

MINUTES OF THE MAYOR AND CABINET

Thursday, 17 February 2011 at 10.00 am

PRESENT: Councillors Bullock (Mayor), Best, Egan, Fitzsimmons, Klier, Maslin, Millbank, Onuegbu, Smith and Wise

ALSO PRESENT: Councillor Alan Hall

19. Declarations of Interest

20. Minutes

21. Outstanding scrutiny references

The Mayor received a report on issues which he had previously considered that awaited the responses he had requested from Directorates.

RESOLVED that the report be received.

22. Scrutiny matters

The Mayor received a written reference report from the Overview & Scrutiny Business Panel concerning the London Borough Grants 2011-12 item he had considered at Mayor & Cabinet on January 19 2011.

The Mayor considered the suggestion made by the Business Panel but pointed out that as Chair of London Councils Grants Committee he was able to directly oversee the impact of the Judicial Review on the Grants Programme and he did not consider an immediate further report to Mayor and Cabinet to be necessary. He did however envisage possible future implications for the Council at the conclusion of the Judicial Review process which might require consideration by elected members.

RESOLVED That the report be noted

23. 2011/12 Budget

The Mayor began by outlining the procedure he would be using to consider the budget and the representations that had been made and thereafter take individual decisions on each of the recommendations.

Councillor Maslin, the Cabinet Member for Resources, introduced the report and set out the background to the formulation of a very difficult and painful budget. He said he believed the levels of cuts being imposed by the government were unnecessary and grossly irresponsible. He acknowledged some cuts were needed but not at the levels that had been suggested and he suspected they were politically, rather than economically, motivated

The Executive Director for Resources, Janet Senior, presented an overview of the budget and its various components set out in the report.

The Mayor next received a number of presentations from representatives who had asked to address him and his Cabinet on the budget.

Martin Howie of Voluntary Action Lewisham spoke about Appendix Y4 and said he believed it was wrong to cut grants from voluntary bodies at a time when demands for their services were rising sharply. He outlined general concerns about cuts to the sector and particular worries about the effect on Voluntary Action Lewisham, as the post of their Children and Young People liaison officer had been placed in jeopardy.

Carol Mew of Lewisham Disability Coalition stated some of her members were not willing to attend the meeting following the violent scenes that had taken place outside the Town Hall in November 2010. She said many areas of cuts would affect disabled people, not just those under the jurisdiction of the council, but those of other public sector agencies as well. She pleaded for more detailed work to take place to assess the cumulative effect on disabled people of all public sector cuts.

Martin Powell-Davies of the National Union of Teachers spoke on behalf of all the borough's trade unions. He believed the cuts were a false economy in general and he outlined concerns about specific savings, especially those impacting on Early Years services.

Estelle Currie of RELATE outlined the work done with new parents by her organization which was delivered via Childrens Centres. She requested that the cut proposed for

RELATE be reduced.

Julie Rush highlighted the work being done by the St James Family Learning Centre in New Cross. She felt the Centre had been given insufficient notice of the withdrawal of grant and that there had been no analysis of the equalities impact or any community consultation. She was supported by Charity Izu, who recounted the help that had been given to her and her family by the St. James Centre.

Maria Dalrymple of Youth Aid explained the organization had been set up in 1973 and was based at 17 Brownhill Road. She outlined the role of Youth Aid and said the organization relied on the Council only for part payment of its rent. All other costs were met from elsewhere but the crucial loss of rent support could place 38 years of work and experience at risk.

Councillor Alan Hall, spoke on behalf of the Labour group. He regretted having to support cuts but believed he and his fellow councilors had no alternative. He outlined specific concerns he had about some of the proposals.

Mr Pili of the Tamil Academy of Language and Arts made a plea for continued rental support for Tamil classes hosted at Downderry School. He said although the funding of supplementary schools was relatively small, withdrawing support would undermine a vulnerable section of the local community.

The Mayor referred to correspondence he had received from Lewisham Unison and Lewisham Mencap which he would be taking into account when framing his recommendations.

Following interruption from the audience, the Mayor adjourned the meeting at 11.28am while a member of the public was required to vacate the meeting room. The meeting resumed at 11.31am.

The Mayor next received presentations on each section of the budget and on four specific areas from relevant Cabinet members and officers.

Councillor Helen Klier, Cabinet Member, and Frankie

Sulke, Executive Director, for Children & Young People gave an overview of the proposals affecting early years and educational provision.

Councillor Klier and Ms Sulke then spoke specifically about Appendix Y10, particularly the Early Intervention Grant, a non ring fenced grant which subsumed 22 existing grants at a total funding level that was 20% lower. Ms Sulke tabled an additional document which set out consultation responses.

Following questioning from Councillors Onuegbu, Egan, Millbank and Best, the Mayor observed that the action of the government in creating the Early Intervention Grant at this funding level meant the council had been placed in the invidious position of being forced to pass on cuts. He recounted the council's existing strong record of working with the voluntary sector and he indicated that when he came to take his final decisions he was minded to make amendments that would reduce or eliminate the impact on Working with Men, the St James Learning Centre, the Metro Centre, Voluntary Action Lewisham and Youth Projects.

Councillor Klier and the Head of Access and Support Services, Christine Grice, then presented Appendix Y9 which contained proposals for Early Years Centres and outlined a phased approach for the Council's withdrawal from the child care market. Ms Grice tabled an additional document demonstrating the number of existing childcare vacancies. Questions on the proposals were framed by Councillors Millbank, Egan and Onuegbu.

Councillor Klier and the Head of Education Development, Chris Threlfall, next presented Appendix Y11, particularly the Connexions Service proposals. Questions were posed by Councillors Onuegbu and Best.

Councillor Klier and the Executive Director for Children and Young People concluded by presenting the savings in Appendices Y3, Y4, Y16 and Y17. The Executive Director referred to two Equalities Impact Assessments which were tabled at the meeting. Councillor Millbank praised the thoroughness of those Equalities Impact Assessments.

The Deputy Mayor, Councillor Alan Smith and the Executive Director for Regeneration next presented that

directorate's proposals. Questions were asked by Councillors Klier and Millbank.

The Cabinet Member for Resources and the Executive Director for Resources presented that directorate's savings and noted comments from Councillor Best. The Mayor set out his intention to set up an Independent Remuneration Panel to look at senior officers pay and conditions. He was advised by the Head of Law that the Constitution Working Party would be the appropriate body at which terms of reference could be considered for referral to the Council. The Mayor also confirmed the indication he had given to the Public Accounts Select Committee that he was also proposing a root and branch review of governance arrangements, including looking at the number of elected members, with a view to making savings. The Head of Law stated such a review should also be initially considered at the Constitution Working Party.

The Mayor next received a presentation by the Chief Executive on a Head Office Management Reorganisation, as described in Appendix Y7.

The Cabinet Member for Community Services, Councillor Chris Best and the Executive Director for Community Services presented Appendix Y12 containing the proposals on libraries. They noted the huge pressures on the overall Community Services budget. The Executive director reported further signatures had been received to the following existing petitions opposing the council's plans:

Sydenham 1852 additional signatures
Grove Park 60 additional signatures
Blackheath 1755 additional signatures
New Cross 5063 additional signatures

She then said a further 247 letters had been sent to the Mayor or to Officers since the last report in November 2010. All letters again opposed the Council's plans. Following a question by Councillor Millbank, the Mayor said he was prepared to accept the recommendations as long as the work to secure the long term viability of the community libraries immediately followed the decision to close and that a report back to him be received by May 28.

The Cabinet Member for Community Services and the Executive Director for Community Services next presented Appendix Y13 on Adult Social Care which included

proposals on the Personal Independence Payment. Questions were asked by Councillors Fitzsimmons, Millbank, Egan and Onuegbu.

The Cabinet Member for Community Services and the Executive Director for Community Services concluded by presenting Appendix Y14.

The Cabinet Member for Customer Services, Councillor Susan Wise and the Executive Director for Customer Services presented Appendix Y15 which included closure of the Town hall's Cashiers Office. Councillor Millbank highlighted the extensive consultation which had taken place on the proposals.

The Cabinet Member and the Executive Director for Customer Services next introduced savings CUS04, CUS11, and CUS 46 in Appendices Y3 and Y14 and explained the concerns expressed by the Housing Select Committee. Following a question from Councillor Egan, the Mayor indicated on CUS04 he would not take the entire cut and would reinstate £40,000 for an Environmental Health residential post . He said he would not take CUS46 at all.

The Cabinet member for Resources and the Head of Business Management and service Support, Conrad Hall, introduced Appendix Y8. Mr Hall pointed out an errata sheet had been tabled and further confirmed the referenced saving on Community Education Lewisham in paragraph 12.2(iii) on Page 380 should be withdrawn from the proposals. Questions were posed by Councillors Onuegbu, Best and Millbank, following which the Mayor refuted the charge that the Council was introducing stealth taxes. He pointed out the review had been notified in his last local election manifesto and that there had been widespread consultation on the proposed increases.

Having been briefed on the entire Budget, the Mayor concluded by saying he was going to add further recommendations on the impact of all public sector cuts on disabled people and on the funding of supplementary schools in the context of the loss of government grants. The Mayor then read out every decision shown below and received a briefing from the Executive Director for Resources on the financial impact of the recommendations he had finally agreed.

In arriving at his decisions, the Mayor stressed they gave him no satisfaction and that the cuts being forced upon the council left him feeling angry and frustrated.

RESOLVED That

Capital Programme

(1) note the 2010/11 Quarter 3 Capital Programme monitoring,

(2) recommend that Council approves the 2011/16 Capital Programme of £369.573m,

(3) recommend prudential borrowing be used essentially to provide bridging Finance for the Heathside & Lethbridge capital;

Housing Revenue Account

(4) recommend that Council sets an increase of dwelling rents of £3.88 per week or 4.99% in accordance with the Rent Restructuring formula, Department for Communities and Local Government (DCLG) guidance and tenant rent panel recommendations;

(5) recommend that Council sets an increase in the hostels accommodation charge by £3.61 per week or 7.12% in accordance with the Rent Restructuring formula;

(6) recommend that Council approves the following average weekly increases for dwellings for service charges to non Lewisham Homes managed dwellings

(Brockley):

- caretaking £0.50
- grounds £0.45
- communal lighting No increase
- Tenants Levy No increase

(7) the introduction of a new service charge for Brockley tenants and leaseholders for Lumber Collection at £0.30 per week and window cleaning at £0.05 per week;

(8) the introduction of a new service charge for Brockley leaseholders for Resident Involvement at £0.22 per week and Customer Services at £0.33 per week;

(9) to note that a Council consultation report on service charges to tenants and leaseholders in the Brockley area was presented to area panel members on 6 January 2011,

(10) increases in service charges to Lewisham Homes managed dwellings:

- Caretaking 8.82% (£0.44)
- Grounds Maintenance 2.30% (£0.02)
- Lumber Collection 15.38% (£0.04)
- Window Cleaning -66.67% (-£0.04)
- Communal lighting No increase
- Tenants Levy No increase

(11) the introduction of a new service charge for Lewisham Homes tenants for Block Pest Control at an average of £1.81 per week for those who receive the service;

(12) note that a Lewisham Homes consultation report on Service Charges to tenants and leaseholders was presented to area panel members on 8 December 2010;

(13) recommend that the Council approves the following average weekly percentage increases for hostels and shared temporary units for: Service charges (hostels) - caretaking/grounds 3.6% (£0.45). The overall rise in Hostel Service Charge will therefore be £0.45 per week and Increase the weekly charge from £12.41 to £12.86 per week.

*In lieu of Council Tax 0.0% (£0.45)

* Members should note that although no rise in Council Tax for 2011/12 is being recommended, the charge to residents will rise due to the reconfiguration of hostel units resulting in lower overall numbers of units upon which Council Tax can be recovered;

(14) recommend that Council approves an increase in garage rents by inflation of 4.6% (£0.35 per week) for Brockley residents and 22.47% (£1.78 per week) for Lewisham Homes residents;

(15) note that there are no proposals to increase charges for sheltered housing and very sheltered housing;

(16) note that there are no proposals to

increase Linkline Charge to tenants for Line rental and maintenance;

(17) note that Private Sector Leasing rents moved to the Local Housing Allowance (LHA) rate as at January 2011 according to bed size or capped LHA Limit;

(18) Housing Revenue Account budget strategy proposals in order to achieve a balanced budget in 2011/12;

Dedicated Schools Grant

(19) recommend to Council that the Dedicated Schools Grant allocation of £225m be the Schools Budget for 2011/12;

General Fund Revenue Budget 2011/12

(20) note the overall variance against the agreed 2010/11 revenue budget,

(21) note the already approved revenue budget savings of £11.823m for 2011/12;

(22) agree and refer to Council further revenue budget savings of £8.644m for 2011/12 which include the following variations to the printed report:

CUS04 withdraw £40,000 for 2011/12 relating to Environment Health Residential
CUS46 withdraw £180,000 for 2011/12 and £42,000 for 2012/13 (reflected in recommendation 31) relating to Noise Patrol
COM35 Mayors Fund and Localities to be amalgamated with the overall reduction of £135,000 maintained – net neutral.
CYP43 withdraw proposals of £100,000 for 2012/13 and £100,000 for 2013/14. Officers to review and bring back proposals at a later date.

(23) note the implications of the provisional Local Government Finance Settlement for 2011/12, including the changes to specific grants;

(24) recommend to Council to fund revenue budget pressures of £7.350m in 2011/12,

(25) subject to decisions on the above proposals, to recommend to Council to set a General Fund Budget Requirement of £278.793m for 2011/12;

(26) agrees that the Executive Director for Resources issues cash limits to all Directorates once the 2011/12 Revenue Budget is agreed;

Council Tax

(27) subject to decisions above, an increase of 0% in Lewisham's Council Tax element for 2011/12 is recommended to Council on 1 March 2011;

(28) subject to final notification from the Greater London Authority (GLA), agrees that the overall increase in Council Tax for 2011/12 is 0%, which includes the indicative GLA precept for 2011/12 being frozen at its existing 2010/11 level;

Future Years' Revenue Budgets

(29) notes the implications of the provisional Local Government Finance Settlement for 2012/13, including changes to specific grants,

(30) note the prospects for the revenue budget for 2012/13 and future years;

(31) subject to proper process as appropriate, refer to Council further revenue budget savings £12.234m (£8.878m for 2012/13 and £3.356m for 2013/14),

(32) ask officers to continue to develop firm proposals to help meet the forecast budget shortfalls in future years;

Treasury Strategy

(33) recommends Council to approve the prudential indicators and authorised Limits;

(34) recommends Council to approve the 2011/12 Treasury Management Strategy, including the Investment Strategy and the revised credit rating criteria

(35) recommend that the Council agrees the credit rating criteria set out but that it formally delegates responsibility for managing institutions which meet these criteria to the Executive Director for Resources;

(36) recommend Council to delegate to the Executive Director for Resources authority during 2011/12 to make amendments to the Borrowing and Investment Strategies provided there is no change to the Council's authorised limit for borrowing;

(37) recommends that the Council adopts the revision to the Minimum Revenue Provision (MRP) policy;

Specific Recommendations for Appendix Y8 – Fees and Charges

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(38) approve the parking charges

(39) approve the school meals charges

(40) approve the early years nursery charges

(41) approve the highways charges

(42) approve the trade refuse charges

(43) approve the Community Education Lewisham charges

(44) approve the Registrars charges

(45) approve the Community Centres charges

(46) approve the pest control charges

(47) approve the local land charges

(48) approve the building control charges

(49) approve the court costs and debtors fees

(50) approve the recommendations in relation to libraries charges

(51) approve the proposed future policy for the review of Council charges;

Specific Recommendations for Appendix Y9 – Early Years

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(52) the closure of Amersham Early Years Centre;

(53) the closure date for Amersham Early Years Centre be August 2011;

(54) a formal consultation to start with staff at all three remaining Early Years Centres (Honor Oak, Ladywell and Rushey Green) to reduce costs through re-organisation;

(55) note that the final decision about re-organisation is delegated to the Executive Director for Children and Young People;

(56) officers progressing proposals to grant to a private or voluntary sector the lease of Rushey Green EYC and bring back the results of the consultation before making the final decision on the granting of the lease;

(57) the exploration of options for the delivery of Council provided child care at Ladywell and Honor Oak Early Years Centres being provided by a third party that secures the continuation of the specialist provision for children with complex needs, with the results of the exploration of options being brought back, before making the final decision about third party provision;

Specific Recommendations for Appendix Y10 – Early Interventions Grant

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(58) note the establishment of the Early Intervention Grant and the significant reductions in available resources;

(59) agree that consultation begin on the proposed priorities for expenditure of the Early Intervention Grant and future service design and ask officers to bring a report back to the Mayor and Cabinet on the outcome of that consultation at the earliest opportunity;

(60) to discontinue grant funding/service agreements with those organisations set out in the annex to the report at Y10, as proposed, with effect from 31 March 2011 with the following exceptions:

Working with Men saving reduced by £43,000 for 2011/12 - one-off

St James saving reduced by £45,500 for 2011/12 - one-off

Metro Centre saving of £21,000 not taken for 2011/12 - one-off

Voluntary Action Lewisham Phase 1 saving of £20,000 and £20,000

2011/12 saving not to be taken - ongoing

20% reduction for Youth Projects amounting to £40,000 not to be taken – one-off;

(61) continue funding for organisations as shown in the appendix to the report at Y10 and to reduce funding by 20% for those organisations where this is proposed as suggested, with effect from 31st March 2011;

Specific Recommendations for Appendix Y11 –
Connexions

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(62) revoke the decision made on 17th November 2010 to reduce by 20% the amount spent by the Borough on Information, Advice and Guidance (IAG) to young people by renegotiating its current contract for Connexions IAG delivery with the Borough's provider, Babcock PLC;

(63) that the contract for IAG with Babcock be not renewed or re-let.

Specific Recommendations for Appendix Y12 –
Libraries

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(64) note the budget strategy for the Library and Information Service;

(65) agree the closure of Blackheath Village Library, Sydenham Library, Crofton Park Library, New Cross Library and Grove Park Library with effect from 28 May 2011;

(66) request officers to pursue the potential for asset transfer to deliver community library services in the affected neighbourhoods, and report the outcome in due course to Mayor & Cabinet;

(67) instruct officers to immediately seek formal expressions from interested organisations with a view to agreeing terms if possible and report back by the 28 May 2011;

Specific Recommendations for Appendix Y13 – Adult Social Care

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(68) agree a new pathway for users of adult social care be established and that the care management and assessment teams be restructured accordingly;

(69) note that a reablement service will be an essential component of the new adult social care pathway and agree that:

(i) 30% of the reablement service required be commissioned from the external market; and

(ii) from the date of implementation, all other domiciliary care services be commissioned from external providers

Specific Recommendations for Appendix Y14 – Fairer Charging

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(70) increase the charge for meals from £3.00 to £3.50 from 1st April 2011;

(71) increase the percentage of net disposable income considered in Fairer Charging and Fairer Contributions assessments to 90% in April 2011 and 100% in April 2012;

(72) increase the maximum weekly charge for services from £290 to £395 in April 2011 and to £500 in April 2012;

(73) a minimum level of Disability Related Expenditure (DRE) should be taken into account without the requirement to provide receipts, this rate to be £5 p.w. from 1 April 2011 and reviewed in April 2012;

(74) Disability Related Expenditure being taken into account for clients receiving or applying for a disability related benefit and that where clients do not apply for a disability related benefit consideration of DRE will be on a case by case basis;

(75) the Council's Fairer Contributions Policy will be based on 100% of service cost and that existing subsidies should be removed from in-house services over 3 years;

(76) the Income Support Buffer should remain at 35% in April 2011 but be reviewed for April 2012;

(77) carers services provided at home and reablement services to eligible clients will continue to be free for users;

(78) ask officers to develop options for charging for transport;

(79) ask officers to develop options for variable charges for meals prepared at Day centres;

(80) note that a post implementation review of the impact of the proposals on clients will be completed after 6 months of implementation.

Specific Recommendations for Appendix Y16, Y17 and Y18 – Loss of Grant 2011/14

Representations having been presented and considered, the Mayor's decision was to agree and refer to Council:

(81) the revenue reductions arising from the loss of grant set out in the report and more particularly in appendices Y16, Y17 and Y18;

(82) ask officers to conduct a review of the cumulative effect on disabled people of all public service cuts;

(83) ask officers to review the funding of supplementary schools and look at the impact caused by the loss of government grants;

(84) ask officers to report to the Constitution Working Party on the creation of a Remuneration Panel charged with reviewing the pay and conditions of senior officers; and

(85) ask the Constitution Working Party to undertake a fundamental review of the Council's governance arrangements; to include the consideration of the number of elected councillors;

(86) note that the impact of amending the proposals for General Fund reductions will require a further £260,000 to be found from corporate provisions in 2011/12, meaning £2.160 million will need to be found in future on an ongoing basis. In addition a further £124,500 will be funded on a one-off basis to be determined at out-turn.

24. Strategic Asset Management Plan

This item was withdrawn from the agenda.