

Council Assembly Ordinary Meeting

Tuesday 29 November 2011

7.00 pm

The Charter School, Red Post Hill, London SE24 9JH

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

Annie Shepperd
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: 17 November 2011



Council Assembly

Tuesday November 29 2011
7.00 pm
The Charter School, Red Post Hill, London SE24 9JH

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 personal interests and dispensation in respect of any item of business to be considered at this meeting.

1.4. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

1.5. MINUTES

To approve as a correct record the Open minutes of the council assembly meeting held on 12 October 2011 (to be circulated separately).

2. ISSUES RAISED BY THE PUBLIC

Item No.	Title	Page No.
	2.1. PETITIONS	
	To formally receive any petitions lodged by members of the council or the public which have been received in advance of the meeting in accordance with council assembly procedure rules.	
	2.2. PUBLIC QUESTION TIME	1
	The deadline for public questions is Midnight, Wednesday 23 November 2011. Questions can be emailed to constitutional.team@southwark.gov.uk .	
	Questions from the public will be distributed in a supplemental agenda.	
	2.3. DEPUTATION REQUESTS	2 - 4
	Deputation requests have been received from the following groups:	
	<ul style="list-style-type: none"> • Leathermarket Joint Management Board • Lollipop Campaign/Safe Routes to School • 23rd Camberwell (St Giles) Scout Group • Southwark Trades Union Council 	
	The deadline for deputations is Midnight, Wednesday 23 November 2011. Deputation requests can be emailed to constitutional.team@southwark.gov.uk .	
3.	THEMED DEBATE - HOUSING	5 - 8
	3.1. CABINET MEMBER STATEMENT	
	The deputy leader and cabinet member for housing management to present the theme of the meeting.	
	3.2. QUESTIONS FROM THE PUBLIC ON THE THEME	
	The deadline for public questions on the theme is Midnight, Wednesday 23 November 2011. Questions can be emailed to constitutional.team@southwark.gov.uk .	
	Questions from the public will be distributed in a supplemental agenda.	
	3.3. MEMBERS' MOTIONS ON THE THEME	9 - 11

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To consider motions on the theme submitted by members of the council:

4. ISSUES RAISED BY MEMBERS

4.1. MEMBERS' QUESTION TIME	12 - 18
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4.2. MEMBERS' MOTIONS	19 - 21
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To consider the following motion:

- Retention of school crossing patrols in Dulwich
- Safer neighbourhood team sergeants
- Local government pension scheme

5. OTHER REPORTS

5.1. TREASURY MANAGEMENT - MID YEAR UPDATE 2011/12	22 - 31
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Council assembly is asked to consider the treasury management mid year report on operational activity.

5.2. APPOINTMENT OF AN HONORARY RECORDER OF SOUTHWARK	32 - 34
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Council assembly is asked to consider if it wishes to appoint an Honorary Recorder. The constitutional steering panel is considering this report on 21 November 2011 and the panel's recommendation will be circulated after the meeting.

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: 17 November 2011

The Charter School: Transport and map

The Charter School, Red Post Hill, SE24 9JH; pedestrian and cycle entrance opposite Ardbeg Road

Buses:

P4 from Lewisham Station to Brixton Station

Stops at Elmwood Road/The Charter School

42 from Appold Street to Sunray Avenue

Stops at Sunray Avenue

37 from Putney Heath/Green Man to Peckham Bus Station

Stops at North Dulwich Station

The following link is a map of some bus routes close to the venue:

<http://www.tfl.gov.uk/tfl/gettingaround/maps/buses/pdf/northdulwichanddulwichvillage-12497.pdf>

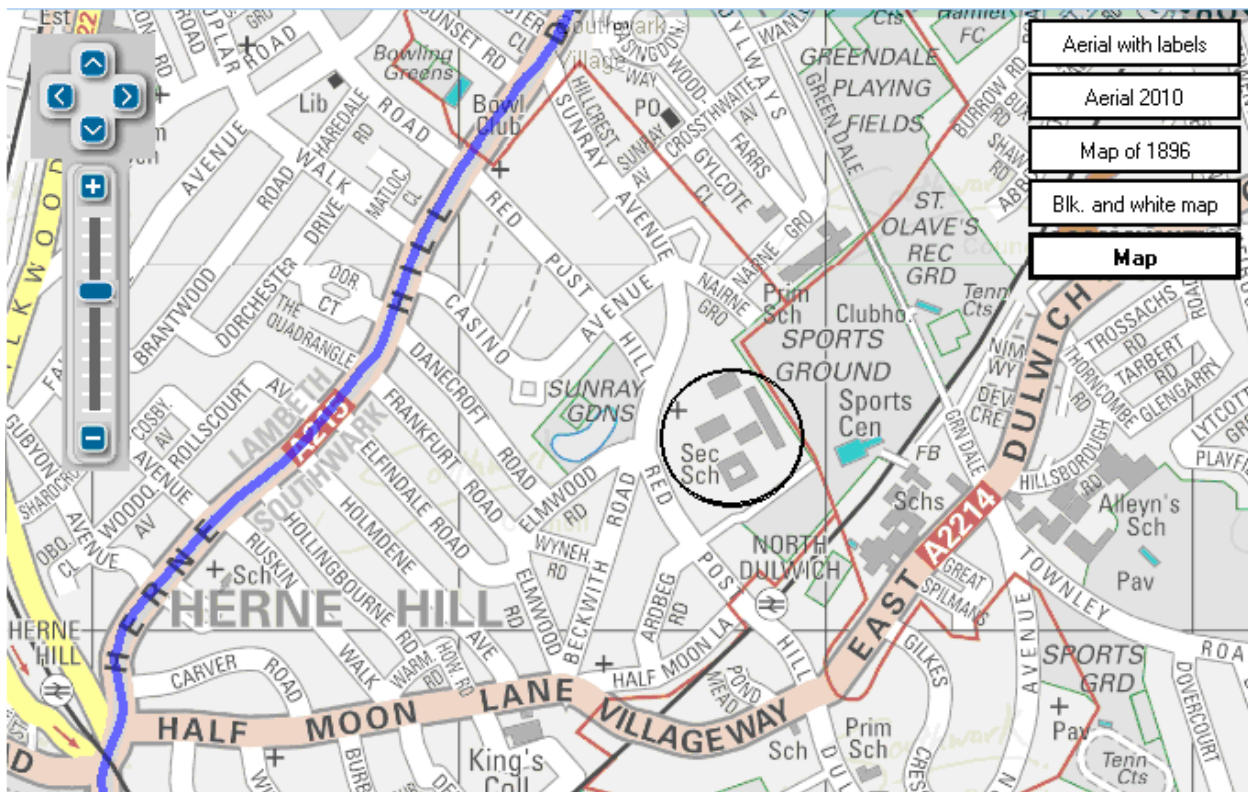
Train:

North Dulwich station is nearby; trains from London Bridge, West Croydon and Beckenham Junction.

The following link has a list of train timetables going through North Dulwich station:

<http://www.train-stations.co.uk/index.php?pageId=NDL>

Map of the venue and surrounding area:



Agenda Item 2.2

Item No. 2.2	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Public Question Time	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

The deadline for public questions is Midnight, Wednesday 23 November 2011.

Questions can be emailed to constitutional.team@southwark.gov.uk.

Questions from the public will be distributed in a supplemental agenda.

PUBLIC QUESTIONS RECEIVED TO DATE

1. QUESTION FROM MICK BARNARD TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

How do you justify an SEN transport policy that prevents disabled children attending after school clubs when the savings made using the services of a charity status organisation rather than home carers will more than offset any additional cost of transporting them from school to the club of their choice?

2. QUESTION FROM VICKY NAISH TO THE LEADER OF THE COUNCIL

Could you list the grounds on which a deputation request can be rejected in addition to those listed under council assembly procedure rules page 119 paragraph 4 of the constitution and indicate in which council document each of the reasons for rejection can be found?

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Lesley John, Constitutional Officer
Version	Final
Dated	14 November 2011

Item No. 2.3	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Deputation Requests	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATIONS

1. That council assembly considers whether or not to hear a deputation from the three groups listed in paragraph 6 of the report.
2. That council assembly considers whether or not to hear any of the other deputations listed in paragraph 7 of the report

BACKGROUND INFORMATION

3. The council assembly procedure rules state that no more than three deputations shall be considered at any one meeting, and deputations shall be considered in the order of receipt. However the meeting can decide to suspend this rule in order to hear more or vary the order.
4. When considering whether to hear the deputation request, council assembly can decide:
 - to receive the deputation at this meeting or a future meeting; *or*
 - that the deputation not be received; *or*
 - to refer the deputation to the most appropriate committee/sub-committee.
5. A deputation shall consist of no more than six people, including its spokesperson. One member of the deputation shall be allowed to address the meeting for no longer than 5 minutes. The deputation spokesperson or any member of the deputation nominated by him or her shall be invited to ask a question of the leader or relevant cabinet member. After this time councillors may ask questions of the deputation for up to 5 minutes. At the conclusion of the questions, the deputation will be shown to the public seating area where they may listen to the remainder of the open section of the meeting.

KEY ISSUES FOR CONSIDERATION

Deputation requests

6. The following deputation requests were the first three requests received. The deputations are listed in order of receipt.

1. **Leathermarket Joint Management Board (JMB)**

The deputation request states:

“Leathermarket JMB would like to organise a deputation to the full council meeting on 29 November 2011. The purpose is:

- To showcase the successful work done by tenant managed organisations (TMOs), with great support from the council
- To highlight specific financial issues for TMOs, within the bigger picture of public sector cut backs
- To demonstrate how the cooperative model may enable the council to facilitate the building of new social housing, at genuinely affordable rents.”

2. Lollipop Campaign/Safe Routes to School

The deputation request states:

“This deputation is being made to exhort Southwark Council to commit to the permanent funding of the three threatened school crossing patrols in Dulwich.”

3. The 23rd Camberwell Scouts (St Giles) Scout Group

The deputation request states:

“The 23rd Camberwell Scout Group would like to make a deputation to the council about its possible eviction from its premises in the Gilesmead Estate, which are leased from the council. The property is now described as being commercial and the rent therefore is now £7,000 per annum which we do not have. The group is a charity whose only income is from donations and subscription. We would like the council to reduce the rent to a more affordable figure in keeping with the funds we can raise. If the group loses its premises, its whole future will be in doubt.”

Other deputation requests received by the deadline

7. If council assembly agrees to hear the three deputations listed above it would need to suspend council assembly procedure rule 2.6(11), which states that no more than three deputations shall be considered at any one meeting, in order to hear the deputation listed below.

4. Southwark Trades Union Council

The deputation request states:

“Southwark Trades Union Council would like to take a deputation to address the assembly in advance of the debate on the motion on public sector pensions.”

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Deputation Request File	Constitutional Team 160 Tooley Street, London SE1 2QH	Lesley John 020 7525 7228
Council Assembly Procedure Rule 2.6, Southwark Constitution	Constitutional Team 160 Tooley Street, London SE1 2QH	Lesley John 020 7525 7228

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Lesley John, Constitutional Officer	
Version	Final	
Dated	16 November 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Title	Comments sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	16 November 2011	

Item No. 3.	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Themed Debate – Housing	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

Introduction

1. On 11 April 2011 the council assembly business panel met to agree the themes for the themed section of council assembly meetings for the 2011/12 municipal year. The council assembly business panel agreed that the theme for the themed section of council assembly in November should be 'Housing'.
2. On 28 October 2011 the deputy leader and cabinet member for housing management, Councillor Ian Wingfield, circulated a letter to all councillors on the themed debate for the council assembly meeting on Tuesday 29 November. A copy of the letter is attached as Appendix A.

What happens at the meeting?

3. At the meeting the agenda will be:
 - Cabinet member has 10 minutes in which to present the theme, plan or strategy
 - Public pre-submitted questions on the theme of the meeting (maximum of 15 minutes)
 - Member's motions on the cabinet theme using present principles to allow sufficient political balance and for political groups to hold cabinet to account (maximum 30 minutes).

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

Public questions on themed debate

4. The deadline for public questions is Midnight, Wednesday 23 November 2011. To find out more visit www.southwark.gov.uk/democracy or to submit a public question email constitutional.team@southwark.gov.uk.
5. The Mayor may reject a question if it is not relevant to the theme, plan, strategy or policy under discussion.
6. The time during which public questions shall be taken at a themed meeting shall not exceed 15 minutes and shall be conducted under the existing rules for public questions.

Members' motions

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

Themes

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

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet member letter on the theme - Dated 28 October 2011	160 Tooley Street London SE1 2QH	Constitutional Team constitutional.team@southwark.gov.uk 020 7525 7228

APPENDICES

No.	Title
Appendix A	Letter from Councillor Ian Wingfield

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Lesley John, Constitutional Officer	
Version	Final	
Dated	16 November 2011	
Key decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer title	Comments sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	16 November 2011	

APPENDIX A



Councillor Ian Wingfield
Deputy Leader of the Council
and Cabinet Member for
Housing Management
 Labour Member
 for Brunswick Park Ward

Date: 28 October 2011

Ref: IW 1057

Dear Colleague,

Council Assembly 29 November 2011 – Themed Debate on Housing

There is no greater challenge confronting our borough today than that of housing. Having a warm, dry and safe home to live in for ourselves and our family is a necessary condition for a happy, healthy and successful life, and good quality housing is essential for stable, vibrant communities. As a council we have agreed how, by investing £326 million, we will bring all of our council homes up to a minimum standard over the next four years, so that all of our tenants have the opportunity to fulfil their potential. We have established a dedicated housing department, with a new focus on performance management to improve the service that we provide for our existing residents. But these acts alone will not meet the housing challenge we face.

The investment in our council housing is set against the backdrop of the climbing cost of private housing and continuing national economic uncertainty. The average price of a home in our borough in August this year was £382,803 – twenty times the local average wage. For our borough's private tenants, Shelter recently described average rent levels as two levels above 'extremely unaffordable' – a level of unaffordability to which the charity has not even ascribed a name and the most unaffordable average rents south of the river. And while most of our borough's private landlords are responsible, we can't ignore the increasing national focus on a return of *Rachmanism* in the parts of the sector.

As a consequence we have seen spiralling demands for social housing. Our housing waiting list now stands at 20,000, even before the implications of the huge changes in national housing and welfare policies have been fully felt. With a projected increase in our borough's population of 20% by 2030 and an expected small *decrease* in economically active residents over the same period, the existing pressures only look set to grow.

In 1981 some 70% of housing in Southwark was owned by the council. Today that figure stands at 31%. Given this, it is clear that the solution to our borough's housing challenge cannot be provided by the council alone. We will never be in a position to build a sufficient number of homes to meet local housing needs. And despite our ability to invest heavily in our stock over the next five years through one-off capital receipts, we will not be able to make the same level of investment in improving our stock in the future.

But this does not mean that we can leave the solution to chance.

Our existing supply of housing and the council's approach is as much the product of

circumstance as it is of design. We now have an opportunity to properly plan for the borough's long-term housing needs looking forward over a period of decades taking a fully strategic approach.

So in December this year, the council will task an independent commission of experts to examine the borough's housing needs for the next 30 years and propose bold solutions to our housing challenges. In order to inform the Commission's work we would like council assembly to consider and discuss the following points:

- How do we balance the increasing demand for the council to supply housing with the need to maintain existing stock and with the limited geographical and financial resources available?
- The proportion of housing stock in the private rented sector has ballooned in the last 30 years to a point where the numbers of private rented, privately owned and council homes are roughly equal. How do we ensure tenants rights and responsibilities are guaranteed in a sector over which the Council has less control?
- What role can other social landlords play in helping to ensure we deliver the housing which Southwark needs?

The Commission will consider these issues in detail. But we believe that members should have the opportunity at the outset of their work to inform them of the local context and to have an input. As a result I would like to encourage all councillors to speak in the debate and to bring your local knowledge and those of your constituents forward on our most critical local issue.

Yours faithfully,

**COUNCILLOR IAN WINGFIELD
DEPUTY LEADER OF THE COUNCIL
AND CABINET MEMBER for HOUSING MANAGEMENT**

Item No. 3.3	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Motions on the Theme: Housing	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

BACKGROUND INFORMATION

During the themed debate, council assembly may debate motions. Members' motions on the theme will use present principles to allow sufficient political balance and for political groups to hold cabinet to account (maximum 30 minutes).¹

Members are limited to moving one motion and seconding one motion in the themed section of the meeting.

All motions shall be relevant to the topic under discussion and shall be conducted under the existing rules for members' motions. Normal deadlines shall apply for the submission of members' motions.

The order in which motions are debated and timings shall be determined by the Mayor.²

1. **MOTION FROM COUNCILLOR PAUL NOBLET** (Seconded by Councillor Michael Bukola)

Housing

1. Southwark Council is one of the largest public sector landlords in the country and as such recognises that it has a vital role in promoting and supporting the development of housing policies that provide secure, well managed social housing for our residents.
2. Council notes that the new coalition government is ending many of the rules imposed by the last Labour government that restricted investment in council housing.
3. Council assembly calls on the cabinet to:
 - 1) Build more council homes, particularly family sized homes.
 - 2) End the sell off of three and four bedroom family council homes.
 - 3) Promote mixed, sustainable communities by enforcing council policies which require developers to build social housing in the same neighbourhoods as their private developments and prevent areas from being over saturated by student accommodation.
 - 4) Review and amend its housing investment strategy in order to more fairly reflect the needs and priorities of local residents and the

¹ Council assembly procedure rule 2.7 (3)

² Council assembly procedure rule 2.7 (9) and (10)

council's own consultation; and set up a 'damp control team' to proactively tackle damp in council properties.

- 5) Welcome the new ability to invest in existing stock through the government's £77 million, new borrowing powers, and new flexibility around section 106.
- 6) Use powers that restrict high concentrations of houses in multiple occupation in locations where this is a problem.
- 7) Set up a private landlord accreditation scheme.
- 8) Support local projects that work with homeless and rough sleepers, such as the Robes Project.
- 9) Reduce the number of empty homes in Southwark from the 4th highest amongst London boroughs by taking advantage of the government's new powers for communities.
- 10) Hold more rigorous tenancy checks and evict illegal occupants and tenants who breach their tenancy agreements through persistent crime, anti-social behaviour and domestic violence.

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

2. MOTION FROM COUNCILLOR GAVIN EDWARDS (Seconded by Councillor Cleo Soanes)

Housing

1. Council assembly believes Southwark faces immense challenges in relation to its housing stock over the next 30 years that can only be resolved by taking a long-term, strategic approach.
2. Council assembly notes that Southwark Council still owns 31% of Southwark's housing stock (down from 70% in 1981) – around 40,000 homes. Despite this reduction in local authority control, there are nearly 17,000 people on the council's waiting list.
3. Council assembly believes that decent housing – where communities are mixed – is key to securing a better future for our young people, developing stable and vibrant communities, tackling crime and anti-social behaviour and improving public health.
4. Council assembly notes the immediate challenge faced on estates with high investment needs including Abbeyfield Estate, Four Squares Estate and Hawkstone low rise and calls for dialogue between council and tenants and leaseholders to continue.
5. Council assembly notes the uncertainty many tenants and leaseholders faced under the last housing investment programme, and welcomes the new £326 million, 5 year programme which will ensure every council home is warm, dry and safe by 2015/16.
6. Council assembly also welcomes the review of leaseholder charges to ensure Southwark has an accurate, fair and transparent system of charging leaseholders for the services they receive.
7. Council assembly notes the focus of the debate as outlined to all councillors in advance:

- How do we balance the increasing demand for the council to supply housing with the need to maintain existing stock and with the limited geographical and financial resources available?
- The proportion of housing stock in the private rented sector has ballooned in the last 30 years to a point where the numbers of private rented, privately owned and council homes are roughly equal. How do we ensure tenants rights and responsibilities are guaranteed in a sector over which the council has less control?
- What role can other social landlords play in helping to ensure we deliver the housing which Southwark needs?

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 on the Themed Debate	Constitutional Team 160 Tooley Street London SE1 2QH	Andrew Weir 020 7525 7222

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Lesley John, Constitutional Officer
Version	Final
Dated	11 November 2011

Item No. 4.1	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Members' Question Time	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

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 question from community council councillors 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.

1. QUESTION TO THE LEADER FROM COUNCILLOR NEIL COYLE

Now that the government's health and social care bill is set to be implemented what does he anticipate the impact will be on health services in Southwark?

2. QUESTION TO THE LEADER FROM COUNCILLOR HELEN HAYES

Has the leader met with the six Southwark students whose university tuition fees will be paid by the council?

3. QUESTION TO THE LEADER FROM COUNCILLOR MARK WILLIAMS

Is he surprised by the reaction to the proposal from Sail Greenwich to moor yachts at Greenland Dock during London 2012 Olympics?

4. QUESTION TO THE LEADER FROM COUNCILLOR RENATA HAMVAS

How many fewer Southwark residents have so far applied for 2012 university entry compared to this time last year?

5. QUESTION TO THE LEADER FROM COUNCILLOR THE RIGHT REVEREND EMMANUEL OYEWOLE

How will the council be celebrating the Queen's Diamond Jubilee year?

6. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY FROM COUNCILLOR CATHERINE BOWMAN (WALWORTH COMMUNITY COUNCIL)

Does the cabinet member for regeneration and corporate strategy support and welcome the creation of the Walworth Society?

7. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR PODDY CLARK (BOROUGH AND BANKSIDE COMMUNITY COUNCIL)

I note that the scheduled visits of the mobile housing office does not include Cathedrals Ward and therefore neglecting a large number of residents from Borough and Bankside from accessing the mobile housing office. Will the deputy leader and cabinet member for housing management rectify this immediately and will he consider any more highly visible locations that serve the whole of Borough and Bankside Community Council?

8. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR LISA RAJAN (ROTHERHITHE COMMUNITY COUNCIL)

Could the cabinet member for transport, environment and recycling please provide:

- a) A detailed breakdown of all the costs associated with the proposal of adding 350 temporary berths and associated facilities to Greenland Dock for the Olympics

- b) A detailed breakdown of the projected income from this collaboration
- c) How much of this will be invested in Surrey Docks ward in mitigating the negative effects of the proposal on the peninsula (e.g. extra waste, rubbish, pressure on local infrastructure, congestion, noise, disruption, emergency vehicle access, pollution, disruption to wildlife)?

9. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR LINDA MANCHESTER (BERMONDSEY COMMUNITY COUNCIL)

Does the cabinet member for transport, environment and recycling not trust local communities to make decisions about local street lighting?

10. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR LEWIS ROBINSON (DULWICH COMMUNITY COUNCIL)

Can the cabinet member for education and children's service share primary and secondary level demand forecasts for this coming year and each year thereafter (as available) versus current place numbers for Dulwich and advise which schools she is considering requesting bulge classes at?

11. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY FROM COUNCILLOR CLEO SOANES (PECKHAM COMMUNITY COUNCIL)

We the residents of the Peckham Community Council area welcome the council's recent decision to recognise Peckham's special architectural and historic heritage by designating it with conservation area status and thus help to transform the unfair negative perception of Peckham often portrayed by the press to a positive one. Therefore in light of this, what are the immediate proposals for attracting outside funding to Peckham to improve current buildings and for new development?

12. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY FROM COUNCILLOR NORMA GIBBES (CAMBERWELL COMMUNITY COUNCIL)

Can she outline if there are any proposals for attracting outside funding to improve Camberwell?

13. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR VICTORIA MILLS (NUNHEAD AND PECKHAM RYE COMMUNITY COUNCIL)

Can the cabinet member provide an update on how the council is working with Transport for London (TfL) and counterparts in Lewisham on reviewing the traffic and road changes in the Pomeroy Street and Kender Road Triangle area and their impact on St Mary's Road and Lausanne Road? Can the cabinet member provide an update on the monitoring that TfL promised to undertake and will he investigate the installation of a safe crossing points for Nunhead children attending Edmund Waller primary school?

14. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR VICTORIA MILLS

What is the council doing to make savings at senior management level?

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

How would the marriage fee increase have differed under the previous administration's medium term resources strategy?

16. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR PATRICK DIAMOND

Will council services be affected by the industrial action taking place on 30 November?

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

How will you be consulting on the budget this year?

18. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR SUNIL CHOPRA

Does he think that CCTV has a role to play in tackling crime and anti-social behavior in Southwark?

19. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR ALTHEA SMITH

Can he provide an update on the visit by the riots victims and communities panel?

20. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR ROWENNA DAVIS

Can you provide the latest estimate of the number of police that have been cut in Southwark?

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

Given that the cabinet have not used the £4 million contingency funds that were put aside by the previous administration in 2010, nor the £5.5 million that he allocated in 2011, will the cabinet member for finance, resources and community safety review his decision to put an additional £9 million into contingency funds in 2012/13 and even more in 2013/14, and use this instead to protect essential front line services and to roll-back some of the savage cuts he has unnecessarily imposed on our residents?

22. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR JONATHAN MITCHELL

Will the cabinet member for resources, finance and community safety support our motion to use some of the £9 million he was planning to put in the contingency fund in February to fully fund the safer neighbourhood team sergeants?

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

Will the cabinet member for resources, finance and community safety outline what consultation with local people occurred before he took the decision to shut the access route to the Heygate?

24. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR LINDA MANCHESTER

Please can the cabinet member for resources, finance and community safety provide figures for:

- a) the total number of complaints received by the noise team since 1 April 2011
- b) the number of out of hours complaints received since 1 April 2011
- c) the number of complaints that have resulted in court action since 1 April 2011?

25. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY FROM COUNCILLOR JEFF HOOK

Will the cabinet member for finance, resources and community safety please provide how much the council has spent since 1 April 2011 on refreshments for meetings and training based in council offices? How much of the refreshments is not consumed?

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

What further steps will the cabinet member take in order to implement the London Living Wage?

27. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE & SPORT AND THE OLYMPICS FROM COUNCILLOR CLAIRE HICKSON

Does she believe that the opening of the most recent White Cube on Bermondsey Street, the biggest in London, means that Southwark is continuing to cement its position at the heart of London's contemporary art community?

28. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE & SPORT AND THE OLYMPICS FROM COUNCILLOR MICHAEL SITU

Does she believe that the savings made in the completion of Canada Water library will diminish the final offer to local residents?

29. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE & SPORT AND THE OLYMPICS FROM COUNCILLOR MARK GLOVER

While it is good news that the council is keeping all 12 of Southwark's libraries open, could she set out the savings the council has found elsewhere in the library services budget in order to achieve this?

30. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE & SPORT AND THE OLYMPICS FROM COUNCILLOR KEVIN AHERN

Can she provide an update on the council's preparations for London 2012?

31. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE & SPORT AND THE OLYMPICS FROM COUNCILLOR ROBIN CROOKSHANK HILTON

Our successful Millwall Friday night football sessions at the James Allyn's Girls School's astroturf pitch is currently providing a much-needed healthy outlet for up to 80 young people every Friday night from 7.30pm until 9.00pm, but we have trouble raising funding every year and will run out of funding for this year after Christmas. Because the hours of the sessions are outside community games coaches' working hours, we have always had problems including these sessions within the community games program, which is why we've gone to Millwall for provision. Therefore, can the cabinet member for culture, leisure, sports and the Olympics please provide a breakdown of all the costs of the community games programme - including the locations of all the existing sessions - and will she consider funding our Millwall sessions out of next year's community games budget allocation in tandem with the community games sessions in the rest of the borough?

32. QUESTION TO THE CABINET MEMBER FOR CULTURE, LEISURE & SPORT AND THE OLYMPICS FROM COUNCILLOR HELEN MORRISSEY

Is she disappointed that there will no longer be a council-run event in the south of the borough this year?

33. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR LEWIS ROBINSON

To publish a table containing the following admissions data for school applications to Kingsdale School for entry in September 2010 and 2011:

- a) The number of applications made by pupils from Langbourne Primary School, and show the numbers who successfully gained a place?
- b) The number of applications made by pupils in schools outside the borough, and show the numbers who successfully gained a place?

Any successful applications due to appeals or with statements should be quantified.

34. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR TOBY ECKERSLEY

Would the cabinet member for children's services please provide a breakdown by ethnicity of children in the council's care:

- a) awaiting a decision as to whether to put up for adoption (with the shortest, average and longest wait)

- b) awaiting adoption following a decision to put up for adoption (with the shortest, average and longest wait)
- c) in respect of whom a decision has been made that adoption would not be in the best interests of the child.

Within each of (a), (b) and (c) above the information being given for the following categories: foundlings; other children under one year of age at the time of coming into care; children aged one year or over but under five at the time of coming into care; children aged five years or over but under 12 at the time of coming into care; and children 12 and over at the time of coming into care?

35. QUESTION TO THE CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING FROM COUNCILLOR MICHAEL MITCHELL

Would the cabinet member for transport, environment and recycling, Councillor Barrie Hargrove, confirm whether he is taking up the offer of funding by Transport for London to sustain the threatened school crossing patrols in Dulwich and elsewhere in the borough in 2012/13?

Item No. 4.2	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Motions	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

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 TOBY ECKERSLEY** (Seconded by Councillor Michael Mitchell)

Retention of school crossing patrols in Dulwich

Council assembly approves the resolution of Dulwich community council on 7 November, as follows:

That Dulwich community council notes the following on page 15 of the council's recently adopted sustainable modes of travel strategy:

“The safety of children on the road requires special attention”

and therefore urges the council's cabinet to remove the threat to the school crossing patrols at the junctions of East Dulwich Grove with Townley Road/Greendale and with Dulwich Village/Red Post Hill/Village Way, and to secure the permanent funding of the existing patrols at those locations.

and therefore associates itself with the community council's request to cabinet.

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

2. **MOTION FROM COUNCILLOR CATHERINE BOWMAN** (Seconded by Councillor Robin Crookshank Hilton)

Safer neighbourhood team sergeants

1. Council regrets the loss of five safer neighbourhood team sergeants in Southwark.
2. Council notes that, in February 2011, the council's budget allocated £5.5 million in contingency funds and proposed a further £9 million to be allocated to contingency funds in February 2012. Council also notes £9.5 million currently in contingency funds has still not been touched.
3. Council assembly therefore:
 - 1) Calls on the Mayor of London to reinstate Southwark's safer neighbourhood team sergeants so that there is one dedicated sergeant per ward.
 - 2) Calls on the cabinet member for community safety to spend some of the £9 million he plans to put into contingency funds next year on a fund to maintain the extra five safer neighbourhood team sergeants needed in Southwark.

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

3. MOTION FROM COUNCILLOR PATRICK DIAMOND (Seconded by Councillor Mark Glover)

Local government pension scheme

1. Council assembly notes that the local government pension scheme is a sustainable, good quality pension scheme that benefits from being funded and locally managed. It is valuable to employers and employees alike.
2. Council assembly is concerned by proposals announced by the Chancellor in the last comprehensive spending review to impose an extra 3.2% contribution tax on scheme members, increasing scheme average member contributions from 6.6% to 9.8%.
3. Council assembly also notes that none of the additional revenue raised from this increase will go towards improving the financial security of the scheme and risks the sustainability of public sector pension schemes in the long term by encouraging people to opt out of occupational schemes because they cannot afford to pay this increase; ultimately costing the tax payer more in the future.
4. Council assembly welcomes the recent but limited change in position from the Government and hopes that this indicates, after months of grandstanding, a willingness to finally enter into proper negotiations with trade unions.
5. Council assembly believes that both private and public service workers have suffered as a result of the austerity measures of the Conservative/Liberal Democrat government and regrets the impact any industrial action will have on people in Southwark who rely on council services. We urge both the government and unions to explore every other possible course of action.

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	Lesley John, Constitutional Officer
Version	Final
Dated	11 November 2011

Item No: 5.1	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Treasury Management – Mid-year update 2011/12	
Wards or Groups affected:		All	
From:		Finance Director	

RECOMMENDATION

1. That the council assembly note this 2011/12 treasury management mid-year update.

BACKGROUND INFORMATION

2. This report is one of a series of reports on treasury management to the council assembly by the finance director. In February 2011, the council assembly considered the treasury strategy for 2011/12 and in July 2011 it received a report on 2010/11 treasury performance. This report is a half-year update on the council's borrowing and investments and prudential indicators.
3. Quarterly updates on treasury activity are also considered by cabinet and a report reviewing treasury policy and strategy was considered by the audit and governance committee on 15 November 2011.
4. The council holds some £762m in long term loans and £299m in cash. The loans reflect past borrowing to pay for capital spend and in the interest of capital preservation the cash is placed in deposits with major banks and bonds issued by the UK government and supranational entities until it is needed in spending.
5. Treasury activity is carried out under powers set out in the Local Government Act 2003, supplemented by investment guidance issued by the government and codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The council assembly is responsible for agreeing treasury strategy and under financial standing orders, responsibility for implementing the strategy and managing activity falls to the finance director.

KEY ISSUES FOR CONSIDERATION

Treasury Management Borrowing and Investments

Financial Market Backdrop

6. The financial markets have remained volatile since the summer and funding concerns in peripheral Euro sovereigns (Greece, Portugal and Ireland) have dominated trading. Downward revisions to growth in major economies have added to concerns, making it more difficult to meet deficit reduction plans. Problems in peripheral sovereigns have even raised funding costs in larger states, notably Italy and Spain, whilst safe haven flows have benefited yields in other sovereigns, e.g Germany, UK and the USA. Monetary policy in Western economies remains accommodative - UK base rates remain at 0.50% and a further monetary stimulus in the form asset purchase was announced in October 2011 to help the economy.

7. Problems in peripheral eurozone sovereign debt are also raising funding costs of banks. And although the ECB remains supportive, supplying banks unlimited liquidity, term funding and in co-ordination with other central banks access to US\$ markets, rating agencies have pressed ahead with downgrading European banks. In some cases the changes have been triggered by a downgrade of the sovereign rating and agencies have been keen to point out challenges from slower economic growth, sovereign funding stress and some political pressure to reduce implicit state support. The Fitch rating of the Italian state is below AA- (as at 11 November 2011) and the council has no deposits with banks there. No deposits were held in Dexia Bank Belgium, which is part of a group that had to be rescued by France, Belgium and Luxembourg.

Investments

8. Against this background the council continues to take a cautious approach when placing funds. Short-term investments are in deposits with major banks and building societies and in UK Treasury securities. Investments beyond one year are in listed bonds issued by the UK Government and supranational entities such as the European Investment Bank and the International Bank for Reconstruction and Development (the World Bank). The council has some £299m placed in financial institutions at 30 September 2011 (£236m at March 2011); this is analysed further in tables 1, 2, and 3 below. Investment management is carried out by an in-house operation and three fund managers (AllianceBernstein Ltd, Aberdeen Fund Management Ltd and Invesco Asset Management). The managers, each with an initial £50m, provide the council with access to short term certificate of deposits (liquid banks deposits) and exposure to bonds. The in-house operation focuses on managing day to day cash volatility using call accounts, short term deposits, or money market funds.

Sovereign	Counterparty	Fitch Long Term	Fitch Short Term	Aberdeen	Alliance Bernstein	Invesco	In-House	Total
FINLAND	NORDEA BK FINLAND	AA-	F1+		0.5	6.5		7.0
FRANCE	BANQUE NAT. DE PARIS	AA-	F1+			5.2		5.2
	CREDIT AGRIC CIB	AA-	F1+	4.4		6.5		10.9
	CREDIT INDUST ET COMRCL	AA-	F1+	5.6				5.6
	SOCGEN	A+	F1+		0.5	6.5	15.0	22.0
GLOBAL	GLOBAL TREAS FUNDS-MMF		AAA				15.6	15.6
NETHERLANDS	ABN AMRO BK	A+	F1+	4.9				4.9
	ING BK	A+	F1+	5.1	0.5	6.5	15.0	27.1
	RABOBANK	AA+	F1+		0.5			0.5
SUPRANATIONAL	EUROPEAN INV BK	AAA	F1+	6.3	5.9			12.1
	INT BK RECONST DEVT	AAA	F1+		4.3			4.3
SWEDEN	SVENSKA	AA-	F1+			4.0		4.0
SWITZERLAND	UBS	A+	F1+	3.1				3.1
UK	BARCLAYS BK	AA-	F1+	6.6	0.5	6.5	15.0	28.6
	HSBC	AA	F1+	0.1	2.3	0.0		- 2.2
	LLOYDS TSB/BK SCOTLAND	A	F1+	6.1		4.0	15.0	25.2
	NATIONWIDE BSOC	AA-	F1+		0.5		15.0	15.5
	RBS/NATWEST	A	F1+				26.0	26.0
	SANTANDER UK	AA-	F1+	6.6			15.0	21.6
	UK TREASURY	AAA	F1+	2.1	39.9			42.0
AUSTRALIA	NATIONAL AUSTRALIA	AA	F1+				15.0	15.0
SPAIN	BBVA	A+	F1			4.6		4.6
Grand Total				50.8	50.7	50.4	146.7	298.7

(Notes: Global Treasury Funds is a money market fund placing short term funds with other banks and has a short term fund rating of AAA/Aaa. The fund is managed by RBS and is not associated with any sovereign. The £2.2m debit

against HSBC includes a sum of £2.4m in respect of a purchase of UK Treasury which settles on 3 October 2011.)

Table 2		Long Term Sovereign Ratings			
Sovereign	Fitch	Moody's	S&P	Total	
FINLAND	AAA	Aaa	AAA	7.0	
FRANCE	AAA	Aaa	AAA	43.7	
GLOBAL (MMF)				15.6	
NETHERLANDS	AAA	Aaa	AAA	32.5	
SUPRANATIONAL	AAA	Aaa	AAA	16.4	
SWEDEN	AAA	Aaa	AAA	4.0	
SWITZERLAND	AAA	Aaa	AAA	3.1	
UK	AAA	Aaa	AAA	156.7	
AUSTRALIA	AA+	Aaa	AAA	15.0	
SPAIN	AA-	A1	AA-	4.6	
Grand Total £m at 30 Sept 2011				298.7	

Minimum Sovereign Rating from Fitch AA-					
Table 3		Period Remaining and Fitch Ratings			
Yr Band	Short Term Fund Rating	Long Term Ratings			Total
		AAA	A to A+	AA- to AA+	
2-5 Yrs				6%	6%
1-2 Yrs				1%	1%
6-12 Mths		3%	1%		4%
0-6 Mths	4%	35%	37%	13%	89%
Grand Total	4%	38%	38%	20%	100%

9. UK banks have not been insulated from rating actions. Agencies have revisited the support environment for banks and have decided to downgrade several institutions including some of the largest ones used by the council, namely RBS/NatWest, Lloyds and Nationwide Building Society. Their ratings still remain high, although the long term rating of some institutions against some agencies is now slightly below those set out in the strategy report, see table 4. However, the strategy accepts that ratings are opinions and not advice and therefore does not insist that ratings on all three agencies be satisfied. RBS/NatWest, Lloyds and Nationwide Building Society still meet both the long and short term rating from Standard and Poor's (i.e. long term rating A+ and short-term A-1) and have a Fitch support rating above 2 (a high or very high likelihood of support in the event it were needed). Also the rating of the UK sovereign, at AAA, is well above AA- set out in the strategy. All three institutions are of systemic importance and have access to central bank liquidity facilities if needed. The Government's stake in RBS/NatWest and Lloyds also gives the two a significant advantage.

Table 4		Fitch		Support	Moody's		S&P	
Counterparty	Long Term	Short Term	Long Term		Short Term	Long Term	Short Term	
LLOYDS/TSB	A	F1	1	A1	P-1	A+	A-1	
NATIONWIDE	AA-	F1+	1	A2	P-1	A+	A-1	
RBS/NATWEST	A	F1	1	A2	P-1	A+	A-1	
Minimum from at least one agency	A+	F1	2	A1	P-1	A+	A-1	

10. With financial conditions likely to remain volatile for a prolonged period, rating actions and market developments are monitored closely. The finance director continues to follow the investment strategy agreed by council assembly in February 2011, which needs no amendment at this time. There is no exposure to peripheral sovereigns or Italian banks, and in the interest of capital preservation the strategy continues to prefer major banks in high rated sovereigns.

Borrowing

11. The council holds some £762m in debt at 30 September 2011, where it has stood throughout the year. No new borrowing is needed to fund this year's capital spend.
12. All loans are from the Public Works Loans Board (a lending arm of the Government). Around 80% of the debt is attributable to the Housing Revenue Account (HRA) and 2011/12 will be the final year that interest on it will be included in Housing Subsidy. Towards the end of March 2012, some £267m in housing debt will be paid off by the Government, which will lower the interest bill and help the HRA prepare for self-financing from April 2012, when no more subsidy will be receivable and all expenditure will have to be met from HRA's own income. This repayment will not initially reduce the council's average rate of interest, though in future years the debt portfolio will be more manageable in achieving a lower overall rate of interest.
13. There was some interest amongst local authorities for sourcing funding through a public bond issue or a private-placement, following the raising of the margin that the Government charges over its own borrowing when lending to councils through the Public Works Loans Board. Interest in such funding has however fallen since the Government decided that it will lower the premium it now charges councils that have to take on debt as part of HRA reforms (Southwark will not benefit as it will see its debt fall). Demand has also softened somewhat as investors demand a higher premium for holding debt under continued market volatility. This remains a developing area of interest, particularly with a view to managing debt maturities falling due in 2013-16.

Prudential indicators

14. Prudential indicators bring together elements of capital finance, borrowing and investment in a series of estimates and limits to give a general picture of the affordability, prudence and sustainability of financing activities.
15. One of the indicators is the authorised limit on debt. It was set at £910m for 2011/12 in February 2011 and is made up of a limit on borrowing and long term liabilities like private finance initiatives (PFI) and finance leases. The long term liabilities limit is affected by new international accounting standards which require that PFI and certain leases be recorded on the balance sheet as liabilities together with the assets funded by these arrangements. The potential value of such liabilities was still to be assessed when the limit was set in February 2011 and to ensure it was not exceeded, it was treated as if it was increased by the liabilities affected by the accounting changes. The value of those liabilities was £25m at 31/3/2011 and these will increase by as much as £78m as two PFI schemes become operational (the new build St Thomas the Apostle school and the Old Kent Road waste management facility). The council's debt and long term liabilities at 31/3/2012 is projected to be around £865m, well within both the operational and authorised limits for the year (£880m and £910m respectively).

16. Other indicators affected by the new accounting standards on PFI and leases are capital expenditure estimates, the capital financing requirement and the ratio of financing cost to net revenue stream. The latest estimates for each indicator is set out in Appendix A. The changes do not have a bottom line impact on budgets, rents or council tax.

SUPPLEMENTAL ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

17. 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.
18. Financial standing orders require the finance director 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 finance director.
19. The Local Government Act 2003, requires that councils have regard to the Treasury Management in the Public Services Code of Practice and the Prudential Code for Capital Finance both published by the Chartered Institute of Public Finance and Accountancy when considering or developing the treasury management strategy.
20. Local Government Act 2003, section 15(1), 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 Local Government Act 2003 by section 238(2) of the Local Government and Public Involvement in Health Act to 2007.

BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
Prudential Code for Capital Finance in Local Authorities - CIPFA.	Finance and Resources Department, 160 Tooley Street, London SE1 2QH	Dennis Callaghan, Chief Accountant 020 7525 4375
Treasury Management in the Public Services Code of Practice - CIPFA		
DCLG Guidance on Local Authority Investments.		
Guidance on Minimum Revenue Provision - Issued by the Secretary of State.		

APPENDICES

No.	Title
Appendix A	Prudential Indicators 2011/12 – Mid-year Update

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Finance Director	
Report Author	Dennis Callaghan, Chief Accountant	
Version	Final	
Version Date	16 November 2011	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Final Report Sent to Constitutional Team	16 November 2011	

PRUDENTIAL INDICATORS 2011/12 – Mid-year Update**PRUDENTIAL INDICATORS – Mid-year Update**

The prudential indicators are drawn from the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice both published by CIPFA and updated in November 2009. The Local Government Act 2003 requires that councils have regard to these codes.

This appendix updates the 2011/12 indicators presented to council assembly in February 2011. Actuals are drawn from the council's final audited accounts for the year. The indicators fall in three broad areas: affordability, prudence and treasury management.

CRITERIA ONE: AFFORDABILITY AND PRUDENTIAL INDICATORS ON AFFORDABILITY
INDICATOR ONE: RATIO OF FINANCING COSTS TO NET REVENUE STREAM

The financing ratio reflects financing costs arising from capital expenditure funded from borrowing and long term financing arrangements (like private finance initiatives and leases) and income from cash balances as a proportion of the net revenue stream. The ratio for the HRA and the General Fund (GF) are set out below. The different level of the HRA and GF ratios reflect the different way the two services are organised under law. The indicators have been updated to capture new international accounting changes requiring certain leases and PFI arrangements to be treated as if they are like borrowing. The changes have no bottom line impact on budgets, rents or council tax.

Financing Ratios	2010/11 Actual	2011/12 Projection
HRA	34%	32%
GF	4%	5%

INDICATOR TWO: THE INCREMENTAL IMPACT OF CAPITAL INVESTMENT ON THE COUNCIL TAX AND HOUSING RENTS

This ratio is about the impact on council tax and rents of the capital programme. No increase in council tax or rent in 2011/12 arose as a result of the programme.

CRITERIA TWO: PRUDENCE AND PRUDENTIAL INDICATORS FOR PRUDENCE
INDICATOR THREE: CAPITAL EXPENDITURE

The latest capital expenditure projections are set out below. The substantial rise in GF capital expenditure in 2011/12 is due to accounting changes which require that PFI funded assets and associated liabilities be recorded on the balance sheet. The third quarter 2011/12 will see a phase of a new private finance initiative funded school (St Thomas the Apostle) and the waste management facility at the Old Kent Road site become operational and the major capital asset associated with those projects (total £78m) will count as capital expenditure.

Capital Expenditure	2010/11 Actual £m	2011/12 Projection £m
HRA	71	78
GF	118	193
Total	189	271

INDICATOR FOUR: CAPITAL FINANCING REQUIREMENTS.

The capital financing requirement (CFR) reflects borrowings and long term liabilities to pay for past capital expenditure, net of sums set aside as minimum revenue provision (MRP) in accordance with the MRP policy agreed by council assembly annually.

CFR	2010/11 Actual £m	2011/12 Projection £m
HRA	650	650
GF	157	231
Total	807	881

As with capital expenditure, the CFR figures include the cost of leases and PFI arrangements which now fall on the balance sheet (this amounts to £78m in 2011/12). The changes have no additional bottom line impact on budgets, rents or council tax.

INDICATOR FIVE: ACTUAL DEBT- THE AUTHORISED AND OPERATIONAL LIMITS

These limits are the maximum sum that may be outstanding on debt and long term liabilities on any one day. The limit on long term liabilities is affected by PFI and lease accounting changes and as the value of those liabilities was still to be assessed when the limit was set by the council assembly in February 2011, it was acknowledged that it would be treated as if it was increased for those liabilities. The increase required is £103m (£25m in 2010/11 and £78m in 2011/12), principally arising from the two school PFI projects (St Michael's Catholic College, which became operational in 2010/11, and St Thomas the Apostle School, which becomes part operational in 2011/12) and the waste management facility at the Old Kent Road site.

As no new borrowing has been taken or refinanced so far this year, the actual level of debt has remained unchanged over the year. The 2011/12 projected borrowing and long term liabilities remains within the total authorised limit of £910m.

Operational Boundary and Authorised Limits for External debt -	2010/11 Actual £m	2011/12 Limit £m	2011/12 Projection £m
Operational Boundary for Debt			
Borrowing	762	860	762
Other long term liabilities(*)	25	20(*)	103
Total Operational	787	880	865
Authorised Limit for Debt -			
Borrowing	762	890	762
Other long term liabilities(*)	25	20(*)	103
Total Authorised	787	910	865

Note* - The limits from 2011/12 are treated as increased for increase in long term liabilities arising from accounting changes in leasing and PFI, which are estimated at £103m in 2011/12.

CRITERIA THREE: TREASURY MANAGEMENT

INDICATOR SIX: ADOPTION OF THE CIPFA CODE OF PRACTICE ON TREASURY MANAGEMENT IN THE PUBLIC SERVICES

This indicator is about confirming that CIPFA's treasury management code has been adopted. The code was updated in November 2009 and council assembly agreed its additional recommendations on reporting and scrutiny at its meeting in February 2011.

INDICATOR SEVEN: INTEREST RATE EXPOSURES – FIXED

INDICATOR EIGHT: INTEREST RATE EXPOSURES - VARIABLE

INDICATOR NINE: MATURITIES

Council debt currently consists entirely of fixed rate loans, with very little falling for repayment over the next few years. As with the authorised and operational limits, the interest rate exposure limits include flexibility for debt to vary prudently in a controlled way should financing conditions prove favourable. As no new borrowing or refinancing was carried out, the 2011/12 mid-year indicators, set out below, reflect the existing debt structure.

LIMITS ON FIXED AND VARIABLE RATES	2010/11 Actual £m	2011/12 Limit £m	2011/12 Mid-year position £m
Upper limit for fixed interest rate exposure	762	890	762
Upper limit for variable rate exposure	0	225	0

Maturity structure of fixed rate borrowing	2010/11 Actual	2011/12 Lower Limit	2011/12 Upper Limit	2011/12 Mid-year position
Under 12 months	0%	0%	30%	0%
12 months and within 24 months	0%	0%	30%	0%
24 months and within 5 years	18%	0%	60%	29%
5 years and within 10 years	12%	0%	80%	3%
10 years and above in each 10 year period	70%	0%	100%	68%

INDICATOR TEN: TOTAL PRINCIPAL SUMS INVESTED FOR PERIODS LONGER THAN 364 DAYS

Cash balances are invested across a number of counterparties which include the government and major high rated banks and building societies. Exposures to investments beyond one year were managed within a risk controlled framework by fund managers and were held in UK Government debt or supranational bonds. Actual exposure against the limits is set out below.

Upper limit on investments greater than 1 yr	2010/11 Actual	2011/12 Limit	2011/12 Mid-year position
Upper limit / Actual	Actual max exposure 16% of investments greater than 1 year Overall maximum average maturity 7 months Longest Investment 5 years	Up to 50% of investments. Greater than 1 year Overall average maturity 3 years, but any one investment may be longer as referred to in the Annual Investment Strategy	14% of investments greater than 1 year Overall maximum average maturity 7 months Longest investment 5 yrs

Item No. 5.2	Classification: Open	Date: 29 November 2011	Meeting Name: Council Assembly
Report title:		Appointment of an Honorary Recorder of Southwark	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATION

1. That Council Assembly agree that, pursuant to section 54 of the Courts Act 1971, His Honour Judge Roger Chapple be appointed to the office of Honorary Recorder of Southwark during his tenure as Senior Resident Judge at Inner London Crown Court.
2. That the appointment be formally recognised at an appropriate civic ceremony.

BACKGROUND INFORMATION

3. Since the implementation of the Courts Act 1971 and the establishment of the Crown Court for England and Wales, the councils of boroughs have had the power to appoint a Circuit Judge or a Recorder of the Crown Court as Honorary Recorder of the borough concerned.

KEY ISSUES FOR CONSIDERATION

4. According to the Lord Chief Justice's Guidelines for the Appointment of Honorary Recorders, it has been the practice of most large city councils to appoint the Resident Judge to be Honorary Recorder of the city during his tenure of office, thereby continuing the link between the city and its criminal court, which has existed throughout the history of the Courts of Quarter Sessions, which were abolished by the Courts Act 1971.
5. The guidelines also state that the involvement of the boroughs' Senior Resident Judge in civic affairs and events have been found to be valuable and are generally enjoyed and appreciated on both sides.
6. As head of the Judiciary, following the Constitutional Reform Act 2005, the Lord Chief Justice is keen to encourage those city and borough councils which have not made such appointments to consider doing so.
7. At each Crown Court centre a particular judge appointed "Resident Judge" leads the team of judges who sit there and provides the essential link between the judiciary and the administration.
8. In the larger city court centres, the Resident Judge is usually a Senior Circuit Judge who is recruited and appointed specifically to that post. Such a judge holds office as a Resident Judge and, if appointed, as Honorary Recorder until his retirement from the post.

9. It is customary for an Honorary Judge, when sitting in the Crown Court in the city where he holds office, to be described as such in the published court lists.
10. Those Honorary Recorders who are also Senior Circuit Judges are authorised by the Lord Chancellor to wear red robes when sitting in court.
11. His Honour Judge Roger Chapple is a Senior Circuit Judge.
12. Judge Chapple was called to the Bar in 1974; and as a barrister specialising in general common law at Francis Taylor Buildings from 1974 to 1994. He became a circuit judge (South Eastern Circuit) in 2004 and was previously resident judge at Middlesex Guildhall Crown Court from 2005 to 2007. He became resident judge at Inner London Crown Court in 2007.

Resource implications

13. The proposed appointment in members support does not have resource implications, save for the cost of recognising the appointment at an appropriate civic ceremony. However, it is expected that this would be included in a ceremonial event already planned and it is expected that these will be contained within existing budgets.

Legal implications

14. The appointment of an Honorary Recorder is made by the borough council concerned and does not require the approval of the Lord Chancellor or the Lord Chief Justice, but the Lord Chief Justice encourages boroughs to first consult the Senior Presiding Judge for England and Wales.
15. The Senior Presiding Judge for England and Wales, The Rt. Hon. Lord Justice Goldring has been duly consulted and he has confirmed in a letter that he agrees to the appointment.

Community impact statement

16. The involvement of the borough's Senior Resident Judge in civic affairs and events has been found to be valuable and appreciated on both sides and of value to the borough.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Lord Chief Justice's Guidelines for the Appointment of Honorary Recorders	Governance Team, 160 Tooley Street, London SE1 2QH	Norman Coombe 020 7525 7678

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director of Communities, Law & Governance	
Report Authors	Norman Coombe, Senior Lawyer	
Version	Final	
Dated	15 November 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Incorporated
Finance Director	Yes	Incorporated
Cabinet Member	No	No
Date final report sent to Constitutional Team		15 November 2011

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