

Council Assembly (Council Tax Setting Meeting)

Wednesday 26 February 2014
7.00 pm
Council Offices, 160 Tooley Street, London SE1 2QH

Supplemental Agenda No.2

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Date: 25 February 2014

Agenda Item 2.1

Item No. 2.1	Classification: Open	Date: 26 February 2014	Meeting Name: Council Assembly
Report title:		Questions on report – Policy and Resources Strategy 2014/15 to 2016/17 Revenue Budget	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

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

How many times did Southwark Council raise council tax between 2002 and 2010?
How does this compare with 2010 – 2014?

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

How much additional government funding was provided to Southwark Council under the Liberal Democrat led administration from 2002 – 2010? How does this compare with the current administration since 2010?

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

Following the shameful behaviour of Liberal Democrat ward councillors in failing to include funding for the Rotherhithe festival in the Community Council Fund proposals to the Bermondsey and Rotherhite Community Council, is there any resource for rescuing this festival for local residents?

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

At the meeting in January, council assembly agreed to the Liberal Democrat proposal of 'funding additional childcare hours on top of those already offered by the government', but no resources have been allocated to childcare in Labour's budget proposals. Do Labour councillors intend to honour their commitment to Southwark's families?

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

The medium term resource strategy (MTRS) mentions the housing stock as one of the council's key assets, but doesn't provide details of the current state of this asset group. Will the cabinet member provide an update on the current level of its housing stock assets?

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

The MTRS discusses the importance of holding reserves and balances. What will be the total value of the council's usable reserves at the end of the 2013/14 financial year?

7. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR TIM MCNALLY

The MTRS states that the council will 'use the New Homes Bonus to incentivise house building by returning the benefits of growth to the community, generally through capital projects'. How will the council pursue this policy in 2014/15?

8. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR LISA RAJAN

The MTRS states that the council will 'increase all fees and charges capped by statute to the maximum level the cap allows'. Would the cabinet member consider aiming instead to achieve London-average levels of fees and charges, in order to help support cash-strapped local residents?

9. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR ANOOD AL-SAMERAI

The MTRS states that the council aims to 'manage rent reviews and lease renewals to maximise revenue income'. How will this ensure the best community value from Southwark properties?

10. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR ADELE MORRIS

A key part of managing the council's housing stock assets effectively is determining which properties to sell and which to maintain, and the council currently sets the threshold at which council homes will be considered for sale at £300,000. This has led to a sharp fall in council properties in my ward, and across the whole of the north of the borough, in favour of expensive private flats that local people could never dream of being able to afford. Will the council raise this threshold to £500,000 and stop its council home sell-off?

11. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR MICHAEL BUKOLA

What are the total savings the council has made from freezing performance-related pay over the last three years? Where does this saving appear in the budget?

AMENDMENTS

ITEM 2.1 – POLICY AND RESOURCES STRATEGY 2014/15 TO 2016/17 REVENUE BUDGET (see pages 1 - 93 of the main agenda)

AMENDMENT A

Moved: Councillor Michael Mitchell

Seconded: Councillor Lewis Robinson

See attached a schedule of amendments to Appendix B and C, pages 41 – 49 of the main agenda.

Appendix and Page	Dept	Sub Dept	Description	Proposal in Paper £'000	Conservative Proposal £'000	Conservative improvement £'000	Reason
Appendix B Page 42	Corporate	Corporate	Additional resources to fund the London Living Wage	1,000	500	(500)	This is a significant over provision and the budget should be reduced to reflect what will actually be achieved in 2014/15. The Labour proposal under recognises the benefits which will be secured in productivity from introducing the LLW.
	Environment	Public realm - Asset Management	Increase proactive maintenance of highways		200	200	The Council must do more to maintain and enhance the highways for which it has responsibility
	Environment	Public realm Budget Head KS202	Additional funding to secure School Crossing Patrols in Dulwich and elsewhere		30	30	In the light of continuing traffic issues we must be able to maintain and if necessary increase Crossing Patrols from mainstream resources.
	Corporate		Reduce the proposed contribution to the Pension Fund		(200)	(200)	Given the most recent actuarial information the Council has flexibility over how it chooses to fund the deficit.
	Communities	Community Councils	Restore planning powers and appointment of school governors to Community Councils		150	150	Restore local decision making to the Community councils and improve local accountability.
	Communities	Community Councils	Reduce Community engagement officers		(150)	(150)	There is no evidence to suggest that attendance at Community councils is primarily due to the work of engagement officers and so as with last year this cut compensates for the costs in keeping planning local.
	Environment	Community Safety & Enforcement	Take up the offer from MOPAC to fund an additional sergeant and 5 PCs under the "buy one get one free scheme"		186	186	The addition of 6 extra officers in the south west cluster is a significant confidence boosting measure for the Dulwich area and demonstrates the council's commitment to reducing crime and anti social behaviour.
	Environment	Community Safety & Enforcement	Take up the offer from MOPAC to fund an additional sergeant and 5 PCs under the "buy one get one free scheme"		186	186	The addition of 6 extra officers in the north of the borough is a significant confidence boosting measure for the Riverside to Surrey Docks area and demonstrates the council's commitment to reducing crime and anti social behaviour.
Appendix C Page 49	Communities	Budget head CM603	Cease the publication of "Southwark Life"		(108)	(108)	Cease publication of this superfluous magazine
	Corporate	Personnel	Council employees paid for trade union activities		(50)	(50)	The Council needs to take steps to reduce this burden on the council tax payer.
	Corporate	Contingency	Experience shows that the council is consistently over prudent in setting the contingency	(1,000)	(1,250)	(250)	Given the Council Tax bill is one of the largest faced by Southwark taxpayers every year it is better that the council does all it can to reduce the expense.
Total net changes on the budget				0	(506)	(506)	

The reduction in spending will allow the Council to reduce the Council Tax by approx 1%

AMENDMENTS

ITEM 2.1 – POLICY AND RESOURCES STRATEGY 2014/15 TO 2016/17 REVENUE BUDGET (see pages 1 - 93 of the main agenda)

AMENDMENT B

Moved: Councillor Neil Coyle
Seconded: Councillor Claire Hickson

Rotherhithe Festival

1. Council assembly is shocked that after seven years of funding for the Rotherhithe festival, Liberal Democrat ward councillors have decided not to include funding for the Rotherhithe festival in the community council fund proposals to the Bermondsey and Rotherhithe Community Council.
2. Council assembly notes that Liberal Democrats' failure to use these funds in the best way for the community flies in the face of what they have previously said about local decision making.
3. Council assembly notes that the final government settlement includes an additional £30,000 not included in the provisional settlement.
4. Council agrees that if the Liberal Democrats refuse to fund important community events like the Rotherhithe festival, then Labour councillors will, and therefore agrees to provide £1,000 funding from this amount to save the Rotherhithe festival.

AMENDMENTS

ITEM 2.1 – POLICY AND RESOURCES STRATEGY 2014/15 TO 2016/17 REVENUE BUDGET (see pages 1 - 93 of the main agenda)

AMENDMENT C

Moved: Councillor Tim McNally

Seconded: Councillor Adele Morris

Insert new paragraphs 1 - 4:

1. The Liberal Democrats have an ambitious vision for the future of our borough, which prioritises affordable homes, childcare and council tax. Our budget focuses on getting the basics right and achieving value for money for residents.
2. Liberal Democrat councillors have many ideas about how to encourage jobs and growth in our communities which will help boost the local economy and generate extra income for the council. Local decision making and environmental sustainability runs through all our proposals, creating a council which puts itself firmly on the side of residents.
3. A Labour-run council in Southwark simply offers more of the same – complaining about government cuts whilst stashing away cash meant for vulnerable residents.
4. The Liberal Democrats will put homes, kids and jobs at the centre of the council's budget, creating a stronger economy and a fairer society.

Renumber subsequent paragraphs accordingly.

Delete existing paragraph 3 and **insert:**

Agree a general fund budget for 2014/15 of £314.4m and a corresponding 1% reduction in the Southwark element of council tax for all residents, attached as Appendix 1 subject to the changes in the attached schedules in the amendment.

The Liberal Democrat vision

Commitments

Description		2014/15 £ 000
A new approach to housing and planning	<i>Liberal Democrats will stop Labour's mass sell-off of council homes. We will invest more in planning officers to fight for 1 in 3 homes in every new development to be affordable. We will get the planning, housing and regeneration teams working together on the side of residents, not developers.</i>	137
Free childcare hours for all 2, 3 and 4 year olds	<i>Childcare is one of the biggest costs facing many Southwark families, with some paying charges that are higher than private school fees. Liberal Democrats will ease this burden by offering a day's free childcare a month for all 2, 3 and 4 years olds from September 2014, on top of the entitlements already offered by the government.</i>	1,750
Create job opportunities with a new 'Jobs and Enterprise Hub' and 1,000 new apprenticeships	<i>Getting people working in the right roles for them is a key priority for the Liberal Democrats, so we will change the culture of job hunting by opening up a new hub bringing together all the resources required by traditional job hunters with facilities for entrepreneurs to develop their business plans. Apprenticeships are a vital way of helping residents develop the skills required to secure permanent work, so we will focus resources to create 1,000 new apprenticeship opportunities for Southwark residents who are out of work.</i>	150
Cut council tax for every resident by 1%	<i>Council tax is one of the most regressive forms of taxation residents are faced with, and during difficult economic times the council should look to ease this burden. The Liberal Democrats will cut the Southwark element of council tax by 1% in 2014/15. The cost of this will be balanced by a 1% increase in the council tax collection rate, which can be achieved now that the service has been brought in-house.</i>	769
Community Councils	<i>Liberal Democrats believe that power and money are best given to local communities to make their own decisions. We will re-introduce community councils that genuinely represent Southwark's neighbourhoods. We will give them their own budgets to manage and will have a revolution in the way council services are run. Community councils will need budgets for street cleaning, play areas and eventually every other possible decision and budget that can be passed to more local decision makers.</i>	1,000
Flexible business rates	<i>Business rates are often the third largest cost faced by businesses after rent and wages, and regular increases have discouraged potential new businesses from setting up on our high streets. The Liberal Democrats will introduce a flexible business rates scheme led by local communities, who may chose to bring empty shops back into use, promote mixed high streets or pursue other local priorities.</i>	250
Introduce a supermarket levy	<i>Supermarkets and other big retailers bring a lot to our local economy, but they can also make it difficult for small, local businesses to thrive. The Liberal Democrats will level the playing field by applying an annual levy of 8.5% of their rateable value on the largest retailers. This will take some time and a small budget to set up, and once it is established we expect it to generate over £1.1m a year for the council to use to help small businesses in Southwark.</i>	10
Invest council money more wisely and ethically	<i>The council has millions of pounds of investments and savings that should be put to better use. The Liberal Democrats will invest council pension money in new homes rather than tobacco firms; lend money the council has invested elsewhere to valued local businesses; and use some of the council's £250m in cash reserves to invest in assets that will benefit the community. A small revenue sum will be required to initiate a new vehicle for investing pension fund money in housing, and to get the other new systems up and running.</i>	50
Roll out free wireless internet access across the borough	<i>Internet access has become more and more important to modern life, and modern cities should be equipped to meet this need. The Liberal Democrats will reach an agreement with an internet service provider to supply free Wi-Fi around town centres and in other social, business and retail hubs, as has already been achieved in other London boroughs.</i>	20
Establish a new "I'm shopping locally" scheme	<i>To help get people spending their money in local shops, rather than online or with multi-national chains, the Liberal Democrats will introduce a parking scheme to allow a period of free parking outside smaller shopping parades.</i>	20

Description		2014/15
		£ 000
Introduce a dedicated phone line for older residents	<i>Older people can find the process of accessing council services complicated and daunting, so the Liberal Democrats will simplify the process by introducing a single dedicated phone number specifically for older people to access all council services, staffed by older people. A team will be retrained to ensure older people are not routinely transferred and their enquiries are dealt with quickly and efficiently.</i>	50
Support high quality day centres, both through the council and through voluntary services	<i>The council's proposed dementia centre is funded, but the Liberal Democrats want to ensure that it meets the needs of residents and that officers provide personalised support to older residents, with face-to-face reviews in residents' own homes. We will also re-provide some additional emergency funding to voluntary day centres while we carry out a review of their future role in day centre provision and preventative services.</i>	100
Invest in Southwark Anti-Social Behaviour Unit (SASBU)	<i>The Southwark Antisocial Behaviour Unit is one of the country's leading examples of efficient ways to tackle ASB. Labour's decision to reduce SASBU to solely assisting in high risk cases means that low-level ASB that affects a large number of Southwark's residents often goes unaddressed. The Liberal Democrats will restore SASBU funding to previous levels, charging the funding to the Housing Revenue Account, which deals with tenant safety.</i>	135
A noise team that works when noise nuisance occurs	<i>Given the nature of their work, a night time noise team is often more important than a daytime one, but Labour chose to cut the noise team to a daytime-only service in order to save money. The Liberal Democrats value the role the team can play in making busier parts of the borough comfortable places in which to live, so we will restore the funding required to provide a 24-hour service.</i>	250
Clamp down on irresponsible bars and clubs	<i>Alcohol-related crime and disorder can be a real blight on residents' lives, so the Liberal Democrats will impose levies on businesses selling alcohol late at night, and use the money to provide community safety improvements. We will also use licensing powers more effectively to remove licences from nuisance bars and clubs.</i>	50
Supporting troubled families and victims of domestic violence	<i>The Liberal Democrats will do more for victims of domestic violence by adding to existing government funding, retraining staff to become expert at providing support and making behaviour-change programmes a condition of tenancy for council tenants who have perpetrated domestic violence.</i>	50
Make Southwark London's premier cycling borough	<i>We will fund physical improvements such as segregated cycle lanes from capital budgets and new cycle parking stands through sponsorship. However, revenue funding is also required for dedicated cycle officers at the council to work with community councils and plan where the physical measures will go, as well as to ensure the Cycle Hire Scheme is extended further east and south throughout the borough.</i>	100
Southwark in Bloom	<i>As well as reintroducing borough-wide awards for the best balconies and gardens, Liberal Democrats will help community councils to promote more planting, flowers and food growing across the borough. Supporting gardening schemes will lead to a greener and more pleasant Southwark.</i>	50
Establish a Voluntary Sector Commission	<i>The Liberal Democrats will make the voluntary sector a real partner of the council by establishing a voluntary sector commission to represent local voluntary organisations at the council, which will be consulted on all relevant council plans before important decisions are made.</i>	10
Making sure carers get the support they deserve	<i>Carers provide an extremely valuable service that is often overlooked, and the council should do more to support them. The Liberal Democrats will launch a review of the help offered to carers to make sure they get the support they deserve.</i>	10
Reduce Labour's cuts to services for adults with learning disabilities	<i>Labour's budget chooses to make over £3m of cuts to services for adults with learning disabilities - one of the most vulnerable groups in the borough. Labour also plan to plough a further £800,000 into its welfare hardship fund, even though over 85% of the fund has not been spent this year. The Liberal Democrats will divert this £800,000 in order to reduce Labour's savage cuts to adults with learning disabilities.</i>	800
Reduce the impact of Labour's cuts to Children's Centres and the Youth and Play Service	<i>Childcare and young people's services are priorities for the Liberal Democrats and we will reduce Labour's proposed cuts to these important services.</i>	557

Description		2014/15
		£ 000
Total commitments		6,318

Savings

Description		2014/15 £ 000
Reduce contingency to £1m	<i>Contingency funds regularly remain unspent at the end of each year and are returned to the council's reserves - which are increasing by huge sums every year. The Liberal Democrats will reduce contingency to ensure that residents' money is spent on services that benefit them, rather than sitting unspent in the council's bank accounts.</i>	3,000
Cut council spin	<i>In difficult economic times the council should be investing residents' money in providing top-quality services, rather than on publicity, but marketing and publicity budgets remain excessive. As well as reducing general budgets, we will delete Southwark Life and use the council website and local media to get important information out to residents.</i>	300
Delete two cabinet posts and all three deputy cabinet member posts	<i>Council staff numbers have fallen dramatically in recent years, and the amount of money the council spends on cabinet posts should also be reduced. We will cut two cabinet posts, moving responsibilities into other portfolios, and all three of the deputy cabinet member posts and the additional councillor allowances Labour created in 2011.</i>	76
Cut council catering	<i>At a time when some families are struggling to put food on the table, it is not right that the council continues to spend over £500,000 a year on catering and refreshments for meetings and events. The Liberal Democrats will reduce this budget so food and drink is only paid for by the council when absolutely necessary.</i>	300
Review senior officer salaries and perks	<i>Senior council staff are offered a range of benefits including car leases and cash payments, as well as performance-related pay. The Liberal Democrats will review the system to save money and to make staff pay more transparent. We will also pay bonuses to the best performing lower-paid council officers instead of those on salaries over £100,000.</i>	300
Cut consultant fees by 10%	<i>In the context of big cutbacks across council departments, the council should not be spending £2.8m a year on fees for expensive consultants. The Liberal Democrats will reduce this budget by 10% in 2014/15, with a view to cutting it further in future years, providing more cost-effective internal services if necessary.</i>	279
Cut external lawyer fees by 10%	<i>With big cuts being made across council services, the council's annual spend of £2.5m on costly external lawyers is excessive. The Liberal Democrats will reduce this budget by 10% in 2014/15, with a view to cutting it further in future years, providing more cost-effective internal services if necessary.</i>	251
Properly fund the Housing Revenue Account	<i>The housing revenue account is responsible for tenant safety, so the Liberal Democrats will charge our increased funding of SASBU to the HRA.</i>	135
Divert Labour's hoarded cash into support for adults with learning disabilities	<i>Labour plan to plough a further £800,000 into its welfare hardship fund, even though over 85% of the fund has not been spent this year. The Liberal Democrats will use this cash to reduce Labour's cut of over £3m to services for adults with learning disabilities.</i>	800
Total savings		5,441

Revenue

Increase council tax collection rate	<i>Now that the collection service has been brought in-house, improvements in collection rates can be achieved. The Liberal Democrats will increase the collection rate by 1%, with the revenue being used to fund a 1% cut in council tax for all residents.</i>	797
Impose levies on irresponsible bars and pubs	<i>Bars and pubs should be discouraged from disturbing their neighbours, so the Liberal Democrats will impose a levy on those that produce excessive noise, and use the revenue to fund community safety improvements in the local area.</i>	50
Additional funding from Government	<i>The final settlement from Government of 5th February was £30k more than indicated in the provisional settlement.</i>	30
Total revenue		877

Total savings and revenue		6,318
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Balance	Savings + revenue - commitments	0
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AMENDMENTS

ITEM 3.1 – SETTING THE COUNCIL TAX 2014/15 (see pages 94 - 106 of the main agenda)

AMENDMENT D

Moved: Councillor James Barber

Seconded: Councillor David Hubber

To reflect an increase in the assumed council tax collection rate from 96.5% to 97.5% - achievable now that the service has been brought in house – and a corresponding 1% reduction in the Southwark element of council tax for all residents:

In paragraph 2, **delete** '£1,211.14' and **insert** '£1202.02'.

In paragraph 5, **delete** all occurrences of the figure '£1,211.14' and **insert** '£1202.02'.

In paragraph 13, **delete** '84,338.26, agreed by council assembly on 22 January 2014,' and **insert** '85,212.23'.

In paragraph 13, **delete** '£912.14' to end, and **insert** '£903.02 for 2014/15. This is 1% reduction on the 2013/14 council tax.'

In paragraph 17, **delete** the table and **insert**:

Authority	Band D tax 2013/14 £	Band D tax 2014/15 £	Change %
Southwark Council Tax	912.14	903.02	(1.00)
GLA Precept	303.00	299.00	(1.32)
Total Band D council tax	1,215.14	1,202.02	(1.08)

In paragraph 19, **delete** '£1,211.14' and **insert** '£1,202.02'.

In paragraph 20, **delete** '£1,211.14' and **insert** '£1,202.02'.

AMENDMENTS

ITEM 3.2 – TREASURY MANAGEMENT STRATEGY 2014/15 INCLUDING ANNUAL INVESTMENT STRATEGY, PRUDENTIAL INDICATORS AND ANNUAL MINIMUM REVENUE PROVISION STATEMENT (see pages 107 - 128 of the main agenda)

AMENDMENT E

Moved: Councillor David Noakes

Seconded: Councillor Poddy Clark

Before paragraph 1, **insert** a new paragraph:

1. Resolves that the investment objective of the pension fund should be to maximise the return for members of the scheme within an ethical framework that excludes direct and indirect investment in the tobacco and arms industries and includes investment in delivery vehicles for local homes.

Renumber subsequent paragraphs accordingly.

Note: If Amendment E is carried the recommendation would need to be referred to the Pensions Advisory Panel for consideration.

**COUNCIL ASSEMBLY AGENDA DISTRIBUTION LIST (OPEN) (AMENDMENTS)
MUNICIPAL YEAR 2013/14**

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