

Council Assembly

Tuesday 22 February 2011
7.00 pm
Town Hall, Peckham Road, London SE5 8UB

Tabled Items

List of Contents

Item No.	Title	Page No.
2.1.	Policy and Resources Strategy - 2011/12 - Revenue Budget (The Budget and Policy Framework)	1 - 5
	<ul style="list-style-type: none">• Questions on Report with Responses• Late amendment to report	

COUNCIL ASSEMBLY

(COUNCIL TAX SETTING)

TUESDAY 22 FEBRUARY 2011

QUESTIONS ON THE REPORT

ITEM 2.1: POLICY AND RESOURCES STRATEGY - 2011/12 - REVENUE BUDGET (THE BUDGET AND POLICY FRAMEWORK)

1. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR NICK DOLEZAL

Would it be prudent to use more of the council's reserves and balances in this financial year?

RESPONSE

Our budget proposals will be removing £6.3m from the council's reserves and balances and it would be unwise to take even more. This is in response to the dreadful grant settlement received by the council. Southwark's reserves and balances are already considerably less than the inner London average.

The current general fund balance stands at £18.2m. As one of London's largest and therefore highest spending authorities, this working balance represents just 1.92% of 2009/10 general fund spend, an even lower proportion were we to include the capital programme. This is well below the inner London average of 2.36%. Increasing to the Inner London average would mean increasing balances by £4.2m to £22.4m.

The target level for the general fund working balance has been set at £20m over the medium term, as recommended to this assembly by the previous administration.

This target has been supported by the district auditor over a number of years. Although the council has made progress to achieving this level of balances, there have been insufficient surplus resources over the years to be able to achieve this target. Maintaining an adequate level of reserves and balances are therefore key factors in the finance director's assessment of the robustness of the budget.

Other reserves are funds set aside from proposed budget contributions and unexpected or unplanned windfall savings. These are to meet contractual commitments or future expenditure plans, including financial risks or liabilities that may arise at a later date.

The council's general fund earmarked reserves at the end of 2009/10 totalled £68.6m. This represents 17.9% of our general fund spend, compared to an inner London average of 30.4%. In contrast, Kensington & Chelsea has earmarked reserves of 84.6% of its spend, the Corporation of London 49.4% and Wandsworth 48.3%. It is unfortunate that the secretary of states' call for councils to use their reserves are based on these extreme examples and not the cases of the majority of local authorities who carry more modest reserves.

These earmarked reserves, by their nature, are reserves set aside and earmarked for spending plans. Many of those spending plans were already in progress as at the end of 2009/10, especially around the council's modernisation agenda and major regeneration projects. The reserves also include balances that the council cannot freely reallocate, for

example dedicated schools grant unspent or PFI credits received in advance to meet future years' costs on the waste PFI scheme. Progress on the Elephant and Castle and on proposals for the Aylesbury rely on reserves put aside for regeneration purposes.

The council has a number of pressures which fluctuate over time and are unpredictable in nature. These could include winter maintenance (such as pot holes and road gritting for highways) and/or meeting the upkeep of older buildings that the council operate from. Reserves are the most effective way in which to mitigate these pressures. Looking ahead, another example of real but unquantifiable pressure is one-off redundancy costs. It may be that these costs cannot be met from existing revenue budget provision. Therefore and, subject to an appropriate business case, reserves may have to be used to support these costs and to relieve pressure on council tax payers in particular years.

This cabinet remains committed to maintaining the general fund balance at an appropriate and prudent level and to maintain the financial standing of this council through some very difficult times ahead. At the same time, we will be seeking to sustain the regeneration and modernisation programmes that are so important to the health and prosperity of our residents.

2. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR HELEN MORRISSEY

The budget indicates that the housebound library service is due to be cut 2013/14. This will affect vulnerable residents who rely on this service. Is there a plan to try and ensure the continuation of this service?

RESPONSE FROM THE CABINET MEMBER FOR CULTURE, LEISURE, SPORT AND THE OLYMPICS

We know that the home library service is a lifeline for many people. It is with great regret, therefore, with the expectation of further cuts in Southwark's settlement from the government, that we will stop funding the service in the third year of our budget.

However, over the next two years we will look fully at alternative ways of providing an alternative home library service. As part of the library review we will consider the possibility of providing the service in partnership with other organisations including the potential for volunteers to be involved in service delivery.

3. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR CLAIRE HICKSON

Should the council press ahead with its promise to introduce free school meals for every child in the borough?

RESPONSE FROM THE CABINET MEMBER FOR CHILDREN'S SERVICES

In line with our commitment, we will deliver free healthy school meals for primary school children in the borough.

This administration inherited one of the highest levels of childhood obesity in the country, affecting children from across our borough - free healthy school meals for all primary school children will help to tackle this.

We also inherited a borough with significant areas of high levels of deprivation - a third of our children are in poverty. There is also a significant 'cliff edge' issue for parents who are earning just above the government's free school meals eligibility threshold. On the whole,

parents of children in our maintained primary schools are not well off. This issue is more pressing for families in Southwark now, given the changes to welfare will impact on many families earning just above the government's free school meals threshold following the local spending settlement. Our free healthy school meals policy means that every primary school child in Southwark will be able to eat at least one nutritious meal a day in term time.

4. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR NORMA GIBBES

Could you give some details of how far the £300,000 set aside for Community Games will maintain the programme and what plans are in place to ensure funding beyond 2012/13?

RESPONSE FROM THE CABINET MEMBER FOR CULTURE, LEISURE, SPORT AND THE OLYMPICS

With government cutting funding to sporting bodies and the end of the working neighbourhoods fund, the previous funding level of over £800,000 for the community games is not sustainable. We have secured at least £300,000 for the years 2011/12 and 2012/13 and are still researching opportunities for further funding. This will provide continuation of the sports development function including:

- Continued involvement in London Youth Games
- Delivery of the Disability Sports Programme
- Continuing work on club liaison and pursuing external funding opportunities
- Ongoing schools uptake of 2012 opportunities and an Olympic year event for young people in Southwark
- Up to 7,000 young people involved in community games activity

We will in the next two years investigate all funding opportunities, working in collaboration with sports bodies nationally, business, the wider voluntary sector and community and with local sports organisations in order to continue to secure a community games beyond the Olympic year.

5. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR DAN GARFIELD

Can you give further detail regarding what the council's transformation of youth services will look like?

RESPONSE FROM THE CABINET MEMBER FOR CHILDREN'S SERVICES

We are redesigning the youth service to provide a service which meets young people's needs in a cost-effective way. The future youth service will include strong universal provision across the borough as well as targeted interventions for vulnerable young people.

Designs are not yet finalised but we are working to ensure there will be more youth workers visible on the streets and in local communities; and activities and services in the right places and at the right times to best suit young people's needs.

Historically the MORI poll of residents told us that many people were dissatisfied with the youth service provision. We will be co-designing the new youth service with young people, to ensure their views are heard.

6. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR CLEO SOANES

Can you provide an update on the situation regarding lunch clubs and day centres?

RESPONSE FROM THE CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE

The government's decision to make deep cuts to Southwark's budget over the next two years means that we can no longer afford in the long run to subsidise lunch clubs and day centres at the current levels. We are currently consulting on how these services will change in the future.

However, in light of the appeals made by these organisations for more time to look for alternative funding I will be supporting the late and urgent amendment on the budget this evening from Councillor Neil Coyle.

7. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR THE RIGHT REVD EMMANUEL OYEWOLE

What do you intend to do about double-swiping of taxi cards?

RESPONSE FROM THE CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE

We will be reintroducing double-swiping from 1 April 2011 and we will consult with stakeholder groups beforehand on steps to make this affordable within the limited resources from Transport for London. This may include reviewing the number of trips users are entitled to or finding ways of focusing resources where they are most needed.

COUNCIL ASSEMBLY
(COUNCIL TAX SETTING)
TUESDAY 22 FEBRUARY 2011

**ITEM 2.1: POLICY AND RESOURCES STRATEGY - 2011/12 - REVENUE BUDGET
(THE BUDGET AND POLICY FRAMEWORK)**

LATE AMENDMENT C

Moved: Councillor Neil Coyle
Seconded: Councillor the Right Revd Emmanuel Oyewole

Insert new paragraphs 4 - 5

4. Council assembly notes that the voluntary sector transition fund allows for day care and lunch club providers to bid for funds to sustain their activity through a period of transformation.
5. Council assembly invites the cabinet member for finance, resources and community safety to instruct the finance director to earmark from the contingency fund for 2011/12 a sum of £500,000 directly in support of those contracts with day care and lunch club providers due to end on 19 April 2011 to allow these providers to engage with the council on developing a model of delivery within future resources available.