



## Mayor & Cabinet

### Financial Monitoring 2021/22

**Date:** 14 July 2021

**Key decision:** No

**Class:** Part 1

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

**Contributors:** Executive Director for Corporate Resources

### Outline and recommendations

This report presents the first financial monitoring position for the 2021/22 financial year. It sets out the position as at 31 May 2021, noting any exceptional items to the end of June 2021.

The report covers the position on the Council's General Fund, Dedicated Schools Grant, Housing Revenue Account, Collection Fund and Capital Programme. It provides an update on the work done to assess and monitor the financial implications of the Covid-19 response.

The Council-wide financial forecast for General Fund activities is an overspend of £8.9m. The overall position consists of Covid-19 related expenditure of some £20.2m which is met entirely by Covid-19 government grant income. This means that the General Fund 'business as usual' expenditure is currently forecast to overspend by £8.9m. This is an early estimate of the Council's financial position and officers will now begin to put in plans to reduce this overspend.

The Capital Programme is currently facing a number of pressures for which there is either no or limited funding available. The Mayor & Cabinet is being asked to agree to £5m of prudential borrowing for the purposes set out in section 16 of this report.

Overall, it is still relatively early in the financial year to forecast with absolute certainty the likely outturn position to the end March 2022. Financial monitoring will continue throughout the year, and Executive Directors will continue to manage down budget pressures within their directorates in a drive to bring spend back into line with cash-limited budgets.

## Timeline of engagement and decision-making

7 July 2021 – 2020/21 Final Outturn and Medium Term Financial Strategy to Public Accounts Select Committee

14 July 2021 – First 2021/22 financial monitoring report and Medium Term Financial Strategy to M&C

16 September 2021 – 2020/21 Statement of Accounts considered by the Audit Panel

29 September 2021 – 2020/21 Statement of Accounts approved and endorsed by Full Council

### 1. Executive Summary

1.1. This report sets out the financial forecasts for 2021/22 as at 31 May 2021, noting any exceptional items to the end of June 2021. The key areas to note are as follows:

- i. There is a forecast overspend of £8.9m 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. This is set out in more detail in sections 6 to 10 of this report
- ii. The Dedicated Schools Grant (DSG) is currently forecasted to overspend by £5.3m at the end of the financial year. There are 11 schools with deficits. This is set out in more detail in section 13 of this report.
- iii. The Housing Revenue Account (HRA) is currently projecting a balanced budget position. This is set out in more detail in section 14 of this report.
- iv. As at 31 May 2021, some 18.41% of council tax due and 32.39% of business rates due had been collected. At this point last year, 17.6% of council tax due and 33.0% of business rates due had been collected. This is set out in more detail in section 15 of this report.
- v. The Capital Programme spend as at 31 May 2021 is £9.5m, which is 4% of the 2020/21 of the proposed revised capital budget of £245.5m. At this point last year, 16% of the revised budget had been spent, with the final outturn being 70% (£121.2m) of the revised budget of £169.1m. This has been set out in more detail in section 16 of this report and the appendices 4 to 6.

### 2. Purpose

2.1 The purpose of this report is to set out the financial forecasts for 2021/22 as at the end of May 2021, noting any exceptional items to the end of June 2021 and projected to the year-end, 31 March 2022.

### 3. Policy Context

3.1 This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the borough's residents.

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

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### 3.3 Corporate Priorities

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

3.4 Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In delivering our duties, we are guided by the Council's four core values:

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

3.5 The Council's strong and resilient framework for prioritising action has served the organisation well in the face of austerity and on-going cuts to local government spending. This continues to mean, that even in the face of the most daunting financial challenges facing the Council and its partners, we continue to work alongside our communities to achieve more than we could by simply working alone.

3.6 This joint endeavour helps work through complex challenges, such as the pressures faced by health and social care services, and to secure investment in the borough, for new homes, school improvements, regenerating town centres, renewed leisure opportunities and improvement in the wider environment. This work has and continues to contribute much to improve life chances and life opportunities across the borough through improved education opportunities, skills development and employment. There is still much more that can be done to realise our ambitions for the future of the borough; ranging from our work to support housing supply and business growth, through to our programmes of care and support to some of our most vulnerable and troubled families.

3.7 Over the course of the last 18 months, the Council's business, and the day to day lives of Lewisham's residents, has been turned on its head. In March 2020, Council activity simultaneously ground to a halt and ramped up in equal measure. With 'non-critical' services wound down almost overnight and a new, urgent focus on 'critical services', the Council's leadership team, members and vast range of services faced new demands, challenges, pressures and opportunities.

3.8 The pace, scope and scale of change has been immense: the pandemic has demanded agility, creativity, pace, leadership, organisational and personal resilience, strong

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communications and an unerring focus on the right priorities. Within the Council, the impact of the Covid-19 pandemic is felt acutely across all of our service areas and throughout the year we have been grappling with real challenges in how we keep services running for our residents and how we protect the most vulnerable. Across the borough, residents are looking afresh at our borough, their neighbourhoods, and seeing where they live through new eyes.

- 3.9 While we do not yet fully understand what all of the long-term implications of Covid-19 will mean for the borough, there have been many clear and visible impacts of the pandemic on our residents, Lewisham the place and also the Council. We know that coronavirus has disproportionately affected certain population groups in Lewisham, matching patterns that have been identified nationally and internationally: older residents, residents born in the Americas & the Caribbean, Africa or the Middle East & Asia, and residents in the most deprived areas of the borough have considerably higher death rates. We know that more Lewisham residents are claiming unemployment benefits compared to the beginning of this year and that food insecurity has increased in the borough.

#### **4. Recommendations**

- 4.1 The Mayor & Cabinet is asked to:
- 4.1.1 Note the current financial forecasts for the year ending 31 March 2022 and request that Executive Directors continue to work in bringing forward action plans to manage down budget pressures within their directorates;
- 4.1.2 Agree to £5m of prudential borrowing for the purposes set out in paragraphs 16.1 and 16.2 in section 16 of this report; and in agreeing, note that the revenue impact of this borrowing is £150k per annum. The associated funding will be identified during the Council's Medium Term Financial planning process.
- 4.1.3 Note the overall position of the Capital Programme budget, as set out in section 16 of this report, with further details attached at appendices 4 to 6 of this report.

#### **5. Directorate Forecast Outturn**

- 5.1 The Council is reporting a net overspend for general fund activities of £29.1m. This consists of Covid related spend of £20.2m which is met by Covid-19 government grant income and a general fund 'business as usual' overspend of £8.9m.
- 5.2 The financial forecast position is predicated on the successful delivery of revenue budget savings of £6.8m which were not achieved last year, but will now need to be implemented in 2021/22. These are summarised at Appendix 1. It also includes the outcome of delivered agreed savings of £22.6m for 2021/22, attached at Appendix 2 and agreed overspend reduction measures for 2021/22 of £5.4m set out in Appendix 3. The overall pressures are alleviated in part by additional government grant income which is being received 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 and available for use in 2021/22 for such purposes, totals £26m. Of this sum of Covid-19 government grant income, some £20.2m is being applied to the related costs identified in 2021/22 to date. More detail on these grants have been set out in section 11 of this report.

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**Table 1 – Overall Directorate Position for 2021/22**

| Directorate                                | Gross budgeted spend 2021/22 | Gross budgeted income 2021/22 | Net budget 2021/22 | Forecast Outturn 2021/22 | Forecast Variance 2021/22 | Forecast Outturn Covid-19 related Variance 2021/22 | Forecast Outturn Non Covid-19 related Variance 2021/22 |
|--|------------------------------|-------------------------------|--------------------|--------------------------|---------------------------|--|--|
|  | £m                           | £m                            | £m                 | £m                       | £m                        | £m   | £m   |
| Children & Young People                    | 94.0                         | (35.6)                        | 58.4               | 66.0                     | 7.6                       | 4.5  | 3.1  |
| Community Services                         | 174.7                        | (93.6)                        | 81.1               | 95.9                     | 14.8                      | 9.7  | 5.1  |
| Housing, Regeneration and Public Realm     | 89.9                         | (68.0)                        | 21.9               | 26.5                     | 4.6                       | 4.6  | 0.0  |
| Corporate Services                         | 207.0                        | (174.6)                       | 32.4               | 34.3                     | 1.9                       | 1.2  | 0.7  |
| Chief Executives                           | 12.0                         | (0.8)                         | 11.2               | 11.4                     | 0.2                       | 0.2  | 0.0  |
| <b>Directorate Totals</b>                  | <b>577.6</b>                 | <b>(372.6)</b>                | <b>205.0</b>       | <b>234.1</b>             | <b>29.1</b>               | <b>20.2</b>  | <b>8.9</b>   |
| Covid-19 Government Grant Income - Applied | N/A                          | N/A                           | N/A                | (20.2)                   | (20.2)                    | (20.2)   | 0.0  |
| Corporate Items                            | 38.1                         | (0.0)                         | 38.1               | 38.1                     | 0.0                       | 0.0  | 0.0  |
| <b>Net Revenue Budget</b>                  | <b>615.7</b>                 | <b>(372.6)</b>                | <b>243.1</b>       | <b>252.0</b>             | <b>8.9</b>                | <b>0.0</b>   | <b>8.9</b>   |

## 6. Children and Young People directorate

- 6.1 The Children and Young People Directorate is forecasting a year-end overspend of £3.1m for general fund services as at end of May 2021. This is after the application and achievement of once-off in year measures of £4.3m, and £4.5m of the currently held grant income the Council received from central government to fully offset Covid-19 costs incurred by the directorate. This compares to an overspend at the 2020/21 outturn of £4.1m. The overall Directorate position is shown in the table below.

**Table 2 – Children & Young People Directorate**

| Service Area                     | Gross budgeted spend 2021/22 | Gross budgeted income 2021/22 | Net budget 2021/22 | Forecast as at 31 May 2021 | Forecast Variance (Under)/Over Spend 2021/22 | Forecast Outturn Covid-19 related Variance 2021/22 | Forecast Outturn Non Covid-19 related Variance 2021/22 |
|----------------------------------|------------------------------|-------------------------------|--------------------|----------------------------|--|--|--|
|                                  | £m                           | £m                            | £m                 | £m                         | £m   | £m   | £m   |
| Children's Social Care           | 52.5                         | (11.7)                        | 40.8               | 47.0                       | 6.2  | 3.1  | 3.1  |
| No Recourse to Public Funds      | 2.6                          | 0                             | 2.6                | 2.6                        | 0.0  | 0  | 0  |
| Education Services               | 26.1                         | (15.3)                        | 10.8               | 12.0                       | 1.2  | 1.2  | 0  |
| Joint Commissioning / Early Help | 12.8                         | (6.1)                         | 6.7                | 6.9                        | 0.2  | 0.2  | 0  |
| Schools                          | 0                            | (2.5)                         | (2.5)              | (2.5)                      | 0  | 0  | 0  |
| <b>Total</b>                     | <b>94.0</b>                  | <b>(35.6)</b>                 | <b>58.4</b>        | <b>66.0</b>                | <b>7.6</b>                                   | <b>4.5</b>   | <b>3.1</b>   |

- 6.2 The following sections provide a summary of the cost of Covid-19 and the revenue forecast by division, including a summary of directorate risks and pressures and any actions being taken by way of mitigation.

### Cost of Covid-19

- 6.3 The overall forecasted impact of Covid-19 on base budgets for expenditure and income in Children and Young People is £4.5m. The Covid-19 pressures are summarised as

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follows:

**Table 3 – Covid-19 Pressures for the CYP Directorate**

| Service                            | Area  | Forecast Outturn As at 31 May 2021<br>£m |
|------------------------------------|---|--|
| Children's Social Care             | Residential Placements/Care Leavers         | 1.4                                      |
|                                    | Other Children Social Care Support          | 0.4                                      |
|                                    | Unachieved savings                          | 1.3                                      |
| Education Services                 | SEND Salaries                               | 0.4                                      |
|                                    | Home to School Transport                    | 0.7                                      |
|                                    | Other                                       | 0.1                                      |
| Joint Commissioning/<br>Early Help | Salaries and other service related activity | 0.2                                      |
| <b>Total</b>                       |   | <b>4.5</b>                               |

## Children Social Care

- 6.4 The Children Social Care (CSC) division is forecasting an overall overspend of £6.2m. This includes Covid-19 related costs of £3.1m. The general fund related overspend is forecasted to be £3.1m. This general fund services overspend is expected to be solely against the placements budget. Progress on this position will be monitored closely throughout the year with a view to bringing spend more into line with budget. Should the overspend persists, there is an option to make a call against resources held corporately which have been specifically set aside for this service area.
- 6.5 The forecast position assumes the delivery of £0.7m of savings and £2.9m of cost reductions as a part of the CYP recovery plan. There are risks to the value of approximately £0.2m which have been identified and at this stage of the financial year it is expected that all savings and reductions will be delivered.
- 6.6 The total spend on placements in 2021/22 is forecasted to overspend by £3.1m after adjusting for Covid-19 related costs of £1.4m. This compares to an overspend on placement of £4.8m at the end of 2020/21. The reduction in the overspend comes as a result of actions to manage demand and reduce costs as a part of the CSC recovery plan.
- 6.7 The total number of Children Looked After (CLAs), i.e. those in residential, foster and semi-independent placements, at the end of May 2021, is 470. This has risen from 461 as at the end of May 2020. Within this figure there has been significant reduction in the numbers of children in residential placements to more appropriate placement provision. The number of children in residential placements in May 2020 was 61. Regular review of high cost placement activity has resulted in the number of children in residential placements falling to 51 as at the end of May 2021 position.

## No Recourse to Public Funds

- 6.8 Some 54 new cases were accepted in 2020/21 and 88 closed, compared to the previous year's figures of 137 and 122, respectively. This resulted in an underspend of £1.3m. The numbers remain steady at present, but it is too early in the financial year to forecast a similar level of underspend with any certainty, particularly as the budget has been reduced by £0.3m. At this stage, a balanced budget position is being forecasted.

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## Education Services

- 6.9 The *Education Services* division budget is forecasted to end the year with a balanced budget after taking into account £1.2m of grant funding to cover Covid-19 related costs and cost reduction measures to the value of £0.3m. The position assumes that savings to the value of £1.3m are achieved. It should be noted that there is a risk to the savings proposed in the Special Educational Needs (SEN) transport service of £0.25m, but measures are being considered to mitigate this. A further risk is the increase in EHPC numbers which could potentially add pressure on the transport budget. A cross-Council transport review board has been established to consider the delivery of transport services, including the savings, mitigation plan and demand pressures.

## Joint Commissioning and Early Help

- 6.10 The *Joint Commissioning and Early Help* service budget is forecasted to end the year with a balanced budget after taking into account £0.2m of Covid-19 costs of £0.2m being covered by the currently held government grant income. This assumes the full delivery of savings to the value of £0.3m and cost reduction measures as a part of the CYP recovery plan of £1.1m.

## 7. Community Services Directorate

- 7.1 The Community Services Directorate is forecasting a year-end overspend of £5.1m for general fund services as at the end of May 2021. This is after the application of £9.7m of government grant income to fully offset Covid-19 costs incurred by the directorate. This compares to an underspend at the 2020/21 outturn of £8.2m. The overall Directorate position is shown in the table below.

**Table 4 – Community Services Directorate**

| Service Area                          | Gross budgeted spend 2021/22 | Gross budgeted income 2021/22 | Net budget 2021/22 | Forecast as at 31 May 2021 | Forecast Variance (Under)/ Over Spend 2021/22 | Forecast Outturn Covid-19 related Variance 2021/22 | Forecast Outturn Non Covid-19 related Variance 2021/22 |
|---------------------------------------|------------------------------|-------------------------------|--------------------|----------------------------|---|--|--|
|                                       | £m                           | £m                            | £m                 | £m                         | £m  | £m   | £m   |
| Adults' Social Care                   | 116.3                        | (56.5)                        | 59.8               | 71.0                       | 11.2  | 5.8  | 5.4  |
| Integrated Commissioning              | 14.9                         | (7.2)                         | 7.7                | 7.7                        | 0.0   | 0.0  | 0.0  |
| Public Health                         | 16.3                         | (17.1)                        | (0.8)              | 1.4                        | 2.2   | 2.5  | (0.3)  |
| Communities, Partnerships and Leisure | 18.1                         | (8.2)                         | 9.9                | 11.3                       | 1.4   | 1.4  | 0.0  |
| Culture, Learning and Libraries       | 8.1                          | (4.6)                         | 3.5                | 3.5                        | 0.0   | 0.0  | 0.0  |
| Strategy Partnership & Improvement    | 1.0                          | 0                             | 1.0                | 1.0                        | 0.0   | 0.0  | 0.0  |
| <b>Total</b>                          | <b>174.7</b>                 | <b>(93.6)</b>                 | <b>81.1</b>        | <b>95.9</b>                | <b>14.8</b>                                   | <b>9.7</b>   | <b>5.1</b>   |

- 7.2 The following sections provide a summary of the cost of Covid-19 and the revenue forecast by division, including a summary of directorate risks and pressures and any actions being taken by way of mitigation.

### Cost of Covid-19

- 7.3 The overall forecasted impact of Covid-19 on base budgets for expenditure and income in Community Services is £9.7m. The Covid-19 pressures are summarised as follows:

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**Table 5 – Covid-19 Pressures for the Community Services Directorate**

| Service                                   | Area  | Forecast<br>Outturn<br>2021/22 |
|---|---|--------------------------------|
|   |   | £m                             |
| Adults' Social Care                       | ASC - workforce pressure                                      | 0.1                            |
|   | PPE and Infection Control                                     | 1.0                            |
|   | Market Support  | 0.3                            |
|   | Loss of client contributions                                  | 1.2                            |
|   | Unachieved Savings  | 3.2                            |
| Public Health                             | Test and Trace  | 2.2                            |
|   | PPE and Infection Control                                     | 0.3                            |
| Communities,<br>Partnerships &<br>Leisure | Community Hub   | 0.1                            |
|   | Parks security and infection control                          | 0.1                            |
|   | Leisure Management  | 0.2                            |
|   | Bereavement Services – infection control                      | 0.1                            |
|   | Bereavement Services- London Wide Mortality Management Scheme | 0.4                            |
|   | CPL – Shielding Other   | 0.5                            |
| <b>Total</b>                              |   | <b>9.7</b>                     |

## Adults' Social Care Services

- 7.4 The *Adults' Social Care Services* division is forecasting an overspend of £5.4m for general fund services. This compares to a £2.5m underspend at outturn for 2020/21. There is an overall overspend of £11.2m, where £5.8m of these costs are attributable to Covid-19 activity and is covered by the government grant income. The general fund services overspend takes into account £10m savings that are anticipated on being delivered in full.
- 7.5 The movement from the close of last year to the beginning of this one, is significant. The Council is seeing increases in demand for community based services as the service users are being discharged from hospital. Furthermore, the number of placements in residential care has increased and this pattern is expected to continue into 2022/23. These costs were supported by the Covid-19 grant as well as the Clinical Commissioning Group (CCG) for discharges. Members should note, that whilst pressures for 2020/21 were managed, there is a risk that the Council will face increased costs and demands in 2021/22 without the funding support it received last year. Such risks could manifest themselves in higher levels of care from discharged clients, increased use of 24-hour care at home, and increased use of double-handed care. These are just a few cost drivers that the service is seeing increases in.
- 7.6 In addition, client contributions were frozen and reimbursed by the CCG for those discharged out of hospital. As this arrangement changes during the course of the year and service users are expected to contribute, there is greater risk of non-payment thereby resulting in further pressures on the budget.

## Integrated Commissioning

- 7.7 The *Integrated Commissioning* division is forecasting a balanced budget position by the

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year-end. Last year, the division was underspent by £0.8m on general fund services which was offset by pressures related to Covid-19 temporary contract stabilisation payments of £0.2m. These payments were made to Supporting People and Substance Misuse providers and were fully funded from Covid-19 government grant income.

- 7.8 The Prevention and Inclusion element of Joint Commissioning covering Drug & Alcohol Services and Supporting People was underspend by £0.4m in 2020/21, primarily as a result of variations on activity based contracts. Savings have been taken of £0.3m for 2021/22 financial year and there are no variances currently anticipated for this year.
- 7.9 In 2020/21, the Adults Joint Commissioning budget underspent by £0.3m mainly due to reductions in projected spend on section 75 payments made to the CCG and on block/spot purchase contractual arrangements with the voluntary sector. A number of these contracts are currently under review this year.

## Public Health

- 7.10 The *Public Health* division is forecasting an underspend is £0.3m for general fund services. There is an overall overspend of £2.2m, where £2.5m of these costs relate to Covid-19 activity. Within the overall position, the forecasted underspend of £0.3m is on sexual health services. This reflects reduced activity and lower payments to out-of-borough clinics. As lockdown eases, it is expected that activity levels will increase at which point the forecast will be reviewed.

## Communities, Leisure and Partnerships

- 7.11 The *Communities, Leisure and Partnerships* service is forecasting a balanced budget position by the year-end. The estimated Covid-19 related costs of £1m is covered by the Covid-19 government grant income. There are two main areas of risk currently highlighted.
- 7.12 The Leisure Management budget was overspent by £1.9m last year which was all treated as Covid-19 related and therefore covered by government grant income. The pandemic led to the forced termination of the previous leisure contract and creation of a new contractual arrangement with Greenwich Leisure Ltd (GLL). The contract is an open book arrangement with GLL taking a percentage on income for management and overheads and the net costs of the service being borne by the Council. The sum of £1.2m has been set aside in provisions to cover the 2021/22 contract costs and in addition, specific Covid-19 funding of £165k has been set aside from the Sports Council which can contribute to 2021/22 first quarter contract costs. However, the overall financial position for the leisure centres remains uncertain as the Council awaits the first quarter profit & loss accounts from GLL. Overall, this highlights a potential pressure for 2021/22.
- 7.13 Bereavement Services income for the cemeteries and crematorium in the 2020/21 financial year showed a significant income surplus against budget of £0.6m which resulted primarily from the excess deaths due to the coronavirus pandemic. The Office for National Statistics (ONS) has recently announced that there were 35,401 deaths registered in England in the month of May which is 9% less than the March period and 10.7% below the five-year average for the month. This would indicate that there could be a potential fall in mortality rates in 2021/22 following the easing of the pandemic. It is too early to ascertain what the impact will be on death rates in Lewisham and the impact on 2021/22 income levels, but this will be monitored closely in future periods and reported to Members, as appropriate.

## Culture, Learning and Libraries

- 7.14 The *Culture, Learning and Libraries* division is forecasting a balanced budget by the

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year-end. The Council has been awarded £1.35m from the Greater London Authority (GLA) to deliver the London Borough of Culture for 2022. The programme will be delivered across both the 2021/22 and 2202/23 financial years. In addition to the GLA funding, the Council is making a one-off contribution of £0.5m from earmarked reserves and is aligning £0.2m of existing budgets. There is also a £1m fundraising target. Of this, £0.1m has been secured and there have been applications submitted to strategic funders who supported previous boroughs of culture for £0.65m. There is an additional £0.2m of applications submitted pending decisions and many more prospects in the pipeline. There will also be earned income from ticket and other sales that will contribute to the match funding. Until all the match funding has been fully achieved, it remains a potential budget pressure for 2021/22.

## Strategy and Performance

7.15 The *Strategy, Partnership and Improvement* division is forecasting a balanced budget position by the year-end.

### 8. Housing, Regeneration and Public Realm

8.1 The Housing, Regeneration and Public Realm Directorate is forecasting a year-end balanced budget position for general fund services as at the end of May 2021. This is after the application of £4.6m of government grant income which is currently held to fully offset Covid-19 costs incurred by the directorate. This compares to an underspend at the 2020/21 outturn of £2.2m. The overall Directorate position is shown in the table below.

**Table 6 – Housing, Regeneration and Public Realm (HRPR) Directorate**

| Service Area            | Gross budgeted spend 2021/22 | Gross budgeted income 2021/22 | Net budget 2021/22 | Forecast as at 31 May 2021 | Forecast Variance (Under)/ Over Spend 2021/22 | Forecast Outturn Covid-19 related Variance 2021/22 | Forecast Outturn Non Covid-19 related Variance 2021/22 |
|-------------------------|------------------------------|-------------------------------|--------------------|----------------------------|---|--|--|
|                         | £m                           | £m                            | £m                 | £m                         | £m  | £m   | £m   |
| Strategic Housing       | 34.4                         | (30.9)                        | 3.5                | 5.0                        | 1.5   | 1.5  | 0.0  |
| Public Realm            | 43.0                         | (25.3)                        | 17.7               | 20.0                       | 2.3   | 2.7  | (0.4)  |
| Regeneration            | 8.2                          | (8.2)                         | 0.0                | 0.6                        | 0.6   | 0.2  | 0.4  |
| Planning                | 3.9                          | (3.2)                         | 0.7                | 0.9                        | 0.2   | 0.2  | 0.0  |
| Reserves and Provisions | 0.4                          | (0.4)                         | 0.0                | 0.0                        | 0.0   | 0.0  | 0.0  |
| <b>Total</b>            | <b>89.9</b>                  | <b>(68.0)</b>                 | <b>21.9</b>        | <b>26.5</b>                | <b>4.6</b>                                    | <b>4.6</b>   | <b>0.0</b>   |

8.2 The following sections provide a summary of the cost of Covid-19 and the revenue forecast by division, including a summary of directorate risks and pressures and any actions being taken by way of mitigation.

#### **Cost of Covid-19**

8.3 The overall forecasted impact of Covid-19 on base budgets for expenditure and income in Housing, Regeneration and Public Realm is £4.6m. The Covid-19 pressures are summarised as follows:

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**Table 7 – Covid-19 Pressures for the HRPR Directorate**

| Service           | Area                   | Forecast<br>Outturn<br>As at 31 May<br>2021<br>£m |
|-------------------|------------------------|---|
| Strategic Housing | Housing Needs          | 1.5   |
| Public Realm      | Parking                | 1.9   |
|                   | Highways and Transport | 0.1   |
|                   | Refuse Collection      | 0.3   |
|                   | Street Management      | 0.1   |
|                   | Street Markets         | 0.3   |
| Regeneration      | Building Control       | 0.1   |
|                   | Economy & Partnerships | 0.1   |
| Planning          | Planning               | 0.2   |
| <b>Total</b>      |                        | <b>4.6</b>  |

## Strategic Housing

- 8.4 The *Strategic Housing* division is forecasted to end the year with a balanced budget after applying government funding to cover the forecast overspend of £1.5m, entirely due to Covid-19.
- 8.5 Pressures are continuing to be monitored within the service regarding incentive payments to landlords of circa £1m for which there is no budget, as well as bad debt for nightly paid accommodation, numbers of units acquired for Privately Managed Accommodation (PMA) which number 540 units as at 1st April 2021, with no subsequent reduction in numbers in nightly paid accommodation. This compares to 495 units at the start of last year.
- 8.6 Numbers in nightly paid were 745 as at the start of April 2021. The numbers accommodated at the end of May 2021 was 786. Increases in numbers will put additional pressure on the service in terms of landlord payments and Housing Benefit (HB) limitation recharges. The HB limitation recharge is set against the housing division where benefits paid to a recipient is in excess of the HB caps and limits. For the last few years, this recharge has been in the region of £4.5m to £5.0m or approximately 35% of HB paid. The Council covers some of this cost through the use of grants.
- 8.7 There are still clients being accommodated where the Authority has no liability to house them. Move-on was limited by the eviction ban, which has now been lifted. However, whilst the service is starting to instigate evictions, it is creating additional pressure through challenges and judicial reviews, as well as an increase in clients re-presenting. This in turn is likely to increase the need for incentive payments to keep clients in the Private Rented Sector (PRS).

## Public Realm

- 8.8 The *Public Realm* division is forecasted to end the year with a net underspend of £0.4m, after applying government funding to cover the forecast overspend of £2.7m, entirely due to Covid-19.
- 8.9 The *Parking Service* is forecasting a £1.9m end of year overspend entirely attributable to Covid-19 and covered by government grant which is being held by the Council. In addition to this activity, the service is expecting to generate £0.7m net income from moving traffic contraventions during the year and therefore this will leave the service with a £0.7m underspend. Ongoing discussions around moving traffic contraventions may have an impact on the income it generates. This will be closely monitored over the year.

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- 8.10 The *Highways & Transport Services* is forecasting a balanced budget position after applying grant funding to cover an overspend of £0.1m which is due to the effects of Covid-19 on the achievement of income targets for advertising on bus shelters.
- 8.11 The *Refuse Collection Service* is forecasting an end of year overspend of £0.3m, after applying £0.3m of Covid-19 government grant to cover the loss of commercial waste income due to Covid-19, as some businesses are yet to resume trading. The £0.3m overspend is due to ongoing under achieved income targets. The service is developing an action plan to increase the take up of the service by local businesses, and as a result, has reduced the forecast under achievable income by 50% compared to the outturn 2020/21 position. The effect of the action plan will be closely monitored through the year.
- 8.12 The *Street Management Service* is currently reporting a balanced budget position after applying government grant to cover an overspend of £0.1m relating to staff costs attributable to Covid-19.
- 8.13 The *Street Markets Service* is currently reporting a loss of income of £0.3m entirely attributable to Covid-19 due to the reduction in service as a result of the social distancing measures still in place.
- 8.14 The *Strategic Waste Management and Environmental Health* services are currently forecasting a balanced budget.

## Regeneration

- 8.15 The *Regeneration Division* is forecasted to end of the year with a net overspend of £0.4m. This is after applying £0.2m of government grant to cover costs attributable to Covid-19.
- 8.16 The *Building Control Service* is forecasting a loss of income of £0.1m entirely attributable to Covid-19 through reduced demand.
- 8.17 The *Economy and Partnerships Service* is reporting a balanced budget position after applying £0.1m of Covid-19 government grant to cover costs of staff working on Covid-19 related projects.
- 8.18 The *Capital Programme Delivery Service* is forecasting a £0.4m overspend this year. This pressure comes as a result of a change in the plans around what the Copperas Street project was due to deliver. The 2020/21 Copperas Street saving of £0.5m has been adversely affected by a change in corporate priorities. The estimated total income for this project is currently expected to be in the region of £0.2m in total, however only £0.1m is forecast to be delivered this year due to a delay in the start of the project.

## Planning Division

- 8.19 The *Planning Service* is forecasted to end the year with a net nil variance after Covid-19 costs of £0.2m which is due to staff continuing to work on Covid-19 projects have been covered by the government grant income.

## 9. Corporate Resources Directorate

- 9.1 The Corporate Resources Directorate is forecasting a year-end overspend of £0.7m as at the end of May 2021. This is after the application of £1.2m of government grant income to fully offset Covid-19 costs incurred by the directorate.

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**Table 8 – Corporate Services Directorate**

| Service Area          | Gross budgeted spend 2021/22 | Gross budgeted income 2021/22 | Net budget 2021/22 | Forecast as at 31 May 2021 | Forecast Variance (Under)/Over Spend 2021/22 | Forecast Outturn Covid-19 related Variance 2021/22 | Forecast Outturn Non Covid-19 related Variance 2021/22 |
|-----------------------|------------------------------|-------------------------------|--------------------|----------------------------|--|--|--|
|                       |                              |                               | £m                 | £m                         | £m   | £m   | £m   |
| Corporate Services    | 6.4                          | (3.2)                         | 3.2                | 3.1                        | (0.1)  | 0.0  | (0.1)  |
| Financial Services    | 6.0                          | (1.5)                         | 4.5                | 4.1                        | (0.4)  | 0.0  | (0.4)  |
| Executive Office      | 0.2                          | 0.0                           | 0.2                | 0.2                        | 0.0  | 0.0  | 0.0  |
| Public Services       | 187.2                        | (169.2)                       | 18.0               | 20.4                       | 2.4  | 1.2  | 1.2  |
| IT & Digital Services | 7.2                          | 0.0                           | 7.2                | 7.2                        | 0.0  | 0.0  | 0.0  |
| Reserves              | 0.0                          | (0.7)                         | (0.7)              | (0.7)                      | 0.0  | 0.0  | 0.0  |
| <b>Total</b>          | <b>207.0</b>                 | <b>(174.6)</b>                | <b>32.4</b>        | <b>34.3</b>                | <b>1.9</b>                                   | <b>1.2</b>   | <b>0.7</b>   |

9.2 The following sections provide a summary of the cost of Covid-19 and the revenue forecast by division, including a summary of directorate risks and pressures and any actions being taken by way of mitigation.

### Cost of Covid-19

9.3 The overall forecasted financial impact of Covid-19 on base budgets for income and expenditure in Corporate Resources is £1.2m. These Covid-19 related pressures are summarised in the following table.

**Table 9 – Covid-19 Pressures for the Corporate Services Directorate**

| Service         | Area  | Forecast Outturn As at 31 May 2021<br>£m |
|-----------------|---|--|
| Public Services | Sundry Debt – Delay in ‘Invest to Save’ to improve debt collection              | 0.5                                      |
| Public Services | Revenues Services – Loss of income collected through enforcement and court fees | 0.7                                      |
| <b>Total</b>    |   | <b>1.2</b>                               |

## Financial Services Division

9.4 The *Financial Services* division is forecasting a net underspend of £0.4m. This includes underspends forecast on Pensions and Payroll supplies and services budgets and additional income. In addition, the Finance Team is undergoing a major restructuring and the recruitment to a number vacant posts is yet to get underway.

## IT & Digital Service Division

9.5 The *IT & Digital Services* division is forecasting a balanced budget position.

## Public Services Division

9.6 The *Public Services* division is forecasting a net overspend of £2.4m. Of this sum £1.2m relates to Covid-19 related pressures arising from the closure of courts resulting in loss of income from court fees, enforcement action, and debt collection. There is also a non Covid-19 forecast pressure of £1.2m which partly relates to Housing Benefit overpayments where claimants have not promptly notified the Council of a change in

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circumstances, supported accommodation, and pressures arising from work undertaken into the feasibility of process automation that has indicated that savings may not be achievable.

## Corporate Services Division

- 9.7 The *Corporate Services* division is forecasting a net underspend of £0.1m mainly due to salaries underspend arising from a vacancy. The forecast currently assumes a balanced budget position on Insurance although premium renewal terms are due to be received from insurers that could result in a budget pressure.

## 10. Chief Executive Directorate

- 10.1 The Chief Executive's Directorate is forecasting a £0.1m underspend by the year-end as at the end of May 2021. This is after the application of £0.2m of government grant income to fully offset Covid-19 costs incurred by the directorate.

**Table 10 – Chief Executive's Directorate**

| Service Area                | Gross budgeted spend 2021/22 | Gross budgeted income 2021/22 | Net budget 2021/22 | Forecast as at 31 May 2021 | Forecast Variance (Under)/ Over Spend 2021/22 | Forecast Outturn Covid-19 related Variance 2021/22 | Forecast Outturn Non Covid-19 related Variance 2021/22 |
|-----------------------------|------------------------------|-------------------------------|--------------------|----------------------------|---|--|--|
|                             | £m                           | £m                            | £m                 | £m                         | £m  | £m   | £m   |
| Assistant Chief Executive   | 7.6                          | (0.3)                         | 7.3                | 7.3                        | 0.0   | 0.0  | 0.0  |
| Law, Governance & Elections | 4.4                          | (0.5)                         | 3.9                | 4.0                        | 0.1   | 0.2  | (0.1)  |
| <b>Total</b>                | <b>12.0</b>                  | <b>(0.8)</b>                  | <b>11.2</b>        | <b>11.3</b>                | <b>0.1</b>                                    | <b>0.2</b>   | <b>(0.1)</b>   |

### Cost of Covid-19

- 10.2 The overall forecasted financial impact of Covid-19 on base budgets for income and expenditure in the Chief Executive Directorate is £0.2m. These Covid-19 related pressures are summarised in the following table.

**Table 11 – Covid-19 Pressures for the Chief Executive's Directorate**

| Service        | Area                           | Forecast as at 31 May 2021 £m |
|----------------|--------------------------------|-------------------------------|
| Legal Services | Loss of income due to Covid-19 | 0.2                           |
| <b>Total</b>   |                                | <b>0.2</b>                    |

## Assistant Chief Executive's Division

- 10.3 The *Assistant Chief Executive's division* is forecasting a balanced budget position.

## Law, Governance and Elections Division

- 10.4 The *Law, Governance & Elections* division is forecasting a net overspend of £0.1m which is all Covid-19 related and is due to loss of income. There is a £0.1m variance reported for non Covid-19 expenditure.

## 11. Covid-19 and Support received from central government

- 11.1 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

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below provides an overall summary of the additional resources which have been received by the Council to date to help with this support in 2021/22, as well as any unspent grant from 2020/21 which was able to be rolled forward for use in 2021/22 or which may be required to be returned to government in this year.

**Table 12– Government Funding for Covid-19**

| <b>Funding Description</b>                                   | <b>2020/21 Balance<br/>£m</b> | <b>2021/22 Allocation<br/>£m</b> |
|--|-------------------------------|----------------------------------|
| <b><u>Unringfenced Funding</u></b>                           |                               |                                  |
| S31 Covid-19 Local Authority Support Grant (Tranches 1 to 5) | 7.844                         | 10.021                           |
| Sales, Fees and Charges Income – (Tranche 4)                 | 0                             | 0                                |
| <b>Grand Total – for use in 2021/22</b>                      |                               | <b>17.865</b>                    |

| <b>Funding Description</b>                             | <b>2020/21 Balance<br/>£m</b> | <b>2021/22 Allocation<br/>£m</b> |
|--|-------------------------------|----------------------------------|
| <b><u>Ringfenced Funding</u></b>                       |                               |                                  |
| Section 31 – Test, Trace and Contain Grant (3 amounts) | 2.263                         | 0                                |
| Section 31 – Welfare Support Grant *                   | 0.186                         | 0                                |
| Community Champions Fund                               | 0.276                         | 0                                |
| Re-opening High Streets Safely                         | 0.272                         | 0                                |
| New Burdens Funding                                    | 0                             | 0.291                            |
| Sport England Leisure Relief Funding                   | 0.167                         | 0                                |
| Contain Outbreak Management Fund                       | 1.997                         | 2.586                            |
| Practical Support for those Self Isolating             | 0                             | 0.083                            |
| Local Elections Funding                                | 0                             | 0.105                            |
| <b>Total</b>   | <b>5.161</b>                  | <b>3.065</b>                     |
| <b>Total – for use in 2021/22</b>                      |                               | <b>8.226</b>                     |

| <b>Sub Total – Services Funding – attributable to BAU</b>                                    | <b>13.005</b>                 | <b>13.087</b>                    |
|--|-------------------------------|----------------------------------|
| <b>Funding Description</b>   | <b>2020/21 Balance<br/>£m</b> | <b>2021/22 Allocation<br/>£m</b> |
| <b><u>Ringfenced Funding Outside Of Service Expenditure e.g. DSG or Transfer Payment</u></b> |                               |                                  |
| Covid Winter Grant   | 0.149                         | 1.019                            |
| Test and Trace Support Grants <sup>1</sup>   | 0.735                         | 0                                |
| Rapid Test Fund *  | 0.224                         | 0                                |
| <b>Total</b>   | <b>1.108</b>                  | <b>1.019</b>                     |
| <b>Total – for use in 2021/22</b>  |                               | <b>2.127</b>                     |

|   |               |               |
|---|---------------|---------------|
| <b>Grand Total</b>                      | <b>14.113</b> | <b>17.691</b> |
| <b>Grand Total – for use in 2021/22</b> |               | <b>31.804</b> |

- Note: some of those grants rolled forward may have to be returned to Government in 2021/22
- Note 1: the support grants were shown as part of the main T&T grant in outturn, these are treated differently and so shown separately

## 12. Revenue Budget Savings for 2021/22

- 12.1 The financial forecast position is predicated on the successful delivery of savings which were not achieved last year. These savings, which are summarised at Appendix 1, total £6.9m and will now need to be implemented in 2021/22. Furthermore, the progress being made on the new 2021/22 agreed savings of £22.4m and agreed overspend reduction measures for 2021/22 of £5.4m, have been summarised at appendices 2 and 3, respectively.

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### 13. Dedicated Schools' Grant

13.1 The 2021/22 Dedicated Schools Grant (DSG) is reporting a provisional year-end overspend of £5.3m and is still subject to finalisation of the Early Years Block.

**Table 13 – DSG allocation and projection 2021/22**

| Dedicated schools grant (DSG): 2021 to 2022 allocations local authority summary | 2021 to 2022 DSG allocations, after deductions for academies recoupment and direct funding of high needs places by ESFA |   |                                  |                        |                           |
|---|---|---|----------------------------------|------------------------|---------------------------|
|   | Schools block (£m)  | Central school services block allocation (£m) | High needs block allocation (£m) | Early years block (£m) | Total DSG allocation (£m) |
| Lewisham – Cash Position  | (182.5)   | (4.3)   | (57.8)                           | (25.0)                 | (269.6)                   |
| Projected Spend   | 182.5   | 4.3   | 63.1                             | 25.0                   | 274.9                     |
| Forecast Overspend  | -   | -   | 5.3                              | -                      | 5.3                       |

13.2 Members are asked to note the following:

13.3 At the time of writing, the Early Years Block is provisional, but the Schools Block and Early Years Block are expected to operate within budget.

13.4 It should be noted that the Central Services Block (CSSB) faced a reduction of circa £0.6m for 2021/22, which supports statutory functions provided by the Local Authority. As a consequence of effective resource management, approximately £0.3m has been carried forward from 2020/21, and will largely support pressures from the service. Initial work is currently being undertaken by officers, which will be carried out with greater details as the requirements of the Covid-19 response reduce.

13.5 The key area of risk remains the High Needs Block. The Local Authority, in partnership with the Schools Forum High Needs Working Group, will continue to consider options to deliver our statutory requirements within this funding envelop level as best possible.

13.6 It should however be noted that there has been an increase in funding in the High Needs Block of £6.8m plus £1.068m from schools block (offset by a £5m overspend from 2020/21) there remains a potential projection of circa £2m for 2021/22. In addition to this, a potential 250 growth in Education, Health and Care Plans (EHCPs) can be forecast at an average £15k, adding to the pressure by circa £3.7m. The forecast for 2021/22 remains at a overspend of circa £5m. A more robust position will be noted in October following the secondary age transfer/academic year changes.

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**Table 14 – Education Health and Care Plan (EHCP)**

| Phase - EHCPs                | Under 5s | Primary | Secondary | Post-secondary | Grand Total | Annual Movement |
|------------------------------|----------|---------|-----------|----------------|-------------|-----------------|
| FY17/18 Used As Base Line    | 42       | 831     | 769       | 537            | 2,179       |                 |
| FY18/19                      | 24       | 889     | 821       | 626            | 2,360       | 181             |
| FY19/20                      | 37       | 929     | 887       | 774            | 2,627       | 267             |
| FY20/21                      | 74       | 1,027   | 974       | 931            | 3,006       | 379             |
| FY 21/22 - current           | 76       | 1,071   | 987       | 906            | 3,040       | 34              |
| Increase on Baseline Numbers | 34       | 240     | 218       | 369            | 861         |                 |
| Increase on Baseline %       | 76.2%    | 23.6%   | 26.7%     | 73.4%          | 38.0%       |                 |

- 13.7 In addition to the overall increase and the clear pressure arising from 0-5 and post 16 phase, a further pressure is linked to the increase in number of placements that are placed out of borough. The following table shows the split between 'in-borough and 'out of borough' placements. There is clear shift in the proportion of placements being made out of borough which is a key element of pressure on the High Needs Block.

**Table 15 – In Borough and Out Borough EHCPs**

| Borough - EHCPs              | LBL   | OOB   | Grand Total |
|------------------------------|-------|-------|-------------|
| FY17/18 Used As Base Line    | 1,559 | 620   | 2,179       |
| FY18/19                      | 1,653 | 707   | 2,360       |
| FY19/20                      | 1,789 | 838   | 2,627       |
| FY20/21                      | 2,004 | 1,002 | 3,006       |
| FY21/22                      | 2,041 | 999   | 3,040       |
| Increase on Baseline Numbers | 482   | 379   | 861         |
| Increase on Baseline %       | 30.9% | 61.1% | 39.5%       |

- 13.8 To support the pressure on High Needs, the SEN Service has been working closely with Schools and Schools' Forum. A mitigation plan has been developed which is progressing, but will take time to embed and for the benefits to be seen in full. Furthermore, service demands, in terms of increasing numbers of children with some complex needs and higher placement costs, continue to rise. Therefore, the current mitigation plan may reduce the pressure, but not eliminate it fully.
- 13.9 Lewisham has historically been one of very few local authorities which has underspent on the DSG – High Needs. With most local authorities overspending, the DfE has attempted to address the pressure with additional funding allocations in 2019/20, 2020/21 and 2021/22. However, it seems that demand is outstripping the cash available. It does however remain important that Lewisham continues to consider alternative ways of providing support to our most vulnerable children within the resources available.

## Schools

- 13.10 With regards to schools, there are currently 11 schools in deficits. Schools are currently in the process of submitting their budget plans to the Local Authority including deficit

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recovery plans where they are not able to balance their budgets over a 3-year time horizon. The finance team is actively working with all schools to support the longer term sustainability. Some schools are also facing challenges arising from movement in pupil numbers. A further pressure on schools for 2021/22 will be supporting the cost of Term Time Only claims. Negotiations are still being finalised with Trade Unions. Mayor and Cabinet has agreed to support 50% of the liability, with further funding support of £1m from schools forum from 2021/22. In 2020/21, there was an underspend of £0.4m which as agreed with schools forum is intended to provide targeted support to the most vulnerable schools. A further report will be presented to schools forum later in the year to agree the principles for allocation.

## **14. Housing Revenue Account**

- 14.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2021/22. At this early stage of the financial year, the current forecast is for an overall balanced account. The balanced HRA budget seen in the table includes a budgeted contribution from reserves of £21.5m, which is to be used to fund the HRA major works and new supply programme and is included as a part of the 30 year HRA business plan. The current HRA provisional outturn position is a balanced account, before taking account of the capital programme and capital write-offs to revenue. This includes the re-profiling of major works income into 2021/22.
- 14.2 Repairs & Maintenance (R&M) is currently forecast to budget. There was an overspend of £0.9m in this area for 2020/21. Lewisham Homes will provide regular updates in this area for 2021/22 to ensure that spend is close to budget for the financial year.
- 14.3 The current 30 year HRA financial model will be refreshed, with the final outturn for 2020/21 as well as the latest updates for the general capital programme, revised stock numbers and reserves allocations incorporated into the plans. Budgets will be updated in July 2021 to reflect starting stock numbers from 1 April 2021, as well as incorporating a May/June 2021 consolidation update for the new supply programme to reflect the latest position. The revisions to the budgets will be agreed with Lewisham Homes and may push some of the planned capital and new supply expenditure into 2022/23 due to a re-programming of works and programme delays due to the ongoing Covid-19 pandemic.
- 14.4 It is likely that additional income will be recognised from tenants rents and service charges due to lower than budgeted void rates. This will be updated in the next monitoring report. In addition, the bad debt impairments charge to the HRA is likely to be lower than budgeted, and is currently showing a similar pattern to 2021/22. It is too early in the financial year to establish if this will continue for a full year, so will be constantly monitored and updated next month. Any additional income or underspends in these areas will be used to compensate for the unexpected movement in other areas or R&M costs.
- 14.5 There is a significant major works income budget of £9.9m, which is based on the General Capital programme allocation of £70m. However, raising of bills is dependent on the Lewisham Homes Capital Programme undertaking works which can and are being recharged to Leaseholders. As at 31 May 2021, a total of £10k has been charged to leaseholders. Further discussions with Lewisham Homes indicate that the majority of these bills relating to prior year works are likely to be raised in the early part of financial year 2021/22.
- 14.6 Lewisham Homes are currently reporting a full forecast spend of £70m against the general capital allocations budget of £70m. The final position on the general capital programme in 2020/21 was an underspend of £9.8m. The unspent resources will be carried into 2021/22 and added to the £70m allocation. The development team are currently reporting spend to budget for the Building for Lewisham (BfL) programme allocation.

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**Table 16 – Housing Revenue Account**

| Service Area                             | Expenditure Budget 2021/22 | Income Budget 2021/22 | Net Budget 2021/22 | Final Outturn Variance for 2021/22 |
|--|----------------------------|-----------------------|--------------------|------------------------------------|
|  | £m                         | £m                    | £m                 | £m                                 |
| Housing, Regen' and Public Realm–Housing | 16.4                       | (3.6)                 | 12.8               | 0.0                                |
| Lewisham Homes & Repairs & Maintenance   | 37.4                       | 0                     | 37.4               | 0.0                                |
| Resources                                | 1.6                        | 0                     | 1.6                | 0.0                                |
| Centrally Managed Budgets                | 94.1                       | (145.9)               | (51.8)             | 0.0                                |
| <b>Total</b>                             | <b>149.5</b>               | <b>(149.5)</b>        | <b>0</b>           | <b>0</b>                           |

## 15. Collection Fund

### Council Tax

- 15.1 As at 31 May 2021, some £29.75m of Council Tax has been collected representing 18.41% of the total amount due for the year. This is below the 19.15% target in order to reach 95% for the year. At this point last year 17.49% of the total amount due had been collected.

**Table 17 - Council Tax Collection Fund**

|               | Cash Collected (cumulative) | Cash needed to meet 95% Profile | difference between collected and 95% profile | Current Year Collection Rate% | Required Collection Rate to reach 95% | difference | Previous Year Collection Rate |
|---------------|-----------------------------|---------------------------------|--|-------------------------------|---------------------------------------|------------|-------------------------------|
| <b>Apr-21</b> | 17,119,083                  | 17,558,893                      | (439,810)                                    | 10.59%                        | 10.87%                                | -0.27%     | 9.98%                         |
| <b>May-21</b> | 29,752,772                  | 30,943,951                      | (1,191,179)                                  | 18.41%                        | 19.15%                                | -0.74%     | 17.49%                        |

### Business Rates

- 15.2 As at 31 May 2021, some £23.37m of Business Rates has been collected representing 32.39% of the total amount due for the year. This is above the 26.28% target in order to reach 99% for the year. At this point last year 33% of the total amount due had been collected.

**Table 18 – Business Rate Collection**

|               | Cash Collected (cumulative) | Cash needed to meet 99% Profile | difference between collected and 99% profile | Current Year Collection Rate% | Required Collection Rate to reach 99% | difference | Previous Year Collection Rate |
|---------------|-----------------------------|---------------------------------|--|-------------------------------|---------------------------------------|------------|-------------------------------|
| <b>Apr-21</b> | 9,160,849                   | 8,601,507                       | (559,342)                                    | 12.64%                        | 11.87%                                | 0.77%      | 20.40%                        |
| <b>May-21</b> | 23,371,170                  | 19,020,075                      | (4,351,095)                                  | 32.29%                        | 26.28%                                | 6.01%      | 33.44%                        |

## 16. Capital Expenditure

- 16.1 The capital programme is currently facing a number of pressures for which there is currently no funding. A review of the programme is underway to identify whether the resources available have been optimised to enable programme delivery. This includes

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reviewing available capital receipts, section 106 and Community Infrastructure Levy (CIL) funding, and use of prudential borrowing. In addition, a review of assets to generate options for disposal that will generate capital receipts is also in progress. The table below provides a summary list of the specific projects and programmes that require total funding of £5m.

**Table A - Current Capital Priority Pressures – 2021/22**

| Project   | Funding Required (£m) |
|---|-----------------------|
| Catford Town Centre Regeneration  | 0.900                 |
| Asset Review - development and site appraisals  | 0.100                 |
| Asset Review - Asset Rationalisation Catford Complex  | 0.900                 |
| Asset Review - miscellaneous assets   | 0.100                 |
| CYP - CSC Young Supported Housing   | 0.900                 |
| Lewisham Library Emergency Works  | 0.600                 |
| Leisure strategy and associated sites - The Bridge Leisure Centre / Bellingham Leisure centre | 0.600                 |
| Laurence House Ground Floor   | 0.500                 |
| Commercial Estate Investment  | 0.150                 |
| Broadway Theatre  | 0.250                 |
| <b>Total</b>  | <b>5.000</b>          |

- 16.2 Given the importance of these schemes/programmes, the intention is to re-profile the capital programme in the short-term to accommodate the pressure from other projects and by drawing in income from s106 and potentially Right-To-Buy (RTB) receipts. It is important to note, that if not funded by receipts from the sale of assets, the pressure on the capital programme will be funded through prudential borrowing. This borrowing will be funded from revenue and will therefore impact the resources available to services. Furthermore, borrowing adds to the Council's budget pressures now and in future years which have to be met to enable a balanced budget to be set.
- 16.3 There are two projects where it may be possible to re-profile resource are the Milford Towers Decant and the proposed Watergate SEN expansion, neither of which require spending in 2021/22. Both these adjustments can be achieved without material impact on or delay to these two projects. Taken together, re-profiling the budgets for the two projects above provides £3.3m of the £5m needed to address the current pressures. Further work is being undertaken to review the potential to reallocate s106 funding to priority projects within the programme. This has already identified a further circa £500k of allocatable s106. In addition to s106 funding, it is likely that some element of RTB receipts may provide an additional element of funding that can support the re-profiling for 2021/22. Whilst the review of available funding is completed, it is proposed that the schemes in the table above are initially funded from prudential borrowing.
- 16.4 The following table sets out the position on the Capital Programme as at the end of May 2021. It indicates an overall spend of £9.5m, which is 4% of the revised 2021/22 budget of £245.5m.
- 16.5 Members should note that in most cases the unspent budgets for ongoing capital projects and programmes will be rolled forward from 2021/22 to the following year, 2022/23. A summary of the major projects to 2023/24 is attached at Appendices 4 and 5. The Capital Programme budget reconciliation is attached at Appendix 6.

**Table 19 – Capital Programme 2020/21 (Major Projects)**

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| 2021/22 Capital Programme                  | Revised Budget (M&C Feb 21) | Revised Budget Proposed May 2021 | Spend to 31 May' 2021 | Spent to Date (Revised Budget) |
|--|-----------------------------|----------------------------------|-----------------------|--------------------------------|
|  |                             |                                  | £m                    | %                              |
| <b>GENERAL FUND</b>                        |                             |                                  |                       |                                |
| Schools - School Places Programme          | 10.4                        | 11.8                             | 1.1                   | 9%                             |
| Schools – Other (Inc. Minor) Capital Works | 1.7                         | 7.4                              | 0.0                   | 0%                             |
| Highways & Bridges – LBL                   | 2.5                         | 2.6                              | (0.1)                 | (4)%                           |
| Highways & Bridges – TfL and Others        | 0.8                         | 2.4                              | 0.0                   | 0%                             |
| Catford town centre                        | 0.3                         | 0.4                              | 0.0                   | 0%                             |
| Asset Management Programme                 | 2.8                         | 3.4                              | 0.0                   | 0%                             |
| Other AMP Schemes                          | 5.7                         | 7.1                              | 0.3                   | 4%                             |
| Beckenham Place Park ( Inc. Eastern Part)  | 1.7                         | 1.9                              | 0.0                   | 0%                             |
| Catford Phase 1 – Thomas Lane Yard/ CCC    | 0.6                         | 0.5                              | 0.0                   | 0%                             |
| Catford Station Improvements               | 0.3                         | 0.4                              | 0.0                   | 0%                             |
| Lewisham Gateway ( Phase 2)                | 3.5                         | 3.5                              | 0.0                   | 0%                             |
| Lewisham Homes – Property Acquisition      | 3.0                         | 3.0                              | 0.0                   | 0%                             |
| Private Sector Grants and Loans ( Inc DFG) | 4.2                         | 3.3                              | 0.2                   | 6%                             |
| Edward St. Development                     | 8.4                         | 11.7                             | 1.8                   | 15%                            |
| Achilles St Development                    | 1.0                         | 1.0                              | 0.0                   | 0%                             |
| Mayow Rd Development                       | 6.6                         | 7.0                              | 0.0                   | 0%                             |
| Canonbie Rd Development                    | 1.4                         | 1.8                              | 0.1                   | 6%                             |
| Ladywell Leisure Centre Development Site   | 2.7                         | 2.6                              | 0.0                   | 0%                             |
| Deptford Southern Sites Regeneration       | 0.3                         | 0.3                              | 0.0                   | 0%                             |
| Acquisition of Sydney Arms                 | 3.8                         | 1.0                              | 0.0                   | 0%                             |
| Fleet Replacement Programme                | 0.8                         | 1.6                              | 0.0                   | 0%                             |
| Travellers Site Relocation                 | 3.6                         | 3.8                              | 0.0                   | 0%                             |
| Temp Accom. Conversions - Morton Hse       | 0.1                         | 1.5                              | 0.0                   | 0%                             |
| Other Schemes                              | 4.1                         | 6.7                              | 0.2                   | 3%                             |
| <b>TOTAL GENERAL FUND</b>                  | <b>70.3</b>                 | <b>86.7</b>                      | <b>3.6</b>            | <b>4%</b>                      |
| <b>HOUSING REVENUE ACCOUNT</b>             |                             |                                  |                       |                                |
| Building for Lewisham Programme            | 48.3                        | 40.4                             | 2.2                   | 5%                             |
| Creekside Acquisition                      | 13.9                        | 11.4                             | 0.4                   | 4%                             |
| HRA Capital Programme (Decent works)       | 31.6                        | 78.8                             | 3.3                   | 4%                             |
| Ladywell Leisure Centre Development        | 15.4                        | 1.5                              | 0.0                   | 0%                             |
| Achilles St. Development                   | 0.4                         | 2.8                              | 0.0                   | 0%                             |
| Mayow Rd Development                       | 0.8                         | 0.0                              | 0.0                   | 0%                             |
| Other HRA Schemes                          | 3.6                         | 23.9                             | 0.0                   | 0%                             |
| <b>TOTAL HOUSING REVENUE ACCOUNT</b>       | <b>114.0</b>                | <b>158.8</b>                     | <b>5.9</b>            | <b>4%</b>                      |
| <b>TOTAL CAPITAL PROGRAMME</b>             | <b>184.3</b>                | <b>245.5</b>                     | <b>9.5</b>            | <b>4%</b>                      |

## 17. Financial Implications

- 17.1 This report concerns the financial results for the 2021/22 financial year. Therefore, any financial implications are contained within the body of the report.

## 18. Legal Implications

- 18.1 The Council is under a duty to balance its budget and cannot knowingly budget for a deficit. It is imperative that there is diligent monitoring of the Council's spend and steps taken to bring it into balance.

## 19. Crime and Disorder, Climate and Environment Implications

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

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## 20. Equalities Implications

- 20.1 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 20.2 There are no equalities implications directly arising from this report.

## 21. Background Papers

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

## 22. 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. |
| <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   |

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| <b>Term</b>                          | <b>Definition</b>   |
|--------------------------------------|---|
|                                      | 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. 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.  |

### **23. Report Author and Contact**

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

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**24. APPENDIX 1 – Summary of agreed revenue budget savings not achieved in 2020/21, to now be implemented in 2021/22**

| Ref  | Proposal  | 2020/21 Agreed Savings<br>£'000 | 2020/21 Achieved<br>£'000 | 2020/21 Gap<br>£'000 | Comment:   |
|--|---|---------------------------------|---------------------------|----------------------|--|
| <b>CHILDREN &amp; YOUNG PEOPLE DIRECTORATE</b>           |   |                                 |                           |                      |  |
| CYP01  | More efficient use of residential placements                                    | 300                             | 0                         | 300                  | Not achieved – Included in Covid pressures   |
| CYP03  | More systematic and proactive management of the market                          | 600                             | 0                         | 600                  | Not achieved – Included in Covid pressures   |
| CYP04  | Commission semi-independent accommodation for care leavers                      | 250                             | 0                         | 250                  | Not achieved – Included in Covid pressures   |
| CYP05  | Residential framework for young people. Joint SE London Commissioning Programme | 200                             | 0                         | 200                  | Not achieved – Included in Covid pressures   |
| <b>Total for Children &amp; Young People Directorate</b> |   | <b>1,350</b>                    | <b>0</b>                  | <b>1,350</b>         |  |
| <b>COMMUNITY SERVICES DIRECTORATE</b>                    |   |                                 |                           |                      |  |
| COM04  | Reduce costs for Learning Disability and Transitions                            | 1,000                           | 200                       | 800                  | Partial Achievement of £200k – The greater remaining sum of £800k is included in Covid pressures |
| COM05  | Increased focus of personalisation  | 482                             | 350                       | 132                  | Partial Achievement of £350k – The lesser remaining sum of £132k is included in Covid pressures  |
| COM1A  | Managing demand at the point of access to adult social care services            | 1,000                           | 100                       | 900                  | Partial Achievement of £100k – The greater remaining sum is included in Covid pressures          |
| COM2A  | Ensuring support plans optimise value for money                                 | 500                             | 0                         | 500                  | Not Achieved – Included in Covid pressures   |
| COM3A  | Increase revenue from charging Adult Social Care clients                        | 500                             | 0                         | 500                  | Not Achieved – Included on Covid pressures   |
| CUS06  | Bereavement Services increase income targets                                    | 67                              | 0                         | 67                   | Not Achieved – Included in Covid pressure  |
| RES17  | Beckenham Place Park - income generation  | 105                             | 0                         | 105                  | Not Achieved – Included in Covid pressure  |
| <b>Total for Community Services Directorate</b>          |   | <b>3,654</b>                    | <b>650</b>                | <b>3,004</b>         |  |
| <b>CORPORATE RESOURCES DIRECTORATE</b>                   |   |                                 |                           |                      |  |
| CUS13  | Invest to save - improve sundry debt collection                                 | 480                             | 0                         | 480                  | Delayed due to Covid-19 related  |



| Ref   | Proposal   | 2020/21 Agreed Savings £'000 | 2020/21 Achieved £'000 | 2020/21 Gap £'000 | Comment:   |
|---|--|------------------------------|------------------------|-------------------|--|
|   |  |                              |                        |                   | reduction in collection activity   |
| RES01   | Benefits realisation of Oracle cloud                       | 350                          | 0                      | 350               | To be formally reversed  |
| RES14   | Corporate Estate Facilities Management Contract Insourcing | 100                          | 0                      | 100               | At Risk – The saving relates to a proposal to 'in source' building planned maintenance which is yet to happen.               |
| <b>Total Corporate Resources Directorate</b>                          |  | <b>930</b>                   | <b>0</b>               | <b>930</b>        |  |
| <b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b>           |  |                              |                        |                   |  |
| CUS02   | Income generation - increase of garden waste subscription  | 485                          | 435                    | 50                | Partial Achievement of £435k – The lesser remaining sum of £50k is included in the Covid pressures.                          |
| CUS04   | Income generation - increase in commercial waste charges   | 300                          | 0                      | 300               | Not Achieved – Included in Covid pressures.  |
| CUS14 A   | Parking service budget review                              | 500                          | 0                      | 500               | Not Achieved – Included Covid pressures.   |
| RES11   | Increase in pre-application fees                           | 100                          | 0                      | 100               | Not Achieved – Included in Covid pressures.  |
| RES12   | Catford complex office rationalisation                     | 250                          | 150                    | 100               | Partial Achievement of £150k – Full achievement delayed due to pause in work related to Covid-19 activity.                   |
| RES15   | Commercial estate growth                                   | 500                          | 100                    | 400               | Partial Achievement of £100k. Remaining sum of £300k is being covered this year by once off income received during the year. |
| RES18   | Electric vehicle charging points                           | 50                           | 0                      | 50                | Not Achieved – Included in Covid pressures.  |
| <b>Total for Housing, Regeneration &amp; Public Realm Directorate</b> |  | <b>2,185</b>                 | <b>685</b>             | <b>1,500</b>      |  |
| <b>GRAND TOTAL</b>  |  | <b>8,119</b>                 | <b>1,335</b>           | <b>6,784</b>      |  |

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## 25. APPENDIX 2 – Summary of agreed revenue budget savings for 2021/22

| Ref  | Proposal  | 2021/22 Agreed Savings £'000 | 2021/22 Achieved £'000 | 2021/22 Gap £'000 | Comment:                           |
|--|---|------------------------------|------------------------|-------------------|------------------------------------|
| <b>CHIEF EXECUTIVE DIRECTORATE</b>             |   |                              |                        |                   |                                    |
| A-01   | Staff productivity - arising from new ways of working better collaboration and a return on IT investment (£3m split council wide)                         | 243                          | 243                    | 0                 | Achieved                           |
| A-03   | Corporate Transport arrangements (£100k split Council Wide) more use of electric bikes and less spend on public transport and cars                        | 3                            | 3                      | 0                 | Achieved                           |
| A-10   | Election services   | 55                           | 55                     | 0                 | Achieved                           |
| A-09   | Support Leadership  | 105                          | 105                    | 0                 | Achieved                           |
| A-11   | Legal, governance service and elections review.   | 340                          | 340                    | 0                 | In progress and on target          |
| A-01a Round 2                                  | Staff productivity - arising from new ways of working, better collaboration and a return on IT investment (£1m split Council Wide)                        | 81                           | 81                     | 0                 | Achieved                           |
| <b>Total for Chief Executive Directorate</b>   |   | <b>827</b>                   | <b>827</b>             | <b>0</b>          |                                    |
| <b>CHILDREN &amp; YOUNG PEOPLE DIRECTORATE</b> |   |                              |                        |                   |                                    |
| E-05   | Traded services with schools  | 50                           | 0                      | 50                | In progress, with some issues      |
| F-12   | Housing - No Recourse to Public Funds   | 300                          | 300                    | 0                 | Achieved                           |
| A-12   | Rationalising Central Education Services functions  | 150                          | 150                    | 0                 | Achieved                           |
| A-13   | Children with complex needs (CWCN) revision   | 195                          | 0                      | 195               | In progress (planning stage).      |
| A-14   | Replace Educational Psychologist locums through expanding the generic EP Team   | 200                          | 0                      | 200               | In progress (Delivery Stage)       |
| A-16   | Reduction of workforce development budget   | 50                           | 50                     | 0                 | Achieved                           |
| B-13   | Early Years Funding Block   | 54                           | 54                     | 0                 | Achieved                           |
| C-09   | Youth Offending Service (YOS) redesign  | 152                          | 152                    | 0                 | Achieved                           |
| C-30   | Rationalisation of Business support across Education services   | 70                           | 70                     | 0                 | In progress (Planning /initiation) |
| D-09   | Educational Assets  | 300                          | 300                    | 0                 | Achieved                           |
| A-01 and A-01a                                 | Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment | 1,053                        | 0                      | 1,053             | In progress                        |
| A-03   | Corporate Transport arrangements  | 56                           | 0                      | 56                | In progress                        |

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| Ref  | Proposal   | 2021/22 Agreed Savings £'000 | 2021/22 Achieved £'000 | 2021/22 Gap £'000 | Comment:    |
|--|--|------------------------------|------------------------|-------------------|-------------|
| E-03   | Review discretionary sales, fees and charges and increase to the point of full cost recovery.                      | 10                           | 0                      | 10                | In progress |
| <b>Total for Children &amp; Young People Directorate</b> |  | <b>2,640</b>                 | <b>1,076</b>           | <b>1,564</b>      |             |
| <b>COMMUNITY SERVICES DIRECTORATE</b>                    |  |                              |                        |                   |             |
| B-04   | Smoking cessation service  | 221                          | 221                    | 0                 | Achieved    |
| B-05   | Recharge OT and housing officer costs to the Disabled Facilities Grant   | 250                          | 250                    | 0                 | Achieved    |
| B-07   | Review of Council run events   | 42                           | 42                     | 0                 | Achieved    |
| B-10   | Reduction in local assemblies service  | 45                           | 45                     | 0                 | Achieved    |
| C-02   | Adult Learning and Day Opportunities   | 50                           | 50                     | 0                 | Achieved    |
| E-04   | Introduce charging for certain elements of self-funded care packages   | 82                           | 0                      | 82                | In progress |
| F-01   | Adult Social Care Demand management  | 3,000                        | 0                      | 3,000             | In progress |
| F-06   | Adults with learning difficulties and 14 - 25yrs transitions costs   | 760                          | 0                      | 760               | In progress |
| F-09   | In house services reductions - adults passenger transport  | 600                          | 0                      | 600               | In progress |
| A-18   | Library and Information Service  | 300                          | 300                    | 0                 | Achieved    |
| B-11   | Improved usage of BCF Funding across partners  | 1,000                        | 1,000                  | 0                 | Achieved    |
| B-12   | Adult Learning Lewisham - back office efficiencies   | 96                           | 96                     | 0                 | Achieved    |
| C-12   | Weight management services   | 25                           | 25                     | 0                 | Achieved    |
| C-13   | Sexual and Reproductive Health Services in Primary Care  | 100                          | 100                    | 0                 | Achieved    |
| C-14   | Substance Misuse Cuts (Public Health Budget)   | 150                          | 150                    | 0                 | Achieved    |
| C-15   | Integrated Sexual and Reproductive Health Services   | 150                          | 150                    | 0                 | Achieved    |
| C-16   | Reduction of Management overheads for the Social Inclusion and Recovery Service (SLaM Lewisham Community Services) | 50                           | 50                     | 0                 | Achieved    |
| C-17   | Re-configuration of MH Supported Housing pay – Social Interest Group   | 100                          | 0                      | 100               | In progress |
| C-24   | Culture Team Salaries & Borough of Culture   | 60                           | 60                     | 0                 | Achieved    |
| C-28   | Supported Housing Services   | 169                          | 169                    | 0                 | Achieved    |
| C-29   | Crime, Enforcement & Regulation Service Restructure  | 50                           | 50                     | 0                 | Achieved    |
| F-24   | Adult Social Care cost reduction and service improvement programme   | 3,849                        | 1,000                  | 2,849             | In progress |

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| Ref            | Proposal  | 2021/22 Agreed Savings £'000 | 2021/22 Achieved £'000 | 2021/22 Gap £'000 | Comment:   |
|----------------|---|------------------------------|------------------------|-------------------|--|
| A-01 and A-01a | Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment | 1,027                        | 1,027                  | 0                 | Achieved   |
| A-03           | Corporate Transport arrangements  | 23                           | 23                     | 0                 | Achieved   |
| E-03           | Review discretionary sales, fees and charges and increase to the point of full cost recovery.   | 72                           | 0                      | 72                | In progress  |
| B-05           | Recharge OT and housing officer costs to the Disabled Facilities Grant  | 250                          | 250                    | -                 | Achieved   |
| B-07           | Review of Council run events  | 42                           | 42                     | -                 | Achieved   |
| B-10           | Reduction in local assemblies service   | 45                           | 45                     | -                 | Achieved   |
| C-02           | Adult Learning and Day Opportunities  | 50                           | 50                     | -                 | Achieved   |
| E-04           | Introduce charging for certain elements of self-funded care packages  | 82                           | -                      | 82                | In progress  |
| F-01           | Adult Social Care Demand management   | 3,000                        | -                      | 3,000             | In progress  |
| F-06           | Adults with learning difficulties and 14 - 25yrs transitions costs  | 760                          | -                      | 760               | In progress  |
| F-09           | In house services reductions - adults passenger transport   | 600                          | -                      | 600               | In progress  |
| A-18           | Library and Information Service   | 300                          | 300                    | -                 | Achieved - Reorganisation in progress projected to be achieved |
| B-11           | Improved usage of BCF Funding across partners   | 1,000                        | 1,000                  | -                 | Achieved   |
| B-12           | Adult Learning Lewisham - back office efficiencies  | 96                           | 96                     | -                 | Achieved - Reorganisation in progress projected to be Achieved |
| C-12           | Weight management services  | 25                           | 25                     | -                 | Achieved   |
| C-13           | Sexual and Reproductive Health Services in Primary Care   | 100                          | 100                    | -                 | Achieved   |
| C-14           | Substance Misuse Cuts (Public Health Budget)  | 150                          | 150                    | -                 | Achieved   |
| C-15           | Integrated Sexual and Reproductive Health Services  | 150                          | 150                    | -                 | Achieved   |
| C-16           | Reduction of Management overheads for the Social Inclusion and Recovery Service (SLaM Lewisham Community Services)  | 50                           | 50                     | -                 | Achieved   |
| C-17           | Re-configuration of MH Supported Housing pay – Social Interest Group  | 100                          | -                      | 100               | In progress  |
| C-24           | Culture Team Salaries & Borough of Culture  | 60                           | 60                     | -                 | Achieved   |

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| Ref   | Proposal   | 2021/22 Agreed Savings £'000 | 2021/22 Achieved £'000 | 2021/22 Gap £'000 | Comment:               |
|---|--|------------------------------|------------------------|-------------------|------------------------|
| C-28  | Supported Housing Services   | 169                          | 169                    | -                 | Achieved               |
| C-29  | Crime, Enforcement & Regulation Service Restructure  | 50                           | 50                     | 0                 | Achieved               |
| F-24  | Adult Social Care cost reduction and service improvement programme   | 3,849                        | 1,000                  | 2,849             | In progress            |
| A-01 and A-01a  | Staff productivity - arising from new ways of working (including learning from the Covid 19 pandemic), better collaboration and a return on IT investment    | 1,027                        | 1,027                  | 0                 | Achieved               |
| A-03  | Corporate Transport arrangements   | 23                           | 23                     | 0                 | Achieved               |
| E-03  | Review discretionary sales, fees and charges and increase to the point of full cost recovery.  | 72                           | -                      | 72                | In progress            |
| <b>Total for Community Services Directorate</b>             |  | <b>12,272</b>                | <b>4,809</b>           | <b>7,463</b>      |                        |
| <b>CORPORATE RESOURCES DIRECTORATE</b>                      |  |                              |                        |                   |                        |
| A-04  | Process automation in Revs and Bens  | 60                           | 40                     | 20                | In progress            |
| A-05  | Revs and Bens - additional process automation  | 400                          | 0                      | 400               | Not Achieved           |
| B-08  | Review the Power of Attorney service   | 160                          | 160                    | 0                 | Achieved               |
| B-09  | Reduction in the discretionary award of concessionary fares  | 300                          | 300                    | 0                 | Achieved               |
| D-03  | Facilities management general cost reduction   | 50                           | 0                      | 50                | Not Achieved           |
| D-04  | Operational estate - security  | 100                          | 0                      | 100               | Not Achieved           |
| D-06  | Catford Campus - Estate Consolidation  | 438                          | 0                      | 438               | Not Achieved           |
| A-01 Round 1  | Staff productivity - arising from new ways of working, better collaboration and a return on IT investment (£3m split council wide)                           | 522                          | 522                    | 0                 | In progress – on track |
| A-03 and E-03 Round 1                                       | Corporate Transport arrangements AND Review discretionary sales, fees and charges and increase to the point of full cost recovery (£250k split Council Wide) | 7                            | 7                      | 0                 | In progress - On Track |
| A-01a Round 2   | Staff productivity - arising from new ways of working, better collaboration and a return on IT investment (£1m split Council Wide)                           | 174                          | 174                    | 0                 | In progress - On Track |
| <b>Total Corporate Resources Directorate</b>                |  | <b>2,211</b>                 | <b>1,203</b>           | <b>1,008</b>      |                        |
| <b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b> |  |                              |                        |                   |                        |

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| Ref  | Proposal  | 2021/22 Agreed Savings £'000 | 2021/22 Achieved £'000 | 2021/22 Gap £'000 | Comment:   |
|------|---|------------------------------|------------------------|-------------------|--|
| A-07 | Housing - Productivity gains  | 202                          | 202                    | 0                 | Achieved   |
| B-05 | Recharge OT and housing officer costs to the Disabled Facilities Grant                          | 175                          | 175                    | 0                 | Achieved   |
| C-05 | Housing needs and procurement service review  | 50                           | 50                     | 0                 | Achieved   |
| C-06 | Housing needs and procurement service review  | 77                           | 77                     | 0                 | Achieved   |
| D-02 | Business Rates Revaluation for the estate   | 40                           | 40                     | 0                 | In progress - On track   |
| D-06 | Catford Campus - Estate Consolidation   | 236                          | 236                    | 0                 | In progress - On track   |
| D-07 | Meanwhile use - Temporary Accommodation   | 25                           | 0                      | 0                 | In progress - Accommodation provided to be refurbished to suit TA needs. None are yet in use by Housing but savings may still be made if in use by August 2021   |
| E-02 | Income from building control  | 15                           | 15                     | 0                 | Achieved   |
| E-07 | Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA) | 300                          | 300                    | 0                 | Achieved   |
| C-10 | Housing Services Review   | 300                          | 300                    | 0                 | In progress - The reorganisation consultation has not started yet. The reorganisation will identify the full two years savings requirement, but is not likely to be implemented until the end of the 3 <sup>rd</sup> Qtr of 2021/22. Any shortfall may be covered by use of additional grant |
| E-11 | Environmental Enforcement – Use of Civil Enforcement Officers                                   | 100                          | 100                    | 0                 | In progress - The start of this saving has been delayed so a full year effect is unlikely, however any shortfall should be covered by income from Moving Traffic Contraventions  |
| F-17 | Road safety enforcement   | 250                          | 250                    | 0                 | In progress - As above   |

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| Ref   | Proposal                                       | 2021/22 Agreed Savings £'000 | 2021/22 Achieved £'000 | 2021/22 Gap £'000 | Comment:               |
|---|--|------------------------------|------------------------|-------------------|------------------------|
| F-20  | Emission based charging for Short Stay Parking | 120                          | 120                    | 0                 | In progress - As above |
| F-21  | Road Safety Enforcement                        | 250                          | 250                    | 0                 | In progress - As above |
|   | Productivity (Additional)                      | 969                          | 969                    | 0                 | In progress - On track |
| <b>Total for Housing, Regeneration &amp; Public Realm Directorate</b> |  | <b>3,109</b>                 | <b>3,393</b>           | <b>0</b>          |                        |
| <b>Cross-Cutting</b>  |  |                              |                        |                   |                        |
| B-07  | Review of Council run events                   | 28                           | 28                     |                   | In Progress            |
| E-01 / E-01a  | Improved Debt collection                       | 750                          | 750                    |                   | In Progress            |
| E-08 / E-08a  | Contract Efficiencies – inflation management   | 750                          | 750                    |                   | In Progress            |
| <b>Total for Cross-Cutting</b>  |  | <b>1,528</b>                 | <b>1,528</b>           |                   |                        |
| <b>GRAND TOTAL</b>  |  | <b>22,641</b>                | <b>12,836</b>          | <b>10,035</b>     |                        |

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### APPENDIX 3 – Summary of agreed overspend reduction measures for 2021/22

| Ref  | Proposal   | 2021/22 Agreed reduction £'000 | 2021/22 Achieved £'000 | 2021/22 Gap £'000 | Comment:   |
|--|--|--------------------------------|------------------------|-------------------|--|
| <b>CHILDREN &amp; YOUNG PEOPLE DIRECTORATE</b> |  |                                |                        |                   |  |
| B-02   | Strategic recharging   | 600                            | 460                    | 140               | In progress  |
| C-01   | Redesign of the CYP Joint Commissioning service.                           | 140                            | 140                    | 0                 | In progress  |
| C-03   | Reduction in the use of agency social workers.                             | 215                            | 0                      | 215               | In progress  |
| C-07   | Review Short breaks provision.   | 65                             | 65                     | 0                 | In progress  |
| E-06   | Reduce care leaver costs   | 200                            | 587                    | (387)             | Over achieved  |
| F-02   | Children Social Care Demand management                                     | 500                            | 770                    | (270)             | Over Achieved  |
| F-04   | Special Guardianship Order payments  | 60                             | 0                      | 60                | In progress  |
| F-05   | VfM commissioning and contract management - CSC                            | 250                            | 0                      | 250               | In progress - At risk but should be achieved                     |
| F-10   | In house Early Help service  | 200                            | 200                    | 0                 | Achieved   |
| F-11   | Front door arrangements in CYP   | 50                             | 50                     | 0                 | In progress - but has risk                                       |
| A-17   | Care leaver accommodation / housing costs                                  | 500                            | 340                    | 160               | In progress  |
| C-21   | Early Help and Prevention Recommissioning                                  | 170                            | 170                    | 0                 | Achieved   |
| C-22   | Reduction in LBL contribution to CAMHS service                             | 250                            | 150                    | 100               | In progress - Part complete. Alternative options being developed |
| C-23   | Reduction in the Health Visiting contract                                  | 350                            | 350                    | 0                 | Achieved   |
| F-19   | Reduction in specialist legal advocacy and assessments for CYP proceedings | 500                            | 485                    | 15                | In progress  |

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| Ref   | Proposal  | 2021/22<br>Agreed<br>reduction<br>£'000 | 2021/22<br>Achieved<br>£'000 | 2021/22<br>Gap<br>£'000 | Comment:  |
|---|---|---|------------------------------|-------------------------|---|
| F-23  | Home to school transport  | 250                                     | 0                            | 250                     | In progress - At risk but mitigation measures being investigated  |
| <b>Total for Children &amp; Young People Directorate</b>              |   | <b>4,300</b>                            | <b>3,717</b>                 | <b>533</b>              |   |
| <b>COMMUNITY SERVICES DIRECTORATE</b>                                 |   |   |                              |                         |   |
| E-10  | Increase funeral charges  | 250                                     | 120                          | 130                     | In progress - Achievement is partly dependent on death rate in 21-22 and the impact on income levels. Will be reviewed during the financial year. |
| C-26  | Reducing leisure spend – temporary closure of the Bridge  | 355                                     | 355                          | 0                       | Achieved - The Bridge LC currently closed with no plan to reopen in 21-22.  |
| <b>Total for Community Services Directorate</b>                       |   | <b>605</b>                              | <b>475</b>                   | <b>130</b>              |   |
| <b>CORPORATE RESOURCES DIRECTORATE</b>                                |   |   |                              |                         |   |
| A-08  | Reduction in paper usage  | 35                                      | 35                           |                         | Achieved  |
| C-08  | IT - mobile telephony review  | 80                                      | 80                           |                         | Achieved  |
| E-09  | Realising further benefits from the Oracle Cloud Solution and exploiting its functionality as a fully integrated enterprise resource planning solution. | 100                                     |                              | 100                     | Not Achieved – to be formally reversed  |
| <b>Total Corporate Resources Directorate</b>                          |   | <b>215</b>                              | <b>115</b>                   | <b>100</b>              |   |
| <b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b>           |   |   |                              |                         |   |
| C-11  | Reduced dependency on agency staff within Highways and Transportation Services  | 300                                     | 300                          | 0                       | Achieved  |
| <b>Total for Housing, Regeneration &amp; Public Realm Directorate</b> |   | <b>300</b>                              | <b>300</b>                   | <b>0</b>                |   |
| <b>GRAND TOTAL</b>  |   | <b>5,420</b>                            | <b>4,607</b>                 | <b>763</b>              |   |

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## APPENDIX 4 – Update on Capital Projects and Programmes

### Schools

#### Schools – School Places Programme

- 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, to conclude in 2024. They include:
  - Works to Ashmead Primary in Brockley to expand from one to two forms of entry. Works commenced in April 2019 and were substantially completed in March 2021, with the handover of the new building. The project delivered 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. Final refurbishment and remodelling works within the existing school building are due to be completed over the summer holidays this year.
  - 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. Construction works began earlier this year, and are due to be completed in February 2022.
  - 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 2019, ensuring that the school could 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 were completed in October 2020, and the final account has recently been agreed.
  - 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 through the construction of a new teaching block on the existing site, and a new set of feasibility studies are due to be commissioned this year.

#### Schools – Minor Works Capital Programme

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

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. In previous years the budget for highways has allowed 70 roads (or part of a road) to be resurfaced each year. Works are usually directed to those roads 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.

The 2021/22 carriageway and footway programme is being planned to ensure that it is being spent in the most effective way and addresses the most pressing issues. Full

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expenditure will be achieved.

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.

The replacement of the span for the Sydenham Park footbridge continues to be planned and designed and active discussions are being held about the footbridge's span structural design, access arrangements, method of construction, risk management and approvals with key stakeholders, such as Network Rail, underway. The Council in its client capacity, is working closely with its principal consultant to secure a delivery plan agreement with Network Rail. Subject to a Network Rail track possession agreement, the earliest that the replacement span could be delivered is September 2022.

## **Catford Town Centre**

Architect's Studio Egret West have now completed work with officers to develop a framework plan to help guide the regeneration of the Town Centre. The framework aims to form the basis of any future developments for the Town Centre and involved 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.

Work is also continuing with TfL on the 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 with officers currently seeking an extension due to the impact of Covid19 upon the programme resulting from the furlough of staff in 2020. Subject to an approved design, early work is expected to start in the first quarter of 2023/24. Meanwhile, the engagement activity of Team Catford has continued to build on the programme of social engagement started in 2016. The Team is expected to continue to support projects currently being delivered an Catford and beyond.

The draft Framework plan was presented to Mayor & Cabinet in September 2021. Approval was obtained to enter into a process of non-statutory public consultation that took place between November 2020 and February 2021. Officers plan to take a refined version of the Framework to Mayor & Cabinet in July 2021 Asset Management Programme.

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.

## **Asset Management Programme**

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. A full condition survey of the corporate estate was completed in 2020 and is helping define the future investment need of the estate, the Asset Review, and underpin the use of the AMP capital programme funding for future years. A comprehensive Corporate Estate Maintenance Programme starts in 2021-22 (with some urgent health and safety works already underway).

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## Broadway Theatre

Investment in the Broadway Theatre in Catford will address the urgent health and safety, mechanical and electrical, DDA and compliance requirements within the building, along with the overdue upgrade/refurbishment of identified areas throughout the building. The works will ensure the building is fit for purpose, meets current regulations and is compliant to function as a public venue. Improvements will also enable the Theatre to attract wider audiences and hirers and expand its delivery of events and shows.

The theatre plays an important part in the Catford Town Centre Masterplan which seeks to regenerate the town centre including providing housing, retail, open space and a civic heart for the town centre, with the theatre, a crucial part of that. Investment in the theatre takes forward the commitments given in the Capital Programme to invest in key parts of the Council estate in Catford as an early and certain commitment to the emerging Catford Masterplan.

The project is in design stage with works due to start in late 2021, with a view to completing in late 2022 and re-opening for a grand finale for the Borough of Culture year.

## Lewisham Gateway

Lewisham Gateway Phase 2 is a major £252m regeneration project, located between Lewisham Town Centre and the DLR, rail station and bus interchange. It has been designed as a high-density mixed use development representing contemporary sustainable urban living.

This project is the second phase of the development with Phase 1 already having delivered 362 new homes, alongside new shops and restaurants, a public park with children's play space and access to the rivers, plus major infrastructure improvements which include the removal of the Lewisham northern roundabout and the implementation of a new highways system.

Phase 2 has secured £13.5m in GLA Housing Infrastructure Funding and a further £9,558m in S.106 contributions to secure 106 affordable homes. Overall the scheme will provide 530 PRS units, 119 co-living units, a cinema, gym, retail and co-working space.

## Private Sector Grants And Loans

Mandatory and Discretionary grants assist the boroughs most vulnerable residents to maintain and adapt their properties which in turn enables them to remain independent and in their own homes for longer.

In 20/21, the Housing Assistance Team worked successfully to assist 112 vulnerable households, by administering Disabled Facilities' Grants (Mandatory) and Home Repairs Grant (Discretionary). Despite the pandemic and subsequent lockdown, 20/21 was the teams highest ever spending year. Approximately £1.2 million of the Mandatory Grant and £300,000 of the discretionary Grant was spent, bringing the total spend to £1.5 million.

During this period, 57 Disabled Facility Grants were completed, these projects consisted of a variety of adaptations including modular ramps, level access showers and thresholds of ranging values. All of which enabled disabled adult and children, to safely and/or independently, access the facilities and amenities, within their properties and their local communities. 55 Repairs Grants were completed, these repairs included a combination of grant and loan aid and consisted of various repairs including roof, boiler and electrical re-wires, to ensure category 1 & 2 hazards were eliminated from the applicants homes.

For the first quarter of FY 21/22, to date, the team have spent and committed

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approximately £392,000 of the mandatory budget with 182 applications, currently in the pipeline and approximately £490,000 of the Discretionary budget. There are currently 182 Discretionary case currently in the pipeline. This year the team are aiming to spend the full 21/22 allocated budget.

### **Achilles Street**

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 completed 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**

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 is ongoing in the factory.

### **Deptford Southern Sites**

The three Deptford Southern Sites – Frankham Phases 1 and 2, Frankham Phase 3 and Amersham Vale form an estate regeneration scheme being delivered in partnership with Peabody. Good progress is being made.

Frankham Phase 1 and 2 is under construction and will deliver 79 social homes. Frankham Phase 3 which is due to start construction in 2023 will deliver 38 social rent homes. Residents from Phase 3 are able to move into the Phase 1 and 2 homes where they wish to. Amersham Vale is also under construction and will deliver 24 social homes. The homes at Amersham Vale are due to be completed this year.

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

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**

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).

By November 2020 40 Buses and 18 refuse vehicles had been delivered at a total cost of £5.9m.

### **Temporary Accommodation Conversions – Morton House**

Morton House was, until recently, let to the Salvation Army. The property became surplus to requirements and was offered to the Council to purchase, as it was considered highly suitable to meet the Council's temporary housing accommodation need. The site was acquired by the Council in July 2020 for circa £3.5m

Refurbishment works to the building are expected to cost around £1.2m in total. The project is due to be tendered in June with works commencing in August and completing by the end of March 2022

### **Other - Beckenham Place Park**

The restoration of Beckenham Place Park (to the western side of the railway) has now been completed. The listed stable block is now home to the new park café and

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environmental education centre, and the long anticipated restored landscape, with its reinstated lake, is being enjoyed by thousands of local people.

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.

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.

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.

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 to try and secure a future for the Mansion.

## **Lewisham Homes – Property Acquisition**

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.

## **Building for Lewisham Programme**

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 for the period between 2018 and 2022.

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 design and planning stage work for sites across the borough.

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.

The current consolidation of the BfL programme notes funding for over 1,500 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 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.

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. The Council have also bid for further grant funding from the GLA and are waiting for the outcome of the negotiated bidding round at present.

The majority of spend for 20/21 relates to feasibility and planning application preparation for the new homes programme and delivery of a number of schemes by

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Lewisham Homes on site.

## **HRA Capital Programme**

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.

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## APPENDIX 5 – Capital Programme Major Projects 2021 / 2024

| Major Projects over £2m                               | 2021/22      | 2022/23      | 2023/24      | Total        |
|---|--------------|--------------|--------------|--------------|
|   | £m           | £m           | £m           | £m           |
| <b>GENERAL FUND</b>                                   |              |              |              |              |
| Schools - School Places Programme                     | 11.8         | 2.4          |              | 14.2         |
| Schools – Other (Inc. Minor) Capital Works            | 7.4          |              |              | 7.4          |
| Schools - Other Capital Works                         |              |              |              | 0            |
| Highways & Bridges – LBL                              | 2.6          | 2.5          |              | 5.1          |
| Highways & Bridges – TfL and Others                   | 2.4          | 0.1          |              | 2.5          |
| Catford town centre                                   | 0.4          | 0.3          | 3.4          | 4.1          |
| Asset Management Programme                            | 3.4          | 2.5          |              | 5.9          |
| Other AMP Schemes                                     | 7.1          | 1.7          |              | 8.8          |
| Beckenham Place Park ( Inc. Eastern Part)             | 1.9          |              |              | 1.9          |
| Catford Phase 1 – Thomas Lane Yard/CCC                | 0.5          | 2.6          |              | 3.1          |
| Catford Station Improvements                          | 0.4          | 1.0          | 0.1          | 1.5          |
| Lewisham Gateway ( Phase 2)                           | 3.5          |              | 4.8          | 8.3          |
| Lewisham Homes – Property Acquisition                 | 3            |              |              | 3            |
| Residential Portfolio Acquisition – Hyde Housing Ass. |              |              |              | 0            |
| Disabled Facilities Grant                             | 1.4          |              |              | 1.4          |
| Private Sector Grants and Loans                       | 1.9          |              |              | 1.9          |
| Edward St. Development                                | 11.7         |              |              | 11.7         |
| Achilles St Development                               | 1.0          |              | 3.6          | 4.6          |
| Mayow Rd Development                                  | 7            | 1.1          | 0.1          | 8.2          |
| Canonbie Rd Development                               | 1.8          | 0.3          |              | 2.1          |
| Ladywell Leisure Centre Development Site              | 2.6          |              |              | 2.6          |
| Deptford Southern Sites Regeneration                  | 0.3          | 0            | 2.1          | 2.4          |
| Acquisition of Sydney Arms                            | 1            |              |              | 1            |
| Fleet Replacement Programme                           | 1.6          | 0.8          | 0.8          | 3.2          |
| Travellers Site Relocation                            | 3.8          |              |              | 3.8          |
| Temporary Accommodation Conversions-Morton House      | 1.5          |              |              | 1.5          |
| Other Schemes   | 6.7          | 1.3          |              | 8            |
|   | <b>86.7</b>  | <b>16.6</b>  | <b>14.9</b>  | <b>118.2</b> |
| <b>HOUSING REVENUE ACCOUNT</b>                        |              |              |              |              |
| Building for Lewisham Programme                       | 40.4         | 56.4         | 57.2         | 154          |
| Creekside Acquisition                                 | 11.4         | 2.0          |              | 13.4         |
| HRA Capital Programme ( Decent works)                 | 78.8         | 42.7         | 41.8         | 163.3        |
| Ladywell Leisure Centre Development                   | 1.5          | 43.4         | 27.7         | 72.6         |
| Achilles St. Development                              | 2.8          | 1.0          | 21.6         | 25.4         |
| Mayow Rd Development                                  | 0            |              |              | 0            |
| Other HRA Schemes                                     | 23.9         | 4.0          | 4.0          | 31.9         |
|   | <b>158.8</b> | <b>149.5</b> | <b>152.3</b> | <b>460.6</b> |
| <b>TOTAL PROGRAMME</b>                                | <b>245.5</b> | <b>166.1</b> | <b>167.2</b> | <b>578.8</b> |

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## APPENDIX 6 – Capital Programme Revised 2021/22 budget

### Reconciliation from budget in Finance Forecasts report to Mayor & Cabinet on 14 July 2021

| <b>APPROVED CAPITAL PROGRAMME BUDGET-<br/>21/22</b> |       | <b>£`m</b>               |
|---|-------|--------------------------|
| M&C – February, 2021 as per Budget Report           |       | <b>184.3</b>             |
| Underspends carried-forward from 20/21              |       | 6.1                      |
|   |       | <hr/> 190.4              |
| <b>New Schemes Post Budget Report</b>               |       |                          |
| Schools Minor Works Programme 2021                  | 4.2   |                          |
| TfL Programme 21-22                                 | 0.4   |                          |
|   | <hr/> | 4.6                      |
| <b>Increase in HR- Schemes Post Budget Report</b>   |       |                          |
| General Capital & Decent Homes Programme            |       | 38.8                     |
| <b>Reprofiled Schemes</b>                           |       |                          |
| Reprofiled HR Schemes                               | 9.6   |                          |
| Holbeach Road Improvement Works                     | -0.3  |                          |
| Achilles Street - Development ( Design Work)        | 2.4   |                          |
|   | <hr/> | 11.7                     |
|   |       | <hr/> <b>245.5</b> <hr/> |

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