The Chair announced that after the standard business items he would take items 17
7 first.

Item
No.

1 Apologies for Absence

Apologies for absence were presented on behalf of Councillors Christine Grice, Denise Hyland and Miranda Williams.

2 Urgent Business

There were no items of urgent business.
3 Declarations of Interest

Resolved -

That the list of Councillors’ Membership, as Council appointed representatives, on outside bodies, joint committees and School Governing bodies be noted.

4 Minutes

Resolved -

That the Minutes of the meeting of the Cabinet held on 23 January 2019 be agreed and signed as a true and accurate record.

5 Determination of Admission Arrangements for Royal Greenwich Schools for the 2020/21 Academic Year

The report was presented by the Director of Children’s Services.

Cabinet

Resolved –

That it be agreed to determine the Royal Borough of Greenwich admission arrangements for all mainstream community and voluntary controlled nursery, primary and secondary schools, including Post 16, for the 2020/21 academic year as set out in Appendix A; and

That it be agreed to participate in the Pan London co-ordinated admission system for Reception and Year 7 for the 2020/21 academic year as set out in Appendix B.
6  **Housing Revenue Account 2019/20 Budget, Rent and Service Charge Setting**

The report was introduced by the Assistant Director Repairs and Investment.

Cabinet

**Resolved –**

That the Housing Revenue Account (HRA) budget proposals detailed in the report be noted.

That the requirement to decrease rents by 1% for each of the 4 years commencing from April 2016 be noted, in line with the Government’s rent reduction policy as detailed in section 4.1.

That the overall reduction in the average weekly charge by £0.89 per week be noted.

That the variances in section 5 and the resulting balanced HRA 2019/20 budget position in section 5.1, Table 2 be noted.

That it be agreed to apply full cost recovery on Tenant Service Charges as detailed in 4.1.

That it be agreed, with effect from 1 April 2019, the resulting average rent in Table 1, including the separation of a service charge as agreed by the Cabinet in December 2016.

7  **Development of the former Royal Hill Police Station Car Park**

The report was presented by the Director of Regeneration, Enterprise and Skills who highlighted and amendment to paragraph 4.6 of the report which should read:

“During the previous planning applications residents of the adjacent property named Linear House claimed a Right of Way across the site for the purpose of a means of access and escape. The claim was challenged by the Council and the claim was subsequently withdrawn. This report notes that a fence is to be erected to secure the site boundary in the location of the right of way claim.”
The Director Regeneration, Enterprise and Skills summarised the details of the decisions to be taken and stated that the Capital Receipts from the future sale of the Ashburnham Grove site would support the Royal Hill development.

In addressing the meeting, a local resident explained that over 220 local residents had signed a petition to stop the closure of the community garden. She described the community garden as a vibrant dynamic space which had the support of all Greenwich residents and asked that Members delay the decision until further consultation had taken place. She stated that clearing the site before the feasibility study took place would be premature.

The Local resident stated that the cost of refurbishing the existing Ashburnham Grove site should be investigated further, as the Royal Hill site was both unknown and not suitable. She added that the costs for the architectural and feasibility work were significant and a large use of use of public funds prior to any care home being built. She stated that the community wanted to work with the Council and requested the decision be deferred until further consultation.

In addressing the meeting, Councillor Sizwe James, the Cabinet Member for Growth and Strategic Development stated it was with regret that the community garden had to be closed however, the aim was to incorporate a community element on the new site. He added that the Council was committed to consulting with residents and the decision was just the first step in securing funding.

In addressing the meeting, the Director of Regeneration, Enterprise and Skills stated that for the feasibility study and the required work to take place there was a need to clear the community garden.

In addressing the meeting, Councillor David Gardner, the Deputy Leader of the Council confirmed that the Ashburnham Grove site was not in good condition and the cost of refurbishing was significant. He stated the Development of the former Royal Hill Police Station Car Park presented the best opportunity to move residents to a site nearby and keep friendship groups together and close by.

Cabinet

Resolved -
That it be agreed that feasibility work is undertaken on the former Royal Hill police station car park site, to look to develop a scheme for adults with learning difficulties.

That a feasibility budget of £175k be agreed to undertake the design work and the necessary site surveys to complete the detailed planning application and for the Required Party Wall surveys, notices and building monitoring for the said site investigation work.

That it be noted that a scheme and estimate report will be presented to the Lead Member once the detailed design has been completed and a potential scheme has been designed.

That it be noted that the existing community garden unlawfully setup on the site will be cleared to undertake site surveys and construction.

That it be noted that a fence will be erected on the site to conclude a claim over right of way and to ensure site boundaries are clear.

That the disposal of Ashburnham Grove site subject to the feasibility of the development of the former police station car park be agreed.

That it be agreed to delegate authority to agree detailed terms for the disposal of Ashburnham Grove to the Director of Regeneration, Enterprise and Skills.

That it be agreed to treat the information presented at Exempt Appendices A and C as exempt under the provisions of the Local Government Act 1972, Schedule 12A, paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

That it be agreed that the exempt information, presented at Exempt Appendices A and C is not subsequently released to the press or public.
8 Extension of the Term Contract for Highway Works

The report was presented by the Director of Regeneration, Enterprise and Skills.

Cabinet

Resolved –

That it be agreed to approve a modification to the existing Term Contract for Highway Works 2014 – 19 (the “Contract”) with JB Riney & Co Ltd (“Riney”), by extending the contract for a fixed two-years based on the performance, value for money and social value offered by the contractor, as set out in this report.

That it be noted that the contract was let for an initial period of five years at a contract value of £45-50m, with an option to extend annually for three years, at the sole discretion of the Council.

That it be noted that extending the contract for a fixed period of two years would provide the Council continuity of highway contracting services until 31 March 2021. In spring / summer 2020 a decision would then be made to either i) adopt the new Transport for London (TfL) pan London contracts (in whole or in part); ii) extend the Contract for a third and final year or iii) to commence a new highway contract procurement exercise.

That it be noted that the value of works during the fixed two-year term extension is anticipated to be in the region of £16-20m, with individual call-offs subject to separate decisions.

9 New Council Housing Delivery Programme

The report was presented by the Director of Regeneration, Enterprise and Skills and the Assistant Director Repairs and Investment.

In addressing the meeting, Councillor Chris Kirby, the Cabinet Member for Housing stated the decision was a testament to the hard work of Councillors and officers and was a radical change to the delivery of housing in the Borough.
Resolved –

That it be agreed to review the assessment of the five sites contained within appendix one of this report, and approve their inclusion in the new council housing delivery programme.

That it be agreed to approve the funding profile required to deliver the new council housing delivery programme, as detailed below.

- HRA Capital Resources: £22.2m
- Right To Buy (RTB) Receipts: £43.4m
- GLA Grant: £32.6m
- HRA Borrowing: £142.0m

That it be agreed to note the procurement process for contractors and employers agent, to deliver the Building Council Homes for Londoners programme.

That it be agreed to delegate to the Director of Regeneration, Enterprise and Skills authority to award contracts, following the procurement process, under this programme.

That it be agreed to funding as below, in addition to 1.2, to create a development budget for the acquisition of development opportunities which will contribute to the provision of new council housing as follows:

- HRA Borrowing of up to £58.0m
- RTB Receipts of up to £24.8m

That it be agreed to delegate to the Director of Regeneration, Enterprise and Skills in consultation with the Leader, Cabinet Member for Housing and Director of Finance, authority to make acquisitions under the development budget, subject to any proposal producing a business case demonstrating financial viability within the HRA 30 year business plan.

That it be noted that all feedback from resident consultation on the new council homes building programme, will be reported to the Cabinet Member for Housing for consideration.
That it be noted that a further report will be presented to Members which will detail the next phase of sites being considered to deliver the Building Council Homes for Londoners programme.

That it be noted that a further report will be presented to Members which may request a further increase in HRA borrowing, to fund investment in the existing housing stock asset.

10 Section 106 Financial Report

The report was presented by the Director Regeneration, Enterprise and Skills.

Cabinet

Resolved –

That the content of the Section 106 2017/18 Annual Financial Report (Appendix 1) and the updated complete list of Section 106 agreements (Appendix 2) be noted.

That the publication of the report on the Council’s website be noted.

That it be noted that future Section 106 and Community Infrastructure Levy annual reporting will follow the agreed reporting of the Capital Strategy, to be confirmed in a report to January Cabinet.

11 Greenwich Neighbourhood Growth Fund - Round Two Projects

The report was presented by the Director Regeneration, Enterprise and Skills.

In addressing the meeting, Councillor Sizwe James, the Cabinet for Growth and Strategic Development thanked officers for their hard work and stated that residents across the Borough were seeing the benefits of regeneration.

Cabinet

Resolved -
That the proposals that were received in the second round of Greenwich Neighbourhood Growth Fund, the shortlisted proposals and the outcome of the public vote be noted.

That the proposals that have been recommended for funding be agreed.

That the range of community benefits as set out in section 4.6 of this report be noted.

That it be agreed to delegate to the Director of Regeneration, Enterprise and Skills authority to finalise funding documents and monitoring arrangements.

12 **Discretionary Rate Relief**

The report was presented by the Assistant Director Corporate Finance & Deputy s151 Officer.

Cabinet

**Resolved –**

That the Council’s Retail Relief (Discretionary Rate Relief) Scheme for the 2019/20 and 2020/21 financial years as detailed at paragraphs 4.1 to 4.4 be agreed.

That be agreed to authorise the Director of Finance to determine individual levels of Retail Relief to qualifying businesses as detailed at paragraphs 4.1 to 4.4.

13 **2018/19 Revenue Budget Monitor**

The report was presented by the Assistant Director Corporate Finance & Deputy s151 Officer.

Cabinet

**Resolved –**

That the revenue monitoring position based on period 8 (end of November 2018) data be noted.
That it be noted that management action will take place to contain expenditure pressures within existing resources wherever possible, to ensure that the Medium Term Financial Strategy (MTFS) remains on track, with particular focus of the top three areas of concern (para 5.2 refers).

That it be noted that after taking account of the currently planned management actions, at this stage of the year, the General Fund budget is reporting a:

- forecast overspend pressure of £10.0m
- corporate overspend pressure of £2.9m related to “No Recourse to Public Funds”.

That it be noted that the Housing Revenue Account (HRA) is reporting on target at this stage of the year.

14 Corporate Capital Strategy

The report was presented by the Assistant Director Corporate Finance & Deputy s151 Officer.

In addressing the meeting, Councillor Jackie Smith, the Cabinet Member for Community Safety and Integrated Enforcement thanked officers and Cabinet Member for Finance and Resources for creating a Capital Strategy that would lead to a more responsible authority.

Cabinet

Resolved –

That it be recommend that Council approves the 2019/20 Corporate Capital Strategy (Appendix A).

That it be recommend that Council approves the Capitalisation Policy (Appendix B).

That it be recommend that Council approves the Flexible Use of Capital Receipts Policy (Appendix C).

That the adoption of the Property Asset Strategy (Appendix D) be agreed.
That the list of recommended disposals and revocations (Appendix E) be agreed.

That the inclusion of the following new items within the Capital Programme from 1 April 2019 (Appendix F) be agreed:

- Indicative 10 year front loaded Planned Maintenance Programme for corporate properties worth over £36m
- Ezra, Woolwich Common – Refurbishment of the building (£2.7m)
- Woolwich Old Library (GLLab – Calderwood) – Building rationalisation and improvement works (£0.75m)

15 Treasury Management Strategy Statement 2019/20

The report was presented by the Assistant Director Corporate Finance & Deputy s151 Officer.

Cabinet

Resolved -

That it be agreed, after consideration, that the Treasury Management Strategy for 2019/20 be referred to full Council.

16 Budget and Council Tax Setting 2019/20

The report was presented by the Assistant Director Corporate Finance & Deputy s151 Officer who referred Members attention to the supplementary agendas.

Councillor Danny Thorpe, The Leader of the Council stated the 2019/20 budget was the most challenging and a result of the impact of 9 years of austerity. He added that if funds became available services would be reinstated.

In addressing the meeting, Councillor Jackie Smith, the Cabinet Member for Community Safety commented on the recommendations from the Overview and Scrutiny Committee stating there was a need to hire agency staff in some areas of the Council. She added that in terms of parking enforcement officers,
agency staff were hired to see how many were needed in the borough before making permanent appointments.

In addressing the meeting, Councillor Chris Kirby, the Cabinet Member for Housing stated there was a need to recruit agency staff in areas like social work where the Council was competing with the private sector.

Cabinet

Resolved –

That it be noted the authority’s Medium Term Financial Strategy (MTFS) is balanced through to 2019/20 and acknowledge that significant pressures are being experienced across services (Section 5)

That the review of fees and charges undertaken by departments, from 2019/20, be agreed (Section 5 / Appendix F)

That the impact of the local government finance settlement, finalised on 5 February 2019, upon the Council’s Medium Term Financial Strategy (MTFS) be noted (Section 6)

That it be noted that, subject to the relevant decision making processes, the Council will extend its participation in the London Business Rates Pilot Pooling Arrangements by one year, with the government offering a reduced incentive of 75% retention (Section 6)

That it Agree to passport £3.6m of one off social care grant to adults and children’s services (Section 7)

That it be agree that £1.2m one off cash (Section 7) is used to:

- set up a serious youth violence reduction team to help combat and prevent youth and gang violence in the borough
- provide support and advice for residents who are moving across to Universal Credit
- provide training and support to help people return to work.

That it be agreed that £7.6m of resources are deployed to services in support of inflationary pressures (Section 7)
That it be agreed that directorates generate £2.25m of back office efficiency savings (Section 7)

That it be agreed to recommend to Council to agree a council tax rise of 2.99% in support of service delivery pressures, at a cost of 65p per week at Band D (Section 8)

That it be noted that the GLA precept for 2019/20 is due to increase by £26.28 per year at Band D, a rise of 8.9% (Section 8)

That it agreed to recommend to Council to agree the addition to the council tax in 2019/20 on the taxpayers in premises surrounding the garden in Gloucester Circus SE10 (Section 8)

That it be agreed to recommend to Council to approve the overall council tax level and the relevant statutory calculations and resolutions (Section 8 and Appendix B)

That it be agreed to recommend to Council to approve the schools funding formula for use in 2019/20 as presented to Schools Forum on 16 January 2019 (Section 9)

That it be noted that the level of Dedicated Schools Grant for Education purposes and that the budget proposals for 2019/20 were agreed by the Schools Forum on 16 January 2019 (Section 9)

That it be noted that the Prudential Code requires the setting and revision of the indicators to be carried out by the body that takes decisions in respect of the Borough’s budget.

That it be recommended to Council to agree the Prudential Indicators (Section 10 and Appendix C) for the period 2017/18 – 2021/22

That it be recommended to Council to agree that the indicators, other than the authorised borrowing limit, which must be set and revised by Council, are initially set each year by the authority as part of its budget setting process and are monitored and revised as appropriate during the year by Cabinet

That it be recommended to Council to agree the arrangements for determining the Minimum Revenue Provision (Section 10 / Appendix D) from 2019/20 onwards
That the comments on financial standing, future risk and robustness of the budget process, including those specifically relating to the risk posed by the Fair Funding Review be noted (Section 11 / Appendix E).

That the comments of the Overview and Scrutiny Committee on 19 February 2019 be noted.

17 GS Plus Ltd and GSS Ltd - Annual Reports and Review of Operating Models

The Chair reminded Members that the item had exempt appendices and if there was to be discussion around this the meeting would have to go into closed session. He also referred Members attention to the Supplementary Agenda 2 which had comments from the Overview and Scrutiny Committee.

The report was presented by the Chief Executive who advised that there had been intense work for over a year on the financial, legal and current trading models of GS Plus and GSS adding that in the current climate costs were continuing to increase and there was a reduction of income. She confirmed that a new business plan was required as there was a risk of insolvency and explained that a number of cleaning and catering contracts were being lost as a result of school funding cuts.

The Chief Executive advised that doing nothing to tackle issue was not an option and that Option B was the best choice in difficult circumstances.

In the addressing the meeting, the Unite representative advised that his colleagues, who were in attendance at the meeting, were proud to work closely with Greenwich Council. He stated that the current situation with GS Plus was a result of poor management from those in senior positions adding there was a moral duty to give the new managers a chance to turn things around.

The Unite representative explained that a number of cleaning and catering companies that win contracts with the schools did not look after their staff and some schools were calling to bring back GS Plus services. He paraphrased elements from the Labour Manifesto which supported “the many and not the few” and described the profile of the employees of GS Plus as predominantly single status women that of which should be supported by the Labour Party. He continued that as the Council had healthy finances the council should adopt a policy of insourcing and make that a driving factor.
The Unite representative stated he was proud of the standards of GS Plus and thanked Members on behalf of the workers. He requested that the decision be delayed until further consultation that would lead to proper management who can go forward with the excellent workforce.

In response to a question, the Unite representative stated that the GS Plus employees should be given the opportunity to come up with solutions to improve productivity and performance.

In addressing the meeting, Councillor Danny Thorpe the Leader of the Council confirmed that GSS and GS Plus were facing extremely difficult challenges that were not there when they were initially set-up and that austerity had had a massive impact. He explained that the threat of insolvency was a bigger threat then doing nothing and that protecting peoples jobs was a key driver when making difficult decisions. He added that school budgets had been drastically reduced and the market for school foods was moving in a downward direction leading to further instability in the cleaning and catering business models. He continued that Head teachers were having to make business decisions on how to save money.

Councillor Danny Thorpe, the Leader of the Council, advised that option B would also look at ways of improving the business models to get schools to take contracts back in house. He referred Members and those in attendance to the upcoming Budget and Council Tax item which highlighted the cuts, including the Emergency Support Scheme, the Council was having to make as a result of austerity.

Councillor Danny Thorpe, the Leader of the Council thanked those in attendance for coming.

Cabinet

Resolved –

That the Annual Reports and Audited Accounts 2017/18 and interim reports 2018/19 for the Council’s wholly owned companies be noted: –

- Greenwich Service Solutions Ltd (GSS); summarised in section 5.1 and attached to this report at Appendix 1.

- GS Plus Ltd (GSP); summarised in section 5.2 and attached to this report at Appendix 2.
That it be noted the information on contract losses and contracts at risk as detailed at Confidential Appendix 3.

That option B be agreed as the recommended future operating model for GSP/GSS to adopt as summarised in section 6 and as detailed at Confidential Appendix 4 (subject to clarification of all potential liabilities of the companies).

That it be agreed, subject to recommendation 1.3, that the Council accepts responsibility for the net assets / liabilities arising in respect of each company’s membership of the Royal Borough of Greenwich Pension Fund, as set out in Confidential Appendix 6.

That it be agreed to authorise the Chief Executive, in consultation with the Cabinet Member for Finance & Resources, Director of Finance and the Head of Legal Services to take all necessary steps to implement the detailed arrangements for the agreed option, subject to full Council agreeing any necessary funding at the appropriate time which sits outside the Council’s approved budget.

That it be agreed to request the Chief Executive, Cabinet Member for Finance & Resources, Director of Finance and the Head of Legal Services to provide six monthly updates to a small Working Group of Councillors to be nominated by the Leader.

That it be agreed to authorise the Chief Executive to take all shareholder decisions on behalf of the Council in connection with the reserved matters or the future of the companies.

That it be agreed to treat the information presented at the Confidential Appendix 3, 4 and 6 as exempt under the provisions of the Local Government Act 1972, Schedule 12A on the basis of “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”.

That it be agreed that the exempt information presented at the Appendix 3, 4 and 6 is not subsequently released to the press or public.
The meeting closed at 7.33 pm

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Chair