



## Public Accounts Select Committee

### Financial Monitoring Report 2020/21 – Period 6 (September 2020)

**Date:** 3 December 2020

**Key decision:** No

**Class:** Part 1

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

**Contributors:** Executive Director for Corporate Resources

### Outline and recommendations

This report sets out the financial forecasts for 2020/21 as at 30 September 2020, and is updated by exception, for any significant items to the end of October 2020.

The report covers the position on the Council's General Fund, DSG, HRA, Collection Fund and Capital programme and provides an update on the work being done to assess and monitor the financial implications of the Covid-19 response.

The key headline for Public Accounts Select Committee members to note is that there is a forecast overspend of £2.5m against the directorates' net general fund revenue budget, after the application of £35.3m of additional government funding to support the local authority's response to the Covid-19 pandemic. It should be noted that this comes before inclusion of second wave coronavirus costs and does not include the full extent of pressures resulting from losses to sales, fees and charges. The pressures are currently estimated to be in excess of £20m. Government funding is expected to cover the greater proportion of these losses, however certainty as to how much will only come when the Local Government Finance Settlement is announced later in the year.

Of the £2.5m, this is split between (£4.7m) net government funding in advance in relation to covid expenditure and £7.2m overspend non-covid expenditure. The reported position on the covid expenditure is due to £8.2m of grant announced in October for costs that have not yet been factored into the forecasts and so is unlikely to remain underspent at year end. This report, therefore, presents a snapshot of the budget that is falsely positive because costs and pressures that are predicted have not yet impacted on the actual spend.

Executive Directors continue to work to reduce the £7.2m non Covid-19 expenditure and additional expenditure controls have now been introduced that require sign-off of all purchase orders by Directors for expenditure up to £5k and Executive Directors for expenditure over £5k in the expectation that the additional scrutiny may reduce non essential expenditure. Staffing controls are also in place to ensure that any recruitment is essential to the provision of services. The results of having these controls in place is being routinely monitored and they are having a positive impact in leading to a reduction in non-essential spend. Officers will provide some analysis of its impact in the next report to Members.

## Timeline of engagement and decision-making

26 February 2020 – Budget report to Council

10 June 2020 – Council's response to COVID-19 – financial update report to M&C

9 July 2020 – First 2020/21 financial monitoring report to M&C

7 October 2020 – Financial stabilisation and medium term budget update report to M&C

11 November 2020 – Second 2020/21 financial monitoring report to M&C

### 1. Executive Summary

- 1.1. This report sets out the financial forecasts for 2020/21 as at the end of September 2020. The key areas to note are as follows:
- 1.2. There is a forecast overspend of £2.5m against the directorates' net general fund revenue budget, after the application of additional government funding to support the local authority's response to the Covid-19 pandemic, but before adding in the full extent of the second wave costs of the coronavirus pandemic. This compares to the forecast overspend of £6.7m reported to the end of August and as presented to Mayor & Cabinet on 11<sup>th</sup> November 2020.
- 1.3. The Dedicated Schools Grant (DSG) is currently projected to overspend by between £2.6m and £4m at the end of the financial year. There are five schools with loans totalling £1.4m. This is set out in more detail in section 11 of this report.
- 1.4. The Housing Revenue Account (HRA) is currently projecting a balanced budget position. This is set out in more detail in section 12 of this report.
- 1.5. As at 30 September 2020, some 49.4% of council tax due and 59.2% of business rates due had been collected. At this point last year, 50.3% of council tax due and 62.4% of business rates due had been collected. This is set out in more detail in section 13 of this report.
- 1.6. The Capital Programme spend as at 30 September 2020 is £37.2m, which is 23% of the 2020/21 of the proposed revised capital budget of £163.6m. At this point last year, 25% of the revised budget had been spent, with the final outturn being 72% (£121.2m) of the revised budget of £169.1m. This has been set out in more detail in section 14 and in appendices 5 to 7 of this report.

### 2. Purpose

- 2.1. The purpose of this report is set out the financial forecasts for 2020/21 as at the end of September 2020 and projected to the year end, 31 March 2021.

### 3. Recommendations

- 3.1. The Public Accounts Select Committee is asked to:
- 3.2. Note the current financial forecasts for the year ending 31 March 2021 that report a forecast overspend of £2.5m.
- 3.3. Note the action which Executive Directors are taking to manage down budget pressures within their directorates.
- 3.4. Note the updates to the the capital programme budget, as set out in section 14 of this report, with further detail attached at appendices 5 to 7 of this report.

### Is this report easy to understand?

Please give us feedback so we can improve.

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

## 4. Directorate Forecast Outturn

- 4.1. The forecasts against the directorates' general fund revenue budgets are shown in Table 1. In summary, a forecast year-end gross overspend of £36.4m is being reported as at the end of September 2020 (before Covid funding), where £29.2m is considered Covid-19 related and the balance of £7.4m are classified as service directorate pressures. This latest update of the financial position includes in-year cash reductions identified by Directorates totalling £5.4m.
- 4.2. This latest update of the financial position includes progress on the agreed savings for 2020/21, attached at Appendix 1. Furthermore, and as previously reported, officers have also identified in-year cash reductions totalling £5.4m. These cash reductions have already been taken into account in the projected year-end positions for service directorates. It is therefore imperative that they are delivered in full to help alleviate the financial pressures being experienced this year. Failure to do so, would increase the year-end overspend position for 2020/21 and would put further pressure on setting a balanced budget for 2021/22.
- 4.3. The overall pressures are alleviated in part by additional government funding which is being received in advance to provide some financial support to councils to undertake additional activities in recognition of the unplanned costs which have been incurred in responding to Covid-19. The amount received by Lewisham to date, or due for imminent arrival for such purposes, totals £35.3m. Once applied to the gross spend projections, this has the effect of reducing the overall pressure down to £2.5m. It is important to re-iterate that this does not take into account the fully unfunded pressures for losses in sales, fees and charges income, or losses in the Collection Fund which is estimated to be above £20m or further costs arising from the second wave of the pandemic. These further costs are in the process of being assessment for subsequent reporting to members.
- 4.4. It should be noted that a potential third tranche allocation of £1.278m for 'infection control' funding to alleviate the impact of the second wave coronavirus is expected to come through Lewisham at some point in December. This remains subject to confirmation and has therefore not been included in the current projections.

**Table 1 – Overall Directorate Position for 2020/21**

Directorate	Net Revenue Budget 2020/21	Forecast Outturn 2020/21 As at end of Sept 2020	Forecast Variance Over/ (Under) Spend Sept 2020	Covid-19 Related Variance Sept 2020	Non Covid-19 Service Variance Sept 2020	Forecast Variance Over/ (Under) Spend August 2020	Covid-19 Related Variance August 2020	Non Covid-19 Service Variance August 2020
	£m	£m	£m	£m	£m	£m	£m	£m
Children & Young People (1)	60.3	72.7	12.4	4.4	8.0	15.7	5.7	10.0
Community Services	88.7	97.9	9.2	12.5	(3.3)	10.0	12.2	(2.2)
Housing, Regeneratio & Public Realm	23.2	33.7	10.5	9.5	1.0	10.6	9.5	1.1
Corporate Resources (2)	34.9	38.8	3.9	2.5	1.4	3.9	2.5	1.4
Chief Executive	12.1	12.5	0.4	0.3	0.1	0.4	0.3	0.1
<b>Directorate Totals</b>	<b>219.2</b>	<b>255.6</b>	<b>36.4</b>	<b>29.2</b>	<b>7.2</b>	<b>40.6</b>	<b>30.2</b>	<b>10.4</b>
Covid Grant Funding	N/A	N/A	(35.3)	(35.3)	0.0	(35.3)	(35.3)	0.0
Corporate Items	29.4	29.4	1.4	1.4	0.0	1.4	1.4	0.0
<b>Net Revenue Budget</b>	<b>248.6</b>	<b>285.0</b>	<b>2.5</b>	<b>(4.7)</b>	<b>7.2</b>	<b>6.7</b>	<b>(3.7)</b>	<b>10.4</b>

(1) – gross figures exclude £180m Dedicated Schools' Grant expenditure and matching grant income

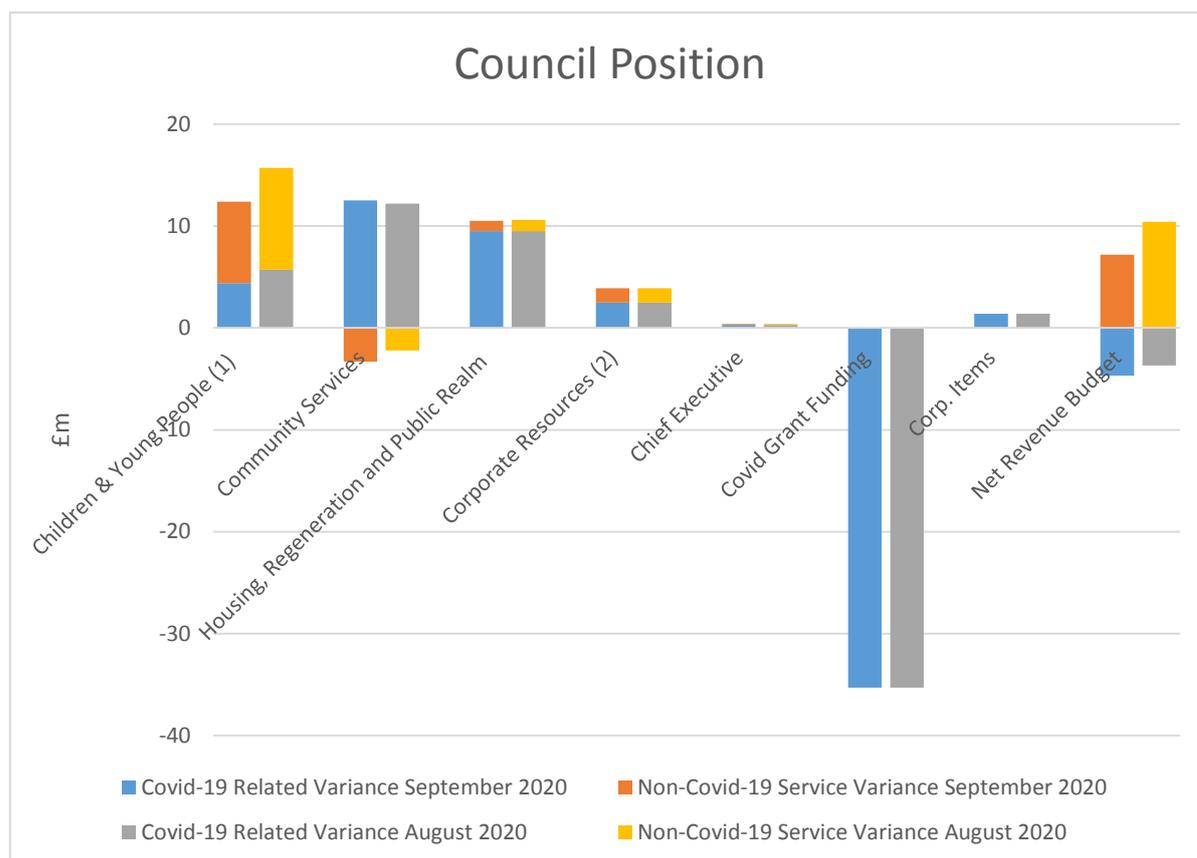
(2) – gross figures exclude approximately £213m of matching income and expenditure for housing benefits.

### Is this report easy to understand?

Please give us feedback so we can improve.

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

## Overall Council-wide Variance for August and September 2020



## 5. Children and Young People directorate

- 5.1. As at the end of September 2020, there is a projected overspend of £12.4m for the directorate, which is a decrease of £3.3m from the £15.7m projected overspend reported to the end of August 2020. Some £4.4m of the overspend relates specifically to unanticipated Covid-19 budget pressures. This leaves the non Covid-19 related service directorate budget pressures of £8m. The overall reduction from the previous month can be seen in both Covid and Non-Covid related projections. The former has seen a reduction of £1.3m as a clearer picture of the ongoing costs emerges. The latter has reduced by £2m. The most significant reduction is in the placements budget where price and demand changes have reduced the projected outturn by £1.8m. The remaining £0.2m is as a result of corporate funding a shortfall in the Targeted Families budget. The directorate's overall position includes £1.7m of management action.
- 5.2. The Public Accounts Select Committee members are asked to note that the service has progressed the following measures with a view to reducing costs. These are:
- Ensuring that partner contributions for such placements are obtained
  - The recently established high cost placements review board chaired by the Executive Director to ensure that high cost placements are kept to a minimum
  - Reviewing and reducing the number of interim and agency staff employed within the directorate
  - Introducing directorate specific recruitment controls
  - Reviewing all external contracts for care, starting with those of the highest value
- 5.3. The Children's Social Care service continues to be a volatile and high risk area with potential risks arising from Covid-19 and Brexit. The Covid projections has identified some

### Is this report easy to understand?

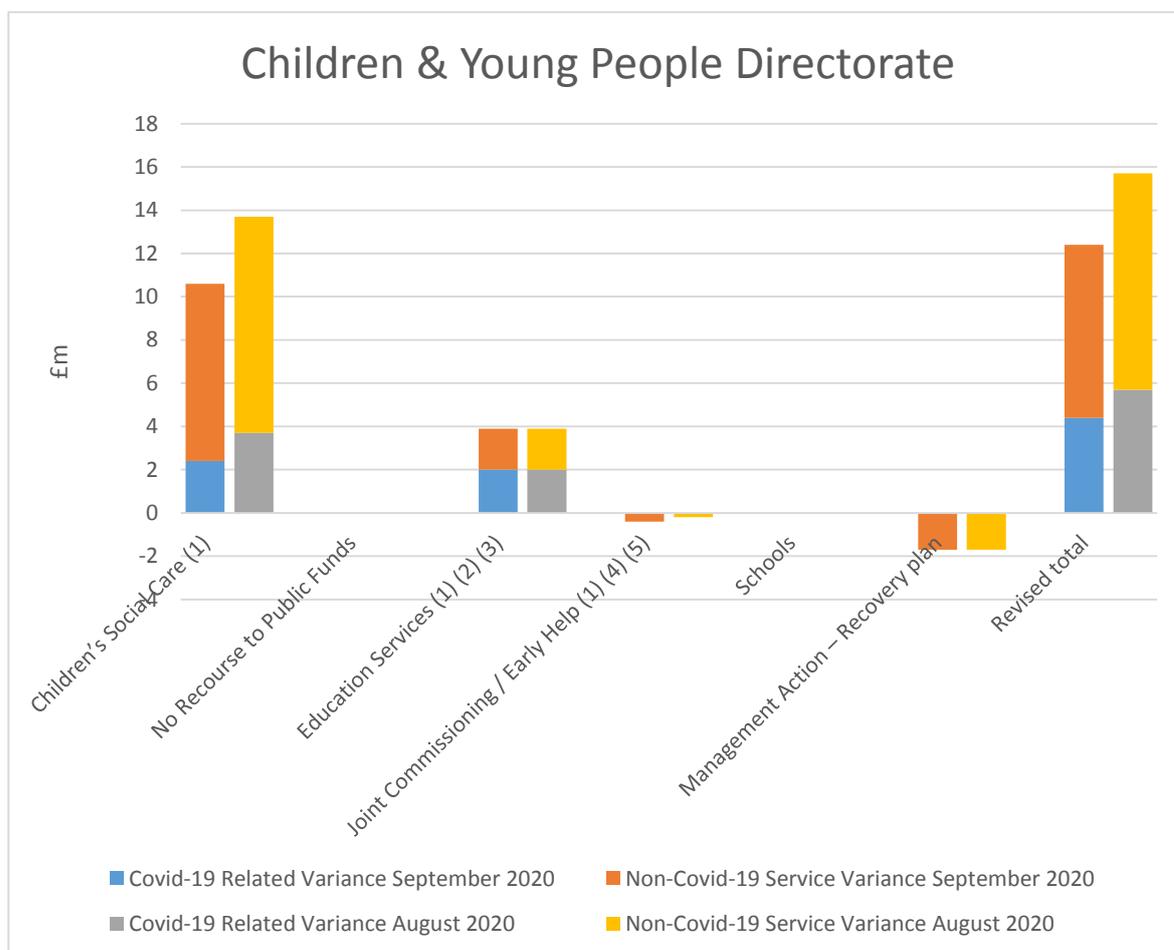
Please give us feedback so we can improve.

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

level of risk relating to this area.

5.4. The overall position for the directorate has been set out in the table below.

### Children & Young People Directorate Overall Variance – August and September



5.5. The estimated financial impact of the Covid-19 pandemic on base budgets for expenditure and income in the directorate is £4.4m and as summarised in the table below.

**Table 2 – Covid-19 Pressures for the CYP Directorate**

Service	Area	Total Cost September 2020 £m
Children's Social Care	Workforce	0.0
	Residential	0.4
	Care leavers	0.1
	Other	0.5
Education Services	SEND	0.5
	Home to School Transport	1.0
	School meals contract and Supporting Low income families with food hampers	0.5
Schools	Loss of income in schools	0.0
Children's Social Care	Unachieved savings	1.4
<b>Total</b>		<b>4.4</b>

5.6. The projected costs for Covid-19 have now been revised downwards to £4.4m from the £5.7m figure reported in August and is based on a more accurate assessment of the Covid-19 impact on the service budget to date. Members should note that this is before inclusion of the wider potential costs arising from the second wave coronavirus pandemic.

### Is this report easy to understand?

Please give us feedback so we can improve.

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

- 5.7. There is also the potential impact on Special Educational Needs (SEN), especially around social distancing of £800k. For travel permit transport of £200k, the Department for Education (DfE) and Transport for London (TfL) are continuing to provide assurance that there will be no impact on local authorities as a result of the withdrawal of the Under-18 travel permit. This has now been confirmed to be the case.
- 5.8. The key divisional variances for the Children & Young People Directorate are set out in the following paragraphs.

## Children Social Care

- 5.9. The *Children Social Care (CSC)* division is reporting a budget pressures of £8.2m, a reduction of £1.8m since last month. The overspend is expected in the placements budget which overspent by £4m in 2019/20. Other services are expected to finish the year within budget as a result of an allocation from corporate resources of £1.2m being allocated to cover historic pressures in legal fees, Section 17 costs and other care services. This excludes any additional costs of circa £1m, relating to Covid-19 which is referred to in the paragraphs and table above. As referred to in paragraph 5.2, officers are undertaking various actions to reduce this overspending position.
- 5.9.1. Some further specific points are set out below with some graphical illustrations attached at Appendices 2 and 3:
- The recovery plan includes the identification of third party income and a reduction in housing costs of £0.5m. In taking this into account, the outturn is expected to be £7.7m.
  - CSC staffing review conducted through the first half of 2019 is currently being implemented. At a cost and budget of £18m and the service is expecting to operate within budget, with a reduced reliance on agency staff, again subject to the constraint of Covid-19.
  - Placements budget is £28.5m, reduced by £1.4m in 2020/21. The outturn in 2019/20 was £33.8m. Based on the current number of placements, the current projection is spend of £36.2m. This takes into account projected inflationary increases, but not additional costs related to Covid-19. This represents an overall overspend of £7.7m against the current budget. Changes in demand and pricing and the impact of the recovery plan has resulted in the reduction in the overspend by £2.3m and the continuation of the recovery plan measures will seek to further reduce this financial pressure.
  - The number of Children Looked After (CLA) and those Leaving Care at 18+ from April 2019 to September 2020 has increased from 725 to 749 over this period.
  - The number of CLA, i.e., those in residential, foster and semi-independent placements has dropped overall from 470 to 462. Despite the overall decrease, there has been a significant increase in the residential placements category which has increased from 47 to 59 children, having peaked at 63 in April 2020. The cost of residential placements is significantly higher than other forms of CLA placements and this increase largely accounts for the budget pressures of last and this year.
  - The number of young people placed by the Leaving Care 18+ has increased on average from 46 to 58 over the same period. Special Guardianship Orders have also increased during that period from 209 to 229.

## Education Services

- 5.10. The *Education Services* division is projected to overspend by £1.9m. The cost pressure within the division relates to Special Educational Needs (SEN) transport with a projected overspend of £1.9m, and this is before taking into account additional costs as a result of Covid-19. The overspend is consistent with the position for the previous three financial

### Is this report easy to understand?

Please give us feedback so we can improve.

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

years for this demand led budget. Consistent with the national position, the Council has experienced an increase in the numbers of pupils with Education, Health and Care Plans (EHCPs) and, despite several policy reviews and reviews of provision, the cost of meeting the demand for transport exceeds the budget.

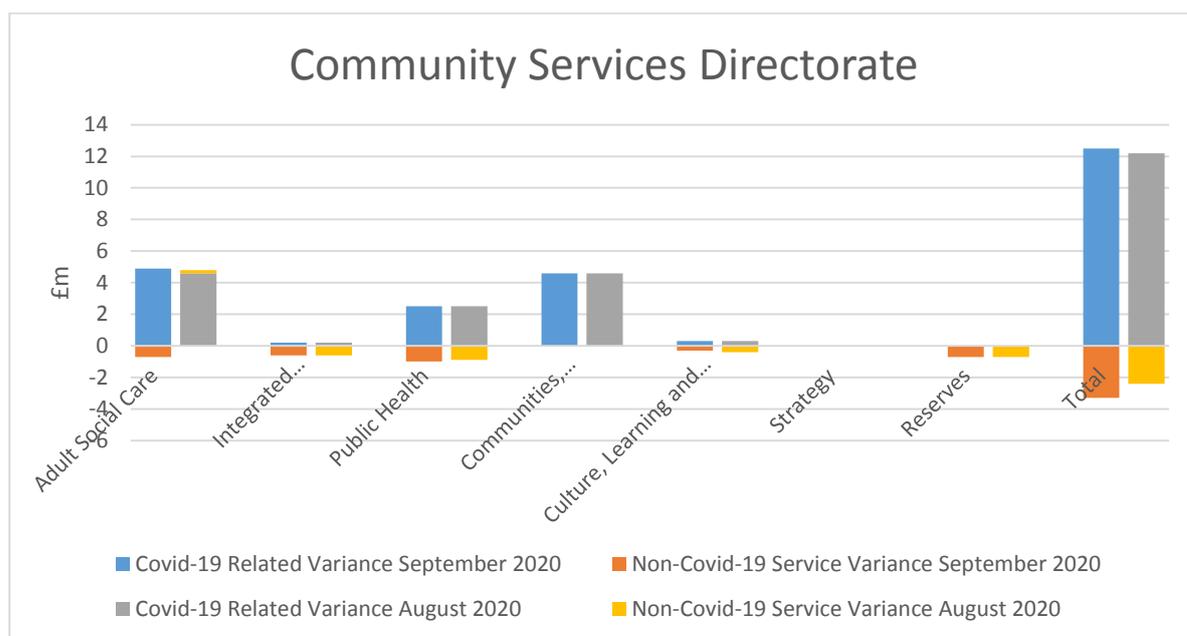
## Joint Commissioning and Early Help

- 5.11. The Joint Commissioning and Early Help service is reporting an underspend of £0.4m. This is an increase of £0.2m from the figure reported in August as a result of corporate funding of a shortfall in the Targeted Families budget.
- 5.12. A budget pressure of £0.1m is expected in relation to the extension the Youth Service contract approved by Mayor & Cabinet at the end of June. This is offset by an underspend of £0.2m in Children’s Centres. The budgets are to be reviewed as a part of the setting up of the Early Help and Intervention service.
- 5.13. An underspend of £0.3m is expected in the Youth Offending Service due to a combination of factors including better demand management, an increase in grant funding and a slowdown of the court process due to Covid-19. The current projection is based on current remand numbers, a similar level of underspend is projected as was the case in 2019/20.
- 5.14. It should be noted that budget can still be volatile as remand placements are at the discretion of the court based on the age/vulnerability of the young person and the nature of the offence.

## 6. Community Services Directorate

- 6.1. As at the end of September 2020, there is a projected overspend of £9.2m for the directorate, which is a decrease of £0.5m from the £9.7m projected overspend reported to the end of August 2020. Some £12.5m of the overspend relates specifically to unanticipated Covid-19 budget pressures. This leaves the non Covid-19 related service directorate underspend of £3.3m. The overall variances from the previous month can be seen in both Covid and Non-Covid related projections. The former has seen an increase of £2.6m as a clearer picture of the ongoing costs emerges. The latter has seen an increase in the underspend by £3.1m.

### Community Services Directorate Overall Variance – August and September



- 6.2. The most significant cost variances for the directorate fall within the Adult Social Care division. The following sections provide a summary of the revenue forecast by division. It

### Is this report easy to understand?

Please give us feedback so we can improve.

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

provides an explanation of the cause of the variance and any movements from the previous period.

- 6.3. The estimated financial impact of Covid-19 on base budgets for expenditure and income in Community Services is £12.5m. These pressures are included in projections below. These pressures will be alleviated by the Covid grant that the Council has received and from other specific grants. This is summarised as follows:

**Table 3 – Covid-19 Pressures for the Community Services Directorate**

Service	Area	Total Forecast Sept 2020 £m
Adult Social Care	PPE and Infection Control	2.2
	Market Support	1.7
	Unachieved Savings	2.5
	Other	0.5
	Recharge to health for hospital discharges (net)	(2.1)
Integrated Commissioning	Prevention and Inclusion	0.2
Public Health	Test and Trace	2.2
	Volume pressure on contracts	0.3
	Other	0.1
Communities, Partnerships & Leisure	Community Hub	0.5
	Leisure – additional payments	1.8
	Leisure – income	0.1
	Licensing – income	0.1
	Green Scene – income	0.4
	Bereavement Services	1.6
	Other	0.1
Culture, Learning & Libraries	Adult Learning Lewisham	0.2
	Libraries and other income	0.1
<b>Total</b>		<b>12.5</b>

- 6.4. The Council has been allocated £1.6m from the Infection Control Fund. In accordance with the fund's conditions 75% has been allocated to residential and nursing homes in the borough (£1 per bed); the remaining 25% has been allocated to other care services – supported accommodation, extracare and home care. The expenditure is included in the Adult Social Care figures below. The Council has also been allocated £2.2m for Test and Trace. This is included in the Public Health figures reported.
- 6.5. Some £1.3bn has been awarded to Clinical Commissioning Groups (CCGs) nationally to fund the costs of hospital discharges since 19<sup>th</sup> March 2020. This projected income is included in the adult social care projections below as is the matching additional expenditure.

## Adult Social Care Services

- 6.6. The *Adult Social Care* division is reporting net budget pressures of £4.2m, including Covid-19 related costs of £4.9m, alleviated by non-Covid 19 service underspends of £0.7m. This compares to the net projected overspend of £4.6m reported to the end of August 2020.
- 6.7. The residual overspend is largely due to the cost of transition cases and delay in implementing the main IT systems used by the service. The main areas of Covid-related spend are: supporting the market such as increased weekly rate payments on a short term basis in response to the pandemic, PPE & infection control and delay in achievement of savings. To date only part of the planned budget savings have been achieved. There has

### Is this report easy to understand?

Please give us feedback so we can improve.

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

been improved management of enquiries and how these can be resolved by the staff who handle them. Such new approaches to demand management have reduced the numbers of older service users, particularly smaller care packages. An updated position of the progress of delivering the revenue savings has been set out in Appendix 1.

- 6.8. Projections are still only indicative at this stage of the year. Overall numbers and costs of residential and nursing placements dropped significantly in April and May, but have since increased, if not to pre-Covid levels. Costs of new or increased packages for patients who have been discharged from hospital are currently recharged to the CCG. These arrangements ended on 31<sup>st</sup> August. From 1<sup>st</sup> September 2020, costs will continue to be charged to the CCG until service users are formally assessed with NHS colleagues, this will be before the end of the financial year. The claim for the full year for this group of users is £4.6m.
- 6.9. It is likely that service user numbers will continue to increase as the incidence of Covid-19 recedes, but it is not certain this will happen for different services. Although the demand for residential and nursing placements has reduced overall, demand to clear hospital beds to address the second wave is underway. It can also not be said with any certainty at this point how quickly it will be possible to establish the new ways of working on which many of the planned savings depend.

## Integrated Commissioning

- 6.10. The Integrated Commissioning division is expected to underspend by £0.4m; this position includes Covid pressures of £0.2m, and is a £0.2m improvement on the previously reported position.
- 6.11. The Prevention and Inclusion budget is expected to underspend by £0.035m on staffing budgets. The Supporting People budget is projected to underspend by £0.050m - this is primarily contract savings. The Drug and Alcohol budget is now expected to underspend by £0.200m (£0.021m contract savings, £0.025m on campaigns and £0.154m across detoxification and rehabilitation budgets) which has meant treatment delays resulting from the impact of Covid-19 on service providers. These underspends are offset by Covid-related costs of £0.180m which are mostly temporary increases in contact costs to providers.

## Public Health

- 6.12. The *Public Health* division is projected to overspend by £1.5m. This includes spend against the £2.2m for track and trace will be offset in full by the grant received from central government for these purposes. The balance of the overspend is due to Covid-19, some £0.140m and £0.126m for costs associated with uncapping of sexual health e-services and the establishment of an online contraception offer to mitigate against the reduction in face-to-face sexual health clinic services during the pandemic, respectively; and a further £0.040k for the joint Lewisham and Birmingham work to address health inequalities in Black African and Black Caribbean communities.
- 6.13. An underspend of £1m is now expected on sexual health services. This reflects reduced activity and lower payments to out-of-borough clinics. The Public Health Grant released by this underspend will be used to fund eligible activity elsewhere in the Council.

## Communities, Leisure and Partnerships

- 6.14. The *Communities, Leisure and Partnerships* service is currently projecting an overspend of £4.6m, which is made up of entirely Covid-19 related costs.
- 6.15. The Leisure Management budget is projected to show a total overspend by £2m. This includes estimated additional costs of £1.4m for remainder of 2020/21 to reflect new contractual arrangements that have been put in place with Greenwich Leisure Ltd (GLL) following the termination of the Leisure Management agreement with Fusion Lifestyle Ltd.

### Is this report easy to understand?

Please give us feedback so we can improve.

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

- 6.16. In addition to the £1.4m pressure resulting from the new GLL contact there are other projected variances. Additional Emergency contract payments totalling £0.5m are projected for both 1-Life (Downham) and Fusion Lifestyles (other centres) these were in respect of centre closures during the first 'lockdown'. There is also a projected income shortfall of £0.2m which is a combination of lost income resulting from the termination of the former leisure management agreement with Fusion Lifestyles and lost rental income at Bellingham due to Covid-19. There is a non Covid-19 related pressure on the Downham PFI budget of £0.1m resulting from the annual inflationary increase on the unitary charge contract with Linteum which was not covered from non-pay inflation this year as part of the budget process.
- 6.17. The community sector grants programme is showing no variance. The new three-year programme came into effect on 1 August 2019 meaning that the full saving of £0.6m agreed as part of the 2019/20 budget process will be fully achieved for the 2020/21 financial year.
- 6.18. There is a projected Covid-19 related overspend of £0.06m on the community centres budget which is resulting from the loss of regular room hire income coupled with additional costs at some of the centres following the delay in some centres transferring to Lewisham Homes.
- 6.19. The estimated cost of the community hub set up to help residents of the borough who are shielding from Covid-19 is £0.5m.
- 6.20. The Community Safety budget is projected to show a net underspend of £0.06m. There are net underspends on staffing and operational budgets of £0.12m under the Crime, Enforcement and Regulation service budget. This underspend will be offset by a potential shortfall of £0.06m on Licensing income (primarily Gambling Act and Licensing Act) as a result of the impact of Covid-19.
- 6.21. The projected overspend for *Green Scene* services is £0.5m – of this £0.4m (which is primarily pest control and parks income) relates to Covid-19. For services such as Parks (including Beckenham Place Park) the ability to generate income through events and other activities such as the open water swimming have been suspended whilst the on-going costs remain constant resulting in income pressures of £0.3m. Similarly, the Covid-19 restrictions have impacted on the ability of the pest control service to generate income resulting in a potential income shortfall of up to £0.1m. In addition there is a £0.1m pressure for arboricultural services which is not Covid-19 related. This pressure relates to health and safety works required on many old and damaged trees across the borough. This work is essential to mitigate health and safety risks to the general public and potential liability of the council. The service will aim to minimise this pressure and this will be monitored as the year progresses. The current reported overspend position of £0.5m also contains Covid-19 related pressures in relation to additional security and infection control measures in Parks of £0.06m. The overall budget pressure on the service is expected to reduce in future months when funding of £0.2m for Beckenham Place Park is transferred across from HRPR to Community Services.
- 6.22. There is an overall forecast overspend of £1.78m on Bereavement Services, of which £1.62m is Covid-19 related - this position is unchanged from that reported at the end of July. The majority of the budget pressure is a result of Lewisham's £1.266m contribution to the London Borough wide mortality management scheme spend incurred under the pandemic plan for London. Other Covid-19 related costs totalling £0.35m include additional mortuary costs, additional security, cost of PPE, additional cleaning costs and agency workers recruited to cover staff unable to work a due to shielding from Covid-19. The remaining pressure of £0.16m relates to underlying budget pressures across the services on both income and expenditure budgets which the service is currently trying to address through further management action.

## Culture, Learning and Libraries

- 6.23. The *Culture, Learning and Libraries* division is currently projecting no net overall variance,

### Is this report easy to understand?

Please give us feedback so we can improve.

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

there are Covid-19 related pressures of £0.3m, but these are being offset by other underspends to give a balanced position for the division.

- 6.24. The Libraries budget is now projected to underspend by £0.25m. There are projected staffing underspends of £0.3m due to vacant posts, and the associated recruitment lag during the library closures resulting from Covid-19. In addition, smaller underspends are expected of £26k on operational budgets. These underspends will be offset by an income shortfall on fees and charges income of £0.07m which is primarily linked to the closure of the libraries building during the pandemic.
- 6.25. The Broadway Theatre will be closed for the whole 2020/21 financial year partly as a result of Covid-19 and partly to facilitate essential works. During this time, there will be ongoing staff costs which will not be able to be recovered from income and a budget pressure of £0.05m is projected. It has now been agreed that the annual Blackheath Firework event will not go ahead in November and this forms part of the management action described below. Although Peoples' Day did not go ahead in 2020, the funding of £0.03m has been earmarked against the Arts Service for the 'virtual culture' offer agreed by the Executive Management Team and so no variance is currently projected.
- 6.26. The Adult Learning budget is reliant on funding of £0.5m of student fee income generated from the courses run by the service. As a result of the course closures brought about by Covid-19, the service has lost first term income of approximately £0.16m and with the future social distancing policies in place limiting class sizes will only be able to operate at a two thirds capacity for the two remaining terms. This is expected to result in a further loss of income of at least a £0.12m – giving a total shortfall of £0.28m. Against this, there will be potential costs savings of at least £0.08m on tutor sickness cover, tutor training and on course materials and resources. This will still leave a net budget pressure of £0.2m.

## Strategy and Performance

- 6.27. The *Strategy and Performance* division is reporting a nil variance at this stage of the year and is expected to spend to budget by the year-end.

## 7. Housing, Regeneration and Public Realm

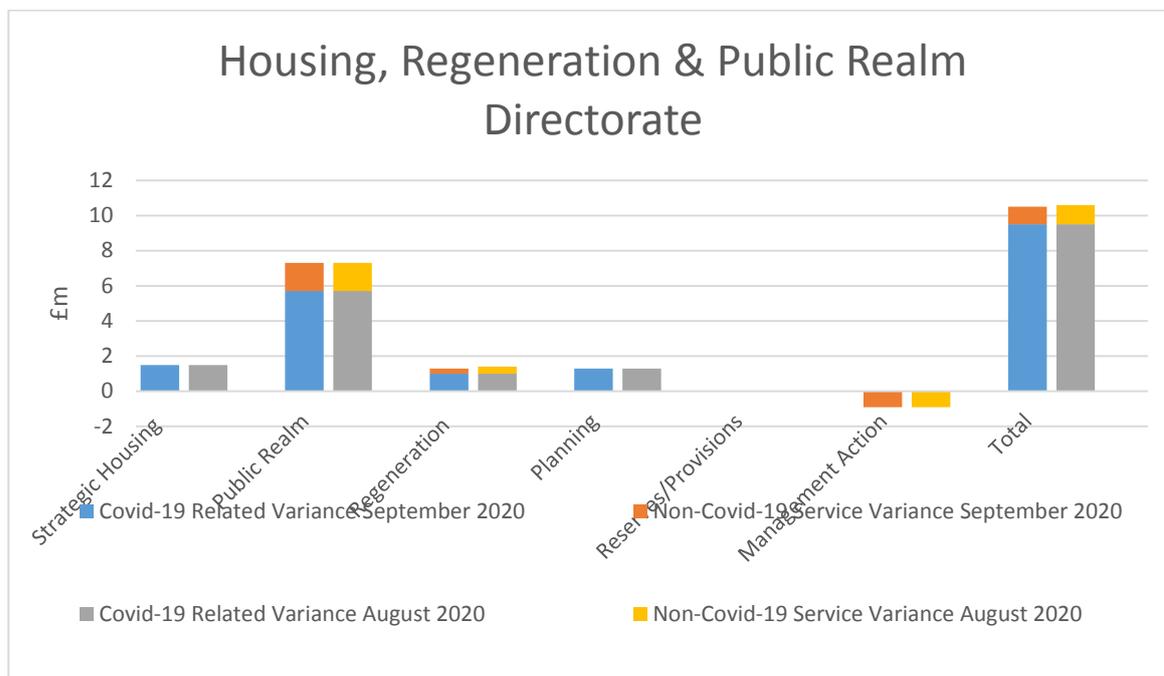
- 7.1. As at the end of September 2020, there is a projected overspend of £10.5m for the directorate. Some £9.5m relates specifically to unanticipated Covid-19 budget pressures. This leaves the non Covid-19 related service directorate budget pressures of £1m for the year. Overall, this represents a £0.1m decrease compared to the figure of £10.6m reported to the end of August 2020 and this reduction can be seen in the non Covid-19 related projections.

### **Housing, Regeneration and Public Realm Directorate Overall Variance – August and September**

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

Please give us feedback so we can improve.

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



### Housing, Regeneration and Public Realm – Cost of Covid 19

7.2. The estimated financial impact of Covid-19 on base budgets for expenditure and income in Housing, Regeneration and Public Realm is £9.5m. It is anticipated that these pressures will be alleviated by the Covid funding the Council receives from government. The pressures are summarised in the table below.

**Table 4 – Housing, Regeneration and Public Realm Directorate – Covid 19 Pressures**

Service	Area	Total Cost September 2020 £m
Strategic Housing	Housing Needs	1.5
Public Realm	Refuse Collection	1.6
	Strategic Waste	0.3
	Street Management	0.2
	Street Markets	0.4
	Highways and Transport	0.6
	Parking	2.6
Regeneration	Capital Programme Delivery	1.0
Planning	Development Management	1.2
	Land Charges	0.1
<b>Total</b>		<b>9.5</b>

### Strategic Housing Division

7.3. The Strategic Housing division's Housing Needs service is reporting budget pressures of £1.5m which is attributable to Covid-19 activity. The projected Covid-19 costs relate to:

- Rough sleeping costs of £0.4m;
- Accommodation costs for block bookings and individual reservations of £0.125m; restrictions on moving-on clients of £0.085m; transfers from shared to self-contained of £0.1m;
- Furniture & Removals related to transfers of clients £0.040m;
- PMA void loss over and above budgeted allowance of £0.1m;

### Is this report easy to understand?

Please give us feedback so we can improve.

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

- Private Sector Leasing void loss over and above budgeted allowance of £0.036m;
  - Increase in bad debt for clients not paying, and no recourse to funds of £0.450m;
  - Additional Housing Benefit (HB) limitation recharges relating to clients who are in receipt of benefits, but should have moved on by now of £0.150m.
- 7.4. There is a service forecasted year-end non-Covid related overspend on salaries of £0.5m. This will be offset by use of additional grant funding. It should be noted that the service has benefited from £4.6m of grant awarded for 2020/21 on a once-off basis to homelessness to cover the effects of the implementation of the Housing Reduction Act and compensation for the removal of Temporary Accommodation (TA) management allowances in the HB regulations. The service intends to use part of this grant to cover these non-Covid related overspends. There is currently no announcement on grant availability for the financial year 2021/22 onwards. Should grant not be available, then there will be an immediate pressure of at least £4.6m.
- 7.5. Members should note that there are further reported pressures developing in the licencing service for income related to licencing fees, which are being delayed due to the Coronavirus pandemic. This is yet to be confirmed, and so as such, remain a risk for budget monitoring purposes and are not included in the projected position to the end of September, but these costs could be as much as £0.2m. In addition, further accommodation costs relating to rough sleepers will extend beyond the period originally forecasted due to government policy of keeping everyone accommodated. However, some of this may be offset by additional grant of up to £0.325m to March 2021. The service is currently assessing the impact of this and forecasts will be updated as necessary.

## Public Realm Division

- 7.6. The Public Realm division is reporting pressures related to Covid-19 activity of £5.7m. The key areas of note are as follows:
- 7.7. The Refuse Collection service is reporting a projected overspend of £1.6m which comprises the following pressures:
- Refuse collection transport costs of £0.434m. During 2019/20, it was reported that there would be a £0.620m overspend. In March 2020, this reduced to £0.420m after rebate. It was anticipated that this overspend would drop significantly once the Council had received all of the replacement vehicles on order. Due to Covid-19, not all the replacement vehicles have been received to date. On arrival, the first 11 vehicles are set to replace those on hire, the remaining ones will replace the older vehicles.
- 7.8. There is a forecast shortfall in income of £1.7m. There are a number attributable factors to this shortfall as detailed below:
- Covid-19 related £0.650m Commercial Waste income – due to the pandemic, a significant amount of income has been lost as many businesses were not operating, and therefore not charged, during the first three months of this financial year. Businesses have gradually reopened, but the customer base is not yet back to its pre-covid levels. This level of lost income assumes that the customer database will return to its former level during the course of the financial year, i.e. businesses have not permanently closed due to the pandemic. This is being closely monitored and customers are being contacted.
  - Commercial Waste £0.490m ongoing income shortfall based on 2019/20 income and current budget. As mentioned above, in-year measures have been introduced to reduce the effect of this income shortfall.
  - Garden Waste – income for this service is subject to the take up of full subscriptions. This uptake is greatly reduced so far this year in comparison to previous years and

### Is this report easy to understand?

Please give us feedback so we can improve.

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

is taking longer than expected. Loss in income has been reviewed and treated as Covid-19 related on the premise that this service is not seen as a priority for people facing financial difficulty. The service is currently showing a loss of income of £0.5m. This is being reviewed on a monthly basis and customers are being contacted to remind them to take up their subscriptions.

- 7.9. There is also a level of overspend attributable to the use of agency staff as a consequence of Covid-19 through the use of agency staff covering staff absence due to sickness absence or self isolation.
- 7.10. The Covid-19 related forecast income losses are mainly as follows:
- Income Capital Fees of £0.349m. The underachievement of capital fees income is primarily as a result of the Transport for London (TfL) LIP funding for 2020/21 no longer being available. TfL have secured a funding settlement from government for the period to October 2020 and is making funding available for boroughs for temporary measures. Some of this funding is expected to be secured and other funding bids are being made to secure additional investment. The achievement of income to date is based on the first six months of the financial year and it is expected that additional income will be secured from October, subject to funding being available from TfL and Department for Transport.
  - Income Other – Underachievement of income of £0.110m is from skips, crossovers and permits this is due to Covid-19. The Transport service should have the ability to recover this later in the year.
  - Income Electric Vehicles – The expected income of £0.068m including the saving of £0.050m is unlikely to be achieved this year, as this was reliant on getting further charging points delivered by the end of last year and throughout this year. Delivery was already hindered last year due to resourcing issues and this was further impacted as a result of the Covid-19 pandemic lockdown. The latter meant that site works on a tranche of over 40 charging points had to be put on hold. Staff resource has now been diverted onto the Covid-19 transport response. This has also had an impact on the site identification and design process for the subsequent phases.
  - Bus Shelters Advertising – Under recovery of £0.038m.
- 7.11. For Strategic Waste Management services, there is a projected overspend of £0.970m. Some £0.2m of this overspend is represented by a 2% increase in tonnage rates in costs for the following contracts: SELCHP, Veolia Food/Garden waste and SELWDG. Due to the nature of the mix of waste and more people working from home, it is anticipated that more waste will go to recycling which is at a higher cost. A cost of £0.250m has been deemed to relate to Covid-19 activity. A further £0.600m relates to the dry recyclable contract with Bywaters.
- 7.12. The Civic Amenities service is again projecting an overspend of £0.068m mainly relating to staffing. There are units within the strategic waste management service that are projecting underspends based on their respective 2019/20 outturns, street cleaning disposal and animal welfare of £0.137m and £0.010m, respectively. The former will be reviewed and if necessary have budget redirected to one of the other waste disposal services.
- 7.13. The Street Management service is projected to overspend by £0.180m. A projection of £0.336m was reported in the last period. The reduction of the forecast overspend is due to the service identifying in-year savings within street cleansing of £0.215m. Due to these in-year spend reductions, the service would have been in a position to report an underspend of £0.030m, but has a Covid-19 related forecast overspend of £0.210m.
- 7.14. The Covid-19 overspend relates to an additional £0.080m potential loss in income within cleansing enforcement due to the government announcing the cheaper option of obtaining a pavement licence in place of the forecourt license to help small businesses through the Covid-19 period until September 2021. There is also a Covid-19 related overspend relating

## Is this report easy to understand?

Please give us feedback so we can improve.

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

to street cleansing of £0.074m, due to the staffing levels required to achieve the level of service currently being provided, and a Covid-19 related loss of income on lumber collection of £0.030m and cleansing enforcement of £0.026m.

- 7.15. The Street Markets service is forecasting a loss of income of £0.420m, an increase of £0.090m from the previously reported position, and is due to the closure of markets during the pandemic and lower returnees. The three council-run markets in the borough were closed. When the markets re-opened in July, the number of stall-holders that returned was lower than anticipated. This loss of income is entirely Covid-19 related. There are approximately 180 stalls across the three markets, with mixed occupancies. The service is expecting to achieve a reduction in costs relating to street cleaning during this period. It is to be noted however, that reductions in costs achieved here may result in a loss of income to other internal services. There may be an increase in uptake later on in the year, this will be closely monitored.
- 7.16. The Parking service is showing pressures of £2.6m where Income has been significantly down in the first six months of the year due to the Covid-19 related restrictions. The full year income forecast is subject to much uncertainty in relation to the extent of Covid-19 related restrictions throughout the remainder of the year and the pace of the economic recovery.
- 7.17. The forecast overspend for Highways & Transport amounts to £0.516m. This compares to £0.7m forecast previously reported. The reduction in overspend is mainly due to in-year cash savings of £0.250m. The service would have been reporting a forecast underspend of £0.056m, but for the extra Covid related forecast income loss of £0.572m.
- 7.18. For Other Environmental Services including environmental administration and fleet, these are projecting balanced budget positions by the year-end. Furthermore, the environmental health budget is showing an underspend of £0.1m, primarily relating to staffing; economic development is showing a balanced budget position; and property strategy a small and reducing overspend of £0.067m due to lower agency staff costs.

## Regeneration Division

- 7.19. The Regeneration division is forecasting an overspend of £1.25m in 2020/21, £1m of which relates to Covid-19. This compares to an overall projected overspend of £1.7m in August. The key activities to note are as follows:
- 7.20. The Commercial Investment and Delivery service is reporting £0.091m underspend due to vacancies.
- 7.21. For Capital Programme Delivery, there is a forecast overspend of £1.3m with some £1m relating to Covid-19. The overspend is made up as follows
  - Capital Delivery Service – There is a forecast overspend of £0.1m which is entirely Covid-19 related. All staffing costs for the team are recharged to the relevant projects and external grants, but due to the impact of Covid-19, some of these projects may not be finished or even start.
  - Valuers Team – There is a forecast underspend of £0.050m due to a staff vacancies and a reduction in agency costs.
  - Building Control – There is a forecast overspend of £0.530m due to Covid-19, the service is not able to generate income of up to £0.404m, as all construction work was put on hold during lockdown. Some of the overspend is forecast as the service was incurring higher than anticipated staffing costs due to the use of agency staff. The service is also losing some of its market share due to the aggressive marketing approach adopted by approved inspectors. The service is now looking to address these issues.
  - Commercial Properties – There is an estimated income shortfall of £0.694m, which

### Is this report easy to understand?

Please give us feedback so we can improve.

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

is mainly due to Covid-19, resulting business failures and re-letting costs of 0.542m. The service is working with tenants to increase its income and some tenants have now accepted payment plans rather than ending their tenancies. The change this month is due to additional income being received from land at Deptford Church Street. This income is a once-off in-year receipt and has resulted in the reduction of the non-covid income shortfall.

- A forecast overspend of £0.049m is as a result of 2020/21 business rates increases.

7.22. The services for Economic Development, Strategic Development and Property Strategy are reporting an overall net nil variance.

## Planning Division

7.23. The Planning Service is forecasting an overall £1.2m overspend in 2020/21. The Covid-19 related overspend is £1.275m due to loss of income, however the service is introducing £0.084m by holding vacancies for the rest of the year to reduce spend in 2020/21. The non-covid forecast is therefore an underspend of £0.084m.

7.24. Development Management accounts for £1.2m of the income shortfall. The service was hopeful that income would recover by Quarter 4 as the lockdown eased and confidence in the economy returned, however with the further restrictions those assumptions are being reviewed and further actions identified to reduce expenditure. The service is anticipating that two large planning application fees, approximately £0.200m in total, will be received within the next nine months. Income levels and planning application volumes are being monitored regularly, and staffing costs will be reduced wherever possible in response to falling volume of applications.

7.25. The loss of fee income for land charges accounts for the remaining £0.100m. Local Land Charges' fee income in Quarter 1 was down 50% when compared to seasonal demand. This is due to Covid-19 impacting the housing market.

## 8. Corporate Resources Directorate

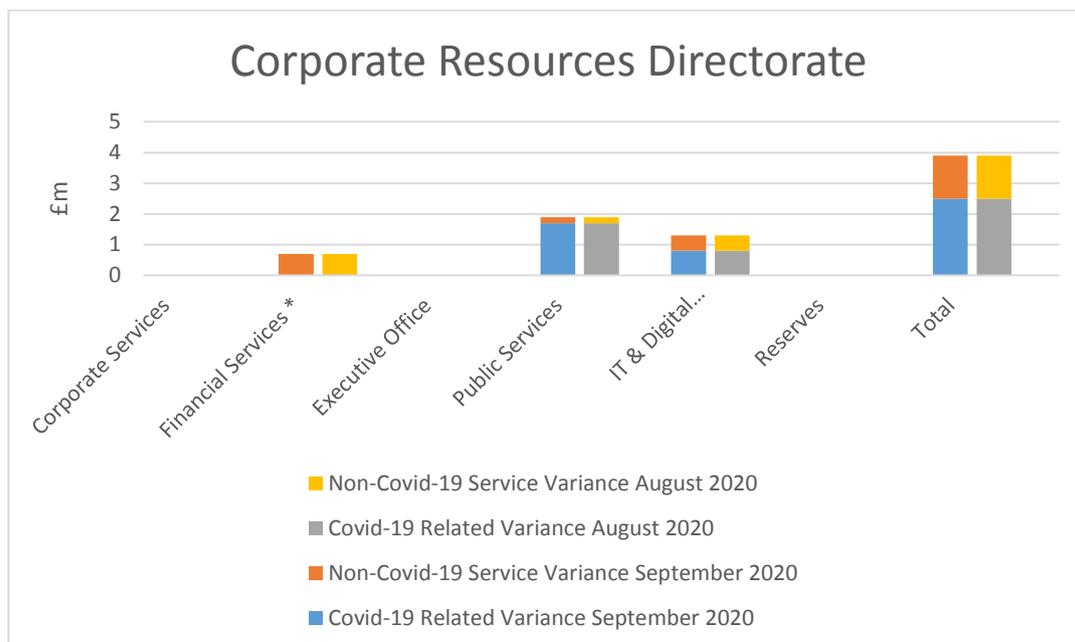
8.1. As at the end of September 2020, there is a projected overspend of £3.9m for the Corporate Resources Directorate. This is a decrease of £1m from the overall projected overspend of £4.9m to the end of July 2020 for the former Corporate Services Directorate. Of this sum, £2.5m relates specifically to previously unanticipated Covid-19 budget pressures. This leaves a non Covid-19 related service directorate projected overspend of £1.4m for the year. For these specific service directorate variances, this represents an increase of £1.7m from the £0.3m underspend projected as at the end of August 2020.

### **Corporate Resources Directorate Overall Variance – August and September**

## Is this report easy to understand?

Please give us feedback so we can improve.

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



\* The variance for the Financial Services Division includes an overspend £700k which relates entirely to the delay in implementing Human Capital Management (HCM), including Payroll Services as part of the Council-wide Oracle Cloud Programme.

- 8.2. The estimated financial impact of Covid-19 on base budgets for expenditure and income in Corporate Resources is £2.5m. It is anticipated that these pressures will be alleviated by the Covid funding the Council receives from government. The pressures are summarised in the table below.

**Table 5 – Corporate Services Directorate – Covid 19 Pressures**

Service	Area	Total forecast September 2020 £m
IT and Digital Services	Emergency rollout of IT hardware, licences for software, buy your own IT scheme etc.,	0.8
Public Services	Sundry Debt – Delay in ‘invest to save’ programme to improve debt collection	0.5
	Revenues Services – Loss of income collected through enforcement and court fees	0.6
	Registrars – Loss of fee income	0.2
	Additional building cleaning, and staffing etc.,	0.4
<b>Total</b>		<b>2.5</b>

- 8.3. The Financial Services division is forecasting a balanced budget position, although there are existing pressures on staffing budgets. Separately, the £0.7m overspend recorded on this budget head, relates to the corporate Oracle Cloud Programme and is as a result of delays in implementation of the Human Resources and Payroll modules. These modules are now live and options are currently being considering for resolving this budget pressure by the year-end.
- 8.4. The IT & Digital Services division is forecasting a £0.5m pressure. Following the budget setting process, ongoing service pressures and new commitments have been identified and funded. The forecast overspend is principally due to:
- Evosys (Oracle) support costs of £0.4m which are unbudgeted, but expected to be an ongoing requirement.

## Is this report easy to understand?

Please give us feedback so we can improve.

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

- Further net pressures of £0.1m mainly as a result of extended use of contractors which has occurred due to delays in completing a restructure and recruiting to new and permanent posts. Officers are now moving this forward.

8.5. The Public Services division is forecasting a net overspend of £0.2m. The forecast overspend is principally due to:

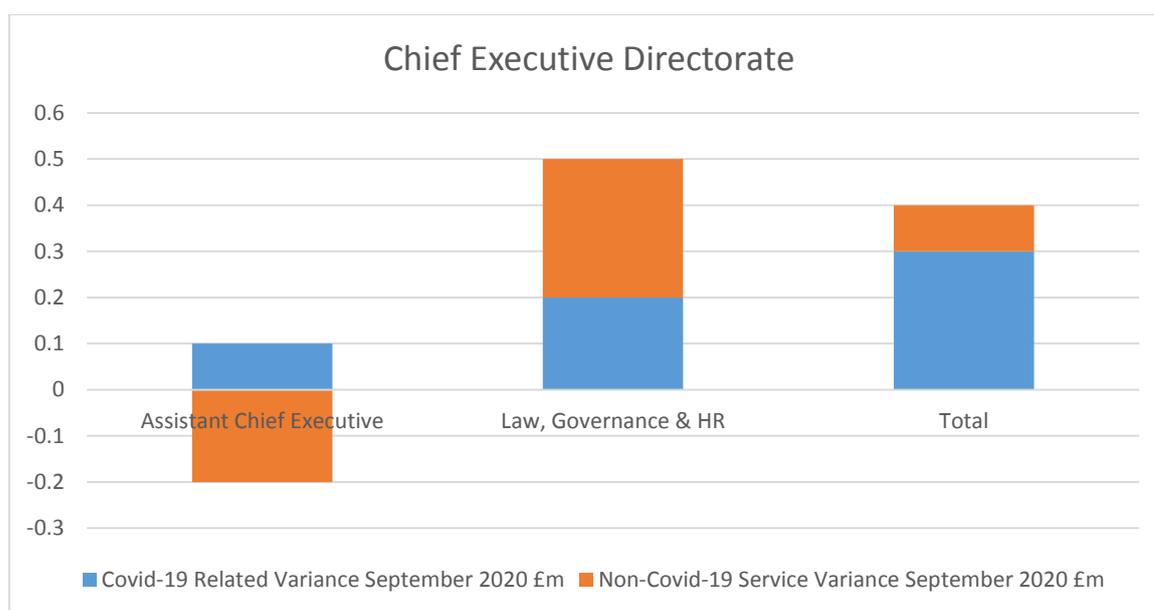
- The Facilities Management section is forecasting a pressure of £0.3m, mainly on utilities which is forecasting a £0.4m overspend. Utility prices have risen over time and have not always been matched by budgetary increases. There are also legacy issues over unresolved debt with utility providers. The position is improved by a £0.1m in-year saving (facilities management - delay with the in-sourcing cleaning contract).
- The Housing Benefit (HB) service is forecasting an underspend of £0.1m. There is an overspend forecast on HB subsidy of £0.5m, but this is offset by forecast underspend on HB Administration of £0.3m and Concessionary Fares of £0.3m.

8.6. The Corporate Services and Executive Office divisions are not forecasting any significant budget variances.

## 9. Chief Executive Directorate

9.1. As at the end of September 2020, there is a projected overspend of £0.4m for the Chief Executive Directorate. Some £0.3m relates to previously unanticipated Covid-19 budget pressures. This leaves a non Covid-19 related service directorate projected overspend of £0.1m for the year. These projections include in-year cash reductions totalling £0.2m.

**Chief Executive Directorate Overall Variance – August and September**



## Cost of Covid-19

9.2. The estimated financial impact of Covid-19 on base budgets for expenditure and income in the Chief Executive's Directorate is £0.3m. It is anticipated that these will be alleviated by the Covid funding the Council receives from government. The pressures are summarised in the table below.

**Table 6 – Chief Executive Directorate Covid-19 Pressures**

Service	Area	Total forecast

### Is this report easy to understand?

Please give us feedback so we can improve.

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

		September 2020 £m
<b>Communications</b>	<b>Increases in communications capacity to support response to the coronavirus pandemic. This is partly offset by delays in recruitment related to covid and pause on production of Lewisham Life magazine</b>	<b>0.1</b>
<b>Human Resources</b>	<b>Increases in HR capacity to support response to the coronavirus pandemic with regards to emergency recruitment and HR advice</b>	<b>0.1</b>
<b>Legal Services</b>	<b>Loss of income due to covid-related reduction in activity</b>	<b>0.1</b>
Total		0.3

- 9.3. The *Assistant Chief Executive* division, is forecasting a net covid pressure of £0.1m. This comes as a result of pausing production of the Lewisham Life magazine and some staff vacancies which have existed at various points across the division over the year. This is offset by a non covid forecast underspend of £0.2m elsewhere within the division leaving a net underspend of £0.1m.
- 9.4. The *Law, Governance & Human Resources* division is forecasting a net overspend of £0.3m.
- Net pressure of £0.2m in Legal Services in relation to staffing, income and non-recoverable shortfalls for right-to-buys, court costs, lease extensions and name changes.
  - Net pressure of £0.3m for Human Resources, mainly due to additional staff costs in supporting the the launch and subsequent support period of the Oracle programme. Options are being taken to contain these costs within the directorate cash limits.

## 10. Support received from central government

- 10.1. The Council has taken measures to support both businesses and residents who are facing financial hardship as a result of the Coronavirus (Covid-19) pandemic. The table below provides an overall summary of the additional resources which have been received the Council to date to help with this support.

**Table 7– Government Funding for Covid-19**

Funding Description	Lewisham's Allocation £m
<b>Section 31 – Infection Control Grant</b>	<b>1.624</b>
<b>Section 31 – Test, Track and Contain Grant</b>	<b>2.267</b>
<b>Section 31 – Food and Essential Supplies</b>	<b>0.401</b>
<b>Section 31 – Infection Control Grant – Round 2</b>	<b>1.354</b>
<b>Covid-19 LA Support Grant (Tranches 1 to 4)</b>	<b>29.395</b>
<b>Reopening High Street Safely Fund</b>	<b>0.272</b>
<b>Reclaim for costs from the Health Sector</b>	<b>TBC</b>
<b>Claim for lost income to be offset by government grant – April to July – £2.854m</b>	<b>TBC</b>
<i>Sub-Total – for service costs</i>	<i>35.313</i>
<b>Covid-19 Hardship Fund</b>	<b>3.241</b>
<b>Nursery Discount – Local Share</b>	<b>0.905</b>
<b>Expanded Retail Discount – Local Share</b>	<b>29.511</b>
<b>Business Support Grant (Small business grant fund and Retail, Leisure and Hospitality Fund)</b>	<b>47.000</b>
<b>Discretionary business grants (up to 5% of business)</b>	<b>TBC</b>

### Is this report easy to understand?

Please give us feedback so we can improve.

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

<b>support grant)</b>	
Sub-Total – for businesses and citizens	80.657
Grand Total	115.970

## Council Tax Payers

- 10.2. In March, the government announced a hardship grant would be provided to local authorities in response to Covid-19 to provide council tax relief to vulnerable people and households. Lewisham received £3.2m of hardship funding and has made these funds available to individual Council Tax payers through two routes:
- Grants aligned to the Council Tax Reduction Scheme
  - Emergency support for residents.
- 10.3. The first is an additional grant of £150 per working age claimant of the Council's Council Tax Reduction Scheme (CTRS). On 8 July, 16,300 households' accounts were credited with £150. Any remaining balance of this funding is being used to support additional hardship claims for those in crisis via the local support scheme, where no other assistance is available. As at 30 September 2020, more than 400 applications had been received.

## Businesses

- 10.4. Central government has turned to local authorities to deliver a number of new schemes aimed at supported local businesses who have been impacted by Covid-19.
- 10.5. For businesses, support measures include extended business rates relief for 2020/21, grants to small businesses and those in the retail, hospitality, and leisure sectors, and a grant to support Small and Medium Enterprises (SMEs) – those with less than 50 employees – not covered by the initial grant arrangements.
- 10.6. The Council has received £47m to distribute in grants of £10k or £25k to small business within certain rateable values and/or in the retail, hospitality, and leisure sectors. The Council had assessed all those who have applied and disbursed more than 3,225 grants to the 3,384 businesses eligible which equates to more than £41m. This scheme closed at the end of August.

## Government grant for Council Services

- 10.7. The Council received £18m from the first two tranches of emergency government Covid-19 funding. A further £3.2m of funding (third tranche) was announced on 17 July 2020, followed by a fourth tranche of £8.2m in October. The Council will also receive £1.6m plus a further £1.4m in grants for 'infection control' and £2.2m for 'test, track and trace'. An allocation of £400k has been received for 'food and essential supplies'. Furthermore, an allocation of £300k was received as Lewisham's share of the 're-opening the high street safely' fund. This brings the overall total of funding for these council services to £35.3m. For the purpose of this report, the gross costs of the coronavirus response has been set out in each directorate section, expressing the financial position in gross terms and before the application of the £35.3m emergency government funding.

## 11. Dedicated Schools' Grant

- 11.1. The Dedicated Schools Grant (DSG) for 2020/21 is confirmed at £264.251m. This is after the Department for Education (DfE) recoupment for Academy Schools and the adjustment for the inter-borough use of high needs places. This figure will be revised following the transfer of Sedgehill School to the United Learning Trust. This is an overall reduction of £1.031m to the previously advised figure. The majority of this reduction of £0.951m relates to Early Years and comes as a consequence of the pupil data clearance process relating to January 2020. The majority of this reduction should be containable as this aspect relates to

### Is this report easy to understand?

Please give us feedback so we can improve.

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

funding to providers for Early Years Provision. The reduction will have some impact on centrally managed aspect of this funding, for example circa £0.050m supporting managed functions supporting Early Years Provision.

- 11.2. The DfE has also confirmed the final 2019/20 allocation. Again and as previously reported, the DSG 2019/20 remains provisional until the clearance of the January 2020 data, and as a consequence there has been a reduction of £0.547m, meaning the 2019/20 revised closing position is now £0.655m. This will be the first call on the 2020/21 High Needs Block Allocation.
- 11.3. The allocation for the High Needs Block is £55m. The projection for 2020/21 suggests that it is anticipated to overspend by between £2.6m to £4m. Current trends the forecast figure is expected to be circa £3.1m. Overall the number of Educational Health and Care Plans (EHCPs) continues to show an overall increase from the April base position of 2,720 to estimated October position of 2,876. The data is currently being validated following post-secondary transfer and transition to further education for pupils leaving secondary schools.
- 11.4. The service has been working on a mitigation plan from 2018/19, the outcomes of which are beginning to embed. There remains a concern that the demand coming through from pupil numbers and pricing is continuing to outweigh the benefits of the mitigation plan. Careful and considered monitoring of the position will need to continue throughout the year.
- 11.5. The funding for high needs is considered on a baseline that was set in 2012/13, which was prior to the changes established as part of the Special Educational Needs and Disabilities (SEND) reforms. The baseline was determined when the scope was from 5 to 19 years old. The local authority's liability now covers the 0 to 25 age range. Overall, the number of EHCPs is continuing to increase coupled with increases in the severity of cases and prices. The table below shows the increase in the number of EHCPs since 2017/18.

**Table 8 – EHCP since 2017/18**

Phase - EHCPs	Under 5s	Primary	Secondary	Post-secondary	Grand Total
FY17/18 Used As Base Line	42	831	769	537	2,179
FY18/19	24	889	821	626	2,360
FY19/20	37	929	887	774	2,627
FY20/21 current	14	970	953	939	2,876
Movement on Baseline Numbers	-28	139	184	402	697
Movement on Baseline %	-66.7%	16.7%	23.9%	74.9%	32.0%

- 11.6. The element for the early years block is provisionally set at £23.9m for 2020/21. The early years funding remains provisional as it is based on January 2020 and January 2021 pupil census data. Demand on the service remains uncertain in light of the Coronavirus pandemic. The DfE position remains that providers are funded in line with anticipated take-up.
- 11.7. Further grants are given to schools and routed through the local authority. These include the Pupil Premium estimate (£13.8m), Post 16 funding (£4.5m), and the Universal Free School Meals grant estimate (£3.4m). Furthermore, the Teachers' Pay grant (£2m) and Teachers' Employers Contribution Pension grant (£6m) making total funds of £293.9m.

## Is this report easy to understand?

Please give us feedback so we can improve.

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

## Schools

- 11.8. Coming into 2020/21, there are now five schools with loans, totalling £1.4m. In total, there are 11 schools with deficits and 13 schools with balances that are within 8% of their delegated budget share. There are however 53 schools with balances in excess of 9%.
- 11.9. Budget plans have been received by most schools, these are being assessed in detail over with a view to formally advising schools of Red, Amber, Green (RAG) rating based on their submission.
- 11.10. The Schools Finance Team will continue to work with schools in developing sustainable budget plans. Budget plans incorporating metrics management have been developed to support schools to review budgets with a strategic view. This enables schools to compare their deployment on leadership, teaching, support administration, contact time etc. Feedback from schools has remained very positive.

## 12. Housing Revenue Account

- 12.1. The table below sets out the current budget for the Housing Revenue Account (HRA) and includes a budgeted contribution from reserves of £47.8m. This 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. A minor variance is being reported at this stage of the financial year.
- 12.2. Repairs & Maintenance (R&M) continues to be forecasting spend to budget within the monitoring statement. However, Lewisham Homes is currently forecasting an underspend. There was an underspend in this area in 2019/20. This area will continue to be closely monitored in 2020/21 to ensure that spend does not exceed budget and that costs can be contained within overall allocations.
- 12.3. The current 30 year HRA financial model has been recently refreshed. Budgets were updated in July 2020 to reflect starting stock numbers from 1 April 2020, as well as incorporating a consolidation update for the new supply programme to reflect the latest position. The revisions to the budgets have been agreed with Lewisham Homes and has pushed some of the planned capital and new supply expenditure into 2021/22 due to a re-programming of works and programme delays due to the Covid-19 pandemic.
- 12.4. The related Covid-19 costs which have currently been identified include additional bad debt impairments in the region of £0.5m, void losses on units unable to be let in the early period of the lockdown and there is a guarantee to Lewisham Homes that the Council will cover up to £1.2m of operative workforce related pressures due to the slowdown of repairs works undertaken which will represent lost income to their trading account. Members should note that these are all currently contained within current projections and use of reserves.
- 12.5. Additional income is currently being forecast from tenant rents and service charges due to lower than budgeted void rates. There is also a surplus of garage rents for garages remaining in the HRA and subject to development proposals. These garages will continue to provide income until such time as they are decanted for the development to proceed.
- 12.6. There is a significant major works income budget of £6.1m, which is based on the General Capital Programme allocation of £47m. The raising of bills is dependent on the Lewisham Homes Capital Programme undertaking works which can be recharged to Leaseholders. This are will be continually reviewed and forecasts updated where necessary.

**Table 9 – Housing Revenue Account**

Service Area	Expenditure Budget 2020/21	Income Budget 2020/21	Net Budget 2020/21	Forecast Variance over/ (under) spend September 2020
--------------	----------------------------	-----------------------	--------------------	------------------------------------------------------

### Is this report easy to understand?

Please give us feedback so we can improve.

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

	£m	£m	£m	£m
Housing, Regeneration and Public Realm – Housing	19.2	(3.6)	15.6	(0.1)
Lewisham Homes & R&M	38.4	0	38.4	0
Resources	1.6	0	1.6	0
Centrally Managed Budgets	90.3	(145.9)	(55.6)	(1.0)
<b>Total</b>	<b>149.5</b>	<b>(149.5)</b>	<b>0</b>	<b>(1.1)</b>

### 13. Collection Fund

13.1. As at 30 September 2020, some £74.1m of council tax had been collected. This represents 49.4% of the total amount due for the year. This is below the profiled collection rate of 51.6% if the overall target for the year of 96% is to be met.

**Table 10 – Council Tax collection to end of September 2020**

	Cash Collected (cumulative) £	Cash needed to meet 96% Profile £	difference between collected and 96% profile £	Current Year Collection Rate	Previous Year Collection Rate (2019-2020)	difference	Required Collection Rate to reach 96%	difference
<b>April</b>	15,214,801.2	16,463,792.3	-1,248,991.13	9.98%	10.86%	-0.88%	10.97%	-0.99%
<b>May</b>	26,675,961.2	29,022,760.9	-2,346,799.72	17.49%	19.01%	-1.52%	19.35%	-1.86%
<b>Jun</b>	38,288,334.5	40,967,698.1	-2,679,363.58	25.46%	26.72%	-1.26%	27.31%	-1.85%
<b>July</b>	50,775,906.8	53,580,267.5	-2,804,360.69	33.83%	34.87%	-1.04%	35.72%	-1.89%
<b>August</b>	61,906,944.6	65,504,211.1	-3,597,266.42	41.32%	42.52%	-1.20%	43.68%	-2.36%
<b>Sept'</b>	74,086,558.9	77,481,277.9	-3,394,719.06	49.39%	50.32%	-0.93%	51.65%	-2.26%

13.2. Business rates collection to 30 September is at 59.2%. This is an decrease of 3.2% compared to the same period last year, and 5.5% lower than the profiled collection rate if the overall target rate for the year of 99% is to be achieved. It should be noted though, that the collectible amount for the year has been reduced by over £30m due to Covid-19 related additional reliefs provided for businesses to date.

**Table 11 – Business Rate collection to end of September 2020**

	Previous year (%)		Current year (%)			Difference from previous year (%)	
	Excluding Credits	Including Credits	Excluding Credits	Including Credits	Profile	Excluding Credits	Including Credits
<b>April</b>	22.35	22.39	20.40	18.24	11.87%	-1.95	-4.15
<b>June</b>	31.00	31.09	33.44	33.04	26.28%	2.44	1.96
<b>July</b>	37.82	37.96	37.56	38.90	36.54%	-0.25	0.94
<b>July</b>	45.55	45.74	46.35	47.60	45.61%	0.80	1.86

### Is this report easy to understand?

Please give us feedback so we can improve.

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

<b>August</b>	53.97	54.39	51.03	52.15	53.97%	-2.94	-2.25
<b>Sept'</b>	61.93	62.40	58.07	59.18	64.66%	-3.86	-3.21

## 14. Capital Expenditure

- 14.1. The Capital Programme spend as at 30 September 2020 is £37.2m, which is 23% of the proposed revised 2020/21 budget of £163.6m. At this point last year, some 25% of the revised budget had been spent, with the final outturn being 72% (£121.2m) of the revised budget of £169.1m. Although this is still considered relatively early in the financial year, the current spend against the programme remains considerably lower than the levels expected at this stage of the year.
- 14.2. There continues to be considerable uncertainty for London over future property values and rents as the market has stalled during the Covid-19 response and the impact through recovery on employment is not yet understood. This comes on top of the Brexit uncertainties already in place going into this pandemic. Additionally, the Covid-19 response is beginning to show a shift of the ways of working of the Council and the current plans may no longer reflect the estate the Council needs to maintain.
- 14.3. For these reasons and while the programme is effectively stalled, a review of the capital programme set in the annual Budget is being undertaken as part of the Council's Covid-19 recovery planning phase. The budget for 2020/21 has been reviewed and spend on some schemes has been re-profiled into future years.
- 14.4. Members should be note that a summary of the various capital projects and programmes which in outline the risks and progress on delivery have been set out at Appendix x to this report. The table below provides a summary update on the financial position of the major projects contained within the programme.

**Table 12 – Capital Programme 2020/21 (Major Projects)**

2020/21 Capital Programme	Budget Report (February 2020)	Revised Budget (M&C 09/07/20)	Revised Budget (Sept 2020)	Spend to 30 Sept' 2020	Spent to Date (Revised Budget)
	£m	£m		£m	%
<b>GENERAL FUND</b>					
Schools - School Places Programme	10.5	9.1	4.7	0.9	19%
Schools - Other (Inc. Minor) Capital Works	0.1	6.3	5.7	1.9	33%
Highways & Bridges - LBL	2.5	2.9	3.0	1.4	47%
Highways & Bridges – TfL	0.0	0.0	1.2	0.0	0%
Highways & Bridges - Others	0.8	1.1	0.6	0.0	0%
Catford town centre	3.7	4.0	1.0	0.4	40%
Asset Management Programme	1.7	2.4	1.3	0.4	31%
Other AMP Schemes	7.3	3.7	1.1	0.3	27%
Lewisham Gateway ( Phase 2)	0.0	0.0	14.8	7.0	47%
Excalibur Regeneration	1.2	1.4	0.3	0.1	33%
Lewisham Homes – Property Acquisition	3.0	3.0	0.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	3.3	1.6	0.6	0.3	50%
Achilles St. Development	0.0	10.3	0.8	0.0	0%
Ladywell Leisure Centre Development Site	1.1	1.3	0.1	0.2	100%

### Is this report easy to understand?

Please give us feedback so we can improve.

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

Edward St. Development	9.0	9.0	9.0	0.9	10%
Residential Portfolio Acquisition – Hyde Housing Association	0.0	2.9	2.9	2.2	76%
Travellers Site Relocation	2.1	0.2	0.2	0.0	0%
Fleet Replacement Programme	8.1	7.8	7.8	2.6	33%
Other General Fund schemes	3.7	7.4	8.1	1.6	20%
<b>TOTAL GENERAL FUND</b>	<b>58.1</b>	<b>74.4</b>	<b>63.2</b>	<b>20.2</b>	<b>32%</b>
<b>HOUSING REVENUE ACCOUNT</b>					
Building for Lewisham Programme	97.5	78.4	36.5	3.0	8%
HRA Capital Programme ( Decent Works)	37.2	37.2	47.7	8.5	18%
Creekside Acquisition	0.0	19.1	5.7	5.0	88%
Ladywell Leisure Centre Development Site	0.0	0.0	4.5	0.4	9%
Achilles St. Development	0.0	0.0	4.3	0.0	0%
Mayow Rd Development	0.0	0.0	1.1	0.0	0%
Other HRA schemes	1.6	1.8	0.6	0.1	17%
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>136.3</b>	<b>136.5</b>	<b>100.4</b>	<b>17.0</b>	<b>17%</b>
<b>TOTAL CAPITAL PROGRAMME</b>					
	<b>194.4</b>	<b>210.9</b>	<b>163.6</b>	<b>37.2</b>	<b>23%</b>

14.5. The main sources of financing the programme are grants and contributions, and capital receipts from the sale of property assets. Some £17.6m has been received so far this year, comprising £5.5m (net) from Housing right-to-buy sales and other capital receipts and £12.1m of grants and contributions.

## 15. Financial Implications

15.1. This report concerns the financial forecasts for the 2020/21 financial year. However, there are no direct financial implications in noting these.

## 16. Legal Implications

16.1. 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. The proposals in the body of the report suggest this can be achieved this year by use of reserves.

## 17. Crime and Disorder Implications

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

## 18. Equalities Implications

18.1. 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.

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

### Is this report easy to understand?

Please give us feedback so we can improve.

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

## 19. Background Papers And Appendices

Short Title of Report	Date	Location	Contact
Financial Forecasts for 2020/21 (June 2020)	9 <sup>th</sup> July 2020 (M&C)	1 <sup>st</sup> Floor Laurence House	Selwyn Thompson
Financial Forecasts for 2020/21 (August 2020)	11 <sup>th</sup> November 2020 (M&C)	1 <sup>st</sup> Floor Laurence House	Selwyn Thompson

## 20. Glossary

Term	Definition
<b>Clinical Commissioning Group (CCG)</b>	Clinical Commissioning Groups ( <b>CCGs</b> ) were created following the Health and Social Care Act in 2012, and replaced Primary Care Trusts on 1 April 2013. They are clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.
<b>Collection fund</b>	A statutory account maintained by the Council recording the amounts collected from Council Tax and Business Rates and from which it pays the precept to the Greater London Authority.
<b>Collection Fund surplus (or deficit)</b>	If the Council collects more or less than it expected at the start of the financial year, the surplus or deficit is shared with the major precepting authority, in Lewisham's case this is the GLA, in proportion to the respective Council Taxes. These surpluses or deficits have to be returned to the Council taxpayer in the following year through lower or higher Council taxes. If, for example, the number of properties or the allowance for discounts, exemptions or appeals vary from those used in the Council Tax base, a surplus or deficit will arise. The Council generally
<b>Contingency</b>	This is money set-aside centrally in the Council's base budget to meet the cost of unforeseen items of expenditure, such as higher than expected inflation or new responsibilities.
<b>Council Tax Base</b>	The Council Tax base for a Council is used in the calculation of Council Tax and is equal to the number of Band D equivalent properties. To work this out, the Council counts the number of properties in each band and works out an equivalent number of Band D equivalent properties. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992. They are: A 6/9, B 7/9, C 8/9, D 9/9, E 11/9, F 13/9, G 15/9 and H 18/9, so that Band A is six ninths of the 'standard' Band D, and so on.
<b>Dedicated schools grant (DSG)</b>	This is the ring-fenced specific grant that provides most of the government's funding for schools. This is distributed to schools by the Council using a formula agreed by the schools forum.
<b>General Fund</b>	This is the main revenue fund of the local authority, day-to-day spending on services is met from the fund. Spending on the provision of housing however, must be charged to the separate Housing Revenue Account (HRA).
<b>Gross Expenditure</b>	The total cost of providing the Council's services, before deducting income from government grants, or fees and charges for services.
<b>Housing Revenue Account (HRA)</b>	A separate account of expenditure and income on housing that Lewisham must keep. The account is kept ring-fenced from other Council activities.

### Is this report easy to understand?

Please give us feedback so we can improve.

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

Term	Definition
	The government introduced a new funding regime for social housing within the HRA from April 2012.
<b>Net Expenditure</b>	This is gross expenditure less services income, but before deduction of government grant.
<b>Revenue Expenditure</b>	The day-to-day running expenses on services provided by Council.

## 21. Report Author and contact

Selwyn Thompson, Director of Financial Services on 020 8314 6932,  
 selwyn.thompson@lewisham.gov.uk

### Is this report easy to understand?

Please give us feedback so we can improve.

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

## 22. APPENDIX 1 – Summary of originally agreed budget saving for 2020/21

Ref	Proposal	2020/21 £'000	2020/21 £'000	2020/21 £'000	Comment:
CHIEF EXECUTIVE DIRECTORATE		Agreed Savings	Achieved	Gap	
RES02	Legal fees increase	32	32	0	On Track
RES04	Policy, service design and intelligence - reduction on staffing	155	50	105	On Track (n.b. saving was reduced to £50k)
RES10	Cease graduate programme	78	78	0	On Track
Total for Chief Executive Directorate		265	160	105	
CHILDREN & YOUNG PEOPLE DIRECTORATE					
CYP01	More efficient use of residential placements	300	0	300	At Risk
CYP03	More systematic and proactive management of the market	600	0	600	At Risk
CYP04	Commission semi-independent accommodation for care leavers	250	0	250	At Risk
CYP05	Residential framework for young people. Joint South East London Commissioning Programme	200	0	200	At Risk
CYP06	Cease funding for former CYP funded post in Voluntary Action Lewisham	25	0	25	At Risk
CUS15	No Recourse to Public Funds	1,000	1,000	0	On Track
Total for Children & Young People Directorate		2,375	1,000	1,375	

COMMUNITY SERVICES DIRECTORATE					
COM02	Ensuring support plans optimise value for money	250	250	0	Achieved
COM04	Reduce costs for Learning Disability and Transitions	1,000	200	800	Partial Achievement, balance delayed
COM05	Increased focus of personalisation	482	350	132	Largely achieved
COM06	Reduction in Mental Health Residential care costs	200	200	0	Achieved
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services (Sirs)	50	50	0	Achieved
COM08	Change in the public engagement responsibilities for air quality and dedicated funding	60	60	0	Achieved
COM10	Crime, Enforcement & Regulation reorganisation	161	161	0	Achieved
COM15	Extended Use of Broadway Theatre	50	0	50	Savings offset by pressures funding
COM16	Cultural & Community Development Service Staffing	75	75	0	On Track
COM18	Funding inflationary increase from within the ASC Grant	2,000	2,000	0	Achieved
COM1A	Managing demand at the point of access to adult social care services	1,000	100	900	Partial Achievement, balance delayed
COM2A	Ensuring support plans optimise value for money	500	0	500	Delayed
COM3A	Increase revenue from charging Adult Social Care	500	0	500	Delayed

### Is this report easy to understand?

Please give us feedback so we can improve.

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

	clients				
CUS06	Bereavement Services increase income targets	67	0	67	At Risk
RES17	Beckenham Place Park - income generation	105	0	105	At Risk
Total for Community Services Directorate		6,500	3,446	3,054	
CORPORATE SERVICES DIRECTORATE					
CUS10	Invest to save - create revenues protection team	394	394	0	Achieved
CUS11	Process automation in Revenues and Benefits	250	250	0	On Track
CUS13	Invest to save - improve sundry debt collection	480	0	480	Delayed due to Covid-19 related reduction in collection activity
RES01	Benefits realisation of oracle cloud	350	0	350	Delayed
RES03	Executive Office - Administrative Support Staff Reduction	104	0	104	At Risk
RES14	Corporate Estate Facilities Management Contract Insourcing	100	0	100	At Risk
RES21	Reduced allocation of inflation to contract cost	1,000	1,000	0	Achieved
RES22	Reduced allocation of inflation as dividend for improved ICT Provision	1,500	1,500	0	Achieved
Total for Corporate Services Directorate		4,178	3,144	1,034	
HOUSING, REGENERATION & PUBLIC REALM DIRECTORATE					

### Is this report easy to understand?

Please give us feedback so we can improve.

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

CUS02	Income generation - increase of garden waste subscription	485	0	485	Achievability affected by Covid-19
CUS04	Income generation - increase in commercial waste charges	300	0	300	Achievability affected by Covid-19
CUS09	Cost reductions in homelessness provision - income generation and net budget reductions	696	696	0	In 2020/21 this saving will not be achieved, but will be covered by once off funds
CUS14A	Parking service budget review	500	0	500	Achievability affected by Covid-19
CUS16	Operational savings in the private sector housing agency through service improvements	175	175	0	On Track
RES06	Increase income supporting the Funding Officer post and review the Economy and Partnerships Function	80	80	0	Achieved
RES07	Reduce corporate apprenticeships salaries budget	55	55	0	On Track
RES11	Increase in pre-application fees	100	0	100	Achievability affected by Covid-19
RES12	Catford complex office rationalisation	250	150	100	Only £150k will be achieved
RES13	Reduction in business rates for the corporate estate	100	100	0	On Track
RES15	Commercial estate growth	500	100	400	Only £100k will be achieved
RES18	Electric vehicle charging points	50	0	50	Achievability affected by Covid-19

## Is this report easy to understand?

Please give us feedback so we can improve.

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

Total for Housing, Regeneration & Public Realm Directorate	3,291	1,356	1,935	
GRAND TOTAL	16,609	9,106	7,504	

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

Please give us feedback so we can improve.

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

## 23. APPENDIX 2 – Looked After Children Data – April 2019 to September 2020

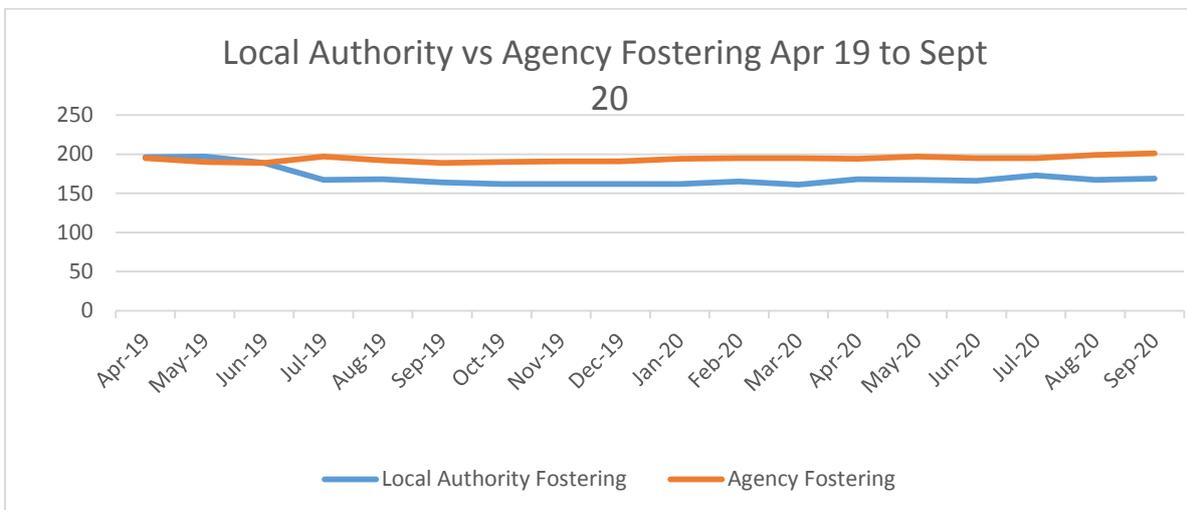
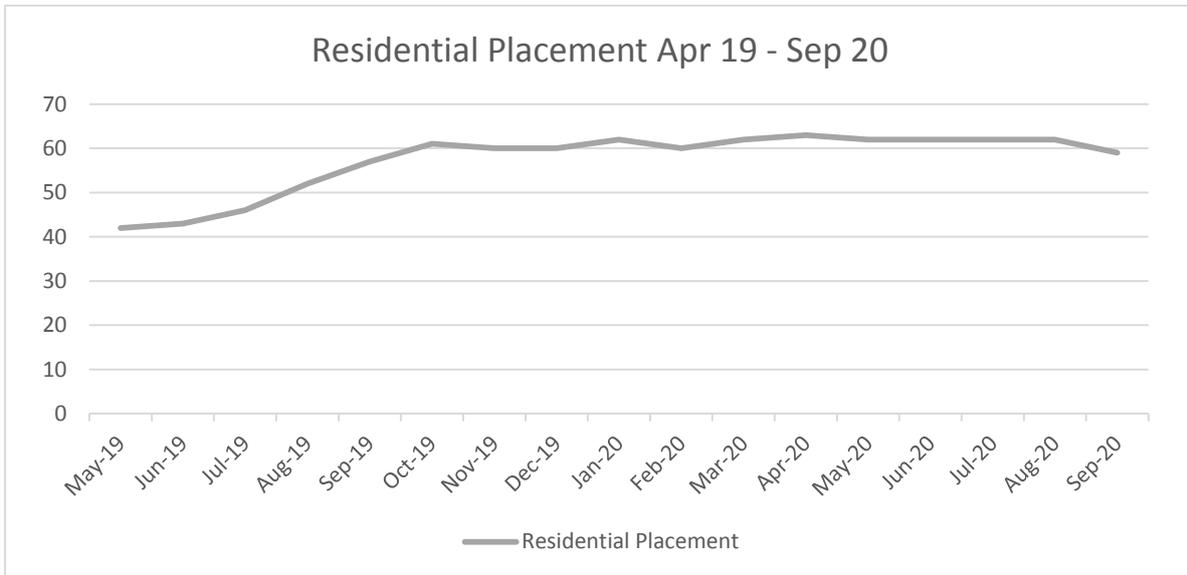
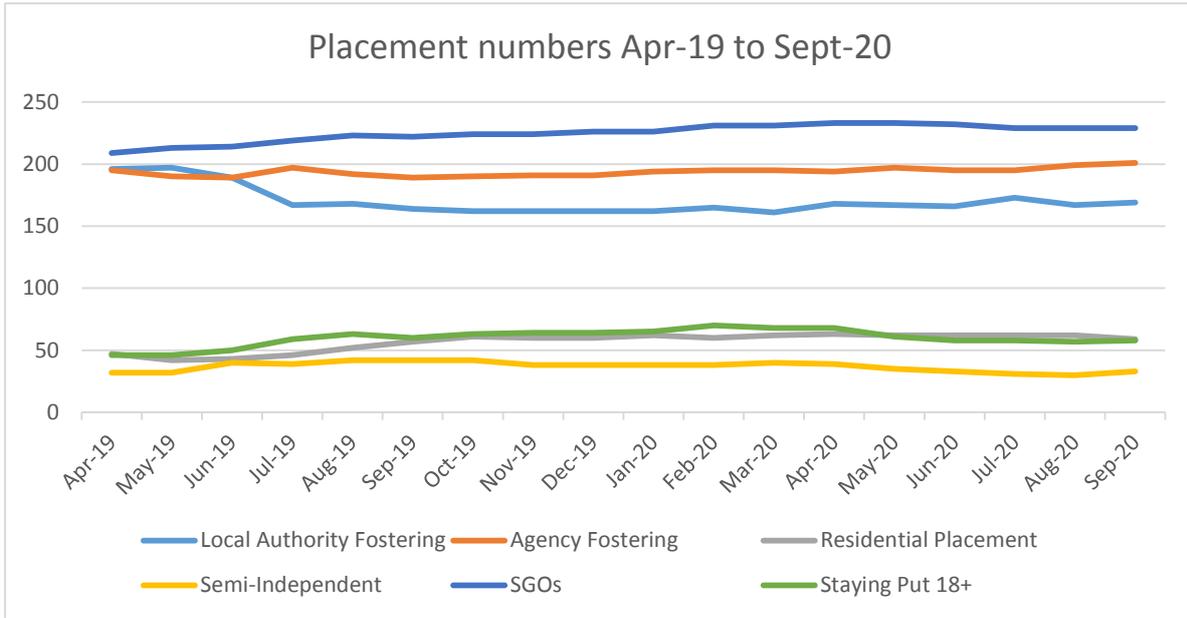
Numbers	Local Authority Fostering	Agency Fostering	Residential Placement	Semi-Independent	SGOs	Staying Put 18+	Total
Apr-19	196	195	47	32	209	46	725
May-19	197	190	42	32	213	46	720
Jun-19	189	189	43	40	214	50	725
Jul-19	167	197	46	39	219	59	727
Aug-19	168	192	52	42	223	63	740
Sep-19	164	189	57	42	222	60	734
Oct-19	162	190	61	42	224	63	742
Nov-19	162	191	60	38	224	64	739
Dec-19	162	191	60	38	226	64	741
Jan-20	162	194	62	38	226	65	747
Feb-20	165	195	60	38	231	70	759
Mar-20	161	195	62	40	231	68	757
Apr-20	168	194	63	39	233	68	765
May-20	167	197	62	35	233	61	755
Jun-20	166	195	62	33	232	58	746
Jul-20	173	195	62	31	229	58	748
Aug-20	167	199	62	30	229	57	744
Sep-20	169	201	59	33	229	58	749

### Is this report easy to understand?

Please give us feedback so we can improve.

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

## 24. APPENDIX 3 – Activity Trend Charts for Children Looked After



**Is this report easy to understand?**

Please give us feedback so we can improve.

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

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

Please give us feedback so we can improve.

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

## 25. APPENDIX 4 – Activity Trend Tables for Adult Social Care

5a – Number of 18+ Clients in service:

Adults 18+ in each type of care (numbers)				
	Jun-20	Jul-20	Aug-20	Sep-20
Residential	421	421	426	429
Nursing	267	269	273	285
Non-Residential	2,122	2,134	2,139	2,152
Total	2,810	2,824	2,838	2,866

5b – Average Weekly Cost of 18+ Clients in service:

Adults 18+ in each type of care (average cost)				
	Jun-20	Jul-20	Aug-20	Sep-20
Residential	£1,176	£1,180	£1,179	£1,179
Nursing	£857	£859	£874	£881
Non-Residential	£405	£403	£405	£404
Average Gross v. Numbers	£563	£562	£566	£568

5c – Weekly Gross Cost of 18+ Clients in service:

Adults 18+ in each type of care (gross cost)				
	Jun-20	Jul-20	Aug-20	Sep-20
Residential	£495,254	£496,941	£502,109	£505,589
Nursing	£228,734	£231,058	£238,658	£251,014
Non-Residential	£859,112	£859,108	£865,940	£870,313
Total	£1,583,099	£1,587,107	£1,606,707	£1,626,915

### Is this report easy to understand?

Please give us feedback so we can improve.

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

## 26. APPENDIX 5 – Update on Capital Projects and Programmes

### Schools – School Places Programme

26.1. Primary place demand has levelled off recently across London and the priority for school place delivery has shifted mainly to Special Educational Need and Disability provision. Four schemes are currently in development and delivery over the next three years to conclude in 2021. They include:

- Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works commenced in April last year and are due to be completed by the end of this calendar. The project will deliver a new standalone block adjacent to Lewisham Way, improved landscaping within the site and a new entrance and enhanced public realm area to the South of the site.
- Greenvale School, in Whitefoot ward, is Lewisham’s community special school for children and young people between the ages of 11 and 19 years who have significant learning difficulties. A new satellite facility to accommodate an additional 93 students will be constructed on the site of the former Brent Knoll building in Perry Vale. The build contract was recently awarded to Osborne and construction is expected to start in by the end of the year.
- New Woodlands, in Downham Ward, is a special school which supports children from 5 to 16 who have Social, Emotional and Mental Health (SEMH) special educational needs. The school recently began admitting Key Stage 4 students, and works to expand the facility took place over the summer holidays last year, ensuring that the school can provide a full curriculum. The works included minor remodelling and refurbishment of the existing building, provision of a new food technology practical room, and improvements to existing landscaping and external play areas. The final works including boundary treatment was completed in October 2020.
- Watergate is Lewisham’s primary special school for children between the ages of three and eleven years who have severe learning difficulties, located in Bellingham Ward. Approval has been granted to expand the school by 59 places through the construction of a new teaching block on the existing site. A feasibility has been conducted and is currently being reviewed.

### Schools – Minor Works Capital Programme

26.2. The School Minor Works Programme (SMWP) is an ongoing programme of minor capital works to existing community school buildings, primarily relating to mechanical/electrical infrastructure and building fabric needs. The programme is grant funded by central government and has been consistently delivered on budget.

### Highways & Bridges

26.3. The Council continues to invest resources in maintaining its 397km of highway borough roads, most notably through its annual programme of carriageway and footway resurfacing works. The budget for highways has allowed 70 roads (or part of a road) to be resurfaced each year. Until 2017, the majority of these roads were those in the worst condition and categorised as “Red” – lengths of road in poor overall condition and in need of immediate further engineering assessment with a planned maintenance soon.

26.4. In 2020/21, the carriageway resurfacing programme is to be carried out on up to 32 roads (or part of road) funded from the Council’s Capital programme. At the time of this report (November 2020) over 90% of the carriageway resurfacing programme has been completed. This programme is on course to deliver in time and within budget.

### Is this report easy to understand?

Please give us feedback so we can improve.

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

- 26.5. Future carriageway resurfacing works will focus on roads classified with the Condition Index of “Amber” (lengths of road which, without a planned early intervention could result in further severe defects and move the Condition Index to “Red”). The Council also carries out ongoing responsive carriageway maintenance works that remedies localised hazards and defects caused through accidents and deterioration of the asset from wear, age, excavations and failures.
- 26.6. The footway resurfacing programme aims to bring improvements to 17 roads where the Condition Index classifies as “Red” and thus in need of future works. At the time of this report (November 2020) approximately 75% of the current footway resurfacing programme has been completed, with an expectation to complete the full programme on time and within budget by February 2021.
- 26.7. Future Council Capital investment is to be aimed at the borough’s footways as over 20% of this asset requires essential maintenance works. Such works to the footways potentially will reduce future insurance claims.
- 26.8. The replacement of the span for the Sydenham Park footbridge is planning, and with active discussions about bridge design, method of construction, risk management and approvals underway, the Council in its client capacity is working closely with consultants to secure a delivery plan agreement with Network Rail. Subject to a Network Rail track possession agreement, the span replacement and associated works for the Sydenham Park Footbridge is scheduled for winter 2021.

### **Catford Town Centre**

- 26.9. Architect’s Studio Egret West is working with officers to develop a master plan to guide the regeneration of the Town Centre. The plan will form the basis of any future plan for the Town Centre along with input from Viability Assessors, Construction Programme Advisors and an independent Planning Consultant. The Masterplan will be used as an evidence base for the emerging Local Plan.
- 26.10. Work is also continuing, albeit slowly, with TfL on the agreed proposal to realign the South Circular A205 through the Town Centre. GLA Housing Infrastructure Funding (HIF) in the sum of £10m has been secured on condition that the road is delivered by TfL. Subject to an approved design, early work was expected to start by the last quarter of 2020/21 but has been hampered by the impact of Covid-19.
- 26.11. Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team’s work is expected to continue through the development of the master plan and beyond.
- 26.12. The draft Masterplan was presented to Mayor & Cabinet in September and is now out for public consultation. A final plan will be considered for endorsement by Mayor & Cabinet in March 2021.

### **Asset Management Programme**

- 26.13. Funding from the Asset Management Programme (AMP) has continued to support reactive and much needed capital works across the operational corporate estate. This has included fabric works such as roof replacement and mechanical works including boiler replacements and lift repairs across the estate of approximately 90 buildings and sites. More recently, the programme has funded some works to the Civic Suite, Registry Office and some essential works as part of the main Laurence House refurbishment programme. A full condition survey of the corporate estate has recently been completed. A programme of work has now been compiled to help address the investment needs of the estate.

### **Beckenham Place Park**

- 26.14. The restoration of Beckenham Place Park (to the western side of the railway) has now

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

Please give us feedback so we can improve.

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

been completed. The listed stable block is now home to the new park café and environmental education centre, and the long anticipated restored landscape, with its reinstated lake, is being enjoyed by thousands of local people.

- 26.15. The stable yard itself will become an arrival and visitor's hub, as new tenants take up occupation of the cottages over the next year.
- 26.16. The new play facilities are much loved, as part of the restored pleasure grounds, and the previously derelict Gardener's cottage is now fully restored and re-purposed as a hub for volunteer activity in the park, in the midst of the new community garden.
- 26.17. Open water swimming now takes place on the lake, and visitors will be encouraged to explore the breadth and nature of Lewisham's largest park on new paths and trails.
- 26.18. Early consultation and design work has now started on the eastern side of the park. An options appraisal is also being prepared for M&C in March 2021 to try and secure a future for the Mansion.

### **Lewisham Homes – Property Acquisition**

- 26.19. This funding supports the delivery of the Lewisham Homes acquisitions programme that secures properties for temporary accommodation for homeless households, making a saving on the Council's spend on bed & breakfast accommodation.

### **Achilles Street**

- 26.20. Residents on the Achilles Street Estate have voted for the redevelopment of the estate to go ahead. Work is underway to carry out due diligence and the procurement of the design team has commenced with estate residents. The scheme will deliver new homes for all existing residents as well as a significant number of new council owned homes for social rent.

### **Edward Street**

- 26.21. Edward St will provide 34 new high-quality temporary accommodation homes for local families in housing need. The tender and contractor appointment has been completed following Mayor and Cabinet approval. The manufacturing of the homes has commenced in the factory.

### **Residential Portfolio Acquisition – Hyde Housing Association**

- 26.22. The acquisition of a portfolio currently comprising 120 residential properties from Hyde Housing Association, as per a report to Mayor & Cabinet on 13 March 2019. The Council completed on the acquisition of a portfolio of homes from Hyde Housing Association earlier this financial year. Hyde Housing Association have offered the option of further acquisitions. The Council are currently considering this option and carrying out due diligence in relation to this.

### **Fleet vehicle replacement**

- 26.23. This budget was to finance the replacement of 75 vehicles in the Council's fleet in order to meet the approaching Low Emissions Zone (LEZ) changes in October 2020. The total number of vehicles currently on order is 65 (the buses were reduced by 10).
- 26.24. As of mid-November we have had delivered, 40 Buses and 18 refuse vehicles at a total cost of £5.9m. This order should be complete by mid-December. There are a further six refuse trucks and one tipper to come, costing £1.1m and that will complete the order for this year.

### **Building for Lewisham Programme**

- 26.25. The Building for Lewisham (BfL) supersedes the Housing Matters Programme. In January 2020, the Mayor and Cabinet approved recommendations to advance and expand the Council's housebuilding programme to meet the corporate objectives set

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

Please give us feedback so we can improve.

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

for the period between 2018 and 2022. The M&C paper sets much of the context for the budget identified in this paper.

- 26.26. This Programme will deliver a significant proportion of new council housing for the borough. Funding has currently been agreed for the continuation of the former New Homes Better Places programme and for a series of additional infill sites. In addition, funding for feasibility and preparation of planning and tender information for major strategic projects at Lady well, Achilles Street Estate and Catford has been allocated as well as funding for wider feasibility studies for sites across the borough.
- 26.27. The Council, via its development agent, Lewisham Homes, is also investigating acquisition opportunities on land and sites from the market. These schemes may offer an opportunity to deliver more homes on an expedited timescale.
- 26.28. The current consolidation of the BfL programme notes funding for 1,422 new homes across a mix of tenures. This has been modelled over a 40 year period and has been inflation-adjusted accordingly. However, the assumptions used in this report represent an over-programming of developments and not all developments modelled will necessarily come forward. Therefore, this represents the most budget-intensive scenario. The financial and programme risk associated with the BfL programme will be monitored closely and mitigations implemented accordingly. However, should any significant changes to this budget be required, approval via Mayor and Cabinet will be duly sought.
- 26.29. The programme is supported by grant funding from the GLA via the Building Council Homes for London Programme. This provides £37.7m at a rate of around £100k per social unit. In addition to this the Council have secured funding from the GLA through their Small Sites Small Builders Fund, Housing Capacity Fund and Accelerated Construction Fund. The NHS have also provide grant support for Supported Housing. In addition to this, the Council will continue to subsidise the programme with the use of Right to Buy 1-4-1 receipts.
- 26.30. The majority of spend for the remainder of 2019/20 will relate to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by Lewisham Homes on site. Around 340 new social homes are forecast to achieve planning permission or start on site in 2020.

### **HRA Capital Programme**

- 26.31. Lewisham Homes are responsible for ensuring council owned stock under their management is brought up to and maintained to a decent homes level, covering both internal and external enveloping works. Lewisham Homes are leading on the delivery of the decent homes programme (under delegated powers) in consultation / agreement with the Council.

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

Please give us feedback so we can improve.

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

## 27. APPENDIX 6 – Capital Programme Major Projects 2020/21 – 2022/23

Major Projects over £2m	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
<b>GENERAL FUND</b>				
Schools - School Places Programme	4.7	9.1	2.4	16.2
Schools – Minor Works Capital Programme	3.9	0.1		4.0
Schools - Other Capital Works	1.7	1.6		3.3
Highways & Bridges – LBL	3.0	2.5	2.5	8.0
Highways & Bridges – TfL and Others	1.8	0.6	0.1	2.5
Asset Management Programme	1.3	3.1	2.5	6.9
Other AMP Schemes	1.1	5.7	1.7	8.5
Beckenham Place Park ( Inc. Eastern Part)	0.7	1.7		2.4
Catford Phase 1 – Thomas Lane Yard/ CCC	0.2	3.1		3.3
Lewisham Gateway ( Phase 2)	14.8	3.5	4.8	23.1
Lewisham Homes – Property Acquisition	0.0	3.0		3.0
Residential Portfolio Acquisition – Hyde Housing Ass.	2.9			2.9
Disabled Facilities Grant	0.4	2.1		2.5
Private Sector Grants and Loans	0.2	2.1		2.3
Edward St. Development	9.0	8.4		17.4
Achilles St Development	0.8	1.0		1.8
Mayow Rd Development	0.6	6.6	1.1	8.3
Canonbie Rd Development	0.8	1.4	0.3	2.5
Fleet Replacement Programme	7.8	0.8	0.8	9.4
Ladywell Leisure Centre Development Site	0.1	2.7		2.8
Travellers Site Relocation	0.2	3.6		3.8
Other Schemes	7.2	2.8	1.5	11.5
	<b>63.2</b>	<b>65.5</b>	<b>17.7</b>	<b>146.4</b>
<b>HOUSING REVENUE ACCOUNT</b>				
Building for Lewisham Programme	36.5	72.9	94	203.4
Creekside Acquisition	5.7	13.9	2.0	21.6
HRA Capital Programme ( Decent works)	47.7	30.6	42.2	120.5
Ladywell Leisure Centre Development	4.5	15.4	43.4	63.3
Achilles St. Development	4.3	0.4	1.0	5.7
Mayow Rd Development	1.1	0.8		1.9
Other HRA Schemes	0.6	1.0	1.0	2.6
	<b>100.4</b>	<b>135.0</b>	<b>183.6</b>	<b>419</b>
<b>TOTAL PROGRAMME</b>	<b>163.6</b>	<b>200.5</b>	<b>201.3</b>	<b>565.4</b>

### Is this report easy to understand?

Please give us feedback so we can improve.

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

## 28. APPENDIX 7 – Capital Programme Revised 2020/21 budget – reconciliation from budget in Finance Forecasts report to Mayor & Cabinet on 9 July 2020

	Total £'000	Total £'000
<b>APPROVED CAPITAL PROGRAMME BUDGET</b>		
<b>M&amp;C – 9<sup>th</sup> July, 2020</b>		<b>210,947</b>
<b>New Schemes</b>		
Lewisham Market Scheme	322	
20/21 LIP Programme	1,220	
Lewisham Gateway Phase 2	14,812	
Catford Phase 1 – Thomas Lane Yard / Catford Constitution Club'	200	
Phoenix Acquisitions - S106 Funded	450	
Beckenham Place Park (Eastern Part)	200	17,204
<b>Approved variations on existing schemes</b>		
Excalibur (Phase 3)	200	
Canonbie Road Development	677	877
<b>Re allocated Budgets</b>		
Lewisham Library - Repairs & Refurb.	(1,000)	(1,000)
<b>Re profiled Budgets</b>		
CYP CERA	(500)	
Achilles St. Development (Design Work)	(401)	
Achilles St. Development	(4,764)	
Ladywell Leisure Centre Development	3,290	
Unallocated AMP	(1,072)	
Excalibur (Phases 4&5)	(1,265)	
Milford Towers Decant	(2,769)	
Creekside Acquisition	5,711	
19, Yeoman St. Improvements	7	
Deptford Southern Sites	(329)	
Lewisham homes property acquisition	(3,000)	
Schools Pupils Places Programme	(4,494)	
2020 Schools Minor Works	(79)	
Heathside & Lethbridge	(244)	
Milford Towers Decant	(100)	
DFG & Disc Grants	(1,040)	
9-19 Rushey Green	(250)	
Sydenham park footbridge	(489)	
Broadway Theatre - Works	(1,594)	
Acquisition of homes in inner LHA Area	(75)	
Watson Street Streetscape Improvements	(120)	
Refurbishment of 43-45 Bromley Road	(235)	
Essential footpath resurfacing parks	(7)	

### Is this report easy to understand?

Please give us feedback so we can improve.

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

Catford Broadway - Phase 2	<u>(5)</u>	(13,824)
Re-Phasing Budgets – HRA		(50,585)
<b>Revised Capital Programme Budget 2020/21</b>		<b><u>163,619</u></b>

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

Please give us feedback so we can improve.

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