PRESENT: Sir Steve Bullock (Mayor), Alan Smith, Chris Best, Kevin Bonavia, Janet Daby, Joe Dromey, Damien Egan, Joan Millbank and Rachel Onikosi.

ALSO PRESENT: Councillor Alan Hall and Councillor Jim Mallory.

Apologies for absence were received from Councillor Paul Maslin.

347. Declaration of Interests

None were made.

348. Minutes

RESOLVED that the minutes of the meeting held on January 13 2016 be confirmed and signed as a correct record.

349. Matters Raised by Scrutiny and other Constitutional Bodies

Call in of decision – Management Arrangements Shared Communications Service

The written formal call-in was presented by Councillor Alan Hall who stressed the decision to require the Mayor to reconsider his original decision was a unanimous one made at a Business Panel discussion involving multiple contributions from members of that committee. He added that the Business Panel included considerable communications expertise and their firm conclusion was that further consideration of the proposals was required.

In response the Mayor observed that he had also formerly worked in the communications sector. He sought clarification from the Head of Law as to the adequacy of the legal advice on which he had based his original decision. She stated the legal advice was totally adequate for the appointment of an interim manager on a shared basis.

The Mayor said he had agreed an interim arrangement to allow future consideration of a more permanent arrangement. He observed that shared communications services were not uncommon and that while it was prudent to be wary of conflicts of interest, if Westminster and Southwark could work together successfully, then Lambeth and Lewisham ought to involve fewer challenges.

The Mayor believed an interim solution would allow all practical implications to be resolved before permanent consideration was made. The Mayor reaffirmed his belief that communications was a service to the entire Council and both executive or non executive councillors had considerable interest in seeing the achievement of a competent communications service. The Mayor added that any final decision on the proposal would look carefully at both the legal and practical implications.
The Mayor received advice from Councillor Dromey who stated he had explored other options but had concluded a like for like replacement could cost more money and given that this would be for a back office function when front line services were under so much pressure, he did not think that was sustainable. He said a temporary arrangement would allow careful evaluation before any final decision was made. He expressed a belief that in general the Council should be sharing services wherever possible.

In conclusion the Mayor observed that part time postholders at senior levels within the Council were not unprecedented and that he remained open minded about proposals on shared services. He added that governance questions were becoming more complex and that efficient management of services being run with a variety of other authorities was required at a time when additional funds were not available for expanded governance.

Having considered a call-in report presented by the Chair of Overview and Scrutiny, Councillor Alan Hall and receiving the further advice of the Cabinet Member for Policy and Performance, Councillor Joe Dromey, the Mayor

RESOLVED that the decisions taken by him on January 13 be confirmed.

350. Outstanding Scrutiny Matters

The Mayor observed one response had been produced ahead of schedule.

RESOLVED that the report be noted.

351. Annual Pay Statement

The Mayor asked the Head of Human Resources to thank all the members of the Independent Executive Remuneration Panel for their service to the authority, noting they were local residents with relevant expertise who made a valuable contribution to the process.

Having considered an officer report, and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, the Mayor, for the reasons set out in the report:

RESOLVED that the pay policy statement be recommended to Council for approval.

352. Council Budget 2016-17

The report was presented by Councillor Bonavia who said a balanced budget had been set within the changed statutory framework imposed by central government. He noted that despite the mandatory increase in Council Tax and the enforced use of reserves the Council was still facing additional cuts of £15 million pa for the next three years.

Councillor Best advised the Mayor that the Public Health funding position was still unknown and the Budget was being advanced on the best assumptions
available.

In agreeing the recommendations, the Mayor thanked Officers for their work in compiling the Budget and for the helpful discussion that had taken place at the Public Accounts Select Committee. Looking forwards, the Mayor observed that the final Government Settlement had offered some clarity on the savings required for the next three years and he asked Officers to commence work on a three year budget addressing the totality of savings required.

Having considered an officer report, and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, the Mayor, from the options available and for the reasons set out in the report:

RESOLVED that:

1 the comments of the Public Accounts Select Committee of 27 January 2016 be received;

2 having considered the views of those consulted on the budget, and subject to consideration of the outcome of consultation with business ratepayers, and subject to proper process and consultation, as required, the Mayor:

   *Capital Programme*

3 notes the 2015/16 Quarter 3 Capital Programme monitoring position as set out in section 5;

4 recommends that Council be recommended to approve the 2016/17 to 2019/20 Capital Programme of £337.2m, as set out in section 5 and attached at Appendices W1 and W2;

   *Housing Revenue Account*

5 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 17 December 2015, and subsequent postal consultation, as attached at Appendix X2;

6 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 17th December 2015, as attached at Appendix X3;

7 Council be recommended to set a decrease in dwelling rents of 1.0% (an average of £0.99 per week) – as per the requirements from government as presented in section 6;

8 Council be recommended to set a decrease in the hostels accommodation charge by 1.0% (or £0.39 per week), in accordance with Government requirements;

9 Council be recommended to approve the following average weekly
increases for dwellings for:

(a) service charges to non-Lewisham Homes managed dwellings (Brockley):
- caretaking 1.80% (£0.06)
- grounds 1.80% (£0.03)
- communal lighting 1.80% (£0.01)
- bulk waste collection 1.80% (£0.02)
- window cleaning 1.80% (£0.09)
- tenants’ levy -30.0% (-£0.03)

(b) service charges to Lewisham Homes managed dwellings:
- caretaking 1.20% (£0.07)
- grounds 68.0% (£0.66)
- window cleaning No increase
- communal lighting -10.7% (-£0.13)
- block pest control -4.3% (-£0.07)
- waste collection No change
- heating & hot water 23.1% (£1.85)
- tenants’ levy -30.0% (-£0.03)
- bulk waste disposal new service (£0.81)
- sheltered housing new service (£23.62)

10 Council be recommended to approve the following average weekly percentage changes for hostels and shared temporary units for:
- service charges (hostels) – caretaking etc.; 2.90% (£2.09)
- no energy cost increases for heat, light & power; 0.0% (£0.00)
- water charges decrease; -5.26% (£0.01)

11 Council be recommended to approve an increase in garage rents by Retail Price Inflation (RPI) of 0.80% (£0.09 per week) for Brockley residents and 0.80% (£0.09 per week) for Lewisham Homes residents;

12 Council be asked to note that the budgeted expenditure for the Housing Revenue Account (HRA) for 2016/17 is £167.6m which includes the capital and new build programmes;

13 Council be recommended to endorse the HRA budget strategy savings proposals in order to achieve a balanced budget in 2016/17, as attached at Appendix X1;

Dedicated Schools Grant and Pupil Premium

14 Council be recommended to agree, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £283.5m be the Schools’ Budget for 2016/17; and
- the consultation with schools on the changes to the funding arrangements for High Needs Pupils as set out in paragraph 7.12 be noted;
- the level of pupil premium anticipated for 2016/17 of £18.0m General Fund Revenue Budget be noted

15 Council be asked to note the projected overall variance against the agreed 2015/16 revenue budget of £6.9m as set out in section 8 of this report and
that any year-end overspend will have to be met from reserves;

16 Council be asked to endorse the previously approved revenue budget savings of £6.462m for 2016/17 and budget savings proposals of £10.752 as per the Mayor and Cabinet meeting of the 30 September 2015, as set out in section 8 of the report and summarised in Appendix Y1 and Y2;

17 Council be asked to agree the transfer of £5.0m in 2016/17 from the New Homes Bonus reserve to the General Fund for one year to meet funding shortfalls and that the position be reviewed again for 2017/18;

18 Council be asked to agree the use of £5.942m reserves to meet the budget gap in 2016/17;

19 Council be asked to agree to fund budget pressures in the sum of £3.750m in 2016/17;

20 Council be asked to agree to create a fund in respect of as yet un-quantified revenue budget risks in the sum of £3.750m in 2016/17, allowing the Executive Director for Resources & Regeneration to hold these resources corporately in case these pressures emerge during the year, and authorises the Executive Director for Resources and Regeneration to allocate these funds to meet such pressures when satisfied that those pressures cannot be contained within the Directorates’ cash limits;

21 Council be recommended to approve a General Fund Budget Requirement of £236.218m for 2016/17, based on a 3.99% increase in Lewisham’s Council Tax element. This will result in a Band D equivalent Council Tax level of £1,102.66 for Lewisham’s services and £1,378.66 overall. This represents an overall increase in Council Tax for 2016/17 of 1.72% and is subject to the GLA precept for 2016/17 being reduced by 6.44% from its existing level, in line with the GLA’s draft proposal;

22 Council be asked to note the Council Tax Ready Reckoner which for illustrative purposes sets out the Band D equivalent Council Tax at various levels of increase. This is explained in section 8 of the report and set out in more detail in Appendix Y3;

23 the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2016/17 Revenue Budget is agreed;

24 the Chief Financial Officer’s Section 25 Statement will be presented in the Budget Update Report on the 17 February for approval;

25 the draft statutory calculations for 2016/17 be approved as set out at Appendix Y5;

26 the prospects for the revenue budget for 2017/18 and future years be noted as set out in section 9;

27 officers continue to develop firm proposals as part of the Lewisham Future Programme to help meet the forecast budget shortfalls;
Other Grants (within the General Fund)

28 the adjustments to and impact of various specific grants for 2016/17 on the General Fund as set out in section 8 be noted;

Treasury Management Strategy

29 Council be recommended to approve the prudential indicators and treasury limits, as set out in section 10;

30 Council be recommended to approve the 2016/17 treasury strategy, including; the potential for debt restructuring and opportunity to invest for longer than one year in pooled property funds, along with the investment strategy and the credit worthiness policy, as set out at Appendix Z3;

31 Council be recommended to approve the revised Minimum Revenue Provision (MRP) policy as set out in section 10;

32 Council be recommended to agree to delegate to the Executive Director for Resources & Regeneration authority during 2016/17 to make amendments to borrowing and investment limits provided they are consistent with the strategy and there is no change to the Council’s authorised limit for borrowing;

33 Council be recommended to approve 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; and

34 Council be recommended to approve a minimum sovereign rating of AA- ;

35 Council be recommended to approve a change to the yellow and purple durational investment bands from 1 to 2 years in the credit worthiness policy.

353. Consultation Results and Waste Regulations Assessment for Proposed Changes to Waste and Recycling Service

In presenting the proposals, Councillor Onikosi pointed out the high response rate to the consultation with a clear outcome calling for increased recycling and a simple overall system.

The Deputy Mayor suggested the Council should move to a situation where waste was regarded as a commodity with value as it could be used as fuel for incinerators thereby providing heat and power.

The Mayor concluded this was the right time to change a very successful service and he was pleased food waste now formed part of the offer. He said he expected some hiccups in the transition to the new service but was confident there was support for the proposals given the extensive consultation and response.

Having considered an officer report, and a presentation by the Cabinet
Member for the Public Realm, Councillor Rachel Onikosi, the Mayor, for the reasons set out in the report:

RESOLVED that

(i) the results of the ‘Let’s Talk Rubbish’ consultation and Waste Regulations (TEEP) Assessment;

(ii) a subscription garden waste service be introduced from June 2016 at an annual fee of £60 p.a.;

(iii) a weekly food collection service be introduced and refuse collections be reduced to fortnightly (with an earliest implementation date of Autumn 2016);

(iv) a weekly comingled recycling service be retained whilst options to share services and contracts with neighbouring boroughs are further explored.

354. Response to SDSC on Publishing Viability Assessments

Having considered an officer report and a presentation from the Deputy Mayor, Councillor Alan Smith, the Mayor:

RESOLVED that the response prepared by the Executive Director for Resources and Regeneration be approved and reported to the Sustainable Development Select Committee.

355. OSC Referral Key Planning Issues

The Chair of Overview and Scrutiny was in attendance but did not wish to add to the written report of his Committee.

Having considered an officer report, the Mayor:

RESOLVED that the views of the Overview & Scrutiny Committee be received and the Executive Director for Resources and Regeneration be asked to prepare a response for Mayoral approval and reporting to the Committee.

356. Exclusion of Press and Public

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3, 4 and 5 of Part 1 of Schedule 12(A) of the Act, as amended by the Local Authorities (Executive Arrangements) (Access to Information) (Amendments) (England) Regulations 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information:–

11. Estate Cleansing and Bulky Waste Collection Services on Lewisham Homes Estates

12. Catford Stadium Redevelopment – Funding of Additional Footbridge
357. **Estate Cleansing and Bulky Waste Collection Services on Lewisham Homes Estates**

Having considered a confidential officer report, and a presentation by the Cabinet Member for the Public Realm, Councillor Rachel Onikosi, the Mayor, for the reasons set out in the report:

RESOLVED that:

(1) the rationale for enabling Lewisham Homes to directly deliver Estate Cleansing and Bulky Waste Collection Services in areas in which it is providing housing management services be noted;

(2) Lewisham Homes will provide these services directly from 1st April 2016 and that on that basis officers now commence a period of staff consultation ahead of the transfer; and

(3) as the Management Agreement between the Council and Lewisham Homes is currently being reviewed and that if this service transfer is agreed officers will ensure that the new Agreement reflects that, ahead of final consideration by Mayor and Cabinet in March 2016.

358. **Catford Stadium Redevelopment - Funding of Additional Footbridge Costs**

The Deputy Mayor mentioned an approach he had received from the Crofton Society suggesting the neon Catford sign currently in storage could be included within the scheme. Officers carefully noted the suggestion.

Officers confirmed the drawings provided with the report were utilitarian and the final product would be of a high aesthetic quality.

Having considered a confidential officer report and a presentation from the Deputy Mayor, Councillor Alan Smith, the Mayor, for the reasons set out in the report:

RESOLVED that:

(a) the current estimated shortfall in resources required to deliver the installation of a new pedestrian footbridge be forward funded as part of the Catford Stadium redevelopment. Capital reserves will be used to finance the expenditure prior to the anticipated receipt of Community Infrastructure Levy (CIL) contributions; and

(b) the stipulated capital programme budget to meet the current estimated shortfall be approved in order for the scheme to proceed.

The meeting closed at 7.22pm