

MINUTES OF THE MAYOR AND CABINET

Wednesday, 8 February 2017 at 6.00 pm

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

ALSO PRESENT: Councillor Liam Curran, Councillor Brenda Dacres, Councillor Alan Hall, Councillor Jim Mallory, Councillor John Muldoon and Councillor James-J Walsh.

Apologies for absence were received from Councillor Paul Maslin.

561. Declaration of Interests

The Mayor declared a prejudicial interest in Item 4 (1.1) as a Trustee of the Surrey Canal Sports Foundation and he withdrew from the meeting during consideration of that item.

The Mayor declared a prejudicial interest in Item 8 (3.3) as his wife is Chair of Governors at Forster Park Primary School and he withdrew from the meeting during consideration of that item.

562. Minutes

RESOLVED that the minutes of the meeting held on January 11 2017 be confirmed and signed as a correct record.

563. Budget 2017-2018

The Budget report was presented by Councillor Kevin Bonavia who highlighted the continuing financial pressures which the Council was facing. He said on current projections the Council would have lost £200M from its budget in the 2010-2020 period.

On behalf of the non executive members, Councillor Alan Hall confirmed Scrutiny had no referral to make to the Mayor but that this disguised the fact that a great deal of consideration had taken place on a very difficult set of budgetary proposals.

The Mayor concluded by saying he was proposing a 5% Council Tax increase with the greatest of reluctance as his hand was forced by governmental instructions to add a mandatory precept for social care . He mentioned the recent sweetheart arrangement made for Surrey County Council which if replicated in Lewisham would add £10M to the Council's Budget.

Having considered an officer report, and presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, and the Chair of the Overview & Scrutiny Committee, Councillor Alan Hall, the Mayor, for the reasons set out in the report:

RESOLVED that:

(1) note be taken that no comments were offered by the Public Accounts Select Committee of 25 January 2017.

(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) Council be asked to note the 2016/17 Quarter 3 Capital Programme monitoring position and the Capital Programme potential future schemes and resources as set out in section 5;

(4) Council be recommended to approve the 2017/18 to 2020/21 Capital Programme of £336.6m, as set out in section 5 and at Appendices W1 and W2;

(5) Council be recommended to write-off debt totalling £282,759.34 related to Building Control works at the former Hatcham Temple Grove School as at Appendix W3;

Housing Revenue Account

(6) 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 13 December 2016, as at Appendix X2;

(7) 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 15 December 2016, as at Appendix X3;

(8) Council be asked to set a decrease in dwelling rents of 1.0% (an average of £0.97 per week) – as per the requirements from government as presented in section 6;

(9) Council be recommended to set a decrease in the hostels accommodation charge by 1.0% (or £0.35 per week), in accordance with Government requirements;

(10) the following average weekly increases/decreases be approved for dwellings for:

service charges to non-Lewisham Homes managed dwellings (Brockley);

- caretaking 3.00% (£0.13)
- grounds 3.00% (£0.06)
- communal lighting 3.00% (£0.02)
- bulk waste collection 3.00% (£0.04)
- window cleaning 3.00% (£0.01)
- tenants' levy no change

service charges to Lewisham Homes managed dwellings:

- caretaking 1.99% (£0.12)

- grounds 0.69% (£0.01)
- window cleaning no change
- communal lighting 3.33% (£0.04)
- block pest control 1.88% (£0.03)
- waste collection -4.17% (-£0.02)
- heating & hot water no change
- tenants' levy no change
- bulk waste disposal -5.00% (-£0.04)
- sheltered housing 1.00% (£0.24)

(11) the following average weekly percentage changes for hostels and shared temporary units be approved for;

- service charges (hostels) – caretaking etc.; 2.00% (£1.42)
- energy cost increases for heat, light & power; 8.93% (£0.49)
- water charges increase; 5.56% (£0.01)

(12) an increase in garage rents be approved by Retail Price Inflation (RPI) of 2.00% (£0.23 per week) for Brockley residents and 2.00% (£0.23 per week) for Lewisham Homes residents;

(13) Council be asked to note that the budgeted expenditure for the Housing Revenue Account (HRA) for 2017/18 is £159.8m which includes the capital and new build programmes;

(14) Council be asked to endorse the HRA budget strategy savings proposals in order to achieve a balanced budget in 2017/18, as attached at Appendix X1;

Dedicated Schools Grant and Pupil Premium

(15) Council be asked to agree, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £290.7m be the Schools' Budget for 2017/18 and notes and asks Council to:

- note the proposed fair funding formula consultation on both the schools block and high needs block
- note the position on the early years block
- note the position on the schools block
- agree that a PFI factor should be introduced to the schools funding formula for Lewisham.
- note the latest financial position in schools
- note the likely future cost pressures on schools
- note the estimated pupil premium of £16.0m
- note the position on the Education Services Grant

General Fund Revenue Budget

(16) Council be asked to note the projected overall variance against the agreed 2016/17 revenue budget of £11.6m as set out in section 8 of this report and that any year-end overspend will have to be met from reserves;

(17) Council be asked to agree officers' recommendation to opt in to the

Public Sector Audit Appointments (PSAA) process to appoint an auditor for the 2018/19 financial year;

(18) Council be asked to endorse the previously approved revenue budget savings of £16.2m for 2017/18 and budget savings proposals of £6m as per the Mayor and Cabinet meeting of the 28 September 2016, as set out in section 8 and summarised in Appendix Y1 and Y2;

(19) Council be asked to agree the transfer of £5.0m in 2017/18 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 2018/19;

(20) Council be asked to agree the use of £0.027m reserves to meet the budget gap in 2017/18;

(21) Council be asked to agree the remaining £2.75m of unallocated corporate risk and pressures monies in 2016/17 be transferred to Adult Social Care budgets from 2017/18;

(22) Council be asked to agree to a saving of £1.0m per year for three years from 2017/18 (£3m in total) from the reduction of the corporate risks and pressures budget to £6.5m;

(23) Council be asked to note that £0.75m of the 2016/17 risk and pressures monies allocated to Directorate budgets is no longer required and is to be recovered corporately and re-allocated in 2017/18, in addition to the £6.5m above;

(24) Council be asked to agree the allocation of £5.12m in 2017/18 to fund quantified budget pressures from the £7.25m (£6.5m plus £0.75m) set aside for corporate risks and pressures;

(25) Council be asked to agree to create a fund in respect of the identified but as yet un-quantified revenue budget risks in the sum of £2.13m in 2017/18 (the balance of budget for corporate risks and pressures), 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 limit;

(26) Council be recommended to agree that a General Fund Budget Requirement of £232.746m for 2017/18 be approved, based on a 4.99% increase in Lewisham's Council Tax element. This will result in a Band D equivalent Council Tax level of £1,157.68 for Lewisham's services and £1,437.70 overall. This represents an overall increase in Council Tax for 2017/18 of 4.28% and is subject to the GLA precept for 2017/18 being increased by £4.02 (i.e. 1.5%) from £276.00 to £280.02, in line with the GLA's draft proposal;

(27) 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, as explained in section 8 and set out in more detail in Appendix Y3;

(28) the Executive Director for Resources & Regeneration be asked to issue cash limits to all Directorates once the 2017/18 Revenue Budget is agreed;

(29) the Chief Financial Officer's Section 25 Statement be presented in the Budget Update Report on the 15 February 2017 for approval;

(30) Council be asked to agree the draft statutory calculations for 2017/18 as set out at Appendix Y5;

(31) Council be asked to note the prospects for the revenue budget for 2018/19 and future years as set out in section 9;

(32) 3 officers continue to develop firm proposals and bring them forward as soon as possible as part of the Lewisham Future Programme to help meet the future forecast budget shortfalls;

(33) Council be asked to agree the use of up to £10.6m of once off corporate resources for transformation projects as set out in the report and at Appendix Y7 (£2.2m in 2016/17 and £8.4m in 2017/18 and future years).

Other Grants (within the General Fund)

(34) Council be asked to note the adjustments to and impact of various specific grants for 2017/18 on the General Fund as set out in section 8;

Treasury Management Strategy

(35) Council be recommended to approve the prudential indicators and treasury limits, as set out in section 10 of this report;

(36) Council be recommended to approve the 2017/18 treasury strategy, including the authority to undertake debt restructuring and to invest for longer than one year in non-specified property investments (namely, pooled property funds and AAA Residential Mortgage Backed Securities), along with the investment strategy and the credit worthiness policy as set out at Appendix Z3;

(37) Council be recommended to approve the revised Minimum Revenue Provision (MRP) policy which confirms the asset life approach adopted in 2016/17 and adds an option to waive the MRP charge on borrowing where sufficient collateral and security is held against the relevant borrowing, as set out in section 10;

(38) Council be recommended to agree to delegate to the Executive Director for Resources & Regeneration authority during 2017/18 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;

(39) 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

(40) Council be recommended to approve a minimum sovereign rating of AA-.

564. Matters Raised by Scrutiny and other Constitutional Bodies

NEW BERMONDSEY CPO

The referral from the Overview and Scrutiny Business Panel was presented by Councillor Alan Hall.

In response the Mayor fully endorsed the request that the Council oversees the Independent Inquiry process. In his absence the Cabinet unanimously agreed the written responses shown below.

The points raised by the Business Panel and the responses agreed by the Cabinet were as follows:

- (i) To ask officers to respond to correspondence from Eversheds and Shoosmiths.

Officers have responded to these letters.

- (ii) To ask officers to ensure that all Housing Action Zone bid documents are made available to Scrutiny members, and a redacted copy made available to the public.

A redacted copy can be viewed here.

<https://files.acrobat.com/a/preview/1934fab3-ee61-4701-bef6-08382209f496>

Renewal have agreed that members may have access to an unredacted copy. It was intended that this be available to members on a confidential basis when it is relied on as a background document in the report concerning the Memorandum of Understanding relating to the Housing Action Zone. Unredacted copies are available for inspection by all members on a confidential basis in Legal Services. Anyone wishing to view them should contact Siobhan Da Costa in Legal Services ext 49276

- (iii) To ask officers to ensure that the Section 106 Agreement is reviewed by members of the Strategic Planning Committee

It is officers' understanding that this request related to amendments arising out of the fact that the Housing Action Zone funding of £20 million is no longer to comprise solely of loan funding. Instead £12 million of this funding is to be by way of grant. Officers can reassure members that any changes to the Section 106 agreement would not be taken by officers but referred to Strategic Planning Committee for decision.

- (iv) Notes that the Business Panel remains unconvinced by the

reported results of the investigation into the Lambert Smith Hampton documents.

Officers note the views of the Business Panel. All of the documents which were supplied to the Council in relation to this matter are available for inspection by any member on a confidential basis in Legal Services. Anyone wishing to view them should contact Siobhan Da Costa in Legal Services 02083149276

In respect of the following issue raised by the Business Panel, the response agreed by the Mayor was as follows:

Though not part of the matters resolved at Overview and Scrutiny Business Panel on 31 January 2017, the draft minutes state that the Business Panel believed that the independent inquiry and its terms of reference should be overseen by full Council. It is intended that a report on the establishment of the external investigation will be submitted to the Council at its meeting on 22 February 2017. Once the investigation is complete, the outcome will be reported to full Council and made public.

565. Outstanding Scrutiny Matters

The Mayor was informed that one item had slipped since the last report as it was dependent on a consultation exercise that had not yet been concluded.

RESOLVED that the report be noted.

566. New Waste and Recycling Services

The Mayor noted that Sam Kirk was leaving the Council after 17 years with Lewisham. He praised her superb contribution particularly around recycling and how to approach it.

Having considered an officer report and a presentation by the Cabinet Member for the Public Realm, Councillor Rachel Onikosi, the Mayor agreed that:

- (1) progress made to date be noted;
- (2) the operational implications for the new service be noted;
- (3) the proposed timetable for implementing the new services be approved; and
- (4) service policies be approved.

567. Animal Welfare Charter

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:

- (1) the results of the Animal Welfare Charter consultation be noted;
- (2) the Animal Welfare Charter be approved and adopted.

568. School Admissions 2018-19

Having considered an officer report, the Mayor, for the reasons set out in the report:

RESOLVED that:

- (1) the nursery, primary, secondary and sixth form admissions arrangements for Lewisham's community mainstream schools as set out be approved
- (2) the Pan London Admissions Schemes for reception and secondary transfer and a local scheme for in year admissions as detailed be approved; and

The Cabinet, in the absence of the Mayor, considered the representation received from Forster Park Primary School and pressed the Executive Director to justify the recommendation rejecting the request of the Chair of Governors. The Executive Director explained it would be exceptionally unusual to reduce a PAN given the pressure on primary school places in Lewisham and that support would be offered to the school to improve pupil recruitment and retention.

Having considered an officer report, the Cabinet, for the reasons set out in the report:

RESOLVED that:

- (3) there should not be a reduction to Forster Park Primary School's PAN but that the school should be supported to recruit and retain more pupils.

569. Extending Shared Service to Southwark

The report was introduced by Councillor Bonavia who explained amended recommendations had been received following the receipt of further legal advice. The Head of Law stated no business case had yet been agreed and a further decision would be required in June

Having considered an officer report, and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, the Mayor agreed that:

- (1) plans for the ICT Shared Service with Brent to be extended to cover the London Borough of Southwark be approved and a further report be brought back to the Mayor in June 2017 for formal approval subject to the outcome of the due diligence exercise;
- (2) the delegation from Southwark Council to Brent (as the primary host

authority in the shared service) for the delivery of ICT service be noted and a further report be brought to the Mayor in June 2017 to determine whether this arrangement should be included within the Shared Service subject to the outcome of the due diligence exercise;

(3) a Memorandum of Understanding be entered into with the London Borough of Southwark and London Borough of Brent as set out;

(4) an interim inter-authority agreement be entered into between the 3 boroughs to cover arrangements until a formal decision is made whether to proceed with a 3 Council Shared Service and authority be delegated to the Executive Director for Customer Services to agree the terms of the interim inter-authority agreement on the advice of the Head of Law;

(5) interim governance arrangements based on a shared joint partnership board to include representatives of Brent, Lewisham and Southwark working on an equal basis be approved;

(6) note be taken that Brent and Southwark officers are presenting reports to their respective Cabinets in relation to this delegation and possible future shared service.

570. Comments of the Sustainable Development Select Committee on work and skills

Having considered the Select Committee's report, the Mayor:

RESOLVED that the views of the Select Committee as set out be received and the Executive Director for Resources and Regeneration be asked to prepare a response for Mayoral consideration.

571. Comments of the Sustainable Development Select Committee on Catford

Having considered the Select Committee's report, the Mayor;

RESOLVED that the views of the Select Committee as set out be received and the Executive Director for Resources and Regeneration be asked to prepare a response for Mayoral consideration.

572. Pay Statement

Councillor Millbank praised the gender pay balance which had been achieved in Lewisham and asked if a similar survey could be undertaken of the average salaries of BAME personnel.

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

RESOLVED that the Pay Policy Statement be reported to the Council.

573. Exclusion of Press and Public

RESOLVED that in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012 and 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, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

14. Caretaker properties Disposal and Lease Award Report with Lease Plans.

574. Caretaker properties Disposal and Lease Award Report with Lease Plans

Having considered a confidential officer report, and a presentation by the Cabinet Member for Housing, Councillor Damien Egan, the Mayor, for the reasons set out in the report:

RESOLVED that:

- (1) the properties identified at section 6.3 are no longer in use for the purposes of education and that subject to Secretary of State's consent they could be used to provide accommodation for five households in acute housing need;
- (2) an application be made to the Secretary of State for Education under Schedule 1 of the Academies Act 2010 for the disposal of the sites on a five year lease; and
- (3) Subject to Secretary of State's consent being obtained, the lease of the five residential properties be approved to Lewisham Homes Limited and authority be delegated to the Executive Director for Resources & Regeneration, in consultation with the Executive Head of Law, to agree the final terms and all associated legal documentation.

The meeting closed at 19.49pm