

Cabinet

MINUTES of the OPEN section of the Cabinet held on Monday 18 July 2022 at 11.00 am at the Council Offices, 160 Tooley Street, London SE1 2QH.

PRESENT: Councillor Kieron Williams (Chair)
Councillor Jasmine Ali
Councillor Stephanie Cryan
Councillor Darren Merrill
Councillor Catherine Rose
Councillor Martin Seaton

1. APOLOGIES

Apologies for absence were received from Councillors Evelyn Akoto, Helen Dennis, Dora Dixon-Fyle MBE and Alice Macdonald.

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

There were none.

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

There were none.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

ANNOUNCEMENT IN RESPECT OF EXTREME WEATHER CONDITIONS 18 AND 19 JULY 2022

The chief executive and leader provided an update, including measures in place to respond to the extreme heat and weather conditions on 18 and 19 July 2022.

5. PUBLIC QUESTION TIME (15 MINUTES)

There were none.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 14 June 2022 be approved as a correct record and signed by the chair.

7. DEPUTATION REQUESTS

One deputation request was received that was declined. Arrangements were made for the deputation spokesperson to write to the cabinet member to raise the issues/points.

8. SCHOOLS INCLUSION CHARTER

The following statement was received from a student who contributed and participated in working on the school inclusion charter:

“Working on the school inclusion charter was very inspirational. As an excluded student myself, the idea of excelling into a successful career was capped from the second I was excluded. However, I have managed to go to university and use my personal experience to inspire and influence my academic choices. This charter provides a second chance for young people like myself to expand into new opportunities and careers.

Furthermore, improving the confidence and self-esteem of the young people who many not be able to cope to the strains and pressure of mainstream education. It is beneficial as it not only deters young people from crime but also perpetuates the importance of education and multi-agency working. I am very grateful for being asked to work alongside Councillor Jasmine Ali on this project as it strengthens our community and provides chances for those whose voices not always heard.”

RESOLVED:

That the Southwark Inclusion Charter as set out in Appendix 1 of the report

be agreed and signed by the deputy leader and cabinet member for children, young people and education.

9. DEVELOPING SOUTHWARK'S NEW BOROUGH PLAN

RESOLVED:

1. That the development of Southwark's new Borough Plan to 2030 working with residents, the local voluntary sector, businesses and the wider public sector be agreed.
2. That it be noted that a council delivery plan, setting out the council's programme of work over the period 2022-23 to 2025-26, will be developed for presentation to, and agreement by, cabinet in September 2022.

10. CLIMATE CHANGE CITIZEN JURY

RESOLVED:

1. That the council response to the jury's recommendations and the progress made to date be noted.
2. That the council's climate change strategy and action plan be amended in line with the jury's recommendations, as set out in the report.
3. That reporting progress against jury recommendations as part of the annual reporting on the climate change strategy and action plan and associated smart actions be continued.

11. CLIMATE EMERGENCY ANNUAL PROGRESS REPORT AND UPDATE OF THE CLIMATE STRATEGY AND ACTION PLAN

RESOLVED:

1. That the progress made since publication of the previous climate change strategy and action plan in July 2021 be noted.
2. That the publication of the smart action dashboard, as set out in the report, on the council's website, which highlights the extent of delivery across the council but also the significant funding, resource and expertise gap in achieving net zero by 2030, be agreed.
3. That the approach to reviewing council wide policy and ensuring that climate objectives are built into the council's wider work as standard be agreed.
4. That the proposed community engagement approach and associated

governance structure, which sets out how the citizens' jury process will be utilised to underpin further resident engagement be agreed.

5. That the significant amount of revenue and capital funding now allocated in support of the action plan be noted and that every route to attract and maximise additional resources for the climate emergency be explored.
6. That it be agreed to proceed with additional allocations from the climate capital fund to deliver projects in line with the climate action tracker and some priorities set out by the citizens' jury.

12. SOUTHWARK STANDS TOGETHER ANNUAL REPORT

RESOLVED:

1. That the progress made against the eight work streams outlined in the Southwark Stands Together (SST) annual report (Appendix 1 of the report) be noted.
2. That it be noted that Southwark Council has been shortlisted in the Diversity & Inclusion category of the 2022 Local Government Chronicle (LGC) Awards for its work with LHC on the creation of London's first diverse architects framework, where smaller black and minority ethnic led practices have the opportunity to tender for future projects.
3. That commitment to Southwark Stands Together programme delivery be reaffirmed, and that the chief officer team, as the senior steering group for the programme, review activity and next steps to ensure the progress made in the last year is sustained and accelerated.

13. POLICY AND RESOURCES STRATEGY: FINANCIAL REMIT 2023-24 AND SCENE SETTING

RESOLVED:

That it be noted:

1. That the council agreed a balanced budget for 2022-23 on 23 February 2022, the main features of which were:
 - a. A budget requirement of £293m
 - b. Central Government Settlement Funding Assessment (SFA) of £153.6m
 - c. Council Tax of £128.9m
 - d. Business Rates Growth of £17m.
2. That the government published a 3 year spending review in October 2021 but left significant uncertainties which made it impossible to set a 3 year budget, including:

- a. Shortfalls in inflation projections
 - b. Uncertainty on the future of the New Homes Bonus
 - c. Funding for adult social care reform but no way to reasonably estimate costs
 - d. No clear indication of when major funding reforms will occur (Fair Funding Review and Business Rates Reset).
3. That additional financial uncertainty as a result of a number of factors:
 - A broadly positive three-year spending review, but with most of the good news front-loaded in 2022-23
 - Limited information on the major changes to adult social care which are expected to carry a significant price-tag in 2023-24 and 2024-25
 - The Business Rate Revaluation taking effect on 1 April 2023 and the potential impact on locally retained revenues
 - Rising inflation driving an emerging cost of living crisis
 - Rising interest rates increasing the cost of credit for residents and the cost to the council of financing its ambitious capital programme
 - Economic and financial impacts to the council of exiting the European Union
 - The current absence of any certainty of funding streams to support climate emergency plans.
 4. That there are a range of possible outcomes presented in the report, with greater detail in 2023-24 than in 2024-25 and these are based on scenarios built using the best data available at the time. For 2023-24, the possible budget gap ranges from £3.1m to £50.5m, with a most likely scenario of around £24.2m.
 5. That the central budget forecast is based on the assumptions set out at paragraph 25 of the report, with the key assumptions being:
 - Government funding rises by 3% with the exception of:
 - New Homes Bonus – expected reduction of circa £2m resulting from ending of current scheme
 - Market Sustainability and Fair Cost of Care Fund – expected to increase with matching commitments
 - 2022-23 Services grant – originally described as ‘one-off’ - forecast as flat until more information known.
 - The Fair Funding Review and Business Rate Retention Reset will be delayed again until 2024-25
 - Additional costs arising from pay and prices (3% and 6% respectively)
 - Additional debt financing costs arising from additional capital projects (£3m)
 - Council tax will increase by the maximum amount allowed (1.99%)
 - An adult social care precept of 1%.

6. That the accumulated deficit on the dedicated schools grant was £21.7m at 31 March 2022 with the prospect of achieving any meaningful reduction without additional funding from the Department for Education being remote.
7. The strategic director of finance and governance, with the support of other strategic directors will seek to prepare indicative savings options and commitments, initially for 2023-24. For the following 2 years, 2024-25 and 2025-26, a long-term strategy is going to be developed which will support the new council delivery plan.
8. That further reports will be received in the autumn including modelling and proposals for future years as further information regarding funding is made available.

14. POLICY AND RESOURCES STRATEGY: REVENUE MONITORING REPORT OUTTURN, INCLUDING TREASURY MANAGEMENT 2021-22

RESOLVED:

1. That the balanced general fund outturn position for 2021-22 after the application of reserves and emergency Covid-19 funding (Table 1 of the report) be noted.
2. That the application of £13.5m of general Covid-19 emergency grant funding be noted.
3. That the key adverse variations and budget pressures underlying the outturn position be noted:
 - (i) The dedicated school grants (DSG) outturn position of a £21.7m deficit and the pressures on high needs budgets
 - (ii) The continuing budget pressures within children's social care
 - (iii) The continuing budget pressures on temporary accommodation.
4. That the utilisation of £4m contingency (paragraph 60 of the report) to offset adverse variances be noted.
5. That the housing revenue account outturn for 2021-22 be noted (Table 2, paragraphs 61-69 of the report).
6. That the detailed movements of earmarked reserves as set out in Appendices B and C of the report be noted.
7. That the treasury management activity in 2021-22 (paragraphs 85-92 of the

report) be noted.

8. That the interdepartmental budget movements that exceed £250k, as shown in Appendix A of the report be approved.
9. That the interdepartmental general fund budget movements that are less than £250k as shown in Appendix A of the report be noted.

15. POLICY AND RESOURCES STRATEGY: CAPITAL MONITORING REPORT OUTTURN 2021-22

RESOLVED:

1. That the outturn and resources for 2021-22 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.
2. That the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C of the report and the new capital bids contained within this report and summarised at Appendix E of the report be approved.
3. That the significant funding requirement of £326m which needs to be identified for the general fund programme to be fully delivered over the remaining term of the programme, as detailed in Appendix A of the report be noted.
4. That the borrowing requirement of at least £1.1bn for future years 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.
5. That the significant contribution the capital programme is making towards the objectives of the council's climate change strategy (see paragraphs 17-18, 85, 117, 119 of the report) be noted.

16. BOROUGH EMERGENCY PLAN

RESOLVED:

1. That the annual review of the generic borough emergency plan with the understanding that further lessons from both the response to COVID-19 and other incidents will continue to be incorporated into future learning and planning be agreed.
2. That it be agreed that updated councillor briefing sessions are put in place to inform both existing and new councillors of their role 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 arrangements resulting from the city-wide COVID-19 response.
4. In the light of the fluidity in Covid infection rates across London, that the council reserves the right to activate council wide emergency response arrangements, acting on the advice of public health locally and regionally as appropriate.

17. TUSTIN ESTATE LOW RISE REDEVELOPMENT PROGRAMME (PHASE 1) ENABLING WORKS AND DEMOLITION

RESOLVED:

1. That a further variation to the housing investment programme for funding of up to £4,633,000 to undertake enabling works and demolition for Phase 1 of the Tustin Estate Low Rise Redevelopment Programme be approved.
2. That it be noted that the decision to award the enabling works and demolition contract will be taken by the strategic director of housing and modernisation as a chief officer decision, in accordance with the council's contract standing orders.
3. That it be noted that a future cabinet report will request budget approval for the delivery of the overall scheme and for entry into a development agreement.

18. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - CONTRACTOR PARTNER FOR DELIVERY OF NEW COUNCIL HOMES, PRIVATE HOMES AND COMMERCIAL SPACE ON OLD KENT ROAD

RESOLVED:

1. That the procurement strategy outlined in the report for the appointment of a partner to deliver the new council homes development on the PC World and B&M Supermarket site on the Old Kent Road via the Greater London Authority's (GLA) London Developer Panel 2 Framework (LDP2) or its replacement for a period of five years, commencing on 29 November 2022 be approved.
2. That the contract award for the partner for delivery of new council homes, private homes and commercial space on Old Kent Road for the reasons noted in paragraph 26 of the report be delegated to the strategic director of housing and modernisation in consultation with the cabinet member for council homes and homelessness.

3. That the grant of a building lease(s) for the partner for delivery of new council homes, private homes and commercial space on Old Kent Road be delegated to the director of planning and growth in consultation with the head of property.
4. That it be noted that the contract complies with the council's procurement rules on the number of apprenticeships, in addition to planning policy.

19. GATEWAY 2 - CONTRACT AWARD APPROVAL FOR THE BOROUGH'S TREE WORKS PROGRAMME

RESOLVED:

1. That the award of the Southwark Arboricultural Maintenance Contract in three lots commencing on 3 October 2022 for an initial duration of four years at an estimated cost of £6,953,403 with an option for the council to extend for up to two further years at a cost of £3,476,702 making the total contract value of £10,430,105 if the two years extension is exercised be approved to:
 - Lot 1 (North) – CSG Ushers Ltd (Tenderer A)
 - Lot 2 (Central) – Glendale Countryside Ltd (Tenderer B)
 - Lot 3 (South) – Glendale Countryside Ltd (Tenderer B).

20. MANDELA WAY BERMONDSEY. APPROPRIATION OF COUNCIL OWNED LAND FOR PLANNING PURPOSES

RESOLVED:

That it be confirmed that with regard to the land shown edged on the plan at Appendix A of the report that is currently held within the General Fund Commercial Property Holding Account, that the appropriation of the land to planning purposes be approved so that the provisions of s203 Housing and Planning Act 2016 are engaged, in order 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.

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 Southwark Constitution.

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

21. GATEWAY 2 - CONTRACT AWARD APPROVAL FOR THE BOROUGH'S TREE WORKS PROGRAMME

The cabinet considered the closed information relating to this item. Please see item 19 for the decision.

The meeting ended at 1.00pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, TUESDAY 26 JULY 2022.

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.