

## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 14 July 2020 at 4.00 pm Online/Virtual meeting.

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**PRESENT:** Councillor Peter John OBE (Chair)  
Councillor Rebecca Lury  
Councillor Evelyn Akoto  
Councillor Jasmine Ali  
Councillor Richard Livingstone  
Councillor Victoria Mills  
Councillor Leo Pollak  
Councillor Johnson Situ  
Councillor Kieron Williams

### 1. APOLOGIES

An apology for absence was received from Councillor Stephanie Cryan.

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

The chair gave notice of the following late item:

- Leisure Management Contract - Post Covid-19 Review and Management Arrangements
- Policy and Resources Strategy: Financial Remit 2021-22 and Scene Setting.

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 closed items scheduled for consideration at this meeting.

#### **4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

Councillor Johnson Situ declared a non-pecuniary interest in respect of Item 19: Aylesbury Regeneration Programme: Delivery of Council Homes on the First Development Site, as chair of the trustees of the Creation Trust.

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

None were received.

#### **6. MINUTES**

##### **RESOLVED:**

That the minutes of the cabinet meeting held on 16 June 2020 be approved as a correct record and signed by the chair.

#### **7. DEPUTATION REQUESTS**

##### **RESOLVED:**

That the deputation request from Southwark Cyclists be heard.

Southwark Cyclists presented a deputation to cabinet in respect of Item 14: Southwark's Streetspace Plan in response to Transport for London's (TfL's) London Streetspace Plan. The deputation outlined the importance of the proposals within the report to ensure the majority of Southwark residents still have a safe way to travel as Covid-19 guidance limited the use of public transportation. Southwark Cyclists have worked with the council in lockdown and support the measures and schemes proposed in the report.

The deputation explained the need to ensure that the streets are safe and healthy for all which are supported by the number of specific schemes that have been adopted (to promote and ensure safe cycling and walking within the borough). This will have particular benefits for children and other groups within the community.

The deputation welcomed the consideration of these proposals in the context of air quality and the climate strategy (reports also on this cabinet agenda) and the joined up approach being followed. The deputation identified further measures that could be taken in respect of low traffic neighbourhoods. In summary, the proposals and work were welcomed and the positive impact that is likely to result for public health and social justice for the local community.

Councillor Richard Livingstone, cabinet member for environment, transport and the climate emergency thanked the deputation for their comments and confirmed that discussions would continue with Transport for London (for areas outside the council's control) for further improvements to be made.

**8. THE COUNCIL'S RELATIONSHIP WITH HOUSING ASSOCIATIONS - RECOMMENDATIONS OF THE HOUSING SCRUTINY COMMISSION**

Councillor Gavin Edwards (chair of the housing scrutiny commission) presented the report to cabinet.

**RESOLVED:**

1. That the following recommendations from the housing scrutiny commission arising from the consideration of an item in respect of the council's relationship with housing associations be noted:
  - i. That cabinet is requested to develop clear policy / review existing policy on prioritising issues such as fire safety compliance, residents' satisfaction and other key performance indicators at the point of initiating partnership working with housing associations with a view to possibly developing a service level agreement.
  - ii. That cabinet is requested to investigate the possibility of creating an arbitration panel to deal with serious complaints of service failure within housing associations.
  - iii. That the above recommendations be considered in consultation with the Housing Regulator.
2. That the cabinet member for housing management and modernisation reports back to cabinet on the recommendations within eight weeks.

**9. EDUCATION: EXCLUSIONS AND ALTERNATIVE PROVISION - REPORT FROM THE EDUCATION AND BUSINESS SCRUTINY COMMISSION**

Councillor Peter Babudu (chair of the education and business scrutiny commission) presented the report to cabinet.

**RESOLVED:**

1. That the education and business scrutiny commission report on education: exclusions and alternative provision, Appendix A of the report be noted.
2. That the recommendations from the education and business scrutiny commission be considered and that the cabinet member for children, schools and adult care reports back to cabinet within eight weeks.

**10. PROCUREMENT: ACCESSIBILITY AND SOCIAL VALUE - REPORT FROM THE EDUCATION AND BUSINESS SCRUTINY COMMISSION**

Councillor Peter Babudu (chair of the education and business scrutiny commission) presented the report to cabinet.

**RESOLVED:**

1. That the education and business scrutiny commission report on procurement: accessibility and social value, Appendix A of the report be noted.
2. That the recommendations from the education and business scrutiny commission be considered and that the cabinet member for finance, performance and Brexit reports back to cabinet within eight weeks.

**11. ENVIRONMENT SCRUTINY COMMISSION: AIR QUALITY**

Councillor Leanne Werner (chair of the environment scrutiny commission) presented the report to cabinet.

**RESOLVED:**

That the report (Appendix A of the report), as set out on page 6 of the report be considered and the relevant cabinet member for environment, transport and the climate emergency reports back within eight weeks.

**12. SECOND SCRUTINY REVIEW OF THE CLIMATE EMERGENCY STRATEGY**

Councillor Leanne Werner (chair of the environment scrutiny commission) presented the report to cabinet.

**RESOLVED:**

That the recommendations in the report be considered (Appendix A of the report), as set out on page 4 of the report and request that the cabinet member for the environment, transport and the climate emergency reports back within eight weeks.

**13. CLIMATE CHANGE STRATEGY FOR SOUTHWARK**

**RESOLVED:**

1. That the draft climate strategy (Appendix 1 of the report) be consulted upon and officers be requested to undertake this.
2. That officers consider the consultation responses and bring a final climate strategy to cabinet for approval.
3. That officers develop a climate action plan which will set out the timescales, methods and resources for implementing a final climate strategy.

#### **14. SOUTHWARK'S STREETSPACE PLAN IN RESPONSE TO TFL'S LONDON STREETSPACE PLAN**

##### **RESOLVED:**

##### **Decisions by the Cabinet**

1. That the content of the council's proposed Streetspace Plan to set out Southwark's transport response to Covid-19 and lifting the lockdown in Appendix A of the report be agreed.
2. That the progress report on funding and delivery from Wednesday 24 June 2020 as contained in Appendix B of the report be noted.

##### **Decision by the Leader of the Council**

3. That authority be delegated to the cabinet member for environment, transport and the climate emergency to amend the programme of Streetspace measures should any variations to the proposed programme be required.

#### **15. BOROUGH EMERGENCY PLAN**

##### **RESOLVED:**

1. That the annual review of the generic borough emergency plan with the understanding that further lessons from the ongoing response to COVID-19 will continue to be incorporated into ongoing learning be agreed.
2. That councillor briefing sessions are put in place at the earliest opportunity to further explore the role of councillors in emergency planning and to inform future development of incident management.
3. That it be noted that the council's emergency arrangements will continue to be guided by pan-London standards and approach, including any ongoing transition arrangements in place as part of the city-wide COVID-19 response.

#### **16. COUNCIL PLAN ANNUAL PERFORMANCE REPORT 2019-20**

##### **RESOLVED:**

1. That the council's performance over 2019-20 against the Council Plan 2018-2022 be noted.
2. That a refreshed Council Plan be brought to cabinet in September 2020.

## **17. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: MAJOR BUILDING WORKS**

### **RESOLVED:**

1. The procurement strategy outlined in the report for four (4) major building work contracts as further detailed in paragraph 17 for an estimated value of £446m for an initial period of 5 years commencing in February 2022 with an option to extend for up to a further 5 years in increments at the council's discretion making a total estimated contract value of £835m be approved.
2. The publication of a Prior Information Notice (PIN) to inform the market of the council's intention to procure be approved.
3. That it be noted that this procurement is one of a number of ways the council intends to deliver major works in the future, with other routes being explored including a small and medium enterprises framework, a separate procurement covering street properties and management of more works in-house, which allows a blend of routes in place to help further increase value for money and resident choice.
4. That it be noted that the procurement strategy in the report will result in bidders being required to bid as back up to each other on their tendered rates to ensure an efficient service delivery.

## **18. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: LIFT MAINTENANCE, REFURBISHMENTS AND REPLACEMENT**

### **RESOLVED:**

#### **Decisions of the Cabinet**

1. That the procurement strategy outlined in the report for two (2) lift maintenance, refurbishment and replacement contracts – contract A: north of the borough at an estimated annual cost of £1.488m and contract B: south of the borough at an estimated annual cost of £1.105m for a period of 6 years from January 2022, with the option to extend up to a further 2 years (in increments at the council's sole discretion subject to performance), making an estimated contract value of £20.74m be approved.
2. That it be noted that the successful contractors will act as back up to each other on their tendered rates to ensure an efficient service delivery.

#### **Decision of the Leader of the Council**

3. That authority be delegated to the cabinet member for housing management and modernisation to approve the Gateway 2 report for 2 lift maintenance, refurbishment and replacement contracts.

**19. AYLESBURY REGENERATION PROGRAMME: DELIVERY OF NEW COUNCIL HOMES ON THE FIRST DEVELOPMENT SITE**

Cabinet heard representations from the Creation Trust in respect of this item, who welcomed the proposals for good quality and affordable homes for local residents and homeowners.

**RESOLVED:**

1. That in principle the arrangements set out in the report for the delivery of 581 new council homes on the First Development Site at the Aylesbury Estate be approved.
2. That in the next capital refresh report to cabinet, funding of £138.5m be allocated from the council's housing revenue account towards the cost of the new homes delivery and £6m from the general fund towards the cost of the community facilities in lieu of the infrastructure contribution foregone.
3. That authority be delegated to the strategic director of housing and modernisation, in consultation with the strategic director of finance and governance and director of regeneration, to approve the detailed land transfer arrangements in line with the principles set out in the report.
4. That it be noted that a local lettings policy will be developed for the new homes at the first development site (FDS) as set out in this report at paragraphs 27 to 30 of the report to be approved by the cabinet member for housing management and modernisation.
5. That it be noted that a further report on phasing and rehousing implications will be brought to cabinet later this year.

**20. 18 ST. MARYS ROAD, SE15 2DW**

**RESOLVED:**

1. That it be noted that the decision to vacate 18 St Mary's Road (the 'Property') was taken in 2017 on the basis that it was not fit for purpose and that it was uneconomic to carry out necessary adaptations.
2. That the disposal of the property be delegated to the head of property at auction or via any other method deemed appropriate.
3. That the head of property be authorised to determine the appropriate reserve price or asking price appropriate to the method of disposal.

**21. 23 URLWIN STREET SE5, 48 HAYLES STREET SE11 - DISPOSAL OF FREEHOLD INTERESTS**

**RESOLVED:**

That the head of property be authorised to dispose of the council's freehold interest in 23 Urlwin Street SE5, and 48 Hayles Street SE11 (the "Properties"), for a sum that equates to the market value of the individual properties.

**22. LEISURE MANAGEMENT CONTRACT - POST COVID-19 REVIEW AND MANAGEMENT ARRANGEMENTS**

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent to enable Sports and Leisure Management (SLM) to prepare in advance for the reintroduction of the council's leisure services, as soon as the government closure order is lifted, resulting in restored services for residents to access. Failure to re-open the leisure centre alongside competitors would result in SLM and the council losing market share to competitors.

**RESOLVED:**

**Decisions of the Cabinet**

1. That a medium term financial support arrangement be agreed with the council's leisure management contractor, Sports and Leisure Management Ltd (SLM), by contract variation, in order for the leisure centres to re open as soon as possible (subject to government restrictions being lifted) and to continue to operate until at least March 2021 whilst the council considers its options.
2. That it be noted that officers are in the process of a full review and evaluation of the options for the future management of the council's leisure centres in light of the COVID-19 pandemic and officers will report on the results of the evaluation to cabinet in September.
3. That it be noted that this report constitutes a Gateway 0 report in respect of the proposed options review, and a Gateway 3 report in respect of the proposed contract variation, for the purposes of the council's contract standing orders.

**Decisions of the Leader of the Council**

4. That final approval of the detail of the contract variation and medium term financial support arrangement be delegated to the strategic director of environment and leisure, in consultation with the strategic director of finance and governance, the deputy leader and cabinet member for culture, leisure, equalities and communities and the cabinet member for finance, performance and Brexit.
5. That the strategic director of finance and governance be asked to note that resource provision will be required for the value of the contract variation, the development of the management options and also the implementation of any chosen option.

## **23. POLICY AND RESOURCES STRATEGY: FINANCIAL REMIT 2021-22 AND SCENE SETTING**

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent because the council each year updates a detailed policy and resources strategy covering, as a minimum, the following financial year. This report initiates the 2021-22 to 2023-24 budget planning process and the detailed work on budget proposals. Members and officers will undertake this work over the coming months in order to meet the timetable to prepare a budget proposal for submission to council assembly in February 2021.

### **RESOLVED:**

1. That the unprecedented financial uncertainties be noted:
  - The impact of the Covid-19 pandemic on spending, income and savings plans and the pace of recovery
  - The extent of government support to offset the financial cost to the council of the pandemic
  - The expected world-wide recession as we emerge from lock-down and the end of the Brexit transition period
  - The likely delay in the spending review intended to take place in 2020, with no indications of core funding and level of grants in 2021-22 and beyond
  - The postponement of the planned reforms of local government finance (fair funding review, business rate retention arrangements) intended to be implemented from April 2021
  - The likely deferment of business rates reset, planned for April 2021
  - Governments proposals for sustainable long-term funding for adult social care
  - No confirmation of additional funding for new burdens and other demand pressures including social care, high needs costs, homelessness and impacts of welfare reform.
2. That it be noted that the economic and financial impacts to the council of Brexit remain unclear and that any local budget pressure may need to be contained within the limited budget and reserve created as part of the 2019-20 policy and resourcing strategy and budget for 2019-20.
3. That it be noted that the accumulated deficit on the dedicated schools grant was £18.5m at 31 March 2020 with the prospect of achieving any meaningful reduction without additional funding from the Department for Education being remote.
4. That it be noted that financial planning is extremely challenging, with a range of potential scenarios suggesting a funding gap in 2021-22 of anywhere between £12.8m and £46.8m, with the range of potential outcomes increasing widely beyond 2021-22 (paragraph 41 of the report) and that, subject to the inherent uncertainties, the central forecast indicates a potential budget gap of £26.2m in 2021-22.
5. That the central budget forecast is based on the assumptions set out at paragraph 23 of the report:
  - Additional government funding will be announced to mitigate collection fund deficits as a consequence of the pandemic (50% most likely; 75% best case

- and 0% worst case)
- That council revenues will continue to suffer losses in 2021-22 as a consequence of the pandemic and recession
  - The use of reserves to mitigate resource losses throughout the period 2021-22 to 2023-24 (£5.0m per annum in the most likely scenario, £2.5m best and £10m worst)
  - Council tax will need to increase throughout the period (2.99% per annum assumed)
  - No additional precept for adult social care
  - Additional costs arising from pay and prices, contractual losses, undeliverable savings proposals and debt financing costs (£20.1m/£14.4m/£24.8m respectively)
  - Debt financing costs arising from additional investment projects (£1.5m in 2021-22 in the most likely scenario)
  - That the Public Health deficit will be written down to support the service as we enter the period of recovery and renewal (£0.9m in the most likely/best case and £1.8m in worst).
6. That it be noted that the funding forecasts contained within the report draw on reserves to mitigate immediate budget pressures; these reserves will need to be replenished in the longer-term.
7. That the strategic director of finance and governance with the support of other strategic directors will look to establish medium term budget plans, reviewing any decisions previously taken.
8. That further reports be received by cabinet in the autumn, as further funding information becomes available and as budget plans for 2021-22 to 2023-24 develop.

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

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 Constitution.

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

#### **24. MINUTES**

##### **RESOLVED:**

That the minutes of the closed section of the cabinet meeting held on 16 June 2020 be approved as a correct record and signed by the chair.

The meeting ended at 6.05pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 22 JULY 2020.**

**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.**