

Lewisham Green Party Group: Budget Amendments 2026/27

Narrative and Strategic Rationale

The Lewisham Green Party Group recognises the severe financial constraints facing Lewisham Council and the necessity of delivering the £50m Medium-Term Financial Strategy (MTFS) savings target by 2028/29. However, we believe the Council must shift away from cutting frontline preventative services which often push costs further down the line, and instead aggressively pursue asset-backed, "invest-to-save" initiatives.

The administration originally planned to utilise £2.442m of reserves to set a balanced budget for 2026/27. However, as confirmed by the Section 151 Officer, the final Local Government Finance Settlement yielded more funding than anticipated, meaning this specific reserve drawdown is no longer required by the administration. We believe it is financially prudent and within the Council's risk tolerances to utilise £2.018m of these unspent reserves to protect vital frontline services and vulnerable residents from immediate cuts.

We recognise that using once-off reserves to fund recurring pressures delays the need to make savings. Therefore, this amendment is explicitly designed to allow the Council a year to develop our "Invest-to-Save" and revenue-generating proposals. By expanding the Housing Acquisition Programme (HAP) to reduce our Temporary Accommodation subsidy loss, and introducing a Vehicle Weight Surcharge, we are establishing the alternative funding streams necessary to replenish the MTFS gap in 2027/28.

Finally, our budget aims to unlock millions of pounds of unspent Section 106 Carbon Offset funding by re-orienting local assembly officer time toward a new Green Participatory Budgeting programme. This ensures residents can directly shape our transition to net zero, strategically aligning with the newly secured Nature, Towns and Cities funding.

Budget Amendments

No.	Details of Proposed Amendment	Proposer and Seconder	Date cleared by s151 Officer
1	<p>Revenue Budget Amendment: Reversal of frontline service cuts via earmarked reserves</p> <p>Proposal: To amend the 2026/27 General Fund revenue budget by drawing down £2.018m from Earmarked Reserves to reverse the following proposed cuts:</p> <ul style="list-style-type: none">• Health Care Packages and Short Breaks (CYP-0004): £800,000• Adult Social Care Vacancy Factor (ASC&H-0003): £815,000• Council Run Assembly Programme (P01): £203,025• Youth Service Budget (CYP06): £200,000	Cllr Liam Shrivastava Seconder: Cllr Hau-Yu Tam	Cleared on final review of wording – 02/03/26

	<p>Strategic narrative and justification: The administration originally planned to utilise £2.442m of reserves to set a balanced budget for 2026/27. Because the final Local Government Finance Settlement yielded more funding than anticipated, this reserve drawdown is no longer required by the administration. It is therefore within the Council’s tolerances to utilise £2.018m of these reserves to protect vital frontline services and vulnerable residents from immediate cuts.</p> <p>Participatory Budgeting and climate action: Rather than running the Council Assembly Programme in its previous form, the £203,025 reinstated under P01 will be specifically re-oriented to provide the administrative and officer resource required to run a Green Participatory Budgeting programme. This resource will be used to safely unlock and deploy £1m of the approximately £2m of unallocated Section 106 Carbon Offset funding currently sitting outside the Core Spending Power. This approach will allow residents to directly propose and vote on local community energy and retrofit projects, and will be strategically linked to the Nature, Towns and Cities capacity-building funding the Council has recently secured.</p> <p>Risk acknowledgement and exit plan: We explicitly acknowledge the Section 151 Officer's advice that using once-off reserves to unwind recurring savings creates a budget pressure for the following year. We are making this proposal to allow the Council a year to develop and advance our "Invest-to-save" proposals (amendments 2 & 3). However, we recognise that if these alternative models do not deliver the expected yield, or if there is slippage, there is a disruption risk to the reinstated services. We formally acknowledge that the £2.018m position will need to be permanently corrected through the Medium-Term Financial Strategy (MTFS) process going into 2027/28.</p>		
2	<p>Capital programme & Treasury Management Strategy amendment: Invest-to-save Temporary Accommodation (HAP expansion)</p> <p>Proposal: To amend the 2026/27 to 2029/30 Capital Programme and Treasury Management Strategy to reflect the formal intention to expand the Council's Housing Acquisition Programme (HAP) by a further 100 properties for use as Temporary Accommodation (TA).</p> <p>Financial impact: To insert estimated costs of £45m into the Capital Programme, funded via £15m of grant funding and £30m of Prudential Borrowing.</p> <p>Strategic Narrative: Lewisham faces a significant limitation recharge (subsidy loss) pressure due to the use of expensive private nightly-paid TA. Expanding the HAP by 100 homes using the General Fund allows the Council to charge and fully recover current Local Housing Allowance (LHA) rates, bypassing the 2011</p>	Cllr Liam Shrivastava Seconder: Cllr Hau-Yu Tam	No objection as subject to separate decision making in next administration – 02/03/2026

	subsidy cap. While no revenue savings are assumed in the 26/27 budget to allow for mobilisation and risk, this invest-to-save strategy is projected to yield long-term savings of approximately £12,000 per household per year (or £1.2m annually) to replace the reserves utilised in Amendment 1.		
3	<p>Policy Mandate: Vehicle Weight Surcharge</p> <p>Proposal: To mandate the Executive to initiate the policy development, statutory consultation, and administrative modelling required to introduce a Vehicle Weight Surcharge onto the Council's parking permit and Pay & Display charges.</p> <p>Financial impact & revenue projection: Based on the 2025 parking data provided by the service, applying an annual surcharge of £75 (1.5 to 2 tonnes) and £225 (over 2 tonnes) for residential permits, alongside a £1 and £2 respective hourly surcharge for short-stay visitor parking, is projected to generate approximately £1.64m in gross revenue. Factoring in a standard 10% reduction in demand as motorist behaviour changes, this policy is estimated to yield a net revenue of £1.48m per annum.</p> <p>Strategic narrative and justification: Taking inspiration from Cardiff and other London authorities, this policy intends to address the "carspreading" of large, heavy SUVs that pose a greater risk to road safety and cause significantly more wear and tear to our highways.</p> <p>We formally acknowledge the Section 151 Officer's advice that implementing this policy requires up to six months of statutory consultation and three months of implementation, carrying an estimated one-off administrative cost of £250,000.</p> <p>Therefore, this amendment establishes the formal intent to bring this policy forward to generate new ringfenced transport revenue from the 2027/28 financial year onwards. This £1.48m yield will subsidise transport pressures (such as concessionary fares), freeing up General Fund resources to secure the Council's MTFS resilience and serving as the primary "exit plan" to replace the reserves utilised in Amendment 1.</p>	Cllr Liam Shrivastava Seconder: Cllr Hau-Yu Tam	No objection as subject to separate decision making in next administration – 02/03/2026
4	<p>Members' allowances scheme amendment: Cost-neutral redistribution</p> <p>Proposal: To make a cost-neutral amendment to the Members' Allowances Scheme (Part VI of the Constitution) to reduce the pay disparity between the Mayor, Deputy Mayor and Level 1 cabinet members and backbenchers.</p>	Cllr Liam Shrivastava Seconder: Cllr Hau-Yu Tam	Cleared on final review of wording – 03/03/26

Rationale: At a time when the Council is having to make significant cuts over the next few years, it is only right that the members' allowance scheme be reviewed to ensure Lewisham residents are getting good value for money.

Financial impact:

- Scrap the three Cabinet Adviser roles (Saving: £23,574)
- Reduce the Mayor's salary by 20% (Saving: £17,748.60)
- Reduce the Deputy Mayor's SRA by 20% (Saving: £9,147)
- Reduce the two Cabinet Member Level 1 SRAs by 20% (Saving: £18,294)

The total generated surplus of £68,763.60 is to be put back into the general fund and will be earmarked for projects related to alleviating poverty and improving resident access to fresh and healthy food through the Council's food justice work.