

COUNCIL ASSEMBLY
(COUNCIL TAX SETTING MEETING)

WEDNESDAY 25 FEBRUARY 2015

QUESTIONS ON REPORTS: 2.2 – POLICY AND RESOURCE STRATEGY – 2015/16 TO 2017/18: REVENUE BUDGET

1. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND CORPORATE STRATEGY FROM COUNCILLOR NEIL COYLE

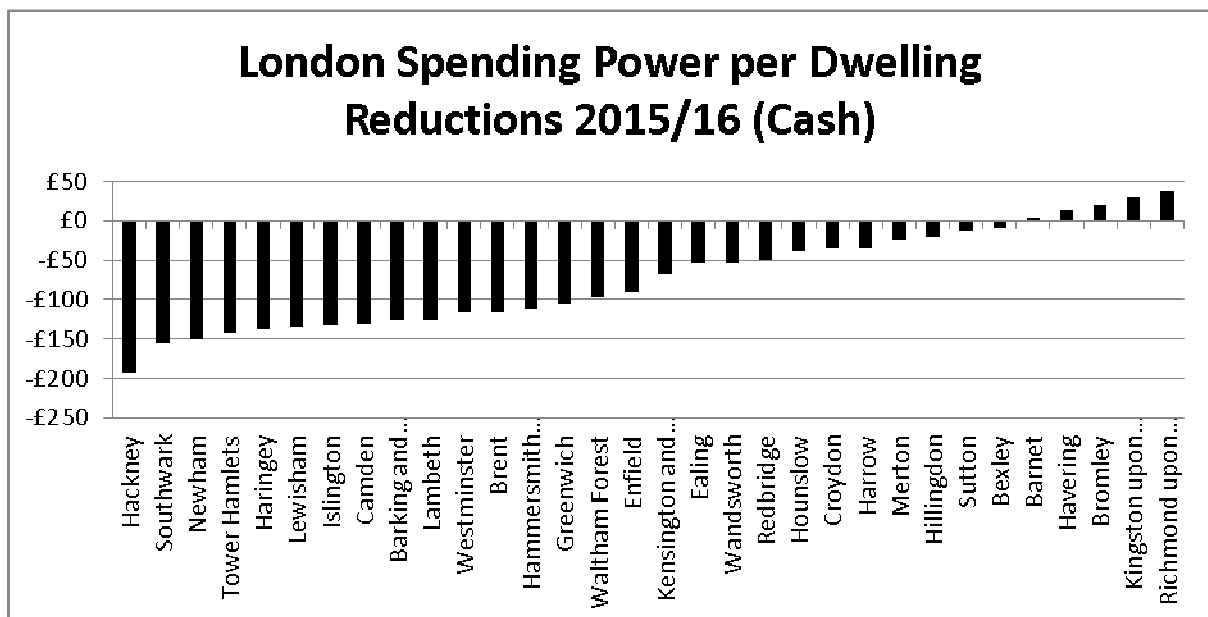
In the foreword to the cabinet report at Appendix 1, the cabinet member notes that Southwark is the third hardest hit local authority in the country in 2015/16 in terms of reduction in spending power. Does the cabinet member agree that it is unfair that government cuts to local authorities are hitting the most deprived boroughs the hardest?

RESPONSE

I do indeed.

The government's own figures show that in 2015-16 Southwark, the 25th most deprived local authority area in the country, is due to suffer the third highest spending power reduction – losing £155 per dwelling. Meanwhile many others areas are seeing far smaller reductions or even a spending power increase. For instance by the same per dwelling measure London's two least deprived boroughs, Kingston and Richmond, are gaining £29 and £37 respectively.

Across London, and indeed the country, we can clearly see a pattern of the poorest areas being the hardest hit.



2. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND CORPORATE STRATEGY FROM COUNCILLOR CATHERINE DALE

Paragraph 11 of the report proposes a one off use of reserves of £6.2 million to the revenue budget. Given the uncertainty about future government funding to local authorities, is the cabinet member confident this proposal will not significantly affect the council's ability to manage potential risks?

RESPONSE

Since 2010 local authorities across the country have faced the most dramatic reductions in government funding that have ever been seen. The reductions in funding for Southwark have consistently been amongst the highest in the country. These funding cuts have demanded substantial measures to ensure the savings and efficiencies can be made to deliver balanced budgets while protecting the services residents value the most.

In 2010/11 the previous Liberal Democrat/Conservative administration created a contingency within the base budget to mitigate future funding risks that were expected from the 2010 Comprehensive Spending Review. This contingency was recommended specifically by the s151 officer in the context of the threatened austerity measures and was accepted as a concept by council assembly. Since then the risks have only grown as local government has seen the biggest cuts in the public sector. The 2014 Autumn Statement has confirmed that it would be prudent for local government to prepare for yet more funding cuts in the period up to 2020.

3. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND CORPORATE STRATEGY FROM COUNCILLOR ANOOD AL-SAMERAI

How much historic council tax and business rate debt has been collected or written off in each of the past four years?

RESPONSE

The council has a duty to recover all council tax and business rates that are owing to it. I'm pleased to report that we are making great in-roads into our historic debt position with a view to minimising outstanding debt in our accounts.

In carrying out our responsibilities there are circumstances and events that inevitably arise that make the 100% collection of this debt impossible. It is important that we regularly write off uncollectable debt as not to do so permits an overstatement of the amount we actually stand to receive and overstates the council's financial position.

Over recent years write-off activity has been particularly influenced by the need to cleanse outstanding debt dating back to the previous outsourced arrangement.

Council Tax

Year	Collection for current year	Collection for past years	Total collection	Total written off
2014/15 as at Dec 2014	87,720,133.77	3,680,852.92	91,400,986.69	943,338.08
2013/14	97,570,538.05	4,951,195.95	102,521,734.00	6,043,715.65
2012/13	91,865,105.04	4,976,398.45	96,841,503.49	1,004,953.19

Year	Collection for current year	Collection for past years	Total collection	Total written off
2011/12	88,240,197.76	5,537,234.62	93,777,432.38	9,436,750.11
2010/11	87,384,252.11	5,180,822.75	92,565,074.86	2,017,361.23

Business Rates

Year	Collection for current year	Collection for past years	Total collection	Total written off
2014/15 as at Dec 2014	175,280,143.24	2,061,392.45	177,341,535.69	420,903.65
2013/14	198,887,867.81	4,034,703.05	202,922,570.86	2,141,513.01
2012/13	192,134,035.05	5,218,709.69	197,352,744.74	7,075,477.19
2011/12	184,212,030.94	3,350,971.78	187,563,002.72	6,750,097.01
2010/11	166,234,360.96	6,884,279.90	173,118,640.86	1,384,356.08

4. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND CORPORATE STRATEGY FROM COUNCILLOR LISA RAJAN

What research has been carried out as part of the budget challenge process into the impact on recycling levels in other boroughs that have scrapped the free provision of biodegradable food waste bags to residents?

RESPONSE

Officers reviewed what other boroughs in London offered in terms of food waste recycling before proposing this saving. For the 2014/15 financial year we found:

- 10 boroughs did not operate a separate food waste collection, including Sutton who ended their pilot and did not extend due to cost in 2012
- 11 boroughs operated food waste collection but did not supply bags at all – directing customers to buy their own, or suggesting alternatives such as newspaper
- 6 offered bags but charged, including Bexley, London's highest performing borough for recycling.
- 6 supplied bags free, including Southwark Council.

Of the five other boroughs providing free food waste bags last financial year, three stated they were reviewing this offer in light of the ongoing need to find savings and may not be able to continue free provision. They have not yet published their decision in this matter.

Residents will still be able to recycle food waste and can use newspaper to line the caddies or buy food waste bags from most supermarkets. They cost between 8 to 10p per bag so would cost the typical household between 20p and 30p per week. Alternatively, the food waste can be placed directly into the caddie.

This will not adversely impact the recycling rate and comprehensive communication will be carried out to make sure all residents know of the changes and the alternatives that are available to allow them to continue to recycle food waste.

5. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND CORPORATE STRATEGY FROM COUNCILLOR ROSIE SHIMELL

What work is currently underway to identify efficiencies within the public health budget to ensure more funding for preventative work to reduce health inequalities in Southwark?

RESPONSE

There are a series of specific workstreams that have already been identified to drive efficiencies within the public health budget in order to re-invest in preventative programmes to improve health outcomes.

As reported to cabinet in January and February, both the healthchecks and the adult integrated drug and alcohol treatment system are being re-commissioned with the expectation of reduced costs and better outcomes. In addition, the council is jointly investing in the development of SH24, which aims to revolutionise sexual health care in Lambeth and Southwark by using internet and telephone technologies to deliver sexual and reproductive health care remotely, 24 hours a day, seven days a week. Further to these specific projects, the existing commissioning arrangements are scrutinised for both cost effectiveness and service outcomes.

6. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND CORPORATE STRATEGY FROM COUNCILLOR ELIZA MANN

How much is the current corporate 'telephony refresh' costing and what levels of savings is it expected to produce?

RESPONSE

The recent refresh of mobile telephony is still in progress and involves the replacement of previous contracts and tariffs with O2 being the new provider. This arrangement that is defined as a core enabling project has been undertaken to rationalise the support and maintenance activity relating to mobile telephony and especially e mail integration on the mobile devices that requires intervention by the provider.

The cost savings related to the new arrangements for supporting mobile devices are part of the consolidated contract but are not explicit to those functions. The costs of the transfer are neutral to the council, with new handsets being provided free of charge; termination costs on old arrangements where necessary are being funded from the residual replacement fund for mobile devices. Where no longer required, devices are not being replaced.

Once the programme is fully rolled out, officers will be assessing the impact of fewer devices and the benefits of lower tariffs and budget savings will be offered as part of the 2016/17 budget setting process.

7. QUESTION TO THE CABINET MEMBER FOR FINANCE, RESOURCES AND CORPORATE STRATEGY FROM COUNCILLOR JAMES BARBER

In addition to the council's waste management facility, what work has the council carried out so far on the scope for further installation of photovoltaic or solar panels across its estate to reduce the council's energy costs and carbon footprint?

RESPONSE

The council has endeavoured to maximise all possibilities to use and incorporate solar panels where feasible.

Solar panel systems can create both savings on electricity bills and revenue by way of government subsidies known as the Feed in Tariff. Under this scheme the government pays a set rate for every kWh of electricity the solar panels generate. However there is a cap of 25 sites, after which the rate per kWh reduces significantly, which would most significantly impact on the economic viability of the initial investment for projects above this number.

Key considerations are sites that have the right type of roof, which does not receive any shade and which is facing in a southerly direction. Consideration and installation of photovoltaic panels (PVs) is not straightforward requiring detailed examination of practicality, payback, initial cost and long term benefit.

We have solar thermal panels on the roof at Canada Water Library and Dulwich Leisure Centre. We have identified some scope for additional PV panels on 160 Tooley Street above and beyond the existing solar thermal panels, and this is being reviewed as part of the 2015/16 schedule of repair/investment works. We are also looking at the potential for Queens Road 1 and Queens Road 2.

Panels will be installed on the Peckham Pulse as part of the environmental works in summer 2015 and on The Castle. We are also looking into the possibility of installing panels on Surrey Docks Watersports Centre.