings, recommendations on traffic orders and data analysis report to evidence if there is sufficient non-compliance to warrant the installation of an approved camera device to enforce the moving traffic contravention.

Additional 5 new MTC sites	Month	Annum
PCN No Projection	250	3,000
Revenue Projection	£18,750	£225,000
PCN Processing Charges & Hosting Fee	-£2,703	-£32,430
Implementation Cost		-£137,500
PCL - Survey & Order		-£20,000
Net Revenue		£35,070

Capital investment of £570k is required to progress this saving. Under legislation there are strict criteria how income from fines may be used. Lewisham is compliant with the law and reinvests fines for the use of Concessionary Fares and for Highways Maintenance. For both these areas the cost of these services is greater than the income from PCNs and the Council subsidises these areas. However, the Council is developing an Active Travel Fund to use for transport interventions.

As with YBJ proposal, the net income will decline with increased level of compliance. Also, the implementation cost which will include hardware and set up fee will need to be funded centrally.

FY 2022/23 the parking service is projecting a shortfall of income in the region of £1.2mil. ***This saving proposal would be dependent on the service being able to meet the revenue demand to make the budget in the FY 22/23.***

Parking Income is subject to many dependent factors: -

- Traffic footfall
- Fuel Cost
- Motorist behaviour/ compliance
- Cost of Living

Any net income will be used in line with Section 55 of the Road Traffic Regulation Act 1984 which means it is to be spent making good to the general fund where the parking account was in deficit (up to 4 years), meeting all or any part of the cost of provision and maintenance by the local authority of off and on street parking, meeting cost of public passenger transport

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services, highway or road improvements, maintenance of the public highway, environmental improvements and implementation of London transport strategy.				
Are there any specific staffing implications?			N	
What level of additional income may be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)				
Proposal strand	2023/24	2024/25	2025/26	TOTAL
	£105,000	£295,000	-£100,000	£300,000
TOTAL				
% Net Budget				
Does proposal impact on:	General Fund	HRA	DSG	Health
	Y	N	N	N
If yes, please describe impact:				
What are the potential delivery risks and mitigation?				
<ul style="list-style-type: none"> The analysis on which the number of contraventions has been arrived at is based on current trends. It is extremely difficult to predict motorist behaviour. The figures in this paper are indicative and are likely to change. Currently we are projecting a £1.2 negative variation on the parking budget and on current projections any additional income will assist in closing this gap. Traffic Management Orders (TMOs) are not required to install yellow box junction markings, although the police should also be consulted. The marking is subject to section 36 of the Road Traffic Act 1988. Once the junctions have been reviewed and designs have been prepared outlining required amendments, Lewisham follow up with the Police consultation process, as recommended in Traffic Signs Manual Chapter 5: Road Markings (2018). LBL to make the services as accessible as possible and ensure that local needs and demands are met, where possible Reinvestment into local environmental improvements and transport and accessibility initiatives and services Provide travel planning and guidance 				
<ul style="list-style-type: none"> Are there any specific legal implications? 				
Use of surplus income from parking charges and penalty charges is governed by section 55 of the Road Traffic Regulation Act 1984.				
Is public consultation required (formal/statutory)?			N	

5. Impact & Outcomes

What is the likely impact of the proposed changes?

Service Users

A wide range of positive impacts around safety around busy junctions and keeping the traffic flow freely without unnecessary congestion.

Staff

No direct impact on the staff.

Other Council Services

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No direct impact on other Council Services.				
Partners				
Increase on volume of CCTV footage reviews and hence potential expansion on the parking service on the outsourcing partner. Potential increase on revenue driven from increased volume of staffing charges based on the existing SOR.				
Are there any specific equalities implications?				
Protected characteristics and other equalities considerations	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Age				Neutral
Disability				Neutral
Ethnicity				Neutral
Gender				Neutral
Gender reassignment				Neutral
Marriage and civil partnerships				Neutral
Pregnancy and maternity				Neutral
Religion and belief				Neutral
Sexual orientation				Neutral
Socio-economic inequality				Neutral
Is a full EAA required?			N	
How do the proposed changes align with the Council's Corporate Strategy?				
Corporate Priorities	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Open Lewisham				Neutral
Tackling the Housing crisis				Neutral
Giving children and young people the best start in life	Positive			
Building an inclusive local economy				Neutral
Delivering and defending: health, social care & support				Neutral
Making Lewisham greener		Positive		
Building safer communities	Positive			
Good governance and operational effectiveness		Positive		

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6. Delivery Plan			
Milestones	Key Steps	Lead Officer	Timescales
Initiation	YBJ review	Seamus Adms/ Kyki Kim-Bajko	At point of approval
Planning	<p>Technical Survey of the following:-</p> <ul style="list-style-type: none"> ■ Congestion/queuing issues; ■ Carriageway defects or additional work that needs to be carried out, to accommodate a yellow box; ■ Condition of junctions where a Keep Clear is already in place and respected By the drivers. 	Seamus Adms/ Kyki Kim-Bajko	+4 months from point of approval
Implementation	<p>*Hardware kit installation inspection.</p> <p>*Mobilisation of hardware</p> <p>*Test Clips.</p> <p>*Warning Notice Period of 2 weeks.</p>	Seamus Adms/ Kyki Kim-Bajko	+3 months from point of planning
Review	Ongoing assessment of compliance	Seamus Adms/ Kyki Kim-Bajko	ongoing

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1. Proposal Overview	
Proposal title:	Increased Garage Income
Reference:	HRPR_INC_06_Garage-Fee-Review
Lead officer:	Patrick Dubeck
Ward/s affected	All Wards
Cabinet portfolio	Housing Development and Planning
Scrutiny committee/s	Sustainable Development

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
Y	N	N

3. Contextual Information				
Which service area/s are in the scope of the cuts proposal?				
<p>There are approximately 134 Council garage sites in the borough, comprising 182 garage blocks. There are approximately 2,379 individual garages. Approximately 1,801 of the garages are let to Lewisham Homes and Brockley social tenants and 578 are let to non-Lewisham Homes or Brockley social tenants. The current waiting list for garages is over 2,500 applicants. The void levels are quite high, and this is often due to the condition.</p> <p>Taken together, the garage portfolio generates an annual income of approximately £1.3M to the general fund.</p>				
What is the controllable budget of the service area/s?				
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)	
General Fund	236	1,266	-1,030	
HRA				
DSG				
Health				
TOTAL				
What is the staffing profile of the service area/s?				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5				
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
What changes are proposed to the service area/s?
Currently, a housing tenant with LB Lewisham pays a basic rate for a garage (subject to any specific discounts agreed) and a non-housing tenant pays the basic price with the addition of

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20% VAT. Blue Badge holders receive a 50% deduction on the weekly rent although this is entirely discretionary.

The highest rent charged in 2021/22 was £23.74 per week (less than £100 p/m) and the lowest is £5.86 per week (less than £25 p/m). However, some garages are charged at less than the lowest rate per week. These are discounted rates (50% of the full charge) for tenants with blue badges. As noted above this is discretionary.

Garages are not a core social dwelling provision and therefore can be charged at a higher level. The Council's current approach to garage rent setting has been to increase rents annually based on inflation using the retail price index (RPI). Although this approach is likely to continue, it necessary to review the whole garage portfolio to consider issues such as condition, location, use, voids and current discount scheme.

As a comparator, garage rent levels in neighbouring boroughs are charged at:

- Southwark - £22.40 p/w (Council tenants / leaseholders / resident freeholders who qualify). £17.40 p/w for those above 70+ / those with mobility allowance. £39.20 p/w (private flat rate);
- Lambeth - £19 per week for Lambeth Council tenants. £22.50 per week for Lambeth Council leaseholders. £36 per week for other residents (non-council tenants and homeowners);
- Islington - Charges are based on emissions. £10.65 p/w for A rated up to £23.43 p/w for D rated for Council tenants. Charges are based on emissions. £23.94 p/w for A rated up to £52.56 p/w for D rated for everyone else.
- Camden - Depends on the postcode address £25p/w - £50 p/w.

It is clear from the above that garage rents in Lewisham are considerably less than other neighbouring or inner London boroughs. This proposal is therefore proposing a comprehensive review of the garage portfolio over the coming year. The review will provide a greater understanding of the condition of the garages and an assessment of whether there is a need for investment which will ensure the Council derives the maximum it can from their use. It will also help ensure voids are kept to a minimum. The application of rental increases will seek to recognise the condition of the garage units.

Further, the review will allow for an assessment of whether the Council could consider location based charging for garages which will reflect general housing rental levels across the borough. There will also be some consideration given to reviewing their use in some location to determine whether other more beneficial uses can be generated from them.

Are there any specific staffing implications?	N			
What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)				
Proposal strand	2023/24	2024/25	2025/26	TOTAL
Increased income from garage portfolio	£130,000	£70,000	£50,000	£250,000
TOTAL	£130,000	£70,000	£50,000	£250,000
% Net Budget				
Does proposal impact on:	General Fund	HRA	DSG	Health
	N	N	N	N

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If yes, please describe impact:	
What are the potential delivery risks and mitigation?	
<p>Proposed rent increase not approved: The Council's approach over at least the past 5-years has been to increase rent in line with RPI. It is therefore unlikely this will change in 2023/24. Although inflation is projected to reach 13% in 2023, the proposal below has been cautious in projecting income based on 10% increase.</p> <p>Estimated Income not being achieved: The profiled income has been set out to reflect when they are likely to be achieved. For example, RPI is likely to remain above 10% early next year. Therefore, assuming a 10% rent increase on current levels will generate another £130k annually. Also, the proposed review and investment in the portfolio will help reduce voids thereby increasing lets and income and adopting a location based rent setting beyond the norm for future years will help increase income overall.</p>	
Are there any specific legal implications?	
None. However, it is expected that there will be a call on internal legal resources to negotiate the lettings.	
Is public consultation required (formal/statutory)?	N

5. Impact & Outcomes

What is the likely impact of the proposed changes?				
Service Users				
None.				
Staff				
None.				
Other Council Services				
None.				
Partners				
None.				
Are there any specific equalities implications?				
Protected characteristics and other equalities considerations	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Age				X
Disability				X
Ethnicity				X
Gender				X
Gender reassignment				X
Marriage and civil partnerships				X
Pregnancy and maternity				X
Religion and belief				X
Sexual orientation				X
Socio-economic inequality				X
Is a full EAA required?			N	

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How do the proposed changes align with the Council's Corporate Strategy?				
Corporate Priorities	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Open Lewisham				X
Tackling the Housing crisis				X
Giving children and young people the best start in life				X
Building an inclusive local economy				X
Delivering and defending: health, social care & support				X
Making Lewisham greener				X
Building safer communities				X
Good governance and operational effectiveness	X			

6. Delivery Plan			
Milestones	Key Steps	Lead Officer	Timescales
Initiation			
Planning			
Implementation			
Review			

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1. Proposal Overview	
Proposal title:	Temporary Accommodation Cost Reduction Project
Reference:	HRPR_SAV_01_Temp-Accom-Cost-Reduction
Lead officer:	Fen Beckman
Ward/s affected	All Wards
Cabinet portfolio	Housing Management and Homelessness
Scrutiny committee/s	Housing

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
No	No	No

3. Contextual Information
<p>Which service area/s are in the scope of the cuts proposal?</p> <p>The whole of the Housing Services Division is in scope for this cost reduction proposal. The Housing Services Division works to support people who are in housing need, gives advice to customers on their housing options, works to raise standards in the private rented sector and to enable residents to live independently in their homes through the provision of grants for home adaptations. The Division works very closely with Lewisham Homes and RB3 who manage the Council's housing stock as well as with other registered providers, and partner organisations across the private, voluntary and community sectors to deliver its functions.</p> <p>The main focus of the activity to deliver this saving proposal will be within the Housing Needs and Refugee Service area. The Housing Needs and Refugee Services is responsible for: -</p> <ul style="list-style-type: none"> ○ delivering our statutory homelessness services through front-line homelessness prevention and relief services; ○ procuring temporary homes for a range of customers across the Council who are in housing need; ○ working in partnership with the TA suppliers to allocate temporary accommodation for customers in housing need as well as allocating and discharging customers into the private rented sector ○ supporting our customers who are living in temporary accommodation in and out of the borough and working to help them settle into the private rented sector ○ working with customers who have no recourse to public funds; ○ delivering the award-winning refugee resettlement programme ○ jointly working with children's social care on s17 (Children's Act 1989) homeless households ○ Working in partnership with RPs on the allocations and lettings of social homes ○ Undertaking statutory reviews of decisions and coordinating the management of complaints across the Division <p>The Housing Management team and the Customer Services, Income and Welfare Benefits team in Lewisham Homes will also come into scope of this proposal as the Housing Needs service works very closely with these two teams in Lewisham Homes on the management of some of our temporary accommodation including rent collection.</p>

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What is the controllable budget of the service area/s?			
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)
General Fund	38,547	34,696	3,851
HRA			
DSG			
Health			
TOTAL			

What is the staffing profile of the service area/s?				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5	10	8.57	4	4.00
Scale 6 – SO2	50	49.20	3	3.00
PO1 – PO5	38	39.00	6	6.00
PO6 – PO8	5	5.00		
SMG1 – SMG3	3	2.50	1	1.00
JNC	1	1.00		

4. Cuts Proposal

What changes are proposed to the service area/s?

The Housing Services Division is forecast to overspend by £4.3m in 2022/23. The overspend is mainly related to the increase in the numbers of people accommodated in temporary accommodation, and more specifically in nightly paid accommodation which has risen from 745 at the start of April 2021 to 1,026 at the end of October 2022. The monthly average number of people accommodated for financial year 2021/22 was 866. The current monthly average for 2022/23 is 1,016.

The aim of this project will be to identify and extract efficiencies by undertaking an end-to-end review from the point at which an individual/household approaches the service with a housing need to the point they exit the service either as a result of receiving an offer of social housing, accepting a private rented sector offer or the service not having a duty to accommodate the household under Housing legislation.

This proposal is not a “Cuts” proposal but a proposal to reduce the current spend, thereby reducing the overall pressures on the Council’s budget.

There is an “invest to save” requirement in order to deliver this proposal. The requirement is for £300k to fund the cost of a dedicated project team who will work alongside the service to oversee a wide-ranging programme of interventions aimed at reducing LBL’s overspend on TA. The proposed programme will include activities aimed at: -

- a. Reducing the number of households becoming homeless (Prevention)
- b. Reducing the number of households in nightly-paid TA
- c. Reducing the cost of TA placements
- d. Increasing the number of households moving out of TA
- e. Enhancing and improving the use of data to make decisions on temporary accommodation placements

A more detailed breakdown of the individual works streams and associated cost reductions is attached at Annex A.

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A programme manager should be appointed for a period of 24 months to oversee the programme with support from business support officers / project workers. This will incur a cost of £300k over the period of the project, with projected cost reductions of £200k in the first year, a further £300k in the second year and a further £500k in the third year. These figures are based on a range of assumptions and constitute the best-case scenario projections.

Each work stream would be directed by the programme manager with administrative and operational support from the business support officers/project workers. The work streams proposed under this project involve the delivery of specific activities not currently covered by the existing structure, and thus additional capacity would allow significant progress to be made on many of the work streams and give the services the opportunity to transition many of the legacy activities to business-as-usual work that can be completed from year 3 of the programme.

The programme manager would report directly into the Director of Housing/Head of Service. Business Support Officers will report to the programme manager and support driving the project forward.

Are there any specific staffing implications?		No		
What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)				
Proposal strand	2023/24	2024/25	2025/26	TOTAL
	£200,000	£300,000	£500,000	£1,000,000
TOTAL	£200,000	£300,000	£500,000	£1,000,000
% Net Budget				
Does proposal impact on:	General Fund	HRA	DSG	Health
	Yes	No	No	No
If yes, please describe impact:	The impact will be a reduction in the General Fund overspend which is currently expected to be £4.3m in 2022/23.			

What are the potential delivery risks and mitigation?

The proposal is being put forward at a time when there is a cost of living crisis and so demand for the service is expected to continue increasing in Lewisham as it is across London. However, as this proposal is not aiming to stop delivery of the service, customers who are in housing need and are eligible for support will continue to receive support.

There is a lack of affordable properties in the market due to increases in rents in the private rented sector. This is a key risk to the success of this project as due to the lack of social properties, most of our homeless households resolve their housing needs by moving into the private rented sector. The mitigation for this is for the service to continue working very closely with landlords and other partners to implement new initiatives aimed at increasing the supply of affordable properties as well as working with families to improve their circumstances (e.g. supporting them into employment), so that they are not benefit capped.

In addition, as the service heavily relies on the private rented sector for temporary accommodation, the increase in rents is leading to an increase in costs for the service. So, this will have an impact on the amount of rent that we are able to recoup. We are mitigating this by reviewing our portfolio of temporary accommodation properties including our leasing schemes.

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Are there any specific legal implications?	
<p>The Council has a legal statutory duty to comply with the Homelessness Reduction Act 2017 and the Housing Act 1996. This requires that those who are homeless and in priority need are accommodated until decisions are reached on their homelessness application and they can be moved on once there is accommodation available. The public sector equality duty (PSED) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. The Equality legislation requires the Council to have “due regard” for advancing equality involves removing or minimising disadvantages suffered by people due to their protected characteristics and taking steps to meet the needs of people from protected groups where these are different from the needs of other people. Homeless households can meet the protected characteristics criteria as set out in the Equality Act 2010. These can include age, both young and older people, disability, pregnancy and maternity. The proposal to be put forward must ensure be minded of the afore mentioned legislation, the council statutory duty and the people from protected groups are close to support networks and health care as this will assist with the health and well-being of such households and lessen the otherwise negative impact of experiencing homelessness.</p>	
Is public consultation required (formal/statutory)?	No

5. Impact & Outcomes

What is the likely impact of the proposed changes?

Service Users

The likely impact of the proposal on most service users will be positive as the most effective way of reducing the cost of temporary accommodation is to reduce the amount of time households spend in temporary accommodation.

Staff

The likely impact of the proposal on staff will be positive as a result of having more efficient processes.

Other Council Services

Whilst there is a risk that the proposal may lead to re-categorisation of costs within the Council, the overall impact on other council services will be positive as the activities that will be undertaken to reduce the cost of temporary accommodation will have a positive impact on the other services that interface with Housing.

Partners

The impact to partners is likely to be positive as an improvement in the business processes within housing services is likely to lead to a smoother interface with partners.

Are there any specific equalities implications?

Protected characteristics and other equalities considerations	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Age)
Disability)
Ethnicity)

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Gender]
Gender reassignment]
Marriage and civil partnerships]
Pregnancy and maternity]
Religion and belief]
Sexual orientation]
Socio-economic inequality]
Is a full EAA required?			No although the project plan will be kept under review so that if any of the activities have an equalities implication an EAA will be carried out.	
How do the proposed changes align with the Council's Corporate Strategy?				
Corporate Priorities	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Open Lewisham]
Tackling the Housing crisis	Positive			
Giving children and young people the best start in life	Positive			
Building an inclusive local economy]
Delivering and defending: health, social care & support	Positive			
Making Lewisham greener]
Building safer communities]
Good governance and operational effectiveness	Positive			

6. Delivery Plan

Milestones	Key Steps	Lead Officer	Timescales
Initiation	<ul style="list-style-type: none"> Recruit and appoint programme manager and team Set up a project team Agree the business case and deliverables 	Fen Beckman	September to December 2022

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Planning	<ul style="list-style-type: none"> Set up the project workstreams 	TA Cost Reduction Project Team	January to March 2023
Implementation	<ul style="list-style-type: none"> Implement the project alongside the business as usual and service improvement activities 	TA Cost Reduction Project Team	April 2023 to December 2025
Review	<ul style="list-style-type: none"> Review and undertake an evaluation of the project 	TA Cost Reduction Project Team	January 2026 to March 2026

Annex A – work streams and potential cost reductions

	2023-24	2024-25	2025-26	Total
Rent account closures*	-	-	-	-
Reduction in spend on storage	£114,000			
Recategorising spend on care leavers accommodation to CYP	£245,220			
Total reduction in spend on utility bills		£333,000	£166,000	
Reduction in spend on TA through prevention		£162,360		
Reduction in spend on TA through move-on			£487,080	
Increase in cost recovery through HB in hotels	-	-	-	-
Total cost reduction	£359,220	£495,360	£653,080	
Programme resource	£150,000	£150,000	£0	
Net forecast	£209,220	£345,360	£653,080	£1,207,660
Target	£200,000	£300,000	£500,000	£1,000,000

**Whilst the rent account closures will not deliver actual revenue cost reductions, this work stream will avoid artificial arrears reports and overestimated forecasts. This is expected to reduce the overall pressures forecast and provide a truer reflection of our pressures.*

APPENDICES (BUDGET SAVINGS 2025/26)

1. Proposal Overview	
Proposal title:	Revenue income from development or surplus sites
Reference:	HRPR_INC_07_Surplus-Site-Development
Lead officer:	Patrick Dubeck
Ward/s affected	All Wards
Cabinet portfolio	Housing Development and Planning
Scrutiny committee/s	

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
Y	N	N

3. Contextual Information				
Which service area/s are in the scope of the cuts proposal?				
A corporate non-housing estate review is currently underway to review the Council's corporate, operational and office estate. The review seeks to identify prioritised opportunities to enable better utilisation of the Council's assets, income generation, and land supply for housing development and to enable service transformation.				
What is the controllable budget of the service area/s?				
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)	
General Fund	231	3,045	2,814	
HRA				
DSG				
Health				
TOTAL				
What is the staffing profile of the service area/s?				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5				
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
What changes are proposed to the service area/s?
There are approximately 860 assets within the Council's non-housing asset register. The non-housing portfolio includes assets mainly used to deliver; the Council's civic functions (offices, libraries, depot, hostels etc.), help discharge statutory obligations (e.g. schools), generate revenue income stream (retail units, light industrial sites etc.) and help deliver specific corporate objectives.
A review of the Council's non-housing asset portfolio is currently underway. The review seeks to identify prioritised opportunities to enable better utilisation of the Council's assets, land supply for housing development and to enable service transformation.

APPENDICES (BUDGET SAVINGS 2025/26)

As part of the asset review officers undertake an options appraisal to fully explore all possible outcomes for an asset. One of the options for consideration is disposal. Disposals enable capital receipts to support the Capital Programme; however, there may be other opportunities to generate revenue instead of capital receipts. This approach has been applied on schemes such as Besson Street and Copperas Street where Council's land assets are used to secure revenue income in perpetuity through Private Rental Sector (PRS) Housing for example.

As part of the asset review, several assets have been identified which could be used for similar purpose to the sites as Besson Street and Copperas Street.

The lead in time for receiving the finished units from such schemes would be about 3 years from the point of agreeing terms with a development partner. However, is possible, as in the case of Copperas Street, to structure an arrangement where the Council can enjoy rent during the development period.

Current sites under review which could be used for such development or partnering opportunities include:

- Trundleys Road:

An in-house study suggests that this site in New Cross has capacity for circa 56 units and about 400sqm of commercial re-provision.

Based on a similar approach to Copperas Street (where private units are being offered as the land receipt) then approximately 8 of the units (say 2 bed flats) could be provided instead of a financial receipt. They would have a combined capital value of circa £4m (assuming all were agreed to be provided as private) and a combined annual income (if rented out privately) of circa £200k per annum (gross).

- House On The Hill (HOTH):

An in-house analysis demonstrated that this site located in Lewisham Central Ward has capacity for circa 45 residential units. On a PRS re-provision basis (as per the above), we would receive circa 6 units. This would have a GDV of £3m and an annual combined gross rental income of £150k.

- Mulberry Day Centre:

The third-party feasibility we commissioned on this demonstrated capacity for circa 53 apartments and 342sqm of commercial re-provision. On a PRS re-provision basis we would receive circa 7 units. This would have a GDV of £3.5m and an annual combined gross rental income of £175k.

- Library Resource Centre:

The third-party feasibility we commissioned on this demonstrated capacity for circa 12 units. On a PRS re-provision basis we would receive circa 2 of the units. This would have a GDV of about £1.2m and an annual combined gross rental income of £60k.

Are there any specific staffing implications?		N		
What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)				
Proposal strand	2023/24	2024/25	2025/26	TOTAL

APPENDICES (BUDGET SAVINGS 2025/26)

Revenue income from development or surplus sites			£300,000	£300,000
TOTAL			£300,000	£300,000
% Net Budget				
Does proposal impact on:	General Fund	HRA	DSG	Health
	Y	N	N	N
If yes, please describe impact:	Increased income to the commercial portfolio			
What are the potential delivery risks and mitigation?				
<ul style="list-style-type: none"> • Receiving revenue income instead of capital receipt could reduce resources in the capital programme. The proposal seeks to use current assets as a means of revenue generation in which case generating capital receipts from those same assets will be an opportunity that will need to be foregone. This places greater pressure on the capital programme as disposal of assets is one of the means through which the programme is funded. • Estimated income not achieved. The income projections in terms of timing and quantum, is based on the Council's deal with Kitewood at Copperas Street. The proforma assumes that the same deal can be made with another partner or developer and that the same level of income, allowing for rental inflation can be reached. A different arrangement to the above is likely to impact the timing and quantum of income. 				
Are there any specific legal implications?				
None. However, it is expected that there will be a call on internal legal resources to negotiate the agreements.				
Is public consultation required (formal/statutory)?			N	

5. Impact & Outcomes

What is the likely impact of the proposed changes?

Service Users

None

Staff

None

Other Council Services

None

Partners

None

Are there any specific equalities implications?

Protected characteristics and other equalities considerations	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Age				N/A
Disability				N/A
Ethnicity				N/A
Gender				N/A

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Gender reassignment				N/A
Marriage and civil partnerships				N/A
Pregnancy and maternity				N/A
Religion and belief				N/A
Sexual orientation				N/A
Socio-economic inequality				N/A
Is a full EAA required?			N	
How do the proposed changes align with the Council's Corporate Strategy?				
Corporate Priorities	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Open Lewisham				X
Tackling the Housing crisis	X			
Giving children and young people the best start in life				X
Building an inclusive local economy				X
Delivering and defending: health, social care & support				X
Making Lewisham greener				X
Building safer communities				X
Good governance and operational effectiveness	X			

6. Delivery Plan			
Milestones	Key Steps	Lead Officer	Timescales
Initiation			
Planning			
Implementation			
Review			

APPENDICES (BUDGET SAVINGS 2025/26)

1. Proposal Overview	
Proposal title:	Housing Programme Commercial Units' Income
Reference:	HRPR_INC_08_Housing-Programme-Commercial-Units
Lead officer:	Patrick Dubeck
Ward/s affected	All Wards
Cabinet portfolio	Housing Development and Planning
Scrutiny committee/s	

2. Decision Route		
Key Decision	Public Consultation	Staff Consultation
N	N	N

3. Contextual Information				
Which service area/s are in the scope of the cuts proposal?				
The commercial portfolio comprises approximately 250 secondary and tertiary assets and generates an income of circa £2.8m per annum. It includes retail shops, offices, light industrial units, nurseries and various community assets.				
What is the controllable budget of the service area/s?				
Budget Type	Spend (£000)	Income (£000)	Net Budget (£000)	
General Fund	231	3,045	-2,814	
HRA				
DSG				
Health				
TOTAL				
What is the staffing profile of the service area/s?				
Grades	Number Of Posts	FTE	Vacant Posts	
			Agency / Interim Cover	Not Covered
Scale 1 – Scale 5				
Scale 6 – SO2				
PO1 – PO5				
PO6 – PO8				
SMG1 – SMG3				
JNC				

4. Cuts Proposal
What changes are proposed to the service area/s?
The Building for Lewisham Programme includes a number of new commercial units, which are intended to form part of the Council's wider commercial estate.
Included within the current programme are three schemes due to be completed between Nov 2022 and Feb 2024. All three schemes have commercial units, which are intended to form part of the wider commercial portfolio. A brief description of each of the sites including units, projected rent and date of completion is set out below.

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- **Creekside** – The Creekside development is located at the junction of Creekside and Deptford Church Street (SE8). It comprises 92 residential units and commercial floor space of 1,200sqm GIA although the lettable space is approximately 800sqm. The commercial unit is for a Planning use close B and is expected to generate an annual rent of between £100 – £150k a year. The project is due to complete in Nov 2022. Marketing is underway and the expectation is that it will start to generate income from the second half of 2023 financial year allowing for a short period of rent holiday for the tenant.
- **Home Park** – This scheme is located on Winchfield Road, the Home Park development will deliver 31 one, two and three-bedroom homes to a site formerly occupied by a neighbourhood office, garages, pram sheds and storage buildings. The commercial element of the scheme is approximately 150sqm of lettable space of Planning Use Class A1, A2, A3 and B1 estimated to generate approximately £28k a year in rent. The project is expected to be completed in September 2023.
- **Edward Street** – The Edward Street development is another mixed used scheme providing 34 family units with ground floor accommodation comprising a mix of nursery and flexible A1/A2/A3 or B1 spaces arranged around secure a courtyard. The commercial space is approximately 520sqm and is expected to generate approximately £100k in rent. The project is due to complete in Feb 2024.

The above projected income will add to the current commercial estate income as and when they come stream in the next 2 years. The profile has therefore been developed to reflect the phasing of the receipt of the income.

Are there any specific staffing implications?		N		
What level of saving will be achieved? (NET OF ANY CAPITAL OR REVENUE INVESTMENT)				
Proposal strand	2023/24	2024/25	2025/26	TOTAL
	75,000	75,000	100,000	250,000
TOTAL	£75,000	£75,000	100,000	250,000
% Net Budget				
Does proposal impact on:	General Fund	HRA	DSG	Health
	N	N	N	N
If yes, please describe impact:				
What are the potential delivery risks and mitigation?				
Delays to completion of projects impacting on when income can start to be generated from the assets. The income profile provided below is in line with the latest project delivery programme. It takes into account any marketing needed and, also rent free period, which may be granted to a prospective tenant. To keep the void period to a minimum, marketing of the units will start at least 6 months before practical completion. Where necessary, it will start with construction to ensure to ensure the unit meets the requirements of the tenant.				
Estimated rental level not achieved. The profiled income below is based on realistic estimates for comparable units of similar size and condition. The planning use class for the units are also such that they can lend themselves to a variety of uses, which makes letting them and achieving the estimated rents more realistic.				
Are there any specific legal implications?				

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None. However, it is expected that there will be a call on internal legal resources to negotiate the leases.	
Is public consultation required (formal/statutory)?	N

5. Impact & Outcomes				
What is the likely impact of the proposed changes?				
Service Users				
None				
Staff				
None				
Other Council Services				
None				
Partners				
None				
Are there any specific equalities implications?				
Protected characteristics and other equalities considerations	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Age				X
Disability				X
Ethnicity				X
Gender				X
Gender reassignment				X
Marriage and civil partnerships				X
Pregnancy and maternity				X
Religion and belief				X
Sexual orientation				X
Socio-economic inequality				X
Is a full EAA required?			N	
How do the proposed changes align with the Council's Corporate Strategy?				
Corporate Priorities	High (Positive / Negative)	Medium (Positive / Negative)	Low (Positive / Negative)	Neutral
Open Lewisham				X
Tackling the Housing crisis				X
Giving children and young people the best start in life				X

APPENDICES (BUDGET SAVINGS 2025/26)

Building an inclusive local economy				X
Delivering and defending: health, social care & support				X
Making Lewisham greener				X
Building safer communities				X
Good governance and operational effectiveness	X			

6. Delivery Plan			
Milestones	Key Steps	Lead Officer	Timescales
Initiation			
Planning			
Implementation			
Review			