

Council Assembly (Ordinary)

Wednesday 16 July 2014

7.00 pm

Council Offices, 160 Tooley Street, London SE1 2QH

Councillors are summoned to attend a meeting of the Council to consider the business contained herein

Eleanor Kelly
Chief Executive

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

Access

The council is committed to making its meetings accessible. Further details on building access, translation, provision of signers etc for this meeting are on the council's web site: www.southwark.gov.uk or please contact the person below.

Contact

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

Date: 4 July 2014



Council Assembly (Ordinary)

Wednesday 16 July 2014
7.00 pm
Council Offices, 160 Tooley Street, London SE1 2QH

Order of Business

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PART A - OPEN BUSINESS

1. PRELIMINARY BUSINESS

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

To receive any announcements from the Mayor, members of the cabinet or the chief executive.

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

In special circumstances an item of business may be added to an agenda within seven working days of the meeting.

1.3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.

1.4. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. MINUTES

To approve as a correct record the open minutes of the council assembly meetings held on 7 June 2014 and 11 June 2014 (to be circulated separately).

3. ISSUES RAISED BY THE PUBLIC

Item No.	Title	Page No.
	3.1. PETITIONS	
	No petitions have been received for this meeting.	
	3.2. PUBLIC QUESTION TIME	
	The deadline for public questions is Midnight, Thursday 10 July 2014. Questions can be emailed to constitutional.team@southwark.gov.uk .	
	Questions from the public will be distributed in a supplemental agenda.	
4.	THEMED DEBATE: CHILDREN AND YOUNG PEOPLE (EXCLUDING EMPLOYMENT AND TRAINING BUT INCLUDING SCHOOLS)	1 - 2
	As part of the themed debate council assembly will consider evidence submitted by the community; this will be in the form of submissions from experts, community groups or local representatives.	
	The deadline for community evidence is Midnight, Thursday 10 July 2014. To submit evidence email constitutional.team@southwark.gov.uk .	
	4.1. MOTION ON THE THEME - CHILDREN AND YOUNG PEOPLE	3 - 5
	To consider the following motion on the theme submitted by Councillor Victoria Mills, the cabinet member for children and schools:	
	<ul style="list-style-type: none"> • Children and Young People 	
5.	DEPUTATIONS	
	The deadline for deputation requests is Midnight, Thursday 10 July 2014. Deputations can be emailed to constitutional.team@southwark.gov.uk .	
	Deputation requests will be distributed in a supplemental agenda.	
6.	ISSUES RAISED BY MEMBERS	
	6.1. MEMBERS' QUESTION TIME	6 - 11
	To receive any questions from members of the council.	
	6.2. MEMBERS' MOTIONS	12 - 15

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To consider the following motions:

- East Dulwich Secondary School
- Alternating the role of Mayor
- Transport links in South Bermondsey
- Bakerloo line extension

7. REPORT(S) FOR DECISION FROM THE CABINET

7.1. REPORT BACK ON MOTIONS REFERRED TO CABINET FROM COUNCIL ASSEMBLY 16 - 25

Council assembly referred several motions to the cabinet for consideration; this report sets out the cabinet’s decision in relation to each motion.

8. OTHER REPORTS

8.1. TREASURY MANAGEMENT PERFORMANCE - 2013/14 ANNUAL REPORT AND PRUDENTIAL INDICATORS FOR CAPITAL FINANCE AND TREASURY MANAGEMENT 26 - 36

Council assembly to consider the treasury management performance report for 2013/14 and prudential indicators.

8.2. CONSTITUTIONAL ISSUES 2014/15

Council assembly to consider constitutional issues referred from the constitutional steering panel. To Follow

9. AMENDMENTS

Any member of the council may submit an amendment to a report or motion on the agenda. The amendments will be circulated to all members in a supplemental agenda.

ANY OPEN ITEMS IDENTIFIED AS URGENT AT THE START OF THE MEETING

EXCLUSION MOTION (IF NECESSARY)

Item No.

Title

Page No.

The following motion should be moved, seconded and approved if the council wishes to exclude the press and public to deal with reports revealing exempt information:

“That under the access to information procedure rules of the Southwark constitution, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in section(s) 1 – 7 of paragraph 10.4 of the procedure rules.”

PART B – CLOSED BUSINESS

ANY CLOSED ITEMS IDENTIFIED AS URGENT AT THE START OF THE MEETING

Date: 4 July 2014

Item No. 4.	Classification: Open	Date: 16 July 2014	Meeting Name: Council Assembly
Report title:		Themed Debate: Children and Young People (excluding employment and training but including schools)	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

BACKGROUND INFORMATION

Introduction

1. On 7 April 2014 the council assembly business panel met to agree the theme for 16 July 2014 meeting of council assembly. The panel agreed that the theme should be 'Children and Young People (excluding employment and training but including schools)'.

What happens at the meeting?

2. On 11 June 2014 council assembly revised the structure of the themed section of the meeting and agreed that the agenda will be:
 - Submissions from experts, community groups or local representatives
 - Cabinet member to present their motion on the theme (7 minutes)
 - Shadow cabinet member's response (5 minutes, including 2 minutes in which to present an amendment)
 - Following this the subject of the theme will be open to debate. Amendment(s) from other opposition groups on the council can be moved during this part of the meeting.

One hour shall be allocated for the themed debate. The Mayor shall have the discretion to vary timings as appropriate.

Community evidence on the theme

3. The deadline for community evidence is Midnight, Thursday 10 July 2014. To submit evidence email constitutional.team@southwark.gov.uk.
4. The Mayor may reject any evidence if it is not relevant to the theme under discussion.
5. By way of a programme motion at the start of council assembly the meeting will decide which community evidence it will hear and for how long. Community evidence shall be conducted under the existing rules for public participation.

Members' motions and amendments

6. All motions and amendments shall be relevant to the topic under discussion and shall be conducted under the existing rules for members' motions and amendments. Normal deadlines shall apply for the submission of members' motions and amendments.
7. The order and timing of motions and amendments shall be determined by the Mayor.

Themes

8. The themes for each meeting are set by the council assembly business panel.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Constitution	160 Tooley Street London SE1 2QH	Constitutional Team constitutional.team@southwark.gov.uk 020 7525 7228

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Lesley John, Constitutional Officer	
Version	Final	
Dated	3 July 2014	
Key decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer title	Comments sought	Comments included
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	3 July 2014	

Item No. 4.1	Classification: Open	Date: 16 July 2014	Meeting Name: Council Assembly
Report title:		Motion on the Theme – Children and Young People	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

BACKGROUND INFORMATION

The theme for this meeting is children and young people (excluding employment and training but including schools).

The relevant cabinet member shall submit a motion on the theme. All other political groups on the council are allowed to submit one amendment to the motion. The cabinet member's motion and the amendments do not need to be seconded. The cabinet member will present the motion to the meeting, followed by the shadow cabinet member's response and moving of their amendment. Following this the subject of the theme will be open to debate. Amendment(s) from other opposition groups on the council can be moved during this part of the meeting.

1. MOTION FROM COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS

Children and Young People

Schools

1. Council assembly recognises that there are real challenges ahead for local authorities to meet demand for school places, with more than one in four councils forecasting a shortage of primary school places this coming September, and nearly half of local authorities facing a places shortage in September 2015.
2. Council assembly welcomes the work of the current administration over the last four years to expand school places to meet demand, by expanding popular local schools and working with partners to open new ones, ensuring that last year every on time applicant in Southwark was offered a reception place.
3. Council assembly acknowledges that there continues to be a shortage of school places in certain areas and that some parents in Southwark feel they have little choice especially when they are unable to secure places at the community schools nearest to where they live.
4. Council assembly recognises that the work being done by the current Labour administration to ensure that there are sufficient school places to meet demand in the borough is being done against the backdrop of the Liberal Democrats working with the Conservatives in government making it harder and harder for councils to build new schools in the places they are most needed.

5. Council assembly notes with concern that the coalition government's flagship free schools policy is failing to address the national shortage of school places, with an estimated two thirds of primary school places not in areas of need. Council assembly calls on the government to stop putting politics before the needs of children by diverting money away from areas with a real shortage of places.
6. Council assembly recognises that the current situation in Southwark, where despite increasing demand some schools are struggling to fill places, with 335 vacancies in secondary schools and 201 vacancies in primary schools currently across the borough, is unsustainable.
7. Council assembly calls on cabinet to continue to drive up standards in Southwark schools and to bring forward a programme to work with schools to ensure that over 70% of students in every secondary school in the borough get at least five good GCSEs. Council assembly also calls for this programme of work to look beyond schools and to what additional support can be given to our looked after children and children from troubled families who all too often achieve well below their potential.
8. Council assembly also recognises the challenge where there are secondary schools in the borough which are rated as 'good' or 'outstanding' by Ofsted, but where parents do not want to send their children.
9. Council assembly therefore calls on the cabinet to work with local parents and the Department for Education to ensure that decisions about new schools are based on the needs of the community.
10. Council assembly calls on the cabinet to ensure that free schools work as part of the educational mix of the borough, by continuing to work with popular local schools who choose to come forward with free school proposals, sponsors who can demonstrate their commitment to working in partnership with both the council and local parents, and committed parents who want to open new schools in their area.

Childcare

11. Council assembly recognises that the increasing cost of childcare is one of the most pressing issues affecting families in Southwark. Childcare prices have risen significantly while real earnings have fallen – contributing to the cost of living crisis – and there are serious gaps in provision for quality affordable childcare, particularly for working parents.
12. Council assembly recognises that the rising childcare costs are particularly detrimental to women and are pricing half a million British mothers out of work. Council assembly welcomes Labour's commitment nationally to increase the provision of free childcare for 3 and 4 year olds from 15 hours to 25 hours a week, but recognises that more needs to be done across the council's services to support mothers back into work.
13. Council assembly welcomes the commitment of this administration to invest in Southwark's children's centres and work with parents to set up two new community nurseries to increase the number of affordable childcare places in the borough.

14. Council assembly recognises the need for real long term solutions to this growing problem and therefore welcomes the establishment of the Childcare Commission, bringing together experts, parents, providers and employers to find ways to secure childcare provision that is accessible and affordable to all parents, supports them to be economically active, and delivers quality education and development for children in the early years.
15. Council assembly calls on the cabinet to implement the recommendations of the Childcare Commission and to look for opportunities for facilitating and encouraging employment through the provision of quality, affordable childcare, particularly for working mothers.

Beyond education and childcare

16. Council assembly recognises that the council's duty towards children and young people goes beyond education and childcare. Therefore, council assembly also welcomes the council's commitment to:
 - Ensure a top quality playground in every local area and to introduce "play streets", closing some streets to traffic during school holidays to ensure children have the opportunity to play safely.
 - Continue to deliver free healthy school meals for every primary school child in Southwark and extend free fruit to all primary school children as a morning snack.
 - Keep young people safe at home and in our community and protect children from abuse or neglect by investing in early support for families.
 - Help more people to foster and adopt by paying their council tax, to help give more children a home where they are loved, safe and secure.
 - Help young people to get sound financial education by opening a credit union account with a £10 deposit for every 11 year old and helping them get good money advice.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet member's motion	Constitutional Team 160 Tooley Street London SE1 2QH	Andrew Weir 020 7525 7222

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Virginia Wynn-Jones/Andrew Weir, Constitutional Officers
Version	Final
Dated	1 July 2014

Item No. 6.1	Classification: Open	Date: 16 July 2014	Meeting Name: Council Assembly
Report title:		Members' Question Time	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

BACKGROUND INFORMATION

Members' question time shall not exceed 30 minutes. During this time, members may not question any one cabinet member or committee chair for longer than fifteen minutes.

Members are limited to one question at each meeting. One councillor from each community council will be able to submit a question on behalf of their community council.

Questions to the leader will be taken first, followed by any questions from community councils followed by questions to other cabinet members. The order in which the different political groups ask questions of the leader will be rotated. Questions to cabinet members will be taken in the order of receipt and portfolio. The order of portfolios will be rotated at each meeting such that the cabinet member answering questions immediately after the leader will be the last cabinet member to answer any questions at the next meeting of council assembly.

Cabinet members and committee chairs have discretion to refer a question to another cabinet member.

Responses to members' questions will be circulated on yellow paper around the council chamber on the evening of the meeting.

The Mayor will ask the member asking the question if they wish to ask one supplemental question to the member to whom the question was asked. The supplemental question must arise directly out of the original question or the reply. Therefore, supplemental questions to the leader or other cabinet members are not free ranging.

No question shall be asked on a matter concerning a planning or licensing application.

Notes:

1. The procedures on members' questions are set out in council assembly procedure rule 2.9 in the Southwark Constitution.
2. In accordance with council assembly procedure rule 2.9 (12) & (13) (prioritisation and rotation by the political groups) the order in which questions to the leader appear in this report may not necessarily be the order in which they are considered at the meeting.
3. A question from a community council must have been previously considered and noted by the relevant community council (CAPR 2.9.2).

1. QUESTION TO THE LEADER FROM COUNCILLOR MICHAEL MITCHELL

One of the main aims of the cross party Dulwich "Lollipops for Life" campaign is to secure the long term funding of all our crossing patrol personnel. With the beginning of a new council term will the leader take the opportunity of a fresh start and consult with his cabinet colleagues and find the £18,000 necessary to ensure all Dulwich's crossing patrol personnel are funded from within the core mainstream budget and not have to rely on surviving an annual competitive bid from the devolved cleaner, greener, safer revenue budget?

2. QUESTION TO THE LEADER FROM COUNCILLOR LUCAS GREEN

Can the leader tells us what indication the council has been given from government about the likely budget settlement next year and what implications this will have on the delivery of council services?

3. QUESTION TO THE LEADER FROM COUNCILLOR ANOOD AL-SAMERAI

Would the leader please provide a list of all the scheduled major works on estates, including the specific improvements that will be included in each project and the date by which each will be completed?

4. QUESTION TO THE LEADER FROM COUNCILLOR JANE LYONS

Herne Hill and particularly the shopkeepers were hard hit last August by flooding and we were all grateful for the support shown by the council in their prompt response and for providing a £100,000 fund as well as extracting a similar amount from Thames Water. Is the leader aware that the area is about to be blighted again, this time by Network Rail taking seven weeks to refurbish the bridge, and that Network Rail plan to reduce traffic to a single lane for much of that time? This is expected to lead to traffic chaos across a wide area and once more deter people from shopping and eating in the area. What steps has he and the council taken to engage with Network Rail and persuade them to change their plans to minimise the disruption for the local people in Herne Hill?

5. QUESTION TO THE LEADER FROM COUNCILLOR BILL WILLIAMS

Can the leader give an update on the progress of the council's plan to bring superfast broadband to Rotherhithe?

6. QUESTION TO THE LEADER FROM COUNCILLOR LISA RAJAN

When will residents be able to access the free swimming and gym admission he and his cabinet have promised them? How much will this policy cost to implement? What expansion plans are being proposed to cope with a potentially huge increase in demand at peak times?

7. QUESTION TO THE LEADER FROM COUNCILLOR MAISIE ANDERSON

Can the leader give an update on the progress of the delivery of 11,000 new council homes?

8. QUESTION TO THE LEADER FROM COUNCILLOR ELIZA MANN

Is the leader aware of concerns about potential asbestos exposure from the Thames Tunnel site at Chamber's Wharf, which is due to rubble from a demolished cold storage building remaining on-site for more than a year? Will he order Thames Water to clean up the site immediately?

9. QUESTION TO THE LEADER FROM COUNCILLOR JASMINE ALI

Can the leader tell me what the council will do to meet demand for primary and secondary school places in the borough?

10. QUESTION TO THE LEADER FROM COUNCILLOR DAMIAN O'BRIEN

In March 2013, the leader announced that his trip to the MIPIM conference in Cannes had been a success because he was able to secure a personal commitment from Boris Johnson for a Bakerloo Line extension to Camberwell and Peckham. At the time, the leader told local media that Boris said "It's a deal", adding that this "wasn't a flippant comment, but a serious end to a conversation". Is the leader now disappointed that the Mayor has reneged on the personal promise he made to him in Cannes?

11. QUESTION TO THE LEADER FROM COUNCILLOR KARL EASTHAM

How will the leader ensure that the council continues to operate in an open and transparent way following the significant reduction in the number of opposition councillors?

12. QUESTION TO THE LEADER FROM COUNCILLOR DAVID NOAKES

What measure has been made of the productivity lost amongst council workers due to IT problems in the last year? What financial penalties have been imposed on Capita as a result of these problems? What is the council's final deadline for updating its computer network to modern software?

13. QUESTION TO THE LEADER FROM COUNCILLOR DAN GARFIELD

Following the recent accusations from the opposition that the council "wasted money" by separating the Mayor Making ceremony and the annual constitutional meeting, can the leader confirm the cost to the council of combining the Mayor Making ceremony with the Annual Civic Awards compared with previous years?

14. QUESTION TO THE LEADER FROM COUNCILLOR JAMES OKOSUN

Can the leader provide an update on negotiations with BT and other relevant parties in regards to bringing high speed broadband to Rotherhithe?

15. QUESTION TO THE LEADER FROM COUNCILLOR CLAIRE MAUGHAM

Can the leader explain how the council is performing on school places planning?

16. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR KIERON WILLIAMS

What plans does the council have to improve public transport provision in the borough?

17. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR TOM FLYNN

How will the council drive up levels of cycling in the borough and improve cycling safety standards?

18. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR STEPHANIE CRYAN

What steps will the council take to improve Canada Water for local residents?

19. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR JOHNSON SITU

How will the council work with local residents to improve Peckham town centre?

20. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR ELEANOR KERSLAKE

How will the council use regeneration schemes to provide local jobs?

21. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR ADELE MORRIS

What is the actual cost to the council to date on legal fees and other costs in relation to its appeal against the order to disclose the viability report for the Heygate Estate redevelopment? How much more does the council anticipate it will spend on this case?

22. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR JAMES BARBER

Transport for London has decided to stop installing Puffin crossings. The UK is the only western country to have such a signaled crossing design where pedestrians have no signal or display facing them while crossing the road. Research has shown that Puffin crossings are also unpopular with the public. Considering this, will the cabinet member agree to convert and upgrade existing Puffin crossings in Southwark to Pelican crossings with pedestrian countdown displays to enhance and improve the walk-ability of the borough?

23. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR BEN JOHNSON

Bermondsey Street is an important route for cyclists in both directions, and although the contraflow cycle lane was welcome when it was introduced in 2010, in practice the lane is often blocked by parked vehicles and offers no protection from oncoming traffic on a narrow road. Will the cabinet member commit to improving this cycling route?

24. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR DAVID HUBBER

In view of the fact that a reversion to two-way working in Lower Road, Rotherhithe, appears still to be a long way off, will the cabinet member consider removing the restriction on vehicles emerging from Plough Way and crossing Lower Road to enter the gyratory system?

25. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR HAMISH McCALLUM

What discussions have been had between Southwark council and Transport for London relating to congestion issues on Jamaica Road and, in particular, relating to the provision of a 'box junction' at the junction with Bevington Street?

26. QUESTION TO THE CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT FROM COUNCILLOR MARIA LINFORTH-HALL

How many complaints have there been about the conduct of vehicles operated by the council and its contractors since 1 January 2011? Please list details of each complaint, including the date and the action taken by the council.

27. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR COMMUNITIES, EMPLOYMENT AND BUSINESS FROM COUNCILLOR SUNNY LAMBE

Can the cabinet member tell me what investment is being made in the adult learning service?

28. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR COMMUNITIES, EMPLOYMENT AND BUSINESS FROM COUNCILLOR EVELYN AKOTO

Can the cabinet member provide an update on the High Street Challenge?

29. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR COMMUNITIES, EMPLOYMENT AND BUSINESS FROM COUNCILLOR ANNE KIRBY

How is the council continuing to support businesses in Herne Hill following the floods last year?

30. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR COMMUNITIES, EMPLOYMENT AND BUSINESS FROM COUNCILLOR VIJAY LUTHRA

Can the cabinet member inform council assembly about his plans for the Voluntary Sector Commission?

31. QUESTION TO THE CABINET MEMBER FOR CHILDREN AND SCHOOLS FROM COUNCILLOR ROSIE SHIMELL

Further to the council assembly question on 22 January 2014 by former Councillor Blango about children missing from care, can the cabinet member give an update about how many children in care went missing for more than 24 hours in 2013/14?

How many children are currently missing from care, and for how long have they been missing in each case?

32. QUESTION TO THE CABINET MEMBER FOR HOUSING FROM COUNCILLOR SANDRA RHULE

Can the cabinet member tell me what steps are being taken to address a number of issues on estates in Nunhead, including overheating and pest control issues on the Cossall Estate, and reducing anti-social behaviour in communal areas of blocks of flats on the Pomeroy Estate?

Item No. 6.2	Classification: Open	Date: 16 July 2014	Meeting Name: Council Assembly
Report title:		Motions	
Ward(s) or groups affected:		All	
From:		Proper Constitutional Officer	

BACKGROUND INFORMATION

The councillor introducing or “moving” the motion may make a speech directed to the matter under discussion. This may not exceed five minutes¹.

A second councillor will then be asked by the Mayor to “second” the motion. This may not exceed three minutes without the consent of the Mayor.

The meeting will then debate the issue and any amendments on the motion will be dealt with.

At the end of the debate the mover of the motion may make a concluding speech, known as a “right of reply”. If an amendment is carried, the mover of the amendment shall hold the right of reply to any subsequent amendments and, if no further amendments are carried, at the conclusion of the debate on the substantive motion.

The Mayor will then ask councillors to vote on the motion (and any amendments).

IMPLICATIONS OF THE CONSTITUTION

The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and allocates to the cabinet responsibility for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis. Therefore any matters that are reserved to the cabinet (i.e. housing, social services, regeneration, environment, education etc) cannot be decided upon by council assembly without prior reference to the cabinet. While it would be in order for council assembly to discuss an issue, consideration of any of the following should be referred to the cabinet:

- to change or develop a new or existing policy
- to instruct officers to implement new procedures
- to allocate resources.

Note: In accordance with council assembly procedure rule 2.10 (7) & (8) (prioritisation and rotation by the political groups) the order in which motions appear in the agenda may not necessarily be the order in which they are considered at the meeting.

¹ Council assembly procedure rule 1.14 (9)

1. MOTION FROM COUNCILLOR CHARLIE SMITH (Seconded by Councillor Helen Hayes)

East Dulwich Secondary School

Council assembly:

1. Notes that there is clear evidence of the need for a secondary school in the Dulwich area in order to meet local demand and that the Dulwich hospital site has been identified as the only suitable site in the local area.
2. Notes that two providers have put forward proposals for a new secondary school on this site and that both are backed by strong local parental campaigns and have the full backing of the council and local MPs.
3. Notes that the need for primary school places in this part of the borough is being met through a number of new local free school proposals and the expansion of existing primary schools, including Ivydale School, which is the preferred choice of local parents.
4. Supports the view of local parents that what is needed on the Dulwich hospital site is a new secondary school, not another primary school.
5. Believes that it is completely unacceptable for the coalition government to be progressing plans for a primary free school on the Dulwich hospital site without consulting local parents or the local authority.
6. Believes that blocking a new and much needed secondary school in this area would completely go against the coalition government's own policy of responding to local need and demand, as well as the free school aspiration of parent led schools with a diversity of providers.
7. Calls on cabinet to press the Education Secretary to be open and transparent about his plans for the Dulwich hospital site and to listen to the views of the local community and their elected representatives who have been campaigning for a secondary school on this site.
8. Calls on councillors from all parties to stand firmly with local people who want a secondary school in East Dulwich, rather than supporting another primary school, which would limit rather than increase parental choice, in an area where the council has worked hard with popular local schools to expand places and meet demand.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

2. **MOTION FROM COUNCILLOR DAVID HUBBER** (Seconded by Councillor Eliza Mann)

Alternating the role of Mayor

1. Council assembly recognises the democratic and civic case for rotating the position of Mayor between the different political groups represented at the council.
2. Council assembly therefore supports formal consideration of such a proposal through the constitutional steering panel.

Note: If the motion is agreed, any proposals will be submitted to the constitutional steering panel for consideration.

3. **MOTION FROM COUNCILLOR LEO POLLAK** (Seconded by Councillor Sunny Lambe)

Transport links in South Bermondsey

Council assembly calls on the council to improve transport links in South Bermondsey to benefit local residents and boost footfall for local businesses, support the upcoming rejuvenation of the high street and help the Blue fulfil its potential as a major destination.

Council assembly calls on the council to:

1. Lobby TfL to deliver new bus connections from Southwark Park Road, to and from London Bridge, the West End and the City, to ensure all of South Bermondsey is fully connected with the rest of London.
2. Press the Mayor of London for an extension of the cycle hire scheme into all parts of South Bermondsey.
3. Work with Network Rail and Grosvenor Estates to ensure that a new garden and pedestrian link through the redeveloped Biscuit Factory and railway arches is fully realised, directly connecting Bermondsey tube station to the Blue.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

4. **MOTION FROM COUNCILLOR JAMES BARBER** (Seconded by Councillor Damian O'Brien)

Bakerloo line extension

1. Council assembly supports the proposed extension of the Bakerloo line being split into two branches, with one running through Camberwell and Peckham, and the other through Old Kent Road.

2. Council assembly calls on cabinet to officially adopt this approach, and to push for a two-branch extension with Transport for London (TfL) and the Mayor of London.

Note: If the motion is agreed, any proposals will be submitted to the cabinet for consideration.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Member Motions	Constitutional Team 160 Tooley Street London SE1 2QH	Andrew Weir 020 7525 7222

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Andrew Weir/Virginia Wynn Jones, Constitutional Officers
Version	Final
Dated	1 July 2014

Item No. 7.1	Classification: Open	Date: 16 July 2014	Meeting Name: Council Assembly
Report title:		Report back on motions referred to cabinet from council assembly	
Ward(s) or groups affected:		All	
From:		Cabinet	

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – NO RECOURSE TO PUBLIC FUNDS

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Toby Eckersley and seconded by Councillor Michael Mitchell.

1. That council assembly notes the increasing budgetary pressures caused by recourse to council funds by persons who, by virtue of their immigration status, have "no recourse to public funds", and in particular the advice in respect of adult services provided to cabinet on 19 November 2013 as follows:

"Clients with no recourse to public funds are 25% higher than the previous year"

2. That council assembly recognises that this is an important issue which does not stop at the borders of the borough. Council assembly therefore calls on cabinet to review Southwark's position and to look into what more government could do to address this on a London-wide basis.

We noted this motion and that the chief executive would be undertaking some work in respect of recommendation 2.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – HOUSING FOR OLDER RESIDENTS

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Adele Morris, seconded by Councillor Michael Bukola and subsequently amended.

That council assembly:

1. Notes that suitable housing for older people in London remains in serious short supply and that demand is only likely to increase as our borough's population ages.
2. Recognises that there is a growing need for housing for older people to offer a range of different tenures and support options, including mainstream, specialist and residential care housing.

3. Welcomes this administration's commitment to supporting older people to stay independent in their own homes for as long as possible, in line with what people tell us they want.
4. Recognises that there has been a collapse in house building of all types nationally due to Liberal Democrat/Tory government policies and welcomes the steps that Southwark Council is taking to combat the London housing crisis.
5. Notes that 61% of the older population in Southwark are tenants of social landlords and welcomes the commitment by this administration to build 11,000 new council homes in Southwark – representing the biggest home building programme of its kind in the country.
6. Welcomes the cabinet's commitment through the housing strategy vision to building lifetime homes, delivering extra care housing, exploring other specialist housing options for older people, and adapting properties to enable older and disabled residents to live independently as long as possible in their communities.
7. Welcomes this administration's commitment to ensuring new homes are built to 'Lifetime Standards', making it easier to adapt homes to meet future changing needs.
8. Further welcomes the cabinet's allocation of £4.712 million for energy efficient measures in district heating, making the systems more energy efficient, reliable and contributing to a reduction in fuel bills for approximately 17,000 properties in the borough.
9. Welcomes the development of new 'extra care' homes at the site of the new Centre of Excellence, which will include specialist nurses on site, helping to keep people out of hospital or residential care unless necessary and giving residents access to first class services at the new dementia day centre.
10. Calls on the cabinet to continue to support older people who wish to downsize to smaller homes on the same estate. Council assembly welcomes the fact that older people are currently exempt from the government's bedroom tax and congratulates the Chartered Institute of Housing for pointing out the flaw in the government's policy, which would have meant pensioners living with someone of working age would be hit by the tax. Council assembly calls on the cabinet to press the government to continue to ensure older people are not hit by the bedroom tax in an attempt to force them to downsize.
11. Notes that whatever campaign they run, the Liberal Democrats consistently propose building something on the Dulwich Hospital site. The proposed retirement village set out in this motion adds to the growing list the Liberal Democrats have suggested for the site, which includes a medical centre, a primary school, a secondary school, private homes, a nursery, a police base, sports facilities, gardening facilities, indoor community space, council offices and space for voluntary organisations. Council assembly believes that people in East Dulwich deserve better than an uncosted and ill considered shopping list from the Liberal Democrats.

We noted this motion and that Councillor Ian Wingfield would send a letter in respect of recommendation 10.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – ACTIVE COMMUNITIES AND OLDER PEOPLE

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Rebecca Lury and seconded by Councillor Lorraine Lauder.

1. That council assembly welcomes this administration's commitment to supporting people to live long, healthy lives, and to helping older people stay independent in their own homes and integrated in our communities for as long as possible – in line with what people tell us they want.
2. That council assembly recognises that the 22,000 older people in Southwark form a very diverse group, including people who are: in their sixties through to people over 100; retired or in employment; carers (for example, for elderly parents, a partner or grandchildren); in full health, ill or frail; or disabled - as well as being diverse in terms of gender, ethnicity, sexuality and faith and belief.
3. That council assembly also recognises that almost all of the council's strategies and policies affect older people – including on the economy, environment, transport, regeneration, culture and leisure, community safety, housing, health and social care.

Helping older people have healthy, active lives in our community

4. That council assembly notes the good work that the administration, across all departments, does with older people to help them stay healthy, active and integrated in our communities, including, for example:
 - (1) Providing employment support through Southwark Works and the independent living service.
 - (2) Enabling volunteering opportunities through our volunteering strategy. We applaud the valuable Olympics and Paralympics contribution that Southwark volunteers of all ages made, including older people.
 - (3) Offering reduced price or free access to physical activity for older people - including 60 pence swimming; free exercise classes; free group walks; and the 'Silver' programme in leisure centres.
 - (4) Working with GPs and hospitals to provide community exercise referrals and supporting older people identified through the health check programme to access physical activity as a preventative measure.
5. That ensuring new homes are built to 'Lifetime Standards', making it easier to adapt homes to meet future changing needs.
6. That tackling health inequalities and the addressing the causes of the borough's health challenges – including cardio-vascular disease, stroke, lung diseases, liver diseases cancers, diabetes, and sexually transmitted diseases – to help people live longer, healthier lives.
7. That council assembly recognises the excellent work done by voluntary and community organisations across the borough to help older people stay active and integrated in our community.

Caring for vulnerable and frail older people in our community

8. That council assembly notes that government cuts since 2010 have taken over £1.2 billion out of social care for older people in the UK. Despite these cuts, this administration has prioritised looking after vulnerable and frail people in our community, aiming to treat every person as we would wish a member of our family to be treated.
9. That council assembly welcomes the steps this administration has taken to help older people stay living independently in their own homes and communities for as long as possible and delaying or avoiding the need for hospital or residential care - in line with what people say they want, including:
 - (1) Halving the price people pay for meals on wheels to £1.71, the lowest price in London – after the price was hiked under the previous administration.
 - (2) Agreeing plans to create a ‘Centre of Excellence’ day centre for older people with dementia and other complex needs – due to open in 2015 with enhanced, specialist facilities and guaranteed places for everyone using the council’s existing day centres.
 - (3) Working with partners - including Lambeth Council, hospitals, GPs and others – to integrate health and social care provision through the Southwark and Lambeth integrated care programme; helping people to avoid preventable hospital admissions.
 - (4) Providing personal budgets to people who need social care, giving them choice and control over the support they have, to best fit their needs and aspirations. Southwark Council is in the top quartile of performance nationally for personal budgets.
 - (5) Creating an ‘Innovation Fund’ to provide funding to voluntary sector providers, creating new services which give people real choice over how they allocate their personal budgets.
 - (6) Creating a single social care phone line for people to get on the spot advice for themselves or their loved ones from social care experts.
 - (7) Helping people stay living healthily and independently in their own homes and communities for longer, through home care; reablement; sheltered housing (where we recently reintroduced wardens); and an expansion of extra care housing – as well as our handyperson service.
 - (8) Signing up to Unison’s Ethical Homecare Charter and ensuring that workers providing care services are paid the London Living Wage and that care visits are not as short as 15 minutes.
 - (9) Creating a new carers’ strategy, to provide carers – many of them who are older people themselves - with support in their caring responsibilities and also support for themselves to stay healthy and pursue their other aspirations alongside caring.

We noted this motion.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – COST OF CHILD CARE

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Rosie Shimmell, seconded by Councillor Lisa Rajan and subsequently amended.

That council assembly:

1. Recognises the significant cost of good quality childcare for families across the borough.
2. Therefore condemns the Liberal Democrat/Tory cuts to financial support available for working parents for childcare costs. Notes that in 2011 the government cut support within the tax credit system from 80% to 70% of eligible childcare costs, with a cap of fees at £175, meaning low income families faced a reduction in help towards childcare bills. Council assembly also condemns the Liberal Democrat/Tory government for failing to raise the £175 ceiling despite the rise in childcare costs.
3. Further condemns the Tory/Liberal Democrat coalition government's closure of over 500 Sure Start centres since the general election in 2010, resulting in 35,000 fewer childcare places, following government cuts of £430 from English local authority Sure Start budgets between 2010-11 and 2012-13.
4. Welcomes the previous Labour government's decision to extend childcare to 15 hours per week for 3 and 4 year olds and notes that in Southwark, 3,300 3 year olds and 3,670 4 year olds are benefitting from these funded early education places. Notes that the government has now extended this provision to 20% of two year olds in families on the lowest incomes. Council assembly welcomes this additional provision, but notes that this is against a backdrop of punishing families through the tax credit system and making it harder for parents who want to work and need support with childcare.
5. Calls on cabinet to help local parents by funding additional childcare hours on top of those already offered by the government.
6. Welcomes the commitment that a Labour government would increase this provision and provide 25 hours of free childcare a week for working parents with three and four-year-olds, worth £15,000, using a levy on banks.
7. Further welcomes Labour's commitment to offer "wraparound" provision between 8am and 6pm – from breakfast to after school clubs – in primary schools.

We noted this motion.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – LONDON HOUSING STRATEGY

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Mark Williams and seconded by Councillor Helen Hayes.

1. That London is facing a housing crisis, as housing supply fails to match the city's growing population. Home ownership in London has fallen below 50 per cent for

the first time since records began and the rise in house prices has outstripped the increase in household incomes. In 2013, the average rent for a three bedroom flat typically consumed 59 per cent of a London family's income. Londoners now experience the highest levels of overcrowding in the country and the capital has record levels of homeless households in temporary accommodation.

2. That council assembly notes the Mayor of London's draft Housing Strategy and welcomes the commitment to increase housing building in London. Council assembly notes the ambition to build at least 42,000 new homes in London per annum for the next ten years, approximately twice as many as are currently built per year, but expresses concern that this number may not be sufficient to solve London's current housing crisis, with recent research suggesting that more than 60,000 new homes a year are needed to meet growing demand in the capital.
3. That council assembly welcomes the fact that the Mayor of London has accepted Labour's argument about the importance of genuinely affordable housing and welcomes the move in the Mayor's Housing Strategy to recognise the continued need for new homes at social rent.
4. That, however, council assembly expresses concern about the balance between "discounted rents", which are set well above target rent levels for social housing but below market rents, and "capped rents" which are equivalent to the current social rent.
5. That of the 15,000 new affordable homes that the Mayor will seek to deliver each year:
 - Approximately 4,000 will be flexible low cost home ownership and 9,000 will be affordable rent.
 - Of the 9,000 affordable rent houses, only half of these homes will be "capped" at low affordable rents, with the remaining half set at "discounted" rents of up to 80% of market rent.
6. That this means that social rented housing makes up only 11% of the Mayor's annual housing target.
7. That council assembly expresses concern that the Mayor's decision to allow "affordable" rents to be set at up to 80% of market prices will make renting unaffordable for many residents in the borough. Southwark Council, along with other London boroughs, has initiated a judicial review of this decision, the implication of which would be that councils will have little power to make sure new affordable housing is genuinely affordable for local people.
8. That council assembly welcomes the commitment of Southwark Council to building more homes in the borough, having built 2,300 new homes over the last two years, including 1,230 affordable homes.
9. That it notes that Southwark is the fifth highest London borough in terms of house building over the last two years and also the fifth highest in building affordable housing.
10. That council assembly congratulates other Labour boroughs for their commitment to house building, making up seven of the top 10 London boroughs

in terms of house building over the last two years, and nine out of the top 10 boroughs for building additional affordable housing in London.

11. That council assembly welcomes this administration's commitment to build 11,000 new council homes. Council assembly notes that since 2010 the council has already approved over 10,000 new homes in the borough, including almost 3,000 new affordable homes.
12. That council assembly notes the acknowledgement in the Mayor's draft London Housing Strategy that boroughs, the government, the Mayor and the public and private sectors must work together to achieve the 42,000 target for house building. However, council assembly also expresses concern that many London boroughs, particularly Conservative and Liberal Democrat boroughs, are likely to have significantly lower housing targets than Southwark.
13. That Southwark is playing its part in solving London's housing crisis, council assembly calls on other councils to do the same.

We noted this motion. Councillor Fiona Colley confirmed that a response had been agreed by an individual cabinet member decision in line with the motion.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – URGENT REVIEW OF CYCLE SAFETY

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Graham Neale, seconded by Councillor Geoffrey Thornton and subsequently amended.

That council assembly:

1. Notes with sadness the loss of cyclists' lives on London's roads in recent months and years, including the tragic death in November of Walworth resident and community volunteer Richard Muzira.
2. Welcomes the steps Southwark Council has taken to improve cycling safety in the borough, including running a campaign to promote cycling and cycle safety, free cyclist training, Safer Urban Driver courses for drivers of HGVs, a programme of cycle parking on the highway and the 'Park to Park' mass cycle ride for children.
3. Applauds the commitment of the leader of the council in championing the issue of cycling safety, working on a cross-party basis with leaders across London. Council assembly welcomes the Mayor of London's agreement to hold a London-wide cycle summit following the proposal from the leader of the council.
4. Welcomes the cabinet's commitment to utilise the expertise of a cycling consultant to review cycling safety in the borough and to identify steps which can be taken to improve cycling safety and take up in Southwark.
5. Welcomes the work of the leader of the council in pressing for a comprehensive route of cycleways across Southwark and London, providing cyclists with effectively dedicated routes to minimize any interaction with motorised traffic. Council assembly calls on the cabinet to continue working with TfL to deliver dedicated cycle routes on Blackfriars Road.

We noted this motion. The Leader confirmed that in respect of recommendation 5 that he had recently attended a summit at the Greater London Assembly in support of this continued work.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – SAFER CROSSINGS ON BOROUGH HIGH STREET

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Claire Hickson, seconded by Councillor Patrick Diamond and subsequently amended.

That council assembly:

1. Applauds the work of local campaigners, including Southwark Living Streets and Borough Babies, in organising the ‘Safe Crossings on Borough High St Campaign’.
2. Notes that high numbers of people cross Borough High Street every day at its junctions at:
 - Great Dover Street and Marshalsea Road
 - Trinity Street and Great Suffolk Street.
3. Notes that many of the people who use these junctions are families who live to the east of Borough High Street and whose children go to schools on the west side of Borough High Street, including Charles Dickens Primary School, the Cathedral School and St Joseph’s Primary School, Friars Primary School, the London Christian School, St Saviour’s and St Olave’s school, the Bright Horizons Nursery and The Arc Nursery.
4. Calls on cabinet to work with Transport for London to:
 - Review crossing safety on Borough High Street
 - Create pedestrian crossings at the junction with Great Dover Street and Marshalsea Road, and at the junction with Trinity Street and Great Suffolk Street.

We noted this motion.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – EAST DULWICH POLICE STATION

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor James Barber, seconded by Councillor Jonathan Mitchell and subsequently amended.

1. That council assembly condemns the closure of East Dulwich and Sydenham police stations and the reduction in opening hours at Gipsy Hill police station, leaving Dulwich residents without adequate access to police front counter facilities.
2. That council assembly calls upon the Mayor’s Office for Policing and Crime (MOPAC) to ensure that as the East Dulwich police station site is developed for a new use, a police front counter facility is incorporated on the ground floor of

the building, with a commitment to staff this facility throughout the week, and that MOPAC works with the council to assess the feasibility of the rest of the site being used for school provision.

3. That council assembly recognises the need for additional community services and facilities in Dulwich, particularly including school places and calls upon the Lambeth and Southwark Clinical Commissioning Group and NHS Property Co to expedite the decision-making process in relation to the development of new health facilities on the Dulwich Hospital site, so that the remainder of the site can be used to develop new community facilities, including new school provision.
4. That council assembly also calls on any free school providers to work closely and cooperatively with the council on school place planning in the Dulwich area.

We noted this motion.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – BILLBOARD ADVERTISEMENT AT ELEPHANT & CASTLE ROUNDABOUT

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Neil Coyle and seconded by Councillor Helen Hayes.

That council assembly:

1. Applauds work of local community activists Vijay Luthra, Claire Maugham and Karl Eastham, who succeeded in getting an offensive billboard advert removed from the Elephant & Castle roundabout following public complaints.
2. Recognises the negative effect of inappropriate adverts anywhere in the borough and notes the council's guidelines to contractors about the types of adverts they display on council sites.
3. Congratulates the council for acting immediately to have the offensive advert removed and notes that the advert was taken down by council officers the same day they were alerted to the issue.
4. Welcomes the swift action of Primesight, the billboard operator, in responding quickly to the council's request.

We noted this motion.

MOTION FROM MEMBERS IN ACCORDANCE WITH COUNCIL ASSEMBLY PROCEDURE RULE 2.10 (6) – TRIBUTE TO GRACE JONES

Cabinet on 18 March 2014 considered the following motion referred from council assembly on 22 January 2014 which had been moved by Councillor Eliza Mann and seconded by Councillor Graham Neale.

That council assembly:

1. Notes with sadness the passing of the UK's oldest resident, Grace Jones from Bermondsey, who died in November aged 113.

2. Acknowledges her remarkable life which spanned the whole of the 20th century and her contribution to the local community.
3. Calls on the cabinet to pay a lasting tribute to the life of Grace Jones by naming a new public building after her at the earliest opportunity.

We agreed this motion.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet agenda and minutes – 18 March 2014. The document is available on this web page (item 22).	Constitutional Team, 160 Tooley Street, London SE1 2QH	Paula Thornton 020 7525 4395
Link http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4556&Ver=4		

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Paula Thornton, Constitutional Officer	
Version	Final	
Dated	7 April 2014	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	7 April 2014	

Item No: 8.1	Classification: Open	Date: 16 July 2014	Meeting Name: Council Assembly
Report title:		Treasury Management Performance – 2013/14 Annual Report and Prudential Indicators for Capital Finance and Treasury Management	
Wards or Groups affected:		All	
From:		Strategic Director of Finance and Corporate Services	

RECOMMENDATION

1. That council assembly:
 - a) notes the 2013/14 outturn report on treasury management and prudential indicators
 - b) notes the investment in the Municipal Bond Agency of up to £200,000.

BACKGROUND INFORMATION

2. This item is one of an annual cycle of reports on council debt and investments. Other reports to council assembly on treasury include a strategy report at the start of each financial year and a half year update. The cabinet also receives quarterly updates and the audit and governance committee reviews treasury strategy annually.
3. Treasury activity is supported by a series of prudential indicators (estimates and limits on capital finance, debt and investments), which are agreed by council assembly each year and under financial delegation all executive, managerial and operational decisions are the responsibility of the strategic director of finance and corporate services. This area of finance falls under the Local Government Act 2003 and is supplemented by investment guidance issued by the government and codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

KEY ISSUES FOR CONSIDERATION

Investment management activity and position

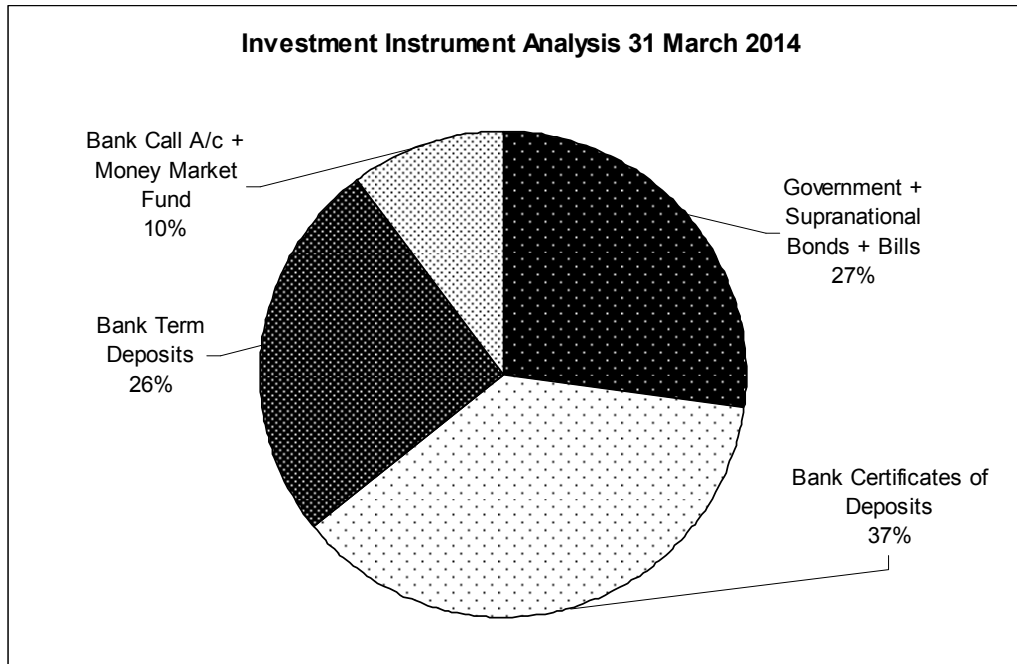
4. Cash balances that are not immediately used in spending are held in low risk investments, ensuring security and liquidity. Over the course of 2013/14 the sums held in investments averaged £240m (£293m in 2012/13) and closed the year with a balance of £157m (£176m at 31 March 2014). The 2013/14 investment balances were affected by cash used in HRA debt refinancing in the fourth quarter of 2013/14, discussed further below.
5. The investments are managed by an in-house operation and two fund managers. The focus in-house is on meeting day to day cash requirements using call accounts, money market funds and term deposits diversified across major banks/building societies that, in view of their scale and economic significance, are likely to be supported, in the event it were need. The

managers' invest in UK government and supranational bank bonds, and certificates of deposits issued by major financial institutions. The distribution of investments across counterparties and instruments at 31 March 2014 is set out in the tables and charts below.

INVESTMENT COUNTERPARTY AND RATINGS 31 MARCH 2014									
EXPOSURE £m	Fund				Ratings				
COUNTERPARTY	Aberdeen	Alliance Bernstein	In-house	Total £m	Long	Short	Sup- port	Sovereign	Sove- reign Rating
COMMONW BANK AUSTRALIA			15.00	15.00	AA-	F1+	1	AUSTRALIA	AAA
TORONTO DOMINION		2.00		2.00	AA-	F1+	1	CANADA	AAA
NORDEA BANK FINLAND	3.50			3.50	AA-	F1+	1	FINLAND	AAA
BANQUE NAT DE PARIS	3.50	2.00		5.50	A+	F1	1	FRANCE	AA+
CREDIT INDUST ET COMRCL	3.50			3.50	A+	F1	1	FRANCE	AA+
SOCIETE GENERALE	3.50	1.00		4.50	A	F1	1	FRANCE	AA+
DEUTSCHE BANK		3.00		3.00	A+	F1+	1	GERMANY	AAA
GLOBAL TREAS FUNDS-MMF			0.10	0.10		AAA			
ABN AMRO BANK	3.50	2.00		5.50	A+	F1+	1	NETHERLANDS	AAA
ING BANK	3.40	2.00		5.40	A+	F1+	1	NETHERLANDS	AAA
RABOBANK		2.00		2.00	AA-	F1+	1	NETHERLANDS	AAA
DNB BANK	3.50			3.50	A+	F1	1	NORWAY	AAA
EUROPEAN INV BANK	7.00	6.50		13.50	AAA	F1+		SUPRANATIONAL	AAA
INT BANK RECONST DEVT	3.50	6.80		10.30	AAA	F1+		SUPRANATIONAL	AAA
SKANDINAVISKA	3.50	2.00		5.50	A+	F1	1	SWEDEN	AAA
SVENSKA	3.30			3.30	AA-	F1+	1	SWEDEN	AAA
CREDIT SUISSE	3.50	2.00		5.50	A	F1	1	SWITZERLAND	AAA
BARCLAYS BANK	2.00			2.00	A	F1	1	UK	AA+
LLOYDS BANK			15.00	15.00	A	F1	1	UK	AA+
NATIONWIDE BSOC	3.30		10.10	13.40	A	F1	1	UK	AA+
RBS/NATWEST			15.80	15.80	A	F1	1	UK	AA+
UK TREASURY		19.20		19.20	AA+	F1+	0	UK	AA+
BNY MELLON	0.10	0.10		0.20	AA-	F1+	1	US	AAA
Total £m	50.60	50.60	56.00	157.20					

INVESTMENT MATURITY PROFILE AND RATING 31 March 2014				
Year Band	A	AA	AAA	Total
Up to 1 Year	56%	24%	5%	85%
1-2 Years			6%	6%
2-5 Years		5%	4%	9%
Total £m	56%	29%	15%	100%

Rating	Definition
AAA	Highest credit quality
AA	Very high credit quality
A	High credit quality
F1	Highest short term credit quality; strongest capacity for timely payment (+donates exceptionally strong credit feature)
1	Extremely high probability of support, if it were needed
Ratings issued by Fitch or equivalent	



6. The return on investments remains low. The 2013/14 return was 0.65% (0.89% 2012/13) and reflects the prudent strategy in place since the financial crisis and the stimulatory monetary policies that central banks here and abroad have been maintaining. Official rates in advanced economies have remained at historically low levels. In the UK, base rates have been held at 0.50% since 2009. A gradual move up in UK rates is being signalled from late 2014 and early 2015 as its economy improves, but policy rates in Europe and the US may lag and rise more slowly, supporting financial markets and long term rates for longer.

Debt management activity and position

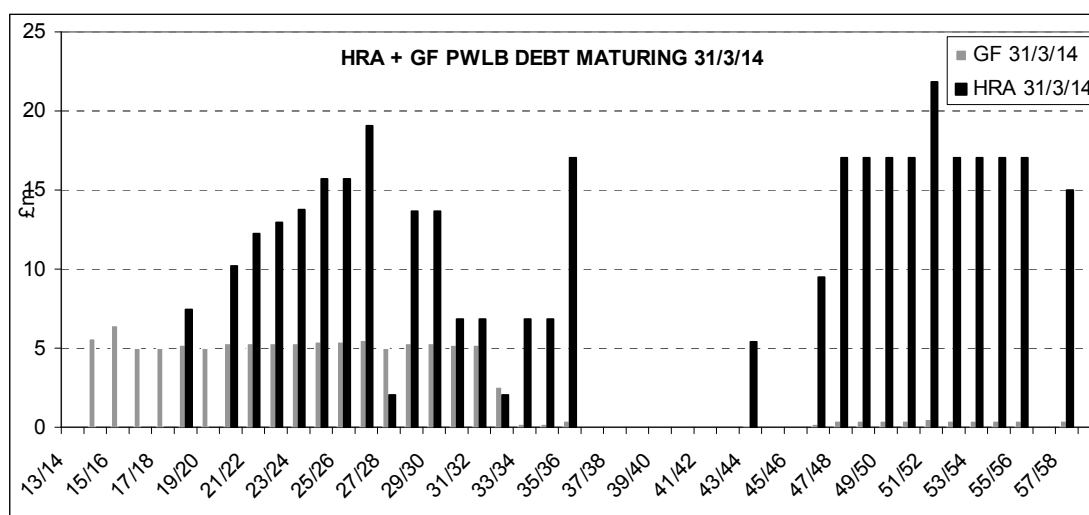
7. The council has loans from the Public Works Loans Board (PWLB, the local authority lending arm of the government) that were taken to fund past capital spend. The balance outstanding on PWLB loans at 31 March 2014 was £475m (£371m HRA and £104m General Fund). £85m loans were paid off in 2013/14 and lowered the average interest rate, which has been falling since 2006/07, referred to in the table below.

Year	Closing debt	Annual interest payable	Average interest rate
	£m	£m	%
2006/07	693.7	60.9	8.8%
2007/08	738.3	54.6	7.6%
2008/09	770.7	52.0	7.0%
2009/10	761.7	52.8	6.9%
2010/11	761.7	52.8	6.9%
2011/12*	462.5	55.6	6.9%
2012/13	560.0	33.2	6.0%
2013/14	474.9	33.1	5.4%

*Under HRA self-financing reforms, the debt was lowered by £199.2m in March 2012, HRA subsidy ended and the risks from HRA debt passed to the council.

8. Of the £85m paid off in 2013/14, £80m was HRA and £5m was General Fund. This is the first time that HRA loans have been reduced outside of self-financing reforms since 2003/04.

9. The HRA debt that became council responsibility under self-financing is expensive without support and cabinet in their review of HRA finances recognised that it needed addressing to raise the headroom for new investment. £80m was therefore paid off in the fourth quarter of 2013/14 with a premium of £10m. The loans were due for refinance in 2014/15 and 2015/16 and had an annual interest of £7.5m (average rate 9.31%). This interest will now no longer be payable to the PWLB, but instead be applied to finance the principal and the premium. The HRA has made a £36m HRA debt financing contribution, plus applied £4m towards premium, in 2013/14, and increased the headroom for renewal and new investment by £36m. Further debt financing contributions out of interest savings are planned each year thereafter, increasing headroom further, until the remaining £44m (£80m less £36m) is fully financed.
10. The £5m general fund loan repayment in 2013/14 has been financed out of prudent annual minimum revenue provisions (MRP), which the council is required to make each year. The MRP is also used to pay off internal borrowing in respect of the acquisition of the freehold interest in the council's Tooley Street headquarters in 2012. The total MRP to repay borrowings was £9.3m in 2013/14.
11. All PWLB debt is at fixed rates and the average rate of interest following the repayments is 5.97% on HRA debt and 3.58% on general fund debt. The maturity profile of the £475m balance outstanding at 31/3/14 is set out in the chart below.
12. £6m general fund debt falls due in 2014/15 and as in 2013/14 can be met out of annual minimum revenue provisions. No HRA debt falls due in 2014/15, but the HRA will continue applying interest saved on the £80m that was paid off towards financing the debt repayments.



Prudential indicators outturn

13. Local authority borrowing, investment and capital finance activity is supported by the Prudential Code for Capital Finance and the Treasury Management in the Public Services Code of Practice and Guidance published by the Chartered institute of Public Finance and Accountancy and backed by the Local Government Act 2003. The codes recommend councils agree a series of indicators and limits each year. The 2013/14 indicators were agreed in

February 2013, before the start of the year. The outturn 2013/14 position on each indicator drawn from the council's 2013/14 draft accounts are set out at appendix A.

14. The indicators include the authorised debt limit, which is a self imposed cap on borrowing and other long term liabilities (like leases and PFI schemes) outstanding on any one day. The limit for 2013/14 was £970m and included operational flexibility for temporary borrowing, prudent refinancing and replacement of internal borrowing with external loans, within a risk controlled framework. The council was within its cap and actual debt and long term liabilities did not exceed £658m at any time during 2013/14.

Municipal bond agency

15. The dominant source of loans to local authorities for capital investment is the PWLB. Its rates are determined by the government, which currently requires it to add a margin of 0.80% above gilts (the cost of the government's own borrowing) when lending to councils across the country, though limited funds are available at a lower margin to councils outside London on certain schemes developed in conjunction with Local Enterprise Partnerships. In the past, the margin for most councils has been as high as 1.00% above gilts and despite the drop to 0.80%, it is still higher than some other sources of finance.
16. For some time now, the Local Government Association (LGA) has been working on updating proposals for a Municipal Bond Agency, with a view to it becoming an attractive alternative to the PWLB and at the same time a better investment proposition for long term bond investors in the Agency. The LGA now proposes, in its revised business case, that local authorities borrowing from the Agency would give a joint and several guarantee of each other's borrowing and that borrowers would give up between 3 and 5 percent of loans taken as risk capital to absorb any borrower defaults. Local authorities are already regarded as safe borrowers on account of the legal protection that debtors have under Section 13 of the Local Government Act 2003. This protection would apply to the Agency and in the unlikely event of a borrower defaulting, the Agency would pursue the defaulter before drawing on the joint and several guarantee. The guarantee and risk capital, taken together, however, represent significant credit enhancements and should, over the long run, lower the margin that funds are lent at closer to 0.60% above gilts. The Agency would also undertake a financial assessment of borrowers, providing additional assurance to financial markets as well as those providing guarantees.
17. The main risk to the Agency is the dominance of the PWLB. The current margin over gilts is a gain to the PWLB and it could easily be lowered if the government should decide that it is warranted.
18. The LGA is now moving its proposals for the Agency to the next stage and is asking interested councils to invest in it as shareholder in the Agency providing it with initial setup up cost and capital of up to £10m as it launches its first bond issue next year. The strategic director of finance and corporate services recommends an investment of up to £200,000 in the Agency subject to final terms. It would ensure that the council can participate in and have a positive influence in the development of the Agency. The investment would earn a return after five or so years should the Agency be successful. However, if unsuccessful, the whole sum but no more, would be at risk. The return would be additional to savings from potentially cheaper Agency borrowing. Furthermore, a failure because the government decides to lower the PWLB

margin would also result in cheaper borrowing and would easily make up for any loss on the initial investment.

19. The £200,000 investment would be regarded as capital expenditure in accounting terms and will be subject to separate approval, in line with the council standing orders. Local authorities are able to make such investments under Section 12 of the Local Government Act 2003 and general powers of competence in Section 1 of the Localism Act 2011. The investment would be subject to final terms agreed by the strategic director of finance and corporate resources, who together with the director of legal services shall execute and complete all legal documentation.

SUPPLEMENTAL ADVICE FROM OTHER OFFICERS

Director of Legal Services

20. The constitution determines that agreeing the treasury management strategy is a function of the council assembly and that review and scrutiny of strategies and policies is the responsibility of the audit and governance committee.
21. Financial standing orders require the strategic director of finance and corporate services to set out the treasury management strategy for consideration and decision by council assembly, and report on activity on a quarterly basis to cabinet and at mid and year-end to council assembly. Furthermore all executive and operational decisions are delegated to the strategic director of finance and corporate services.
22. The Local Government Act 2003 and supporting regulations require local authorities to determine annual borrowing limits and have regard to the Prudential Code for Capital Finance, and the Treasury Management in the Public Services Code of Practice and Guidance, published by the Chartered Institute of Public Finance and Accountancy, when considering borrowing and investment strategies, determining or changing borrowing limits or prudential indicators.
23. Section 15(1) of the 2003 Act requires a local authority "to have regard (a) to such guidance as the Secretary of State may issue". This guidance is found in the Department of Communities and Local Government Guidance on Local Authority Investments updated March 2010 and there is statutory guidance on the Minimum Revenue Provision (MRP) produced under amendments made to section 21(1A) of the 2003 Act by section 238(2) of the Local Government and the Public Involvement in Health Act 2007.
24. Section 12 of the 2003 Act grants local authorities the powers to invest for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs.

BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
None		

APPENDICES

No.	Title
Appendix A	Prudential Indicators – 2013/14 Outturn

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
Report Author	Jennifer Seeley, Deputy Finance Director	
Version	Final	
Version Date	3 July 2014	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	N/a	N/a
Cabinet Member	Yes	Yes
Final Report Sent to Constitutional Team		3 July 2014

APPENDIX A**PRUDENTIAL INDICATORS – 2013/14 OUTTURN****BACKGROUND**

1. Capital finance, borrowing and investment arrangements are supported by a series of prudential indicators, drawn from the Prudential Code on Capital Finance for Local Authorities and the Treasury Management in the Public Services Code of Practice plus Guidance, published by CIPFA. The Local Government Act 2003 requires that councils have regard to these codes and this appendix sets out the 2013/14 outturn indicators drawn from the council's draft accounts for that year.
2. The indicators are grouped into three broad areas: affordability and prudence, capital finance and treasury management. The indicators are of a technical nature and existing budgets take account of capital finance and treasury activities and the indicators themselves have no effect on those budgets.

INDICATORS ON AFFORDABILITY AND PRUDENCEIndicator one: estimates of the ratio of financing costs to net revenue stream

3. The financing ratio is a technical measure of the cost of financing capital expenditure (including PFI and leases) net of cash income as a proportion of the net revenue stream. The general fund ratio in 2013/14 includes the full year effects of 2012/13 capital financing and the HRA ratio reflects financing in respect of the PFI funded district heating network, supplying low carbon heating and hot water to housing estates, and early settlement of debt.

Financing Ratios	2012/13	2013/14
HRA	15%	16%
GF	6%	7%

Indicator two: estimates of the incremental impact of capital investment on the council tax and housing rents

4. This is a measure of the effect of capital spend proposals on council tax and HRA rents. No increase in either was sought as a result of the programme and spend was managed within resources.

Notional Rent or Council Tax Increases	2012/13	2013/14
Weekly housing rent increase as a result of capital programme	Nil	Nil
Council tax band D increase as a result of capital programme	Nil	Nil

INDICATORS ON CAPITAL FINANCE

Indicator three: debt and capital financing requirement

5. This indicator compares actual debt to the capital financing requirement (CFR), consisting of funding for capital plus long term liabilities (like PFI and leases). Debt should not exceed the CFR over the medium term, but may do so over the short-term in the interest of prudent financing of capital expenditure and management of debt. Under this indicator the actual debt at 31/3/14 was £475m, below the 2013/14 £804m closing CFR.

Indicator four: estimates of capital expenditure

6. The capital expenditure for 2013/14 drawn from the draft accounts is set out below. The 2013/14 HRA projection includes spend on the district heating network, supplying low carbon heating and hot water to housing estates.

Capital Expenditure	2012/13 £m	2013/14 £m
HRA	86	123
GF	262	67
Total	348	190

Indicator five: actual and estimates of capital financing requirements.

7. The capital financing requirement (CFR), consisting of funding for capital plus long term liabilities (like PFI and leases), is set out below. Both the general fund and the HRA CFR reflect sums set-aside to reduce debt liabilities and PFI financing.

CFR At year end	2012/13 £m	2013/14 £m
HRA	451	419
General Fund	397	385
Total	848	804

INDICATORS ON TREASURY MANAGEMENT

Indicator six: HRA limit on indebtedness

8. The HRA limit on indebtedness is the limit imposed by the government on HRA debt under self-financing. The indebtedness limit from 2012/13 indicated in the self-financing determination issued in February 2012 is £577m. The actual HRA indebtedness at 31/3/14 was £419m.

Indicator seven: the authorised limit and operational boundary

9. The authorised limit and operational boundary accommodate existing debts and long term liabilities (leases and PFI) outstanding on any one day. The average level of borrowing in any one year is usually close to the capital financing requirement before PFI and leases but may be higher or lower on any one day depending on cash flow needs and timing of borrowing.

10. As well as accommodating existing debts and liabilities, the operational boundary includes flexibility to refinance debt or replace internal borrowing with external loans where prudent. The authorised limit is a higher limit with additional capacity to prudently raise debt temporarily should it be necessary within a risk controlled framework to protect the council's interests. The council remained within both the operational boundary and authorised limits in 2013/14.

Operational Boundary and Authorised Limits for External debt	2012/13 Actual Max £m	2013/14 Limit £m	2013/14 Actual Max £m
Operational Boundary for Debt			
Borrowing	562	815	560
Other long term liabilities	107	115	98
Total Operational (*)	669	930	658
Authorised Limit for Debt -			
Borrowing	562	850	560
Other long term liabilities	107	120	98
Total Authorised (*)	669	970	658

Note * - The strategic director of finance and corporate services has discretion to allow activity to go outside the operational boundary and vary the mix between long term liabilities and debt should it be prudent and justified. Activity must nevertheless remain within the overall authorised limit.

Indicator eight: gross and net debt

11. This is an indicator on the upper limit on net debt (i.e. gross debt less investments) as a percentage of gross debt. The net debt is currently lower than the gross as revenue balances, provisions and working capital are held in investments. To ensure the funds are available when they are needed, the upper limit on net debt as a percentage of gross debt is 100%, the actual exposure is set out below.

Gross and Net Debt	2012/13 Max	2013/14 Limit	2013/14 Max
Upper Limit on Net Debt as a % of Gross Debt	68%	100%	68%

Indicator nine: adoption of the CIPFA code of practice on treasury management in the public services

12. This indicator concerns the adoption of the Treasury Management in the Public Services Code of Practice issued by CIPFA. The council adopted the 2009 code at its meeting in February 2010. The code was updated for HRA self-financing in 2011 and basic principles remained unchanged.

Indicator ten: interest rate exposures – fixed rate limit

Indicator eleven: interest rate exposures – variable rate limit, and

Indicator twelve: maturity limits

13. The fixed and variable rate limits draw on the authorised debt limit and the maturity limit accommodates existing debt. The limits contain flexibility to carry out refinancing, including replacing internal borrowing and maturing debt with external fixed or variable rate borrowing, where prudent. Actual activity is

subject to developments in funding markets and is only carried out within a risk controlled framework and existing financial delegation. The actual position against these limits is set out below.

LIMITS ON FIXED AND VARIABLE RATES	2012/13 Actual £m	2013/14 Limit £m	2013/14 Actual £m
Upper limit for fixed interest rate exposure	562	850	562
Upper limit for variable rate exposure	0	215	0

Maturity structure of fixed rate borrowing at start of year	2012/13 Actual	2013/14 Lower Limit	2013/14 Upper Limit	2013/14 Actual
Under 12 months	0%	0%	30%	1%
12 months and within 24 months	0%	0%	30%	6%
24 months and within 5 years	18%	0%	60%	13%
5 years and within 10 years	7%	0%	80%	12%
10 years and within 20 years	27%	0%	100%	28%
20 years and within 30 years	7%	0%	100%	6%
30 years and within 40 years	23%	0%	100%	22%
40 years and within 50 years	18%	0%	100%	12%

Indicator thirteen: total principal sums invested for periods longer than 364 days.

14. Exposure to investments with a maturity beyond one year raises investment options and potential returns. However, as returns can be vulnerable to unexpected market volatility, limits are placed on such exposure. The council remained cautious amid continued market volatility and actual exposure was within limits.

Upper limit on investments greater than 364 days	2012/13 Actual	2013/14 Limit	2013/14 Actual
Upper limit / Actual	Actual max exposure 15% of investments greater than 364 days Overall maximum average maturity 7 months Longest investment 5 years	Up to 50% of investments greater than 364 days Overall average maturity 3 years, but any one investment may be longer as referred to in the Annual Investment Strategy	Actual max exposure 15% of investments greater than 364 days Overall maximum average maturity 8 months Longest investment 5 years

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