



Overview and Scrutiny Business Panel

Decisions made by Mayor and Cabinet

Date: 9 February 2021

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Chief Executive / Head of Business and Committee

Outline and recommendations

Members are asked to consider decisions taken at a meeting of the Mayor and Cabinet held on 3 February 2021 in open session

1. Recommendation

To consider decisions taken by the Mayor on 3 February 2021, which will come in to force on 10 February 2021 unless called in by the Overview & Scrutiny Business Panel on 9 February 2021.

2. Background

2.1 The Mayor and Cabinet considered the following decisions 3 February 2021:

- i. Budget Cuts
- ii. Council Budget 2021-2022

2.2 The notice of the decision in respect of this report is attached below.

2.3 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, the decisions will come into force on 10 February 2021.



NOTICE OF DECISIONS MADE BY THE MAYOR & CABINET

The Mayor and Cabinet made the following decisions on February 3 2021. All recommendations shown were agreed by a 10-0 vote of voting members in attendance.

The decisions will become effective on February 10 2021, unless called in by the Overview & Scrutiny Business Panel on February 9 2021.

1. **Budget Cuts**

Having considered an officer report, and presentations by the Cabinet Member for Finance and Resources, Councillor Amanda De Ryk, the Chair of the Public Accounts Select Committee, Councillor Pat Codd and by Dr Tony O'Sullivan of the Save Lewisham Hospital Campaign, the Mayor and Cabinet agreed in a recorded vote that:

- (1) following a review the cuts proposals presented in Section 7 and Appendices 2 to 7, totalling £12.965m, the following proposals be approved;
- (2) Authorise officers to carry out consultations where staff consultation is necessary in relation to proposals: A-09, A-11, A-13, C-10, C-11, C-30, and F-15A and delegate the decision to the relevant Executive Director for the service concerned.
- (3) Authorise officers to carry out consultations where public consultation is necessary in relation to proposals:, B-11, C-12, C-13, C-15, C-22, C-26, C-28, F-20, F-22 and F-24, and ask officers to report back to the Mayor with the outcome, for a decision to be made. This includes the proposal on NHS CAMHS with work to be done on a contingency arrangement alongside the consultation, and brought forward in a future report to Mayor and Cabinet.
- (4) Agree that where no consultation is required, agree the following proposals: A-01A, A-10, A-12, A-14, A-16, A-17, A-18, B-12, B-13, C-09, C-14, C-16, C-17, C-21, C-23, C-24, C-29, D-09, E-01A, E-08A, E-11, F-19, F-21, and F-23

- (2) the comments of the Public Accounts Select Committee of the 2

February 2021 incorporating the views of the respective select committees be received and the tabled response be endorsed for reporting to the Select Committee;

2. Council Budget 2021-2022

Having considered an officer report, and presentations by the Cabinet Member for Finance and Resources, Councillor Amanda De Ryk, the Chair of the Public Accounts Select Committee, Councillor Pat Codd and by Councillor Jacq Paschoud, the Mayor and Cabinet agreed in a recorded vote that:

(1) the comments of the Public Accounts Select Committee of 2 February 2021 be received and a minuted response be provided to the Select Committee and notes that Mayor and Cabinet decisions on the budget report will then be taken formally with the budget update report on the 10 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 approved the following budgetary decisions:

General Fund Revenue Budget

2.3 notes and asks Council to note the projected overall variance of £3.2m (or 1.3%) against the agreed 2020/21 revenue budget of £248.714m as set out in section 6 of this report and that any year-end overspend will be met from corporate reserves and provisions;

2.4 endorses and asks Council to endorse the budget cut proposals of £28.016m as per the Mayor and Cabinet meetings of the 9 December 2020 and 3 February 2020, as set out in section 6 of the report and summarised in Appendix Y1 and Y2;

2.5 agrees and asks Council to agree the allocation of £6.500m in 2021/22 be set aside and use of £1.500m reduced contribution for concessionary fares for corporate risks and pressures;

2.6 agrees and asks Council to agree the allocation of £19.685m of corporate risks and pressures, social care precept, new homes bonus, social care grant, lower tier grant and legacy s31 monies in 2021/22 to be invested in funding quantified budget pressures and opportunities, both recurring and once-off as set out in section 6;

2.7 agrees to recommend to Council that a General Fund

Budget Requirement of £243.100m for 2021/22 be approved;

2.8 asks Council to agree to a 4.99% increase in Lewisham's Council Tax element. This will result in a Band D equivalent Council Tax level of £1,379.96 for Lewisham's services and £1,743.62 overall. This represents an overall increase in Council Tax for 2021/22 of 5.91% and is subject to the GLA precept for 2021/22 being increased by £31.59 (i.e. 9.5%) from £332.07 to £363.66, in line with the GLA's draft budget proposals;

2.9 notes and asks Council 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 6 of the report and is set out in more detail in Appendix Y4;

2.10 asks that the Executive Director for Corporate Resources issues cash limits to all Directorates once the 2021/22 Revenue Budget is agreed;

2.11 notes that the Executive Director for Corporate Resources Section 25 Statement will be presented in the Budget Update Report on the 10 February 2021 for approval;

2.12 agrees and asks Council to agree the draft statutory calculations for 2021/22 as set out at Appendix Y6;

2.13 notes and asks Council to note the prospects for the revenue budget for 2021/22 and future years as set out in section 6;

2.14 agrees and asks officers to continue to develop firm proposals to redesign and transform services and bring them forward in good time to support the work towards a cuts round to help plan early and meet the future forecast budget shortfalls;

2.15 notes and endorses the Council's withdrawal from the discontinued London Business Rates Pool for 2021/22.

Other Grants (within the General Fund)

2.16 notes and asks Council to note the adjustments to and impact of various specific grants for 2021/22 on the General Fund as set out in section 7 of this report;

Fees and charges

2.17 approves and endorses the approach to setting 2021/22 fees and charges for chargeable services in section 8 of the report and attached at Appendix Y8;

Dedicated Schools Grant and Pupil Premium

Schools Block

2.18 notes and recommends that Council notes that the provisional Dedicated Schools Grant allocation of £222.769m be the Schools' Budget (Schools Block) for 2021/22;

2.19 notes that following the Schools Forum meeting on the 19 January, submission has been made to the Department for Education with regards to school funding formula, recommending the application of the National Funding Formula (including unit values) allowing for a 2% uplift in Minimum Funding Guarantee (MFG);

2.20 notes that after the funding allocation to schools there is a one-off remaining amount of Dedicated Schools Grant of £2.3m for 2021/22;

2.21 agrees and recommends that Council agrees, (as recommended by Schools Forum) the once-off transfer £1.068m of Dedicated Schools Grant to the High Needs Block and the set aside of £1.24m to support schools through measures such as the growth fund and the falling rolls fund;

Central Schools Services Block (CSSB)

2.22 notes, and asks Council to note, the construct and allocation of £4.261m for the CSSB block allocation for 2021/22;

2.23 notes an increase of £2.65 per pupil unit resulting in a net increase of £68.7k in the "pupil-led" funding element of the block;

High Needs Block (HNB)

2.24 notes, and asks Council to note, the provisional High Needs Block £62.4m to support the Council's statutory duty with regards Special Education Needs. This is a net increase of £5.99m relative to 2020/21;

2.25 notes that the HNB is expected to overspend by between £4-5m in 2020/21;

2.26 notes that the Schools Forum has agreed to transfer £1.068m to the block to support the Council to meet its statutory functions;

Early Years Block (EYB)

2.27 notes, and asks Council to note, the provisional Dedicated Schools Grant allocation of £24.17m to the block;

2.28 notes that the Department for Education increase in

funding for “3 and 4 year old” from £5.70, to £5.76 (i.e. 6p per hour), and hourly rate for 2 year olds increase from £6.58 to £6.66 (i.e. 8p per hour) for 2021/22.

2.29 notes that the maintained nursery supplementary funding allocation for September 2021 to March 2022 is subject to change and has not yet been finalised;

Pupil Premium

2.30 notes, and asks Council to note, that the pupil premium will continue in the 2021/22 financial year. The funding rates in the year will be same as 2020/21 but the census date has changed to January.

Housing Revenue Account

2.31 notes the consultation report on service charges to tenants’ and leaseholders in the Brockley area, presented to area panel members on 16 December 2020, as attached at Appendix X2;

2.32 notes the consultation report on service charges to tenants’ and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 17 December 2020 as attached at Appendix X3;

2.33 sets an increase in dwelling rents of 1.5% (an average of £1.46 per week) – as per the formula rent calculations outlined in section 9 of this report;

2.34 sets an increase in the hostels accommodation charge by 1.5% (or £0.53 per week), in accordance with formula rent calculations;

2.35 approves the following average weekly increases/decreases for dwellings for:

2.35.1 service charges to non-Lewisham Homes managed dwellings (Brockley) to ensure full cost recovery and 2.1% inflationary uplift for 2021/22;

- caretaking 2.10% (£0.66)
- grounds 2.10% (£0.80)
- communal lighting 2.10% (£0.06)
- bulk waste collection 2.10% (£0.03)
- window cleaning 2.10% (£0.00)
- tenants’ levy 0% (£0.00)

2.35.2 service charges to Lewisham Homes managed dwellings:

- caretaking 1.99% (£0.13)
- grounds 1.94% (£0.04)
- window cleaning 26.00% (£0.02)

- communal lighting 2.55% (£0.03)
- block pest control 2.20% (£0.04)
- waste collection 23.20% (£0.11)
- heating & hot water 1.62% (£0.17)
- tenants' levy 0% (£0.00)
- bulk waste disposal 0.00% (£0.00)
- sheltered housing 0.00% (£0.00)

2.36 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

2.37 approves an increase in garage rents by 1.1% (£0.17 per week) for Brockley and Lewisham Homes residents;

2.38 notes that the budgeted expenditure for the Housing Revenue Account (HRA) for 2021/22 is £226.1m, split £112.1m revenue and £114.0m capital, which includes the decent homes and new build programmes;

2.39 agrees the HRA budget strategy cut proposals in order to achieve a balanced budget in 2021/21, as attached at Appendix X1;

2.40 agrees to write off forty-one cases of Former Tenants' Arrears as set out in section 9 and Appendix X7, totalling £655,329.76;

Treasury Management Strategy

2.41 approves and recommends that Council approves the prudential indicators and treasury indicators, as set out in section 10 of this report;

2.42 approves and recommends that Council approves the Annual Investment Strategy and Creditworthiness Policy, set out in further detail at Appendix Z2;

2.43 approves and recommends that Council approves the update to the Investment Strategy as set out in section 10 of this report, namely to allow investment in UK building societies with a minimum credit rating of BBB- from Fitch (or equivalent) for up to 3 months, and no more than £10m per institution;

2.44 notes and asks Council to note that the Capital Strategy 2021/22 will be brought forward during the year;

2.45 approves and recommends that Council approves the Minimum Revenue Provision (MRP) policy as set out in section

10 of this report;

2.46 agrees and recommends that Council agrees to delegate to the Executive Director of Corporate Resources authority during 2021/22 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;

2.47 approves and recommends that Council approves the overall 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 Corporate Resources;

2.48 approves and recommends that Council approves a minimum sovereign rating of AA-for non-UK investments;

Capital Programme

2.49 notes the 2020/21 Quarter 3 Capital Programme monitoring position and the Capital Programme potential future schemes and resources as set out in section 11 of this report;

2.50 notes the significant proposed rise in prudential borrowing of more than £275m by 2023/24, primarily to fund the Building for Lewisham programme capital plans;

2.51 recommends that Council approves the 2021/22 to 2023/24 Capital Programme of £517.5m, as set out in section 11 of this report and attached at Appendices W1 and W2.

Kim Wright
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4 February 2020