

Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 19 July 2016 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH.

PRESENT: Councillor Peter John OBE (Chair)
Councillor Stephanie Cryan
Councillor Fiona Colley
Councillor Maisie Anderson
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Johnson Situ
Councillor Victoria Mills
Councillor Mark Williams
Councillor Ian Wingfield

1. APOLOGIES

All members were present.

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

The chair gave notice of a late deputation request received from Southwark Defend Council Housing Group in respect of Item 16: Southwark Council's response to the key housing aspects of the Housing and Planning Act 2016. This request was considered for reasons of urgency as 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 items listed as closed business for the meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. PUBLIC QUESTION TIME (15 MINUTES)

No public questions were received.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 7 June 2016 be approved subject to the following amendment:

Item 22, Nominations to Panels, Boards and Forums 2016/17, appointments to SACRE: Councillor Maria Linforth-Hall's name should be substituted with Councillor James Barber.

7. DEPUTATION REQUESTS

The late deputation request had not been circulated five clear days in advance of the meeting. The chair agreed to accept as urgent because the request related to an item on the agenda for cabinet (Item 16, Southwark Council response to the key housing aspects of the Housing and Planning Act 2016).

RESOLVED:

That the deputation be heard.

The deputation addressed the meeting and outlined their concerns in respect of the Housing and Planning Act 2016 and the proposed mitigation measures set out in the cabinet report. The deputation felt that the Housing and Planning Act represents a devastating attack on social housing and tenants. The deputation submitted written comments setting out all the points raised in their deputation.

8. FGM - A REPORT FROM THE OVERVIEW AND SCRUTINY COMMITTEE

Councillor Jasmine Ali, chair of the education and children's services scrutiny sub-committee presented the scrutiny report to cabinet.

RESOLVED:

That the recommendations be noted and that the cabinet member for children and schools brings back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

9. A JOINT MENTAL HEALTH STRATEGY FOR SOUTHWARK

Councillors Jasmine Ali and Rebecca Lury, chairs of the education and children's services scrutiny sub-committee and healthy community scrutiny sub-committee respectively, presented this joint report to cabinet.

RESOLVED:

That the recommendations of the report be noted and that the cabinet members for adult care and financial inclusion and children and schools brings back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

10. COUNCIL PLAN ANNUAL PERFORMANCE REPORT 2015/16

RESOLVED:

1. That the council's performance over 2015/16 against the council plan 2014-2018 be noted.
2. That it be noted that a refreshed council plan 2014-18 will be considered by cabinet in September 2016.

11. LONDON LIVING WAGE SYMPOSIUM REPORT AND RECOMMENDATIONS

RESOLVED:

1. That the 'London Living Wage Symposium report' at Appendix 1 of the report be noted and endorsed, following the council's London Living Wage Symposium which took place in March 2016.
2. That the recommendations within the report that seek to contribute to a higher-wage economy, and specifically those recommendations for local government be noted and endorsed, which should:
 - Celebrate good practice in their local area and lead by example by becoming a Living Wage accredited employer
 - Make local arguments for pay and productivity, helping businesses to understand how they can gain more value from their workforce through a living wage policy
 - Align local skills with the productivity agenda, ensuring further and higher education provision is linked to employer need and demand
 - Join up pay campaigns with other cost of living issues, including housing.

12. REVENUE OUTTURN REPORT 2015-16, INCLUDING TREASURY MANAGEMENT

RESOLVED:

1. That the favourable general fund outturn position for 2015-16 of £679,000 be noted.
2. That the key adjustments and reserve movements included within this final position be noted including:
 - the use of £4.0m contingency to partially address cost pressures for both

- temporary accommodation and no recourse to public funds (NRPF)
 - the utilisation of the agreed £6.163m reserve movement to balance the 2015-16 budget
 - the planned use of departmental and corporate reserves of £15.443m to support service priorities, capital, regeneration, modernisation and other key projects
 - the treasury management position statement for 2015-16
 - the housing revenue account (HRA) outturn deficit position for 2015-16.
3. That the general fund budget movements that exceed £250,000, as shown in Appendix A of the report be approved.

13. CAPITAL OUTTURN REPORT FOR 2015-16 AND CAPITAL PROGRAMME REFRESH FOR 2016-17 TO 2024-25

RESOLVED:

1. That it be noted that during 2015-16 there was a capital investment in the borough of £70.66m for general fund and £243.6m for the housing investment programme (HIP). This represents a 44% increase in investment in housing when compared to previous years.
2. That the 2015-16 capital investment in delivering the fairer future promises set out in paragraphs 12-20 of the report be noted.
3. That for 2015-16, it be noted that the general and housing capital programmes has been fully funded from capital receipts, reserves, revenue, planned use of capital reserves, section 106 funds and external contributions. There was no additional borrowing required.
4. That the general fund capital programme for the period 2016-17 to 2024-25 total programme of £527.88m detailed in Appendices A and D of the report be noted. Resources of £98.31m to be identified to fund this programme over this period.
5. That the housing investment programme for the period 2016-17 to 2024-25 of £1,147.8m as detailed in Appendix B of the report be noted; and that work is ongoing to ensure this programme is fully funded.
6. That the virements and variations to the general fund and the housing investment capital programme as detailed in Appendix C of the report be approved.
7. That the re-profiling of the budgets in line with projected expenditure for future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D of the report be approved.

14. MAJOR WORKS STATUS REPORT INCORPORATING WARM, DRY AND SAFE

RESOLVED:

1. That the status of the housing investment programmes at the end of March 2016

with particular reference to achieving the Warm, Dry and Safe (WDS) standard be noted.

2. That the current warm, dry, safe (WDS) commitments and that the first year of delivering the kitchen and bathroom guarantee being delivered alongside the WDS investment be noted.
3. That it be noted that at the end of 2015/16 the housing stock stood at a 91.3% decency level. The pre-WDS figure was 56% in April 2010.
4. That it be noted that over 30,000 properties had received works or were in the process of receiving works to their homes or blocks at the end of March 2016 as part of the WDS programme.
5. That it be noted that over £130m of Greater London Authority (GLA) funding has been drawn down to help deliver the programme.
6. That it be noted this report will be sent to Home Owners' Council, Tenant Council and Future Steering Board following cabinet approval.

15. NEW HOMES DELIVERY PROGRAMME

RESOLVED:

1. That the progress at the end of May 2016 on the new build programme and the interim target to deliver 1,500 homes by 2018 be noted.
2. That it be noted that the business plan supports the delivery of 1,500 homes.
3. That a further paper be brought to cabinet later in autumn 2016 outlining options for the long term plan for the provision of homes as part of a refresh of the wider housing strategy.

16. SOUTHWARK COUNCIL'S RESPONSE TO THE KEY HOUSING ASPECTS OF THE HOUSING AND PLANNING ACT 2016

The cabinet expressed their opposition to the Housing and Planning Act 2016 and pledged their commitment to continue to campaign against this Act.

RESOLVED:

1. That Southwark Council's proposed mitigating actions in response to the Housing and Planning Act 2016 as set out in Appendix A of the report be agreed.
2. That the Southwark Housing and Planning Act communication and engagement plan as set out in Appendix B of the report be agreed.
3. That officers continue to identify opportunities to engage with local authorities, the Greater London Authority (GLA) and other partners to seek to mitigate the impacts of the Act on the council's investment plans.

4. That officers bring a report to cabinet in autumn 2016 setting out a refresh to the council's housing strategy.

17. APPROPRIATION OF LAND AT BOURNEMOUTH CLOSE FROM HOUSING TO PLANNING PURPOSES

RESOLVED:

1. That it be confirmed that the land edged black on the plan at Appendix 1 of the report that is currently held for housing purposes, is no longer required for those purposes.
2. 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 be approved.

18. MOTIONS REFERRED FROM COUNCIL ASSEMBLY 16 MARCH 2016

RESOLVED:

Building more affordable homes in Southwark

That the motion referred from council assembly as a recommendation to cabinet, set out below be agreed:

That council assembly:

1. Notes the escalating housing crisis in London and Southwark and the desperate need for more genuinely affordable housing for residents.
2. Further notes the negative impact that policies in the Conservative government's Housing and Planning Bill will have on the construction of new affordable homes and access to existing affordable housing. These policies include:
 - Extending the right to buy to housing association tenants.
 - Requiring councils to sell vacant high-value properties to fund the extended right to buy policy.
 - Introducing a 'Pay to Stay' scheme, where households with an income over £40,000 pay a higher rent to stay in their council or housing association home.
 - Forcing local authorities to reduce tenants' rents by £1 a week and thereby reducing the council's housing budget by £62.5m.
 - Extending the definition of 'affordable housing' to Starter Homes and requiring councils to promote them.
 - A reduction in the annual benefit cap for families to £23,000 in London making private rented housing even more unaffordable.

3. Acknowledges the steps the administration is taking in Southwark to solve the housing crisis, including building 11,000 new council homes over thirty years, the first 1,500 of which will be delivered by the end of 2018.
4. Condemns the previous Conservative/Liberal Democrat government for cutting the affordable housing grant by 70%, making it more difficult for councils to build much-needed affordable homes.
5. Believes that the scale of the housing crisis requires additional help from the Mayor of London to build new social rented housing in Southwark and other boroughs.
6. Calls on the cabinet to support plans for the future Mayor of London to:
 - support councils and housing associations to build homes for social rent
 - support councils to enforce clear, new rules to maximise the affordable housing in new developments
 - support Londoners struggling to rent private by providing Homes for London Living Rent and improving Londoners' experience of private renting by enabling London councils to strengthen renters' rights over tenancy lengths, rent rises, and the quality of accommodation
 - provide homes to buy for Londoners, including for first-time buyers, by building new homes on land owned by the Mayor and tying in long-term planning for new and affordable homes with new transport infrastructure, including the Bakerloo Line extension.

Transport improvements

That the motion referred from council assembly as a recommendation to cabinet, set out below be noted. Additionally, the recent motion agreed at council assembly on 13 July 2016 condemning Govia Thameslink Railway (GTR) for failing to provide an adequate and reliable service for passengers, believing that the government should strip GTR of its franchise and allow Transport for London to run the service also be noted.

1. That council assembly realises how essential good public transport is for residents in Southwark to carry out their day to day lives.
2. That council assembly recognises that transport fares are one of the biggest costs many households in the borough face.
3. That council assembly also is aware of the significant transport problems on trains across south east London, including overcrowding at London Bridge, Peckham Rye and Canada Water Stations, proposed ticket office closures, and unacceptable delays, cancellations and lack of capacity on the Govia Thameslink's Catford loop affecting passengers at Nunhead, Peckham Rye, Denmark Hill, and Elephant and Castle and reiterates its call for Transport for London (TfL) to run all rail services in south east London in order to have a properly integrated transport system.
4. That council assembly acknowledges this administration's commitment to prioritising sustainable journeys, including walking and cycling, to help minimise the

environmental impact of transport and make this borough a safer, cleaner and healthier place to live and work.

5. That council assembly believes that our city needs a Mayor who will stand up for Londoners and deliver affordable, reliable public transport, and therefore welcomes London Mayoral candidate Sadiq Khan's commitments to:
 - Freeze all TfL Underground, Docklands Light Railway and Overground and travelcard fares for four years, freeze bus fares following a first-year cut in fares, and introduce a one-hour bus ticket;
 - Push TfL to take on more London commuter rail services so that responsibility for all transport within London lies with the Mayor;
 - Ensure that London councils are given a central role in planning London's transport infrastructure;
 - Champion new measures to encourage cycling and walking and prioritise 'Quiet Ways' to broaden London's safe cycle network, completing the roll out of the existing town centre cycling improvement plans; and make it easier and safer for our residents to cycle around the borough.

19. GATEWAY 2: CONTRACT AWARD FOR THE PARKS GROUND MAINTENANCE SERVICE

RESOLVED:

1. That the award of the contract to maintain the council's parks and open spaces to Quadron Services Limited (QSL) commencing from October 2016 at an annual value £2,761,435 for a period of seven years with an option to extend for a period or periods of up to a further seven years making a total revenue value of £38,660,090 be approved.
2. That it be noted that QSL's tender assumes a capital cost of £1,179,748 in year 1 by the council for the purchase of capital equipment being vehicles and plant items for use in the contract for the initial seven year period as detailed in paragraphs 15-17 of the report.
3. That the delivery of the council's Fairer Future promise of increasing the number of Green Flags, as outlined in paragraph 18 of the report, will be delivered via the contract be noted.

20. DISPOSAL OF COUNCIL'S FREEHOLD INTEREST AT 99-161 ILBERTON ROAD, LONDON SE16 3JZ

RESOLVED:

1. That an option to acquire the council's freehold interest in land at 99-161 Ilderton Road (as shown hatched black in Appendix 1 of the report) to CB Southberm 2 Limited (CB) for residential development in accordance with the terms set out in the

closed cabinet report be granted.

2. That the head of property be authorised to negotiate and agree terms for the option agreement and subsequent development agreement with CB.

21. SALE OF 42 HARPER ROAD, LONDON SE1 6AD

RESOLVED:

1. The sale of the freehold interest in 42 Harper Road, London, SE1 6AD, (The Property) on the principal terms set out in the closed report be agreed.
2. That the director of regeneration be delegated authority to agree the detailed terms of the transfer.

22. KIPLING GARAGES, WESTON STREET SE1 - HOUSING GRANT

Cabinet noted, with regard to Appendix 1 of the report (a map), that this has since been updated.

RESOLVED:

1. That it be noted that officers have carried out a due diligence exercise on the Leathermarket Community Benefit Society in connection with the application for funding of a development of 27 new council funded homes at council rents on the Kipling Garages site and that this has informed the officer recommendation to cabinet.
2. That the Leathermarket CBS business plan be noted and that this shows a viable position over 30 years.
3. That the draft grant agreement attached to the report be agreed to enable the development of land on the Kipling estate, Weston Street, London SE1 ("the Property"), as shown edged in black on the plan attached at Appendix 1 of the report, by the Leathermarket Community Benefit Society Limited (CBS) to a maximum sum of £9,252,000.
4. That the director of regeneration be authorised to finalise the detail and enter into the housing grant agreement covering the development of the property. This is to include the insertion of clauses on letting the new homes at council rents, the council's normal policies on London Living Wage and social value through for example apprenticeships and requirements relating to the practice of blacklisting' as set out in the council's Fairer Future Procurement Strategy.
5. That it be noted that an interim payment of £347,997.60 was made to Leathermarket CBS in December 2015 to allow the development of the scheme to continue. This takes the total council funding (including S106) to £9,661,815.
6. That the release of £3,033,635.40 from the council's housing investment programme (HIP) as part funding of the scheme be authorised.

7. That it is intended that the council's planning committee will receive a report requesting the release of Section 106 monies to part fund 65 % of the scheme be noted.

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 closed part of the meeting.

23. GATEWAY 2: CONTRACT AWARD FOR THE PARKS GROUND MAINTENANCE SERVICE

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

24. DISPOSAL OF COUNCIL'S FREEHOLD INTEREST AT 99-161 ILBERTON ROAD, LONDON SE16 3JZ

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

25. SALE OF 42 HARPER ROAD, LONDON SE1 6AD

The cabinet considered the closed information relating to this item. Please see item 21 for decision.

Meeting ended at 6.05 pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 27 JULY 2016.

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.