



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 7 February 2012 at 4.00 pm at 160 Tooley Street, London SE1 2QH

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

There were no apologies for absence.

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

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

- Item 6 - Deputation request from Southwark Refugee Communities Forum
- Item 7 - Policy and resources strategy 2012/13 – 2014/15 – revenue budget
- Item 19 - Combined gateway 1 procurement strategy approval and gateway 2 contract award for integrated highways term contract

The following additional information was also circulated:

- Item 11 - Council plan interim performance report – Appendix A
- Item 13 - Livesey Museum update and options – revised recommendations

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Richard Livingstone declared a personal non-prejudicial interest in item 13, Livesey Museum Update and Options as he was a member of the 'Friends of the Livesey Museum'.

Councillor Fiona Colley declared a personal non-prejudicial interest in item 14, Peckham and Nunhead Area Action Plan Preferred Option as she lived and owns a property in the area covered by the action plan.

Councillor Ian Wingfield declared a personal non-prejudicial interest in items 13 and 14 as he was a member of the 'Friends of the Livesey Museum' and lived in the area covered by the action plan.

Councillor Abdul Mohamed declared a personal non-prejudicial interest in item 14 as he lived in the area covered by the action plan.

Councillor Barrie Hargrove declared a personal non-prejudicial interest in item 14 as he lived in the area covered by the action plan.

4. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

5. MINUTES

RESOLVED:

That the minutes of the meeting held on 24 January 2012 be approved as a correct record and signed by the chair.

6. DEPUTATION REQUESTS

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent as the request was received in line with the constitutional deadline for the receipt of deputation requests. Additionally the deputation request related to an item on the agenda for this meeting

RESOLVED:

That the deputation request from Southwark Refugee Communities Forum be heard.

The spokesperson addressed the meeting to ask that their request for funding from the community support programme be given careful consideration. He explained that the Forum is an umbrella organisation with a membership of 34 refugee community organisations and service providers and highlighted the likely impact upon Southwark Refugee Communities Forum and its members in 2012/13, should the funding that has

been requested not be secured.

7. POLICY AND RESOURCES STRATEGY 2012/13-2014/15 - REVENUE BUDGET

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the council had an obligation to set a lawful budget by the statutory deadlines and ensure all the necessary preparatory administrative and financial arrangements were in place prior to the next financial year. The council also required sufficient time to consider the implications of the government settlement on the budget proposals. Cabinet was also required to recommend a budget to council assembly for approval on 29 February 2012. All local authorities are required to set their council tax by 11 March 2012. Any delay to this date would mean the council would have to move its instalment date beyond 1 April 2012 resulting in loss of income to the council.

RESOLVED:

1. That it be noted that the budget principles agreed by cabinet on 21 September 2010, supported by the ten fairer future promises agreed by council assembly on 6 July 2011, have guided and underpinned the process for budget setting.
2. That it be noted that the final local government grant settlement for 2012/13 was announced on 31 January 2012 by the Department of Communities and Local Government (DCLG) with no changes from the provisional settlement.
3. That it be noted that the budget consultation on the three year budget 2011/12-2013/14 took place with residents and community groups from September 2010 to February 2011 and that the feedback from that consultation was given due consideration by cabinet for proposals for 2011/12 and indicative proposals for 2012/13.
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 Appendices C to E of the report.
5. That it be noted that the Greater London Assembly will set its precept on 9 February 2012, as described in paragraphs 218 to 220 of the report . It is expected that a 1% reduction will be announced, reducing a band D property from £309.82 to £306.72.
6. That it be noted that because government funding beyond 2012/13 is not known, and is unlikely to be announced until November 2012, the finance director proposes that a single year budget for 2012/13 only will be set. The report sets out changes that are likely to impact on 2013/14 and beyond, but at this stage cannot be quantified. Officers will report back at the earliest opportunity once any announcements are made.
7. That it be noted that the recommendations from the overview and scrutiny committee of 9 January 2012 are included as appendix F to the report.

8. That the need to use balances of £4.4m in order to support service delivery and deliver a balanced budget in 2012/13 be noted.
9. That the confirmation of the payment of New Homes Bonus to the Council in 2012/13, and that £1.5m is allocated to support General Fund services within the revenue budget proposals be noted.
10. That the need to absorb the impact of inflation within the cash limited budgets proposed within the report (with the exception of that which is contractually committed) as described in paragraphs 51 to 55 of the report be noted.
11. That it be noted that new commitments and growth of £10.865m is allocated in 2012/13 to support local needs and priorities.
12. That it be noted that the budget proposals include accepting the government's further council tax freeze grant for 2012/13.
13. That the medium and long term impact of accepting the council tax freeze grant on the council tax base, especially in the context of the grant being removed from 2013/14 be noted.
14. That it be noted that the finance director recommends the retention of contingency and maintenance of balances to mitigate the funding risks and risks inherent in achieving the high savings targets outlined in the report.
15. That a £1m community restoration fund be established for 2012/13 only, subject to the council assembly agreeing the revenue budget on 29 February 2011. Details of the fund are set out in paragraphs 145 to 171 of the report.
16. That the proposals in the report for a balanced budget based on a nil council tax increase for 2012/13 be agreed for recommendation to council assembly on 29 February 2012. Budget schedules are set out in Appendices A to E of the report.

8. REPORT FROM THE OVERVIEW AND SCRUTINY COMMITTEE: POLICY AND RESOURCES 2012/13 TO 2014/15 - PROVISIONAL LOCAL GOVERNMENT SETTLEMENT

The recommendations of the overview and scrutiny committee were considered in conjunction with the previous item.

9. QUARTERLY REVENUE MONITORING REPORT QUARTER 3, 2011/12, INCLUDING TREASURY MANAGEMENT

RESOLVED:

1. That the following be noted:
 - the general fund outturn forecast for 2011/12 and the forecast net movement in reserves;

- the housing revenue account's (HRA) forecast outturn for 2011/12 and resulting forecast movement in reserves;
 - the treasury management activity for the third quarter of 2011/12.
2. That the forecast performance for the council tax and business rates collection fund be noted.
 3. The general fund budget movements as shown in Appendix A of the report be approved.
 4. That the general fund budget movements in Appendix A of the report be noted.

10. QUARTERLY CAPITAL MONITORING REPORT QUARTER 3

RESOLVED:

1. That the addition of budgets into the programme, matched by additional funding secured since the last report to cabinet (Appendix C of the report) be approved.
2. That the current monitoring position for the general fund capital programme 2011-21 and housing investment programme 2011-16 as at 31 December 2011 (Appendices A, B and D of the report) be noted.
3. That the additions into the programme of budgets relating to existing cabinet decisions and the movement of existing schemes between departments (Appendix C of the report) be noted.
4. That the addition of £1.3m of additional Department of Education grant funding to the children's services capital programme be approved and £500,000 of this be allocated for the temporary expansion programme. The allocation of the remaining budget will be subject to a further report to cabinet.
5. That it be noted that the capital programme 2011-21 will be updated and presented to cabinet for approval in 2012/13 (paragraphs 59 to 60 of the report).

11. COUNCIL PLAN INTERIM PERFORMANCE REPORT

RESOLVED:

That the council plan interim performance report for 2011/12 be noted.

12. LAMBETH AND SOUTHWARK SHARED LEGAL TEAM PROPOSALS FOR THE WAY FORWARD

RESOLVED:

1. That the work that has been done on exploring shared legal services with Lambeth be noted.
2. That approval be given to the proposals detailed in this report to:
 - Establish a pilot joint litigation team with Lambeth under the leadership of Southwark's new head of litigation
 - Establish a joint regulatory and prosecutions team under the leadership of a Lambeth senior regulatory lawyer; and
 - Establish a pilot joint property team in Southwark.
3. That it be noted that following the success of the pilot to share a business manager with Lambeth that this will become a permanent arrangement under the new legal services structure.
4. That officers be instructed to continue to explore opportunities to develop shared legal services with Lambeth over the next year and report back to the cabinet on developments.

13. LIVESEY MUSEUM UPDATE AND OPTIONS

RESOLVED:

1. That officers be instructed to progress negotiations with the two leading bids for the Livesey building within the Objects of the Trust, as identified by the call for expressions of interest and subsequent assessment in October 2011, to ensure that bids meet with the requirements set out below:
 - Meet the original objectives of the trust, i.e. a free public library, or any other objectives of an educational or cultural nature, in keeping with the proposed amended charitable objectives
 - Are financially viable with secure and robust revenue arrangements as well as funding for any associated capital works that schemes may require
 - Are proven robust in the second round of financial assessment and organisation checks in March 2012.
2. That subject to a satisfactory outcome of detailed checks in January 2012, officers report back to cabinet on the outcomes of the negotiations with the preferred user and Charity Commission in April 2012.

14. PECKHAM AND NUNHEAD AREA ACTION PLAN PREFERRED OPTION

RESOLVED:

1. That the consultation report (Appendix B of the report), the consultation strategy (Appendix C of the report) and the consultation plan (Appendix D of the report) be noted.
2. That the interim sustainability appraisal (Appendix E of the report), the equalities impact assessment (Appendix F of the report), the appropriate assessment (Appendix G of the report) and the schedule of proposed changes to the proposals map (Appendix H of the report) be noted.
3. That the Peckham and Nunhead Area Action Plan preferred option (Appendix A of the report) be adopted for consultation.

15. DISPOSAL OF LAND AT COOPERS ROAD, LONDON SE1 (PHASE 4)

RESOLVED:

1. The head of property be authorised to dispose of the council's freehold interest in the land at the Coopers Road estate SE1 (the "Site"), as shown and highlighted in bold on the plan at Appendix 1 to the report to the Peabody Trust, or one of their associated companies, on the terms outlined in the closed version of the report.
2. The head of property be authorised to agree any minor variation to the terms of the sale, with the Peabody Trust, which may arise prior to the completion of the transaction.

16. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: INTEGRATED HIGHWAYS MAINTENANCE, PROJECT DELIVERY AND PROFESSIONAL SERVICES CONTRACT

RESOLVED:

1. That the procurement strategy outlined in the report for highway maintenance, design and professional services, project construction and delivery be approved.
2. That it be noted that at the same time as seeking tenders for services, the council continues to participate in the London Highway Alliance Contract (LoHAC) procurement process in order to identify the most economically advantageous option.
3. That the Gateway 2 decision for award of contract be agreed by cabinet.

19. COMBINED GATEWAY 1 PROCUREMENT STRATEGY APPROVAL AND GATEWAY 2 CONTRACT AWARD FOR INTEGRATED HIGHWAYS TERM CONTRACT

Note: This item is listed as item 19 of the agenda.

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent because the consideration of the report at this meeting of cabinet would permit the posting of the OJEU Notice on 14 March 2012. Unfortunately there was no flexibility within the procurement programme to accommodate any slippage. A delay in the posting of the OJEU Notice would result in delays in achieving the remaining procurement milestones and inability to have the new contract ready to commence 1 April 2013. The services delivered by the new contract include reactive maintenance activities in response to emergencies. There is currently no alternative provision for these services.

The closed version of the report was published on the closed agenda for this meeting on 30 January 2012. However due to an oversight the open version of the report was not submitted at the same time.

RESOLVED:

1. That the procurement strategy outlined in the report for the integrated highways term maintenance contract of entering into a single supplier negotiation with the current contractor in line with contract standing orders (CSO 4.4.3) be approved.
2. That the award of a contract to FM Conway Ltd ("FM Conway") for a period of nine months at an estimated cost as reported in the separate closed version of this gateway report be approved. The award will be effected by way of a variation to the existing contract. The new contract period will therefore run from 1 July 2012 to 31 March 2013.

EXCLUSION OF 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 (items 17 and 18) is a summary of the decisions taken in the closed section of the meeting.

17. DISPOSAL OF LAND AT COOPERS ROAD, LONDON SE1 (PHASE 4)

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

18. COMBINED GATEWAY 1 PROCUREMENT STRATEGY APPROVAL AND GATEWAY 2 CONTRACT AWARD FOR INTEGRATED HIGHWAYS TERM CONTRACT

The cabinet considered the closed information relating to this report. See item 19 above for decision.

The meeting ended at 5.42pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 15 FEBRUARY 2012.

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.