

OVERVIEW & SCRUTINY BUSINESS PANEL

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| Report Title | Decisions made by Mayor and Cabinet on 8 February 2017 | | |
| Key Decision | | | Item No. 5 |
| Ward | All | | |
| Contributors | Chief Executive/Head of Business and Committee | | |
| Class | Part 1 | Date: 14 February 2017 | |

1. Recommendation

To consider key decisions made by the Mayor and Cabinet on 8 February 2017 which will come in to force on 15 February 2017.

2. Background

2.1 The Mayor and Cabinet considered the following key decisions on 8 February 2017.

2.2 The notice of decisions made in respect of the 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 these reports are not called in they will come into force on 15 February 2017.

- (i) Budget 2017-18
- (ii) New Waste and Recycling Services
- (iii) Animal Welfare Charter
- (iv) Extending Shared Services to Southwark
- (v) Pay Statement



NOTICE OF DECISIONS MADE AT THE MAYOR & CABINET

The Mayor and Cabinet made the following decisions on 8 February 2017. These Decisions will become effective on 15 February 2017 unless called in by the Overview & Scrutiny Business Panel on 14 February 2017.

1. **Budget 2017-18**

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 agreed 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 approves 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-.

2. Update on Proposed Changes to Waste & Recycling Service

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.

3. Animal Welfare Charter and Consultation Results

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

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

4. Extending our shared IT service to Southwark Council

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;

(7) 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.

5. Pay Policy Statement

Having considered an officer report, and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, the Mayor agreed that the Pay Policy Statement be reported to the Council.

Barry Quirk
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9 February 2017