



## Mayor and Cabinet

### Financial Monitoring 2021/22

**Date:** Wednesday 8<sup>th</sup> December 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 financial monitoring position for the 2021/22 financial year. It sets out the position as at 30 September 2021, noting any exceptional items to the end of October 2021.

The report covers the position on the Council's General Fund, Dedicated Schools Grant, Housing Revenue Account, Collection Fund and Capital Programme. It continues to provide 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 £33.5m. The overall position consists of Covid-19 related expenditure of some £25.0m which is met entirely by currently held Covid-19 government grant income. This means that the General Fund 'business as usual' expenditure is currently forecast to overspend by £8.5m.

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.

Mayor and Cabinet are asked to note the monitoring position and forecasts for the financial year 2021/22.

## Timeline of engagement and decision-making

10 November 2021 – Period 6 (September) Financial Monitoring 2021/22 to Executive Management Team

1 December 2021 – Period 6 (September) Financial Monitoring 2021/22 to Public Account Select Committee

8 December 2021 – Period 6 (September) Financial Monitoring 2021/22 to Mayor & Cabinet

### 1. Executive Summary

- 1.1. This report sets out the financial forecasts for 2021/22 as at 30 September 2021, noting any exceptional items to the end of October 2021. The key areas to note are as follows:
- i. There is a forecast overspend of £8.5m against the directorates' net general fund revenue budget, after the application of additional government funding to support the local authority's response to the Covid-19 pandemic. This is a reduction of £0.8m from the £9.3m projected overspend reported at the end of July. The £0.8m improvement is broke down as: £0.3m in Housing, Regeneration and Public Realm, £0.4m in Corporate Resources and £0.1m in Chief Executive's Directorate. This is set out in more detail in sections 8 to 10 of this report.
  - ii. To date, £19.1m (68.4%), of the 2021/22 savings or demand reduction have either been achieved, are on track to be achieved or are to be delivered in an alternative way. Where savings have not been achieved to date, services are working to find alternative savings or cost reductions to enable the overall savings target to be achieved. When alternative savings have been found to help manage the in year financial position, services have been asked to ensure that action is taken to ensure the sustainability of these savings in future financial years. The forecast outturn position takes into account the expected levels of savings that have been achieved, as well as, the savings that are expected to be identified and implemented in the remainder of this financial year.
  - iii. The Dedicated Schools Grant (DSG) is currently forecasted to overspend by a cumulative £8m at the end of the financial year (£3m in 2021/22 with £5m brought forward). There are 12 schools with deficits. This is set out in more detail in section 13 of this report.
  - iv. 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.
  - v. As at 30 September 2021, some 49.64% of council tax due and 50.07% of business rates due had been collected. This is set out in more detail in section 15 of this report.
  - vi. The Capital Programme spend as at 30 September is £46.5m, which is 19% of the revised capital budget of £246.1m. This has been set out in more detail in section 16 of this report and the appendices 3 to 5.

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## 2. Recommendations

- 2.0 Members of the Mayor and Cabinet are asked to:
- 2.1 Note the current financial forecasts for the year ending 31 March 2022 and that Executive Directors will continue to work in bringing forward action plans to manage down budget pressures within their directorates.

## 3. Policy Context

- 3.0 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.
- 3.1 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its current Corporate Strategy in 2019, with seven corporate priorities as stated below:
- 3.2 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.
- 3.3 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.
- 3.4 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

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communities to achieve more than we could by simply working alone.

- 3.5 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.
- 3.6 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.
- 3.7 The pace, scope and scale of change has been immense: the pandemic has demanded agility, creativity, pace, leadership, organisational and personal resilience, strong communications and an unerring focus on the right priorities. 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.
- 3.8 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. Directorate Forecast Outturn**

- 4.0 The Council is reporting a net overspend for general fund activities of £33.5m. This consists of Covid related spend of £25.0m which is met by Covid-19 government grant income and a general fund 'business as usual' overspend of £8.5m. This is reduction of £0.8m from the position reported at the end of July.
- 4.1 The overall pressures are alleviated in part by additional government grant income which provides financial support to councils undertaking additional activities or experiencing increasing demand due to COVID-19, which has led to unplanned costs. The amount received by Lewisham and available for use in 2021/22 for such purposes, totals £29.75m, of this £25.0m is currently being applied to the related costs identified in 2021/22 to date. Further ringfenced grants become available each month and work is ongoing to look to utilise the newly received grants. More detail on these grants have been set out in section 10 of this report.
- 4.2 The forecast outturn position assumes the delivery of £5.06m of cost reduction measures for 2021/22 as well as £1.335m of savings relating to 2020/21 and £14.08m 2021/22 savings. These are detailed further in section 11.

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

General Fund	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 September 2021/22	Forecast Outturn Non Covid-19 related Variance July 2021/22
	£m	£m	£m	£m	£m	£m
Children & Young People	58.4	65.9	7.5	4.4	3.1	3.1
Community Services	81.1	99.4	18.3	12.7	5.6	5.6
Housing, Regeneration and Public Realm	21.9	26.4	4.5	4.8	-0.3	0
Corporate Resources	32.5	35.5	3	2.9	0.1	0.5
Chief Executives	11.2	11.4	0.2	0.2	0	0.1
<b>Directorate Totals</b>	<b>205.1</b>	<b>238.6</b>	<b>33.5</b>	<b>25</b>	<b>8.5</b>	<b>9.3</b>
Covid-19 Government Grant Income - Applied	N/A	-25	-25	-25	0	0
Corporate Items	38.1	38.1	0	0	0	0
<b>Net Revenue Budget</b>	<b>243.2</b>	<b>251.7</b>	<b>8.5</b>	<b>0</b>	<b>8.5</b>	<b>9.3</b>

## 5. Children and Young People directorate

- 5.0 The Children and Young People Directorate is continuing to forecast an overspend of £3.1m for general fund services at Period 6, which is in line with the July 2021 forecast position. This includes the application and achievement of one-off in year measures of £4.3m, and £4.4m of grant income the Council received from central government to fully offset Covid-19 costs incurred by the directorate.
- 5.1 Appendices 1 and 2 highlight a number of risks to the achievement of the savings and cost reduction measures assumed within the forecast position. There are further risks which could adversely impact the forecast position including; changes in demand due to Covid, demographic growth, changes to the funding of asylum seekers, increased inflation levels, driver shortages and increased costs of energy. Work continues to manage these risks and find alternative ways of funding any pressures arising from them. The forecast includes a projected underspend of £0.6m in the No Recourse to Public Funds budget, however this could face pressure over the next few months depending on the placing of any refugees in Lewisham.
- 5.2 The overall Directorate position is shown in the table below.

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

Children and Young People Directorate	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 September 2021/22	Forecast Outturn Non Covid-19 related Variance July 2021/22
	£m	£m	£m	£m	£m	£m
Children's Social Care	40.8	47.4	6.6	2.9	3.7	3.1
No Recourse to Public Funds	2.6	2	-0.6	0	-0.6	0
Education Services	11	12.5	1.5	1.5	0	0
Joint Commissioning / Early Help	6.5	6.5	0	0	0	0
Schools	-2.5	-2.5	0	0	0	0
<b>Total</b>	<b>58.4</b>	<b>65.9</b>	<b>7.5</b>	<b>4.4</b>	<b>3.1</b>	<b>3.1</b>

5.3 As part of the MTFs, the service was tasked with finding a combination of savings and demand reductions to the total of circa £6.94m, which is 97% of the directorate's overall target.

5.4 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**

The overall forecasted impact of Covid-19 on base budgets for expenditure and income in Children and Young People is £4.4m. The Covid-19 pressures are summarised as follows:

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

Children and Young People Covid-19 Pressures (General Fund only)	Total forecasted for year
	£m
Workforce pressures	0
Residential care	2.8
Care Leavers	0
Other	0.1
<b>Children's Social Care - Sub Total</b>	<b>2.9</b>
Home to school transport	0.9
Loss of Income	0.2
Salaries	0.4
<b>Education Services - Sub Total</b>	<b>1.5</b>
<b>Forecast Outturn Covid-19 related Variance 2021/22</b>	<b>4.4</b>

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## **Children Social Care**

- 5.5 The Children Social Care (CSC) division is forecasting an overall net overspend of £6.6m, which includes Covid-19 related costs of £2.9m leaving a remaining general fund overspend of £3.7m. 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, any underachievement will adversely impact the reported position. The £3.7m overspend is broken down as £3.1m cost pressure against the placements budget and a £1.0m pressure on staffing budgets which is partially negated by £0.4m underspend across other service budgets.
- 5.6 The Placements budget is projecting an overspend of £5.9m, including £2.8m of Covid-19 related costs. The net cost to the General Fund is £3.1m. This position will be monitored closely throughout the year with a view to bringing expenditure more in line with budget.
- 5.7 The £3.1m overspend on placements is based on spend to date, current placement numbers with an assumption made regarding demand over the remainder of the financial year. The total number of Children Looked After (CLAs), i.e. those in residential, foster and semi-independent placements at the end of September 2021 is 443. Recently a fall in the fostering numbers both in-house and IFA has been offset by a small increase in the number of residential placements.
- 5.8 The number of care leavers over the age of 18 in Staying Put accommodation is currently 66. This represents a reduction of 5 since July but an increase of 7 since the beginning of the financial year.
- 5.9 The salaries projection for Childrens Social Care projects an additional £1.4m of expenditure to support an ongoing increase in demand and caseloads arising from the Covid-19 pandemic, of which the service has been able to mitigate £0.4m of this within their overall staffing budget as a result of staff turnover and reducing the use of agency staff. The additional staff have been required to manage an increase caseload, pre Covid-19 caseloads were an average of 606 per month with an average in 2021/22 of 720 per month.

## **No Recourse to Public Funds**

- 5.10 Since the month of July, 11 new cases were accepted for support and 15 cases resettled or closed. Based on the current data, as at the end of September, there is a £0.6m underspend projected by the end of the financial year. This is a demand-led budget, therefore, any increase or decrease could impact on the final outturn position.

## **Education Services**

- 5.11 Education Services is forecast to end the year with a balanced budget, after taking into account £1.7m 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.
- 5.12 SEN Transport, based on spend to date, is currently forecast to be on budget. It should also be noted that the forecast is based on expenditure for the summer term projected out for the remainder of the financial year. Savings of approximately £0.07m have been achieved for the summer term, based on independent travel programme with the potential for further savings across the autumn and spring terms.
- 5.13 Whilst currently projected to manage within budget, the increase in demand for Educational Health Care Plan (EHCP) still presents a risk. In addition to this, new risks are materialising including the rise in fuel costs and a shortage of drivers (particularly with regards to taxi provision). These will continue to be looked into and any impact on the outturn position reported over the coming months.

## **Family, Quality and Commissioning (previously known as Joint Commissioning and Early Help)**

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- 5.14 The Family, Quality and Commissioning service budget is forecasted to end the year with a balanced budget. 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.

## 6. Community Services Directorate

- 6.0 The Community Services Directorate is forecasting a year-end net overspend of £5.6m for general fund services as at the end of September 2021. This is after the application of £12.7m of government grant income to offset Covid-19 costs incurred by the Directorate. The forecast position for general fund services has not changed since July. The overall Directorate position is shown in the table below.

**Table 4 – Community Services Directorate**

Community Services	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 September 2021/22	Forecast Outturn Non Covid-19 related Variance July 2021/22
	£m	£m	£m	£m	£m	£m
Adults' Social Care	60.8	73.9	13.1	7.2	5.9	5.9
Integrated Commissioning	7.7	7.7	0	0	0	0
Public Health	-0.8	2	2.8	3.1	-0.3	-0.3
Communities, Partnerships and Leisure	10.2	12.3	2.1	2.1	0	0
Culture, Learning and Libraries	3.5	3.8	0.3	0.3	0	0
Reserves	-0.3	-0.3	0	0	0	0
<b>Total</b>	<b>81.1</b>	<b>99.4</b>	<b>18.3</b>	<b>12.7</b>	<b>5.6</b>	<b>5.6</b>

- 6.1 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**

- 6.2 The overall forecasted impact of Covid-19 on base budgets for expenditure and income in Community Services is £12.7m. The Covid-19 pressures are summarised as follows:

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

<b>Community Services Covid-19 Pressures</b>	<b>Total forecasted for year</b>
	<b>£m</b>
ASC - workforce pressure	0.1
Infection Control	1.4
Lateral Flow Testing	1.1
Market Support	0.2
Loss of client contributions	1.2
Unachieved Savings	3.2
<b>Adult Social Care - Sub Total</b>	<b>7.2</b>
Test and Trace	2.2
PPE and Infection Control	0.9
<b>Public Health - Sub Total</b>	<b>3.1</b>
Community Centres income and Parks Event income	0.2
Community Centres & Bereavement Services Infection Control	0.1
Community Hub and Transport Related costs	0.1
Leisure Management-GLL contract costs	1.2
The Bridge Leisure Centre - security and site clearance costs	0.1
Bereavement Services-London Wide Mortality Management Scheme	0.4
<b>Communities, Partnerships &amp; Leisure - Sub Total</b>	<b>2.1</b>
Adult Learning – Student Fee Income and Infection Control	0.2
Libraries Income and Infection Control	0.1
<b>Culture, Learning and Libraries - Sub Total</b>	<b>0.3</b>
<b>Forecast Outturn Covid-19 related Variance 2021/22</b>	<b>12.7</b>

### **Adults' Social Care Services**

- 6.3 Adult Social Care Services is forecasting an overspend of £5.9m, unchanged from the position reported in July. The unachieved savings gap as per appendix 1 is £7.5m, however this is being mitigated by £1.9m one-off Direct Payment refunds, partially negated by £0.3m of other pressures across the rest of the service.
- 6.4 There is an overall overspend of £13.1m, however £7.2m of these costs are attributable to Covid-19 activity and is covered by the government grant income. The general fund services overspend assumes non delivery of £7.5m of savings, work continues to deliver these in 2021/22 and into 2022/23. 1,296 service users have been identified for package reviews during November 2021 to March 2022, if the anticipated package reductions due to service overprovision materialise then the current reported overspend will reduce by £0.9m, with a full year impact of £3.5m in 2022/23.
- 6.5 The Council is seeing an increase in demand for community based services as service users are being discharged from hospital earlier and with increasingly complex care needs, which is a trend across London and nationally. This manifest itself in higher levels

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of care, increased use of 24-hour care at home and increased use of double-handed care. The number of placements in residential care has also increased and this pattern is expected to continue into 2022/23. The current forecast overspend for Residential care is £2.5m of which £0.9m is being funded by NHSE&I discharge funding. Discharge funding from NHSE&I as well as Covid support is expected to cease at the end of 2021/22, with costs expected to still be in the system in 2022/23. .

### **Integrated Commissioning**

- 6.6 The Integrated Commissioning division is currently forecasting a balanced budget position for 21-22. There is currently a small reported Covid-19 pressure of £0.03m relating to Rough Sleepers costs under Supporting People which is fully funded by grant income.
- 6.7 The Prevention and Inclusion element of Joint Commissioning service covering Drug & Alcohol Services and Supporting People budgets was underspent by £0.4m in 2020/21, as a result of variations on activity-based contracts. Savings of £0.3m have been taken in the 2021/22 financial year and these are expected to be fully achieved with no variance for the current financial year. There are some potential contract efficiencies arising from the current review of block contract arrangements which may deliver cost reductions later in the financial year.
- 6.8 In 2020/21, the Adults Joint Commissioning budget underspent by £0.3m mainly as a result of a reduction in projected spend on a combination of 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 in 2021/22 and may deliver in year savings later in the financial year

### **Public Health**

- 6.9 The Public Health division is forecasting an underspend of £0.3m for general fund services. There is an overall forecast overspend of £2.8m, of which £3.1m of these costs relate to Covid-19 activity. Within the overall position, the forecasted underspend of £0.3m is for 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**

- 6.10 The Communities, Leisure and Partnerships service is forecasting a balanced budget position by the year-end for business as usual activity. The projected Covid-19 related costs of £2.1m are expected to be fully covered by the related government grant income.
- 6.11 The Leisure Management budget was overspent by £1.9m last financial year due to the impact of Covid-19 and covered by government grant income. The pandemic led to the forced termination of the previous leisure management contract with Fusion Lifestyles and a new contractual arrangement with Greenwich Leisure Ltd (GLL) was put in place commencing in October 20. The new contract is an open book arrangement with GLL taking a percentage of income to cover management and overhead costs and the net cost of the service being funded by the Council. The cost of the contract funded by the Council is being treated as a Covid-19 related cost pressure for 2021/22 and will be offset against a combination of Covid-19 government grant funding and the remaining £0.2m of the Leisure Relief grant funding received from the Sports Council. The profit & loss account has now been agreed for the first two quarters (April-Sept 21) and a payment of £0.57m has been made to GLL. It is anticipated that that the quarterly contract payments will reduce over the remainder of 2021/22 as leisure centre usage increases and income from fitness and wet courses improves. Based on current income projections the £1.2m currently forecast as a Covid-19 cost will be sufficient to cover this year's contract costs, but the contract will continue to be closely monitored.

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- 6.12 There is an additional Covid-19 related Leisure Management overspend of £0.1m in relation to legal, cleaning and security costs being incurred at The Bridge Leisure Centre site in 21-22. The centre was not initially included in the new contractual arrangement with GLL due to the extensive investment required at the site. The site has therefore been closed pending a feasibility study into its future potential use, a report has recently been submitted to agree spend of up to £300k for a feasibility study to look at the future of the The Bridge and the local area. This will be funded from Provisions and Reserves.
- 6.13 The current financial year has seen mortality rates reduce as the impact of the pandemic has eased and income has fallen back in line with pre Covid-19 levels. A net overspend of £0.1m is currently projected across the Crematorium and Cemeteries budgets due to an income shortfall against the revised income target. In addition there is a further pressure of £0.1m projected on the contribution to London Borough of Southwark under the Coroners' Court Consortium. Overall this gives a £0.2m non covid pressure across the service.
- 6.14 There is currently a Covid-19 related pressure of £0.4m in relation to the contribution made to the London Wide Mortality Management Scheme-Wave 2 which is being coordinated by the London Borough of Camden. The contributions from the London Boroughs in the scheme are being held in a sinking fund by the London Borough of Camden. The overall spend against the sinking fund remains relatively low, so there potential for a reimbursement of part of the contribution in the later part of 2021/22. This would potentially reduce our COVID-19 related spend for 21-22.
- 6.15 There are also ongoing Covid-19 related pressures in relation to Parks Events income and Community Centre hire income of £0.2m This is due to the cancellation of the annual On Blackheath Summer Event and the slow recovery of hire income in Community Centres which remains below pre Covid-19 levels. There is a further Covid-19 related pressure of £0.1m in relation to ongoing infection control costs at the Crematorium and in the Community Centres in terms of additional cleaning etc.
- 6.16 The overall cost pressures across the Division are being offset by two areas of additional income and underspend. Additional income of £0.1m is being generated by Green scene at Beckenham Place Park (BPP) from a combination of car parking pay and display charges at BPP mansion and Events income generated at BPP in the later part of the summer. In addition, there is a projected £0.1m underspend on staffing and operational budgets in the Community Safety Service due to staffing vacancies held pending the implementation of a service restructure in January 2022.

### **Culture, Learning and Libraries**

- 6.17 The Culture, Learning and Libraries division is forecasting an overspend of £0.2m by the year-end which is all Covid-19 related. The projected costs of £0.2m is resulting from a combination of lost income and infection control works in relation to the Adult Learning and Libraries Services and will be funded from Covid-19 grant funding.
- 6.18 The Borough of Culture Programme is currently projected to cost £3.1m which will be met from a combination of external grant, sponsorship and LBL match funding from the councils General Fund budget. The Council has secured main grant funding of £1.35m from the Greater London Authority (GLA), £0.25m from the Paul Hamlyn Foundation, £0.25m from the National Heritage Lottery Fund and £0.1m from Housing Association contributions giving a total for external funding secured of £1.95m. In addition there is London Borough of Lewisham match funding identified of £0.7m which is a combination of £0.5m from reserves and £0.2m of existing revenue funding being redirected at the programme. The total agreed funding is £2.65m against the overall projected programme costs of £3.1m giving a current funding gap of £0.45m, imminent confirmation is anticipated of a funding bid submitted to The Arts Council of £0.15m which will further narrow the funding gap. There are a number of funding applications being progressed and the council will also generate earned income from ticket and other sales which will

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contribute to the funding of the programme as well as seeking funding from Sponsors. The programme will be delivered across both 2021/22 and 2022/23 financial years with the full programme delivery commencing in January 2022. Despite the positive outlook with regard to funding secured until all the funding has been fully confirmed and the cost of programme delivery agreed there remains a potential financial pressure/risk for the council.

- 6.19 The Libraries Service had a staffing savings of over £0.3m for 2021/22 and a full reorganisation is currently being undertaken with a mid-year implementation date. Despite a delayed implementation, it is expected that the staffing saving will be fully achieved in 2021/22 due to the high level of vacancies currently being held within the service. Any potential redundancy costs arising from the restructure are expected to be covered within the service budgets. During the Library closures a significant number of Library have been involved in Track and Trace activity for which we have received Covid grant.

## 7. Housing, Regeneration and Public Realm

- 7.0 The Housing, Regeneration and Public Realm Directorate is forecasting a year-end underspend of £0.3m for general fund services as at the end of September 2021. This is after the application of £4.8m of government grant income to fully offset Covid-19 costs incurred by the directorate. At the end of July, the directorate was forecasting a balanced budget. The overall Directorate position is shown in the table below.

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

Housing, Regeneration and Public Realm	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 September 2021/22	Forecast Outturn Non Covid-19 related Variance July 2021/22
	£m	£m	£m	£m	£m	£m
Strategic Housing	3.5	5.4	1.9	1.9	0	0
Public Realm	17.7	19.7	2	2.6	-0.6	-0.4
Regeneration	0	0.6	0.6	0.2	0.4	0.4
Planning	0.7	0.7	0	0.1	-0.1	0
Reserves and Provisions	0	0	0	0	0	0
<b>Total</b>	<b>21.9</b>	<b>26.4</b>	<b>4.5</b>	<b>4.8</b>	<b>-0.3</b>	<b>0</b>

- 7.1 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**

- 7.2 The overall forecasted impact of Covid-19 on base budgets for expenditure and income in Housing, Regeneration and Public Realm is £4.8m (no change from last period). The Covid-19 pressures are summarised as follows:

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

<b>Housing, Regeneration and Public Realm Covid-19 Pressures</b>	<b>Total forecasted for year</b>
	£m
Housing Needs	1.9
<b>Strategic Housing - Sub Total</b>	<b>1.9</b>
Parking	1.9
Refuse Collection	0.3
Street Management	0.1
Street Markets	0.3
<b>Public Realm - Sub Total</b>	<b>2.6</b>
Building Control	0.1
Economy & Partnerships	0.1
<b>Regeneration - Sub Total</b>	<b>0.2</b>
Planning	0.1
<b>Planning - Sub Total</b>	<b>0.1</b>
<b>Forecast Outturn Covid-19 related Variance 2021/22</b>	<b>4.8</b>

### **Strategic Housing**

- 7.3 The Strategic Housing division is forecasted to end the year with a balanced budget after applying government funding to cover the forecast overspend of £1.9m, entirely due to Covid-19. There is an increase in the number of people in nightly paid accommodation, 817 at the end of September compared to 745 at the start of April. This increase in numbers has put additional pressure on the service in terms of landlord payments and recharges for Housing Benefit payments which have exceeded the caps and limits (HB limitation recharges) and therefore not payable through the DWP Housing Benefit claim. These are currently forecast to be £0.6m above 2020/21 levels. Numbers in Privately Managed Accommodation (leased accommodation) units at the end of September were 562 with 354 accommodated in PSL units.
- 7.5 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. It should be noted that the current limitation recharge forecast for 2021/22 is in the region of £7.3m, which is some £1.8m above the 2020/21 recharge levels. The majority of this increase was expected due to increased rental charges for Private Sector Leasing/Private Managed Accommodation (leased accommodation) units, but is fluctuating due to the higher average numbers accommodated in nightly paid units.
- 7.6 Pressures are continuing to be monitored within the service regarding incentive payments to landlords of circa £1.5m for which there is no budget, as well as bad debt for nightly paid accommodation. The number of units acquired for Privately Managed Accommodation (PMA) was 553 units as at 1st April 2021 and temporary accommodation remains a pressure.

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- 7.7 The service is still accommodating clients 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 instigating 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**

- 7.8 The Public Realm division is forecasted to end the year with a net underspend of £0.6m, after applying Covid-19 government grant funding to cover the forecast overspend of £2.6m, entirely due to Covid-19.
- 7.9 The Highways & Transport Service is forecasting a balanced budget position for the year. There is, however, a risk that the service will not achieve the full income target associated with TfL LIP funding due to the continued short-term funding agreements between the Government and TfL and how this funding is then distributed to boroughs. There is currently no TfL LIP funding available beyond 11 December 2021, the continued short-term funding agreements make longer term resource, project and financial planning extremely challenging.
- 7.10 The Refuse Collection Service is forecasting an overspend of £0.05m which is due to an increase in hazardous waste costs entirely as a result of Covid-19. This will be covered by Covid-19 government grant funding.
- 7.11 The Street Management Service is currently reporting a balanced budget position after applying Covid-19 government grant funding to cover an overspend of £0.1m relating to staff costs.
- 7.12 The Strategic Waste Management and Environmental Health services are currently forecasting balanced budgets.
- 7.13 The Parking Service is forecasting a £1m end of year net overspend. There is a forecast £1.9m shortfall on the income budget, entirely attributable to Covid-19, which will be covered by the Covid-19 government grant funding. The service is expecting to generate £0.9m net income surplus from moving traffic contraventions during the year.
- 7.14 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 as well a reduction in the number of stall holders returning.
- 7.15 *Refuse Collection Income* is forecasting an overspend of £0.3m after applying £0.3m of Covid-19 government grant to cover the loss of Commercial Waste income, as some businesses are yet to resume trading. The £0.3m remaining overspend is due to ongoing under achieved income targets in commercial waste. 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 underachievement by 50% compared to the outturn 2020/21 position. The effect of the action plan will be closely monitored through the year.
- 7.16 The Enforcement team within the Street Management service is projected to overspend by £0.06m, which is due to Covid-19 and relates to the loss of income from Forecourt licences and staff costs.

### **Regeneration**

- 7.17 The Regeneration Division is forecasted to end of the year with a net overspend of £0.4m. This is after applying £0.2m of Covid-19 government grant funding to cover costs attributable to Covid-19.
- 7.18 The Building Control Service is forecasting a loss of income of £0.1m entirely attributable to Covid-19 through reduced demand.
- 7.19 The Economy and Partnerships Service is reporting a balanced budget position after

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applying £0.1m of Covid-19 government grant to cover the costs of staff working on Covid-19 related projects.

- 7.20 The Capital Programme Delivery Service is forecasting a £0.4m overspend this year. This pressure comes as a result of a change in the Strategic direction on the Copperas Street project.

### Planning Division

- 7.21 The Planning Service is currently forecast to end the year with an underspend of £0.1m due to staffing costs relating to work on Covid-19 projects being covered by Covid-19 government grant funding.
- 7.22 The service had seen an improvement in income generation compared to last year but recently income levels have started to decline again. The service is currently still projecting to end the year overachieving its income target resulting in a net underspend. This is being closely monitored and changes will be detailed in subsequent reports.
- 7.23 The government introduced changes to the planning system which requires the Council to undertake more up front work to prepare design codes. This additional work is likely to have resourcing and cost implications for the service over the coming months and into the next financial year.

## 8. Corporate Resources Directorate

- 8.0 The Corporate Resources Directorate is forecasting a year-end overspend of £0.1m as at the end of September 2021. This is after the application of £2.9m of Covid-19 government grant funding to offset Covid-19 costs incurred by the directorate.

**Table 8 – Corporate Services Directorate**

Corporate Resources	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 September 2021/22	Forecast Outturn Non Covid-19 related Variance July 2021/22
	£m	£m	£m	£m	£m	£m
Assurance	2.7	2.6	-0.1	0	-0.1	-0.1
Financial Services	5.2	5.1	-0.1	0	-0.1	-0.1
Resident & Business Services	17.7	20.7	3	2.8	0.2	0.7
IT & Digital Services	7.6	7.8	0.2	0.1	0.1	0.1
Reserves	-0.7	-0.7	0	0	0	0
<b>Total</b>	<b>32.5</b>	<b>35.5</b>	<b>3</b>	<b>2.9</b>	<b>0.1</b>	<b>0.6</b>

- 8.1 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

- 8.2 The overall forecasted financial impact of Covid-19 on base budgets for income and expenditure in Corporate Resources is £2.9m. These Covid-19 related pressures are summarised in the following table.

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

Corporate Resources Covid-19 Pressures	Total forecasted for year
	£m
Sundry Debt – Delay in ‘Invest to Save’ to improve debt collection	0.5
Revenues Services – Loss of income collected through enforcement and court fees	1.5
Cleaning	0.2
Test and Trace Admin	0.2
Additional expenditure on accommodating rough sleepers due to covid	0.4
<b>Residents and Business Services - Sub Total</b>	<b>2.8</b>
IT Spend	0.1
<b>IT and Digital Services - Sub Total</b>	<b>0.1</b>
<b>Forecast Outturn Covid-19 related Variance 2021/22</b>	<b>2.9</b>

#### **Financial Services Division**

- 8.3 The Financial Services division is forecasting a net underspend of £0.1m. This includes underspends forecast on Pensions & Payroll supplies & services budgets as well as additional income. In addition, the Finance Team is undergoing a major restructuring and the recruitment to a number of vacant posts is underway.

#### **IT & Digital Service Division**

- 8.4 The IT & Digital Services division is forecasting an overspend of £0.2m on miscellaneous software and licencing costs of which £0.1m are covid related.

#### **Resident and Business Services Division**

- 8.5 The *Resident and Business Services* division is forecasting a net overspend of £3m. Of this sum £2.8m relates to pressures arising from the closure of courts resulting in loss of income from court fees, enforcement action, and debt collection. These are funded by Covid-19 government grant funding. There is also a non Covid-19 forecast pressure of £0.2m which partly relates to Housing Benefit overpayments where claimants have not promptly notified the Council of a change in circumstances, exempt supported accommodation, and pressures arising from work undertaken into the feasibility of process automation that has indicated that savings may not be achievable.

#### **Assurance Division**

- 8.6 The Assurance division is forecasting a net underspend of £0.1m mainly due to salary underspends 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.

### **9. Chief Executive Directorate**

- 9.0 The Chief Executive’s Directorate is forecasting a nil variance by the year-end as at the end of September 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**

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Chief Executive's	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 September 2021/22	Forecast Outturn Non Covid-19 related Variance July 2021/22
	£m	£m	£m	£m	£m	£m
Assistant Chief Executive	7.3	7.3	0	0.1	-0.1	0
Law, Governance & Elections	3.9	4.1	0.2	0.1	0.1	0.1
<b>Total</b>	<b>11.2</b>	<b>11.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0</b>	<b>0.1</b>

### Cost of Covid-19

- 9.1 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**

Chief Executives Covid-19 Pressures	Total forecasted for year
	£m
Legal Services - Loss of Income	0.1
Communications support	0.1
<b>Forecast Outturn Covid-19 related Variance 2021/22</b>	<b>0.2</b>

### Assistant Chief Executive’s Division

- 9.2 The Assistant Chief Executive’s division is forecasting a net nil variance of which there is Covid-19 losses of £0.1m in relation to communications support offset by an underspend of £0.1m for non covid expenditure in relation to the recent restructuring exercise.

### Law, Governance and Elections Division

- 9.3 The Law, Governance & Elections division is forecasting a net overspend of £0.2m of which £0.1m is Covid-19 related and is due to loss of income and webcasting during the pandemic. There is a £0.1m variance reported for non Covid-19 expenditure due to additional staffing costs and shortfalls in income.

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

- 10.0 The Council has been allocated £29.75m of Covid-19 grant funding (either received in 2020/21 and unused/carried forward or received in 2021/22) which can be utilised against General Fund expenditure or income foregone in 2021/22. Of this funding £17.86m is unringfenced Section 31 Covid-19 Local Authority Support Grant which can

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be used to fund any expenditure the council has incurred directly as a result of Covid-19 and £1.16m Sales, Fees and Charges income which is specifically to be used to compensate the Council for lost income as a result of Covid-19. The council has also received £10.73m of ringfenced specific Covid-19 Grant Funding which is to be utilised against the relevant expenditure, such as £2.26m Test and Trace Grant and £4.59m Contain Outbreak Management Funding. If costs have not been incurred against the ringfenced grants then they will need to be returned to government. The list of grants received is shown in the table below:

**Table 12 – Government Funding for Covid-19 (General Fund)**

<b>Funding Description</b>	<b>2020/21 Remaining Allocation</b>	<b>2021/22 Allocation</b>
<b>Unringfenced Funding</b>	<b>£m</b>	<b>£m</b>
S31 Covid-19 Local Authority Support Grant (Tranches 1 to 5)	7.84	10.02
Sales, Fees and Charges Income – (Tranche 4)	0	1.16
<b>Sub Total Per Annum</b>	<b>7.84</b>	<b>11.18</b>
<b>Total Across Both Financial Years</b>		<b>19.02</b>
<b>Ringfenced Funding</b>	<b>£m</b>	<b>£m</b>
Section 31 – Test, Trace and Contain Grant (3 amounts)	2.26	0.00
Section 31 – Welfare Support Grant *	0.19	0.00
Community Champions Fund	0.28	0.28
Community Testing	0.00	0.11
Re-opening High Streets Safely	0.27	0.00
New Burdens Funding	0.00	0.29
Sport England Leisure Relief Funding	0.17	0.05
Contain Outbreak Management Fund	2.00	2.59
Clinically Extremely Vulnerable	0.00	0.79
Workforce Capacity Grant	0.00	0.93
Practical Support for those Self Isolating	0.00	0.44
Local Elections Funding	0.00	0.11
<b>Sub Total Per Annum</b>	<b>5.16</b>	<b>5.57</b>
<b>Total Across Both Financial Years</b>		<b>10.73</b>
<b>Amount available for use in 2021/22</b>		<b>29.75</b>

- 10.1 The Council has also received specific funding to support both businesses and residents who are facing financial hardship as a result of the Pandemic. The table 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 to be returned to government in this year.

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**Table 13 – Government Funding for Covid-19 (Ring-fenced Funding Outside of Service Expenditure)**

Funding Description	2020/21 Balance	2021/22 Allocation
<b>Ringfenced Funding Outside Of Service Expenditure e.g. DSG or Transfer Payment</b>	<b>£m</b>	<b>£m</b>
Covid Winter Grant	0.15	1.02
Test and Trace Support Grants <sup>1</sup>	0.74	0.16
Rapid Test Fund *	0.22	0.00
Infection Control Fund	0.00	1.02
<b>Sub Total Per Annum - available against specific expenditure</b>	<b>1.11</b>	<b>2.20</b>
<b>Total – for use in 2021/22</b>		<b>3.31</b>

## 11. Revenue Budget Savings for 2021/22

- 11.0 The budget for 2021/22 assumed the delivery of savings not achieved in 2020/21 and new savings for 2021/22. The total savings for 2020/21 which were undelivered last year and carried forward for delivery in 2021/22 was £8.2m. There were further savings for 2021/22 of £22.6m as well as cost reductions measures of £5.4m. Appendices 1 provides a progress update against the 2021/22 agreed savings of £22.6m and appendices 2 provides an update against the agreed overspend reduction measures for 2021/22 of £5.4m.
- 11.1 £1.34m of the £8.2m undelivered savings for 2020/21 are being delivered during 2021/22 with the remaining £6.78m delayed due to the impact of Covid-19 and funded by some of the unringfenced Covid-19 grant funding above. The non delivery is accounted for within the monitoring position.
- 11.2 The tables below shows a summary by Directorate of the 2021/22 savings and cost reductions measures, the gap is accounted for within the monitoring position.

**Table 14 – 2021/22 Savings Delivery by Directorate**

2021/22 Savings	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap
	<b>£m</b>	<b>£m</b>	<b>£m</b>
CHIEF EXECUTIVE DIRECTORATE	0.83	0.56	0.27
CHILDREN & YOUNG PEOPLE DIRECTORATE	2.64	2.54	0.10
COMMUNITY SERVICES DIRECTORATE	12.27	4.81	7.46
CORPORATE RESOURCES DIRECTORATE	2.21	1.53	0.68
HOUSING, REGENERATION & PUBLIC REALM DIRECTORATE	3.11	3.11	0.00
Cross-Cutting	1.53	1.53	0.00
<b>Total</b>	<b>22.586</b>	<b>14.076</b>	<b>8.510</b>

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**Table 15 – 2021/22 Cost Reduction by Directorate**

2021/22 Savings	2021/22 Agreed Reduction	2021/22 Achieved	2021/22 Gap
	£m	£m	£m
CHIEF EXECUTIVE DIRECTORATE			
CHILDREN & YOUNG PEOPLE DIRECTORATE	4.30	4.18	0.13
COMMUNITY SERVICES DIRECTORATE	0.61	0.48	0.13
CORPORATE RESOURCES DIRECTORATE	0.22	0.12	0.10
HOUSING, REGENERATION & PUBLIC REALM DIRECTORATE	0.30	0.30	0.00
Cross-Cutting			
<b>Total</b>	<b>5.420</b>	<b>5.065</b>	<b>0.355</b>

11.3 The shortfalls identified are contained within the overall forecast outturn that is being reported for each division and for the Directorate overall. Work is ongoing to identify additional measures or achieve existing savings within the Directorate to mitigate shortfalls identified above and to bring down the general fund reported overspend of £8.5m.

## 12. Dedicated Schools' Grant

12.0 The Dedicated Schools Grant (DSG) is currently forecasting an in year overspend of £3m. After taking into account the £5m overspend brought forward from the previous financial year, the cumulative projection is £8m.

**Table 16 – DSG allocation and projection 2021/22**

Dedicated schools grant (DSG): 2021 to 2022 allocations	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	-183.55	-4.26	-61.78	-24.17	-273.76
Projected Spend	182.5	4.3	71.24	24.2	282.24
<b>Forecast Overspend (Cumulative)</b>	<b>-1.05</b>	<b>0.04</b>	<b>9.46</b>	<b>0.03</b>	<b>8.48</b>

12.1 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. Delays have occurred due to further

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analysis requests from DfE on Early Years data relating to the possible impact of Covid on January Data.

- 12.2 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 being undertaken by officers, which will be carried out with greater details as the requirements of the Covid-19 response reduce.
- 12.3 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.
- 12.4 There has been an increase in funding in the High Needs Block of £6.8m, plus £1.07m from Schools block. Based on the current data, and allowing for an increase of approximately 200 additional EHCP for the remainder of the financial year (at £15k a place), it is anticipated that the overspend will be £3m for 2021/22.
- 12.5 In addition to this there remains a £5m overspend brought forward from 2020/21, providing a revised cumulative overspend position of £8m. Firmer information on EHCP numbers will be available shortly following secondary transfer and Further Education applications. The table notes an increase of 110 EHCP since 1<sup>st</sup> April 2021.

**Table 17 – Education Health and Care Plan (EHCP)**

Phase - EHCPs	Under 5s	Primary	Secondary	Post-secondary	Grand Total
<b>FY17/18 Used As Base Line</b>	<b>42</b>	<b>831</b>	<b>769</b>	<b>537</b>	<b>2,179</b>
FY18/19	24	889	821	626	2,360
FY19/20	37	929	887	774	2,627
FY20/21	74	1,027	974	931	3,006
FY 21/22	84	942	1,046	1,062	3,134
<b>Increase on Baseline Numbers</b>	<b>42</b>	<b>111</b>	<b>277</b>	<b>525</b>	<b>955</b>
<b>Increase on Baseline %</b>	<b>76.20%</b>	<b>23.60%</b>	<b>26.70%</b>	<b>73.40%</b>	<b>38.00%</b>

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 the number of Children 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 18 – In Borough and Out Borough EHCPs**

Borough - EHCPs	LBL	OOB	Grand Total
<b>FY17/18 Used As Base Line</b>	<b>1559</b>	<b>620</b>	<b>2,179</b>
FY18/19	1,653	707	2,360
FY19/20	1,789	838	2,627
FY20/21	1,953	1,053	3,006
FY21/22	1,974	**1,160	3,134
<b>Increase on Baseline Numbers</b>	<b>415</b>	<b>540</b>	<b>955</b>

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Increase on Baseline %	25.30%	69.80%	38.00%
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\*\*Includes 144 EHCPs not yet with confirmed placing

- 12.6 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.
- 12.7 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.
- 12.8 Partial funding announcement has been made for 2022/23. This confirms a reduction of £500k in the CSSB. Alongside the partial settlement, the DfE has published a Consultation document on the National Funding Formula. The document considers the next steps towards a “hard formula” and the role of Local Authorities alongside the DfE’s preference of Schools moving to Academy Status. Further detailed work is progressing on this. However it is important to note that the funding currently received within the CSSB is at significant risk from 2023/24.

### Schools

- 12.9 Of the 76 schools within Lewisham, 73 have submitted their budget plans for July. The finance team will be reviewing and discussing the outcome of the Budget Plan reviews with the schools during the autumn term, overall the position appears more positive than last year. 24 schools are now able to demonstrate that they are able to set a three year balanced position, this is an increase of 12. This is positive as it shows that schools are actively showing strong financial management and leadership and are taking a more long term view of their financial position.
- 12.10 Lewisham has also been working effectively with the DfE (SRMA). The SRMA is undertaking support work for the two Nursery Schools. Feedback from Chelwood Nursery School has been very positive. It is anticipated that Chelwood will be able to undertake appropriate actions to develop a sustainable budget position.
- 12.11 In November 2020 there were 12 green rated schools, 23 amber rated schools and 41 red rated schools, this has improved to 24 green rated schools, 21 amber rated schools and 31 red rated schools by June 2021.
- 12.12 Schools Forum at their meeting on 21<sup>st</sup> October 2021 agreed to fund the continuation of finance support to schools for an additional two years. This will enable the progression of the current partnership work to support schools towards longer term sustainable budget position.
- 12.13 There are some significant risks affecting schools funding, including the impact of inflation, potential pay awards, falling numbers in some schools, impact of energy price rises. The provisional settlement for schools for 2022/23 (the final year of a 3-year funding settlement) suggests an increase in per-pupil funding of 1.5%.
- 12.14 It should also be noted that for 2021/22, schools 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

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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.

### **13. Housing Revenue Account**

- 13.0 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2021/22. At this mid stage of the financial year, the current forecast is for a small surplus of £0.7m. There is a potential deficit of £5.98m against allocated budgets (mainly relating to the underachievement of Major Work's income as noted below), however this is currently being mitigated by an underspend on allocated capital resources and is not being included in the forecast. The current position seen in the table includes a budgeted contribution from HRA reserves of £46.4m, 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.
- 13.1 Repairs & Maintenance (R&M) is currently forecast to budget, however, Lewisham Homes are continuing to report increasing pressures which may result in a small variance to the current allocated budgets. There was an overspend of £0.9m in this area for 2020/21. Lewisham Homes will provide regular updates for 2021/22 to ensure that pressures are identified with the aim of managing these within the overall budget.
- 13.2 The current 30 year HRA financial model has been refreshed, with the final outturn for 2020/21 as well as the latest updates for the capital programme, revised stock numbers and reserves allocations incorporated into the plans. Budgets were updated in September 2021 to reflect starting stock numbers from 1 April 2021, as well as incorporating the latest consolidation update for the new supply programme to reflect the latest position. The revisions to the budgets have been agreed and processed 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 Covid-19 pandemic.
- 13.3 Additional income is being forecast from tenant's rents and service charges due to lower than budgeted void rates. In addition, bad debt impairment charges to the HRA are likely to be lower than budgeted, and are currently showing a similar pattern to 2020/21 values. It is too early in the financial year to establish if this will continue for a full year, so will be monitored and updated over the coming months. Any additional income or underspends in these areas will be used to compensate for the unexpected movement in other areas such as the Major Works shortfall or Repairs and Maintenance costs if necessary.
- 13.4 There is a significant major works income budget of £11.4m, which is based on the General Capital programme allocation of £78.8m. However, raising of bills is dependent on the Lewisham Homes Capital Programme undertaking works which can/are recharged to Leaseholders. As at the end of September 2021, a total of £0.39m has been charged to leaseholders. Further discussions with Lewisham homes indicate that the likely Major Works income for 2021/22 may be limited to £4.15m. The majority of this income relates to prior year works, further income for prior year works is expected but is likely to be raised in financial year 2022/23, depending on the progress of the final accounts agreements with the major works contractors.
- 13.5 Lewisham Homes are currently reporting a forecast spend of £71.5m against the general capital allocations budget of £78.8m. This is a forecast underspend of £7.3m against the programme which may result in a lower than forecast revenue contribution to capital. This is not yet included in the current forecasts and could be utilised to mitigate the potential deficit in the major works income as stated above. The forecast expenditure is 90.7% of the overall programme allocation. The final position on the capital programme in 2020/21 was an underspend of £9.8m, with the unspent resources carried into 2021/22 and added to the £69m allocation. The development team are currently reporting a forecast spend of £61.7m for the total development programme which is an underspend of £3.7m against

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the total Building for Lewisham allocations of £65.4m. The forecast expenditure is 94.3% of the overall programme allocation, with expenditure to the end of September 2021 of £20.3m.

**Table 19 – Housing Revenue Account**

Housing Revenue Account	Expenditure Budget	Income Budget	Net Budget	Projected Outturn
	£m	£m	£m	£m
Housing, Regeneration and Public Realm – Housing	18.9	-3.7	15.2	-0.13
Lewisham Homes & Repairs & Maintenance	38.3	0	38.3	0
Resources	1.8	0	1.8	0
Centrally Managed Budgets	96.2	-151.5	-55.3	-0.57
<b>Total</b>	<b>155.2</b>	<b>-155.2</b>	<b>0</b>	<b>-0.7</b>

## 14. Collection Fund

### Council Tax

14.0 As at 30 September 2021, some £80.60m of Council Tax has been collected representing 49.64% of the total amount due for the year. This is £2.30m below the 51.06% target required in order to reach 95% for the year. At this point last year 49.39% (£74.09m) of the total amount due had been collected.

**Table 20 - Council Tax Collection Fund**

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%	-0.28%	9.98%
<b>May-21</b>	29,752,772	30,943,951	-1,191,179	18.41%	19.15%	-0.74%	17.49%
<b>Jun-21</b>	42,605,074	43,754,273	-1,149,199	26.31%	27.02%	-0.71%	25.46%
<b>Jul-21</b>	55,350,944	57,265,698	-1,914,754	34.14%	35.32%	-1.18%	33.83%
<b>Aug-21</b>	68,165,836	70,047,797	-1,881,961	42.01%	43.17%	-1.16%	41.32%
<b>Sep-21</b>	80,600,744	82,901,808	-2,301,064	49.64%	51.06%	-1.42%	49.39%

### Business Rates

14.1 As at 30 September 2021, some £28.15m of Business Rates has been collected representing 50.07% of the total amount due for the year. This is £8.21m below the 64.66% target in order to reach 99% for the year. At this point last year 58.07% (£21.57m) of the total amount due had been collected.

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**Table 21 – Business Rate Collection**

Business Rates	Cash Collected (cumulative)	Cash needed to meet 99% Profile	Difference between collected and 99% profile	Current Year Collection Rate%	Required Collection Rate to reach 99%	Difference	Previous Year Collection Rate
<b>Apr-21</b>	2,038,133	8,601,507	-6,563,374	2.81%	11.87%	-9.06%	20.40%
<b>May-21</b>	8,715,032	19,020,075	-10,305,043	12.04%	26.28%	-14.24%	33.44%
<b>Jun-21</b>	13,112,362	20,807,044	-7,694,682	23.03%	36.54%	-13.51%	37.56%
<b>Jul-21</b>	18,177,438	25,862,807	-7,685,369	32.06%	45.61%	-13.55%	46.35%
<b>Aug-21</b>	22,890,863	30,315,382	-7,424,519	40.75%	53.97%	-13.22%	51.03%
<b>Sep-21</b>	28,154,526	36,361,080	-8,206,554	50.07%	64.66%	-14.59%	58.07%

## 15. Capital Expenditure

- 15.0 The following table sets out the position on the Capital Programme as at the end of September 2021. It indicates an overall spend of £46.5m, which is 19% of the revised 2021/22 budget of £246.1m.
- 15.1 Mayor and Cabinet should note that a review of the Council's Capital Strategy will be presented in January 2022. A summary of the major projects to 2023/24 is attached at Appendix 3. The Capital Programme budget reconciliation is attached at Appendix 4.

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**Table 22 – Capital Programme 2020/21 (Major Projects)**

<b>2021/22 Capital Programme</b>	<b>Revised Budget (agreed at M&amp;C Feb 21)</b>	<b>Revised Budget 30th September</b>	<b>Spend to 30th September</b>	<b>Spent to Date (Revised Budget)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
<b>GENERAL FUND</b>				
Schools - School Places Programme	10.4	9.2	3	33%
Schools – Other (Inc. Minor) Capital Works	1.7	9.5	1	11%
Highways & Bridges – LBL	2.5	2.6	0	0%
Highways & Bridges – TfL and Others	0.8	2.4	0.2	8%
Catford Town Centre	0.3	1.3	0.2	15%
Asset Management Programme	2.8	3.9	0.1	3%
Other AMP Schemes	0.9	3.1	0.4	13%
Broadway Theatre	4.8	5.3	0.3	6%
CCTV Modernisation	0.5	1.1	0.5	45%
Beckenham Place Park ( Inc. Eastern Part)	1.7	1.9	0.1	5%
Catford Phase 1 – Thomas Lane Yard/ CCC	0.6	0.5	0.3	60%
Catford Station Improvements	0.3	0.4	0	0%
Lewisham Gateway ( Phase 2)	3.5	3.5	0.6	17%
Disabled Facilities Grant	2.1	1.3	0.6	46%
Private Sector/Discretionary Grants and Loans	2.1	0.6	0.2	33%
Lewisham Homes – Property Acquisition	3	3	0	0%
Achilles St Development	1	1	0	0%
Edward St. Development	8.4	12	3.4	28%
Place Ladywell	2.7	1.3	0	0%
Deptford Southern Sites Regeneration	0.3	0.3	0	0%
Temporary Accommodation - Mayow Rd	6.6	7	1.7	24%
Temporary Accommodation - Canonbie Rd	1.4	1.8	0.5	28%
Temporary Accommodation - Sydney Arms	3.8	1	0	0%
Temporary Accommodation - Morton House	0.1	1.5	0	0%
Temporary Accommodation-Manor Avenue	0	1.2	0	0%
Fleet Replacement Programme	0.8	0	0	0%
Travellers Site Relocation	3.6	3.8	0	0%
Other Schemes	3.6	7.1	0.3	4%
<b>TOTAL GENERAL FUND</b>	<b>70.3</b>	<b>87.6</b>	<b>13.4</b>	<b>15%</b>

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2021/22 Capital Programme	Revised Budget (agreed at M&C Feb 21)	Revised Budget 30th September	Spend to 30th September	Spent to Date (Revised Budget)
<b>HOUSING REVENUE ACCOUNT</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
Building for Lewisham Programme	48.3	41.4	11.3	27%
Creekside Acquisition	13.9	11.4	3.1	27%
HRA Capital Programme ( Decent works)	31.6	78.8	17.8	23%
Place Ladywell	15.4	1.5	0.2	13%
Achilles St. Development	0.4	2.8	0.2	7%
Mayow Rd Development	0.8	0	0	0%
Other HRA Schemes	3.6	22.7	0.6	3%
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>114</b>	<b>158.6</b>	<b>33.2</b>	<b>21%</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>184.3</b>	<b>246.2</b>	<b>46.6</b>	<b>19%</b>

## 16. Financial Implications

16.0 This report concerns the projected financial outturn for 2021/22. Therefore, any financial implications are contained within the body of the report.

## 17. Legal Implications

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

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

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

## 19. Equalities Implications

19.0 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

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

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## 20. 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

## 21. Report Author and Contact

David Austin, Director of Finance at [david.austin@lewisham.gov.uk](mailto:david.austin@lewisham.gov.uk); or

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## APPENDIX 1 – Summary of agreed revenue budget savings for 2021/22

Ref	Proposal	2021/22 Agreed Savings	2021/22 Achieved	2021/22 Gap	Status	Further Comment
CHIEF EXECUTIVE DIRECTORATE		£'000	£'000	£'000		
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 or on track to be 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 or on track to be achieved
A-10	Election services	55	55	0		Achieved or on track to be achieved
A-09	Support Leadership	105	105	0		Achieved or on track to be achieved
A-11	Legal, governance service and elections review.	340	73	267		Only £73k is expected to be achieved in 21/22
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 or on track to be achieved
<b>Total for Chief Executive Directorate</b>		<b>827</b>	<b>560</b>	<b>267</b>		
CHILDREN & YOUNG PEOPLE DIRECTORATE		£'000	£'000	£'000		
E-05	Traded services with schools	50	50	0		Alternative savings found
F-12	Housing - No Recourse to Public Funds	300	900	-600		Achieved – further potential to overachieve
A-12	Rationalising Central Education Services functions	150	160	-10		Overachieved – vacancies held and additional income from Lewisham learning for Media cost
A-13	Children with complex needs (CWCN Revision)	195	133	62		Partially achieved by holding vacancies for head of SEND and SEN advisor
A-14	Replace Educational Psychologist locums through expanding the generic EP Team	200	214	-14		Specific saving partially met, however, one-off work undertaken resulting in the overachievement in the current financial year
A-16	Reduction of workforce development budget	50	50	0		Achieved or on track to be achieved
B-13	Early Years Funding Block	54	54	0		Achieved or on track to be achieved

C-09	Youth Offending Service (YOS) redesign	152	152	0		Achieved or on track to be achieved
C-30	Rationalisation of Business support across Education services	70	70	0		Achieved or on track to be achieved
D-09	Educational Assets	300	300	0		Achieved or on track to be 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	1053	390	663		In progress – subject to some aspect of restructure –balance offset by underspends in NRTPF
A-03	Corporate Transport arrangements	56	56	0		Achieved or on track to be achieved
E-03	Review discretionary sales, fees and charges and increase to the point of full cost recovery.	10	10	0		Achieved or on track to be achieved
<b>Total for Children &amp; Young People Directorate</b>		<b>2,640</b>	<b>2,539</b>	<b>101</b>		
<b>COMMUNITY SERVICES DIRECTORATE</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
B-04	Smoking cessation service	221	221	0		Achieved or on track to be achieved
B-05	Recharge OT and housing officer costs to the Disabled Facilities Grant	250	250	0		Achieved or on track to be achieved
B-07	Review of Council run events	42	42	0		Achieved or on track to be achieved
B-10	Reduction in local assemblies service	45	45	0		Achieved or on track to be achieved
C-02	Adult Learning and Day Opportunities	50	50	0		Achieved or on track to be achieved
E-04	Introduce charging for certain elements of self-funded care packages	82	0	82		Work is required to deliver
F-01	Adult Social Care Demand management	3,000	1,000	2,000		Work is in progress however at Period 7 only £1m has been delivered this year.
F-06	Adults with learning difficulties and 14 - 25yrs transitions costs	760	0	760		Work is on going on this saving however as yet none of the saving has been delivered
F-09	In house services reductions - adults passenger transport	600	0	600		At risk due to the overall position in relation to the funding of Passenger Services costs across the Council
A-18	Library and Information Service	300	300	0		Achieved or on track to be achieved
B-11	Improved usage of BCF Funding across partners	1,000	1,000	0		Achieved or on track to be achieved

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B-12	Adult Learning Lewisham - back office efficiencies	96	96	0		On track but with some potential redundancy costs of up to £27k
C-12	Weight management services	25	25	0		Achieved or on track to be achieved
C-13	Sexual and Reproductive Health Services in Primary Care	100	100	0		Achieved or on track to be achieved
C-14	Substance Misuse Cuts (Public Health Budget)	150	150	0		Partly achieved with an issue in relation to Prescribing costs-CCG
C-15	Integrated Sexual and Reproductive Health Services	150	150	0		Achieved or on track to be achieved
C-16	Reduction of Management overheads for the Social Inclusion and Recovery Services (Slam lewisham Community Services)	50	50	0		Achieved or on track to be achieved
C-17	Re-configuration of MH Supported Housing pay - social interest group	100	0	100		Work is on going to deliver this
C-24	Culture Team Salaries & Borough of Culture	60	60	0		Achieved or on track to be achieved
C-28	Supported Housing Services	169	169	0		Achieved or on track to be achieved
C-29	Crime, Enforcement & Regulation service restructure	50	50	0		Achieved or on track to be achieved
F-24	Adult Social Care cost reduction and service improvement programme	3,849	0	3,849		The work with Newton has gone live however slippage is expected to slip into future years
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 or on track to be achieved
A-03	Corporate Transport arrangements	23	23	0		Achieved or on track to be achieved
E-03	Review discretionary sales, fees and charges and increase to the point of full cost recovery.	72	0	72		This is dependent on a review of the charging policy which has not commenced yet.
<b>Total for Community Services Directorate</b>		<b>12,271</b>	<b>4,808</b>	<b>7,463</b>		
<b>CORPORATE RESOURCES DIRECTORATE</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
A-04	Process automation in Revs and Bens	60	40	20		Partly Achieved

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A-05	Revs and Bens - additional process automation	400	0	400		In Progress, mitigation in place through use of one-off grant funding
B-08	Review the Power of Attorney service	160	160	0		Achieved or on track to be achieved
B-09	Reduction in the discretionary award of concessionary fares	300	300	0		Achieved or on track to be achieved
D-03	Facilities management general cost reduction	50	50	0		Achieved or on track to be achieved
D-04	Operational estate - security	100	100	0		Achieved or on track to be achieved
D-06	Catford Campus - Estate Consolidation	438	179	259		Partly Achieved, delivery of savings dependent on closure of Holbeach
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		Achieved or on track to be achieved
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		Achieved or on track to be achieved
A-01a	Staff productivity - arising from new ways of working, better collaboration and a return on IT investment (£1m split Council Wide)	174	174	0		Achieved or on track to be achieved
<b>Total Corporate Resources Directorate</b>		<b>2,211</b>	<b>1,532</b>	<b>679</b>		
<b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
A-07	Housing - Productivity gains	202	202	0		Achieved or on track to be achieved
B-05	Recharge OT and housing officer costs to the Disabled Facilities Grant	175	175	0		Achieved or on track to be achieved
C-05	Housing needs and procurement service review	50	50	0		Achieved or on track to be achieved
C-06	Housing needs and procurement service review	77	77	0		Achieved or on track to be achieved
D-02	Business Rates Revaluation for the estate	40	40	0		In progress – Valuation Office still has a backlog but if not achieved this will be covered by other funds in the service.
D-06	Catford Campus - Estate Consolidation	236	236	0		Achieved or on track to be achieved

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D-07	Meanwhile use - Temporary Accommodation	25	25	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 or covered by other funds
E-02	Income from building control	15	15	0		Achieved or on track to be achieved
E-07	Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)	300	300	0		Achieved or on track to be achieved
C-10	Housing Services Review	300	300	0		In progress - The reorganisation consultation has been completed & interviews have taken place. 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 Civic 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		Achieved or on track to be achieved
F-20	Emission based charging for Short Stay parking	120	120	0		Achieved or on track to be achieved
F-21	Road Safety Enforcement	250	250	0		Achieved or on track to be achieved
A-01 & A-01a	Productivity (Additional)	969	969	0		Achieved or on track to be achieved
<b>Total for Housing, Regeneration &amp; Public Realm Directorate</b>		<b>3,109</b>	<b>3,109</b>	<b>0</b>		
<b>Cross-Cutting</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
B-07	Review of Council run events	28	28	0		Achieved or on track to be achieved
E-01 / E-01a	Improved Debt collection	750	750	0		Achieved or on track to be achieved
E-08 / E-08a	Contract Efficiencies – inflation management	750	750	0		Achieved or on track to be achieved
<b>Total for Cross-Cutting</b>		<b>1,528</b>	<b>1,528</b>	<b>0</b>		
<b>GRAND TOTAL</b>		<b>22,586</b>	<b>14,076</b>	<b>8,510</b>		

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## APPENDIX 2 – Summary of agreed overspend reduction measures for 2021/22

Ref	Proposal	2021/22 Agreed Reduction	2021/22 Achieved	2021/22 Gap	Status	Comment:
CHILDREN & YOUNG PEOPLE DIRECTORATE		£'000	£'000	£'000		
B-02	Strategic recharging	600	340	260		In progress - possible risk of achieving full saving in 2021/22
C-01	Redesign of the CYP Joint Commissioning service.	140	140	0		Achieved or on track to be achieved
C-03	Reduction in the use of agency social workers.	215	307	-92		Overachieved
C-07	Review Short breaks provision.	65	50	15		Expected to partially achieve in 2021/22, however potential future risk from contract awards
E-06	Reduce care leaver costs	200	587	-387		Overachieved
F-02	Children Social Care Demand management	500	770	-270		Overachieved
F-04	Special Guardianship Order payments	60	60	0		Achieved or on track to be achieved
F-05	VfM commissioning and contract management - CSC	250	0	250		Offset by savings elsewhere
F-10	In house Early Help service	200	200	0		Achieved or on track to be achieved
F-11	Front door arrangements in CYP	50	0	50		Offset by savings elsewhere
A-17	Care leaver accommodation/housing costs	500	398	102		In progress
C-21	Early Help and Prevention Recommissioning	170	170	0		Achieved or on track to be achieved
C-22	Reduction in LBL contribution to CAMHS service	250	250	0		Contract delays –however balance found from holding vacancies
C-23	Reduction in the Health Visiting contract	350	350	0		Achieved or on track to be achieved
F-19	Reduction in specialist legal advocacy and assessments for CYP proceedings	500	485	15		In progress- under review as demand led
F-23	Home to school transport	250	68	182		Summer term savings achieved from independent travel training –wider review undergoing as part of transport board
<b>Total for Children &amp; Young People Directorate</b>		<b>4,300</b>	<b>4,175</b>	<b>125</b>		

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<b>COMMUNITY SERVICES DIRECTORATE</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</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>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
A-08	Reduction in paper usage	35	35	0		Achieved or on track to be achieved
C-08	IT - mobile telephony review	80	80	0		Achieved or on track to be achieved
E-09	Realising further benefits from the Oracle Cloud Solution and exploiting its functionality as a fully integrated enterprise resource planning solution.	100	0	100		Not Achieved – currently under review, and potential risk to delivery
<b>Total Corporate Resources Directorate</b>		<b>215</b>	<b>115</b>	<b>100</b>		
<b>HOUSING, REGENERATION &amp; PUBLIC REALM DIRECTORATE</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
C-11	Reduced dependency on agency staff within Highways and Transportation Services	300	300	0		Achieved or on track to be 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>5,065</b>	<b>355</b>		

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### APPENDIX 3 – Capital Programme Major Projects 2021 / 2024

Major Projects over £1m	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m
<b>GENERAL FUND</b>				
Schools - School Places Programme	9.2	4.0	0.9	14.1
Schools – Other (Inc. Minor) Capital Works	9.5	0.2		9.7
Highways & Bridges – LBL	2.6	2.5		5.1
Highways & Bridges – TfL and Others	2.4	0.1		2.5
Catford Town Centre	1.3	0.3	3.4	5.0
Asset Management Programme	3.9	0.8		4.7
Other AMP Schemes	3.1	1.8		4.9
Broadway Theatre	5.3	1.7		7.0
CCTV Modernisation	1.1			1.1
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	0.1	1.5
Lewisham Gateway ( Phase 2)	3.5		4.8	8.3
Disabled Facilities Grant	1.3			1.3
Private Sector Grants and Loans	0.6	0.6	0.6	1.8
Lewisham Homes – Property Acquisition	3.0			3.0
Achilles St Development	1.0		3.6	4.6
Edward St. Development	12.0			12.0
Place Ladywell	1.3			1.3
Deptford Southern Sites Regeneration	0.3		2.1	2.4
Temporary Accommodation - Mayow Rd	7.0	1.1	0.1	8.2
Temporary Accommodation - Canonbie Rd	1.8	0.3		2.1
Temporary Accommodation - Sydney Arms	1.0			1.0
Temporary Accommodation - Morton House	1.5	0.1		1.6
Temporary Accommodation-Manor Avenue	1.2			1.2
Fleet Replacement Programme	0.0	0	0	0.0
Travellers Site Relocation	3.8			3.8
Other Schemes	7.1	1.3		8.4
<b>TOTAL GENERAL FUND</b>	<b>87.5</b>	<b>18.4</b>	<b>15.6</b>	<b>121.5</b>
<b>HOUSING REVENUE ACCOUNT</b>				
Building for Lewisham Programme	41.4	56.4	57.2	155.0
Creekside Acquisition	11.4	2.0		13.4
HRA Capital Programme ( Decent works)	78.8	42.7	41.8	163.3
Place Ladywell 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			0.0
Other HRA Schemes	22.7	4.0	4.0	30.7
	<b>158.6</b>	<b>149.5</b>	<b>152.3</b>	<b>460.4</b>
<b>TOTAL PROGRAMME</b>	<b>246.1</b>	<b>167.9</b>	<b>167.9</b>	<b>581.9</b>

## APPENDIX 4 – Capital Programme Revised 2021/22 budget

The following table sets out the changes to the current year capital programme budget since it was approved by M&C in February 2021.

<b><u>APPROVED CAPITAL PROGRAMME BUDGET- 21/22</u></b>	<b><u>£`m</u></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
Riverside Youth Club Development Project	1.3
Temporary Accommodation- Manor Conversion	1.2
Asset Review - development and site appraisals	0.1
Asset Review - miscellaneous assets	0.1
CYP - CSC Young Supported Housing	0.9
Leisure strategy and associated sites - The Bridge Leisure Centre / Bellingham Leisure centre	0.6
Commercial Estate Investment	0.1
	<hr/> <b>8.9</b>
<b>Increase in HRA- Schemes Post Budget Report</b>	
General Capital & Decent Homes Programme	38.8
<b>Reprofiled Schemes</b>	
Reprofiled HRA Schemes	9.60
Holbeach Road Improvement Works	-0.30
Achilles Street - Development ( Design Work)	2.40
Aids & Adaptations	-0.10
Old Town Hall - Repairs & Refurb.	0.80
Edward Street Development (PLACE / Deptford )	0.30
Catford Town Centre - Phase 1	0.90
Laurence House Customer Service Centre and Library Refurbishment	0.50
Broadway Theatre - Works	0.20
2016 & 2017 PPP Ashmead School	-0.28
2016 Programme Costs	-0.11
Watergate School	-1.77
Private Sector Grants - Discretionary Grants	-1.33
MOVE - PLACE/Ladywell (1000 Homes Programme)	-1.36
Old Town Hall - Repairs & Refurb.	0.19
Excalibur Phases 3	0.40
Greenvale school	-0.45
Fleet Vehicle Replacement 2019/20 & Future Programme	-1.58
	<hr/> 8.00
<b>Revised September Capital Programme Budget 21/22</b>	<hr/> <b>246.1</b> <hr/>

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