



# Public Accounts Select Committee

**Report title:** Draft 20221/22 Budget Report

**Date:** 02 February 2021

**Key decision:** Yes.

**Class:** Part 1

**Ward(s) affected:** None

**Contributors:** Executive Director for Resources

## Outline and recommendations

The purpose of this report is to present members of the Public Accounts Select Committee (PASC) with the draft 2021/22 Budget report for pre-scrutiny. The report will be presented to Mayor & Cabinet (M&C) on the 3 February 2021.

It is recommended that the PASC note this report.

## Reasons for Urgency and Lateness

**Lateness:** The report is late to enable officers to complete the report and ensure the same version was shared for PASC and M&C which is being held on the following day.

**Urgency:** Given the significance of the Budget as an annual statutory report setting the Council Tax for 2021/22 and allocating resources to services for their statutory services and to deliver against the corporate strategy it is important that the PASC have the opportunity to provide scrutiny of the report so that this can be shared with M&C and any changes made promptly ahead of the Budget report being presented to full Council on the 3 March 2021.

Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b),(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

## 1. Summary

- 1.1. The draft 2021/22 Budget report and supporting appendices are attached to this report.
- 1.2. The purpose of the budget report is to set out the overall financial position of the Council in relation to 2020/21 and to set the Budget for 2021/22. This report allows the Council Tax to be agreed and housing rents to be set for 2021/22. It sets the Capital Programme for the next three years and the Council's Treasury Strategy for 2021/22.
- 1.3. The report also provides summary information on the revenue budget cut proposals that were presented at Mayor & Cabinet on the 9 December 2020 and the 3 February 2021. The approval and successful delivery of these cuts is required in order to help balance the budget for 2021/22 and prepare to address the budget requirement for 2022/23.

## 2. Recommendations

- 2.1. It is recommended that the PASC note the appended report and its supporting appendices.

## 3. Policy Context

- 3.1 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:

### Corporate Priorities

- **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
- **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
- **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
- **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
- **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
- **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

### Values

- 3.2 Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members,

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between the council and partners and between the council and citizens. In taking forward the Council's Budget Strategy, we are guided by the Council's four core values:

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

## **4. Background**

- 4.1. The Council's budget is an annual statutory requirement which enable the Council Tax to be set of the year and Members to approve the allocation of resources and set a balanced budget.
- 4.2. The budget is proposed by the Mayor for approval at full Council which this year is scheduled for the 3 March 2021.

## **5. Structure of the Budget report and Appendices**

- 5.1. The full draft 2021/22 Budget report and appendices are attached to this cover report for PASC.
- 5.2. The 2020/21 Budget Report is structured as follows:

Section 1	Summary
Section 2	Recommendations
Section 3	Policy Context
Section 4	Structure of the Report, Policy Context, and Background
Section 5	Background
Section 6	General Fund Revenue Budget and Council Tax
Section 7	Other Grants and Future Years' Budget Strategy
Section 8	Dedicated Schools Grant and Pupil Premium
Section 9	Housing Revenue Account
Section 10	Treasury Management Strategy
Section 11	Capital Programme
Section 12	Consultation on the Budget
Section 13	Financial Implications
Section 14	Legal Implications
Section 15	Equalities Implications
Section 16	Climate Change and Environmental Implications
Section 17	Crime and Disorder Implications
Section 18	Health and Wellbeing Implications
Section 19	Background Papers
Section 20	Glossary

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Section 21 Report Author and Contact

Section 22 Appendices

5.3. The appendices are:

**Capital Programme**

W1 2020/21 to 2023/24 Capital Programme – Major Projects

W2 Proposed Capital Programme – Original to latest Budget

**Housing Revenue Account**

X1 Proposed Housing Revenue Account Cuts 2021/22

X2 Leasehold and Tenants charges consultation 2021/22

X3 Leasehold and Tenants Charges 2021/22 Lewisham Homes

X4 Other Associated Housing Charges for 2021/22

X5 Garage Rent Increase Report 2021/22

X6 Tenants' rent consultation 2021/22

**General Fund**

Y1 Summary of previously agreed budget cuts for 2021/22 (Approved 2020)

Y2 Summary of previously agreed budget cuts for 2021/22 (Approved 2021)

Y3 Cuts Allocation to Base Budget and Overspend

Y4 Ready Reckoner for Council Tax 2021/22

Y5 Chief Financial Officer's Section 25 Statement – *To follow M&C 10 February 2021*

Y6 Council Tax and Statutory Calculations

Y7 Summary of risks and pressures to be funded

Y8 2021/22 Proposed Fees and Charges

Y9 Making Fair Financial Decisions

**Treasury Management**

Z1 Interest Rate Forecasts

Z2 Credit Worthiness Policy (Linked to Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management)

Z3 Approved countries for investments

Z4 Requirement of the CIPFA Management Code of Practice

## **6. Financial implications**

6.1. The whole budget report concerns the finances of the Council and as such the financial implications are set out in the budget report. There are no specific financial implications arising directly for PASC.

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## **7. Legal implications**

- 7.1. The legal implications in respect of the budget report are set out in the appended report. There are no specific legal implications arising directly for PASC.

## **8. Equalities implications**

- 8.1. There are no specific equalities implications arising directly for PASC.

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

- 9.1. There are no specific climate change and environmental implications arising directly for PASC.

## **10. Crime and disorder implications**

- 10.1. There are no specific legal implications arising directly for PASC.

## **11. Health and wellbeing implications**

- 11.1. There are no specific health and wellbeing implications arising directly for PASC.

## **12. Background papers**

- 12.1. The background papers to this report are those set out in the attached budget report, in particular the Round 1 and 2 Budget Cuts proposals considered by PASC on the 2 December 2020 and 2 February 2021 respectively.
- 12.2. Appended to this report are the:
- Draft 2021/22 Budget Report for M&C, and
  - Appendices W1 to Z4 which accompany the Budget report.

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

- 13.1. If there are any queries on this report, please contact David Austin, Director of Corporate Services, [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk)

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