

## Council Assembly

Wednesday 16 March 2016

8.00 pm

The Chamber, City Hall, The Queen's Walk, More London, London SE1 2AA  
(or at the rise of the cabinet member public question time whichever is the later)

## Supplemental Agenda No.1

### List of Contents

Item No.	Title	Page No.
<b>1.5. Minutes</b>		1 - 15
	To approve as a correct record the open minutes of the council assembly meeting held on 24 February 2016.	

### Contact

Lesley John on 020 7525 7228 or 020 7525 7222 or email: [lesley.john@southwark.gov.uk](mailto:lesley.john@southwark.gov.uk);  
[andrew.weir@southwark.gov.uk](mailto:andrew.weir@southwark.gov.uk); [constitutional.team@southwark.gov.uk](mailto:constitutional.team@southwark.gov.uk)

Date: 11 March 2016



## Council Assembly (Budget and Council Tax Setting Meeting)

MINUTES of the Council Assembly (Budget and Council Tax Setting Meeting) held on Wednesday 24 February 2016 at 7.00 pm at Council Offices, 160 Tooley Street, London SE1 2QH

---

### **PRESENT:**

The Worshipful the Mayor for 2015/16, Councillor Dora Dixon-Fyle MBE (Chair)

Councillor Evelyn Akoto  
Councillor Anood Al-Samerai  
Councillor Jasmine Ali  
Councillor Maisie Anderson  
Councillor James Barber  
Councillor Radha Burgess  
Councillor Sunil Chopra  
Councillor Fiona Colley  
Councillor Stephanie Cryan  
Councillor Catherine Dale  
Councillor Helen Dennis  
Councillor Nick Dolezal  
Councillor Karl Eastham  
Councillor Gavin Edwards  
Councillor Paul Fleming  
Councillor Tom Flynn  
Councillor Lucas Green  
Councillor Renata Hamvas  
Councillor Barrie Hargrove  
Councillor Jon Hartley  
Councillor Helen Hayes  
Councillor David Hubber  
Councillor Peter John OBE  
Councillor Ben Johnson  
Councillor Samantha Jury-Dada  
Councillor Eleanor Kerslake  
Councillor Sarah King  
Councillor Anne Kirby  
Councillor Sunny Lambe  
Councillor Octavia Lamb

Councillor Lorraine Lauder MBE  
Councillor Maria Linforth-Hall  
Councillor Richard Livingstone  
Councillor Rebecca Lury  
Councillor Jane Lyons  
Councillor Eliza Mann  
Councillor Hamish McCallum  
Councillor Darren Merrill  
Councillor Victoria Mills  
Councillor Michael Mitchell  
Councillor Jamille Mohammed  
Councillor Adele Morris  
Councillor David Noakes  
Councillor Damian O'Brien  
Councillor James Okosun  
Councillor Leo Pollak  
Councillor Lisa Rajan  
Councillor Sandra Rhule  
Councillor Martin Seaton  
Councillor Rosie Shimell  
Councillor Andy Simmons  
Councillor Johnson Situ  
Councillor Michael Situ  
Councillor Charlie Smith  
Councillor Cleo Soanes  
Councillor Kath Whittam  
Councillor Bill Williams  
Councillor Kieron Williams  
Councillor Mark Williams  
Councillor Ian Wingfield

## 1. PRELIMINARY BUSINESS

### 1.1 ANNOUNCEMENTS FROM THE MAYOR, MEMBERS OF THE CABINET OR CHIEF EXECUTIVE

The Mayor reminded everyone that the Southwark Civic Awards scheme for 2016 was open for nominations. The Mayor explained that the awards recognise excellence in active citizenship and she encouraged all councillors and members of the public to consider nominating individuals, projects, organisations and businesses across the borough worthy of being honoured with one of these most prestigious awards. The closing date for nominations is Tuesday 29 March 2016 and nomination forms are available from the Mayor's Office and on the council's website.

The Mayor reminded everyone that the Dulwich Hamlet vs FC Assyria football match in support of the Syria Crisis Appeal was on Wednesday 2 March 2016 at 7.45pm, and tickets were available on the evening from Councillor Jasmine Ali.

The Mayor congratulated Councillor Charlie Smith and his wife, Sue, on their up and coming golden wedding anniversary. The meeting joined in congratulating the couple on their 50 years together.

The cabinet member for finance, modernisation and performance acknowledged the work of the Feminist Library, and informally accepted a petition from them on the subject of the proposed rental increase for their premises.

### 1.2 NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE MAYOR DEEMS URGENT

The Mayor agreed to receive a report entitled 'Setting the Council Tax 2016/17' as urgent business, the report is set out in supplemental agenda 1.

The Mayor remind everyone that it was a legal requirement to take a recorded vote at key budget decision meetings. This requirement applied to the final substantive vote on items 2.1 and 3.1.

The Mayor formally moved the programme motion:

#### **RESOLVED:**

That the meeting be conducted as follows:

#### **Item 2.1 Policy and Resources Strategy**

1. Consideration of this item is not time limited but the meeting is subject to the guillotine.
2. To give consent of the meeting to an alteration to Amendment D as follows:

In paragraph 3 **delete** 'each year' at the end of 'Reduce amount placed into contingencies by £500,000....'

Revised paragraph 3 to read:

- 3) **Amend** Table 1 (Policy and Resources Strategy 2016/17 – 2018/19: Revenue Budget paper, page 3 of the main agenda) to reflect changed contributions from proposed £4,000,000 contingencies as follows:

‘Reduce amount placed into contingencies by £500,000 ~~each year.~~’

3. Debate to include:

- Questions on reports
- Councillor Fiona Colley to present recommendations (10 minutes)
- Councillor Hamish McCallum to reply on behalf of opposition (5 minutes)
- Four amendments to be moved and seconded
- Report and Amendments to be debated as a single debate (All speakers 3 minutes each)
- Reply to the debate from Councillor Fiona Colley (3 minutes)
- Separate vote on each Amendment
- Recorded vote on substantive motion.

Members can only speak once, except for Councillor Fiona Colley (cabinet member for finance, modernisation and performance), who will reply to the single debate.

### Item 3.1 Setting the Council Tax

4. To be considered as normal but with the legal requirement to take a recorded vote on the substantive motion.

### Other reports

5. To be considered as normal.

Note: Relevant procedure rules:

- CAPR 1.16.4 recorded vote by roll call  
(Local Authorities (Standing Orders) England) (Amended) Regulations 2014
- CAPR 1.14.4 Order of debate – Single debate
- CAPR 1.14.5 Alteration of amendment.

## 1.3 DISCLOSURE OF INTERESTS AND DISPENSATIONS

The Mayor announced that all councillors had been granted a dispensation by the monitoring officer to vote on the council tax report.

There were no disclosures of interest.

## 1.4 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Neil Coyle and Vijay Luthra.

Apologies for lateness were received on behalf of Councillors Evelyn Akoto, James Barber, Gavin Edwards and Helen Hayes.

## **2. MINUTES**

### **RESOLVED:**

That the open minutes of the council assembly meeting held on 26 January 2016 be agreed and signed as a correct record.

## **3. REPORT(S) FOR DECISION FROM THE CABINET**

### **3.1 POLICY AND RESOURCES STRATEGY 2016/17 - 2018/19 - REVENUE BUDGET**

*(See pages 1 – 76 of the main agenda)*

The Mayor informed the meeting that the Greater London Authority (GLA) had met earlier in the week and agreed the precept for Southwark, therefore the proposed GLA precept outlined in the report was correct.

There were two questions from members, the answers to which had been circulated on blue paper at the meeting. Two supplemental questions were asked of the cabinet member for finance, modernisation and performance. The questions and written responses are attached as Appendix 1 to the minutes.

The Mayor reminded everyone that the meeting had earlier agreed that there would be a single debate on the report and Amendments A, B, C and D.

In accordance with council assembly procedure rule 1.14.9, Councillor Fiona Colley, cabinet member for finance, modernisation and performance, moved the report.

In accordance with council assembly procedure rule 1.14.9, Councillor Hamish McCallum, the shadow cabinet member for finance, responded to the cabinet member's statement.

Councillor Michael Mitchell, seconded by Councillor Jane Lyons, moved Amendment A.

Councillor Victoria Mills seconded by Councillor Darren Merrill, moved Amendment B.

Councillor Anood Al-Samerai moved Amendment C; after which Councillor Victoria Mills made a point of personal explanation. Councillor James Okosun then seconded Amendment C.

Councillor Rosie Shimell, seconded by Councillor James Barber, moved Amendment D.

Following debate (Councillors Stephanie Cryan, Maria Linforth-Hall, Mark Williams, Karl Eastham, Eliza Mann, Michael Situ, Nick Dolezal, Adele Morris, Jasmine Ali, Barry Hargrove, Damian O'Brien, Richard Livingstone, Andy Simmons, David Noakes, Peter John, Tom Flynn, David Hubber, Johnson Situ, Paul Fleming, Gavin Edwards, Kieron Williams, Lisa Rajan, Sunil Chopra, Cleo Soanes, John Hartley, Ben Johnson, Charlie Smith and Ian

Wingfield), Councillor Fiona Colley exercised her right of reply.

Amendment A was put to the vote and declared to be lost.

Amendment B was put to the vote and declared to be carried.

Amendment C was put to the vote and declared to be lost.

Amendment D was put to the vote and declared to be lost.

At this juncture the clerk explained that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, which had come into force on 25 February 2014, required a recorded vote on key budget decisions by local authorities. The regulations required a recorded vote on decisions only. Therefore in accordance with council assembly procedure rule 1.16(4) (a roll call recorded vote), the bell was rung at the beginning and end of one minute, after which the doors to the room were closed.

The substantive motion was put to the vote, and the votes having been recorded, the Mayor declared the result as follows:

In favour of the substantive motion (46):

Councillors Evelyn Akoto, Jasmine Ali, Maisie Anderson, Radha Burgess, Sunil Chopra, Fiona Colley, Stephanie Cryan, Catherine Dale, Helen Dennis, Dora Dixon-Fyle, Nick Dolezal, Karl Eastham, Gavin Edwards, Paul Fleming, Tom Flynn, Lucas Green, Renata Hamvas, Barrie Hargrove, Jon Hartley, Helen Hayes, Peter John, Samantha Jury-Dada, Eleanor Kerslake, Sarah King, Anne Kirby, Sunny Lambe, Octavia Lamb, Lorraine Lauder, Richard Livingstone, Rebecca Lury, Darren Merrill, Victoria Mills, Jamille Mohammed, Leo Pollak, Sandra Rhule, Martin Seaton, Andy Simmons, Johnson Situ, Michael Situ, Charlie Smith Cleo Soanes, Kath Whittam, Bill Williams, Kieron Williams, Mark Williams and Ian Wingfield.

Against the substantive motion (15):

Councillors Anood Al-Samerai, James Barber, David Hubber, Ben Johnson, Maria Linforth-Hall, Jane Lyons, Eliza Mann, Hamish McCallum, Michael Mitchell, Adele Morris, David Noakes, Damian O'Brien, James Okosun, Lisa Rajan and Rosie Shimell.

Absent (2)

Councillors Neil Coyle and Vijay Luthra.

The Mayor declared that the substantive motion was carried.

# **RESOLVED:**

1. That council assembly:

- 1) Agrees to freeze the Southwark element of the council tax for 2016/17.
- 2) Agrees to use the flexibility offered by the government to support Adult Social

Care through a precept equivalent to 2% of council tax on the basis that these additional funds will be used exclusively for adult social care (ASC).

- 3) Agrees the recommendations of the 9 February 2016 cabinet as amended for a general fund budget requirement (after use of reserves) for 2016/17 of £271.4m.
  - 4) Notes the indicative budgets for 2017/18 and 2018/19 included within this report and the associated funding shortfall that will need to be updated and addressed as part of the council tax setting process for those years.
2. That council assembly:
- 1) Believes that we must spend every penny as if it were our own, and recognises that efficiency and modernisation is at the heart of the council plan.
  - 2) Notes that the combination of the significant regeneration of the borough and the high performance of our award-winning revenue collection team is resulting in ever increasing levels of retained business rates, and that the s151 officer's estimate of retained business rates in 2016/17 has recently risen from £4m to £4.6m.
  - 3) Notes the council's commitment to making Southwark a place residents can be proud of, and recognises the importance of getting the basics right and keeping the streets clean in order to fulfil this commitment.
  - 4) Recognises the excellent work undertaken by the voluntary sector in Southwark with our young people, helping them to access the many opportunities being created by our Fairer Future Promises.
3. That council assembly therefore resolves:
- 1) To amend the budget for 2016/17 by bringing forward by one year savings in staff catering (reference 79) and Tooley Street office running costs (reference 81) of £90k and £70k respectively.
  - 2) To amend estimated business rates retained in the 2017/18 and 2018/19 indicative budgets to £7.1m.
  - 3) To delete proposed savings to mechanical sweeping overnight (reference 48) and overnight flytip clearance (reference 51).
  - 4) To increase the proposed youth and play budget by £1m by continuing to fund voluntary sector youth and play grants (reference 17) in 2017/18 and 2018/19, meaning no cuts to grant funding for young people in Southwark.

Amended schedules in Appendices B, C & D (see pages 35, 42 and 49 of the main agenda)

Division	Ref	Description	2016/ 17	2017/ 18	2018/ 19	2016/ 17 to
----------	-----	-------------	-------------	-------------	-------------	----------------

			£'000	£'000	£'000	2018/ 19 £'000
Education	17	End of Voluntary Sector grants, subject to a new operating model for youth and play and a wider review of voluntary sector provision.		(500) 0		(500) 0
Waste and Cleansing	48	Cease the use of mechanical sweeping overnight and measure the impact on street cleanliness	(26) 0			(26) 0
Waste and Cleansing	51	End overnight fly tip clearance provision and move to stricter enforcement regime	(134) 0			(134) 0
Modernisation (CFM)	79	Reconfigure staff catering arrangements	(90) (180)	(125) (35)		(215)
Modernisation (CFM)	81	Review of operational opening times and workspace charges for 160 Tooley Street	0 (70)	(70) 0		(70)

Amended 2016/17 to 2018/19 Budget (See Table 1, pages 3 – 4 of the main agenda)

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
<b>Resources</b>				
Retained business rates (DCLG)	(60.2)	(60.7)	(61.9)	(63.7)
Business rates top-up (DCLG)	(45.0)	(45.3)	(46.2)	(47.6)
Revenue support grant and other grants (inc Public Health and other specific grants) [See note 1]	(118.9)	(106.6)	(90.1)	(78.6)
<b>Total funding (inc Public Health and other specific grants)</b>	<b>(224.1)</b>	<b>(212.6)</b>	<b>(198.2)</b>	<b>(189.9)</b>
<b>Council tax and Retained Business Rates</b>				



Council tax baseline	(80.0)	(83.2)	(84.5)	(85.6)
ASC Precept	-	(1.7)	(3.4)	(5.2)
Estimated increase in business rates retained	(5.0)	(4.6)	(7.1)	(7.1)
Collection fund surplus	(2.9)	(2.4)	(0.5)	(0.5)
<b>Total revenue from council tax and business rates</b>	<b>(87.9)</b>	<b>(91.9)</b>	<b>(95.5)</b>	<b>(98.4)</b>
<b>Total funding</b>	<b>(312.0)</b>	<b>(304.5)</b>	<b>(293.7)</b>	<b>(288.3)</b>

<b>2015/16 budget starting point (includes Public Health expenditure)</b>	<b>334.6</b>	<b>318.2</b>	<b>310.7</b>	<b>299.8</b>
Employees (1.2%, 1.0%, 1.0%, 1.0%)	2.1	2.2	1.7	1.7
Contractual inflation	2.3	2.8	1.5	1.5
Commitments	4.7	13.3	7.8	6.2
Grants				
New Homes Bonus	1.4	(6.3)	3.5	3.5
Changes in grant related expenditure	3.6	5.4	0.0	0.0
HB admin subsidy and council tax support	0.4	0.7	0.6	0.6
Net change in council tax freeze grant	(0.9)	0.9	0.0	0.0
<b>Net budget before proposals</b>	<b>348.2</b>	<b>337.2</b>	<b>325.8</b>	<b>313.3</b>

<b>Proposals</b>				
Efficiencies and improved use of resources	(26.1)	(14.1)	(18.5)	(9.1)
Income generation	(2.9)	(10.0)	(6.0)	(5.0)
Savings impacting on service delivery	(1.0)	(2.4)	(1.5)	(1.6)
<b>Total Budget</b>	<b>318.2</b>	<b>310.7</b>	<b>299.8</b>	<b>297.6</b>
Planned contribution from balances	(6.2)	(6.2)	(5.0)	(4.0)
<b>Net budget after contribution from balances</b>	<b>312.0</b>	<b>304.5</b>	<b>294.8</b>	<b>293.6</b>
<b>Funding shortfall / (surplus)</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>5.3</b>

Note 1: includes £33.1m of specific grants in 2016/17.

**Note:** The cabinet recommendation had been amended, therefore in accordance with the budget and policy framework procedure rule 2 (g), the leader gave his consent to the amendment and the decision was implementable with immediate effect.

## 4. OTHER REPORTS

### 4.1 SETTING THE COUNCIL TAX 2016/17

*(See pages 45 – 58 of supplemental agenda 1)*

The Mayor informed the meeting that the Greater London Authority (GLA) had met earlier in the week and agreed the precept for Southwark, therefore the proposed GLA precept outlined in the report was correct.

At this juncture the clerk explained that as council assembly had agreed the level of council tax for 2016/17, as set out in the cabinet's recommendation as amended by Amendment B and as agreed in the resolution in item 2.1, council assembly was now required to formally agree the council tax resolution in line with the decisions of item 2.1.

The clerk then reminded the meeting that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, which had come into force on 25 February 2014, required a recorded vote on key budget decisions by local authorities. The regulations required a recorded vote on decisions only. Therefore in accordance with council assembly procedure rule 1.16.4 (a roll call recorded vote), the bell was rung at the beginning and end of one minute, after which the doors to the room were closed

The substantive motion was put to the vote, and the votes having been recorded, the Mayor declared the result as follows:

In favour of the substantive motion (61):

Councillors Evelyn Akoto, Jasmine Ali, Anood Al-Samerai, Maisie Anderson, James Barber, Radha Burgess, Fiona Colley, Sunil Chopra, Fiona Colley, Stephanie Cryan, Catherine Dale, Helen Dennis, Dora Dixon-Fyle, Nick Dolezal, Karl Eastham, Gavin Edwards, Paul Fleming, Tom Flynn, Lucas Green, Renata Hamvas, Barrie Hargrove, Jon Hartley, Helen Hayes, David Hubber, Peter John, Ben Johnson, Samantha Jury-Dada, Eleanor Kerslake, Sarah King, Anne Kirby, Sunny Lambe, Octavia Lamb, Lorraine Lauder, Maria Linforth-Hall, Richard Livingstone, Rebecca Lury, Jane Lyons, Eliza Mann, Hamish McCallum, Darren Merrill, Victoria Mills, Michael Mitchell, Jamille Mohammed, Adele Morris, David Noakes, Damian O'Brien, James Okosun, Leo Pollak, Lisa Rajan, Sandra Rhule, Martin Seaton, Rosie Shimell, Andy Simmons, Johnson Situ, Michael Situ, Charlie Smith, Cleo Soanes, Kath Whittam, Bill Williams, Kieron Williams, Mark Williams, Ian Wingfield.

Against the motion (none)

Absent (2):

Councillors Neil Coyle and Vijay Luthra.

The Mayor declared that the substantive motion was carried.

#### **RESOLVED:**

1. That council assembly note the proposed Greater London Authority precept of

£276.00 at Band D.

2. That the existing local war disability and war widow's schemes for housing benefit be continued in 2016/17.
3. That the Southwark element of the council tax for band D properties in Southwark, including the adult social care precept of 2%, be set at £930.38.
4. That no discount be applied to properties in the former parish of St Mary Newington.
5. That no discount be applied to properties in the former parish of St Saviours.
6. That the council tax for all band D properties in Southwark be set at £1,206.38.
7. That the formal resolution for council taxes in 2016/17 (shown in Appendix A of the report) be approved.

#### **4.2 TREASURY MANAGEMENT STRATEGY 2016/17 INCLUDING ANNUAL INVESTMENT STRATEGY, PRUDENTIAL INDICATORS AND ANNUAL MINIMUM REVENUE PROVISION STATEMENT**

*(See pages 77 – 96 of the main agenda)*

In accordance with council assembly procedure rule 2.11.2, the report was formally moved by the Mayor.

Councillor Fiona Colley, cabinet member for finance, modernisation and performance, spoke on the report and thanked the finance officers who had prepared the three budget reports; she gave a special thank you to John Braggins as he would shortly be leaving the council.

The recommendations contained within the report were put to the vote and declared to be carried.

#### **RESOLVED:**

That council assembly:

1. Notes the 2016/17 treasury management strategy which is to be managed by the strategic director of finance and governance under financial delegation.
2. Notes the treasury management policy set out in paragraph 9 of the report.
3. Agrees the annual investment strategy 2016/17 referred to in paragraphs 15 to 16 of the report and set out at Appendix A of the report.
4. Agrees the prudential indicators covering capital finance and treasury management for the years 2016/17 to 2018/19 referred to in paragraph 27 of the report and set out at Appendix B of the report.
5. Agrees the updated minimum revenue provision statement, setting aside prudent

sums to reduce debt and long term liabilities referred to in paragraphs 28 to 30 of the report and set out at Appendix C of the report.

## **5. AMENDMENTS**

Amendments are set out in pages 1 – 7 of supplemental agenda 2.

The meeting closed at 9.38 pm.

**CHAIR:**

**DATED:**

**COUNCIL ASSEMBLY**  
**(COUNCIL TAX SETTING MEETING)**

**WEDNESDAY 24 FEBRUARY 2016**

**QUESTIONS ON REPORT: ITEM 2.1 POLICY AND RESOURCE STRATEGY  
2016/17 TO 2018/19: REVENUE BUDGET**

**1. QUESTION TO THE CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE FROM COUNCILLOR ELEANOR KERSLAKE**

As part of the Local Government Settlement the government announced an additional £300m 'transitional' funding to ease budget difficulties. How was this funding allocated in London?

**RESPONSE**

Following on from the provisional grant settlement, the government announced transitional grant funding to ease budget difficulties for councils taking relatively high cuts. This followed significant lobbying not only from shire district and county councils but also from some outer London boroughs who felt unfairly compromised by the settlement. More than 70% of the £150m transitional funding for councils in 2016/17 has been allocated to counties.

It is unfortunate that while inner London boroughs like Southwark have taken the bulk of funding cuts over the last five years, no such transitional relief was given. In London, none of the 12 inner London boroughs received any funding, despite facing over £50m more cuts than the 20 outer London boroughs combined.

Between 2010 and 2017/18, Southwark will have lost over £130m in government funding – more than most of the councils which have received transitional funding. Of the 232 councils which have received transitional funding for 2016/17 and/or 2017/18, 225 (97%) have had funding cuts lower than Southwark. Surrey County Council, for example, will receive an additional £24m in transition funding in 2016/17 and 2017/18, despite having a lower reduction in government funding than Southwark.

The table below demonstrates the inequality of the way in which this government continues to treat those councils most severely impacted by their funding cutbacks. The funding splits in London outlined in this table speak for themselves.

Local Authority	Transition Grant 2016/17	Transition Grant 2017/18	Total Transition Grant	Reduction in government Funding (2010/11 to 2016/17)	Reduction in government Funding (2010/11 to 2017/18)
	£ m	£ m	£ m	£ m	£m
England	150.000	150.000	300.000		

Local Authority	Transition Grant 2016/17	Transition Grant 2017/18	Total Transition Grant	Reduction in government Funding (2010/11 to 2016/17)	Reduction in government Funding (2010/11 to 2017/18)
Camden	0.000	0.000	0.000	-93.140	-105.192
Greenwich	0.000	0.000	0.000	-82.376	-92.600
Hackney	0.000	0.000	0.000	-114.681	-126.918
Hammersmith and Fulham	0.000	0.000	0.000	-62.436	-70.277
Islington	0.000	0.000	0.000	-84.667	-40.493
Kensington and Chelsea	0.000	0.000	0.000	-57.790	-117.214
Lambeth	0.000	0.000	0.000	-111.647	-125.429
Lewisham	0.000	0.000	0.000	-93.202	-104.938
<b>Southwark</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-116.519</b>	<b>-130.124</b>
Tower Hamlets	0.000	0.000	0.000	-116.211	-128.910
Wandsworth	0.000	0.000	0.000	-74.432	-83.045
Westminster	0.000	0.000	0.000	-90.427	-100.485
<b>Total Inner London</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-1,097.529</b>	<b>-1,225.625</b>
Barking and Dagenham	0.000	0.000	0.000	-46.996	-53.887
Barnet	1.422	1.427	2.849	-56.742	-69.120
Bexley	0.725	0.713	1.438	-36.557	-44.065
Brent	0.000	0.000	0.000	-84.023	-95.732
Bromley	2.068	2.052	4.119	-42.879	-52.624
Croydon	0.418	0.418	0.836	-66.752	-79.643
Ealing	0.000	0.000	0.000	-79.102	-91.077
Enfield	0.000	0.000	0.000	-61.168	-72.337
Haringey	0.000	0.000	0.000	-80.284	-91.207
Harrow	0.712	0.699	1.411	-36.830	9.071
Havering	1.373	1.360	2.733	-32.913	-46.626
Hillingdon	0.517	0.515	1.031	-47.106	-36.044
Hounslow	0.000	0.000	0.000	-51.911	-56.784
Kingston upon Thames	1.305	1.288	2.593	-24.840	-30.880
Merton	0.567	0.557	1.123	-38.867	-45.846
Newham	0.000	0.000	0.000	-107.052	-119.332
Redbridge	0.000	0.000	0.000	-47.926	-56.788
Richmond upon Thames	2.910	2.920	5.830	-21.217	-29.691
Sutton	1.343	1.333	2.676	-32.439	-39.704
Waltham Forest	0.000	0.000	0.000	-60.208	-69.966
<b>Total Outer London</b>	<b>13.359</b>	<b>13.281</b>	<b>26.639</b>	<b>-1,055.812</b>	<b>-1,172.284</b>
<b>Total</b>	<b>13.359</b>	<b>13.281</b>	<b>26.639</b>	<b>-2,153.341</b>	<b>-2,397.909</b>

**SUPPLEMENTAL QUESTION TO THE CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE FROM COUNCILLOR ELEANOR KERSLAKE**

Thank you Madam Mayor. I would like to thank the cabinet member for her response and I would like to ask a short supplemental. Does the cabinet member agree that it is deeply unfair gaming of the system that the Tory government has granted an additional £300 million transitional funding for wealthy areas like Richmond and Bromley when offering no such funding to inner London boroughs like Southwark, which have faced significantly greater budget cuts in the past five years?

**RESPONSE FROM THE CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE**

Thank you Madam Mayor and I would like to thank Councillor Kerslake for her excellent question. I have to say I am a little hesitant to admit it but for a few weeks in January, I was feeling just quite warm towards Greg Clark, the Secretary of State for Communities and Local Government. We have been fearing the worst in Southwark especially after being so hard hit and always the worst hit under Eric Pickles but then when the provisional settlement came, it seemed like a rather pleasant surprise, the government had finally taken into account the greater wealth and tax base of the shire and county councils when divvying those cuts up and while things were predictably awful for us, they just weren't quite so bad as we had been fearing and the pain for one seemed to have spread around just that little bit fairer, but Madam Mayor that really didn't last very long. Soon enough the Tories realised their cuts were hitting their own back yards in Tory Surrey and Hampshire, not just Labour Southwark and Hackney. Strangely enough the government was able to find £300 million down the back of the sofa to help out to soften the blow. So yes, like Councillor Kerslake, I wonder where was that transitional funding in 2011 when we first faced these enormous challenges, when our funding cuts are amongst the highest in London. Why is it that Richmond and Bromley are the ones getting help? Now perhaps if David Cameron's mother lived here rather than in Oxfordshire, we would have got a little help. With the brazenly political allocation of 83% of the transitional funding going to Tory authorities, my warm and fond feelings towards Greg Clark very rapidly evaporated and it is quite clear that the Tories are still only interested in looking after their own.

**2. QUESTION TO THE CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE FROM COUNCILLOR KARL EASTHAM**

The budget report sets out the council's intention to contribute £6m of reserves to the annual general fund balance in 2016/17 to relieve pressure on services. Is the cabinet member confident the council will still have sufficient ability to manage potential risks despite this proposal?

**RESPONSE**

Sound levels of balances and reserves are critical to the financial health of local authorities; and you are quite right to point out their importance.

Unlike the vast majority of other London councils, Southwark has used the planned uses of balances to support our services since 2010/11 when we started to see the full impact of reductions in government funding. Since 2010/11, £26m has been used to soften the effects of these cutbacks; a further £15m is planned to be used over the next three years as indicated in the budget and indicative budgets presented to council assembly over the next three years; a total of £41m that has helped us to manage the

consequences of the austerity cuts and to allow us to transform progressively and in a structured way.

In no small part, contingency provision made year on year has helped us to make this investment in our services. This contingency has allowed us to mitigate the risks inherent in our budgets for the ambitious savings targets that we have had to set and the demand pressures that we continue to face.

It is also helpful to refer to the budget report being considered at this council assembly and especially the comparison of balances and reserves across similar London boroughs. In 2014/15, balances fell as planned, but this trend was exceptional in London as the vast majority of other councils saw an increase. It is extremely important that the position is kept under careful scrutiny as Southwark reserves and balances remain relatively low, not least given the size of the council and the progressive programme of regeneration, development and modernisation to which we are committed.

#### **SUPPLEMENTAL QUESTION TO THE CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE FROM COUNCILLOR KARL EASTHAM**

Thank you to Councillor Colley for her answer which clearly demonstrates the importance of the council's balances and reserves in mitigating against risk and demand pressures. The Liberal Democrat amendment is proposing significant reductions to the council's contingency fund. Does the cabinet member think this is wise?

#### **RESPONSE FROM THE CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE**

I would like to thank Councillor Eastham for his question. As he rightly notes, Southwark Council's reserves stand at just £109 million, the third lowest level of reserves in London despite us having one of the highest levels of annual spend and yet we are one of only a handful of councils across London who are planning to make any contribution to their budgets from reserves and we have been doing so since 2011. Now we have only been able to do that because we take such a prudent approach to risk management in large parts through the maintenance of that £4 million contingency allowance but sadly Madam Mayor, I feel members opposite don't really understand the importance of contingency. Contingencies are not a magic money tree, they exist to protect the council from the risk of overspends and we have needed them for this purpose, both last year and in this current year and if we are lucky enough not to need it all in year, then the remainder can move over into financial risk reserve which then funds the contribution from reserves in the following year's budget. The Liberal Democrat amendment calls on us to take £6 million out of the contingency allowance over three years; that is half the contingency allowance and risks our reserves falling to levels where the continued contributions from balances into our budget are no longer sustainable. It is lazy and short term measures that simply store up financial trouble and the need for greater cuts in the future. The reality is that if you want to spend more on services, then you must find either additional sources of income or alternative savings. The Liberal Democrat budget amendments may be balanced and lawful but they are certainly not financially responsible.



This page is intentionally blank.

**COUNCIL ASSEMBLY AGENDA DISTRIBUTION LIST (OPEN) (MINUTES)  
MUNICIPAL YEAR 2015/16**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
Lesley John Tel: 020 7525 7228

<b>ONE COPY TO ALL UNLESS OTHERWISE STATED</b>		Copies	To	Copies
<b>Councillors (1 copy each)</b>		<b>55</b>	<b>Others</b>	<b>1</b>
<b>Electronic Versions (No hard copy)</b>			Elizabeth Olive, Audit Commission	1
Councillor Anood Al-Samerai			Ground Floor, Tooley Street	
Councillor Maisie Anderson				
Councillor Fiona Colley				
Councillor Karl Eastham				
Councillor Gavin Edwards				
Councillor Jon Hartley				
Councillor Sarah King				
Councillor Michael Situ				
<b>Group Offices</b>		<b>2</b>		
Aine Gallagher, Labour Group Office		1		
Niko Baar, Liberal Democrat Group Office		1		
<b>Officers</b>		<b>4</b>		
Eleanor Kelly		1		
Duncan Whitfield		1		
Doreen Forrester-Brown		1		
Ian Millichap		1		
<b>Constitutional Team</b>		<b>15</b>		
(Copies to Lesley John, 2 <sup>nd</sup> Floor, Hub 4, Tooley Street)				
			<b>Total:</b>	<b>77</b>
			<b>Last Updated: March 2016</b>	