

Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 7 February 2017 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Peter John OBE (Chair)
Councillor Stephanie Cryan
Councillor Fiona Colley
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Victoria Mills
Councillor Johnson Situ
Councillor Mark Williams
Councillor Ian Wingfield

1. APOLOGIES

There were apologies from Councillor Maisie Anderson who was on maternity leave.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

The chair gave notice of the following late items:

- Item 13. Policy and Resources Strategy: 2017-18 – 2019-20
- Item 14. Housing Revenue Account: Proposed increases in garage charges for 2017-18.

Reasons for urgency and lateness will be specified in the relevant minutes.

3. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED

There were no items of closed business and no representations were received.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Mark Williams declared a non-pecuniary interest in relation to item 10, as he is the chair of the Creation Trust and on the board of Mountview.

5. PUBLIC QUESTION TIME (15 MINUTES)

Public Question from Maurizio Piga

Paragraph 4.2.3.13 of Appendix 7 of the council's regeneration agreement for the Aylesbury estate says: "In order to provide the resident leaseholders residing [in phase 1b/c] with more choice, the developer will assist five resident leaseholders to purchase a street property". Can the leader explain why these haven't been provided?

Response

The offer of Notting Hill assisting resident leaseholders from phase 1b/1c of the Aylesbury regeneration to purchase street properties, is part of a wider package of rehousing assistance that is offered to resident leaseholders through the Council's Development Partnership Agreement (DPA) with Notting Hill Housing. This included the offer for up to 15 resident leaseholders to purchase a new build property on a nearby Notting Hill development at Camberwell Fields under shared equity terms. This was previously offered to all resident leaseholders in Phase 1b/1c and Phase 2 and a total of 5 resident leaseholders from the Aylesbury have been rehoused there under shared equity terms. Furthermore the DPA states that Notting Hill will be making shared equity terms available to resident leaseholders on a range of other new build developments within the borough as they come forward over the next few years.

The offer on street properties is specific to resident leaseholders in Phase 1b/1c and to date Notting Hill has assisted one resident leaseholder to move to a street property on shared equity terms. Offers to investigate street purchases have been made to other resident leaseholders on phase 1b/1c on an individual basis but these offers have either been declined, or the leaseholders are seeking to secure alternative accommodation through other rehousing routes. The option to explore street purchases for resident leaseholders on phase 1b/1c is still available through Notting Hill and the council will facilitate those discussions where appropriate.

Mr Piga did not attend the cabinet meeting and did not ask a supplemental question. Cabinet members asked officers to email a copy of the response to Mr Piga.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 24 January 2017 be approved as a correct record and signed by the chair.

7. DEPUTATION REQUESTS

There were none.

8. ACHIEVING 500 NEW AFFORDABLE BUSINESS AND CREATIVE SPACES BY 2018

Councillor Mark Williams confirmed that this was a joint report with Councillor Johnson Situ, cabinet member for business, culture and social regeneration.

RESOLVED:

1. That the strategy for achieving 500 new affordable business and creative units by 2018, as summarised in paragraph 10 of the report be approved.
2. That it be agreed that the council's primary role in this respect shall be to proactively enable and facilitate this provision, by stimulating engagement between private, third sector and development community interests, rather than as a direct provider or manager of new space.
3. That it be acknowledged that it will be necessary to strike a balance between several priorities competing for the same resources (affordable housing, new homes, Voluntary and Community Sector need for premises, rental and capital revenue generation).
4. That the director of regeneration be instructed to continue to ensure that opportunities for creative and affordable business space provision are explored in future regeneration-led schemes, in relation to operational premises deemed surplus to operations and to investigate further the nature of demand for such accommodation in the borough.

Cabinet members noted that this process would tie in with the review of council garages outlined in item 14.

9. ICT SHARED SERVICE WITH BRENT AND LEWISHAM

RESOLVED:

1. That the outcome of the original procurement process and the work undertaken to consider alternative options be noted.
2. That the delegation of the delivery of the information and communications technology (ICT) service to London Borough of Brent Council as the primary host authority in a Shared ICT Service with London Borough of Lewisham be approved in principle, and that it be noted that a further report will be brought to cabinet to approve delegation in its final terms.
3. That the ongoing due diligence process and the development of inter-authority agreements for delegation of the ICT service delivery which will cover the 3 boroughs' obligations, liabilities, insurance arrangements and use of assets in relation to the Shared ICT Service, be noted.

4. That the entering into a memorandum of understanding with the London Borough of Brent and London Borough of Lewisham (as outlined in Appendix A of the report) be approved, and that the funding of preparatory and transition work at an estimated cost of £3m and entering into an interim inter-authority agreement which will cover the 3 boroughs' obligations with regard to the preparatory and transition activities and as further detailed in paragraph 93b of the report also be approved, and that authority be delegated to the strategic director of housing and modernisation to agree the final terms of the interim inter-authority agreement(s).
5. That it be noted that Brent and Lewisham officers are presenting reports to their respective cabinets in relation to this delegation and future Shared ICT Service.
6. That it be noted that officers will undertake discussions with Capita regarding a further extension of the existing ITMS contract to allow the preparatory and transition activities to be completed.

10. MONTH 8 CAPITAL MONITORING FOR 2016-17 AND CAPITAL PROGRAMME REFRESH FOR 2016-17 TO 2025-26

Having taken advice from the deputy monitoring officer, Councillor Mark Williams declared a non-pecuniary interest in this item and withdrew from the discussion and decision making on this matter.

RESOLVED:

1. That the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C of the report be approved.
2. That the inclusion in the programme of the capital bids set out in Appendix E of the report, supporting the delivery of the council plan themes totalling £48.86m (£48.00m General Fund and £0.86m Housing Investment Programme) be approved.
3. That the projected expenditure and resources for 2016-17 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D of the report as at Month 5 2016-17 be noted and that this position will be updated during the year as more up to date information becomes available.
4. That the resulting general fund capital programme for the period 2016-17 to 2025-26 as at Month 8, as detailed in Appendices A and D of the report, be noted.
5. That the substantial funding requirement of £293.61m which needs to be identified for the general fund programme in order for this to be fully delivered, as summarised in Appendix A of the report, be noted.
6. That the resulting housing investment programme for the period 2016-17 to 2025-26 as at Month 5 2016-17, as detailed in Appendix B of the report, be noted.
7. That the significant funding requirement of £181.80m, which needs to be identified for the housing investment programme to be fully delivered, be noted.
8. That the proposal to allocate a capital grant of £2.5m to Mountview to recognise the community benefits of the project (paragraph 45 of the report) be agreed.

At this point, Councillor Mark Williams rejoined the meeting.

11. MONTH 8 REVENUE MONITORING REPORT AND TREASURY MANAGEMENT 2016-17

RESOLVED:

1. That the following be noted:
 - the general fund outturn forecast for 2016-17 of £9.6m after the utilisation of £9.704m reserves (table 1, paragraph 9 of the report)
 - the continuing pressures on the children's and adults' social care including public health (paragraphs 10 - 22 of the report)
 - the increasing budget pressures No Recourse to Public Funds budgets and information and communications technology (ICT) and corporate facilities management (CFM) (paragraphs 28 - 30)
 - the utilisation of the £4m contingency and £5m one-off windfall resulting from the early delivery of the minimum revenue provision saving to mitigate the full effect of cost pressures (paragraph 35 -36 of the report)
 - the housing revenue account forecast outturn for 2016-17 (table 2, paragraph 39 - 45 of the report)
 - the treasury management activity in 2016-17 (paragraph 51 - 61 of the report).
2. That the general fund budget movements that exceed £250k, as shown in Appendix A of the report, be approved.
3. That the general fund budget movements that are less than £250k, as shown in Appendix A of the report, be noted.

12. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

RESOLVED:

TRANSPORT

That the motion referred from council assembly as a recommendation to cabinet, set out below be agreed:

1. Southwark Labour is committed to making the borough a cleaner, greener, healthier and more pleasant place to live for our residents.
2. Council assembly recognises that high quality, accessible and well maintained transport is essential to improve the public realm, expand economic growth and to enable residents to travel and access services as freely and easily as possible.
3. Council assembly also recognises that transport has a significant environmental impact, particularly on air quality, and this administration's priority is to deliver a sustainable transport system, which promotes and encourages walking, cycling and improving public transport access and links.

4. Council assembly welcomes the steps this administration has taken improve transport and make Southwark a more pleasant borough to live, including:
 - investing over £30m in cycling over 5 years and launching the Southwark Cycling Strategy to make it easier and safer for people in the borough to travel by bike,
 - delivering the new north-south cycle route, the Southwark Spine, to complement Quietway cycling routes and link to the new north-south Cycle Superhighway on Blackfriars Road;
 - increasing the number of Play Streets, closing roads to make it easier and safer for children to play outdoors;
 - making Southwark an Age Friendly Borough, enabling older people to access a broad range of affordable and accessible transport options to get around the borough easily;
 - doubling investment in roads and making Southwark a 20mph borough;
 - successfully campaigning for improvements to bus services, such as extending the 42 and 136 bus routes, and improving the C10.

Regeneration

1. Council assembly recognises that effective transport infrastructure is necessary for regeneration, to both unlock new developments and meet existing demand, for example on the Old Kent Road, where the Bakerloo Line Extension will help deliver growth in homes and jobs.
2. Council assembly welcomes the steps that the administration has taken to use infrastructure in new developments to make it safer for people to walk and cycle, for example at Elephant Park;
3. Council assembly calls on the cabinet to continue working with Transport for London (TfL) to extend the Santander Cycle Hire scheme through Bermondsey and Rotherhithe, and bring the scheme to Camberwell, Peckham and Walworth.

Air Quality

4. Council assembly recognises the significant impact transport has on air quality; the most polluted areas in the borough, where national standards for air quality are frequently exceeded, correspond to the major road network.
5. Council assembly therefore welcomes the work the council has done to improve air quality, including working with Tower Hamlets on the Tower Bridge Anti-idling partnership to encourage drivers to turn off engines when stationary, and improving the council's commercial fleet to reduce emissions.
6. Council assembly also welcomes Mayor of London's commitment to improving air quality by:
 - bringing forward the implementation of the Ultra Low Emissions Zone (ULEZ) and extending it to cover more of the borough, following calls led by Southwark Labour;
 - introducing new Clean Bus Corridors, prioritising new, clean buses in the most polluted roads in the city, and setting a target of only buying clean electric or

- hydrogen buses from 2020;
 - bringing forward plans for the new Rotherhithe pedestrian and cycle bridge following campaigns by Labour councillors, which will bring benefits for the local environment by reducing congestion;
 - making cycling easier and safer for more Londoners.
7. Council assembly welcomes the Mayor's commitment to delivering 'Healthy Streets' and calls on the cabinet to continue to put pressure on TfL to deliver public realm improvements in Peckham and Camberwell town centres in line with this vision.

Rail services

8. Council assembly welcomes the consultation on the new Thameslink Programme timetable and the introduction of 4 trains an hour on the Catford Loop, but believes that this should be a 7 day service and should extend the service through the whole Thameslink core;
9. Council assembly notes the continued and unacceptable levels of delays, cancellations and overcrowding on Southern Rail services, and calls on the government to allow TfL to be able to take over rail services in south London;
10. Council assembly welcomes the progress the council has made with TfL on the re-opening of Camberwell station, and calls on the cabinet to continue lobbying TfL and train companies to make the strong case for re-opening the station.

STAND UP FOR LOCAL PHARMACIES

That the motion referred from council assembly as a recommendation to cabinet, set out below be agreed:

1. Council assembly notes that Department of Health has announced it is pushing forward with dramatic cuts of £170 million to the funding of community pharmacies in England this year and that it has not ruled out more cuts to follow.
2. Council assembly notes that this funding cut could result in 3,000 pharmacies (a quarter of all pharmacies) closing across the country. In Southwark, 18 pharmacies could be at risk of closing.
3. Council assembly believes that the government's plans threaten patient access to pharmacies and pharmacy services in Southwark. Our local pharmacies are at risk of closure or being forced to cut services such as free delivery of prescription drugs, family planning advice and advice on medicines. This will put more pressure on GPs and hospitals and impact social services and is at odds with the local Clinical Commissioning Group's desire to increase the use of pharmacists to ease pressure on GPs.
4. Council assembly notes that the Local Government Association (LGA) has criticised the Department of Health for overlooking the role of community pharmacy as a 'much needed social and economic asset' and warned of 'unintended consequences' that will impact elsewhere in the local community.
5. Council assembly therefore calls on the Government to abandon these cuts and maintain a fully-funded community pharmacy service and asks the cabinet member

for public health, parks and leisure to write to the Secretary of State for Health, NHS England and Southwark Clinical Commissioning Group expressing this view.

6. Council assembly also asks the cabinet member for public health, parks and leisure write to the borough's three Members of Parliament asking them to make similar representations on this matter to the Secretary of State for Health.

The cabinet member for adult care and financial inclusion to verify that the Secretary of State for Health and borough's three Members of Parliament had been written to, as set out in recommendation 6.

TACKLING FLYTIPPING IN SOUTHWARK

That the motion referred from council assembly as a recommendation to cabinet, set out below be agreed:

1. Council assembly notes that:
 - Southwark Council proactively collects fly-tips and records these alongside fly-tips reported by the public, which leads to Southwark having a higher recorded rate of flytipping than other boroughs, who do not record data in this way;
 - The council introduced a £16 flat-rate charge for the collection of up to 10 items of bulky waste last year, as part of £30m in budget savings across council services;
 - Over the last 5 years, Southwark Council has had to make savings of over £156m, equivalent to a third of the council's budget, because of cuts from the Liberal Democrat and Conservative governments, and this year the council has to make a further £26.5m savings;
 - 2015/16 data for local authorities has not yet been published, so there is no comparative data available since the introduction of Southwark's bulky waste charge.
2. Council assembly calls on the cabinet to:
 - continue to monitor flytipping in Southwark
 - continue to take proactive steps to reduce incidences of people illegally dumping items in our borough
 - publish the number of flytipping incidents which are cleared by council staff, as well the number of incidents reported by the public.

MAKE FAIR TRANSITIONAL STATE PENSION ARRANGEMENTS FOR 1950'S WOMEN

That the motion referred from council assembly as a recommendation to cabinet, set out below be agreed:

1. Council assembly calls on the government to make fair transitional state pension

arrangements for all women born on or after 6 April 1951, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification.

2. Council assembly notes that:

- Hundreds of thousands of women had significant pension changes imposed on them by the Pensions Acts of 1995 and 2011 with little or no personal notification of the changes. Some women had only two years notice of a six-year increase to their state pension age.
- Many women born in the 1950s are living in hardship. Retirement plans have been shattered with devastating consequences. Many of these women are already out of the labour market, caring for elderly relatives, providing childcare for grandchildren, or suffer discrimination in the workplace so struggle to find employment.
- Women born in this decade are suffering financially. These women have worked hard, raised families and paid their tax and national insurance with the expectation that they would be financially secure when reaching 60.
- It is not the pension age itself that is in dispute - it is widely accepted that women and men should retire at the same time. The issue is that the rise in the women's state pension age has been too rapid and has happened without sufficient notice being given to the women affected, leaving women with no time to make alternative arrangements.

3. Council assembly calls on the government to reconsider transitional arrangements for women born on or after 6 April 1951, so that women do not live in hardship due to pension changes they were not told about until it was too late to make alternative arrangements.

The cabinet member for adult care and financial inclusion to write to the Treasury and to the Department for Work and Pensions.

13. POLICY AND RESOURCES STRATEGY: 2017-18 – 2019-20

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent, because cabinet was required to prepare a budget proposal for submission to council assembly. This meeting was the last cabinet meeting before council assembly on 22 February 2017, and the council is required to set a lawful budget by 11 March 2017.

RESOLVED:

1. That the context of the budget as agreed by cabinet on 24 January 2017, where the following recommendations were agreed, be noted:

“That cabinet:

- 1.1. *Note that the provisional settlement was received on 15 December, and is reflected in the revised 2017-18 draft budget.*

- 1.2. *Note that the key elements for the council arising from the provisional settlement included:*
- *Settlement Funding Assessment (SFA), updated to include the confirmed Revenue Support Grant (£57.79m) and Business Rate Baseline Funding levels (£108.21m)*
 - *Confirmed new homes bonus for 2017-18 of £13.053m representing an overall reduction of £2.0m on 2016-17 budgeted funding levels;*
 - *Powers to bring forward the timing of the adult social care precept*
 - *A one year only Adult Social Care grant of £1.577m for 2017-18, funded by the government through a further reduction in new homes bonus*
 - *Confirmed improved better care fund in 2017-18 of £1.658m m payable directly to the council and indications of increased funding in 2018-19 and 2019-20;*
 - *Confirmed Public Health Grant for 2017-18 of £28.194m which is a reduction of £0.69m from 2016-17.*
- 1.3. *Note the risk transfer of retained business rate funding to local authorities.*
- 1.4. *Note the impact on school funding grants, specifically the cessation of the Education Support Grant.*
- 1.5. *Note the continued uncertainties especially regarding adult social care and children's services cost and demand pressures for 2017-18 and beyond and also ongoing funding risks and uncertainties relating particularly to the new Adult Social Care Grant, New Homes Bonus, Public Health Grant and risks of retained Business Rates.*
- 1.6. *Note the current budget deficit for 2017-18 of £1.822m, reduced from £2.6m on 13 December 2016, and £8.1m presented on 1 November 2016, after the incorporation of a number of budget proposals and updated information following the provisional settlement.*
- 1.7. *Note that the general fund budget proposals for 2017-18 contained within this report include:*
- *grant resources arising from the provisional settlement on 15 December (Appendix A)*
 - *Estimated resources for the Autumn Statement Grant*
 - *An assumed increase in Council Tax of 1.99%, below the cap of 2% laid down by the Department for Communities and Local Government (DCLG);*
 - *An assumed increase in the Adult Social Care (ASC) precept of 3%, in line with the maximum laid down by DCLG*
 - *Estimated council tax revenue of £87.5m in line with the Council Tax Base report agreed by cabinet in December*
 - *Estimated retained business rates growth of £8.7m*
 - *Planned use of balances of £3.7m, subject to reserves and balances being available*
 - *Planned contingency of £4m*

- *Provision for contractual inflation and 1% pay award*
 - *Proposals for budget changes in 2017-18:*
 - *new commitments £22.916m, of which £5.9m is ASC earmarking of precept and grant (Appendix C)*
 - *efficiencies and improved use of resources of £18.247m (Appendix D)*
 - *income generation proposals of £2.482m (Appendix E)*
 - *other savings impacting on service delivery of £4.981m (Appendix F)*
- 1.8. *Note that the assumed increase in the Southwark element of the council tax represents the first increase in eight years (paragraph 48) and it is estimated that Southwark will continue to have the seventh lowest council tax in London.*
- 1.9. *Note that this budget proposes to use the flexibility offered by the government to support social care through an increase in the Adult Social Care precept, equivalent to 3% of council tax, on the basis that these additional funds will be used exclusively for adult social care (paragraph 44).*
- 1.10. *Note the current budget options proposed to help achieve a balanced budget 2017-18 as presented in appendices B-D; including ongoing protection for Children's Social Care budgets.*
- 1.11. *Note the departmental narratives setting out the service context and commitments, savings and income generation proposals (Appendix B).*
- 1.12. *Note the proposed approach to address the Children's and Adults' Social care budget pressures, and comparative data. (Appendix G).*
- 1.13. *Note the reducing level of reserves and balances available to the council to help mitigate the risks of funding reductions moving into future financial years.*
- 1.14. *Note the continuing work underway by strategic directors to complete appropriate equality assessments for all budget proposals (reference in Appendix B)*
- 1.15. *Note the consultation that took place prior to agreeing the indicative budget options for 2017-18 and 2018-19 in February 2016 and that further consultation will be undertaken for new budget options where necessary or appropriate.*
- 1.16. *Note that this report will be considered by overview and scrutiny committee on 30 January 2017 and that any recommendations arising will be incorporated into the final report to cabinet on 7 February 2017.*
- 1.17. *Request that officers complete further work in the light of further notifications from government and recommendations from cabinet and overview and scrutiny to present a fully balanced budget position for cabinet on 7 February 2017.*

- 1.18. *Note that on the basis of this range of uncertainties and as reported to cabinet previously, a balanced one year 2017-18 budget will be presented to cabinet in February for approval in advance of council assembly in February 2017*"
2. That it be noted that the 24 January report was considered by overview and scrutiny committee on 30 January 2017, and that the recommendations arising (paragraph 86 of the report) be agreed.
 3. That it be noted that as at 1 February 2017 the final settlement has not been received, and that the revised 2017-18 budget presented in Appendix A of the report reflects the provisional settlement, and that any changes will be reported to council assembly.
 4. That it be noted that this report presents the final balanced general fund budget proposals for 2017-18 including:
 - new commitments £22.566m, of which £5.9m is ASC earmarking of precept and grant (Appendix C of the report)
 - efficiencies and improved use of resources of £18.897m (Appendix D of the report)
 - income generation proposals of £2.480m (Appendix E of the report)
 - other savings impacting on service delivery of £5.081m (Appendix F of the report).
 5. That this balanced one-year 2017-18 budget be submitted to council assembly for approval.
 6. That it be noted that the indicative budgets for 2018-19 and 2019-20 agreed by council assembly in February 2016 are under considerable pressure despite the significant proposals in 2017-18, and that it be noted that work will commence early in 2017-18 to update the Fairer Future Medium Term Resources Strategy to address these concerns.
 7. That under Part 3C of the constitution full cabinet is responsible for the approval of new fees and charges and agreement of charging levels in line with the medium term resources strategy, and that the fees and charges presented in Appendix H of the report be agreed, and that the level of those fees which cabinet is not permitted to set (paragraphs 88 to 93 of the report) be noted.

NOTE: In accordance with overview and scrutiny procedure rule 17.2 (a) (budget and policy framework) decisions 1-6 are not subject to call-in.

14. HOUSING REVENUE ACCOUNT - PROPOSED INCREASES IN GARAGE CHARGES FOR 2017-18

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent, because the report could not be delayed, as it formed part of the HRA budget setting process, which requires the HRA to have a balanced budget set before the start of the financial year, and for statutory rent notifications to be issued to tenants 28 days before any variation is implemented.

RESOLVED:

1. That an increase in the standard and concessionary garage rents of £1 per week, to £19.62 and £14.62 respectively be approved. That an increase of £0.50 per week for small sites currently charged at £10 per week and no increase for small sites currently charged £5 per week also be approved.
2. That an increase in the private sector rent of £5 per week to £32.50 be approved.
3. That the ongoing planned maintenance programme to refurbish closed and empty garages be noted.
4. That a further report be provided to the cabinet member for housing during 2017-18 assessing the potential to zone private sector rents based on proximity to public transport links, with the potential to charge in excess of £32.50 for more accessible locations.
5. That officers carry out a borough-wide garage review to assess usage and opportunities for the garage portfolio. That the recommendations in the report titled "Achieving 500 New Affordable Business and Creative Spaces by 2018" which is on the same agenda be noted.
6. That the proposed budget mitigation measure to fund the revenue shortfall arising from the revised fee increase from the HRA contingency budget, as set out in the report, be approved.

The meeting ended at 4.50pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 15 FEBRUARY 2017.

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.