

SOUTHWARK COUNCIL

COUNCIL ASSEMBLY

(ORDINARY MEETING)

WEDNESDAY 28 NOVEMBER 2012

URGENT QUESTIONS

1. URGENT QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR ANOOD AL-SAMERAI

Southwark Council has proposed sacking 27 qualified staff from nurseries in the borough and replacing them with less qualified workers. Can the leader confirm this is purely a cost-cutting exercise, and how much does he estimate this will save each year?

RESPONSE

The factual basis of this question is wrong. There is no proposal to sack 27 staff. We are in the process of consulting with staff about a possible structure - the consultation is still open, and no decisions have been taken about the final structure.

The statutory requirements of the early years foundation stage means we are required, by law, to ensure all our nurseries adhere to correct staff to child ratios and appropriate levels of qualifications required for staff in early years settings. This will continue to be the case now and in the future with all our nurseries.

It is worth remembering that this administration is keeping all four of Southwark's Council-run nurseries open, despite the £90m cut to our budget. When the council was run by the Liberal Democrats four nurseries were closed despite year-on-year increases in cash from central government.

In February 2011, council assembly agreed to achieve savings of £800,000 in 2012/14 by changing the way it delivered child care provision at the four subsidised centres - Aylesbury Early Years Centre, Bishop's House Children's Centre, Camberwell Grove Early Years Centre and South Bermondsey Children and Parents Centre. In order to achieve these savings - and keep these nurseries open - a proposed staffing structure is being put forward that reflects parents' views to maintain quality and introduce a more efficient and sustainable staffing model.

SUPPLEMENTAL QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR ANOOD AL-SAMERAI

Yes I do, thank you Madam Mayor. My question was about nurseries and I just am amazed at how the administration can't get this issue right despite changing cabinet member halfway through. First of all they have no consultation at all, they just decide to close them and then they do have a consultation and come up with the exact opposite of what everyone in the consultation thinks. The leader in his answer sort of says there is no proposal to sack 27 staff but then doesn't actually rule it out which

sounds to me like it is a proposal. Given these are people's jobs we are talking about and their livelihood, will he at least tonight rule out that he will be sacking 27 staff?

RESPONSE

The consultation which is currently taking place is looking at nurseries being run by 67 and a half full time equivalent posts, compared with current position of 77 and a half full time equivalent posts; so that is a difference of 10 and not 27. I think it has to be recognised that in order to deliver savings which we need to do in this current very difficult economic climate and with £90 million of cuts being made to this council, some services have to change and some staff have to leave the employ of the council. That is a situation which we all regret on this side and we are campaigning against it to the government.

However, as I say the consultation that is taking place on the nurseries in Southwark is looking at a reduction of 10 positions only, it is a consultation which continues until the end of this month and I suggest that anyone who is interested in this matter should make their views known during that consultation process.

SUPPLEMENTAL QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR ANOOD AL-SAMERAI

Yes I do, thank you Madam Mayor. I think I agreed it has made our views very clear that you should do the model that the parents have been suggesting, but perhaps also he heard the announcement yesterday that the government has given £6 million to Southwark to help with early years education and I wonder whether he might consider using that money to fund high quality staff at the nurseries?

RESPONSE

Well, this is not new money; this is money which has already been taken away from us and a little bit less is being given back to us, so this is not going to make up any shortfall or any additional funding, this is funding which has been taken away, the early intervention grant has been taken away; which is a total of £5.5 million, and we are being given less back. So that is the reality of the situation. And I am not going to make up a budget tonight in response to Councillor Al-Samerai's demands. I mean, if she is really concerned about Southwark's budget she should be making the case to Simon Hughes and her Liberal Democrat colleagues not to cut our budget year after year, after year. That is the reality of the situation.

2. URGENT QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR LEWIS ROBINSON

Princess Court major works - In light of the email correspondence dated 6 September 2012 from Calfordseaden, consultants to major works at Princess Court in my ward confirming that £14,750 of billed works to leaseholders have been omitted from the works will the leader of the council ensure:

1. Leaseholders accounts are reconciled at the earliest opportunity to ensure any overpayments made are returned to them as soon as possible?
2. That the overall investigation into the contractors (Mears) performance issues on this contract are made available to leaseholders?

RESPONSE

1. In answering the question, it may be useful to reflect on the conditions of the lease signed by leaseholders, and the way in which service charges are billed. Firstly, the council uses an invoice based accounting system, so a leaseholders account will have a number of invoices reflecting annual service charges from the date of sale and invoices for any major works that have been carried out since the completion of the right to buy. Service charge invoices are not "reconciled". In accordance with the lease we charge leaseholders an estimated service charge, and then actualise it when the final costs are known.

It is the nature of all building works that additions and omissions will be made to the specified works, once access has been gained to all areas of the building. All building contracts will contain provisional sums to ensure that monies are available for unforeseen works that may be identified as necessary once full access has been obtained. If these sums remain unspent then the final account will reflect this, and the credit will be reflected in the actual service charge for the work. However, the final account cannot be agreed and signed off, with final payments made to the contractor, until the end of the defects period. It is only at this stage that the actual costs incurred to the council will be known, and the actual service charges to leaseholders is able to be constructed. The recent work carried out to Princess Court is part of a larger contract, and the defects period is not due to end until July 2013. Until then we do not know whether additional monies have been spent on the block, as well as any final omitted sums.

To date none of the leaseholders of Princess Court have paid their estimated invoice in full, so it is incorrect to suggest that anyone has made an "overpayment", notwithstanding the fact that an estimate by its very nature cannot be "overpaid". The estimated service charge is based on tendered prices received for works proposed, including the provisional sums for unforeseen items, and therefore these are correct. Unless there are issues with the final account the service charge invoices are likely to be actualised prior to the end of the 36 month interest free payment period offered. We cannot amend the estimated invoice once it has been raised. However, if home ownership services are provided with a draft final account, which indicates that sums have been omitted and no additional payments made, then our normal process is to "cap" payments to the amount suggested by the draft final account.

2. The performance management of the contract is ongoing and we seek to rectify issues as and when they arise, however in addition on completion of the works we will prepare a report on the performance of this contractor in terms of the quality and delivery of works on site. This will be made available to leaseholders.

SUPPLEMENTAL QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR LEWIS ROBINSON

Thank you very much, leader, for what looks like an essay on leasehold technicalities from the home ownership unit. I would draw his attention though to part of his answer which I actually think has a possibility to contravene data protection in respect to comments about individual leaseholders' financial accounts and I think he probably should have checked that with a legal officer.

However the point about Princess Court is that the works are now complete as far as I understand and the consultants involved clearly know what works have been dropped and omitted and I suspect they have a very good idea that not much is going to be

needed to be done in the future. And therefore rather than home ownership services just waiting for a draft final account, I think it would be beholden on the council to request a draft final account and look to cap off the payments being asked for as soon as possible.

RESPONSE

I am grateful to Councillor Robinson for his supplemental question. I will take that suggestion away and look at it to see what we can do. Obviously it is a concern for all leaseholders not to know exactly what is being demanded of them by the council, that is an issue which is common to all councillors in all wards across the borough. We are looking to improve the way in which we deal with leaseholders and I will take away this specific case and come back to him with an answer as soon as possible.