

Council Assembly

Wednesday 24 February 2021

7.00 pm

Virtual/online. Livestream here:

<https://www.youtube.com/user/southwarkcouncil>

Tabled items

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Date: 24 February 2021

SOUTHWARK COUNCIL
COUNCIL ASSEMBLY
(COUNCIL TAX SETTING MEETING)
WEDNESDAY 24 FEBRUARY 2021
PROGRAMME MOTION

That the meeting be conducted as follows:

Time	Business
7.00pm – 7.20pm	1. Preliminary business and announcements
7.20pm – 10.00pm NOTE: 5 minute breaks at 8.00pm and 9.00pm	<p>Item 2.1 Policy and Resources Strategy 2021-22 - Revenue Budget</p> <ol style="list-style-type: none"> 1. Consideration of this item is not time limited but the meeting is subject to the guillotine. 2. Debate to include: <ul style="list-style-type: none"> • Nine questions on the report • Councillor Rebecca Lury to present recommendations (10 minutes) • Councillor Nick Johnson to reply on behalf of opposition (5 minutes) • Four amendments to be moved and seconded • Report and amendments to be debated as a single debate (all speakers 3 minutes each) • Reply to the debate from Councillor Rebecca Lury (3 minutes) • Separate vote on each amendment • Recorded vote on substantive motion. <p>Members can only speak once, except for Councillor Rebecca Lury, who will reply to the single debate.</p> <p>This report has a legal requirement to take a recorded vote on the substantive motion.</p>
	<p>Item 2.2 Setting the Council Tax 2021-22</p> <p>This report has a legal requirement to take a recorded vote on the substantive motion.</p>
	<p>Item 2.2 Capital Strategy and Treasury Management Strategy 2021-22</p> <p>To be considered as normal.</p>
	<p>Item 2.4. Capital Programme Refresh for 2020-21 to 2029-30</p> <ol style="list-style-type: none"> 1. Consideration of this item is not time limited but the meeting is subject to the guillotine. 2. Debate to include: <ul style="list-style-type: none"> • Two questions on the report

Item 2 Reports for decision

Each report to have a single debate, subject to the guillotine.

COUNCIL ASSEMBLY

(BUDGET AND COUNCIL TAX SETTING MEETING)

24 FEBRUARY 2021

QUESTIONS ON REPORTS

ITEM 2.1: POLICY AND RESOURCES STRATEGY 2021-22: REVENUE BUDGET

1. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR RICHARD LIVINGSTONE

How will this budget help the council work towards its Climate Emergency commitments?

RESPONSE

The council has declared a climate emergency and committed to doing everything that it can to ensure that the borough is carbon neutral by 2030.

Work is underway to finalise our climate strategy including an action plan which will set out the work that needs to be done to meet this commitment.

The additional money which is announced today will ensure that there is resource available to invest in capital programmes to reduce our carbon emissions. Priorities include:

- Operational estate carbon reduction - we have already halved carbon emissions, and moved to 100% renewable electricity for all our council operations, but there is further work to do to ensure that our estate and operations are carbon neutral.
- Decarbonising our fleet - The council currently uses a range of vehicles to deliver services. To drive down carbon in our fleet, we will be reviewing our fleet size and usage to reduce the fleet where it is not necessary, and investing in electric alternatives. This programme of work will need to be developed, but will involve significant investment in the infrastructure required for an electric fleet.
- Accelerating existing carbon reduction programmes – the council already invests in programmes to promote active travel and reduce the use of cars, such as the use of bike hangers and EV charging points. Capital investment will enable us to invest further in these programmes including, where possible, accelerating delivery.

2. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR MICHAEL SITU

What impact is COVID expected to have on the 2021/22 budget and what safeguards are in place to mitigate its financial impact on the council?

RESPONSE

The 2021-22 budget is being agreed at a time when the country remains in a national lockdown. The council remains in the midst of the response phase with additional demand for services from residents, communities and businesses, and reduced income. The timing and potentially phased relaxation of the current restrictions is currently uncertain.

We would expect the government to continue to support the financial challenge all councils are facing as a result of Covid-19. Whilst funding has been provided to meet cost pressures, the government has to date only partly compensated authorities for lost income.

Although we are due to receive £11 million government support into 2021-22, the level of uncertainty means we do not know if this will be sufficient or, if it is not, whether additional funding from the government will be forthcoming.

Policy and Resources Budget process, budget monitoring and the use of reserves all form part of the mitigation strategy.

3. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR MARGY NEWENS

With Brexit commencing on 1 January 2021, what impact is this likely to have on future council revenues?

RESPONSE

The 2019-20 budget process set aside a sum of £2m to act as a special risk reserve to protect the council against the negative effects of Brexit. This resource is available for one-off purposes in accordance with council priorities.

A further £300k commitment was added to the base budget from 2019-20 to cover any operational cost pressures arising from the outcome of the Brexit negotiation on Southwark.

The transition period for the UK to exit from the EU ended at 11pm on Thursday 31 December 2020. The UK's new relationship with the EU also comes at a time of great uncertainty, with the UK still in the grip of the Covid-19 pandemic and national lockdown restrictions.

No immediate pressures have been identified, and the full extent of any impact and subsequent call on these funds from may not be fully known until later in 2021. All related costs in future will be funded from these resources.

4. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR SUNNY LAMBE

What supportive financial measures are in place to support those families who will be hardest hit by the rise in council tax, including Black, Asian and ethnic minority families who have been particularly affected by COVID-19?

RESPONSE

The council will continue to offer generous support to all low income families with paying council tax bills through its own Council Tax Reduction scheme. We recognise the importance of this support to those communities who have been disproportionately affected by both the health and economic impacts of the pandemic.

The council has preserved the generosity of its council tax reduction scheme since it was first created in 2013, in spite of government funding cuts, and it is now among the more generous schemes of its kind in the country.

The number of households receiving support through the scheme has increased over the period of the pandemic, and continues to rise. The costs have also risen but the council scheme will continue to provide the same level of support to its poorest households next year as it has in previous years. The council also operates a discretionary hardship scheme that provides extra support with paying council tax bills to the most vulnerable households.

The council also supports the community through the provision of Southwark's Emergency Support scheme. Support is available for those experiencing financial hardship and in particular access to a wide range of services for those most vulnerable.

5. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR DORA DIXON-FYLE

What impact has regeneration had on council revenues since 2010?

RESPONSE

Regeneration and growth are significant contributors to the financial health of the authority. Approximately 25% of the council's non ring fenced revenue is derived from such activities, without which the austerity cuts inflicted on the council would have been much more severe.

- The number of dwellings in the borough has increased by 13% since 2010, yielding around £20m per annum in additional council tax in 2021-22

- Since 2013-14, the council has been able to retain 30% of any growth in business rates generated locally. Cumulatively £114m has been retained with £19m budgeted in 2021-22
- In addition, participation in the London Business Rate Pool between 2018-19 and 2020-21 enabled a further £15m of locally generated business rates to be retained
- The council has received £115.6m in New Homes Bonus since it was introduced in 2011, with £8.2m to be received in 2021-22. The government is currently consulting on a replacement scheme to be introduced from April 2022
- Capital - £300m generated in receipts and £33m in Community Infrastructure Levy since 2010.

6. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR RENATA HAMVAS

What is the anticipated impact on council revenues of the current furlough arrangements coming to an end on 30 April?

RESPONSE

There is no immediate direct impact on council revenues from the furlough scheme coming to an end on 30 April.

The Government's current job support system finishes at the end of April 2021, with Covid-19 lockdown restrictions expected to be eased.

However, should there be a significant wave of redundancies and business closures when the scheme ends, this will impact on the national and local economy with consequential impacts on residents, businesses and communities leading to increased demand for services and pressure on revenue income streams, in particular council tax and business rates.

7. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR RICHARD LEEMING

How does the proposed level of Council Tax compare to other boroughs?

RESPONSE

All local authorities are required to approve their budget and set council tax levels by the statutory deadline of 11 March each year.

Southwark Council currently has the eighth lowest council tax of the 33 London Boroughs.

Based on latest indications, it is expected that all London boroughs will increase their 2021-22 council tax in accordance with the government's referendum principles.

Increases are indicated to be within the range of 3% to 4.99% with at least 25 of the 33 London boroughs expected to increase their council tax by the maximum permitted 4.99%.

8. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR NICK JOHNSON

Bereavement Charges - Since 2015, the council's fees and charges income on bereavement services have increased by over 50% with a further 10% increase on fees planned for the 2021/22 budget. This is during a pandemic which has seen more than double the amount of lives lost in Southwark. What does the Cabinet Member's impact analysis say about the impact from this on vulnerable citizens and BAME communities? Does the Cabinet Member think this fee increase is reasonable in this pandemic?

RESPONSE

We did not increase charges last year, and this year we do not intend to increase cemetery and crematorium charges beyond the 1.1% in line with the Retail Price Index (RPI). This can be seen in the Fees and Charges Schedules approved by Cabinet in January 2021. There will continue to be no direct charges for child burials to bereaved families, since these will be covered by the government's Child Funeral Fund. Therefore our equalities impact assessment rates this as having a neutral impact across both BAME and disabled residents.

9. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR WILLIAM HOUNGBO

Brexit reserves - Please could the Cabinet Member explain why they have not spent any of the Brexit fund reserves to help EU citizens and businesses in Southwark dealing with the Government's hard Brexit? Why are they retaining the Brexit reserves for another year and when and on what are they planning to spend them?

RESPONSE

The Policy and Resources Strategy 2019-20, approved by Cabinet in February 2019, recommended that a £2m risk reserve be set aside to ensure council services are protected from the impact of Brexit, and a further £300,000 commitment was added to the base budget to cover ongoing operational pressures in the form of a Brexit fund.

The transition period concluded on the 31 December following ongoing delays to the Brexit process. The UK's new relationship with the EU is also emerging at the same time as we remain within the grip of the COVID-19 pandemic.

Whilst no immediate pressures have been identified and no calls have yet been made on the Brexit resources, the full extent of any impact may not be fully known until later in 2021. All related costs will need to be funded from these resources.

As reported to Cabinet in January, the cross party Brexit panel will continue to meet to consider the likely impact on council services and residents as a result of the UK leaving the EU and to make recommendations to allocate these funds as demands on our services and in our local communities emerge.

The Cabinet report identified key areas of importance for Southwark as we adjust to our new relationship with the EU:

- preserving the rights of EU nationals living and working in Southwark prior to 31 December 2020;
- making the best use of Brexit funding to mitigate its impact on our communities and residents (e.g. homelessness);
- engaging and supporting our businesses, to help them adjust to the new arrangements;
- greater clarity on funding arrangements for local government post-Brexit, specifically on the proposed UK Shared Prosperity Fund; and
- exploring opportunities to further the devolution agenda, for example to ensure the provision of the skills needed in our local economy post-Brexit.

The plan to manage the impact of Brexit, as set out in the Brexit Risk register, has been incorporated into the council's broader Economic Renewal Plan.

COUNCIL ASSEMBLY

(BUDGET AND COUNCIL TAX SETTING MEETING)

24 FEBRUARY 2021

QUESTIONS ON REPORTS

ITEM 2.4: CAPITAL PROGRAMME REFRESH FOR 2020-21 TO 2029-30

1. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR VICTOR CHAMBERLAIN

Climate Emergency – According to Appendix 2, the council has just £9m to spend over 10 years allocated to specific initiatives on Climate Emergency (including just £1.7m on air quality initiatives). I am pleased to see suddenly an additional £25m added to this. Having declared a Climate Emergency 2 years ago, the council should now have a clear and costed action plan. Please could the cabinet member detail exactly on what and when they plan to spend this new £25m capital, whether its sufficient to achieve targets, and how much of it will be allocated to improving air quality?

RESPONSE

The council is committed to reducing carbon across the borough and for Southwark to be carbon neutral by 2030.

We published a draft strategy last summer, and since then have carried out extensive public engagement and formal consultation with residents in the borough to ensure that our final strategy and action plan meets the needs and ambitions of our residents.

The consultation closed on 15 January 2021. Officers are reviewing this to enable us to publish a strategy and full action plan shortly. As the action plan is not complete, it has not been possible to fully cost the plan in this budget round.

The inclusion of an additional £25m in the capital fund means that money to meet capital costs associated with carbon reduction is available in addition to revenue and capital expenditure, which is already contributing to carbon reduction.

To date we have taken significant steps in working towards Southwark becoming carbon neutral by 2030. The money announced today will allow us to continue and expand upon the actions we have already taken. Some examples of the areas we can prioritise include; further operational estate carbon reduction. We have already halved carbon emissions, and moved to 100% renewable electricity for all our council operations, but there is further work to do to ensure that our estate and operations are carbon neutral.

In addition to this, the funding will allow us to work toward a decarbonised fleet. The council currently uses a range of vehicles to deliver services. To drive down carbon in our fleet, we will be reviewing our fleet size and usage to reduce the fleet where it is not necessary, and investing in electric alternatives. This programme of work will need to be developed, but will involve significant investment in the infrastructure required for an electric fleet.

The funding will also allow the council to accelerate our existing carbon reduction programmes. The council already invests in programmes to promote active travel and reduce the use of cars such as the use of bike hangers and EV charging points. Capital investment will enable us to invest further in these programmes including, where possible, accelerating delivery.

This investment will not be the total cost of becoming carbon neutral, and over the coming decade we will need to continue to make resource available to meet this commitment.

2. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR DAMIAN O'BRIEN

Cycle Hangars – Paragraph 7 of the main report and Appendix 1 of this report at paragraph 93 notes that there is a bold commitment to double the number of Southwark Cycle Hangars from 224 to 448 in 2021. However it also notes there is now a growing waiting list of over 7500 cycle hangars needed in Southwark. Does the cabinet member agree this is failing Southwark cyclists if the Council Plan target for Cycle Hangars is only 6% of the need? How does the member intend to resolve this and supply more hangars faster?

RESPONSE

For information, each individual cycle hanger can accommodate six cycles. The waiting list is for individual cyclists and not for actual hangars.

The council target of doubling the number of cycle hangars by March 2022 to 448 is based on the current level of funding and the ability of the council's contractor (Cyclehoop) to increase their level of output. It is confidently anticipated that the target will be significantly exceeded by March 2022.

In addition, the highways team are currently working on a long term strategy for 22/23 and beyond that will address the backlog. This will include other procurement strategies such as in-house manufacture, multiple suppliers, and an accompanying capital growth bid to support dealing with the growing backlog.