

## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 24 July 2018 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Peter John OBE (Chair)  
Councillor Rebecca Lury  
Councillor Evelyn Akoto  
Councillor Stephanie Cryan  
Councillor Richard Livingstone  
Councillor Leo Pollak  
Councillor Johnson Situ  
Councillor Kieron Williams

### 1. APOLOGIES

Apologies for absence were received from Councillors Jasmine Ali and Victoria Mills.

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

The chair gave notice of the following late item:

Item 7: Deputation requests

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

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

No representations were received in respect of the item listed as closed business for the meeting.

### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

None were declared.

## **5. PUBLIC QUESTION TIME (15 MINUTES)**

### **Public question from Caterina Sartori**

I have submitted two formal complaints about the interruptions to hot water and heating supplies on the Aylesbury Estate. One of them had 200 signatories. Other than to intentionally frustrate and neglect residents why has nobody responded to these written complaints?

### **Response by Councillor Stephanie Cryan, cabinet member for housing management and modernisation**

Although a verbal response has been done to the complaint to Ms Sartori, due to an administrative error a full response was not done to the complaints and this has now been taken to stage 2 and a full response will be provided by 13 August at latest. This will include an apology for not correctly responding to the complaints at stage 1 as well as for the issues with the communal system. An immediate apology is offered for not following procedures correctly and any inconvenience involved.

There have been issues on the estate, mostly with boiler and associated plant and a cost report and plan of action is being prepared to advise on the most cost effective remedy, which may include additional planned preventative maintenance and/or major repairs. Calculations are also being undertaken to see where compensation is required and details of this will be provided as part of the stage 2 complaints response.

### **Supplemental question**

Ms Sartori advised that she was requested to submit her complaint via the tenants and residents association; Taplow did not currently have a tenants and residents association.

Councillor Stephanie Cryan responded by apologising further and confirming that it was not necessary for her complaint to go via a tenants and residents association and that there was a set process for complaints. She invited Ms Sartori to contact her if she experienced any further difficulties in respect of this matter.

### **Public question from Victoria Briden**

Why did you sell a 125 year lease when the building has a shorter service life, and why am I being charged upwards of £17,000 in major works for a building that is due for demolition due to a shorter service life?

### **Response by Councillor Stephanie Cryan, cabinet member for housing management and modernisation**

The Right to Buy legislation requires us to sell a property on a 125 year lease (unless our own legal interest is shorter). The council has no option but to sell under the Right to Buy and the requirements are laid down in the Housing Act. Once we know about a proposal to demolish, we issue demolition notices, which stays and then stops the RTB for a period of time – but this was not an option in 2003 when the lease was acquired because the intention at that time was to refurbish not demolish. The older a property, the more work may be required in order to maintain the building so the major works costs could increase as a building deteriorates over time. We carried out refurbishment works in Taplow

including fire safety works in 2010-11 – the actual service charge for this was £1,667.89. We also carried out lift repairs/refurb, electrical works and work to the heating system. The last major works service charge was for £3,442.84 in Feb 2015, for Warm, Dry and Safe works carried out in 2014 -2015. We are legally required to maintain the building in a safe and habitable state while we still have tenants in it; we only carry out necessary work in order to maintain the building.

#### **Supplemental question**

Ms Briden stated that if works were being carried out that meetings should take place with the tenants/leaseholders for officers to explain the current position and background for these works and charges.

Councillor Stephanie Cryan responded by confirming that she would ensure that meetings take place to inform and update residents about these works.

#### **Public question from David Bailey**

If you are advertising the land allocation in the papers. What measurements are in place to reach the people who don't check the newspapers?

#### **Response by Councillor Johnson Situ, cabinet member for growth, development and planning**

Where the council intends to appropriate land that comprises open space, the statutory requirement is for the council to advertise its intention in a local newspaper for a period of two consecutive weeks. There is no requirement for the council to advertise an intention to appropriate where land does not include open space.

In respect of land at the First Development Site and at Plot 18, the council's intention to appropriate was advertised by way of notices published in the Southwark News on the 5 and 12 July. The Southwark News also publishes digital copies of its newspaper on its website, and the notices were also included in the digital version published online. In addition, prior notice of the cabinet agenda items relating to the recommendation to appropriate these two sites were advertised in the council's forward plan published on the council's website 1 month ahead of the relevant cabinet meeting.

#### **Supplemental question**

Mr Bailey queried why meetings with leaseholders and officers were no longer take place.

Councillor Johnson Situ confirmed that action would be taken to ensure that these meetings take place in the future.

#### **Public question from Felix Badu**

My block has been earmarked for demolition for use as a flower patch, a car park and now most recently due to noise pollution if I am prepared to tolerate the noise, why is the council still issuing a CPO?

**Response by Councillor Johnson Situ, cabinet member for growth, development and planning**

As set out in the cabinet report of 31 October 2017, upon which cabinet resolved to make a compulsory purchase order for the relevant land, although construction of the Plot 18 scheme can commence on land already within the council's control, full implementation of the scheme will require the council to achieve vacant possession of the block at 57–76 Northchurch to enable this building to be demolished and this land to be redeveloped as part of the scheme in line with the existing planning consent. That scheme will deliver 122 new homes plus a range of community facilities for residents that include a new library, community trust offices, GP and health centre and early years facility.

The land upon which the block of 57–76 Northchurch presently sits is required to construct the new highway that will be delivered as part of the Plot 18 development, with residual land being soft landscaped for the period up to its redeveloped as part of the wider Phase 3 development. The council therefore requires vacant possession and demolition of the block in order to fully implement the scheme.

**Supplemental question**

Mr Badu asked whether it was possible to refurbish Chartridge ?

Councillor Johnson Situ confirmed that he was happy to meet with the residents to discuss their specific queries and issues.

**Public question from Prudence Amuzu**

The recently cancelled HDV and numerous submissions from Aylesbury leaseholders have revealed significant flaws to social housing regeneration schemes, can the council state the measures they have put in place to rectify these?

**Response by Councillor Johnson Situ, cabinet member for growth, development and planning**

The reported concerns around the Haringey Development Vehicle (HDV) related to the level of certainty around the proportion of new homes to be delivered at social rents and the offer for affected leaseholders. The council considers that these issues are fully addressed in the Aylesbury regeneration programme.

For the Aylesbury estate the proportion of new homes that are to be delivered at social rents is set out in adopted planning policy in the Aylesbury Area Action Plan (AAP) and is also fixed both within the s.106 planning agreement for the scheme as well as the council's development partnership agreement with its development partner, Notting Hill Genesis. The council has also recently revised its rehousing offer for resident leaseholders affected by the Aylesbury redevelopment scheme in response to feedback from residents and has introduced an additional form of rehousing assistance, which gives qualifying resident leaseholders further options for purchasing new homes in the local area.

**Supplemental question**

Ms Amuzu referred to the average salary for residents set against the costs of shared ownership homes which would require a minimum income of £73,000 plus approximately.

It was felt that the prices were not affordable for local residents.

Councillor Johnson Situ confirmed that it was the council's main priority to ensure that local residents housing needs were met, including through social housing and that he was happy to meet the residents to discuss further.

## **6. MINUTES**

### **RESOLVED:**

That the minutes of the meeting held on 26 June 2018 be approved as a correct record and signed by the chair.

## **7. DEPUTATION REQUESTS**

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 request had been received in line with the constitutional deadline for the receipt of deputation requests.

### **RESOLVED:**

That the deputation be received.

### **Aylesbury Estate residents**

The deputation spokesperson addressed the meeting to highlight their concerns in respect of what they felt were the displacement of local residents and the impact on their personal and mental health arising from the uncertainty. The residents demanded refurbishment rather than demolition in order to retain the diverse community.

The deputation also identified practical problems (including a lack of hot water) experienced by the residents.

Councillor Johnson Situ thanked the deputation and expressed a commitment to meet with local residents (with ward members also present).

## **8. BOROUGH EMERGENCY PLAN 2018-19**

### **RESOLVED:**

That the annual review of the generic borough emergency plan be agreed.

## **9. AYLESBURY ESTATE: FIRST DEVELOPMENT SITE (FDS)**

### **RESOLVED:**

1. That the current position in relation to the delivery of the First Development Site at Phase 1b/1c of the Aylesbury regeneration programme be noted:

- Demolition of the vacant buildings within the site underway and well advanced
  - Compulsory Purchase Order (CPO) inquiry concluded with just one statutory objector remaining and a Secretary of State decision is expected in due course
  - A detailed tender process for a principal contractor for the first package of development works on the FDS is now underway.
2. That the area of council-owned land hatched black on the plan at Appendix 1 of the report be confirmed as no longer required for the purposes for which it is currently held and the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972 (as amended), subject to compliance with the advertisement requirements of section 122(2A) of the Local Government Act 1972 be approved.
  3. That following completion of the appropriation at recommendation 2 above, the area of council-owned land hatched black on the plan at Appendix 1 of the report be confirmed as no longer required for planning purposes and the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972 (as amended), subject to compliance with the advertisement requirements of section 122(2A) of the Local Government Act 1972 be approved.
  4. That the relevant cabinet members and ward councillors have regular meetings with Aylesbury estate residents on an ongoing basis.

## **10. AYLESBURY ESTATE: COMMUNITY FACILITIES AT PLOT 18 DELIVERY**

### **RESOLVED:**

1. That it be noted on 31 October 2017 that cabinet resolved to make a compulsory purchase order (CPO) under section 226 (1)(a) of the Town & Country Planning Act 1990 for all land and rights within the area of land identified within the plan at Appendix 1 of the report.
2. That the content of the update report on progress towards obtaining vacant possession of the site be noted and in particular that:
  - The council has updated its leaseholder assistance policy enabling qualifying residential leaseholders to purchase under improved shared equity or equity loan terms
  - All remaining owners have received further revised financial offers for the acquisition of their properties since the cabinet resolution to the use of CPO powers
  - Officers have met all remaining leaseholders jointly about the proposed acquisition of their homes
  - While officers will continue to engage with all remaining property owners to attempt to buy back those properties by agreement, the council will now proceed to make a compulsory purchase order.
3. That the overall progress on the delivery of the project also be noted:

- Major enabling works contract comprising a package of site clearance and remediation and utilities diversions and connections has been let and is on site, reducing the risk for the main development works package
  - A detailed tender process for a principal contractor for the main development works on Plot 18 is due to be commenced later this month.
4. That the area of council-owned land hatched black on the plan at Appendix 2 of the report be confirmed as no longer required for the purposes for which it is currently held and that the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972 (as amended), subject to compliance with the advertisement requirements of section 122(2A) of the Local Government Act 1972 be approved.
  5. That following completion of the appropriation at recommendation 4 above, the area of council-owned land hatched black on the plan at Appendix 2 of the report be confirmed as no longer required for planning purposes and that the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972 (as amended), subject to compliance with the advertisement requirements of section 122(2A) of the Local Government Act 1972 be approved.

#### **11. AYLESBURY ESTATE: APPROVED PREMISES FACILITY (APF) DELIVERY**

##### **RESOLVED:**

1. That it be noted that on 31 October 2017 cabinet resolved to make a compulsory purchase order under section 226 (1)(a) of the Town & Country Planning Act 1990 for all land and rights within the area of land identified within the plan at Appendix 1 of the report.
2. That the content of this update report on progress towards obtaining vacant possession of the site be noted and in particular that:
  - The council has updated its leaseholder assistance policy enabling qualifying residential leaseholders to purchase under improved shared equity or equity loan terms
  - The council has completed the acquisition of one leasehold property
  - Terms have been agreed for the acquisition of one further leasehold interest underway
  - Just two third party interests in the site, one leasehold and one freehold, remain to be acquired
  - All remaining owners have received further revised financial offers for the acquisition of their properties since the cabinet resolution to the use of compulsory purchase order (CPO) powers
  - While officers will continue to engage with all remaining property owners to attempt to buy back those properties by agreement, the council will now proceed to make a compulsory purchase order.
3. That the overall progress on the delivery of the project be noted:

- A detailed tender process for a principal contractor for the construction of the new approved premises facility (APF) has been completed and a preferred contractor has now been appointed
- The main construction contract has now been entered into and practical completion of the new APF is programmed for Spring 2020.

## **12. REVENUE MONITORING REPORT AND TREASURY MANAGEMENT 2017-18 OUTTURN REPORT**

### **RESOLVED:**

1. That the general fund outturn position for 2017-18 (Table 1 of the report) be noted.
2. That the key adverse variations and budget pressures underlying the outturn position be noted:
  - The continuing pressures on children's and adults' social care leading to an overall adverse variance of £2.258m (paragraphs 23 to 27 of the report)
  - The dedicated schools grant (DSG) outturn position of a £4.111m deficit and the significant pressures on the high needs budgets (paragraphs 29 to 30 of the report)
  - the budget pressures on temporary accommodation (paragraphs 34 to 38 of the report)
  - the budget pressures on No Recourse to Public Funds (paragraph 39 of the report).
3. That the variations helping to relieve the outturn position be noted:
  - The favourable budget variance on strategic finance (paragraphs 51 to 53 of the report)
  - The largely planned favourable position on finance and governance budgets (paragraphs 49 to 50 of the report)
  - utilisation of £4m contingency (paragraph 54 of the report) to offset adverse variances across the council
  - planned use of earmarked reserves of £3.700m to support the general fund budget.
4. That the following in respect of ring-fenced budgets be noted:
  - housing revenue account outturn for 2017-18 (Table 2, paragraphs 55 to 65 of the report)
  - the dedicated schools outturn and utilisation of £5.360m reserves (paragraphs 29 to 30 of the report).
5. That the detailed utilisation of reserves in 2017-18 and closing reserve balances as set out in the report (paragraphs 66 to 71 of the report) be noted.
6. That the treasury management activity in 2017-18 (paragraphs 80 to 89 of the report) be noted.
7. That the general fund budget movements that exceed £250,000 as shown in



Appendix A of the report be approved.

8. That cabinet general fund budget movements that are less than £250,000 as shown in Appendix A of the report be noted.
9. That the outturn position implications for the 2018-19 budgets and beyond set out in paragraphs 78 to 80 of the report) be noted.

### **13. OUTTURN CAPITAL MONITORING FOR 2017-18 AND CAPITAL PROGRAMME REFRESH FOR 2018-19 TO 2026-27**

#### **RESOLVED:**

1. That it be noted that a refresh of the ten-year capital strategy and capital programme will be presented to council assembly in quarter 1 2019, following cabinet approval.
2. That the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C of the report be approved.
3. That the inclusion in the programme of the capital bids set out in Appendix E of the report be approved.
4. That the outturn and resources for 2017-18 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D of the report be noted.
5. That the resulting general fund capital programme for the period 2017-18 to 2026-27 as at year-end, as detailed in Appendices A and D of the report be noted.
6. That the substantial funding requirement of £264m for future years 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.
7. That the resulting housing investment programme for the period 2017-18 to 2026-27, as detailed in Appendix B of the report be noted.
8. That the significant funding requirement of £308m which needs to be identified for the housing investment programme to be fully delivered over the remaining term of the programme, as detailed in Appendix B of the report be noted.

### **14. SOUTHWARK CONVERSATION - ADDITIONAL ANALYSES AND DISSEMINATION**

#### **RESOLVED:**

1. That the key findings from the additional analyses of the Southwark Conversation, as set out in the report at Appendices 1 and 2 of the report were considered and noted.
2. That the key findings of the Southwark Conversation be considered in the development of the social regeneration framework.

3. That the role of the Southwark Conversation in shaping the draft council plan be welcomed, and that officers use its findings to shape the council plan's performance schedules and monitor its implementation.
4. That the Southwark Conversation findings be disseminated more widely and shared across the council and with partners to help inform further policy developments.

**15. GATEWAY 0 - STRATEGIC OPTIONS ASSESSMENT FOR 2019 + HIGHWAYS SERVICES DELIVERY OPTIONS AND CONTRACT PROCUREMENT STRATEGY**

**RESOLVED:**

1. That it be noted that the current highways and professional services (HAPS) contract ends between March 2019 and March 2021 providing the council with an opportunity to review the way in which those services are delivered.
2. That the recommended strategic delivery option (paragraphs 24 and 25 of the report) to bring essential services such as highway safety inspections and the routine and reactive gully emptying service under the direct control of the council and to enhance the in-house design and project management team within the highway division be approved.
3. That it be noted that a gateway 1 report will be prepared for the purpose of obtaining approval of the procurement strategy for the remaining out-sourced works and services based on the cabinet's decision.

**16. PROPOSAL TO ESTABLISH SPECIALIST SEND EDUCATION PROVISION FOR CHILDREN AND YOUNG PEOPLE WITH LEARNING DISABILITIES, AGED 16-25 AT BISHOPS HOUSE**

**RESOLVED:**

1. That further to priority 5 of the special educational needs and disabilities (SEND) capital strategy, preparatory work is to begin to facilitate in-borough 16+ provision for pupils with complex SEND.
2. That the establishment of a specialist SEND education provision by Spa School for children and young people with learning disabilities aged 16-25 at Bishops House be noted.
3. That the first tranche of the SEND capital fund allocation be made available to Spa School to make premises secure and fit for purpose for students to start in 2018-19.

**17. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - LOCAL COMMUNITY OFFER (VCS HUBS)**

**RESOLVED:**

That the procurement strategy outlined in the report to undertake a competitive tender for the provision of a local community offer (VCS - Voluntary Community

Sector Hubs) with an estimated annual value of £1,500,000, for a period of 3 years from 2 December 2019, with the option to extend for a further two years, making an estimated cost of £7,500,000 over the total life of the contract inclusive of extensions be approved.

#### **18. AMENDMENT TO SENIOR MANAGEMENT ARRANGEMENTS**

Sue Plain, Southwark Unison addressed cabinet to request that before the proposals are implemented that officers consider and work through the ramifications for affected staff, in line with council's policies and procedures. This reassurance was given.

##### **RESOLVED:**

1. That the creation of a temporary post of strategic director place and wellbeing for the period 1 September 2018 to 30 September 2020 be agreed. This post incorporates the council's statutory director of public health role.
2. That it be recommended to council assembly that the allocation of responsibility of the statutory director of public health be designated to the strategic director place and wellbeing; and that part 21, "statutory officers list", of the council's constitution be amended accordingly.
3. That it be noted that all chief officer posts are contractually inter-changeable; therefore placement of function and post-holders is otherwise delegated to the head of paid service in accordance with the council's policy and procedures.

#### **19. APPOINTMENTS TO OUTSIDE BODIES 2018-19 - BOARD OF LEWISHAM SOUTHWARK COLLEGE CORPORATION**

##### **RESOLVED:**

That the Councillor Kieron Williams, cabinet member for job, skills and innovation be nominated as Southwark Council's representative on the Board of Lewisham Southwark College Corporation for the 2018-19 municipal year.

#### **20. DISPOSAL OF COUNCIL'S FREEHOLD INTEREST IN FORMER CAR POUND, MANDELA WAY, SE1**

##### **RESOLVED:**

That in accordance with the terms set out in the closed cabinet report:

1. The freehold interest in land at Mandela Way (as shown outlined in black in Appendix 1 of the report) be sold to the long leasehold owner of the site Firmdale Hotels for mainly residential development subject to planning permission being obtained.
2. The director of regeneration be authorised to negotiate the sale and development agreement with Firmdale Hotels and place a covenant on the site which binds successors in title to an affordable housing requirement.

## **EXCLUSION OF THE PRESS AND PUBLIC**

### **RESOLVED:**

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution.

The following is a summary of the decisions taken in the closed part of the meeting.

### **21. MINUTES**

The minutes of the closed section of the meeting held on 26 June 2018 were approved as a correct record and signed by the chair.

### **22. DISPOSAL OF COUNCIL'S FREEHOLD INTEREST IN FORMER CAR POUND, MANDELA WAY, SE1**

The cabinet considered the closed information relating to this item. Please see item 20 for the decision.

The meeting ended at 6.30pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 1 AUGUST 2018.**

**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.**