

<b>OVERVIEW &amp; SCRUTINY BUSINESS PANEL</b>		
<b>Report Title</b>	Decisions made by Mayor and Cabinet on 12 February 2014	
<b>Key Decision</b>		Item No. 5
<b>Ward</b>	All	
<b>Contributors</b>	Chief Executive/Head of Business and Committee	
<b>Class</b>	Part 1	Date: 18 February 2014

## 1. Recommendation

To consider key decisions made by the Mayor and Cabinet on 12 February 2014 which will come in to force on 19 February 2014.

## 2. Background

2.1 The Mayor and Cabinet considered the following key decisions on 12 February 2014.-

2.2 The notice of decisions made in respect of these reports are attached as an Appendix. Under the provisions of Standing Orders Part IV E 14, members may call in an executive decision within 7 days. If the reports are not called in they will come into force on 19 February 2014.

- (i) Budget 2014-15
- (ii) Lewisham Town Centre Local Plan Adoption
- (iii) London Housing Strategy
- (iv) Catford Regeneration Partnership Ltd Business Plan
- (v) Heathside and Lethbridge Update and Phase 4 Land Disposal



## NOTICE OF DECISIONS MADE AT THE MAYOR & CABINET

The Mayor & Cabinet made the following decisions on 12 February 2014. These Decisions will become effective on 19 February 2014 unless they are called in by the Overview & Scrutiny Business Panel on 18 February 2014.

### 1. 2014/15 Budget

Having considered an officer report, and presentations by the Cabinet Member for Resources, the Chair of the Overview & Scrutiny Committee and a shop steward working in the Attendance & Welfare Service, the Mayor, from the options available, agreed that

(i) the consideration of the Public Accounts Select Committee of 6 February 2014, incorporating the views of the respective select committees on the previously agreed revenue budget savings proposals for 2014/16, be noted;

(ii) having considered the views of consultees on the budget, subject to proper process and consultation, if required, the following modifications be made to the published proposals;

#### **Capital Programme**

(iii) the 2013/14 Quarter 3 Capital Programme monitoring position as set out in section 5 be noted;

(iv) Council be recommended to approve the 2014/15 to 2017/18 Capital Programme of £385.9m, while noting that there are no new proposed major capital projects for this period, as set out in section 5 of this report and attached at Appendices W1 and W2;

#### **Housing Revenue Account**

(v) Council be asked to note the consultation report on service charges to tenants and leaseholders in the Brockley area, presented to area panel members on 19 December 2013, as attached at Appendix X3;

(vi) Council be asked to note the consultation report on service charges to tenants and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 17 December

2013, as attached at Appendix X4;
(vii) Council be recommended to set an increase of dwelling rents 5.05% (an average increase of £4.61 per week), in accordance with the Rent Restructuring formula;
(viii) Council be recommended to set an increase in the hostels accommodation charge by 4.66% (or £3.03 per week), in accordance with the Rent Restructuring formula;
(ix) Council be recommended to approve the following average weekly increases for dwellings for:  (A) service charges to non-Lewisham Homes managed dwellings (Brockley); <ul style="list-style-type: none"> <li>• caretaking 3.70% (£0.04)</li> <li>• grounds 3.70% (£0.04)</li> <li>• communal lighting 3.70% (£0.04)</li> <li>• bulk waste collection 3.70% (£0.04)</li> <li>• window cleaning 0.00% (£0.00)</li> <li>• tenants' levy No increase</li> </ul> (B) service charges to Lewisham Homes managed dwellings: <ul style="list-style-type: none"> <li>• caretaking 3.37% (£0.19)</li> <li>• grounds 2.50% (£0.02)</li> <li>• window cleaning 0.00% (£0.00)</li> <li>• communal lighting -3.40% (-£0.03) decrease</li> <li>• block pest control -8.89% (-£0.15) decrease</li> <li>• waste collection 4.21% (£0.02)</li> <li>• heating &amp; hot water 0.50% (£0.05)</li> <li>• tenants' levy No increase</li> </ul>
(x) Council be recommended to approve the following average weekly percentage decreases for hostels and shared temporary units for; <ul style="list-style-type: none"> <li>• service charges (hostels) – caretaking etc.; -6.91% (-£6.03)</li> <li>• energy cost decreases for heat, light &amp; power; -50% (-£5.24)</li> <li>• water charges decrease; -91% (-£1.88)</li> </ul>
(xi) Council be recommended to approve an increase in garage rents by inflation of 3.2% (£0.25 per week) for Brockley residents and 3.2% (£0.31 per week) for Lewisham Homes residents;
(xii) the budgeted expenditure for the Housing Revenue Account (HRA) for 2014/15 be £104.0m;
(xiii) the HRA budget strategy savings proposals be approved in order to achieve a balanced budget in 2014/15, as attached at Appendix X1;
<b>Dedicated Schools Grant and Pupil Premium</b>
(xiv) Council be recommended , subject to final confirmation of the

allocation, that the provisional Dedicated Schools Grant allocation of £267.6m be the Schools' Budget for 2014/15 and note that this level of funding will not be supplemented by a general fund contribution;

**General Fund Revenue Budget**

(xv) the projected overall variance against the agreed 2013/14 revenue budget as set out in section 8 be noted;

(xvi) the previous revenue budget savings of £24.4m for 2014/15 and £1.5m for 2015/16, as set out in section 8 of the report and summarised in Appendix Y1 be approved;

(xvii) after consideration of additional information, the budget saving proposal of £0.3m for the Attendance and Welfare Service (CYP12, Savings Report to Mayor & Cabinet on 18 December 2013) be accepted).

(xviii) after consideration of additional information, the budget saving proposal of £0.2m be reaffirmed for the out of hours emergency telephone service as long as no part of the saving is achieved by paying rates below the London Living Wage (CUS07, Savings Report to Mayor & Cabinet on 18 December 2013),

(xix) there be an overall savings package of £26.2m for 2014/15 to 2016/17, of which £24.5m relates to 2014/15 and £1.7m relates to 2015/16;

(xx) Council be recommended to agree to fund revenue budget pressures of £3.6m in 2014/15, allowing the Executive Director for Resources & Regeneration to hold these resources corporately until such time that these pressures emerge during the year and it has been determined that the pressures cannot be contained within the directorates' cash limits;

(xxi) the Executive Director for Resources & Regeneration maintain a fund of £3.9m against which risks and other potential budget pressures which emerge during the year would be considered for funding;

(xxii) subject to decisions on the above proposals, agrees to recommend to Council the following option:

That a General Fund Budget Requirement of £268.062m for 2014/15 be approved, if a 0% increase in Lewisham's Council Tax element is agreed and the 1% Council Tax freeze grant of £1.0m is accepted. This will result in a Band D equivalent Council Tax level of £1,060.35 for Lewisham's services and £1,359.35 overall. This represents an overall decrease in Council Tax for 2014/15 of 0.29% and is subject to the GLA precept for 2014/15 being reduced by 1.3% from its existing 2013/14 level, in line with the GLA's draft proposal; existing 2013/14 level, in line with the GLA's draft

proposal;
(xxiii) the Council Tax Ready Reckoner which for illustrative purposes, sets out the Band D equivalent Council Tax at various levels of increase be noted as explained in section 8 of the report and set out Appendix Y3;
(xxiv) the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2014/15 Revenue Budget is agreed;
(xxv) Council be recommended to receive the draft Chief Financial Officer's Section 25 Statement at Appendix Y4;
(xxvi) the draft statutory calculations for 2014/15 be approved as set out at Appendix Y5;
(xxvii) the prospects for the revenue budget for 2015/16 and future years be noted;
(xxviii) officers continue to develop firm proposals as part of the Lewisham Future Programme to help meet the forecast budget shortfalls in future years; Other Grants (within the General Fund);
(xxix) Council be recommended to approve the allocation of £0.65m per annum of New Homes Bonus over the next ten years 2014/15 to 2023/24, to provide delivery support for housing and school pressures as set out in section 9
<b>Treasury Management Strategy</b>
(xxx) Council be recommended to approve the prudential indicators and treasury limits, as set out in section 10;
(xxxi) Council be recommended to approve the 2014/15 treasury strategy, including the investment strategy and the credit worthiness policy, set out at Appendix Z3;
(xxxii) Council be recommended to agree the credit and counterparty risk management criteria, as set out at Appendix Z3, the proposed countries for investment at Appendix Z4, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration;
(xxxiii) Council be recommended to agrees to delegate to the Executive Director for Resources & Regeneration, authority during 2014/15, to make amendments to borrowing and investment

strategies provided there is no change to the Council's authorised limit for borrowing;

(xxxiv) Council be recommended to agree to increase the maximum deposit limits with the part nationalised banks from £50m to £65m for each of Lloyds Banking Group and Royal Bank of Scotland (RBS) Group;

(xxxv) Council be recommended to approve lending to other local authorities up to a maximum of £5m and for a period of up to one year;

(xxxvi) the development of the Municipal Bond Agency be noted, and once fully established, to note its potential as a suitable Agency from which to borrow as an alternative to the Public Works Loan Board (PWLB);

(xxxvii) Council be recommended to agree the Minimum Revenue Provision (MRP) policy as set out in section 10;

(xxxviii) the Treasury Management mid-year review attached at Appendix Z6; be noted;

(xxxix) the recommendation in relation to further savings of £0.3m from the Attendance and Welfare Service (AWS), to be implemented in September 2014 be approved.

## **2. Lewisham Town Centre Local Plan - Adoption**

Having considered an officer report, and a presentation by the Deputy Mayor the Mayor agreed that.

(i) the Executive Director for Resources and Regeneration be authorised to make any minor changes to the text and format of the Lewisham Town Centre Local Plan prior to consideration by Council;

(ii) the Council be recommended to formally adopt the Lewisham Town Centre Local Plan.

## **3. London Housing Strategy**

Having considered an officer report, the written views of the Overview & Scrutiny Committee, and a presentation by the Chair of the Overview & Scrutiny Committee, Councillor Alan Hall, the Mayor agreed that:

(i) the proposed response to the consultation on the Mayor of London's Draft Housing Strategy be noted,

(ii) the written comments made by the Overview and Scrutiny Committee be included in full as part of the proposed response;

(iii) the draft response be submitted to the GLA consultation on the Draft London Housing Strategy.

**4. Catford Town Centre – CRPL 14/15 Business Plan**

Having considered an officer report, and a presentation by the Deputy Mayor, the Mayor agreed that the contents of the 14/15 CRPL business plan be noted and that it be submitted to Council for approval.

**5. Re-Development of Heathside and Lethbridge: Update and Phase 4 land disposal (Part 2)**

Having considered a confidential officer report, the Mayor agreed that

(i) the disposal and development of the Council's freehold interest in the Phase 4 site shown in an attached plan be approved in accordance with the overarching Principle Development Agreement, either as two separate Phases 4A and 4B or as a single Phase 4 depending on the requirements of the development programme;

(ii) authority be delegated to the Director of Regeneration and Asset Management, in consultation with the Executive Director for Resources and Regeneration, Executive Director for Customer Services and Head of Law, to negotiate and agree the detailed terms of the Phase 4 land disposal, including the market value of the Phase 4 land, the financial model and the long stop date; and

(iii) Family Mosaic be permitted to carry out demolition of the Phase 4 blocks, enabling works and some building works at its own cost and risk under licence prior to the transfer of the Phase 4 land taking place and authority be delegated to the Director of Regeneration and Asset Management, in consultation with the Head of Law, to negotiate and agree the terms of the licence with Family Mosaic Housing;

**Barry Quirk  
Chief Executive  
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13 February 2014**