

## OVERVIEW & SCRUTINY BUSINESS PANEL

<b>Report Title</b>	Decisions made by Mayor and Cabinet at the on 7 February 2018		
<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: 13 February 2018	

### 1. Recommendation

To consider key decisions made by the Mayor and Cabinet on 7 February 2018 which will come in to force on 14 February 2018.

### 2. Background

2.1 The Mayor and Cabinet considered the following key decisions on 7 February 2018.

2.2 The notice of the decision made in respect of the report is 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 this report is not called in they will come into force on 14 February 2018

- i. Annual Budget 2018-19
- ii. Pay Statement 2018-19
- iii. Green Capital Grants – Permission to Bid



## NOTICE OF DECISIONS MADE AT THE MAYOR & CABINET

The Mayor made the following decisions 7 February 2018. These decisions will become effective on 14 February 2018 unless called in by the Overview & Scrutiny Business Panel on 13 February 2018.

### 1. Annual Budget 2018-19

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

(1) the comments of the Public Accounts Select Committee of 6 February 2018 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, as required, the Mayor:

#### Capital Programme

(3) the 2017/18 Quarter 3 Capital Programme monitoring position and the Capital Programme potential future schemes and resources as set out in section 5 be noted;

(4) Council be recommended to approve the 2018/19 to 2020/21 Capital Programme of £271.5m, as set out in section 5 and attached at Appendices W1 and W2;

#### Housing Revenue Account

(5) the consultation report on service charges to tenants' and leaseholders in the Brockley area, presented to area panel members on 12 December 2017, be noted as attached at Appendix X2;

(6) the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 14 December 2017, be noted as attached at Appendix X3;

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

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

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

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

- caretaking 4.90% (£0.24)
- grounds 4.90% (£0.12)
- communal lighting 4.90% (£0.06)
- bulk waste collection 4.90% (£0.02)
- window cleaning 4.90% (£0.01)
- tenants' levy 30.0% (£0.03)

(11) service charges to Lewisham Homes managed dwellings:

- caretaking -1.17% (-£0.12)
- grounds 16.27% (£0.27)
- window cleaning 51.41% (£0.03)
- communal lighting 0.38% (£0.01)
- block pest control 1.87% (£0.03)
- waste collection 1.93% (£0.01)
- heating & hot water no change
- tenants' levy 30.0% (£0.03)
- bulk waste disposal 2.96% (£0.02)
- sheltered housing 1.00% (£0.24)

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

- service charges (hostels) – caretaking etc.; no change
- energy cost increases for heat, light & power; no change
- water charges increase; no change

(13) an increase in garage rents be approved by Retail Price Inflation (RPI) of 3.9% (£0.46 per week) for Brockley residents and 3.9% (£0.46 per week) for Lewisham Homes residents;

(14) the budgeted expenditure for the Housing Revenue Account (HRA) for 2018/19 be £156.8m, split £84.1m revenue and £72.7m capital, which includes the decent homes and new build programmes;

(15) the HRA budget strategy savings proposals be approved in order to achieve a balanced budget in 2018/19, as attached at Appendix X1;

Dedicated Schools Grant and Pupil Premium

(16) recommends Council be recommended to agree, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £292.3m be the Schools' Budget for 2018/19;

(17) Council be asked to note the implementation of the national funding formula schools block for schools;

(18) Council be asked to agree that Lewisham uses the national funding formula schools block to allocate funds to schools from April 2018;

(19) Council be asked to agree that Minimum Funding Guarantee for the schools block be set at 0.25% for 2018/19;

(20) Council be asked to agree the change to the PFI factor in the formula to base it on estimates for the schools block;

(21) Council be asked to agree to implement the new banding systems in resource bases at a cost to the High Needs block of £251k;

(22) Council be asked to agree to implement the new banding system for ECHP's in mainstream schools at a cost to the High Needs block of £47k;

(23) Council be asked to note the latest financial position in schools;

(24) Council be asked to note the likely future cost pressures on schools;

(25) Council be asked to note the estimated pupil premium of £17.0m;

(26) Council be asked to note the changes to the way the High Needs block is calculated;

(28) Council be asked to note the Loan Scheme consultation for the schools block;

(29) Council be asked to note the position of the consultation on eligibility for free school meals and the early years pupil premium under Universal Credit;

#### General Fund Revenue Budget

(29) Council be asked to note the projected overall variance against the agreed 2017/18 revenue budget of £12.9m as set out in section 8 and that any year-end overspend will have to be met from reserves;

(30) Council be asked to endorse the previously approved revenue budget savings of £0.58m for 2018/19 and budget savings proposals of

£4.28m as per the Mayor and Cabinet meeting of the 6 December 2017, as set out in section 8 and summarised in Appendix Y1 and Y2;

(31) Council be asked to agree the transfer of £5.0m in 2018/19 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 2019/20;

(32) Council be asked to agree the use of £3.570m reserves to meet the budget gap in 2018/19;

(33) Council be asked to agree the allocation of £6.500m in 2018/19 be set aside for corporate risks and pressures, added to the £2.130m set aside for unidentified risks in 2017/18;

(34) Council be asked to agree the allocation of £6.915m in 2018/19 to fund quantified budget pressures from the £8.630m set aside for corporate risks and pressures;

(35) 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 £1.715m in 2018/19 (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 limits;

(36) the Executive Director for Resources and Regeneration identify up to £5m of earmarked reserves to fund service transformation costs to facilitate services change and develop further savings proposals;

(37) Council be recommended to agree that a General Fund Budget Requirement of £241.281m for 2018/19 be approved.

(38) Council be asked to agree to a 3.99% increase in Lewisham's Council Tax element, resulting in a Band D equivalent Council Tax level of £1,203.87 for Lewisham's services and £1,498.10 overall. This represents an overall increase in Council Tax for 2018/19 of 4.2% and is subject to the GLA precept for 2018/19 being increased by £14.21 (i.e. 5.1%) from £280.02 to £294.23, in line with the GLA's draft budget proposal;

(39) 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 is set out in more detail in Appendix Y3;

(40) Council be asked to note the exemption from Council Tax for Care Leavers up to the age of 25 in the Borough, agreed by Council in January 2018 when setting the 2018/19 Council Tax base, and the review underway to assess other possible exemptions;

(41) the Executive Director for Resources & Regeneration issues cash limits to all Directorates once the 2018/19 Revenue Budget is agreed;

(42) the Chief Financial Officer's Section 25 Statement be presented in the Budget Update Report on the 14 February 2018 for approval;

(43) Council be asked to agree the draft statutory calculations for 2018/19 as set out at Appendix Y5;

(44) Council be asked to note the prospects for the revenue budget for 2019/20 and future years as set out in section 9;

(45) 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;

In relation to proposed changes to the Linkline Community Alarm Service:

(46) having considered the outcome of the consultation exercise and the documents appended at Appendix 6, 6a, 6b and 6c the following recommendations be approved;

(47) Linkline change the service offer to a Full Visiting Service for all new customers.

(48) Linkline charges be increased in line with costs and inflation where it is provided to customers who are private rented tenants, home owners, living with family and for social housing tenants who arrange Linkline independently. The proposed charge is £5.81 for Full Visiting Support and £3.88 for the Telephone On service;

(49) In schemes provided by Social Housing Landlords, a phased increase in charges be implemented to achieve parity with other housing tenures.

(50) In future charges be increased in line with inflation across all sectors annually;

(51) Lewisham CCG jointly with Council officers will review the way the financial contribution from Lewisham CCG is utilised to support people with dementia and the intention to conduct further consultation and assessment for Linkline customers who have a diagnosis of dementia;

Other Grants (within the General Fund)

(52) Council be asked to note the adjustments to and impact of various specific grants for 2018/19 on the General Fund as set out in section 8;

#### Treasury Management Strategy

(53) Council be recommended to approve the prudential indicators and treasury indicators, as set out in section 10;

(54) Council be recommended to approve the Annual Investment Strategy and Credit Worthiness Policy, set out in further detail at Appendix Z3;

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

(56) Council be recommended to delegate to the Executive Director for Resources & Regeneration authority during 2018/19 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;

(57) 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

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

## **2. 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 received and reported to Council.

## **3. Green Capital Grants – permission to bid**

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 submission of a funding bid of up to £500k to the Green Capital Grants fund be approved; and

(2) if the funding bid is successful, authority be delegated to the Executive Director for Resources & Regeneration, in consultation with

the Head of Law, to agree the terms of the funding agreement and to enter into it.

**Janet Senior**  
**Acting Chief Executive,**  
**Lewisham Town Hall,**  
**Catford SE6 4RU**  
**8 February 2018**