

Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 16 July 2019 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

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.

Cabinet welcomed the council's new strategic director of environment and leisure, Caroline Bruce.

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

The chair gave notice of the following late items:

Item 7: Deputation requests

Item 24: Gateway 1 – Procurement Strategy approval for main works at Flaxyard and Peckham Library Square

Item 26: Policy and Resources Strategy: Financial Remit 2020-21.

Reasons for urgency and lateness will be specified in the relevant minutes.

STATEMENT ON THE COUNCIL'S POSITION ON BREXIT

Councillor Victoria Mills, cabinet member for finance, performance and Brexit made the

following statement to cabinet in respect of the council's position on Brexit:

"At a meeting of the cabinet on Tuesday 22 January 2019, cabinet agreed a motion which was referred from council assembly.

The motion from council assembly that was agreed by cabinet noted:

- Southwark's EU referendum result was one of the highest in the UK in favour of staying in the EU – 73% voted to Remain.
- The Government's own impact assessments show that the UK is likely to be worse off in every scenario after Brexit.
- A recent report by the Centre for Economic Performance at the London School of Economics noted that Inner London Boroughs like Southwark will be amongst those that will suffer the most from Brexit, of whatever variety.
- There are a large number of non-UK EU nationals living in Southwark who are concerned about the impact of Brexit on their lives, and that their current rights are not being fully protected.

Cabinet also agreed the following recommendations:

- a. Believes that the people of Southwark should have scrutiny of what is being negotiated on their behalf and an opportunity to vote either in a General Election, or failing that, a public vote on the final deal, including the option to remain in the EU.
- b. Supports all options remaining on the table in the event that a General Election is not called immediately, including formally adding its voice to those calling for a public 'People's Vote' on the final Brexit deal.
- c. Asks the three Members of Parliament that represent Southwark to publicly support a 'People's Vote' before any version of Brexit is implemented in the event that a General Election is not called immediately.

In the six months since we agreed the motion, a general election has not been called, and it therefore it is the policy of this council to support a public vote on any final deal and ask that this be formally noted by cabinet.

Given the overwhelming support from Southwark residents to remain, and the harm that leaving the EU would cause to Southwark, it should be formally noted that this administration's policy is that the UK should remain in European Union."

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

Councillor Rebecca Lury declared a non-pecuniary interest in respect of item 23: The Old Vic Annex and confirmed her intention to refrain from the discussion and decision making on this item (as the report nominated her as an appointee to the Old Vic Board of Trustees).

Councillor Evelyn Akoto declared a disclosable pecuniary interest in respect of item 14: Southwark Heat Networks Strategy update and confirmed her intention to withdraw from the meeting and leave the meeting room when this item was being discussed.

5. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

6. MINUTES

RESOLVED:

That the minutes of the open section of the meeting held on 18 June 2019 be approved as a correct record and signed by the chair.

7. DEPUTATION REQUESTS

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

RESOLVED:

That the deputation be heard.

The spokesperson for the deputation addressed the meeting to outline a number of issues impacting residents in respect of heating as follows:

- The costs of leaks and remedial work for homeowners. Large bills had been received with no breakdown in costs (sometimes amounting to a large proportion of annual salary)
- Queried whether Southwark is a member of the Heat Trust
- Extent of the work required to rectify issues and associated costs
- Claimed no guarantee for completed works, which represented a substantial financial investment by homeowners.

These representations were made as cabinet considered an item elsewhere on the agenda at item 14: Southwark Heat Networks Strategy update.

Councillor Kieron Williams, cabinet member for housing management and modernisation, responded saying he was happy to meet with representatives and discuss in detail all the relevant issues affecting the residents.

8. LEDBURY TOWERS UPDATE

RESOLVED:

Decisions by the Cabinet

1. That the latest position with the Ledbury Towers be noted.
2. That the final report due from Arup on the investigations be published upon receipt.

Decision by the Leader of the Council

3. That any actions required by Southwark Council in response to the Arup report be delegated to the cabinet member for housing management and modernisation.

9. BOROUGH EMERGENCY PLAN 2019

RESOLVED:

That the annual review of the generic borough emergency plan be agreed.

10. COUNCIL PLAN ANNUAL PERFORMANCE REPORT 2018-19

RESOLVED:

That the council's performance over 2018-19 against the Council Plan 2018-2022 be noted.

11. MID-TERM REVIEW - CULTURAL STRATEGY 'CREATIVE SOUTHWARK 2017 TO 2022'

Decision by the Cabinet

1. That the mid term review of Creative Southwark: Cultural Strategy 2017 to 2022 be considered and the achievements and emerging priorities including the proposal for the development of London's First Cultural Compact be noted.

Decision by the Leader of the Council

2. That authority to agree the details of the proposed Southwark Cultural Compact be delegated to the deputy leader and cabinet member for culture, leisure, equalities and communities.

12. RESPONSE TO RECOMMENDATIONS FROM COMMUNITY SAFETY SCRUTINY COMMISSION REPORT, VIOLENCE AGAINST WOMEN AND GIRLS (VAWG) SCRUTINY REVIEW

RESOLVED:

That the response to the violence against women and girls (VAWG) scrutiny recommendations as set out in Table 1 of the report be noted.

13. VIOLENCE AGAINST WOMEN AND GIRLS STRATEGY

RESOLVED:

1. That the violence against women and girls (VAWG) strategy set out in Appendix 1 of the report be approved.
2. That it be noted that the current domestic abuse strategy remains in place as a standalone strategy until 2020 at which point the domestic abuse strategy will be reviewed. This acknowledges that while the majority of domestic abuse survivors are women and girls, men and boys can also be victims.
3. That the link between this strategy and the councils work on hate crime and other key areas such as the needs of the lesbian, gay, bisexual, and transgender (LGBT) community be noted.
4. That it be noted that this strategy will be reviewed annually to ensure that it aligns and compliments other existing council strategies.

14. SOUTHWARK HEAT NETWORKS STRATEGY UPDATE

Councillor Evelyn Akoto having declared a disclosable pecuniary interest in this item, left the meeting room while this item was being discussed and a decision made.

RESOLVED:

Decisions the Cabinet

1. That the action being taken to address the causes of major heating outages that occurred during winter 2018-19 (paragraphs 33-35 of the report) as well as the update on the delivery of the council's 2017-20 District Heating Investment Plan (Appendix 3 of the report) be noted.
2. That £490,000 be invested in developing low carbon heat networks to serve council (and wider) homes in Southwark. This will fund the detailed technical and financial viability and development plan work needed to advance the extension of the South East London Combined Heat and Power (SELCHP) network and to develop renewable heat networks on council estates as well as work needed to improve the council's heat networks data and management processes (as summarised in paragraphs 92-108 and 153-165 and Appendix 2 of the report).

3. That a Southwark Heat Networks Strategy, setting out the approach the council will take to improve and extend heat networks in the borough so more households have access to reliable, affordable and sustainable heat, and an accompanying Heat Networks Investment Plan be brought to cabinet in March 2020 for approval.
4. That the establishment of a heat networks governance board as described in paragraphs 197-199 of the report to drive forward this work and ensure that issues of compliance, maintenance, resident engagement and investment strategy receive sufficient scrutiny and are resolved efficiently be agreed.
5. That the establishment of a heat networks residents & homeowners working group as described in paragraphs 200-206 of the report, made up of representatives of council residents, homeowners and tenant management organisations, to provide feedback and advice on the management of council's existing district heating systems and the development of new systems and of the wider Southwark Heat Networks Strategy be agreed.
6. That the conversion of the fixed term strategic project manager (heat networks) into a permanent role and creation of a two year heat networks officer to take forward the development and delivery of the council's heat networks strategy, which is known to require several years be noted.
7. That the Heat Networks (Metering & Billing) Regulations and potential upcoming heat market regulation (see paragraphs 169-180 of the report) that could have significant financial and procedural impacts on the council be noted and that an update on the status of such regulations and the council's position within 12 months be requested.

Decision by the Leader of the Council

8. That the procurement strategy and award decisions relating to the renewable heating systems discussed in paragraphs 91-96 and 153-159 of the report be delegated to the cabinet member for housing management and modernisation for individual decision making (IDM).

15. INTERMEDIATE RENT HOUSING LIST - FEEDBACK ON THE CONSULTATION AND AGREEING THE NEXT STEPS

RESOLVED:

Decisions by the Cabinet

1. That plans to introduce an intermediate rent housing list be continued.
2. That the outline eligibility criteria and priority system for the new intermediate rent housing list, based on the feedback from the consultation with residents and other stakeholders (as set out in paragraphs 20-37 of the report) be agreed.

Decision by the Leader of the Council

3. That authority to agree the final design of the scheme, once the London Plan has been adopted (given the issues detailed in paragraphs 38-45 of the report) be

delegated to the cabinet member for housing management and modernisation, in consultation with the strategic director for housing and modernisation

16. SOUTHWARK WORKFORCE STRATEGY REFRESH 2019-2022

RESOLVED:

1. That progress against the workforce strategy as agreed by cabinet in November 2016 be noted.
2. That the refreshed vision, outcomes and deliverables contained in the workforce strategy be agreed.
3. That it be noted that following the agreement to the workforce strategy refresh, programme of work phased over the three years of the strategy will be developed, and reported back to cabinet annually as part of the equalities workforce report reporting cycle.

17. PROGRAMME TO DELIVER 500 PAID INTERNSHIPS

RESOLVED:

Recommendations for the Cabinet

1. That the Paid Internship Programme as set out in the report be approved.
2. That an update on the programme be included as part of an annual outcomes report on making Southwark a full employment borough.

Recommendation for the Leader of the Council

3. That decision making in regards the various elements of the programme be delegated to the cabinet member for jobs, business and innovation.

18. RESPONSE TO RECOMMENDATIONS FROM THE REDUCING HEALTH INEQUALITIES THROUGH COUNCIL SERVICES AND PARTNER ORGANISATIONS FROM THE HEALTHY COMMUNITIES SCRUTINY COMMISSION

RESOLVED:

That the proposed response to the healthy communities scrutiny commission's report on reducing health inequalities through council services and partner organisations be agreed, and that the progress in taking forward the recommendations be noted.

19. THE IMPLEMENTATION OF FREE HEALTHY NURSERY MEALS

RESOLVED:

1. That the implementation model for free healthy nursery meals (FHNM) in all maintained nurseries and nursery classes within primary schools in Southwark be agreed.
2. That it be noted that work will be taking place alongside the introduction of free healthy nursery meals to support nurseries and schools to provide a healthier offer. This will include the introduction of water only policies and a reduction in sugary desserts.
3. That a report back in twelve months' time to provide an update on free healthy nursery meals (FHNM) and the impacts be received by cabinet.

20. ACQUISITION OF SITE FOR NEW AFFORDABLE HOUSING: FORMER BOYS CLUB HAWKSTONE ROAD ROTHERHITHE SE16 2PE

RESOLVED:

1. That pursuant to s120 of the Local Government Act 1972 and s9 of the Housing Act 1985, that the council be authorised to acquire the freehold interest in the property shown edged red on the plan at Appendix A of the report.
2. That the principal purchase terms set out in full in paragraph 4 of the closed version of the report and substantially in paragraph 15 of this report be authorised.
3. That authority to agree detailed terms of the acquisition be delegated to the director of regeneration.

21. OLD KENT ROAD PLANNING AND REGENERATION UPDATE

RESOLVED:

That it be agreed:

1. To pilot a community review panel in the Old Kent Road.
2. That the design review panel will review the Old Kent Road Area Action Plan (AAP).

That the following be noted:

1. The progress of community engagement and responses to the evolution of the Old Kent Road Area Action Plan (AAP) and Old Kent Road community forums.
2. The consultation summary (Appendix A of the report) and consultation report (Appendix B of the report).
3. Progress on a public realm strategy for the proposed linear park and Frensham

Street Park.

4. That officers will establish the Old Kent Road community review panel for reviewing planning applications in the Old Kent Road opportunity area.
5. That officers have instructed Hale Architecture to review and advise the council on proposed industrial development design and specifications.
6. That officers will update and include more detailed guidance in the AAP and develop a ground floor strategy, and further detail on tall buildings and industrial workspace design specifications.
7. Progress on making the Old Kent Road a Healthy Street and addressing the climate change emergency.

22. REPORT AND RECOMMENDATIONS OF THE SOUTHWARK SERIOUS YOUTH VIOLENCE PANEL

RESOLVED:

1. That the work of the cross party panel on serious youth violence, appended to the report be welcomed.
2. That the recommendations from the serious youth violence panel be accepted and that officers be instructed to report back to cabinet with a more detailed council wide delivery plan that also incorporates the findings of the Southwark Learning review on violence and vulnerability.
3. That the cross party panel on serious youth violence reconvenes in January 2020 to review progress with the recommendations.

23. THE OLD VIC ANNEX

Councillor Rebecca Lury having declared a non-pecuniary interest in respect of this item, refrained from the discussion and decision making.

RESOLVED:

1. That the draft Head of Terms and finance arrangements for the loan of £3,750,000 to enable The Old Vic to expand their footprint to build a new community cultural hub for the theatre called The Annex, to open in 2022 that will provide a permanent home for the community to train, learn, connect and enjoy be approved.
2. That the community benefits programme offered by The Old Vic and the anticipated positive impact on Southwark residents be noted.
3. That it be noted that in recognition of the geography of The Old Vic building and its catchment area The Old Vic are in parallel discussions with Lambeth Council about a similar arrangement due to the associated social value.
4. That it be noted that to protect and oversee the council's financial investment in the

Annex, Southwark will seek a nomination to the Old Vic Board of Trustees. The council has nominated the cabinet member for culture, leisure, equalities and communities. The nomination will be reviewed on an annual basis.

5. That powers to negotiate and agree the final terms relating to the financial arrangements be delegated to the strategic director of finance and governance in consultation with the cabinet member for finance, performance and Brexit and the cabinet member for culture, leisure and communities.

24. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL FOR MAIN WORKS FOR FLAXYARD AND PECKHAM LIBRARY SQUARE

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the report as urgent in order to maintain the delivery timetable of the council's new homes programme. Another key driver was the need for Peckham Platform who will be taking the gallery space at the Peckham Library Square site to draw down their Art Council grant for the fit out of the new gallery by April 2021. If there was a delay to gateway 1 being presented to cabinet for the main works contract, this would have a serious impact upon the delivery timescales.

RESOLVED:

Decisions by the Cabinet

1. That the procurement strategy outlined in the report for a design and build contract through the Notting Hill Genesis (NHG) framework for the construction of new homes at Flaxyard and Peckham Library Square commencing on 27 January 2020, at an estimated value of £38.2m (which includes the cost of any pre-construction services agreement - PCSA) for a period of 2 years, or until the main works complete, be approved.
2. That it be noted that the total project funding requirement at an estimated value of £42.5m will be met through Greater London Authority (GLA) grant and the housing investment programme (HIP) resources and the financial assumptions underpinning this investment as outlined in paragraph 75 of this report.

Decisions by the Leader of the Council

3. That the award decision outlined in the report for the design and build contract and a PCSA for Flaxyard and Peckham Library Square be delegated to the strategic director of housing and modernisation in consultation with the cabinet member for social regeneration, great estates and new council homes.

25. NEW HOMES SITE PURCHASE, SE15

RESOLVED:

1. That pursuant to s120 of the Local Government Act 1972 and s9 of the Housing Act 1985, the acquisition of the freehold interest in the site identified in the closed version of this report be authorised.

2. That the principal purchase terms and negotiating parameters set out in paragraph 14 of the closed version of this report and outlined in paragraph 14 of the open report be authorised.
3. That authority to agree the final terms of the acquisition provided they are not inconsistent with the principal terms and negotiating parameters and satisfy the council's fiduciary duty be delegated to the director of regeneration in consultation with: the strategic director of housing and modernisation; the strategic director of finance and governance; and, the cabinet member for social regeneration, great estates and new council homes.

26. POLICY AND RESOURCES STRATEGY 2020-21: SCENE SETTING REPORT

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept the report as urgent because each year, the council updates a detailed policy and resources strategy covering, as a minimum, the following financial year. The report initiates the 2020-21 to 2022-23 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 2020.

RESOLVED:

That the following be noted:

1. That Government has stated its intention to announce and then publish a Spending Review to take place in 2019 to determine resources available for the period from 2020-21 and that there is now lack of clarity as to whether that review will extend beyond one year.
2. That the progress on government's fair funding review and its potential impact on London Councils remains unclear and in any event cannot be exemplified until the outcome of the spending review is complete.
3. That the Government has also stated its intention to implement a redesign of the Business Rates Retention System based on 75% retention with effect from April 2020, set alongside a reset of business rate baselines.
4. That there remains no confirmation of key components of government's funding of councils and especially the future of the Better Care Fund, Improved Better Care Fund and New Homes Bonus.
5. That the long awaited government green paper on funding adult social care is still not published.
6. That there remains no confirmation of changes to the funding of new burdens and other demand pressures including children's social care, dedicated schools grant (DSG) high needs costs and impacts of welfare reform.
7. That 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.

8. That Government decision taking and policy decisions insofar as they impact on local government remain unclear, specifically in the context of the election of a new leader of the Conservative Party, to take over as Prime Minister in late July.
9. That funding uncertainties make any meaningful financial planning extremely challenging, with a range of potential scenarios suggesting a funding gap in 2020-21 of anywhere between £4m and £32m, with the range of potential outcomes increasing widely beyond 2020-21 (paragraph 53 of the report) and that, subject to the inherent uncertainties, the central forecast indicates a potential budget gap of £18.9m in 2020-21.
10. That the central budget forecast is based on the following assumptions:
 - the impact of Spending Review and the Fair Funding Review will be neutral
 - the major grant funding sources, i.e. Public Health Grant, Better Care Fund, Improved Better Care Fund, Social Care Grants and New Homes Bonus will continue at 2019-20 levels
 - resetting the Business Rate Baseline will significantly impact those authorities that have experienced the greatest growth since inception of the existing BRR system in 2013-14; Southwark is forecast to lose up to £12.5m
 - subject to further analysis, net inflation and pay award pressures of £8.6m have been assumed
 - increased debt financing costs arising from the capital programme of £3m per annum
 - growth generated from increased homes and business rate yield of £4.7m
 - retaining the contingency of £4m within the overall budget to support in year cost pressures
 - full utilisation of the business rate risk reserve over three years to mitigate the impact of business rate reset.
11. That the strategic director of finance and governance with the support of other strategic directors and their terms will prepare a one year budget for 2020-21 based on cash-limiting departmental budgets at 2019-20, setting out the risks of this approach and how these risks will be managed.
12. That the strategic director of finance and governance will seek to prepare with other officers indicative savings options and commitments for 2021-22 and 2022-23 as part of the risk mitigation required to support this approach.
13. That further reports be received by cabinet in the autumn as further funding information becomes available and as budget plans for 2020-21 become available.
14. That, cabinet review the Fairer Future Budget Principles and, if required refresh these as part of the development of budget plans for 2020-21.
15. That in the event of clarity of government funding looking forward, the council will need to establish medium term budget plans, reviewing any decisions previously taken.

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 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.

27. MINUTES

The closed minutes of the meeting held on 18 June 2019 be approved as a correct record and signed the chair.

28. ACQUISITION OF SITE FOR NEW AFFORDABLE HOUSING: FORMER BOYS CLUB, HAWKSTONE ROAD, ROTHERHITHE, LONDON SE16 2PE

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

29. NEW HOMES SITE PURCHASE, SE15

The cabinet considered the closed information relating to this item. Please see item 25 for the decision.

The meeting ended at 6.16pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 24 JULY 2019.

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.