



Cabinet (Reconvened Meeting)

MINUTES of the OPEN section of the reconvened Cabinet held on Tuesday 15 February 2011 at 4.00 pm at Town Hall, Peckham Road, London SE5 8UB (adjourned from 8 February 2011)

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald
Councillor Abdul Mohamed
Councillor Veronica Ward

1. APOLOGIES

All members were present.

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

The chair gave notice that the following late item would be considered for reasons of urgency to be specified in the relevant minute:

Item 7 – Policy and Resources Strategy 2011/12 -2013/14 – Revenue Budget

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. HOUSING REVENUE ACCOUNT - APPROVAL OF HOUSING REVENUE BUDGET ACCOUNT 2011/12

RESOLVED:

1. That the savings required to deliver a balanced housing revenue account (HRA) for

2011/12 be noted.

2. That the proposals to deliver the savings be approved.
3. That the consultation carried out to date be noted.
4. That the further consultation and assessments that will be carried out be noted.

5. QUARTER 3 REVENUE MONITORING REPORT - 2010/11

RESOLVED:

1. That the general fund outturn forecast for 2010/11 and the forecast net movement in reserves be noted.
2. That the housing revenue account's (HRA) forecast outturn for 2010/11 and movement in reserves be noted.
3. That the treasury management activity for the third quarter of 2010/11 be noted.
4. That the third quarter general fund budget adjustments as required and detailed in Appendix A of the report be noted and approved.
5. That strategic directors continue to take further action to manage the cost of services within agreed budgets to deliver a balanced position by the end of the financial year.

6. SOUTHWARK AIR QUALITY IMPROVEMENT STRATEGY AND ACTION PLAN 2011 - DRAFT FOR PUBLIC CONSULTATION

RESOLVED:

That the draft Southwark Air Quality Improvement Strategy and Action Plan for 2011, as set out in Appendix A of the report be approved for the purposes of public consultation.

7. POLICY AND RESOURCES STRATEGY 2011/12-2013/14 - REVENUE BUDGET

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the council was under an obligation to set a lawful budget by the statutory deadlines and to ensure all the necessary preparatory administrative and financial arrangements were in place prior to the next financial year. All local authorities are required to set their council tax by 11 March 2011. Any delay to this date would mean the council would have to move its instalment date beyond 1 April 2011 resulting in loss of income to the council.

MOTION OF ADJOURNMENT

Cabinet members (as relevant to their portfolio) responded to the issues raised by the 13

deputations heard by cabinet on 8 February 2011. Following these presentations at 5.10pm it was moved, seconded and

RESOLVED:

That the meeting stand adjourned for 20 minutes. The meeting reconvened at 5.30pm.

Councillor Lisa Rajan presented the overview and scrutiny committee's recommendations in respect of the Policy and Resources Strategy 2011/12-2013/14 – draft revenue budget.

It was reported at cabinet that paragraph 212 of the report should be deleted to ensure consistency with overall budget proposals set out in that report.

RESOLVED:

1. That it be noted that the budget principles agreed by cabinet on 21 September 2010 have guided the process for budget setting.
2. That the announcement of the final grant settlement by Department of Communities and Local Government (DCLG) on 31 January 2011 be noted.
3. That a balanced budget based on a nil council tax increase for 2011/12 be agreed for recommendation to council assembly on 22 February 2011. Budget schedules are set out in Appendices A to E of the report.
4. That it be noted that subject to agreement by council assembly to the budget recommendations there will be a need to complete and invoke both statutory consultation procedures where necessary and the council's own policies and procedures as appropriate in order to implement the savings and income generation proposals detailed in Appendix C to E of the report.
5. That it be noted that the Greater London Assembly (GLA) will set its precept on 23 February and council assembly will therefore establish a committee for setting the council tax for 2011/12.
6. That the indicative balanced budgets for 2012/13 and 2013/14, based on a council tax increase of 2.5% for 2012/13 and 2.5% for 2013/14 be noted.
7. That it be noted that budget consultation took place with residents and community groups from September 2010 to 8 February 2011 and that the feedback from the consultation has been given due consideration by the cabinet.
8. That the recommendations from the overview and scrutiny committee meeting on 31 January 2011 be agreed (Appendix F)
9. That the deputations and verbal responses provided by cabinet members be noted and the following agreed:
 - a. That steps be taken to further tighten existing corporate procedures for employing consultants.

- b. To work with Community Action Southwark to develop the Council's work with the voluntary sector and implementation of the Southwark voluntary sector transition fund.
 - c. To continue to explore opportunities throughout the entire budget period, including 2013/14 to deliver sport for young people with other organisations and maximise further alternative funding.
 - d. That arts and environmental organisations be encouraged to seek opportunities to deliver commissioned services where this will meet the council's objectives and replace local funding streams.
 - e. To work with the voluntary sector to provide an alternative method of funding for council's housebound library services.
 - f. To inform all organisations who experience a cut in funding of the opportunities provided by the Southwark voluntary sector transition fund and that they be encouraged to apply to these funds, the national transition fund and adult social care innovation fund.
 - g. The overall impact on the ecology and environment grants programme, after the introduction of newly commissioned services will be no greater than 28% of the current grant budget.
 - h. Prioritise the assessment for eligibility for those residents who currently acquire day care services which are funded directly or indirectly by Southwark council in order to maximise funding entitlement.
10. That a voluntary sector transition fund be established and the criteria for the fund, subject to the council assembly agreeing the revenue budget on 22 February 2011. The proposed criteria are set out in Appendix G of the report.
 11. That it be noted that £1m will be allocated each year for the duration of the three year budget to support young people, in particular for the mitigation of the high youth unemployment in the borough and the impact of the removal of education maintenance allowances. The detailed proposals to support this resource will be presented to cabinet for approval at the meeting on 22 March 2011.
 12. That the need to use balances of £6.3m in order to support service delivery and deliver a balanced budget in 2011/12 and 2012/13 be noted.
 13. That the provision of a contingency fund be made to mitigate risks contained within the budget for 2011-14 be noted, including:
 - the ability to deliver savings of £84.3m over the three years from 2011/12. £84.3m is more than double the level of savings that have been delivered in the last three years;
 - the impact of increased demands across services;
 - the impact of fluctuations in inflation;
 - that no certainty is attached to the grant settlement after 2012/13, including the future of the grant 'floor';
 - the uncertainty on the distribution of funding to support social care and benefit health; and
 - the uncertainty on the new homes bonus grant, including how and when the grant will be distributed, the conditions of the scheme, especially beyond 2012/13, and the basis for the calculation.

14. That it be noted that negotiations continue with the Primary Care Trust (PCT) on the use of funding to support social care and benefit health.
15. That it be noted that confirmation is awaited from the government on the outcome of consultation on the new homes bonus grant.
16. That the need to absorb the impact of inflation within the cash limited budgets proposed within the report (other than that which is contractually committed) be noted.
17. That the new growth of £12.9m allocated over the three years from 2011/12 to support local priorities be noted.
18. That it be noted that there is a separate report asking for approval on savings required to deliver a balanced housing revenue account for 2011/12 (elsewhere on the agenda, item 4) be noted. This follows consultation carried out to date. In future years cabinet will align processes for housing and general revenue fund budget setting.
19. That it be noted that, given the scale and complexity of budget implementation, further work is being undertaken on the medium term resources strategy (MTRS). An updated MTRS will be considered by cabinet on 22 March 2011 in the context of the council assembly decision on a balanced budget for 2011/12.
20. That the need for enhanced budget monitoring arrangements to be in place to ensure savings plans remain on target be noted, and mitigating action be undertaken at the earliest opportunity where there is a risk of adverse variance against target.

NOTE: In accordance with overview and scrutiny procedure rule 22.1(a) (budget and policy framework) these decisions are not subject to call-in.

CLOSED BUSINESS

8. MINUTES

The closed minutes of the meeting held on 25 January 2011 were considered at the special meeting being held at the rise of this meeting.

The meeting ended at 6.03pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 23 FEBRUARY 2011.

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE, WITH THE EXCEPTION OF ITEM 7 (BUDGET AND POLICY FRAMEWORK). 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.