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CABINET

22 FEBRUARY 2021

(7.15 pm - 7.58 pm)

PRESENT: Councillors Councillor Mark Allison (in the Chair), Councillor Agatha Mary Akyigyina, Councillor Mike Brunt, Councillor Tobin Byers, Councillor Caroline Cooper-Marbiah, Councillor Rebecca Lanning, Councillor Owen Pritchard, Councillor Marsie Skeete, Councillor Eleanor Stringer and Councillor Martin Whelton

ALSO PRESENT: Councillors Nigel Benbow, Daniel Holden, Peter Southgate and David Williams MBE JP

Ged Curran (Chief Executive), Hannah Doody (Director of Community and Housing), Caroline Holland (Director of Corporate Services), Chris Lee (Director of Environment and Regeneration), Louise Round (Managing Director, South London Legal Partnership and Monitoring Officer), Octavia Lamb (Policy and Research Officer (Labour Group)) and Louise Fleming (Democracy Services Manager)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

There were no apologies for absence received.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION: BUDGET AND BUSINESS PLAN 2021-25 (Agenda Item 3)

At the invitation of the Chair, Councillor Southgate, Chair of the Overview and Scrutiny Commission presented the reference report which set out the recommendations of the Commission and the Scrutiny Panels following the third round of budget scrutiny which had taken place in February 2021. He highlighted the appreciation of the efforts of all staff in the course of the pandemic and acknowledged the difficult period for all, with many uncertainties remaining and no resolution to the issue of funding adult social care and the reform of business rates. In the event that the final tranches of compensation for lost fees and charges were paid; and the Dedicated Schools Grant deficit issue was resolved by the Department for Education, these would both improve the financial position of the Council and enable it to pay back some of the reserves used to balance the budget in future years.

Councillor Southgate acknowledged that there would be a long term physical and mental impact from the pandemic on the most vulnerable residents. This had

exacerbated the inequalities between the east and west of the borough and this would create increased demand on council services which would have to be reflected in any adjustments to the medium term financial strategy. He endorsed the call of the Local Government Association to the Government to properly fund the pandemic not just in this year but extended into next year.

Councillor Southgate concluded by thanking the Director of Corporate Services and her staff for all their work on producing the draft budget.

The Chair thanked Councillor Southgate for his presentation and thanked the efforts of all the scrutiny Members. He suggested that both items be taken together, to enable the Cabinet and officers to respond to all the points raised and the summary of the remaining discussion is set out under item 4 below.

RESOLVED:

1. That the recommendation made by the Overview and Scrutiny Commission (set out in paragraph 2.4 of the Cabinet report) and the outcomes of consideration by the Overview and Scrutiny Panels (set out in Appendix 1 of the Cabinet report) be taken into account in taking decisions relating to the Business Plan 2021-25.

4 BUSINESS PLAN 2021-25 (Agenda Item 4)

The Cabinet Member for Finance began by thanking the Director of Corporate Services and her staff for preparing the draft business plan, particularly in a period of such uncertainty with a number of late announcements on funding. He thanked Councillor Southgate and all the scrutiny Members for their flexibility in scrutinising the draft budget and savings proposals.

The Cabinet Member highlighted the main points for consideration and advised that the financial position was slightly better than it had been at the end of 2020, in part due to a slightly better than expected Government grant and a number of one-off grants which had reduced the overall level of savings required to balance the budget for 2021/22. However the longer term picture remained uncertain due to the projected impact of the pandemic into 2023/24, with a reduced council tax base and difficulty in forecasting business rates at a time of much uncertainty for businesses. The gap in 2021/22 had only been met by several million pounds of savings, a proposed council tax increase at the maximum level and the levying of the Adult Social Care precept. It was unfortunate that at a time of hardship for many, the Government was forcing local authorities to both cut services and raise council tax by not properly funding councils through the pandemic.

The Cabinet Member addressed the recommendations of scrutiny panels, welcoming the hard work of all members of staff and supported the spirit in which the recommendations had been made. Although not a panacea, digital solutions would be explored where possible. He advised that the review of the learning disability day care offer was driven by a desire to transform services rather than make savings, however the challenges faced by vulnerable users would be considered as part of any consultation. He thanked Councillor Southgate for his positive reference made at

the Commission and highlighted that the future financial position of the Council was dependent on the funding decisions made by the Government.

The Director of Corporate Services drew the Cabinet's attention to section two of the report which set out the issues already highlighted and the changes since the previous version of the draft business plan in January. The report included the positive assurance statement of the s151 officer required under s25 of the Local Government Act 2003 and the worst case scenario in respect of the Council's reserves and advised that work was on going to address the deficit in the Dedicated Schools Grant. The gap in 2022/23 had come down from £5.9m to just under £3.9m, which increased to £11m in 2023/24 so the work to understand the impact of Covid on the Council and the local economy would continue. A number of figures were awaited and if received these would be updated for the Council meeting on 3 March.

The Chair thanked the Director for her detailed presentation and to her team for their work on the draft budget.

The Cabinet Member for Adult Social Care and Public Health thanked the Members of the Healthier Communities and Older People Overview and Scrutiny Panel for their work and discussion on the proposed modernisation of the learning disabilities day care offer and work was ongoing to engage and consult with service users access over an extended period of time on the types of services they wished to access, with the proposed saving coming into effect in 2022/23.

The Director of Community and Housing reaffirmed the commitment to an extensive engagement programme with service users, extending into the summer. It was important to understand the impact of Covid on the borough's residents with learning disabilities.

The Joint Deputy Leader and Cabinet Member for Children and Education thanked all involved and spoke about the impact of Covid on the borough's children and the work being carried out to ensure all had the same access to education and children's services. The draft business plan set out the Council's approach to supporting vulnerable children and families with the resource's available to it, although much was dependent on Government support.

The Joint Deputy Leader and Cabinet Member for Performance, Recovery and the Local Economy thanked the Chair of the Overview and Scrutiny Commission for the reference report. The impact of Covid had been particularly difficult after a decade of Government austerity had decreased resilience and the cuts proposed were in response to the Government's response to Covid. He thanked all the officers involved for their work on presenting a balanced budget and the work being done on supporting the local economy.

The Chair thanked all for their contributions and highlighted the need for everyone to work together to recover from the pandemic and support local residents.

The Cabinet Member for Finance reiterated the earlier points and highlighted the importance of the scrutiny process, and recommended the report for endorsement by the Cabinet.

RESOLVED:

1. That the response to the Overview and Scrutiny Commission be agreed;
2. That having considered all of the information in the Cabinet report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed Council Tax strategy, the maximum Council Tax in 2021/22, equating to a Band D Council Tax of £1,340.72, which is an increase of below 5% be approved and recommended to Council for approval.
3. That all of the latest information and the comments from the scrutiny process be considered, and recommendations be made to Council as appropriate.
4. That the Business Plan 2021-25 including the General Fund Budget and Council Tax Strategy for 2021/22, and the Medium Term Financial Strategy (MTFS) for 2021-25 as submitted, along with the draft Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;
5. That having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy (Section 4) as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
6. That it be noted that the GLA precept will not be agreed by the London Assembly until the 25 February 2021, but the provisional figure has been incorporated into the draft MTFS.
7. That officers be requested to review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date.
8. That it be noted that there may be minor amendments to figures in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March.
9. That the Risk Management Strategy be approved.