

**LONDON BOROUGH OF LEWISHAM**

**TO: THE MAYOR AND COUNCILLORS OF THE  
LONDON BOROUGH OF LEWISHAM**

You are hereby summoned to attend a meeting of the Council, which will be held in the Council Chamber, Lewisham Town Hall, Catford, SE6 4RU on **MONDAY, 30 JUNE 2008** at 7.30 p.m. for the transaction of the business set out in the agenda below.



Chief Executive

Lewisham Town Hall  
Catford  
London SE6 4RU  
20 June 2008

**A G E N D A**

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8. **Member Development – Proposals of the Constitution Working Party (page 254)**

9. **Grove Park - Decent Homes through stock transfer - Section 32 of the Housing Act 1985 (page 259)**
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## 1. Minutes

To approve as a true record the minutes of the meetings of the Council held on 21 May 2008.

## 2. Declarations of Interests

Members are asked to declare any personal interest they have in any item on the agenda.

### Personal interests

There are two types of personal interest :-

- (a) an interest which you must enter in the Register of Members' Interests\*
- (b) an interest where the wellbeing or financial position of you, (or a "relevant person") is likely to be affected by a matter more than it would affect the majority of inhabitants of the ward or electoral division affected by the decision.

\*Full details of registerable interests appear on the Council's website.

("Relevant" person includes you, a member of your family, a close associate, and their employer, a firm in which they are a partner, a company where they are a director, any body in which they have securities with a nominal value of £25,000 and (i) any body of which they are a member, or in a position of general control or management to which they were appointed or nominated by the Council, and (ii) any body exercising functions of a public nature, or directed to charitable purposes or one of whose principal purpose includes the influence of public opinion or policy, including any trade union or political party) where they hold a position of general management or control,

If you have a personal interest you must declare the nature and extent of it before the matter is discussed or as soon as it becomes apparent, except in limited circumstances. Even if the interest is in the Register of Interests, you must declare it in meetings where matters relating to it are under discussion, unless an exemption applies.

### Exemptions to the need to declare personal interest to the meeting

You do not need to declare a personal interest where it arises solely from membership of, or position of control or management on:

- (a) any other body to which you were appointed or nominated by the Council
- (b) any other body exercising functions of a public nature.

In these exceptional cases, unless your interest is also prejudicial, you only need to declare your interest if and when you speak on the matter .

### Sensitive information

If the entry of a personal interest in the Register of Interests would lead to the disclosure of information whose availability for inspection creates or is likely to

create a serious risk of violence to you or a person living with you, the interest need not be entered in the Register of Interests, provided the Monitoring Officer accepts that the information is sensitive. Where this is the case, if such an interest arises at a meeting, it must be declared but you need not disclose the sensitive information.

### **Prejudicial interests**

Your personal interest will also be prejudicial if all of the following conditions are met:

- (a) it does not fall into an exempt category (see below)
- (b) the matter affects either your financial interests or relates to regulatory matters - the determining of any consent, approval, licence, permission or registration
- (c) a member of the public who knows the relevant facts would reasonably think your personal interest so significant that it is likely to prejudice your judgement of the public interest.

### **Categories exempt from being prejudicial interest**

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

### **Effect of having a prejudicial interest**

If your personal interest is also prejudicial, you must not speak on the matter. Subject to the exception below, you must leave the room when it is being discussed and not seek to influence the decision improperly in any way.

### **Exception**

The exception to this general rule applies to allow a member to act as a community advocate notwithstanding the existence of a prejudicial interest. It only applies where members of the public also have a right to attend to make representation, give evidence or answer questions about the matter. Where this is the case, the member with a prejudicial interest may also attend the meeting for that purpose. However the member must still declare the prejudicial interest, and must leave the room once they have finished making representations, or when the meeting decides they have finished, if that is earlier. The member cannot vote on the matter, nor remain in the public gallery to observe the vote.

### **Prejudicial interests and overview and scrutiny**

In addition, members also have a prejudicial interest in any matter before an Overview and Scrutiny body where the business relates to a decision by the Executive or by a committee or sub committee of the Council if at the time the decision was made the member was on the Executive/Council committee or sub-committee and was present when the decision was taken. In short, members are not allowed to scrutinise decisions to which they were party.

### **3. Announcements or Communications**

To receive any announcements or communications from the Mayor, Chair of Council or the Chief Executive.

### **4. Petitions**

To receive petitions (if any)

### **5a. Public Questions**

<u>Question</u>	<u>Questioner</u>
1.	Mr E Campa
2.	Mr G Ambrose
3.	Mr G Ambrose
4.	Mr G Ambrose
5.	Mr G Ambrose
6.	Mr G Ambrose
7.	Mr G Ambrose
8.	Mr P Richardson
9.	Mrs P Richardson
10.	Ms M McLeod
11.	Ms J Heaford
12.	Ms G Winson
13.	Ms M Drabble
14.	Ms M Drabble
15.	Ms E Davies
16.	Ms E Davies
17.	Mr G Thurley
18.	Mr G Thurley
19.	Mr L Rey (on behalf of Brockley PFI Leaseholders Assoc.)
20.	Mr P Byrne (on behalf of Brockley Society)
21.	Mr P Byrne (on behalf of Brockley Society)
22.	Mr M Calò
23.	Mr M Calò
24.	Mr M Calò

### **5b. Question from Members of the Council**

Section C, paragraph 14 of the Constitution, provides for questions relevant to the general work or procedure of the Council to be asked by Members of the Council. Copies of the questions received and the replies to them will be circulated at the meeting.

## **6. Approval of Pre-Audit Statement of Accounts 2007/08 and Annual Governance Statement**

PLEASE NOTE: THE STATEMENT OF ACCOUNTS BOOKLET 2007/08 WILL BE DISPATCHED SEPARATELY ON THE 26 JUNE 2008.

### **1. Summary**

- 1.1 The pre-audit Statement of Accounts 2007/08 is submitted for approval. This will enable the audit of the Accounts to commence on the 1 July 2008. This will satisfy the Council's statutory duty for the approval of the Pre-Audit Statement of Accounts 2007/08 on or before 30 June 2008. Following approval by Council the Accounts will also need to be signed by the Chair of this meeting.

### **2. Purpose**

To approve the Pre-Audit Statement of Accounts 2007/08, and to note the commencement of the external audit.

### **3. Recommendations**

#### **Council are asked to approve**

- 3.1 The pre-audit Statement of Accounts including the Annual Governance Statement for 2007/08 and its submission to the Audit Commission for external audit.
- 3.2 The Chair to sign the Pre-Audit Statement of Accounts on page 12 of the booklet and also the Annual Governance Statement on page 111 of the booklet.

### **4. Pre-Audit Statement of Accounts 2007/08**

- 4.1 The Accounts and Audit Regulations 2003 state that the statutory deadline for the approval of the pre-audit Statement of Accounts is the 30 June each year. As the Accounts are required to be signed off by the full Council it is necessary for this Council meeting to approve the Statement of Accounts. This will ensure compliance with the statutory deadline for the approval of the Pre-Audit Accounts.
- 4.2 The actual Pre-Audit Statement of Accounts are contained within the booklet to be circulated separately to this report on 26 June 2008.

- 4.3 The Accounts and Audit Regulations 2003 set out the accounting requirements for all local authorities. They also form the statutory basis for the Accounting Code of Practice (the SORP) and the Best Value Accounting Code of Practice (BVACOP) which details best practice in accounting and the format which all local authorities are required to follow in the preparation of their Statement of Accounts. The Regulations also lay down the dates by which the Accounts should be approved each year. This is designed to encourage local authorities to produce timely and good quality accounts. Under Lewisham's Constitution, the Local Government Act 2000 requires formal approval of these Accounts by Council.
- 4.4 The final outturns for revenue and capital 2007/08 will be submitted to Mayor & Cabinet on 25 June 2008.
- 4.5 The Responsible Finance Officer is required to sign and date the Statement of Accounts and certify that it presents fairly the financial position of the Authority and its income and expenditure. A signed statement by the Executive Director for Resources is included at page 13 of the booklet. The Statement should also be signed by the Chair of the meeting at which this approval is given. Following approval by this Council meeting the Chair of Council will also sign the Pre-Audit Statement of Accounts at page 13.

## **5 THE ANNUAL GOVERNANCE STATEMENT (AGS)**

- 5.1 A new section in the Statement of Accounts relates to the AGS (pages 101 to 111) and an AGS Action Plan in Appendix 2 (pages 117 to 129). The AGS replaces the Statement on Internal Control that was included in last years Statement of Accounts.
- 5.2 The requirement to produce an AGS is contained within the CIPFA framework document – Delivering Good Governance in Local Government. The AGS extends beyond financial probity to include all aspects of the conduct of the Council's business. The AGS also forms part of the Use of Resources framework in the Corporate Performance Assessment.
- 5.3 The Audit Panel will review the AGS and the supporting evidence schedule at its meeting on the 23 June 2008. In accordance with the regulations the Chief Executive has signed the AGS on page 111. Following approval by this Council meeting the Chair of Council will also sign the AGS on the same page.

## **6. Statement of Accounts Briefing – Audit Panel**

On the 23 June 2008 the Audit Panel will consider the Statement of Accounts in detail. There will be a briefing presentation on the main changes and key issues from the Executive Director for Resources. This will be followed by a question and answer session. The District Auditor will also be in attendance to observe the proceedings. This is required to ensure that members have ownership of the Accounts and also that there is robust challenge and scrutiny

of the contents of the Pre-Audit Statement of Accounts. A copy of the presentation slides are included with the Accounts booklet (circulated separately). This includes a summary of the key facts and issues of the pre-audit Statement of Accounts.

## **7. External Audit**

Following approval by Council the pre-audited Accounts will be submitted to the Audit Commission on 1 July 2008 for external Audit. This date is similar to the commencement of the audit for the previous years Accounts. An audit opinion on the Accounts is planned for mid September 2008 and a final published audited Statement of Accounts by 30 September 2008. If during the audit it is agreed with the Audit Commission to make material amendments to the Statement of Accounts then it will be necessary to re-submit the amended Statement of Accounts for re-approval and re-signature.

## **8. Legal Implications**

The relevant legal requirements are contained in the Accounts and Audit Regulations 2003. The statutory requirements have been addressed in the report.

## **9. Crime and Disorder Implications**

None specifically resulting from this report.

## **10. Equalities Implications**

None specifically resulting from this report.

## **11. Environmental Implications**

None specifically resulting from this report.

## **12. Conclusion**

The Pre-Audit Statement of Accounts 2007/08 is submitted for approval.

### **Background Documents and Originator**

<b>Short Title of Document</b>	<b>Date</b>	<b>File Location</b>	<b>Contact Officer</b>	<b>Exempt Information</b>
Closing File	07/08	Corporate Resources	Steve Mace	
Capital Closing	07/08	Corporate Resources	Nigel Mascarenhas	

For further information on this item please contact Steve Mace ext 46458, or Nigel Mascarenhas for Capital issues on ext 49299

## **7. Best Value Performance Plan: Full Year Performance Outturn Report 2007/08**

### **1. Purpose of report & summary**

- 1.1 The purpose of this report is to advise Full Council on Best Value Performance Indicators (BVPIs) Full Year Outturn to be published consistent with statutory duties.

### **2. Policy context**

- 2.1 The Local Government White Paper *Strong and Prosperous Communities* (Oct 2006) set out the commitment to reduce the burden on local authorities by deregulating and simplifying best value requirements. The commitments of the White Paper became the foundation of the Local Government and Public Involvement in Health Act 2007.
- 2.2 The Local Government and Public Involvement in Health Act received Royal Assent in October 2007 and several regulations under the Act have been made since. Section 139 of the Act removes the duty for English Best Value Authorities to produce a Best Value Performance Plan (BVPP).
- 2.3 Regulations provide that a performance plan must be prepared for the year 2007/08 comprising of a) details of the authorities performance in 2007/08 and b) certification that contracts awarded in that period have complied with the Code of Practice on workforce matters.
- 2.4 The publication of performance data is consistent with the Council's statutory duties and supports the corporate priority, 'inspiring efficiency, effectiveness and equity: ensuring efficiency and equity in the delivery of excellent services that meet the needs of the community.' Best value performance indicators (BVPIs) are reported against Council priorities.

### **3. Best Value Performance Plan (BVPP): Full Year Performance Outturn Report 2007/08**

- 3.1 In line with statutory requirements, a Best Value Performance Plan: Full Year Performance Outturn Report 2007/08 has been produced. The report details historical performance and the latest year-end performance data for 2007/08.
- 3.2 BVPIs are set out under the Council's 10 corporate priorities.
- 3.3 A statement certifying that contracts awarded in 2007/08 have complied with the Code of Practice on workforce matters is included in the Best Value Performance Plan: Full Year Performance Outturn Report 2007/08.
- 3.4 A draft version of the Best Value Performance Plan: Full Year Performance Outturn Report 2007/08 was received by Overview & Scrutiny

Business Panel on the 13<sup>th</sup> May 2008 and by Mayor & Cabinet on the 28<sup>th</sup> May 2008. Comments from Overview & Scrutiny Business Panel were reported to Mayor & Cabinet.

#### **4. Legal Implications**

4.1 These are contained in this report at Section 2.

#### **5. Financial Implications**

5.1 There are no specific financial implications.

#### **6. Equalities Implications**

6.1 BVPIs relating to equalities issues are included in the Best Value Performance Plan: Full Year Performance Outturn Report 2007/08 . Corporate priority 10, 'inspiring efficiency, effectiveness and equity', specifically includes indicators relating to equalities issues, such as the demographic make up of the Council's workforce.

#### **7. Environmental Implications**

7.1 Performance indicators relating to environmental issues are specifically detailed under corporate priority 3, 'clean, green and liveable.'

#### **8. Community Safety Implications**

8.1 Performance indicators relating to community safety issues are specifically detailed under corporate priority 4, 'safety, security and a visible presence.'

#### **9. Recommendations**

9.1 The Council is asked to:

- agree the Best Value Performance Plan: Full Year Performance Outturn Report 2007/08.
- delegate authority to the Chief Executive to make any necessary amendments arising out of production of the report.

#### **10. Key internal officers - contact**

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[geraldine.England@lewisham.gov.uk](mailto:geraldine.England@lewisham.gov.uk)  
telephone: 020 8314 3871

#### **Background papers**

The Best Value Performance Plan: Full Year Performance Outturn Report 2007/08 has been circulated separately to Members and is available for viewing on the Council Website at the address:

<http://www.lewisham.gov.uk/CouncilAndDemocracy/CouncilMeetings/>

## **8. Member Development – Proposals of the Constitution Working Party**

### **1. Purpose of the Report**

To ask the Council to consider the Constitution Working Party's recommendations on Member Development.

### **2. Background**

- 2.1 On October 31 2007 the Independent Remuneration Panel agreed a set of recommendations on member development.
- 2.2 The Panel's recommendations were received at the Council meeting held on January 23 2008 and referred to an informal cross party steering group on member development and to the Council's Constitution Working Party. The Constitution Working Party considered the Panel's recommendations on February 11 2008 and resolved to wait for the views of the cross party steering group prior to coming to any view.
- 2.3 The cross party steering group met on April 1 2008 and reported to the Constitution Working Party on April 10 2008. The Constitution Working Party accepted in full the conclusions of the cross party steering group (Report attached as Appendix A) and has made the series of recommendations shown below.
- 2.4 The Independent Remuneration Panel were advised on June 10 2008 of all of the conclusions reached by the Constitution Working Party. The report to the Panel included advice on those of their recommendations which the Constitution Working Party concluded should not be progressed. On behalf of the Independent Remuneration Panel, the Chair, Sir Ian Mills, has written to the Council expressing their views on these recommendations and that correspondence will be circulated as Appendix C to this report.

### **RECOMMENDATIONS**

The Council is asked to agree:

- (a) there should be an effective system of member development with personal development plans for all members drawn up by the members concerned with support from officers.

(b) there should be formal descriptors of members' roles and responsibilities and that the competencies required to fulfil those roles should be identified and that those already put in place in accordance with accreditation under the London Member Development Charter should be used as illustrated in Appendix B to this report. (*circulated in the Council Appendices document*).

(c) the Council's intention to commission an independent organisation to pilot a 360 degree assessment of members with a view to them being able to identify strengths and areas for development be welcomed;

(d) Executive Question Time at Overview and Scrutiny meetings be continued and, if possible, enhanced, with a view to the Mayor and Cabinet giving account to them.

(e) All Overview and Scrutiny bodies should report annually to Council on their activities throughout the year.

**ITEM 8 APPENDIX A**

<b>CONSTITUTION WORKING PARTY</b>		
<b>Report Title</b>	RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL ON MEMBER DEVELOPMENT	
<b>Key Decision</b>	No	Item No.
<b>Ward</b>		
<b>Contributors</b>	Head of Law	
<b>Class</b>	Part 1	Date: 10 April2008

**1. Summary**

This document sets out the views of the Cross Party Steering Group on Member Development (CPSG) for consideration by the Constitution Working Party and recommends that a response be made to the IRP at its next meeting with a view to submitting a new proposal to Council thereafter.

**2. Policy Context**

The Council is committed to ensuring that its members are equipped to play the fullest role in their position as councillor and to the transparency of decision making to promote confidence in the good governance of the Authority

**3 Recommendation**

It is recommended that the Constitution Working Party considers the view of the CPSG and make representations to Council as set out in this report. (Paragraphs 4.4 and 4.5)

**4 Background**

- 4.1 The Council's Independent Remuneration Panel, chaired by Sir Ian Mills, met on 31<sup>st</sup> October to consider a report on member performance. As a result the Panel agreed to submit a number of recommendations to the Council. The report and the recommendations agreed by the Panel appear at Appendix 1.
- 4.2 On 23 January, the Council agreed to defer further consideration of the report until the CPSG and the Constitution Working Party (CWP) had examined the report and given their views.
- 4.3 On 11 February 2008, the CWP considered the IRP report and resolved that officer comments be sought on how accountability could be implemented and

the report was referred to the Members Development Steering Group for their comments.

- 4.4 When it met on 1<sup>st</sup> April, the views of the CPSG were as follows:-
- a) The CPSG agree entirely with the principle that there should be an effective system of member development with personal development plans for all members drawn up by the members concerned with support from officers
  - b) The CPSG agree that there should be formal descriptors of members' roles and responsibilities and that the competencies required to fulfil those roles should be identified. It was acknowledged that these had been put in place in accordance with the accreditation under the London Member Development Charter and that these should be used. This accords with the IRP's recommendations that the proposed descriptors should be amended if necessary to be consistent with the London Member Development Charter. The CPSG welcomed the IRP's support in this respect .
  - c) In addition to the proposals of the IRP, it was noted that in association with the use of descriptors, competencies, and a personal development plan for members, that the Council intends to commission an independent organisation to pilot a 360 degree assessment of members with a view to them being able to identify strengths and areas for development.
  - d) The CPSG was also supportive of the continuation of Executive Question Time at Overview and Scrutiny meetings with a view to the Mayor and Cabinet giving account to them. The Group was of the view that efforts should be made to enhance this as a tool for the Mayor and Cabinet to give account, if possible. However, they did not support the routine submission of an annual report , fearing that this may become a formulaic exercise, thereby detracting to the efficacy of giving account.
  - e) There was support for the proposal that the Overview and Scrutiny bodies should report annually to Council on their activities throughout the year as proposed by the IRP.
- 4.5 All of the above comments accord with the recommendations of the IRP. However the CPSG did have some concerns about a few of the proposals of the IRP, which it does not believe would be appropriate or practical for the Council to adopt. They are as follows:-
- (a) The proposal for each member to prepare a single sheet resume of their activity during a year was felt not to be practical. There were concerns raised that it would not be possible for this to be an objective summary, if drafted by the individual member concerned and may not be fit for purpose. Members felt it might be difficult for this to be other than political and promotional of individual members, and so was not recommended for adoption. For this

reason, the CPSG thought that it was not appropriate for such a document to form part of any deliberation by the IRP in relation to remuneration.

- (b) There was concern that the IRP sought to have “performance assessments” before it when it considered reviewing and updating the scheme of members’ allowances, and that it should be able to modify and develop the “performance assessment” process in the light of experience. The CPSG felt that there was a risk that this should be interpreted as the IRP evaluating councillor performance, which the CPSG felt could only be done through the ballot box and/or by their political groups. This difficulty was acknowledged in the paper submitted to the IRP. The CPSG was of the view that this should not be interpreted as a means to performance related pay for members who are not employees of the Council.

4.6 For the reasons set out above it is recommended to the CWP that it support these comments and report them to the next meeting of the IRP for consideration. It is also recommended that the Council be made aware of the views of the CPSG if the IRP does not reflect these comments in its proposals to the Council when the matter comes up for consideration.

4.7 The CPSG were very keen to express their total support for member development as a tool to assist councillors to perform to maximum capacity. They also expressed their support for the giving of account and the requirement for transparency about the activities of councillors. Their endorsement of the majority of the proposals made by the IRP is evidence of that support. Where the CPSG had reservations, they relate only to the practicality of the proposals and their ability to achieve the desired result of enhanced transparency.

## **5 Conclusion**

Given the views of the CPSG, members of the CWP are asked to make similar representations to the Council and the IRP as set out in this report

## **9. Grove Park- Decent Homes through stock transfer -Section 32 of the Housing Act 1985**

### **1. Summary**

- 1.1 Following a positive ballot in July 2007 and the negotiations with London & Quadrant Housing Trust (L&Q) on the terms of the transfer, the Council is now in a position to complete the transfer process.
- 1.2 The Grove Park Transfer Agreement follows the “industry norm” for estate transfers. The Transfer Agreement follows the format used for the transfer of a business and therefore, as well as dealing with the land transfer; it deals with all the other aspects of the business of letting social housing.
- 1.3 The completion of the Grove Park stock transfer is expected to take place on 7 July 2008. In order for the transfer to be completed on this date, prior consent to the disposal of the land will required from the Secretary of State under Section 32 of the Housing Act 1985.

### **2. Purpose**

- 2.1 This report seeks approval by full Council to apply to the Secretary of State under Section 32 of the Housing Act 1985 for consent to transfer the Grove Park neighbourhood to London & Quadrant Housing Trust (L&Q).

### **3. Recommendation**

- 3.1 To authorise an application to the Secretary of State under Section 32 of the Housing Act 1985 for consent to transfer the Grove Park neighbourhood to London & Quadrant Housing Trust.

### **4. Policy Context**

- 4.1 The Government's Decent Homes strategy required all local authorities to carry out a stock options appraisal by July 2005 to determine how Decent Homes will be achieved for all Council housing stock. Lewisham completed its stock options appraisal in June 2005, and a comprehensive Decent Homes Strategy was developed that was endorsed by Mayor and Cabinet on 8 June 2005.

### **5. Background**

- 5.1 The Grove Park large scale voluntary transfer proposal relates to a transfer of 1099 tenanted properties and 350 leasehold properties based in the ward of Grove Park. Most of the properties were built between the period of 1965 and 1979. The properties are 72% non decent and have a high investment need in comparison to the rest of the Council's stock.

- 5.2 As a result of consultation early in the stock options appraisal process it became apparent that security and environmental improvements were priorities for residents at Grove Park. This meant that an ALMO was unlikely to be able to deliver the level of improvements that met resident aspirations. Residents were also interested in becoming involved in the future management and investment decision making processes involved with carrying out Decent Homes improvements to their homes and neighbourhood. In addition to these requirements, the unique design and technical requirements of certain properties such as the tower blocks in the south of the ward meant that the cost of future maintenance exceeds available Council resources.
- 5.3 The offer document at Grove Park was developed following extensive consultation with residents at Grove Park through the Resident Steering Group, sub-groups, consultation events, newsletters, questionnaires and two tests of opinion. The offer document highlights L&Q's key commitments and specific Decent Homes Plus improvements that they will carry out following transfer.

## **6. Consultation & Ballot**

- 6.1 The ballot started on the 18 June 2007 and ran concurrently with the stage two consultation and lasted 28 days, ending noon, 16 July 2007. The results of the ballot were reported to Mayor and Cabinet on 5 September 2007 and are as follows:

1216 residents were eligible to vote, out of this number 678 voted in the ballot representing a 55.8% turnout. The final result showed that 77.6% (of the valid vote) were in favour of the transfer to London and Quadrant Housing Trust and only 22.4% (of the valid vote) were not in favour.

- 6.2 In order to proceed with the transfer, the Council requires the consent of the Secretary of State. The Secretary of State, when considering an application for consent, will take account of whether the majority of secure tenants affected by the proposed transfer are not opposed to it. The result of the tenants' ballot provides clear evidence of this.

## **7. The Land for Disposal**

- 7.1 The Grove Park transfer area comprises 1,449 homes with a tenure profile of 1099 properties for rent and 350 leasehold properties as well as a further 206 garages which serve the properties. The full residential property list is included at Appendix 3.
- 7.2 Appendix 1 of this report is a map of the Grove Park transfer area available on the Council's website at: [www.lewisham.gov.uk](http://www.lewisham.gov.uk). A hard copy is also available in the Member's Room. The red line on this map indicates the areas of land and property to be transferred to L&Q. However there are areas on the map within the red line that will not transfer and the excluded areas within the red line are shown hatched on the map.

## **8. Commercial and Community Premises**

- 8.1 In addition to the tenanted and leasehold properties and associated land in the Grove Park area, there are certain non-dwelling HRA assets that will be transferred in line with the principles for all stock transfers as approved previously by Mayor & Cabinet.
- 8.2 The Council will transfer the freehold of the W G Grace community centre to L&Q at nil value. L&Q have committed to spend up to £800,000 on improving community facilities and services within Grove Park and the centre will benefit directly from a proportion of this investment.
- 8.3 The Council will transfer the freehold of the land subject to all aerials and wayleaves within the Grove Park transfer area with current leases, licences and with the benefit of the associated income.
- 8.4 L&Q will take a lease of the ground floor of the Baring Road Housing office for an initial period of 5 years on commercial terms. The terms of the lease will be agreed by the Head of Property and Development acting under his delegated authority.
- 8.5 One housing property, 69 Riddons Road, currently loaned to education for use as the residence of a school premises officer attached to Marvels Lane Primary School is to be transferred to L&Q. The school premises officer is an employee of the Council and occupies the property under a service tenancy. The property requires substantial work to bring it up to the Decent Homes standard and the Council does not have capital funding available to carry this out. The freehold of the property will be transferred to L&Q and the Council will take a long lease back of the property so that the service tenancy held by the premises officer is unaffected. The lease back from L&Q will be charged at a rent equal to the rent they would charge if it was let by them as a standard social rented property. The guaranteed leasehold income will allow the usual Decent Homes improvement work to be carried out on the property by L&Q at no additional cost to the Council. The precise terms of the lease back are under negotiation but will reflect this agreement.

## **9. Proposed Terms of transfer**

- 9.1 L&Q have made several promises to residents which will be legally binding as the contract being negotiated contains provisions requiring L&Q to comply with promises it made to tenants and leaseholders, some of the key promises include:
- a £60 million repair and improvement programme to bring all tenanted homes in Grove Park to the standard of Decent Homes Plus over thirty years; (£20 million will be spent in the first five years) including improvements to the local environment;
  - improved housing management service run and managed by L&Q from the existing local housing office on Baring Road;

- resident control – L&Q have set up a resident led community board to give residents a say in how their homes are managed. The Shadow Board was established following the positive ballot;
- improvements to safety and security at Grove Park;
- improvements in the management of antisocial behaviour at Grove Park.

## 9.2 **Arrears of rent and service charges outstanding as at date of transfer**

9.2.1 The arrears of rent and service charges which the Council will warrant as being payable are to be purchased by L&Q. The price paid for outstanding rent arrears is dependent on their age. There is a standard agreed formula for transfers of this nature and this formula is used by the Council in determining its bad debt provision. Therefore this will have no effect on the HRA. The arrears of leaseholder service charges and major works costs are being purchased by L&Q at full value.

## 9.3 **Right to buy receipts following transfer**

9.3.1 Existing tenants at the date of transfer keep their right to buy entitlement. The receipts from these sales following transfer will be shared between L&Q and the Council on the basis of a standard formula which protects the loss of income to L&Q's business plan. L&Q will be compensated for its business plan losses plus the costs of effecting a right to buy sale and the Council will receive value for the balance of the proceeds of sale. The precise mechanism for effecting this sharing of receipts is to be agreed.

## 9.4 **Warranties including environmental warranties and asbestos**

9.4.1 The Council is required to give certain warranties to L&Q concerning such matters as the condition of the land being transferred. This is because the stock transfer is a business transfer and it is standard practice in business transfer transactions for the seller of the business to give certain assurances to the buyer about the business being sold. The Council will therefore warrant that it can sell the land and that there are no planning issues with the land. The Council will also make certain statements in relation to environmental contamination affecting the land being transferred. These statements are important to L&Q so as to protect its business plan enabling them to be satisfied that no unexpected substantial costs will be incurred. For risk assessment purposes on environmental contamination issues, a desk top survey of the land being transferred was carried out by specialist consultants. They have assessed the risk of environmental contamination to be at the lower end of the scale. The Council's insurance division is investigating whether procuring specific insurance to limit financial risks in relation to this transfer offers value for money. Should insurance be deemed appropriate then cover will be procured prior to transfer.

9.4.2 There is asbestos within some of the houses and flats being sold which has been established as part of the stock condition survey. The cost of the removal of this asbestos is to be met by L&Q. If removal of the asbestos in the houses and flats is greater than that allowed for in the stock condition survey (adjusted for inflation) the Council will be liable for the excess cost.

## 9.5 Non secure tenancies

9.5.1 The Council has a statutory duty to ensure that accommodation is available for the occupation of those to whom it owes a duty under the Housing Act 1996. The Council discharges this duty by initially providing temporary accommodation to such persons and must therefore protect its ability to use some of the transferring homes in Grove Park for this purpose. Currently the Council's neighbourhood offices make available a percentage of their stock for the use of temporary housing.

9.5.2 Within the Grove Park transfer area, a proportion of tenanted properties are used as temporary accommodation for those in the borough who are considered to be in housing need. During the negotiations between L&Q and Council officers L&Q have agreed that a percentage of all transferring tenanted stock will continue to be made available for temporary accommodation at no cost to the Council and this percentage will reflect Borough wide need. As required by government guidelines, the Council will work to reduce the amount of temporary accommodation in the borough. Therefore L&Q will be able to reduce the amount of stock for temporary accommodation in line with the Council's reductions. In the event that the Council needs to use more than the agreed amount of stock at any one time to discharge its statutory duty to homeless persons, the Council will be required to make certain payments to L&Q. The precise level of payments are still subject to negotiation.

## 9.6 Open space

9.6.1 Under the provisions of section 123 of the Local Government Act 1972, a local authority can only dispose of open space where it has advertised the disposal for two consecutive weeks in a newspaper circulating in the local area and considered any objections to the proposed disposal which may be made to them. The advert invites inspection from anyone who perceives themselves to be affected and gives them the opportunity to comment.

9.6.2 For the purposes of Section 123, "open space" is defined by Section 336 of the Town and Country Planning Act 1990 as "any land laid out as a public garden, or used for the purposes of recreation, or land which is a disused burial ground.

9.6.3 The open space that will be transferred to L&Q will include land that is being managed and used for play areas, ball game areas, grassed and other planted areas. These include grassed areas, shrub beds, hedgerows, rose beds, communal hard areas and playgrounds. The open space to be transferred is detailed in the Open Space map 'Appendix 2' on the Council's website at: [www.lewisham.gov.uk](http://www.lewisham.gov.uk). A hard copy is also available in the Member's Room.

9.6.4 Adverts were placed in the Bromley, Greenwich and Lewisham editions of the News Shopper for three weeks from 23 January to 12 February. This informed members of the public of the open space to be disposed of and invited comments. Responses were as follows:

- One comment was received from the Grove Park Community Group which criticised the readability of the map posted in the Grove Park Library to accompany the advert and questioned whether the roadside greens on Winn Road were housing land rather than highway land. A response was provided to the group confirming that the roadside greens were held and maintained as part of the adjoining housing land.
- A petition was received signed by 65 people objecting to the disposal of open space in the area. It was not clear from the petition whether the context of the disposal had been made clear to the signatories. The title of the petition sheets lead officers to believe that signatories may have misunderstood what was proposed. Officers wrote to the 54 signatories who had provided a full address explaining that the disposal of open space related to the transfer of housing stock and had nothing whatsoever to do with any change of land use, which the title of the petition implied. Signatories were invited to confirm their objection in light of the clarification provided or to call the Council to discuss any queries within 14 days, no responses were received during that period.

## 9.7 Rights of way

9.7.1 The transfer will incorporate all non-adopted estate roads within the estate boundaries which means that all future repairing responsibilities will rest with L&Q.

## 9.8 TUPE arrangements for transferring staff.

9.8.1 As a result of the stock transfer staff who were previously employed by a contractor carrying out activities on behalf of the London Borough of Lewisham ("the Council") may transfer to L&Q provided that, immediately before the transfer, such staff were wholly or mainly employed to work on those activities undertaken by the contractor for the Council. Such employees will transfer with their terms and conditions of employment protected.

- 9.8.2 A number of contracted staff employed by Dunlop Hayward are therefore envisaged to be transferred to L&Q. These staff are wholly or mainly providing housing management and associated services to the Grove Park area. The transfer of these staff will take place on 7 July 2008, the scheduled transfer date.
- 9.8.3 In addition, a number of contracted staff employed by Glendale, the Council's green space maintenance contractor, who currently provide maintenance services related to the transferring housing land may also transfer.
- 9.8.4 It should be noted L&Q are contracting directly with Glendale for a continued maintenance service until the end of August 2008. In the meantime they are also tendering for a new grounds maintenance contract to replace the Glendale service. Staff to whom TUPE applies will transfer to L&Q's selected contractor.
- 9.8.5 A consultation process for staff identified to transfer under TUPE is currently being undertaken by L&Q in order to comply with legislative provisions.

## 9.9 Pension arrangements for transferring staff

- 9.9.1 L&Q will comply with its statutory obligations related to the pension arrangements of transferring staff. All staff have been offered access to their money purchase pension scheme.

## 9.10 Traded services

- 9.10.1 L&Q are considering the purchase of property management & maintenance services from the Council to assist the transition of ownership. Negotiations over the provision of these services are ongoing.
- 9.10.2 The bulk of services to residents will be provided by L&Q from the date of transfer and extensive work has gone into planning for the handover of housing stock.

## 9.11 Common housing register and nomination rights

- 9.11.1 As the Council has a statutory duty to provide housing it is essential that the right to nominate to the homes transferred to L&Q is protected.
- 9.11.2 L&Q will continue use the borough's Home Search scheme or any other successor nominations agreement, therefore ensuring a fair and transparent nominations system. To protect both parties if there were no similar nominations scheme in place in the future, the parties have agreed a conventional fall back nominations agreement whereby the Council will be entitled to nominate to 75% of all vacant dwellings.

## 9.12 **Partnership agreement**

9.12.1 It is proposed that L&Q will enter into a partnership agreement which will require them to work with the Council on joint objectives such as Neighbourhood Management, the Community Strategy and implementing key housing strategies such as the Homelessness Strategy. As well as a range of monitoring arrangements, this agreement will incorporate the protocol adopted in previous transfers, which required the recipient RSL to share information with the Council on an open book basis.

## 9.13 **Valuation**

9.13.1 The agreed valuation of this transfer is calculated based upon the income the social rented stock generates and taking into account all the work required to bring the properties up to modern decent homes standards.

## 9.14 **Overhanging debt**

9.14.1 The outstanding debt which relates to the stock being transferred will be written off by the Government. Whilst this will reduce the revenue servicing costs in terms of repaying the debt and interest costs the amount of Housing Subsidy paid by the Government will be reduced and therefore there will be no effect on the revenue accounts due to this debt reduction.

## 9.15 **VAT shelter sharing**

9.15.1 Under the terms of the agreement the receipts from the VAT shelter set up for this transfer will be shared between LBL and L&Q. These will be received as the major works are carried out to the properties over the next 15 years and will be used to defray the cost of the Council's decent homes strategy.

## 9.16 **Development Clawback**

9.16.1 The whole of the Council's housing stock in Grove Park will be transferred, subject to the existing tenancies and right to buy leases. The Council intends to enter into a development claw back agreement to last for between 20 to 30 years after the transfer so that if any part of the property ceases to be used for affordable housing, any surplus value generated will be shared with the Council through a development claw back mechanism.

## 10. **Financial Implications, impact on revenue budgets (HRA and general fund)**

10.1 The tenanted stock in Grove Park represents 4.3% of the total housing stock. The full year effect of the transfer based on 2008/09 budgets is estimated at

£1m in total. This will be taken into account in the 2008/09 and on-going HRA budget strategy.

## 10.2 **Non dwelling assets**

The proposed treatment of non dwelling assets in the area do not materially affect the budget estimates. The loss of garage income is included in the HRA estimates above.

## 10.3 **Funding of the transfer**

The Council's costs related to the transfer are estimated as £666k in total.

## 10.4 **Capital receipts**

A small capital receipt based upon the valuation of the housing stock outlined at paragraph 9.13 is anticipated, This receipt can be used to defray the costs of this and other transfers.

## 10.5 **VAT shelter**

A 50/50 VAT shelter has been agreed between the Council and L&Q.

## 10.6 **Right to buy sharing**

The receipts from RTB sales following transfer will be shared between L&Q and the Council on the basis of a standard formula which protects the loss of income to L&Q's business plan.

## 10.7 **Lease back implications**

The Fair Funding scheme for schools provides for those situations where a school needs to pay a rent to secure some part of the accommodation for the delivery of its education responsibilities. In such situations the formula funding allocation will provide the school with the resources to meet the cost of the rent. The cost of this rental is estimated to be in the region of £5,000 p.a. and this can be met from within the resources available through the Dedicated Schools Grant.

# 11. **Legal Implications**

## 11.1 **Consultation**

Where a stock transfer is proposed, Section 106A of and Schedule 3A to the Housing Act 1985 impose additional consultation requirements on the Council, and these apply in place of the general duty to consult on matters of housing management under section 105 of the Housing Act 1985 and 137 of the Housing Act 1996. The Secretary of State cannot give his consent to the transfer if it appears to him that the majority of tenants do not wish to proceed with the proposed transfer. As stated at paragraph 6.1, the final result showed

that 77.6% of tenants were in favour of the transfer to Grove Park and 22.4% were not in favour

### 11.2 Disposal consent/disposal programme

Under section 32 of the Housing Act 1985 local housing authorities have power to dispose of land held for housing purposes. This power may not be exercised without the consent of the Secretary of State. In considering whether to grant consent, the Secretary of State will be mindful of the tenants' ballot discussed above in accordance with the Local Authorities (Functions and Responsibilities)(England) Regulations 2000 and the Council's Constitution, the formal application for Ministerial Disposal consent under section 32 of the Housing Act 1985 will be authorised by full Council. The application for consent will also include an application for all other statutory consents in connection with the transfer.

### 11.3 Transfer agreement

The Council's external legal advisers have confirmed that the proposed Transfer Agreement follows the "industry norm" for estate transfers and does not contain any unusual or non standard provisions. However, Members should note, in particular, the effect of the warranties given in relation to rent and service charge arrears and as to the condition of the land. Members should be satisfied that any residual legal and financial liability retained by the Council as a result of these warranties is outweighed by the benefits arising from the transfer. However, Members should also note that in the event that the transfer did not proceed, the Council would be liable for these matters in any event.

### 11.4 Homelessness

Where decisions are being made in respect of the future provision of housing within the borough, Members should bear in mind the Council's specific duties under the homelessness legislation and the general duties under Section 3 of the Homelessness Act 2002 requiring the Council to develop a strategy for:

- a. preventing homelessness in their district
- b. securing sufficient accommodation that will be available for people who are or may become homeless
- c. securing satisfactory provision of support for people in their district
  - I. who are or may become homeless; or
  - II. who have been homeless and need support to prevent them becoming homeless again.

Regard has been had to this duty in negotiating the terms of the fallback nominations agreement referred to at paragraph 9.11.2, which will apply in the event that Lewisham Home Search or any successor scheme ceases to be in place.

### 11.5 TUPE and Pensions

The TUPE and pension implications are set out in paragraphs 9.8 and 9.9 above.

## **12. Equalities implications**

- 12.1 A full equalities impact assessment (EIA) on the stock options appraisal process was carried out in May 2005 to assess the possible negative and positive impact on all equality groups in Lewisham. A further update report and action plan was published in May 2006. The findings of these reports and actions have been monitored. Grove Park has its own communications strategy which utilises tenant profile data from the census and tenant profiling information which has formed the basis of consultation strategies and communication techniques. The Council has ensured that L&Q have taken into account the key needs of vulnerable groups in considering future disruption when major works are carried out and their arrangements for disabled and vulnerable resident needs in aids and adaptations repairs and maintenance. The findings of the EIA will also be used when drawing up contractual and monitoring arrangements between the Council and L&Q.

## **13. Environmental Implications**

- 13.1 Works carried out to bring homes up to the Decent Homes standard by L&Q should lead to greater energy efficiency, reduced maintenance costs and lower fuel bills for residents. It will also reduce the level of harmful gases being released into the atmosphere.
- 13.2 L&Q will develop minimum standards that tenants can expect from their home. A key part of that will be the affordability and sustainability of the energy usage. SAP rating information will be utilised to inform decisions on the type and targeting of enhancements to be included in the overall improvement works.
- 13.3 The improvement and exceptional extensive works programmes will include works to install double glazed windows, wall insulation, and new or upgraded heating systems. These works are all designed to improve the thermal efficiency of dwellings. L&Q will also consider the provision of advice to tenants on energy efficiency and how they can reduce their fuel bills.
- 13.4 Detailed proposals will be developed by L&Q in full consultation with the Council, especially in the context of the Council's Local Agenda 21 action plan. Mechanisms would be established between the new landlord and the Council to monitor the action taken by the new landlord towards meeting the Council's targets under the Home Energy Conservation Act 1995. The business plan for the new landlords would make provision for all works necessary to bring the properties up to modern standards of thermal efficiency and comfort.

## **14. Crime and disorder considerations**

- 14.1 One of the key priorities in Grove Park's offer document is how L&Q will tackle crime and antisocial behaviour. The offer document outlines fully the crime and disorder implications. It details the physical improvements, enhanced estate management and the diversionary opportunities which L&Q will implement to reduce crime and antisocial behaviour. Offer documents also demonstrate the L&Q's commitment to tackling race and hate crime, domestic violence and improving child protection.

## 15. Conclusion

- 15.1 This report seeks the approval of full Council to make an application to the Secretary of State under Section 32 of the Housing Act 1985 for the transfer of the Grove Park neighbourhood to London & Quadrant Housing Trust.
- 15.2 The main benefits of the transfer for tenants are that £20m would be spent on major repairs and improvements to tenant's homes and their environment, including works to improve security within the Grove Park area in the next five years. This is in line with the needs and expectations that residents have expressed throughout the consultation process.

### Background Papers

<b>Title document</b>	<b>Date</b>	<b>Location</b>
<b>Interim stock transfer negotiation report</b>	<b>January 2008</b>	<b>5<sup>th</sup> Floor Laurence House</b>
<b>Grove Park's ballot result</b>	<b>September 2007</b>	<b>5<sup>th</sup> Floor Laurence House</b>
<b>Grove Park's stage one offer document</b>	<b>April 2007</b>	<b>5<sup>th</sup> Floor Laurence House</b>
<b>Grove Park's RSL selection</b>	<b>July 2006</b>	<b>5th Floor Laurence House</b>
<b>Decent Homes update</b>	<b>Mayor and Cabinet 9 November 2005</b>	<b>5th Floor Laurence House</b>
<b>Decent Homes Strategy</b>	<b>Full Council 29 June 2005</b>	<b>5th Floor Laurence House</b>
<b>Decent Homes Strategy</b>	<b>Mayor and Cabinet 8 June 2005</b>	<b>5th Floor Laurence House</b>
<b>Housing Stock Option Appraisal - Overarching strategy</b>	<b>Full Council 15 December 2004</b>	<b>5th Floor Laurence House</b>

For more information on this item please contact Janet Sutherland: Head of Strategic Housing and Regulatory Services on 020 8314 6057.

## **10. Member Remuneration 2008/2009**

### **1. Summary and Purpose**

The purpose of this report is to present to members of the Council recommendations of its Independent Remuneration Panel in relation to members allowances and pensions. The Independent Remuneration Panel recommend that basic and special responsibility allowances payable to all members of the Council

### **2. Background**

- 2.1 Under Section 18 Local Government and Housing Act 1989, the Council is required to have and to publish a Scheme of Members' Allowances, and payments to councillors may only be made in accordance with this scheme.
- 2.2 In 2001, regulations were introduced requiring the Council to establish an independent remuneration panel to advise it on its scheme of members' allowances under the new models of political governance which came into effect with effect from the local elections in 2002.
- 2.3 The Council established its Independent Remuneration Panel under the Local Authorities (Members Allowances) (England) Regulations 2001 on 31<sup>st</sup> October 2001. These regulations were repealed in 2003 and the provisions which now govern members' allowances are:-
- (a) the Local Authority (Members Allowance)(England) Regulations 2003 – referred to in this report as the 2003 Regulations.
  - (b) the Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations
- 2.4 Following agreement in February 2002 on the level of allowances to be included in the Scheme of Members' Allowances to apply under the directly elected mayor and cabinet model, the Independent Remuneration Panel has met on a number of occasions and on its recommendation, the Council has agreed that:-
- (1) allowances should be automatically upgraded by inflation for a maximum of 2 years without further detailed reconsideration by the Panel
  - (2) all members of the Council under the age of 70 years should be eligible to join the Local Government Pension Scheme and that both basic and special responsibility allowance should be pensionable pay
- 2.5 Following the local and mayoral election in May 2006, the Panel was convened in June 2006 and was asked to make recommendations in relation to the Scheme of Members' Allowances for the current administration. The Panel's recommendations were accepted in full by the Council in July 2006. In

accordance with the decisions reached in then, an automatic inflationary adjustment of 2.95% was made to Members Allowances in April 2007. In June 2008 the Panel was reconvened to further consider Members Allowances and a copy of that report is attached as Appendix 2.

- 2.6 The Panel noted there had not been significant change to the Council's governance arrangements since 2006 apart from the creation of a one year time limited Select Committee for the 2008/2009 Municipal Year. The Panel decided to recommend that the Chair of the time limited Select committee be entitled to the same Special Responsibility Allowance as other Select Committee Chairs. The Panel further agreed to recommend there be a inflationary increase based on the rate by which JNC salaries were increased in the preceding July, which equates to 2.475%.

### **3. Legal Implications**

- 3.1 The Council is under a duty to adopt a scheme of members' allowances by virtue of section 18 Local Government and Housing Act 1989. It may only pay allowances in accordance with such a scheme.
- 3.2 Section 100 of the LGA 2000 entitles the Secretary of State to make regulations about members' allowances. The regulations referred to above have been made in pursuance of that power. The impact of the regulations is set out in Appendix 1.
- 3.3 Members are reminded of the need to have regard to the guidance issued under the Local Government Act 2000 in relation to Members' Allowances.
- 3.4 There is a general principle that members may not usually vote on matters in which they have a prejudicial interest. However decisions relating to the scheme of members' allowances is an exception to this general principle, and members may vote on this issue, having regard to the recommendations of the Panel which in accordance with the law have been published in a newspaper circulating in the area.

### **4. Financial Implications**

Any increase in the rates of allowances will be met from the existing budget.

### **5. Crime and Disorder and Environmental Implications**

There are no specific implications

### **6. Equalities Implications**

Basic allowance is payable to all members of the Council and special responsibility in relation to specified responsibilities. Payment of dependent carers' allowance should go some way to encouraging those with children or caring responsibilities to be able to participate in the democratic process as far as possible.

## 7. Recommendations

Council is recommended to:-

- 1) Having regard to the advice of the Panel and to the guidance issued under the Local Government Act 2000, to consider the recommendations of the Independent Panel appearing at Appendix 3 to this report, and in particular whether to approve a scheme of members' allowances in accordance with the Panel's recommendations.
- 2) To agree that the Chair of the time limited Housing Select Committee be entitled to the same level of Special Responsibility Allowance as other Select Committee Chairs.
- 3) To agree that the operation of the new scheme, if adopted, be backdated to the 1 April 2008 in accordance with the Panel's recommendation.
- 4) To agree the allowances be automatically increased in April 2009 by reference to the rate by which JNC salaries are increased in the preceding July.
- 5) To ask officers to publish details of the new scheme as required by law in a newspaper circulating in the area.

## **APPENDIX 1**

### Regulations relating to Members' Allowances

1. The Local Authorities (Members' Allowances) (England) Regulations 2003. (SI 1021/2003)

### ALLOWANCES

*Basic allowance* – must be referred to in the scheme and must be the same for each member. The scheme must state the amount of basic allowance and provide that if the member's term of office ends other than at the beginning of a year, the amount of basic allowance must be paid pro rata.

*Special responsibility allowance* – may be paid for special responsibilities within specified categories as set out in the IRP report. SRAs need not be the same and must be specified in the scheme. Where there is a majority controlling group at least one SRA must be paid to a member outside the controlling group. There are provisions for pro rata payments. The ALG may make SRA payments

*Dependent Carers' allowances* – can be paid for care of children or dependents of a member on an approved duty.

*Travel and subsistence* may be paid for approved duties

*Co-optees allowance* may be paid in respect of attendance at conferences and meetings.

*Suspension Allowances* may be suspended or partially suspended if a member is suspended or partially suspended.

### THE REQUIREMENT FOR A SCHEME

*Adoption* - The Council must adopt a scheme which deals with basic allowance, and if the authority intends to pay them SRA, dependent carers' allowance, travel and subsistence allowance and co-optees allowance.

*Indexation* – The scheme can provide for automatic upgrades by reference to an index, such as an inflation index for a period of up to 4 years.

*Only one payment per duty* – A member may not receive a payment from 2 authorities for the same duty and the scheme must state so.

*Pensions* The scheme must set out which members are entitled to admission to the Local Government Pension Scheme, and whether basic allowance and/or SRA shall be pensionable pay. Council may only include those members who have been recommended by the IRP.

*Forgoing allowances* The scheme must contain a provision that a member may forgo allowances by written notice to the proper officer

*Time limit for claims* The scheme must specify a time limit for making claims in relation to dependent carers' allowance, travel and subsistence and cooptees' allowance.

*Records* The Council must keep records in the form specified in the regulations and those records must be available for public inspection free of charge. The Council must publish after the end of each year the total sum paid under the Scheme of Allowances and the amount paid to each member.

*Publication of the scheme* The Scheme must be published in a paper and supply copies on request.

### **Independent Remuneration Panels (IRP).**

*Duty to have regard* –Before adopting a scheme or amending it, the Council must have regard to the recommendations of an IRP

*Membership* – An IRP must have at least 3 members who are neither members of a local authority nor disqualified from being so. The IRP may be appointed by a single authority, or jointly, or by ALG in relation to London borough Councils.

*IRP reports* – must be published and available for inspection at no charge

- 2 The Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003.

These regulations amend existing pensions legislation to enable councillors to join the Local Government Pension Scheme provided that they are below the age of 70 years and have been included in a Scheme of members' Allowances as being eligible on the recommendation of an IRP. Benefits may be paid at age 70 and are based on career average pay.

**ITEM 10 APPENDIX 2**

<b>INDEPENDENT REMUNERATION PANEL</b>		
<b>Report Title</b>	Annual Inflation Adjustment	
<b>Key Decision</b>		Item No. 6
<b>Ward</b>		
<b>Contributors</b>	Chief Executive (Head of Business & Committee)	
<b>Class</b>	Open	Date: 10 June 2008

**1. Purpose of the Report**

To ask the Panel to consider whether the Allowances currently payable under the Council's Scheme should be modified, having considered the Council's proposed response to the Panel's recommendations on member performance.

**2. Recommendations**

(1) To consider whether the Allowances currently payable under the Council's Scheme should be modified, and if so to backdate such modification to the beginning of this municipal year.

(2) To consider if any recommended increase should occur automatically each year by reference to the rate by which JNC salaries are increased in the preceding July.

(3) To consider whether the Chairs of time limited Select Committees should receive Special Responsibility Allowances.

**3. Background**

3.1 In July 2003 the Panel recommended, among other things, that the allowances payable under the Council's Scheme be upgraded automatically in 2004/05 and 2005/06 by reference to the rate by which JNC salary is increased in the preceding year but that there ought to be a review before any upgrading was implemented in relation to 2006/07.

3.2 Following the implementation of the allowances for 2005/06 the Panel met again in May 2005 and concluded the allowances set out in the Scheme should continue to be increased automatically to keep up with changes in inflation for a maximum period of two years. The Panel's findings were accepted by the Council in June 2005.

3.3 Following the local elections held in May 2006, the Panel met again in June 2006 and undertook a comprehensive review of Members Allowances. The conclusions of

the Panel, which were unanimously agreed by the Council in July 2006 are attached at Appendix A.

- 3.4 In April 2007, inflationary adjustments were made without further reference to the Panel and the current allowances scheme, as attached as Appendix B, was published.
- 3.5 Subsequent to that automatic increase, the Panel met again on October 31 2007 to consider a paper on member performance. The Panel's recommendations were considered by an informal cross party member development steering group on April 1 2008 who forwarded their views to the Council's Constitution Working Party on April 10 2008. The Constitution Working Party accepted all of the recommendations (as shown in Appendix B of Item 3 on this agenda) and agreed these should be forwarded to the June 30 2008 meeting of the Council for consideration.
- 3.6 Should allowances again be increased in accordance with JNC salaries the level of increase to members allowances in 2008/09 would be 2.95% (*subsequently IRP advised the correct figure was 2.475%*) giving the level of allowances shown in Appendix C.
- 3.7 Appendix C shows an unchanged allocation of Special Responsibility Allowances to the following 19 postholders in a Council of 55 members:

Mayor  
 Deputy Mayor  
 Cabinet Members (6)  
 Chair of the Council  
 Chair of the Overview & Scrutiny Committee  
 Chairs of Select Committees (5)  
 Chairs of Planning Committees (3)  
 Chair of the Licensing Committee

The only significant change to the Council's governance arrangements since the Panel last reviewed Special Responsibility allowances was the creation of a 1 year time limited Housing Select Committee to be established for the 2008/09 municipal year and subject to review thereafter. The Panel is asked to consider whether the Chairs of time limited select committees should be entitled to receive Special Responsibility Allowances.

#### **4. Legal Implications**

- 4.1 The Local Authorities (Members' Allowances)(England) Regulations 2003 allow for such increases by reference to an index and require the Independent Remuneration Panel to consider which this should be.
- 4.2 The Panel is advised that it is not possible for the use of an index to exceed 4 years without the Panel considering whether it remains appropriate.
- 4.3 Regulations allow for increases approved in year may be backdated to the beginning of the municipal year.

- 4.4 Only full Council can agree amendments in relation to Members' Allowances and in doing so it must have regard to the recommendations of the Panel.
- 4.5 Any change in allowances must be published in a newspaper circulating in the locality in accordance with the Local Authorities (Members' Allowances)(England) Regulations 2003.

**5. Financial Implications**

Any increase in the rates of allowances will be met from the existing budget.

**BACKGROUND PAPERS**

For further information on this report, contact Kevin Flaherty, Head of Business and Committee on 0208 3149327

**ITEM 10 Appendix 3****INDEPENDENT REMUNERATION PANEL**

The following adjustment was recommended by the Independent Remuneration Panel on June 10 2008 for consideration by the Council on June 30 2008.

- (a) all members to receive a basic allowance of £9,812;
- (b) the directly elected Mayor to receive £67,910 special responsibility allowance;
- (c) the Deputy Mayor to receive £40,600 special responsibility allowance;
- (d) members of the Cabinet to receive £15,298 special responsibility allowance;
- (e) the Chair of Council to receive £6,130 special responsibility allowance;
- (f) the Chair of the Overview & Scrutiny Committee to receive £12,260 special responsibility allowance;
- (g) the Chairs of Overview & Scrutiny Select Committees to receive £6,130 special responsibility allowance;
- (h) the Chairs of the three Planning Committees and the Licensing Committee to receive £6,130 special responsibility allowance;
- (i) the Chair of the Labour Group and the Leader of the Liberal Democrat group on the Council to receive £5,275 special responsibility allowance;
- (j) the Leaders of the Green Party, Conservative Party and Socialist Party groups on the Council to receive £3,165 special responsibility allowance;
- (k) a co-optees' allowance of £577 per annum to be paid to those co-optees who sit on the Audit Panel, Standards Committee and the Overview & Scrutiny (Education) Business Panel.

**11. APPOINTMENTS****Lewisham Parochial Charities**

A vacancy has arisen on the Board of Trustees of the Lewisham Parochial Charities following the resignation of one of the council's representatives, Mrs Bartlett.

The Council appoints 8 Trustees and the other current representatives are:

Councillor Scott (to November 2009), Councillors Feakes, Fitzsimmons, Houghton, Luxton, and Till and Mrs Phillips MBE (all to December 2010)

RECOMMENDATION that nominations are invited for the Council to appoint one person as a Trustee to the Board of Trustees of Lewisham Parochial Charities for a term of office ending on July 31 2012

Phoenix Community Housing Association

The Mayor has replaced Councillor Priddey with Councillor Houghton as one of the Council's three representatives on the Phoenix Community Housing Association.

RECOMMENDATION that the change in Council membership on the Phoenix Community Housing Association be noted

**12. Action taken by the Chair of Council under Rule 15 of Section E of the Constitution**

The Chair of Council agreed under the urgency procedure set out in Rule 15 of Section E of the Constitution, that the matter listed below should be treated as a matter of urgency and not subject to call-in. This determination not to subject an Executive Director's decision to scrutiny was made by the Chair of Council as the delay in considering the items of business would have prejudiced the interests of the Council:-

<u>Date</u>	<u>Title</u>	<u>Reason for Urgency</u>
14.6.08	Extension to Existing Town Hall Re-Wire Projects to Include for Fire Safety Works to the Ground Floor of the Town Hall	The rewiring project is expected to be completed within time and within budget. However in order to be able to bring back the decanted Council printing and photocopying function from a property that is due for timely disposal as part of the WorkSmart programme, new fire safety regulations dictate additional works should be undertaken. The Executive Director for Resources agreed the works should take place urgently at the same time as the Ground Floor rewiring, avoiding the need for a separate tendering process and allowing the disposal of a decant site.

**13. Motion in the name of Councillor Milton to be seconded by Councillor Maines**

"The council notes with concern that contamination by Legionelle bacteria has caused the closure of Ladywell Leisure Centre pool and urges the Mayor to ensure that when it is reopened it is maintained to a good standard of hygiene."

**14. Motion in the name of Councillor Page to be seconded by Councillor Flood**

"This council opposes the proposal by Lewisham Homes, approved by the Mayor & Cabinet at its meeting on May 28, to close the New Cross (Kender) Housing Office at 287 Queens Road.

Noting i) the clear opposition to the plan from local residents in the official consultation exercise; ii) that the closure plan was originally based on the assumption of a successful stock transfer of 1,800 council properties in the area which has not transpired; iii) that the local transport links make the proposed relocation of services extremely difficult to access for those reliant on public transport (and environmentally damaging in that they will encourage greater car use); and iv) that the closure will inevitably adversely affect the 'customer satisfaction' ratings that Lewisham Homes will need to achieve a two-star rating to release Decent Homes works funding, we call upon the Mayor to re-consider his decision and work with Lewisham Homes to find the resources to keep this local service open.

**15. Motion in the name of Councillor Fletcher to be seconded by Councillor Morris**

"This council notes the recent publication by the government of a list of 638 schools, including 3 Lewisham schools, that must improve their standards, close or become academies. This council calls on the Mayor to write to the Schools Minister supporting the intention of encouraging all schools to continuously improve but pointing out that the government's announcement is highly damaging, counter-productive and ill-informed for the following reasons:

- One of the Lewisham schools named is already an academy
- It just highlights information already available to the public in the published school league tables
- It serves to damage the reputation of schools, whilst taking absolutely no account of individual circumstances
- It can only demoralise teachers and other staff working in these schools
- It is likely to deter pupils from applying to these schools, thus adding to their problems

- All three Lewisham schools have recently undergone major capital projects

We call on the government to adopt a more constructive approach to school improvement by working in partnership with local authorities rather than imposing central dictates on them and by introducing the pupil premium policy of attaching additional funding to children from more disadvantaged backgrounds.”

**16. Motion in the name of Councillor Luxton to be seconded by Councillor Johnson**

“This Council welcomes the dramatic growth in cycling in London over the past few years and is firmly committed to supporting and encouraging cycling within the borough. However, this Council notes with concern that the Mayor of London is considering plans to allow motorcyclists in bus lanes, a move that the London Cycling Campaign and Lewisham Cyclists have opposed on the grounds that it could endanger the lives of cyclists and pedestrians and undermine the objective of encouraging more cycling trips. This Council shares those concerns and does not support the use of bus lanes by motorcyclists. This Council therefore calls upon the Mayor of Lewisham to make representations to the Mayor of London and to work with other boroughs to ensure such plans are abandoned.”