



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 25 January 2011 at 4.00 pm at Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor John Friary
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 20 – Policy and resources strategy 2011/12 – 2013/14 – draft revenue budget

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

5. MINUTES

RESOLVED:

That the open minutes of the meetings held on 14 and 21 December 2010 be approved as correct records and signed by the Chair.

6. DEPUTATION REQUESTS

RESOLVED:

That the deputation request from the Southwark Trades Council be heard.

The spokesperson for the deputation addressed the cabinet outlining their concerns relating to the draft revenue budget and the impact on public services. They asked the cabinet to utilise some of the budget reserves to offset the negative impact on services and what was perceived as short term solutions to the budget deficit.

7. HOUSING REVENUE ACCOUNT - FINAL RENT-SETTING AND BUDGET REPORT 2011/12

Officers circulated comments from the area housing forum meetings and a meeting of the tenants council held on 24 January 2011.

RESOLVED:

1. That an average rent increase of 7.08% in accordance with the Government's required formula rent guidance (as set out in paragraph 11 of the report) be approved. This is equivalent to an increase of £5.71 per week on average, to be applied to all housing revenue account dwellings (including estate voids and hostels), with effect from 4 April 2011. Average budgeted dwelling rent for 2011/12 will be £86.31 per week.
2. That revised tenant service charges following the rebasing exercise as set out in paragraph 14 of the report be approved with effect from 4 April 2011.
3. That an increase in rents and charges for all non-residential property of 50% as set out in paragraph 15 of the report be approved with effect from 4 April 2011.
4. That a further standstill in heating and hot water charges for 2011/12 such that each charge remains at the rate determined for 2009/10 and 2010/11 (as set out in paragraph 16) be approved.

8. DEMOCRACY COMMISSION - IMPLEMENTATION PLAN

RESOLVED:

1. That the Democracy Commission implementation plan set out in Appendix 1 to the report be approved.
2. That the resource implications of the implementation plan be noted and the principle that the budget required to implement the recommendations is transferred from facilities management to communities, law and governance be approved.
3. That the Democracy Commission be tasked with phase 2 of their work, focusing on the role and powers of community councils in the context of budgetary savings. The Democracy Commission will report their progress to council assembly in April 2011 and make their final recommendations in December 2011.

9. SHARED SERVICE WITH OTHER BOROUGHES

RESOLVED:

1. That the current discussions taking place on shared services with neighbouring boroughs be welcomed, including the service areas under active consideration for sharing with Lambeth and/or Lewisham set out at paragraph 17 of the report.
2. That the current and developing arrangements for sub-regional collaboration through the South East London Housing Partnership, South East Libraries Performance Improvement Group and the South East London Shared Service Partnership be noted.
3. That the sharing of a communications service with Westminster City Council be approved in principle (as set out at paragraphs 27-34 and the appendix to the report), subject to consultation with affected staff and the agreement of a detailed business case by the Leader of the Council.

10. LONDON COUNCILS GRANTS SCHEME 2011/12

RESOLVED:

1. That the issues arising from the London Councils Grants Review be noted.
2. That the proposed levy of £485,614 be agreed subject to the budget proposals to be submitted to the council assembly in February 2011.
3. That officers continue to explore the options for continuation/discontinuation of commissioned services in consultation with relevant boroughs and London Councils. (Attached to the report as appendix 1 is a list of Southwark based London Councils funded organisations and appendix 2, a list of organisations with beneficiaries in Southwark.)

11. APPROVAL TO EXTEND THE LIFE OF THE EXISTING RENEWAL AREAS

RESOLVED:

Decisions of the Cabinet

1. That the proposal to extend the life of the renewal areas of East Peckham and Nunhead by four years to 2015 be noted.
2. That the consultation arrangements as set out in paragraphs 21-23 of the report be agreed.
3. That renewal area measured deliverables be linked into:
 - the Corporate Plan
 - the Community Strategy
 - the Peckham and Nunhead Area Action Plan
 - the Economic Development Strategy – Developing Town Centres.
4. That the implementation of outstanding schemes to be delivered within the first two years of the extended timeframe be agreed subject to corporate cash flow constraints and consultation with Peckham and Nunhead & Peckham Rye community councils in February/March 2011 to refresh/double check community priorities.

Decisions of the Leader of the Council

That delegated authority be given to the cabinet member for regeneration and corporate strategy to agree:

5. To the allocation of unallocated resources from the original budget following consultation with relevant stakeholders and community council agreement. There will be no further call on corporate resources.
6. A detailed implementation programme.
7. The decision to extend the renewal area following statutory consultation.

12. AUTHORISATION OF A DEBT WRITE- OFF OF MORE THAN £50,000 IN ENVIRONMENT AND HOUSING

RESOLVED:

That approval be given to write-off a debt of £69,077.88 within the council's environment and housing department (events unit).

13. DISPOSAL OF FORMER ACORN NEIGHBOURHOOD HOUSING OFFICE AND LAND AT GOLDSMITH ROAD/MARMONT ROAD

Comments received by the tenants and residents association at Acorn Estate were tabled at the meeting which identified a number of concerns relating to the recommendations before cabinet.

RESOLVED:

1. That agreement be given to dispose with the Peckham Settlement, a site situated at Goldsmith Road/Marmont Road part owned by the council and part owned by the Peckham Settlement for a consideration (to the council) detailed in the closed report. The Peckham Settlement's site (outlined in the plan attached to the report) is situated at 44-50 Goldsmith Road London SE15 and is currently used by them. The adjoining land at Goldsmith Road/Marmont Road outlined in blue on the plan attached to the report ("the council's adjoining land") is owned by the council. Both sites are referred to in the report as "the existing sites".
2. That a 125 year building lease be granted to the Peckham Settlement of the former Acorn Neighbourhood Housing Office situated at Meeting House Lane London SE15 (referred to as "the property") (outlined in red on the plan attached to the report) restricted to a D1 community use. The grant of the lease to be subject to exchange of contracts for the disposal of the existing sites.
3. That the freehold interest of the property be transferred on completion of the building works to the Peckham Settlement, subject to a restrictive covenant limiting the use to a D1 community centre.
4. That the disposal of the property be subject to the Peckham Settlement obtaining a satisfactory planning consent for a new D1 community facility.
5. That the head of property be authorised to approve the detailed terms on which the council's adjoining land is sold.
6. That the capital receipt from the sale of the property be allocated to the council's housing investment programme.

14. GATEWAY 2 - CONTRACT AWARD APPROVAL - HOME CARE SERVICES IN SOUTHWARK

RESOLVED:

Decisions of the Cabinet

1. That the award of home care service contracts to the following suppliers for a period of 3 years from 6 April 2011 with an estimated cost between £10,813,500 and £30,680,688 be approved. (Contract costs are based on calculations explained in paragraphs 8 - 12 of the report).

Contract	Supplier Name
Universal Contract 1	London Care
Universal Contract 2	Enara Community Care
Specialist Contract 5 – Continuing Drinkers and Acquired Brain Injury	Enara Community Care

2. That there be no contract award for the third universal contract, as based on current trends, the council does not consider there will be sufficient demand for council-arranged care to meet the guaranteed minimum hours for three contracts.
3. That there be no contract award for the older adult support in Southwark (OASIS) service and the intermediate care and neurological-rehabilitation (neuro-rehab) service as the bids for these services are not affordable. (Alternative service options were discussed in the report.)

Decision of the Leader of the Council

4. That delegated authority be given to the cabinet member for health and adult social care to approve up to 2 single year (1 + 1) extension options that can be operated at the end of the initial term of the contract subject to satisfaction with each supplier's performance and demand for services.

15. GATEWAY 1 - SOUTHWARK MARKETS AND STREET TRADING IN-HOUSE MANAGEMENT ARRANGEMENTS AND LEGISLATIVE OPERATING FRAMEWORK

RESOLVED:

1. That Southwark markets and street trading be managed in-house as per the timetable in paragraph 23 of the report.
2. That further discussions take place with traders, private operators and other stakeholders to determine the best solution for the management of Southwark markets in the longer term either through an external License or Trust arrangement.
3. That a report be submitted to council assembly on the changing legislative framework from London Local Authorities Act 1990 as amended to Part 111 of the Food Act 1984, with the assurance that all their current terms and conditions contained within the LLA 1990, are protected and enshrined in a new terms and conditions schedule.

16. MULTI UTILITIES SERVICES COMPANY (MUSCO) COMMERCIAL PARTNER

RESOLVED:

1. That the progress made to finalise the Dalkia consortium's best and final offer (BAFO) for a Multi Utilities Services Company (MUSCo) Commercial Partner since the major projects board meeting of 19 June 2008 be noted.

2. That the contents of the best and final offer (BAFO) as described in paragraphs 42 – 55 of the report be noted.
3. That the conclusions of the evaluation of the best and final offer (BAFO) be noted and officers terminate the Dalkia consortium's position as preferred bidder.
4. That officers cease work progressing the procurement of a MUSCo solution and that the deputy chief executive seek alternative solutions to providing services and reducing carbon for the Elephant and Castle and Aylesbury regeneration projects.
5. That the strategic director of environment and housing look into the feasibility of decentralised energy networks to reduce carbon emissions for council social housing.

17. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - SOUTHWARK COMBINED HEAT & POWER FROM SELCHP: ADDITIONAL SERVICES CONTRACT

RESOLVED:

That the procurement strategy outlined in the report for the additional services contract for Southwark combined heating power be approved.

18. DISPOSAL OF A PROPERTY IN THE SE1 AREA

RESOLVED:

1. That in principle agreement be given to seek vacant possession of an occupied housing unit in the SE1 area and to dispose of the wider property together with an adjoining property.
2. That the head of housing management be authorised to conclude negotiations with the tenant of the occupied housing unit to secure vacant possession of that property.
3. That a payment to the tenant of the occupied housing unit be agreed, in order to facilitate disposal of the block if Housing Act powers are not available.
4. That re-housing of the tenant of the occupied housing unit with band 1 priority and the housing of authorised occupants who require re-housing separately from the tenant in accordance with their assessed needs under the council's lettings policy be approved.
5. That the freehold interest in the properties is disposed of as one whole block to maximise the capital receipt, conditional upon the occupied unit being declared surplus by the head of property be agreed.
6. That the head of property be authorised to approve the terms upon which the whole block will be sold, including the sale price which must represent the best consideration that can reasonably be obtained.
7. That the capital receipt be earmarked for the housing investment programme be

confirmed.

19. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

Housing solutions for Southwark

RESOLVED:

1. That it is regretted that too many families have been forced into often poor quality private rented accommodation by the failure over the past 25 years to build sufficient affordable social housing.
2. That ever increasing and unsustainable housing benefit bill and the government's plans to tackle this be noted.
3. That plans to reform housing benefit were also in the Labour manifesto and the Mayor of London's comments that this would lead to "Kosovo style social cleansing" be noted.
4. That the concern of many residents about the proposed changes to social housing tenures and to some of the proposed changes to housing benefit be noted.
5. That it be noted that the impact on Southwark of these changes are likely that:
 - The reduction of the local housing allowance in October 2011 leads to households losing as much as £57.53 a week, and this could lead to nearly 5,000 private sector tenants looking for council accommodation
 - This reduction widens over following years as the indexation of housing benefit shifts from the retail price index to the typically lower consumer price index
 - The reduction is further compounded by the penalisation of those who have been unable to find employment for a year
 - This reduction is further compounded by deductions for non-dependents who still live in the home, the deductions being introduced despite increasing barriers to entry to the housing market for young people
 - Demand for housing in Southwark increases markedly as housing benefit claimants are forced to leave even more expensive parts of London like Westminster and Camden.
6. That it is believed that it is inconceivable that these changes will not lead to repossessions, homelessness and enforced home moves in Southwark, as the number of homes that are affordable for residents living on housing benefits decreases and the number of people competing for those homes increases.
7. That particular concern that new tenants will not be offered traditional secure tenancies which provide stability, support family networks and can improve social cohesion be expressed.
8. That concern that the government grants to build future affordable homes are to be cut by some 50% be expressed by the council.
9. That the rights of secure tenants to live in their council home for as long as they wish

be fully supported, but it is believed the council should look at new ways of tackling under-occupancy of homes to make better use of existing council stock.

10. That it is believed that government's aims to tackle high rents charged by private landlords through a reduction in the local housing allowance may harm families rather than unscrupulous landlords.
11. That cabinet investigate whether rent capping in the private rented sector could be a positive way of achieving the government's aim of reducing the overall housing benefit bill.
12. That whilst the principle that people should work if they are able is supported, members are concerned that in light of the current economic climate and employment market the government should rethink plans to reduce by 10% housing benefit for those claiming jobseekers allowance for more than 12 months.
13. That cabinet write to government to:
 - oppose the changes to secure tenancies
 - oppose plans to measure local housing allowance at the 30th percentile rather than the median
 - oppose plans to remove 10% of housing benefit from those who have been claiming jobseekers allowance for more than 12 months given the current state of the employment market
 - support a housing benefit solution for London, as suggested by Simon Hughes MP, which understands the particular needs and market in London
 - investigate the possibility of land value taxation or introducing rent control in some parts of the private rented sector
 - fulfil promises of allowing local authorities to make their own decisions about new housing and rents for new and existing tenancies
 - co-ordinate a cross party response to the government's housing consultation.
14. That all of Southwark's MPs be called on to oppose the proposed changes to secure tenancies, the change in the local housing allowance measure and to specifically vote against the proposal to cut housing benefit by 10% after a year of unemployment when the Bill comes before the House of Commons

Southwark Life

RESOLVED:

1. That it be noted that the current format of Southwark Life was determined by the previous Liberal Democrat/Tory coalition.
2. That it be noted that the format and frequency of Southwark Life is under review as part of the budgeting process with all other communication services.

Committing to Localism

RESOLVED:

1. That it be noted that the Localism Bill has not yet been published and it is believed that the coalition's proposals are as yet unclear.
2. That cabinet fully investigate any new powers that the local authority is afforded as part of the bill and implement them as appropriate.

Withdrawal of Private Finance Initiative (pfi) Funding for Regeneration the Aylesbury Estate

RESOLVED:

1. That the bitterly disappointing news that the coalition government has decided to withdrawn £181 million of private finance initiative (PFI) funding for building new homes for Aylesbury Estate residents be noted.
2. That the continued cross-party support for the regeneration of the Aylesbury Estate be noted.
3. That it be noted that the leader has written to the Prime Minister and Secretary of State for Communities and Local Government inviting them to the Aylesbury Estate to see the impact the withdrawal of funding will have.
4. That it be noted that the first new homes on site 1a (formerly Red Lion Close and Little Bradenham) will be complete early in the new year and that the continued development of this site and the plans to redevelop sites 7 and 10 (Amersham and North Wolverton) are unaffected by the withdrawal of PFI funding.
5. That the council is determined that the withdrawal of the PFI funding will not mean the end of the regeneration of the Aylesbury Estate, and commitment to work with local residents and Creation Trust to transform the area be affirmed.
6. That the cabinet be requested to call on the government to change its decision or to provide an alternative funding mechanism.
7. That the cabinet be called on to continue to rehouse residents from sites 1b and 1c (Bradenham, Chartridge, Arlow and Chiltern) and to explore all possible alternative options for taking the regeneration of the Aylesbury forward.

Kings Stairs Gardens site of importance for nature conservation (SINC) status

Comments of the deputy chief executive in respect of this motion were circulated at the meeting.

RESOLVED:

1. That on 4 November 2009 council assembly agreed the submission version of the core strategy which included a new designation of King's Stairs Gardens as a Site of

Importance for Nature Conservation (SINC). This version of the core strategy was then submitted to the planning inspector and subject to examination in public. Following this, on 27 January 2010 council assembly agreed the submission version of the Canada Water Area Action Plan for examination by a planning inspector.

2. That it be noted that the inspector's report and final version of the core strategy is still to be received and that there have been some indications that the inspector may not approve new site specific designations as being appropriate for inclusion in the core strategy. It has been indicated that he may be decided that such designations would be more appropriately made in development plan documents (DPDs).
3. That it be noted the submission version of the Canada Water Area Action Plan (a DPD) is due to undergo examination in public in the new year after the inspector's report on the core strategy is received.
4. That it was anticipated at the time of the submission of the Canada Water Area Action Plan that the designation of King's Stairs Gardens as a SINC would be accepted by the inspector of the core strategy. In the eventuality of King's Stairs Gardens not being designated as a SINC in the inspector's report, the cabinet member for regeneration and corporate strategy write to the planning inspector asking for King's Stairs Gardens to be designated as a SINC within the Canada Water Area Action Plan and to make similar representations for the inclusion of any other new and amended site designations within the Canada Water AAP area which were agreed by council assembly in the submission version of the core strategy.

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

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent due to the council's obligation to set a lawful budget by statutory deadlines and the need 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; the council is due to set the Southwark Council Tax on 22 February 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.

RESOLVED:

1. That draft budget proposals based on a nil council tax increase for 2011/12, and draft indicative budget proposals for 2012/13 and 2013/14, based on a provisional council tax increase of 2.5% for 2012/13 and 2.5% for 2013/14 be noted.
2. That the budget principles agreed by cabinet on 21 September 2010 continue to guide and underpin the work of officers in arriving at a final balanced budget.
3. That a final balanced budget report for 2011/12, with indicative budgets for 2012/13 and 2013/14 be presented to cabinet on 8 February 2011 for recommendation to council assembly due on 22 February 2011.

4. That it be noted that the formal response to the consultation on the provisional local government settlement was submitted to government on 17 January 2011. The response is set out in full at Appendix F of the report.
5. That the potential new homes bonus that Southwark may be awarded and that £1.5 million of this is committed in the budget for 2011/12 be noted. The finance director to bring back details of how much the borough will receive in 2011/12 to the 8 February cabinet meeting and to set out proposals on how to manage these resources as part of the medium term resources strategy.
6. That it be noted that 2,430 16-24 year olds in Southwark were claiming job seekers allowance or not in education, employment or training (NEET) in December. The director of children's services and the finance director to bring forward proposals to 8 February cabinet to consider to mitigate the high youth unemployment in the borough and the impact of the removal of education maintenance allowances.

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

EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and

RESOLVED:

That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of the exempt information as defined in paragraphs 1,2, 3 and 7a 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 section of the meeting

21. AUTHORISATION OF A DEBT WRITE- OFF OF MORE THAN £50,000 IN ENVIRONMENT AND HOUSING

The cabinet considered the closed information relating to this item. See item 12 for decision.

22. DISPOSAL OF FORMER ACORN NEIGHBOURHOOD HOUSING OFFICE AND LAND AT GOLDSMITH ROAD/MARMONT ROAD

The cabinet considered the closed information relating to this item. See item 13 for decision.

23. GATEWAY 2 - CONTRACT AWARD APPROVAL - HOME CARE SERVICES IN SOUTHWARK

The cabinet considered the closed information relating to this item. See item 14 for decision.

24. GATEWAY 1 - SOUTHWARK MARKETS AND STREET TRADING MANAGEMENT ARRANGEMENTS AND LEGISLATIVE OPERATING FRAMEWORK

The cabinet considered the closed information relating to this item. See item 15 for decision.

25. MULTI UTILITIES SERVICES COMPANY (MUSCO) COMMERCIAL PARTNER

The cabinet considered the closed information relating to this item. See item 16 for decision.

26. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - SOUTHWARK COMBINED HEAT & POWER FROM SELCHP: ADDITIONAL SERVICES CONTRACT

The cabinet considered the closed information relating to this item. See item 17 for decision.

27. DISPOSAL OF A PROPERTY IN THE SE1 AREA

The cabinet considered the closed information relating to this item. See item 18 for decision.

The meeting ended at 7.20pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, 2 FEBRUARY 2011.

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE, WITH THE EXCEPTION OF ITEM 20 (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.