

**SOUTHWARK COUNCIL**

**COUNCIL ASSEMBLY**

**(ORDINARY MEETING)**

**WEDNESDAY 14 JULY 2010**

**MEMBERS' QUESTION TIME**

**1. QUESTION TO THE LEADER FROM COUNCILLOR HELEN MORRISSEY**

Is the budget likely to have a disproportionate effect on Southwark residents compared to other parts of London and the country?

**RESPONSE**

Yes. The changes announced in the emergency budget will hit Southwark harder than most other places in the country and, even more seriously, will hit the poorest in Southwark harder still.

Over 270,000 people live in Southwark. Every single Southwark resident will lose out due to the increase in value added tax (VAT) to 20%. Southwark is also the 26<sup>th</sup> most deprived local authority in England, however, and as a regressive tax the VAT increase will hit Southwark badly and the most deprived in Southwark worst.

The upwards of 25% cuts from most government budgets will also hit Southwark hard as “the impact of the looming cuts to public services... are likely to hit poorer households significantly harder than richer households” according to the Institute of Fiscal Studies. No service other than health will escape the cuts and Southwark residents will particularly suffer from any cuts to policing levels, education provision and public transport.

Over 37,000 people claim housing benefits in Southwark, the second highest number of any London borough and 14<sup>th</sup> highest in the UK. Housing benefits will be cut such that:

- Increases are no longer linked to rents, but the typically lower consumer price index (CPI) inflation rate
- Claims are capped nationally, without taking into account higher rent levels in London
- Recipients will only be able to claim for the number of rooms that they occupy, particularly hitting elderly people with grown-up children
- Those unemployed for a year will have their housing benefits cut by 10%.

The Institute of Fiscal Studies states that these changes will mean “some will need to move house” and “high-cost areas will become less affordable”.

Over 11,000 people in Southwark claim disability living allowance (DLA), more than any other London borough. With the government looking for an eventual cut in costs of 20% from the DLA bill it is inconceivable that some of those recipients will not lose their entitlement to the benefit.

Nearly 38,000 Southwark residents work in the public sector, the fifth highest number of any London borough. With budget cuts of upwards of 25% across most departments on the way, it is inconceivable that Southwark will not be amongst those hit hardest by redundancies.

Over 34,000 families in Southwark receive child benefit, the thirteenth highest number in the capital. The three year child benefit freeze will mean a real term cut in income for those families.

Over 134,000 families are currently estimated to receive the family element or less than the family element of the child tax credit in London, meaning that they earn more than £40,000 as a household but still receive a portion of the tax credit. They will all lose their entitlement as a result of the budget, which does not take into account the higher living costs of living and working in London.

This is not to mention the health in pregnancy grant which has been scrapped, the maternity grant which has been cut, the future jobs fund which has been scrapped and the £3.3 million of cuts that we have already been asked to make as an authority this year.

## **SUPPLEMENTAL QUESTION FROM COUNCILLOR HELEN MORRISSEY**

Thank you Mayor and I would like to thank the leader for his response. Can I ask an additional question. Does the leader think that this disproportional effect upon Southwark was unavoidable or an ideological decision? It is a matter of great concern to us.

## **RESPONSE**

I thank Councillor Morrissey for her supplementary question. No this wasn't unavoidable; this was a political choice which the current government took. The current government, the coalition, has taken the decision to cut the deficit completely over a 5-year period – that's their choice - the former Labour government proposed that the deficit should be cut by half over the same 5-year period and also put forward the policy that in making that 50% cut half of that cut should come from public service cuts and half should come from tax rises. The decision of the coalition government is that 80% of that cut in the budget deficit should come from public service cuts and just 20% from tax rises – so that is a decision that has been taken, it will have consequences be under no illusions we already know from the government that 600,000 public sector workers will lose their jobs. The loss of jobs will lead to increased homelessness, health problems and increases in crime; so this wasn't unavoidable it was a political decision taken by the current government. It is very regrettable that the Liberal Democrats signed up to what is essentially a Tory budget but having signed up to it they have to defend it and they have to explain or continue to have to explain to voters on the doorsteps why they did support that move.

## **2. QUESTION TO THE LEADER FROM COUNCILLOR ANOOD AL-SAMERAI**

What was the combined basic allowance and special responsibility allowance of the council leader on:

- a) January 2010
- b) July 2010?

## **RESPONSE**

The leader of the council's combined allowances were £60,581 in January 2010.

On 1 April 2010 the former leader of the council received an allowance rise of £1,499, making his total allowances £62,080.

On 19 May the Labour administration cut the leader of the council's combined allowances by £1,416. The combined allowances are now £60,664.

In every single year of the previous administration the leader of the council's allowances increased. This is the first administration to cut the leader of the council's pay since before 2002.

### **SUPPLEMENTAL QUESTION FROM COUNCILLOR ANOOD AL-SAMERAI**

Thank you to Councillor John for his answer. Once you take the spin away from this response its clear that he is earning more than any leader of the council has ever done and it seems to me that it would be appropriate for him to take the same 5% cut that Liberal Democrat government ministers have agreed to take. Does he agree?

### **RESPONSE**

On this side we are not going to take lessons on special responsibility allowances (SRAs) and cutting SRAs from the Liberal Democrats or even Councillor Al-Samerai on this point. The Liberal Democrats on taking office in 2002 doubled SRAs and continue to increase them year on year on year on year and were it not for the action that we took to reverse the increases, or which have been brought into effect since 2006, they would have continued to rise. We made a pledge, a manifesto commitment to cut SRAs by the same amount that they had increased over the previous 4 years and that is what we have done. We have delivered on a manifesto commitment and we will continue to do so over the next 4 years.

### **3. QUESTION TO THE LEADER FROM COUNCILLOR NICK DOLEZAL**

Could the leader provide details of how the council intends to carry on delivering for Southwark residents following the cuts announced by the Chancellor in his budget?

### **RESPONSE**

The coming years are going to be tough. We know that local government stands to lose upwards of 25% of its budget and that our council will not be protected. We will cut out waste but must do more than this to meet the challenge that the financial outlook presents. We will not prevent loss of council services by acting alone or doing things in the way that we have always done them before. That's why we must act in partnership with our residents, local businesses, voluntary sector, staff and neighbours to find new ways of delivering services, which ensure good outcomes. We have already:

- Made our first decision to cut costs by working cross-border with Lambeth on barrister procurement
- Tasked the chief executive with drawing up a series of proposals for partnership working with the chief executives of Lambeth and Lewisham
- Taken steps to cut spending on consultants
- Taken steps to cut spending on temporary staff.

The future is going to be tough and there will be difficult decisions to make, but we can and must act innovatively to carry on delivering for Southwark residents.

### **SUPPLEMENTAL QUESTION FROM COUNCILLOR NICK DOLEZAL**

Thank you very much – thank you for your answer leader. I would just like to sort of explore a little bit further in asking whether these steps would be enough to prevent a loss of service and at the same time being able to maintain our manifesto commitments?

### **RESPONSE**

We are determined to maintain our manifesto commitments in spite of the very difficult financial circumstances that we face but I do think that members on all sides do have to be honest and realistic about the fact that it is going to be impossible to maintain the same level of services with 25% or more less money coming into the council. One hears talk of up to 40% cuts that may be going to DCLG and then passed on to us - so we are going to have to be innovative, we are going to have to be imaginative in the way in which we provide services. We will have to talk to our partners in the PCT, in the police, in voluntary sector, right across the spectrum of those who help us provide our services and yes, even though the Liberal Democrats don't like it, we will have to talk to our neighbouring boroughs because it is only by working together that we can overcome and face some of these very difficult problems that lie ahead.

#### **4. QUESTION TO THE LEADER FROM COUNCILLOR LINDA MANCHESTER**

In 'a fairer future for all' – the new administration's mission for Southwark – he says every council home will be made warm, dry and safe. Can he confirm this means he is committed to the previous government's decent homes standard rather than the previous administration's higher standard? Could he outline what discussions he has had with the tenant council who in 2008 agreed this higher standard? And when does he expect all council homes to meet this standard?

#### **RESPONSE**

We are committed to delivering the decent homes standard by 2014 as a minimum so that all Southwark's council homes are warm, dry and safe, with no one left behind, and we will go further to meet a higher standard where possible. We will meet with tenant's council to discuss the programme for improvements work once we are able to take into account the implications of the government's budget reductions and of the stock condition survey. What we will not do is repeat the mistakes of the previous administration by promising a standard for which we cannot find the means of delivery.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR LINDA MANCHESTER**

Thank you Mr Mayor – I thank the leader for his response. Could you tell us please how many (I see that you are going to deliver decent homes by 2014), can you tell me how many you plan to do each year?

#### **RESPONSE**

You have the simple answer Councillor Manchester and thank you that supplementary – it is as many as possible. What we are not going to do is continue with the current programme which is fundamentally dishonest and has been fundamentally dishonest to the people of Southwark. We know that there is at least a £300 million black hole in the budget for the current level of works which is going on and no time frame at all for delivery of those works. So it has been dishonest and wrong I think for the previous administration to have persisted with the policy which meant that they have no means of paying for works and no timetable for bringing those works to fruition. We will deal with as many properties as we possibly can each year. We are standing by our commitment to make every home warm, dry and safe. Again, on the basis of our pledge to deliver on our commitments we will do that and we will do that over the next 4 years.

#### **5. QUESTION TO THE LEADER FROM COUNCILLOR ANDY SIMMONS**

Could the leader provide an update on the status of plans for joint working with other boroughs?

## **RESPONSE**

On 21 June Councillor Steve Reed, Sir Steve Bullock and I wrote jointly to the chief executives of Lambeth, Lewisham and our own council. In that letter we asked the chief executives to draw up a series of proposals for ways that our boroughs could both save money and improve services, particularly in communities that are split by borough boundaries, like Camberwell, Surrey Docks and Herne Hill. We expect the chief executives to outline their initial proposals by the autumn.

As an early example of the sorts of savings that we hope this cross-border working will deliver, at Cabinet on 7 July we agreed a joint procurement strategy for barristers with Lambeth, which we anticipate should save the council at least £100k every year through reduced legal fees.

### **6. QUESTION TO THE LEADER FROM COUNCILLOR PODDY CLARK**

Will he list, from the recently completed stock condition survey, the addresses of the council homes that currently are not 'warm, dry and/or safe'?

## **RESPONSE**

The stock condition survey assessed the condition of 10% of the council's total housing stock, which, while a high sample for a survey of this type, would mean that any list would be incomplete and misleading. However, as a result of the completion of the stock condition survey we now know that in their eight years in office the Liberal Democrats failed to bring 35% of Southwark's council housing up to a decent condition. Bringing all of those homes up to scratch in the next four years, particularly following the change in government, is going to be a challenge, but that is what we have pledged to do and I hope we can go forward with the support of the whole chamber for the good of our tenants.

### **SUPPLEMENTAL QUESTION FROM COUNCILLOR PODDY CLARK**

You stated your intention to carry out works on non-decent homes to the previous government's basic decent home standards. As the previous administration of the council invested in bringing homes to a higher standard, which was in line with the aspirations of the tenants and residents of the borough, is he worried about the two-tier housing stock his proposals will inevitably create?

## **RESPONSE**

I thank Councillor Clark for her supplementary question. I would be more concerned about maintaining a two-tier housing system where we have people who are not living even in the most basic standard of accommodation for a continued 10 or 12 years or some indeterminate time into the distance, which is what would have happened had the previous administration stayed in power and continued with their policy. There was a huge black hole in the budget which they knew they could not afford to fill, they had no timetable and I think it is absolutely wrong that we say to people no you will continue to live in a home which is neither warm, dry nor safe for up to 10 or 12 years into the future. We will make every home warm, dry and safe over the next 4 years.

### **7. QUESTION TO THE LEADER FROM COUNCILLOR GEOFFREY THORNTON**

Will meetings between Lewisham, Lambeth and Southwark lead councillors over sharing services between the authorities be open to the press and public?

## **RESPONSE**

During my initial discussions with Steve Reed from Lambeth and Sir Steve Bullock from Lewisham we agreed the best way to proceed was to task the chief executives of the three authorities to work together to draw up a series of proposals for cross border working. Their discussions will not be open to the press and public, but what could be delivered will be made public when specific proposals are properly considered by cabinet.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR GEOFFREY THORNTON**

Thank you Mr Mayor – I thank the leader for his answer and would only ask how he feels his response squares with Labour’s manifesto commitment to open up the democratic process for public scrutiny so we can make better decisions.

#### **RESPONSE**

I thank Councillor Thornton for his supplementary question. What I think I can point to is the fact that we have the Democracy Commission which is going to look at opening up our democratic process and what I can tell him is that when we come to the autumn and when we come to really considering our budget proposals, which in part will come about through our discussions with Lambeth and Lewisham, then we will be presenting them to the public on a level which I think is unprecedented for discussion and to get public input into what choices we should be making as a council next year. So I am not going to promise that we are opening up our private discussions between Lambeth and Lewisham and ourselves but the outcome of those discussions will certainly be known before any budget decisions are taken next February.

#### **8. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR TIM MCNALLY**

Labour claimed in their election manifesto that £8 million of council tax per year went uncollected. On 10 June he told Southwark News that the real figure for uncollected council tax was £4 million over the last four years. Can he confirm what figure for non-collection of council tax the new administration will finally set as its benchmark?

#### **RESPONSE**

The £8 million figure referred to is in relation to the in-year collection rate, and was based on the report presented to council assembly on 27 January 2010. This showed that the in-year collection rate for 2008-09, the last full year at the time of that report, was only 91.7%. The same report shows that the number of band D equivalent properties, after relevant discounts are made, was 100,436.41. Given the council tax rate of £912.14 for that year, this represents £7.970 million not collected by the council within the year it was due.

The £4 million figure reported by the Southwark News is a reference to the final collection rate for the year, and so includes any council tax collected for a year after that year has ended. The council has projected final collection levels for 2006/07 through to 2009/10 as a static 96%. The 4% projected not to be collected would represent £3.664 million.

The council will continue to use both measures to benchmark the performance of Liberata and for the new arrangements that will be put in place for 2011/12.

For setting council tax, the council will continue to use the projected final collection level to set the council tax base. As discussed in the January 2010 council assembly meeting, it is my intention is to use the opportunity offered by the new collection arrangements to set a timetable for improvement of this measure to assist longer term budget planning.

## **SUPPLEMENTAL QUESTION FROM COUNCILLOR TIM McNALLY**

Thank you Mr Mayor. I would like to thank Councillor Livingstone for his response and ask him - that given that the in-year council tax collection rate was higher every year during the past Liberal Democrat administration than any previous year under a Labour administration, which in 2000 was collecting only 80% of the council tax - will he make a commitment to exceed the Liberal Democrats record of 91.7% in-year collection in every year of this coming administration?

### **RESPONSE**

I would like to thank Councillor McNally for his question. What we are trying to do through the new arrangements that will come in post Liberata is ensure that we do precisely that. As you know we do have one last year which we are running with the Liberata contract, as Councillor McNally will know from his past experience Liberata delivering on anything is often an issue for this authority. Indeed the 2009/10 in-year collection rate was not any better than 2008/2009 one, so I would certainly put a note of caution of about what in-year collection rate we will manage for the current year given the wind down and cessation of the Liberata contract. But we certainly do intend that once it is under the full control of Southwark Council and is brought back in house that we will improve the in-year collection rate.

## **9. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR JEFF HOOK**

What actions are the new administration taking to clamp down on council tax and housing benefit fraud?

### **RESPONSE**

The payment of council tax supports the investment into the borough. Housing benefit and council tax benefit fraud are the most common types of fraud committed against the council and the most commonly detected. Liberata, our current partner exercise a number of measures to prevent, detect and investigate benefit fraud. These include:

- 'No More Reminders' campaign – directed to debtors who knowingly continue to avoid payment of their council tax
- Where an individual has been proven to conduct their affairs so as to avoid payment, the debts can be passed on to bailiffs, we can contact the individual's employer to request that the money is deducted from their salary, apply for bankruptcy, or apply for a charging order on the property
- Liberata have also imposed forced house sales and recouped unpaid debts by auctioning off homes. Anyone who owes more than £1,000 worth of council tax could face a court order, eventually leading to the repossession of their home

Benefit fraud is a criminal offence that will attract prosecution in court or a local authority sanction, as permitted under existing legislation. We are committed to taking the appropriate action and this will be based on an individuals circumstances and the allegation of fraud. Residents can receive a penalty, formal caution, criminal record and appropriate cases will be publicised.

The use of data matching enables fraud investigators to cross-check benefit claims against income tax, national insurance and pension databases and share information with government departments. Investigators have legal powers to look at financial records, such as bank statements, mortgage accounts and bills, if they have reason to suspect fraud.

The council also has a fraud hotline for residents to note if they suspect others.

I am pleased to note that the report to last week's audit and governance committee identified significant success in the council's anti-fraud operations, which estimated that up to £2 million was saved through this work.

Finally, as the new cabinet member I would want to state for the record that we will come down hard on anyone, whatever their background, attempting to fleece the tax payer.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR JEFF HOOK**

Thank you Mr Mayor – I thank the cabinet member for finance and resources for his answer. Is he also ensuring that the vetting process for Labour candidates is made more rigorous to ensure that in future they do not have to withdraw the party whip from a councillor recently elected under the Labour banner for alleged benefit frauds?

#### **RESPONSE**

Well I would like to thank Councillor Hook for his supplementary question – very sincerely. Clearly it would be wrong for me to make any comment about something that is a matter of sub-judice at the moment. I would like to go back to the final statement I made in my answer to your question, as a new cabinet member I would like to state for the record that we will crack down hard on anyone, no matter who they are, if they are found to be defrauding the local council and the benefits and revenue service and that is the stance that we will continue to take and we will not show favour to anybody.

#### **10. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR DENISE CAPSTICK**

What measure of inflation (and for which month) will the council use in calculating future council tax rises?

#### **RESPONSE**

The authority has been using retail price index (RPI) as the measure for inflation. As previously stated, I believe consumer price index (CPI) is likely to be a more accurate measure for the inflation actually facing the local authority as RPI takes into account property prices and mortgage payments and value added tax (VAT).

Through RPI, the property market can have a distorting impact on the inflation rate reported for the authority as this can create significant changes in the RPI, based on what a typical household might pay as their mortgage, but have little impact on the real inflation of costs facing the council. For VAT, the council recovers the value of VAT from Her Majesty's Revenue and Customs (HMRC) and so this largely has a neutral impact on the council's finances. It therefore makes sense for the council to not take account of these two factors when determining its revenue budget for the forthcoming year.

CPI is the official measure of inflation used by government and the Bank of England. Adopting CPI would therefore bring us more closely in line with the practice of the rest of the public sector. We will therefore be using CPI as the basis to assess future council tax rises.

In future years, we will therefore use the CPI inflation rate measure for January as the basis for this assessment.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR DENISE CAPSTICK**



I would like to thank the cabinet member for his very detailed response in fact, I would like to ask you - could you explain the u-turn that has led to the Labour vision statement committing to keeping council tax rises at inflation when your manifesto was very clear it would increase at or below inflation?

#### **RESPONSE**

I would like to thank Councillor Capstick for her supplementary question. I am not sure we have made a u-turn – we have committed ourselves in the manifesto to keep council tax lower and that is what we are continuing to commit ourselves to. So I am not sure I see the u-turn and I would be happy to discuss it afterwards if you feel that there is something I am missing here but I feel certainly we have not made a u-turn anywhere.

#### **11. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR COLUMBA BLANGO**

Could he confirm the cost of setting up the new strategic housing directorate and the total salary package for the new director?

#### **RESPONSE**

In establishing the dedicated housing service, we are mindful of the significant budgetary pressures facing the authority as a result of the excessively punitive cuts being imposed by the coalition government. We will therefore be taking steps to ensure that overall no additional costs are incurred and the chief executive will prepare specific proposals to meet this manifesto commitment.

Work is still progressing to develop this important manifesto commitment and we are committed to presenting a transparent financial case when this commitment is ready to be implemented.

I do not envisage that the new director would have different salary terms to those of directors appointed by the previous administration.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR COLUMBA BLANGO**

I would like to thank the cabinet member for attempting to answer my question. From the question itself it is becoming clear by the day that your manifesto was the work of fiction, that be the case would you agree that it is something for nothing fantasy where £150,000 position can be magiced up out of thin air is exactly the sort of Labour budget that got this country into the financial mess it finds itself in today.

#### **RESPONSE**

I would like to thank Councillor Blango for his supplementary question. I think we have been very clear that in creating the post what we are establishing is re-establishing the housing department which the previous administration sadly and in our view inadvisably got rid off and as we have seen everything that this council has tried to do on housing since then has often fallen to pieces and it has had to go through reorganisation after reorganisation to try and put things back together again with limited results. We are intending to take a very strategic approach to this - put back a housing department and get things right. Now on this specific question about the cost, as I said, we are very clearly as a result of the budgetary pressures we are facing having to look at staffing throughout the council and the position throughout the council is part and parcel of everything we are doing and so we are going to have to review some of the senior staff levels as part and parcel of that process in any case so we are feeding that into this review and as I said in my answer we will be certainly

ensuring that the creation of the post will not be increasing the overall staff budget for the local authority.

## **12. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR MARK GLOVER**

Could the cabinet member provide estimates of the extra costs likely to be incurred by Southwark Council as a result of the VAT increase?

### **RESPONSE**

As part of the coalition government's "emergency budget" announcements made on 22 June, an increase in the standard rate of value added tax (VAT) from 17.5% to 20% was announced. This comes into force on 4 January 2011. There will be no changes to the current zero rates, such as basic foodstuffs, children's clothing and books; exempt supplies, such as finance, insurance, education and health; and supplies subject to the reduced rate of 5%, such as domestic fuel and power.

The direct impact on the local authority's finances is limited as the council recovers from Her Majesty's Revenue and Customs (HMRC), or pays over, all VAT we incur or receive. The council is tax-neutral to any changes in VAT rates.

There may be an indirect effect from the interest cost of cash flow. The council is a net recoverer of VAT, averaging £5.5m per month. VAT is claimed and recovered from HMRC on a monthly basis. The effect of the loss of investment income as a result of the rate change has been estimated at £19,000 for the last 3 months in 2010/11, and £64,000 in a full year, at current interest rates. Should interest rates start to rise then the effect on cash flow will become more significant.

There will be an impact where the council charges for services. This could for example impact on residents charged for adult social services and meals on wheels, and the use of council facilities where there is a charge. At a time when the revenue support grant from government is due to contract and council tax is to be kept low, it could therefore place a constraint on additional revenue that the council could raise through charging for services.

There will be other indirect costs arising from charges for services, in changing the systems and processes for charging and collecting the income due, for example parking meters. The costs of this are not known at this time.

There may also be cost pressures where the council works with or supports organisations that cannot recover their VAT, particularly the voluntary sector.

It should also be noted that the impact of the VAT change will fall disproportionately on those on low incomes and this in turn could create increased pressures on council services. The disability alliance has estimated that those on lower incomes spend 13.7% of their disposable income on VAT, compared to 7% in the highest 10% income group.

### **SUPPLEMENTAL QUESTION FROM COUNCILLOR MARK GLOVER**

It is always a pleasure to follow Councillor Columbo Blango's measured language. I would also like to thank the cabinet member for his answer. Given the remarks he has made about the VAT increase, an increase in a regressive tax, which many years ago I remember the Liberal Democrats used to be opposed to, falling disproportionately on those on lower incomes what does he think of the Liberal Democrats claims in the motion which they are submitting for us to discuss later under 6.1 Amendment C, that they have taken 1 million people out of tax altogether?

## **RESPONSE**

I would like to thank Councillor Glover for his supplementary question but I think the amendment fails to recognise that what those 1 million gain on the swings they are losing on the roundabouts through the impact of this VAT change. Let's remember that the lowest 10% in society end up spending I think about 13.7% of their disposable income on VAT compared to about 7% of those on the top 10%. This increase in VAT hits them disproportionately harder. I think there is another thing you may well be interested in is that the Institute of Fiscal Studies has estimated that over the 4 years set out in the emergency budget the lowest 10% will overall take a hit of about 2.5% in terms of their overall income compared to a mere 0.7% for the highest 10%. This is deeply regressive as the budget has been put forward. It will hit the poorest in our society hardest and in a borough like Southwark unfortunately that means it will hit Southwark disproportionately hard compared to other parts of the country.

### **13. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR GAVIN EDWARDS**

Please provide an update on action taken so far to cut council expenditure on consultants.

## **RESPONSE**

At the end of May, I announced two measures that we were introducing to limit the council's expenditure on consultants. It is important for us to be certain that spending on consultants across a range of council services is essential and that it provides value for money. The cost of consultants represents a large element of council spending and while I recognise that sometimes it is necessary when providing special skills to support significant council projects, in the current climate officers must be certain that consultants offer the most cost effective solution.

As a consequence I am agreeing with the corporate management team (CMT) two urgent measures. Firstly, where the cost of new or renewed consultancy arrangements exceeds a threshold value, these will need to pass through an agreed gateway process and be approved by the finance director or chief executive. A second, higher, threshold is also being introduced that will also require my approval as cabinet member for finance and resources and I will of course share this with my cabinet colleagues as appropriate. I have been in discussion with the CMT and look forward to determining with them the most appropriate threshold values. I expect to be able to announce these thresholds shortly and for them to be embedded in procedures by the end of this month.

Secondly, I have announced that we will be seeking significant departmental savings in the 2011/12 budget process in relation to consultancy. Work will be carried out through the budget-setting process over the autumn to agree targets for these reductions for each department with strategic directors.

These measures demonstrate the rigour with which this administration is prepared to tackle difficult budget issues as we move into an extremely challenging period of financial constraint for the council. The support and cooperation of the strategic directors is welcomed.

### **SUPPLEMENTAL QUESTION FROM COUNCILLOR GAVIN EDWARDS**

I thank the cabinet member for his answer. Could he tell me what scale of savings he envisages will be needed to be secured from spending on consultants over the next 4 years?

## **RESPONSE**

I would like to thank Councillor Edwards for his question. We are working with officers on what the scale should be. Clearly when we set out in our manifesto we talked about cutting spend on consultants by 25% over our term of office. Given the scale of the dramatic cuts that have been imposed on us by the emergency budget and what we expect to see through the comprehensive spending review we will need to revise that figure upwards and take a far greater reduction in the amount of council tax money that are spent on consultants in the future. So our starting point is 25% as set out in our manifesto and we will be working with council officers in the next few months to look at what the most appropriate level ought to be for those future increases - the 25% is the very bottom of that scale.

**14. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR STEPHEN GOVIER**

Southwark employees will be concerned that the impact of the emergency budget will mean job losses at the council. What is the cabinet's position on redundancies?

**RESPONSE**

We will not know the full scale of the challenge facing the council as a result of the emergency budget until after the comprehensive spending review in the autumn, which should begin to identify the impact on government support to local authorities.

However, the emergency budget has identified a reduction of public sector spending of 25% in real terms over four years across those areas of expenditure that government has chosen not to protect. As these areas include some where government has offered a more limited level of protection, such as schools and defence, the impact on local government could be even greater: the Institute of Fiscal Studies (IFS) has estimated that this could be as high as 33%. If so, this would reduce our funding from government by a catastrophic £76 million over the four-year period.

In such circumstances, it is clearly impossible for us to give assurances that no redundancies will have to be made. However, we are determined to make sure that redundancies are avoided wherever possible and will work to make sure they are kept to the minimum. Our administration's new approaches on procuring services with other boroughs and to take firmer control on the council's expenditure on consultants are designed to find ways that we reduce our expenditure without resorting to redundancy.

We will want to work constructively with the council's recognised trade unions over this difficult period to fully explore the options available to us. We will also look at redeploying staff to other functions from those areas where staffing is reduced and at voluntary severance arrangements to reduce the need for compulsory redundancies.

**15. QUESTION TO THE CABINET MEMBER FOR FINANCE AND RESOURCES FROM COUNCILLOR SUNIL CHOPRA**

What effect will the coalition government's budget have on Southwark's funding settlement?

**RESPONSE**

In May, David Laws, the then Chief Secretary to the Treasury, announced an in-year cut of £3.3 million to Southwark's funding through reductions to earmarked area based grants (ABG). Cabinet members and officers are still finalising the impact of these cuts, but the most significant reductions have been in support to children's services (£2.2 million), working neighbourhood fund activity (£732,000), the supporting people administration grant (£246,000) and 'prevent' and other home office ABG activity (£125,000).

We know that as the government has announced a further £30bn of spending cuts by 2014/15; this will mean on average a 25% real term cut by 2015, so this will have an impact on how the council spends its money. The Institute of Fiscal Studies (IFS) estimates that this average could mean a 33% cut in government support to local authorities once more protected areas such as schools and defence are considered.

We will be clearer on this when we receive the detailed spending decisions in the autumn following the comprehensive spending review.

Government support to Southwark for 2010/11 (prior to the in-year cuts made in May by the coalition government) totalled £230.729 million of a total £319.909 million budget (72.1%). A 33% reduction of this support would therefore mean a cut of £76 million in central government support to Southwark.

We will require considerable innovation in how we spend, including joint working with our neighbouring authorities and significant reduction in non-core expenditure including consultants. We will also need to explore new ways of raising revenue. We will need to review how every service operates and new ways of working in every service to ensure that the catastrophic impact of the proposed cuts has as little negative impact as possible on local residents. However, it is still likely that the authority will need to take some hard decisions on the services that it delivers over the next few years.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR SUNIL CHOPRA**

Thank you Mayor. I thank the cabinet member for his answer. Can he give us some idea of what this percentage cut actually equates to in terms of services?

#### **RESPONSE**

I would like to thank Councillor Chopra for his supplementary question. We have yet to get complete certainty on what this will mean for us as a borough. We have yet to see what will come out of the comprehensive spending review in the autumn in terms of the overall impact but the figure that we have been looking at is that figure produced by the Institute of Fiscal Studies which suggests that as there is an average of 25% cuts on the public sector over 4 years coming out of government cuts and the government has stated that it wants to protect schools and defence within that, that the impact could well be on the money that the council gets of a cut of about 33%. Now if the Institute of Fiscal Studies is correct in that figure that would mean a reduction in the council's money that we get from central government of about £76 million which is roughly equivalent to this year's environment and housing budget to give you an idea of the scale of that. So this is absolutely massive in terms of the impact. It is certainly not something that we would be able to resolve just through back office savings this is very likely to have an impact, as the leader says, on front line services sadly. But we will be taking every step possible to ensure that impact on front line services is as limited as possible.

#### **16. QUESTION TO THE CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE FROM COUNCILLOR JONATHAN MITCHELL**

What meetings has she had with NHS Southwark, the Department of Health, local MPs and government ministers to make progress on the redevelopment of Dulwich Hospital?

#### **RESPONSE**

I have discussed this matter with NHS Southwark and with local MP Tessa Jowell. We are dealing with this matter proactively; and over the coming months I intend to hold a series of

meetings with stakeholders, community groups, and members of the opposition to see what leverage we can bring to bear jointly that will ensure the site is developed to serve the local community's health needs.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR JONATHAN MITCHELL**

I would like to thank the cabinet member for her answer in which she said that she is going to be dealing with the issue of Dulwich Hospital proactively. Sadly the evidence of the Labour government over the last 13 years and the actions or inactions of Tessa Jowell prove that there is no evidence to show that there is going to be any proactivity by this council either. Can I suggest in my supplemental question to you the following positive action and will you be following this through - provide immediate care beds and post operation, provide respite beds to give carers a break, to increase not decrease out-patient care and conduct minor operations and some key hole surgery at Dulwich Hospital? So that as senior managers at Kings wish it to be a proper local safety valve, overflow hospital for local people - undertaking and assurance please.

#### **RESPONSE**

Thank you to Councillor Mitchell for his question. As he well knows himself the white paper published yesterday has completely change the environment in which we are operating at the moment. Some powers are given to GPs, some strategic powers are going to be given to local authorities. We do not know how this is actually going to work out on the ground. We are seeking clarification of how it will actually work out. But you can have my assurance and guarantee that I do intend to work closely with all the stakeholders that you have mentioned in the question and even working well with you Councillor Mitchell, I would encourage you to work with us to actually make sure that we do resolve this problem. You have had 8 years in power to try and resolve this you haven't, but never mind. I am looking positively to working with you and others to actually try and resolve this.

#### **17. QUESTION TO THE CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE FROM COUNCILLOR DAVID NOAKES**

When will charges for meals on wheels be halved, will this include both fresh and frozen meals and what is the cost to the authority?

#### **RESPONSE**

We are currently looking at the options to deliver this commitment to help those less able to help themselves and look after the vulnerable. When we have fully reviewed those options and considered them alongside the challenging financial climate we will publish our timetable for rolling out the price reduction.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR DAVID NOAKES**

Thank you Mr Mayor – Can I thank the cabinet member for health and adult social care for her response, although regrettably not the answer. It is a simple and straightforward commitment that Labour made, if she is serious about implementing it she must be able to tell this chamber when it will be implemented and how much it will cost – can she?

#### **RESPONSE**

I would like to thank Councillor Noakes for his question. As he knows like every other local authority we are going through some very serious challenging financial times at the moment – we are, I don't know why you are grumbling, its true we are - so we are going to have to look at all our commitments and as we have budget cuts going through at the moment we will

review all our financial commitments. But he can rest assured that my priority is to reduce the price of meals and wheels but our priority is to actually make sure that the vulnerable people in this authority do not lose out like they did before under your administration, Councillor Noakes.

**18. QUESTION TO THE CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE FROM COUNCILLOR MARK GETTLESON**

What negotiations have taken place between the council and NHS Southwark over funding for healthy free school meals?

**RESPONSE FROM CABINET MEMBER FOR CHILDREN'S SERVICES**

I have been asked to reply.

The leader and I have had initial discussions with the chair and chief executive of the primary care trust (PCT), including on the benefits of introducing healthy free school meals. Officers are working with the public health team on how this can be taken forward.

We are bringing in free healthy school meals both to ensure all children are well nourished, to best benefit from being at school and to help reduce Southwark's level of child obesity, which is amongst the highest in the country.

**SUPPLEMENTAL QUESTION FROM COUNCILLOR MARK GETTLESON**

Yes, I would like to thank the cabinet member for her answer which makes it clear that the party opposite had no idea how to fund let alone deliver this policy and does she not admit that this is yet another example of the say anything to win politics that the party opposite employed to take money from this borough's poorest residents through a regressive council tax, which you love so much, to take money from a regressive council tax and hand it to families in places like College Ward where it was indeed successful in winning elections. Is that the right way to balance a budget in a difficult financial climate if you are meant to be a progressive party?

**RESPONSE FROM CABINET MEMBER FOR CHILDREN'S SERVICES, COUNCILLOR CATHERINE MCDONALD**

Thank you to Councillor Gettleson – I have been asked to answer this on behalf of Dora because it falls within my remit in children's services. I note with interest the use of 'regressive' from the Liberal Democrat lips – I think it is something that all too often now we hear in terms of their own policy if not at least their own budget very recently. You may be aware that there are two drivers for this policy around free healthy school meals for all Southwark's children. One is the child poverty agenda and I also note that measures taken in recent budget do a lot to increase child poverty – the freezing of child benefit for example, cutting child trust funds for example, taking away Sure Start maternity grant, taking away Healthy Maternity grants for example, so this is one of the main drivers for that.

You also address the point of universality. You may be aware of the fact, the previous administration should be aware, that under the previous administration childhood obesity in Southwark rose to one of the highest levels in this country. Now we do not accept that and the reason for that second driver, which is to provide free healthy schools meals for all primary school age children in Southwark, is to tackle that obesity problem and to do our duty to ensure that children in Southwark understand and are educated in terms of how to eat healthily and actually have a healthy school meal as part of their diet. It is with interest I note phrases such as 'balancing the budget', it is of course I remind you cuts that have been made from central government that have put us in a very difficult position around all of the

services that we want to deliver, but we will deliver this despite whatever constraints we face from central government.

**19. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND COPORATE STRATEGY FROM COUNCILLOR ELIZA MANN**

What proposals does she have to use section 106 money in respect of development permissions in the north of the borough on projects in Camberwell and Peckham?

**RESPONSE**

There are no proposals to divert funds from section 106 agreements that have been made in respect to developments in the north of the borough to Camberwell or Peckham.

Planning obligations are used to mitigate specified negative impacts of development which is in other respects acceptable. Planning obligations are unlikely to overcome fundamental objections to a proposal that prevent planning permission being granted. They should not be seen as a way for the council to share in the profits from a development or as an inducement offered by a developer as a way to gain planning permission.

In circumstances where section 106 agreements are used to meet increased demands on local infrastructure as a result of the development, such as local transport facilities, open space, public realm improvements and other local services, a close link between the development and the projects that are funded from the section 106 agreement has to be demonstrated. This will usually mean that they need to be geographically close together.

It is possible that for some infrastructure requirements arising from development, such as provision of secondary school places, the geographical link may not be so strong and, through the pooling of contributions, the new provision might be provided in a different part of the borough from the development on the understanding that people will travel further to secondary schools than they would to, for example, a local play area. There would still be an expectation that the new provision would be appropriately located to meet recognised needs.

**SUPPLEMENTAL QUESTION FROM COUNCILLOR ELIZA MANN**

Thank you Mr Mayor – I thank the cabinet member for her answer. I am really pleased that you have not planned to take 106 funds from north to south. Can you also confirm that you would not take other funds such as cleaner greener safer funds from north to south.

**RESPONSE**

I would like to thank Councillor Mann for her question. I am certainly happy to confirm that there will be of course no movement of section 106 from north to south of the borough that would not be legal and I would like to confirm also that we are very keen to continue with cleaner greener safer, of course we have a capital refresh coming up later in the year so we have to wait and see exactly what our budgetary position is and we will be able to confirm things more closely and more carefully at that time.

**20. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND COPORATE STRATEGY FROM COUNCILLOR LISA RAJAN**

In 'a fairer future for all' – the new administration's mission for Southwark – there is no reference to regeneration in Rotherhithe. What is your commitment to completing, stocking and opening Canada Water Library and refurbishing or replacing Seven Islands leisure centre?



## **RESPONSE**

Cabinet are committed to completing, stocking and opening the new library at Canada Water. However, cabinet are concerned about the escalating costs of the library project which have increased from an initial estimated £8.5 million to £14.1 million with an added £0.5 million variance.

The cabinet welcomes the work of the regeneration and leisure scrutiny committee in looking into the costs of the library and notes that the committee charged officers to ensure no further slippage of the project in terms of both cost and timescale. This work is continuing.

The current capital programme, agreed on 9 February 2010 by the previous administration, made no commitment to fund refurbishment work of Seven Islands leisure centre. Instead it asked that the finance director provide more detailed options analysis and financial appraisals on the remaining bids received (including Seven Islands) for future consideration by the executive in the context of resources available and considering any additional resources which can be identified. The total costs for these bids totalled £115m, against a budget of £55.5m available.

I recognise the importance of Seven Islands leisure centre to a significant proportion of the borough and therefore will do all that I can to ensure that the centre is refurbished or replaced subject to capital and revenue resources being available.

## **SUPPLEMENTAL QUESTION FROM COUNCILLOR LISA RAJAN**

Thank you Mr Mayor – The cabinet member in her answer makes reference to the gap in the capital programme between the council's aspirations and the budget available. I would like to ask her what further impact the loss of the priority return in the Elephant & Castle Lend Lease deal would have on the capital programme and can she tell us exactly which capital project she thinks will have to go?

## **RESPONSE**

I would like to thank Councillor Rajan for her answer. I think really as the leader has made clear we are still anticipating that we will see profits and returns from 2023 onwards from the Elephant & Castle deal so she is incorrect in her statements.

### **21. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND COPORATE STRATEGY FROM COUNCILLOR CATHERINE BOWMAN**

Will the administration give a commitment that there will be no building on any part of Salisbury Row Park or adjacent green spaces?

## **RESPONSE**

The administration can give that commitment. There are no proposals to build on any part of Salisbury Row Park or adjacent green spaces. These spaces are designated as other open space in the Southwark Plan which was adopted in July 2007.

### **22. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND COPORATE STRATEGY FROM COUNCILLOR PAUL NOBLET**

Can she confirm that she will safeguard the future of the Canada Water Forum, including stepping in to deal with any funding issues? Will she also pledge to set up a similar forum at the Elephant and Castle?

## **RESPONSE**

I am a great supporter of the Canada Water Consultative Forum (CWCF) established in 2001 by former Councillor Steve Lancashire. Indeed prior to my election to represent Nunhead Ward I was myself a regular attendee of CWCF meetings and have maintained strong contacts with the group both as a local resident and via my work with the London Assembly Member for Lambeth & Southwark. Since taking up my Cabinet role in May I have already met with the Chair of the Forum, have taken up one of the council places on the Forum and have arranged to speak at a meeting in September.

I believe it is regrettable that the previous administration ceased/cut funding for the Forum, either directly or indirectly (via British Land Canada Quay) in 2005.

Unfortunately with the council now facing an estimated £76m of government funding cuts it is not possible at this time to commit to providing the forum with financial support, but I will certainly work closely with CWCF to help them to be as effective as possible.

With regard to Elephant and Castle I intend to establish a steering group of local stakeholders to provide the council and its development partner Lend Lease with a feedback mechanism to review project progress and to provide a forum for discussion and debate in respect of the regeneration and its impact on the wider community.

I will be consulting members of the Walworth and Borough & Bankside Community Councils regarding the appropriate composition of that group, but I can confirm that much like the Canada Water Consultative Forum I would like the group's membership to include both social and private housing resident representatives, local business representatives, educational institutions and community and faith groups. I particularly wish to ensure that those former residents of the Heygate Estate who have expressed a wish to return to the area are represented.

## **SUPPLEMENTAL QUESTION FROM COUNCILLOR PAUL NOBLET**

Thank you Mr Mayor and I thank the cabinet member for her response. I am very pleased to see that she is going to keep the last administration's pledge to establish a forum at the Elephant and indeed my promise 6 months ago not to build on Nursery Row Park, but I did want to ask very briefly about Canada Water Forum - I am glad to see that she still takes a very rigorous interest in that part of the borough. One of the meetings I have had before May was to discuss with the forum and local residents about making sure that the current Rotherhithe Library on Albion Street was not simply sold off to the highest bidder, be it to make way for flats, and I wanted to make sure if she can make the guarantee this evening that will still be at least partially for community use and not just simply sold off to the highest bidder?

## **RESPONSE**

I thank Councillor Noblet for his question. I was not aware that he had made such commitment and I am not sure that that is actually incorporated in your capital programme. We will have to look at that as part of the capital refresh. It certainly would be ideal. I would like to see that myself but again that is something that would be considered later in the year as part of the capital programme.

## **23. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY FROM COUNCILLOR ALTHEA SMITH**

Please could the cabinet member provide an update on the effect of recently announced central government budget cuts on the planning fund?

## **RESPONSE**

In 2008/09 a three year programme of housing and planning delivery grant was announced. This replaced a previous programme of planning delivery grant and was specifically designed to reward and incentivise housing delivery. Southwark performed very well against the criteria which were mainly based on our delivery of new homes in recent years compared to our base line number of homes. There were also rewards for delivering planning documents on time and penalties for poor performance in dealing with planning applications but these did not impact on Southwark's grant.

Southwark received £600,000 in 2008/09 and £1.2 million in 2009/10 and would have expected to receive a similar amount of around £1.2m in 2010/11 but this has now been scrapped by the government.

The fund was used for a range of purposes that supported the delivery of new homes. These included:

- Carrying out studies to provide the evidence base for the local development framework and the housing strategy such as the strategic housing land availability assessment
- Upgrading the development management IT systems to provide a more efficient service
- Work on the 'hidden homes' project
- Design and printing costs for local development framework documents
- Match funding for partnership scheme in conservation areas for Camberwell
- Some support for staffing budgets to cover shortfalls

The grant has been used very cautiously for supporting staffing budgets and its removal will not lead directly to redundancies.

The main impact of cutting the grant will be to reduce the capacity of the borough to produce the evidence base to support local development documents, update the housing strategy and to carry out other actions in support of maintaining the level of housing delivery, and particularly affordable housing deliver, in the future.

## **SUPPLEMENTAL QUESTION FROM COUNCILLOR ALTHEA SMITH**

I would like to thank the cabinet member for her answer but can she also update us on the implications of cuts to the working neighbourhood funds and future jobs funds?

## **RESPONSE**

I would like to thank Councillor Smith for her question. She is quite right it is not just the planning funds that has been cut. I am particularly disappointed in the in-year cuts that we have seen to the working neighbourhood funds and the final cuts at the end of the future jobs funds. This year the council had proposed to invest over £3.8 million directly into employment and enterprise support services to help businesses and residents into work. Services addressing following key barriers: long-term unemployment, low skilled workers, single parents, refugees, people with learning difficulties and a package had aimed to engage with excess of 5,000 jobs as residents. Now because of these in-year cuts we are going to have to see some of those projects that had already been commissioned, voluntary sector groups in this borough, lose funding. It is an extremely horrible position for us all to be in, very difficult, and people in this borough are really going to lose out because of the terrible decision taken by this government. We heard very earlier on in our administration that our bids for the second round of future jobs funds, well we can forget about them because the

future jobs funds was over. Previously we had been receiving over £700,000 in future jobs funds - Round 1, 99 young people successfully secured jobs under this programme and many more were set to benefit. It is a real disappointment to people of the borough and a real, real terrible thing to hear and I think it is something we will see more of.

**24. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY FROM COUNCILLOR LORRAINE LAUDER**

Could the cabinet member please update council assembly on the status of financing for the Aylesbury regeneration?

**RESPONSE**

The housing market downturn and government funding cuts have not been kind to many regeneration projects across the country.

Despite the economic crisis, we are determined to find a way to create a brighter future for residents on the Aylesbury estate in line with the Aylesbury area action plan. We are doing everything we can to protect the project and to make resources available to allow progress to be made with support, especially from the Homes and Communities Agency (HCA), and the Greater London Authority.

The Aylesbury regeneration programme currently comprises several work streams:

1. Phase 1A provides 260 affordable homes, homes for sale and a new Aylesbury resource centre. This large building project is currently on site and is scheduled to deliver £3m in capital receipts to the council by March 2011. In addition, the council is also receiving £6.3m recycled grant funding from the developer as the site is developed over the next two years. All of these receipts have been ring-fenced for phases of the Aylesbury regeneration programme.
2. The redevelopment of Wolverton and Amersham (sites 7 & 10) in Phase 1 will provide over 250 affordable homes and private sale homes due to be marketed in Autumn 2010. The marketing of these sites will be a joint procurement between the council and the HCA. The HCA will be asked to provide deficit funding in the form of social housing grant (SHG) via a bid to the HCA by the preferred supplier. The value of this bid cannot be determined accurately at this time but is likely to be significant. The council expects to have chosen the preferred bidder for this scheme before April 2011 and building starting in the latter half of 2012.
3. For sites 1b,&1c and 8 & 9 , (Phase 1 and Phase 3 respectively) the council is seeking to mobilise £181m in private finance initiative (PFI) credits for which a council expression of interest was accepted by the HCA in 2008. This scheme will provide for 360 social homes for rent and a further 583 homes for intermediate uses and for sale. Present indications suggest that this HCA funding is still available; although this can never be guaranteed until contracts are signed. The £181 million in PFI credits to assist with the regeneration on the Aylesbury Estate is subject to the council being successful with its interim outline business case (IOBC) and outline business case (OBC) when it submits them to the HCA and the Treasury for approval in July and December 2010, respectively. Given the current tough public funding environment it is; essential that the IOBC we present this month is financially robust. The IOBC will present a scheme that meets the HCA needs for social housing to match the PFI credits being made available. The PFI scheme being proposed is now fully funded from the council's perspective and is achievable within the HCA's prescribed timeframe. This is unlike the original expression of interest that contained a funding gap of more than £20m; officers have been unable to find appropriate resources to bridge this gap at this time. More importantly, the scheme

protects the council's access to the PFI funding, subject to HCA and HM Treasury approval. Cabinet will be receiving a report on 20 July 2010 and asked to approve the IOBC to move forward to the HCA and HM Treasury. Importantly, the IOBC presents a proposal that is fully funded from within existing resources available to the council.

4. Council officers will continue to explore with others (not least with the HCA) the opportunities for obtaining funding for Phase 2 and Phase 3 with the view to developing a business case for redeveloping the sites comprising these phases.

It is unclear what impact the outcome of the government's comprehensive spending review (CSR), due to be published in 2010, will have on the council's finances. The council will continue to monitor government capital spending pronouncements and respond accordingly.

#### **SUPPLEMENTAL QUESTION FROM COUNCILLOR LORRAINE LAUDER**

Yes I have a supplementary. Are you concerned about the potential impact of government cuts on this scheme?

#### **RESPONSE**

Thank you – I would like to thank Councillor Lauder for her question. I think it would be dishonest to say I was not, at present and I would like to reassure people, at present money for the Aylesbury Estate does seem to be secure and I do certainly welcome as is mentioned in a motion later on this evening that it seems that overall size of the capital budget nationally is not to be cut. However, there are no commitments as yet that we will not see reprioritising of where that spending is and we will not know for certain whether the funding of £181 million from the government that the Aylesbury Estate regeneration is depending on is secure at all until much later in the year, probably not until the New Year in fact. It is something we will be continuing to fight for – it is very much our top priority in terms of funding from the government and myself and Councillor Wingfield will be meeting with David Lunts from London Homes Communities Agency later this week to make sure that they understand just how important the regeneration at the Aylesbury is to the people of this borough.

#### **25. QUESTION TO THE CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY FROM DARREN MERRILL**

Please provide an update on the regeneration of Elephant and Castle.

#### **RESPONSE**

The Elephant and Castle project is vital to the renewal of the borough and the administration is committed to making the project happen. Great progress has been made, with the cabinet agreeing the terms of the regeneration agreement with Lend Lease on 7 July.

Negotiations since 6 May have ensured the provision of a minimum of 25% affordable homes and ensuring the inclusion of the shopping centre in the regeneration agreement. We have also selected the site for new leisure facilities including a swimming pool and we will shortly commence consultation regarding the facilities to be provided.

With the regeneration agreement being signed, the council and Lend Lease will move to finalise the master regeneration plan, which will continue to evolve during the life of the project.

Most residents on the Heygate estate have been moved, and there remain only 20 Leaseholders and 15 secure tenants. Around 250 Heygate residents have completed right to

return forms which allow them to bid for new social housing which is being built on the housing sites referred to in the leaflet.

The demolition process for Heygate phase 1 – Wingrave and 43-53 Rodney Road – is underway. A public meeting will be held on 20 July for residents living around the site. Details of the event are being sent to residents living around the site and will be posted on notice boards around the site. This will be an opportunity for residents to hear about the programme, the method of demolition and to ask questions about the project.

Equipment to monitor noise, air quality and vibration has been installed. This will be independently monitored.

Lend Lease is managing the demolition and will appoint the main contractor in October. The demolition of the main structure of the buildings will start in November and should be complete by April 2011.

I intend to establish a steering group of local stakeholders to provide the council and its development partner Lend Lease with a feedback mechanism to review project progress and to provide a forum for discussion and debate in respect of the regeneration and its impact on the wider community.

I will be consulting members of the Walworth and Borough & Bankside community councils regarding the appropriate composition of that group, but I can confirm that much like the Canada Water Consultative Forum I would like the group's membership to include both social and private housing resident representatives, local business representatives, educational institutions and community and faith groups. I particularly wish to ensure that those former residents of the Heygate estate who have expressed a wish to return to the area are represented.

**26. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR NICK STANTON**

Given their manifesto was 'the product of three years policy work with the involvement (*sic*) Labour members and people from our community' what was the response from heads, governors and parents to the plan for Lambeth council to take over school support services in Southwark?

**RESPONSE**

We have no plans for Lambeth council to take over school support services in Southwark. We have no plans to give Lambeth – or any other borough – control over any of our services. The leader has asked the chief executive to work with Lambeth and Lewisham to draw up options for sharing services, but this is about reducing costs and improving service not handing over control.

**27. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR ADELE MORRIS**

What steps are the council taking to explain to local voluntary organisations about the scaling back of the previous Labour government's ludicrously bureaucratic and counterproductive vetting and barring scheme?

**RESPONSE**

This council believes that nothing is more important than ensuring that the most vulnerable people of society are properly safeguarded. The Labour government's vetting and

safeguarding scheme was designed, rightly, to prevent unsuitable people from undertaking certain paid or volunteer work with children (or vulnerable adults), by vetting all those who wish to do such work and barring those where the information shows they pose a risk of harm, as well as vetting those who wish to do certain other types of work.

The scheme strengthened safeguards for children (and other vulnerable people), to prevent repeats of previous tragic events – rightly implementing recommendations from the findings of the Bichard inquiry.

The government is currently reviewing all vetting and barring requirements – halting the next stage, which was due to start at the end of this month – but as yet has made no announcements as to how the scheme might be scaled back.

The joint human resources sub group of the Southwark safeguarding children board and Southwark safeguarding adults partnership, led by the council, has advised member agencies, including the statutory and voluntary sector by setting out a statement on the announced review and its potential implications.

**28. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR ROSIE SHIMELL**

Given the controversy over the council's planning application at Spa School, will she encourage officers to look again at some of the aspects of the design such as building materials?

**RESPONSE**

The planning application to build an additional building at Spa School was approved by the Southwark Council planning committee on 1 June 2010 and work will begin on site in early August 2010. This work is being delivered by Southwark's local education partnership, 4 Futures (LEP).

I am aware that local residents raised concerns in regard to the scheme at planning committee. I have since met with Southwark officers and 4 Futures to ensure that we respond appropriately to these concerns.

4 Futures will now be carrying out a further consultation with local residents in regard to the brick colour and type from which the new building will be constructed. A newsletter will be sent shortly to all residents advising them of the process which is, in summary, as follows:

- brick samples will be displayed at the school for local residents to assess, give reasons for their assessments and rank the samples in order of preference
- the results of the consultation will be sent to the Southwark planning department
- Southwark planning department will notify residents of the selected brick and of all the comments made via the consultation process. Residents will have a three week opportunity to review the selection and respond to the planning department on the outcome before the selection is confirmed.

**29. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR DAVID HUBBER**

Does the cabinet member agree that many problems of anti-social behaviour, truancy and youth crime are directly related to the fact that some families struggle with parenting skills in challenging circumstances and has she any proposals for tackling this issue?

**RESPONSE**

The causes of anti-social behaviour, truancy and youth crime are many and various. In some cases poor parenting skills is a factor. Parenting can be a problem as well as a solution; poor parenting can be a cause of anti-social behaviour whereas good parenting can contribute to crime reduction, for example.

Children's services provide intensive, targeted parenting support, including parenting programmes addressing concerns about anti-social behaviour – such as:

- 'Strengthening Families, Strengthening Communities' parenting programme – run by youth offending parenting team - for parents and carers whose children are in contact with the youth justice system. Some parents who have participated have started their own self help group.
- 'The basic and school age incredible years' parenting programme delivered by a virtual parenting team drawn from education, social care and child mental health staff targeted at vulnerable parents/carers with children aged 8-13 who are at risk of poor outcomes, including anti-social and criminal behaviour.
- 'The baby and toddler incredible years' parenting programme for teenage/school aged parents run by education welfare and attendance service (EWAS)
- 'Triple P' parenting programme delivered by the alternative to care team in, targeted at parents of teenagers whose children are at risk of being taken into care, often involved in anti-social behaviour.

**30. QUESTION TO THE CABINET MEMBER FOR CHILDREN'S SERVICES FROM COUNCILLOR RENATA HAMVAS**

Can the cabinet member please provide an update on Southwark's Building Schools for the Future programme?

**RESPONSE**

This council believes the quality of the school buildings in which children learn is important. Some 715 schools up and down the country will be devastated by the Conservative-Liberal Democrat government's decision last week to cut their Building Schools for the Future (BSF) programmes. Southwark schools were spared the cuts - in part thanks to the work of our BSF team – and we are pushing forward with our BSF programme, on the assurance from partnership for schools that funding for our programmes remains secure.

We are delivering a three phase programme in Southwark.

Phase 1 schools, St Michael's and Tuke, are already under construction and their pupils, staff, parents and communities, will soon be benefitting from their new buildings.

We are due to enter into contracts later this month to deliver four Phase 2 schools: St Thomas the Apostle College, New School Aylesbury, Spa School and Sacred Heart.

Contracts for the remaining Phase 2 schools - St Michaels and All Angels and Highshore – will follow.

Our Phase 3 development programme is about to get underway with works anticipated to start at the first of the Phase 3 schools in summer 2011.

**31. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING FROM COUNCILLOR JAMES BARBER**

What was the council's recycling rate on 6 May 2010?



**RESPONSE**

20.48%.

**32. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING FROM COUNCILLOR WILMA NELSON**

What plans does the current administration have to increase communal open space, such as communal greens and growing space? And what funding will they make available to community councils and tenants & residents associations for this purpose?

**RESPONSE**

In line with our manifesto commitment, this Labour administration is looking at making temporary green space available for sites which may become vacant while they await development. For instance, the possibility may arise for communal green spaces which become temporarily vacant during the major regeneration projects. Funding for communal greens and growing spaces can be applied for through the cleaner, greener, safer programme.

**33. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING FROM COUNCILLOR PAUL KYRIACOU**

When will the council introduce tetrapak and food recycling?

**RESPONSE**

This Labour administration is committed to double recycling. I have asked that food waste recycling can be introduced at a quicker pace than the last administration were planning. It gives me great pleasure therefore to report that a food waste recycling pilot is planned for launch this October. Our provision of a tetrapak recycling service is currently scheduled to be in place once the new integrated waste management facility (IWMF) becomes operational in early 2012.

**34. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING FROM COUNCILLOR ROBIN CROOKSHANK HILTON**

When will two air quality monitoring stations be opened? And what will be their locations?

**RESPONSE**

I am looking forward to our two new air quality monitoring stations replacing those scrapped by the last administration, being operational within the next six months. One will be located on the Old Kent Road at a site adjacent to the Toys R Us car-park. The other will be located at the Elephant and Castle in St Mary's Churchyard.

**35. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING FROM COUNCILLOR LEWIS ROBINSON**

Following the botched "emergency repairs" to the road surface of Church Approach, can the cabinet member give me a date when the council will complete a full resurfacing of this road?

**RESPONSE**

The remedial repairs were carried out as per the timetable below and meet the council's levels of intervention in making safe public highways. We have not received any correspondence regarding the quality of the repair or notification that the works were botched. In fact we have received commendations on-site and in writing.

Our own inspectors are satisfied the repairs are satisfactory given the overall quality of the highway and the need for further investment.

We have no immediate plans to resurface the road but engineers will include Church Approach in the list of Dulwich community council proposed schemes. Each community council has £100,000 to carry out repairs at their discretion, which would be sufficient to resurface this road.

Issue	Date
Complaint received	29.04.2010
Remedial works undertaken	08.05.2010
Remaining remedial works carried out	17.05.2010
Resident response crediting expedient response time	10.05.2010

**36. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING FROM COUNCILLOR TOBY ECKERSLEY**

With regard to Network Rail's proposal to terminate the Wimbledon loop service at Blackfriars, would the cabinet member for environment, transport and recycling please state whether he agrees with the decision of the executive on 23 March 2010 instructing officers "to liaise with other affected London boroughs to explore alternative options for the continuation of the current service" to Farringdon, Kings Cross and points north, and, if so, what steps have been taken, or are proposed pursuant to that decision and in support of rail users in the Herne Hill and Elephant and Castle areas?

**RESPONSE**

A meeting has been arranged with Network Rail for 23 July with the leader and the cabinet members for transport, environment and recycling and for regeneration and corporate strategy and this issue will be on the agenda.

Rail issues for south London have been discussed as part of the development work for the south London regional transport plan. Officers from Sutton, Merton, Wandsworth and Lambeth, the other boroughs concerned over this issue, have all attended the meetings along with Southwark officers thus providing a forum for discussion.

Furthermore, Network Rail are currently developing the draft London and South East Route Utilisation Strategy (RUS) and expect to publish the draft conclusions in Summer 2010, with the final conclusions being presented for Office of the Rail Regulator (ORR) review.

The study will build upon the South London RUS and will cover a 30-year time horizon from 2009. The strategy will seek to remediate a number of identified gaps including, that there is 'no long-term strategy for Thameslink service patterns and routeings, especially north of the River Thames'. The development and consultation of this document will enable the borough to best understand the the opportunities and implications of changes to the service pattern in London and the South East.

**37. QUESTION TO THE CABINET MEMBER FOR ENVIRONMENT, TRANSPORT AND RECYCLING FROM COUNCILLOR MARTIN SEATON**

Could the cabinet member please provide an update on progress towards his commitment to safeguard green spaces?

## **RESPONSES**

As part of the commissioned study on the boroughs open spaces, we will be delivering an open spaces strategy to provide an action plan for the future management and maintenance of our open spaces for the next fifteen years.

This will identify the current local uses of open space, sports and recreational facilities across the borough and also set the appropriate standards for the provision of these spaces. The resulting strategy will act as an action plan.

An investment strategy will be developed alongside the action plan to support the provision.

I am delighted to confirm our progress in safeguarding the green spaces which were under threat from the previous administration. We look forward to supporting continued community use of green spaces at Brayards Green and Nursery Row Park.

### **38. QUESTION TO THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT FROM COUNCILLOR NORMA GIBBES**

Please provide an update on the Lakanal House fire investigation.

## **RESPONSE**

I share the concerns of local residents and sympathise with those who lost family and loved ones in the fire over the length of time that the police investigation into the fire has taken. I would like to assure members of council that since entering office we have met with the police and encouraged them to complete their investigation as quickly and thoroughly as they can. The council has fully cooperated with the police and provided all relevant information, but we do not know when the investigation will be completed or what its findings will be.

### **39. QUESTION TO THE CABINET MEMBER FOR EQUALITIES AND COMMUNITY ENGAGEMENT FROM COUNCILLOR GRAHAM NEALE**

What progress has been made in agreeing the service funding agreement for the successor to Southwark Human Rights, Race and Equality Board?

## **REPOSENSE**

Four organisations submitted initial expressions of interest to deliver equalities and human rights activities in the borough.

Council officers are meeting with officers from Lewisham and Lambeth on 16 July to explore possibilities for taking forward a shared approach for the delivery of these services.

If it is practical to develop a shared cross-borough approach within a reasonable timeframe, more detailed plans will be drawn up. If there are significant obstacles to taking forward a shared approach, immediate priority will be given to finalising the service specification for services to be provided in Southwark, and inviting organisations to submit tenders.

### **40. QUESTION TO THE CHAIR OF THE PLANNING COMMITTEE FROM COUNCILLOR MICHAEL BUKOLA**

Does she think that asking security to remove elderly objectors from the 1 June 2010 planning committee meeting was proportionate, if not will she publicly apologise to them and does she believe the resignation of the vice chair is connected to her conduct at this meeting?

**RESPONSE**

As chair of the committee I will always act to ensure that business can proceed in an orderly and professional manner. It is only where an individual disrupts the meeting and where they have refused to allow the meeting to proceed upon request that I will take any further action required.