

**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

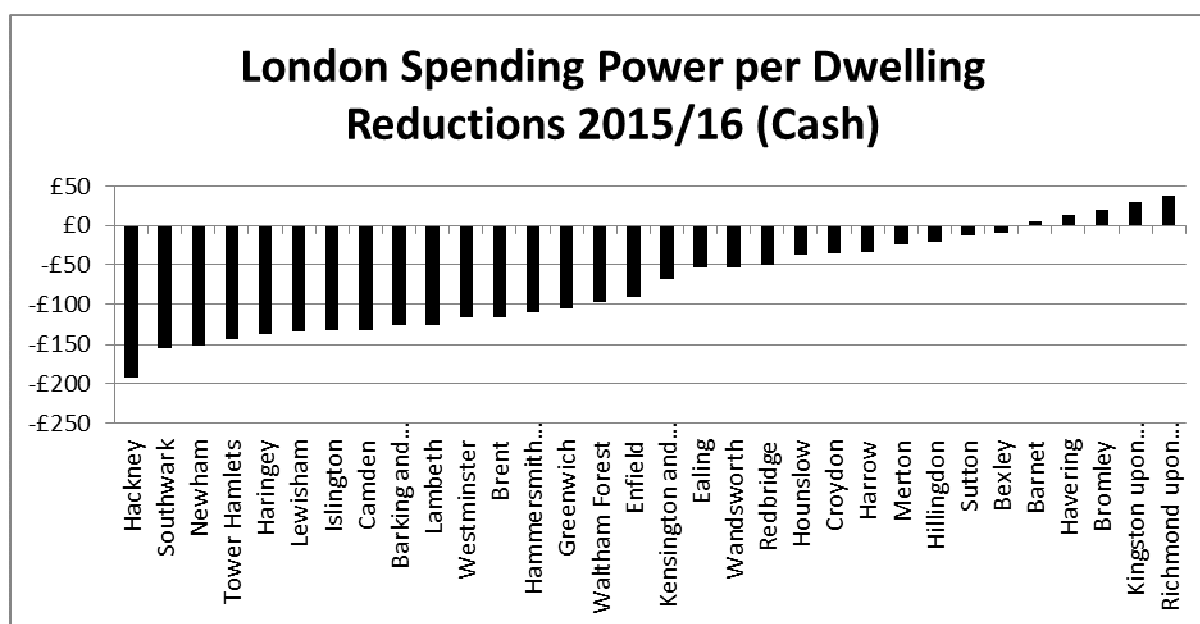
In the foreword to the cabinet report at Appendix 1, the cabinet member notes that Southwark is the third hardest hit local authority in the country in 2015/16 in terms of reduction in spending power. Does the cabinet member agree that it is unfair that government cuts to local authorities are hitting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



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

Thank you Mr Mayor. The council has been lobbying the government for a fairer funding settlement for Southwark which is the third worst hit local authority in the country this year despite being the 25th most deprived area. What response have you had from MPs in Southwark to the council's campaign for a fairer funding for our borough particularly local Liberal Democrat MP and government minister Simon Hughes?

RESPONSE

I would like to thank Councillor Coyle for his supplemental question. He's quite right, the leader and myself went to meet with the local government minister, Chris Hopkins and also wrote to our three local MPs asking them to join us in lobbying against the terrible unfair funding cuts that Southwark Council has suffered once more this year. Now both Harriet Harman and Tessa Jowell replied to me very promptly confirming that they would support us in that lobbying. They wrote to the Minister and they joined us in that fight. It was some time, I was beginning to wonder if I would in fact get a response from Simon Hughes and I did finally just on February 9 this month and I have to say though I was really quite shocked with it because at first I thought it come from Eric Pickles, such was its vehemence. The key statement I believe though is for him to say 'I do not believe that Southwark Council has been disproportionately impacted by changes to local government finance.' I simply could not believe it, how our local MP, one of our local MPs can believe that us receiving the third highest cut in the country to our spending power can be fair and just, I do not know. We need an MP who is going to stand up for our area and not let them down in this way and on May 7 they will have that chance.

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.

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

Thank you Mr Mayor. I would like to thank the cabinet member for her answer. In their budget amendments both the Liberal Democrats and the Tories suggest we should cut our contingency to paper their government's cuts. Does the cabinet member think that this is wise?

RESPONSE

I'm surprised here Councillor Dale that I do not think it is wise to cut contingencies, the reality is that we have a very difficult challenge ahead of us over the next year to deliver £30 million of savings. Our contingency budgets over the previous years have been a great help to us both to cushion us in case we are unable to deliver those savings which fortunately we have been able to but the to feed in to the following year to make a contribution towards the following year's revenue budgets. Whilst we're setting a one year budget tonight, we have to think of the future, we have to think of the financial soundness of this council and it's not just contingencies that is irresponsible in the amendments tonight, we're seeing unrealistic council tax collection levels and council tax cuts is really not a wise move in the current climate and the local MP further in his letter suggested that we simply raid the reserves to cover the funding cuts from government. Well if we followed his advice from 2010 we'd be bankrupt by now. I think what is shown by the amendments tonight is that the Liberal Democrats and the Conservatives are willing to be very irresponsible in their budget amendments in order to get a few cheap headlines and it's a good thing they're not running this council.

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
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

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

Thanks very much Mr Mayor and thank you to the cabinet member for her answer. We talked at the last council meeting about council tax collection rates and how the council has made progress on in-year collection but that's been balanced out really by a lack of progress or going backwards on collecting historic arrears so I just wondered if the cabinet member could tell me what she's doing to make sure we do collect historic council tax arrears?

RESPONSE

I'm afraid I can't accept the premise of the leader of the opposition's question to say we're going backwards on collecting for past years. The fact of the matter is we are improving in-year collection, we are cleansing the system of uncollectible debt which in many cases is inherited from Liberata for instance but as we manage that and as we drive down that historic debt, there's less of that debt to collect so yes we're not collecting quite as much as in previous years but that's because there's not as much to collect.

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.

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

I thank the cabinet member for her answer. I’d like to ask last year recycling levels fell across 18 London boroughs. Isn’t it obvious that this will happen in Southwark too if you’re just going to tell people to wrap up their food waste in newspapers or buy their own bags or won’t they just use non-biodegradable carrier bags that will contaminate the waste supply? It seems like you’re making recycling harder not easier with very short sighted cut for a relatively small saving.

RESPONSE

I’m afraid I can’t agree with Councillor Rajan on this point. Southwark has doubled recycling and is doing extraordinarily well to turn things around from the situation we inherited where recycling rates have plateaued very significantly. It was right for us to provide food bags I believe when we introduced food waste recycling but I think now it has imbedded that this is a saving we can make. It is very difficult at all times on recycling and on waste savings we always want to do more. It is something we will be monitoring carefully but from the work officers have done, it’s laid out in the written answers, to talk to other boroughs about their experiences,

we have no reason to believe that no longer providing free food waste bags will result in any reduction in food waste recycling.

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.

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

Thank you. I'd like to thank the cabinet member for her answer. I wondered whether perhaps in collaboration with the cabinet member for public health if she would commit to publishing annual reports on the evidence based justifications for the way that we are spending the public health ring-fenced funding from government, I think this might be particularly important in light of the point that the Leader made earlier about the fact that we may be spending some of that money on the new swimming and gym pledge which as you point out is a new initiative and we will need to build up in evidence base for.

RESPONSE

I would like to thank Councillor Shimell for her question. I'm prompted by Councillor Hargrove to note that the Director of Public Health already provides an annual report every year and I'm sure she will cover in that annual report how the public health money is being spent.

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.

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

Thank you Mr Mayor. Thank you to the cabinet member for her answer, I have a supplementary question. Why is the administration failing to get a grip on the on-going IT issues for staff and councillors when it affects their morale and our morale and productivity so badly and are all these costs being met by the contractor?

RESPONSE

I would like to thank Councillor Mann for her question. I agree that IT is a significant issue for us to continue to work on. I think the situation is very much improved, I am very much more concerned about our staff's morale than I am about members in this case because I think it's a lot more important that our staff are able to do their job and so it is much improved, we are on an on-going process to improve IT, it will take time but we'll be continuing to work very hard on that.

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.

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

Thank you Mr Mayor and thank you for your answer. I have two supplementary parts. When do you expect to reach this cap of 25 council sites when it appears that only one site currently has PV cells, and will you consider supporting the Cannock Chase model of installing self funded photovoltaic cells on council properties where they are planning to give free electricity eliminating part of the fuel poverty they have in that council area.

RESPONSE

I would like to thank Councillor Barber for his question. As you will see from the answer, we have done a significant amount of work looking at a very practical level at the feasibility of putting our cells on as many sites as we can and will continue to promote that work. I can't tell you tonight but I'm happy to write to you about when we might hit the 25, and on the Cannock Chase model although I am happy to work with Councillor Merrill to look at that but I'm not familiar with it myself.