

Item No.	Classification: Open	Date: 20 October 2010	Meeting Name: Council Assembly
Report title:		Late Motion – Comprehensive Spending Review	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law and Governance	

LATE MOTION

MOTION FROM COUNCILLOR MARK GLOVER (seconded by Councillor Helen Morrissey)

1. Council assembly notes the publication of the coalition government's comprehensive spending review (CSR) today and the bigger than expected 28% cuts which will be made to the council's budget as a result.
2. Council assembly notes other announced changes with concern, including cuts of 60% to capital budgets for new housing and for rents for new council tenants to be increased to 80% of market value. This would mean an average rent of £1,358 a month for a two-bedroom flat in SE1, not only will this be pricing young families out of the borough, but also creating an impediment to the housing moves needed for Southwark's regeneration projects.
3. Council assembly does not believe that the cuts brought forward within the CSR needed to be so deep or so quick. An alternative approach could have been adopted.
4. Council assembly welcomes the commitment of the Southwark cabinet to making the budget process open and transparent and the budget principles which have been agreed.
5. Council assembly calls on the cabinet to continue to make the case against the cuts with the government and coalition MPs, but to prepare a budget within the financial constraints imposed by the government in the interests of the residents of Southwark.

LATE AMENDMENT

AMENDMENT FROM COUNCILLOR PAUL NOBLET (seconded by Councillor Anood Al-Samerai)

Delete all and insert

1. Council assembly recognises that the economic policies of the previous Labour government contributed massively to the current national deficit which is both structural and cyclical, and that regardless of which party had won the general election in May 2010 cuts in public spending would have been inevitable.

2. Council assembly notes in the last pre-budget review by former Chancellor of the Exchequer Alistair Darling as Chancellor of the Exchequer said that there would be £72 billion of cuts starting from the 1 April 2011. And further notes Alan Johnson, the new Shadow Chancellor, has said that he broadly supports that position.
3. Council assembly recognises that as a consequence of the comprehensive spending review, public spending in 2015 will be at a similar share of national income to that in 2006 – after nine years of Labour government.
4. Council assembly profoundly regrets the Labour government's failure to invest in affordable housing, in particular council housing, which has left a massive gap in the supply of housing for those families most in need; council assembly welcomes the government's commitment to build 150,000 new affordable homes over the next four years.
5. Council assembly is concerned about the potential impact of the CSR on new tenants but welcomes moves to safeguard the rights and rents of existing council tenants and in addition notes that the leader of the opposition has raised concerns about the impact of some of these changes with the Deputy PM this afternoon.
6. Council assembly welcomes the efforts of Simon Hughes MP to secure increased discretionary housing benefit for Southwark's residents to offset the changes to housing benefits, and calls on the cabinet to work with him.
7. Council assembly supports moves to give local councils the ability to borrow against business rates.
8. Council assembly further welcomes the de-ringfencing of government grants to local authorities allowing councils to make the best choices for local people.
9. Council assembly is concerned however that allowing the current Labour administration more discretion over local spending could backfire given the unrealistic promises in their manifesto and their record so far on delivering their election pledges.
10. Council recognises in contrast the healthy state of the borough's finances and rigorous budgeting processes after eight years of Lib Dem led administration which means the council is well placed to decide on budget priorities over the next four years. And therefore calls on the cabinet to take responsibility for the choices they make in deciding the council's future budgets rather than simply blaming the government.

REASON FOR LATENESS

The motion is late because the comprehensive spending review announcement was earlier today. It is urgent because a considerable amount of work will need to be done in preparation for next year's budget before the next council assembly meeting if the approach called for in the motion is to be followed.

NOTES:

1. Prior to debating the late motion and amendment the following council assembly procedure rules would need to be suspended:
 - Notice for motions to be delivered (CAPR 2.9 (3))
 - Notice for amendments to be delivered (CAPR 2.9 (4)).
2. If the late motion is agreed, any proposals will be submitted to the cabinet for consideration.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Member Motions	Town Hall Peckham Road London SE5 8UB	Constitutional Team 020 7525 7228

Lead Officer	Ian Millichap, Constitutional Manager
Report Author	Lesley John, Constitutional Officer
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