

OVERVIEW & SCRUTINY BUSINESS PANEL

Report Title	Decisions made by Mayor and Cabinet at the on 6 February 2019		
Key Decision			Item No. 5
Ward	All		
Contributors	Chief Executive/Head of Business and Committee		
Class	Part 1	Date:12 February 2019	

1. Recommendation

To consider key decisions made by the Mayor and Cabinet on 6 February 2019 which will come in to force on 13 February 2019.

2. Background

2.1 The Mayor and Cabinet considered the following key decisions on 6 February 2019.

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 13 February 2019

- i. Council Budget 2019-20
- ii. Income Generation Update
- iii. Draft Procurement Social Value Policy
- iv. Draft Transport Strategy and Local Implementation Plan 2019-2041 (LIP3)



NOTICE OF DECISIONS MADE AT THE MAYOR & CABINET

The Mayor and Cabinet made the following decisions on 6 February 2019. These decisions will become effective on 13 February 2019 unless called in by the Overview & Scrutiny Business Panel on 12 February 2019.

1. **Council Budget 2019-20**

Having considered an officer report, and presentations by Mayor and the non-voting job share Cabinet Member for Finance, Skills and Jobs, Councillor Amanda De Ryk, the Mayor and Cabinet agreed that:

(1) the comments of the Public Accounts Select Committee of 5 February 2019 be received and Mayor and Cabinet decisions on the budget report will be taken formally with the budget update report on 13 February;

(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 and cabinet approves as follows:

Capital Programme

(3) the 2018/19 Quarter 3 Capital Programme monitoring position and the Capital Programme potential future schemes and resources as set out in section 5 of this report be noted;

(4) to recommend that Council approves the 2019/20 to 2021/22 Capital Programme of £344.7m, 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 27 November 2018, attached at Appendix X2 be noted;

(6) the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 13 December 2018 as attached at Appendix X3 be noted;

(7) sets a decrease in dwelling rents of 1.0% (an average of £0.96 per week) – as per the requirements from government as presented in section 6;

(8) sets a decrease in the hostels accommodation charge by 1.0% (or £0.36 per week), in accordance with Government requirements;

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

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

- caretaking 4.30% (£0.22)
- grounds 4.30% (£0.09)
- communal lighting 4.30% (£0.07)
- bulk waste collection 4.30% (£0.06)
- window cleaning 4.30% (£0.01)
- tenants' levy 15.0% (£0.02)

(11) service charges to Lewisham Homes managed dwellings:

- caretaking 3.27% (£0.19)
- grounds 3.63% (£0.07)
- window cleaning 11.11% (£0.01)
- communal lighting 0.88% (£0.01)
- block pest control 1.84% (£0.03)
- waste collection 8.33% (£0.04)
- heating & hot water 1.31% (£0.13)
- tenants' levy 15.38% (£0.02)
- bulk waste disposal 3.70% (£0.03)
- sheltered housing 1.00% (£0.24)

(12) approves the following average weekly percentage changes 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) approves an increase in garage rents by 25% (£2.37 per week) for Brockley residents and 25% (£3.06 per week) for Lewisham Homes residents;

(14) notes that the budgeted expenditure for the Housing Revenue Account (HRA) for 2019/20 is £169.6m, split £99.9m revenue and £69.7m capital, which includes the decent homes and new build programmes;

(15) agrees the HRA budget strategy cut proposals in order to achieve a balanced budget in 2019/20, as attached at Appendix X1;

Dedicated Schools Grant and Pupil Premium

(16) recommends that Council agrees, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £290.880m be the Schools' Budget for 2019/20;

(17) the funding in respect of each of the blocks continues to be based on the National Funding Formula. A "soft formula" remains in place for the Schools Block, however Lewisham Council has agreed to mirror the principles of the National Funding Formula to distribute the Schools Budget Share;

(18) Council be asked to agree that Minimum Funding Guarantee for the schools block be set at a plus 0.20% for 2019/20 as supported by Schools Forum;

(19) the continuing pressures facing the High Needs Block be noted and the transfer of £1m from the Schools Block to the High Needs Block be approved as agreed with the Schools Forum;

(20) an overall increase in the High Needs Block of £2m be noted, of which £0.7m relates to the Secretary of States recent statement providing £300m to Local Authorities to support pressure in the High Needs Block, with the remaining increase arising from factors determining the High Needs Block methodology adding £1m on top of this funding;

(21) to recognise that despite the increase in High Needs Funding, there continues to remain upward pressure on costs, arising from a combination of increase in pupils with specialist need, more complex need and associated costs;

(22) Council be asked to note that the Early Years Block position is provisional pending January 2019 and 2020 pupil counts; and to further note that within the supplementary funding for Nursery Schools (determined within the Early Years Block) will continue for 2019/20 the provisional allocation suggests a minor increase of £7k;

(23) Council be asked to note a small increase of £15k to the Central Services to Schools Block Component of the DSG;

(24) Council be asked to note the Pupil Premium Funding rates for 2019/20 will remain at current levels thereby resulting in a real term reduction in spending and that the funding levels have not increased since 2017/18;

(25) Council be asked to note that the 2019/20 pupil premium allocation will be confirmed pending the January 2019 census; and to note for information that 2018/19 pupil premium was £16.4m. The 2019/20 figure could potentially be lower as a result of reduction in

overall pupil numbers coupled with overall reduction in Free School Meal Eligibility numbers;

(26) Council be asked to note the latest financial position in schools and the likely future cost pressures on schools;

General Fund Revenue Budget

(27) Council be asked to note the projected overall variance against the agreed 2018/19 revenue budget of £241.281m as set out in section 8 and that any year-end overspend will have to be met from reserves;

(28) Council be asked to endorse the budget cut proposals of £7.963m as per the Mayor and Cabinet meeting of the 21 November 2018, as set out in section 8 of the report and summarised in Appendix Y1;

(29) In relation to budget cut proposals – Commercial Income (RES16) £140k, Main Grants (COM12) £600k, Local Assemblies Funding (COM14) £225k, and Small Grants (COM17) £50k – be approved and asks the Council to endorse the proposed budget cuts totalling £1.015m in 2019/20, as set out in section 8 and in Appendix Y2 of this report;

(30) Notes that budget cut proposals Park Events Income (CUS03) and Removal of Public Toilets (CUS08) totalling £0.292m in 2019/20, have yet to be re-presented to Mayor and Cabinet for approval but are assumed as part of the budget calculation for 2019/20 with any gap covered from once-off resources until formerly concluded;

(31) Council be asked to agree the transfer of £5.0m in 2019/20 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 2020/21;

(32) Council be asked to agree the use of £2.461m reserves to meet the budget gap in 2019/20;

(33) Council be asked to agree the allocation of £6.500m in 2019/20 be set aside for corporate risks and pressures;

(34) Council be asked to agree the allocation of the full £6.500m set aside for corporate risks and pressures in 2019/20 to fund quantified budget pressures;

(35) Council be recommended to agree that a General Fund Budget Requirement of £243.012m for 2019/20 be approved;

(36) Council be asked to agree to a 4.99% increase in Lewisham's Council Tax element resulting in a Band D equivalent Council Tax level

of £1,263.94 for Lewisham's services and £1,584.45 overall and representing an overall increase in Council Tax for 2019/20 of 5.76% subject to the GLA precept for 2019/20 being increased by £26.28 (i.e. 8.9%) from £294.23 to £320.51, in line with the GLA's draft budget proposal;

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

(38) the Interim Chief Finance Officer issues cash limits to all Directorates once the 2019/20 Revenue Budget is agreed;

(39) the Interim Chief Finance Officer's Section 25 Statement be presented in the Budget Update Report on the 13 February 2019 for approval;

(40) Council be asked to agree the draft statutory calculations for 2019/20 as set out at Appendix Y5;

(41) Council be asked to note the prospects for the revenue budget for 2020/21 and future years as set out in section 9;

(42) officers continue to develop firm proposals and bring them forward for working towards a cuts round before the summer recess to help plan early and meet the future forecast budget shortfalls;

Other Grants (within the General Fund)

(43) Council be asked to note the adjustments to and impact of various specific grants for 2019/20 on the General Fund as set out in section 8;

Treasury Management Strategy

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

(45) Council be recommended to approve the Annual Investment Strategy and Credit Worthiness Policy, set out in further detail at Appendix Z2;

(46) Council be recommended to approve the Capital Strategy 2019/20, set out in further detail at Appendix Z5;

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

(48) Council be recommended to agree to delegate to the Executive Director for Resources & Regeneration authority during 2019/20 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;

(49) Council be recommended to approve the credit and counterparty risk management criteria, as set out at Appendix Z2, the proposed countries for investment at Appendix Z3, and that it formally delegates responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration; and

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

2. Income Generation Update

Having considered an officer report, and a presentation by the non-voting job share Cabinet Member for Finance, Skills and Jobs, Councillor Amanda De Ryk, the Mayor and Cabinet agreed that:

(1) the draft Income Generation Strategy be adopted and implemented; and

(2) the current pilot to centrally resource income generation activity should convert to permanent using the identified funding of £200k as per section 7.

3. Draft Procurement Social Value Policy

Having considered an officer report, and a presentation by the non-voting job share Cabinet Member for Finance, Skills and Jobs, Councillor Amanda De Ryk, the Mayor and Cabinet agreed that the draft Social Value Policy be approved for implementation, including the required amendment to the standard procurement evaluation weighting to support this.

4. Draft Transport Strategy and Local Implementation Plan 2019-2041 (LIP3)

Having considered an officer report, and a presentation by the voting job share Cabinet Member for Parks, Neighbourhood and Transport, Councillor Brenda Dacres, the Mayor and Cabinet agreed that:

(1) the draft of the Transport Strategy and Local Implementation Plan 2019-2041 (LIP3), be approved for final submission to TfL and approval by the Mayor of London.

(2) authority be delegated to the Executive Director for Customer Services, for minor changes to LIP3 in the lead up to final submission to TfL in consultation with the appropriate Cabinet Member.

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7 February 2019