

Cabinet

Tuesday 18 October 2011

4.00 pm

Ground Floor Meeting Room G01A - 160 Tooley Street, London
SE1 2QH

Membership

Councillor Peter John
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald
Councillor Abdul Mohamed
Councillor Veronica Ward

Portfolio

Leader of the Council
Deputy Leader and Housing Management
Regeneration and Corporate Strategy
Health and Adult Social Care
Transport, Environment and Recycling
Finance, Resources and Community Safety
Children's Services
Equalities and Community Engagement
Culture, Leisure, Sport and the Olympics

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

Access

The council is committed to making its meetings accessible. Further details on building access, translation, provision of signers etc for this meeting are on the council's web site: www.southwark.gov.uk or please contact the person below.

Contact

Everton Roberts 020 7525 7221 or Paula Thornton 020 7525 4395
or email: everton.roberts@southwark.gov.uk; paula.thornton@southwark.gov.uk
Webpage: <http://www.southwark.gov.uk>

Members of the committee are summoned to attend this meeting

Councillor Peter John
Leader of the Council
Date: 10 October 2011



Cabinet

Tuesday 18 October 2011

4.00 pm

Ground Floor Meeting Room G01A - 160 Tooley Street, London SE1 2QH

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
	MOBILE PHONES	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
1.	APOLOGIES	
	To receive any apologies for absence.	
2.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
4.	PUBLIC QUESTION TIME (15 MINUTES)	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.	
5.	MINUTES	1 - 10
	To approve as a correct record the minutes of the open section of the meeting held on 20 September 2011.	

Item No.	Title	Page No.
6.	DEPUTATION REQUESTS	
	To consider any deputation requests.	
7.	HOUSING INVESTMENT PROGRAMME - CONFIRMATION OF THE FIVE YEAR PROGRAMME AND UPDATE ON THE HIGH INVESTMENT NEED ESTATES OPTIONS APPRAISAL PROJECT	11 - 45
	To consider issues relating to the five year housing investment programme and an update on the high investment needs estate options appraisal project.	
8.	SOUTHWARK SCHOOLS FOR THE FUTURE: UPDATE TO CABINET AND DELEGATION OF AWARD OF PHASE 3B CONTRACTS	46 - 54
	To note the financial close of phase 3a and the current status of the Building Schools for the Future programme.	
9.	LIBRARY SERVICES REVIEW	55 - 84
	To consider a package of measures in order to deliver savings from the library service budget.	
10.	CYCLING POLICY REVIEW	85 - 94
	To consider issues relating to the council's transport plan cycling policy review.	
11.	POLICY AND RESOURCES STRATEGY 2012/13 - 2014/15: SCENE SETTING REPORT	95 - 106
	To reaffirm commitment to the ten fairer future promises as set out in the council plan and medium term resources strategy and the seven budget principles to guide and underpin the work of officers in arriving at a balanced budget proposal in February 2012.	
12.	SOUTHWARK 2012 CAPITAL LEGACY GROUP: RECOMMENDATIONS FOR A £2M PACKAGE OF CAPITAL INVESTMENT	107 - 128
	To note information relating to the Southwark 2012 capital legacy fund for which £2 million funding will be allocated to 10 capital projects. To be decided upon by the cabinet member for finance, resources and community safety in October 2011.	

Item No.	Title	Page No.
13.	RESIDENTIAL DESIGN STANDARDS SUPPLEMENTARY PLANNING DOCUMENT 2011	129 - 136
	To note the comments of the planning committee and to adopt the final residential design standards supplementary planning document (SPD).	
14.	APPROPRIATION OF LAND FOR PLANNING PURPOSES, SITE SILWOOD 4B, LAND BETWEEN DEBNAMS ROAD AND CORBETTS PASSAGE, SE16	137 - 143
	To seek approval for the appropriation of land from use for commercial purposes to planning purposes in accordance with section 122 of the Local Government Act 1972.	
15.	169 TO 172 AND 170A ST GEORGES MANSIONS, BLACKFRIARS ROAD AND POCOCK STREET GARAGES, LONDON SE1 8ER - DISPOSAL OF FREEHOLD INTEREST	144 - 150
	To seek approval to dispose of the council's freehold interest in 169 to 172 and 170a St Georges Mansions, Blackfriars Road and Pocock Street Mansions, London SE1	
16.	65 GROSVENOR PARK, SE5 - DISPOSAL OF FREEHOLD INTEREST	151 - 156
	To seek approval for the head of property to dispose of the council's freehold interest in 65 Grosvenor Park, SE5 (the "Property"), for a sum that equates to the market value of the property.	

DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING

EXCLUSION OF PRESS AND PUBLIC

The following items are included on the closed section of the agenda. The Proper Officer has decided that the papers should not be circulated to the press and public since they reveal confidential or exempt information as specified in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. The specific paragraph is indicated in the case of exempt information.

The following motion should be moved, seconded and approved if the cabinet wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. “

Item No.

Title

Page No.

PART B - CLOSED BUSINESS

17. MINUTES

To approve as a correct record the minutes of the closed section of the meeting held on 20 September 2011.

**18. DISPOSAL OF 169 TO 172 AND 170A ST. GEORGES MANSIONS,
BLACKFRIARS ROAD AND POCOCK STREET GARAGES, LONDON
SE1 8ER - DISPOSAL OF FREEHOLD INTEREST**

**DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE
START OF THE MEETING AND ACCEPTED BY THE CHAIR AS
URGENT**

Date: 10 October 2011



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 20 September 2011 at 4.00 pm at 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald
Councillor Abdul Mohamed
Councillor Veronica Ward

1. APOLOGIES

All members were present.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were no late items.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

No declarations were made.

4. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

5. MINUTES

RESOLVED:

That the open minutes of the meeting held on 19 July 2011 be approved as a correct record and signed by the chair.

6. DEPUTATION REQUESTS

There were no deputation requests.

7. SCHOOL ADMISSIONS REVIEW - REPORT OF THE EDUCATION AND CHILDREN'S SERVICES SCRUTINY SUB-COMMITTEE

Councillor David Hubber, chair of the education and children's services scrutiny sub-committee presented the report to cabinet.

RESOLVED:

That the recommendations of the review of school admissions undertaken by the education and children's services scrutiny sub-committee be noted and that the cabinet member for children's services bring back a report to cabinet in order to respond to the overview and scrutiny committee by 22 November 2011.

8. REPORTING THE OUTCOME OF STATUTORY CONSULTATION ON THE PROPOSED ENLARGEMENT OF ST. ANTHONY'S CATHOLIC PRIMARY SCHOOL FROM 1.5 TO A 2 FORM ENTRY PRIMARY SCHOOL FROM 1 SEPTEMBER 2012

RESOLVED:

That the proposals contained in the statutory notice which will effect the permanent enlargement of St Anthony's Catholic Primary School from a 1.5 to a 2 form entry primary school from 1 September 2012 be agreed.

9. QUARTERLY REVENUE MONITORING REPORT QUARTER 1, 2011/12, INCLUDING TREASURY MANAGEMENT

RESOLVED:

1. That the following be noted:
 - the general fund outturn forecast for 2011/12 and the forecast net movement in reserves;
 - the housing revenue account's (HRA) forecast outturn for 2011/12 and resulting forecast movement in reserves;
 - the treasury management activity for the first quarter of 2011/12.
2. That the forecast performance for the council tax and business rates collection fund be noted, and that a report be brought to cabinet on the performance of the service since moving it in-house.
3. That the general fund budget movements that exceed £250,000, as shown in Appendix A of the report be approved.

10. QUARTERLY CAPITAL MONITORING REPORT QUARTER 1

RESOLVED:

1. That the addition of budgets into the programme, matched by additional funding secured since the last report to cabinet be approved.
2. That the current monitoring position for the capital programme 2011–2021 for both the general fund and housing investment programme 2011–2016 as at the 30 June 2011 (Appendices A, B and D of the report) be noted.
3. That the additions into the programme of budgets relating to existing cabinet decisions and the movement of existing schemes between departments (Appendix C of the report) be noted.
4. That the necessary capital resources be allocated to redevelop the area immediately in front of Peckham Rye Station, with the aim of reinstating the heritage of the station and to create new retail and other opportunities around the station to enhance the potential for the area, as requested by council assembly on 6 July 2011.
5. That work on Seven Islands Leisure Centre be brought forward by a year, to start in the 2014/15 financial year, as requested by council assembly on 6 July 2011.

11. APPROVAL OF THE COUNCIL'S TRANSPORT FOR LONDON FUNDED WORK PROGRAMME FOR 2012/13 AND INDICATIVE PROGRAMME TO 2013/14 FOR SUBMISSION TO TRANSPORT FOR LONDON

RESOLVED:

Decisions of the Cabinet

1. That the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Local implementation plan (Lip) funding in 2012/13 and the indicative programme of work for 2013/14 as contained in Appendices A and B of the report be agreed.
2. That the identified programme be submitted to Transport for London by 7 October 2011.
3. That implementation of the agreed programme as set out in Appendices A and B of the report be approved.
4. That if the cabinet member needs to consider variations to the proposed programme, that these are discussed with the relevant community council chair or in the case of cross community council border schemes, the chairs of these community councils.

Decision of the Leader of the Council

5. That authority be delegated to the cabinet member for transport, environment and recycling to determine the most appropriate use of the £100,000 discretionary funding allocated by Transport for London for 2012/13.

12. GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF GAS TO SITES CONSUMING LESS THAN 25,000 THERMS

RESOLVED:

Decision of the Cabinet

1. That the award of the supply of gas to all sites consuming less than 25,000 therms to LASER in the form of a tripartite agreement with Total Gas and Power using the Procurement Only Service Option (POSO) be approved. The estimated sum, of £1,018,540 for a period of four years (with effect from 1 October 2012) making a total contract value of £4,074,160. This includes management fees from LASER.

Decisions of the Leader of the Council

2. That authority be delegated to the cabinet member for transport, environment and recycling, prior to, and throughout the duration of the contract (as detailed in the procurement project plan and timeline, paragraph 4 of the report) to;
 - approve the management option selected for the contract, and consider the flexibility to change the management option (detailed in paragraphs 25 – 32 of the report), and;
 - amend the purchasing solution (Purchase in Advance or Purchase within Period detailed in paragraph 8 of the report).

13. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

Motion on Themed Debate: Achievements of Southwark's Young People

RESOLVED:

That the motion referred from council assembly as a recommendation to cabinet, set out below in italics be noted and agreed.

1. *That council assembly recognises and celebrates the achievements of Southwark's children and young people; their sporting achievements; their improving attainment including record GCSE results; their contribution to the arts especially music and drama and their contribution to our communities.*
2. *That it be noted that this administration's support for young people includes free healthy school meals for primary school children, keeping all our children's centres open, setting up a £3 million Youth Fund and setting up a Teenage*

Pregnancy Commission. This council also notes the investment put into our leisure centres and this administration's commitment to a leisure centre at the Elephant and Castle and to a continuation of community games despite financial constraints.

3. *That council assembly believes that sports can make a significant difference to the lives of young people and that it delivers a wide range of benefits, from improving young people's health to encouraging team working and embedding discipline. It is a core offer for all our young people, as well as an important element of our targeted interventions for vulnerable young people.*
4. *That council assembly notes the significant reductions in funding for sports made by government:*
 - *Withdrawal of free school swimming*
 - *Withdrawal of funding to the School Sports Partnership*
 - *Withdrawal of funding available to the council and to national sporting bodies to support community led sport.*
5. *That council assembly believes that despite these cuts it is vitally important that the council continues to ensure that young people in Southwark have access to sport and sporting opportunities.*
6. *That council assembly notes the focus of the debate as outlined to all councillors in advance:*
 - *Showcasing the talents and potential of young people in Southwark*
 - *What sport means to young people, and the capacity of sport to open pathways to broader opportunities and achievements*
 - *How different sectors and partners can work together at a time when budgets are tight to maximise provision and access to sport for young people.*
7. *That council assembly believes that securing future sporting opportunities in Southwark require the following questions to be discussed:*
 - *How can the council continue to ensure that young people have access to sport and sporting opportunities, with little direct funding, by working with the voluntary, community, educational and private sectors?*
 - *How can the council work to make sure that all resources available for sport, both facilities and available funding, are maximised across all departments and communities?*
 - *What are the most effective ways that the council can use its limited resources to encourage young people to get involved in sport?*
8. *That council assembly calls on the cabinet to note the content of the debate and points raised to feed into a review of the council's sports strategy which runs to 2013.*

Homes for Families

RESOLVED:

That the motion referred from council assembly as a recommendation to cabinet, set out below in italics be agreed.

1. *That council agrees that good quality housing can play an important role in shaping the future, health and well-being of young people in our borough.*
2. *That council therefore regrets the actions of the Tory Liberal Democrat government to threaten Southwark tenants security of tenure, cut Southwark's housing revenue account, halve the amount of decent homes funding Southwark is to receive, cap housing benefit and introduce rents of up to 80% of market value, making many properties unaffordable to people living in the borough – all of which will impact upon the future health, happiness and well-being of young people in our borough.*
3. *That council also regrets the failure of the previous Liberal Democrat administration to set out a coherent housing programme that addressed the needs of people in Southwark and was based on spending money that was not available to the council at the time.*
4. *That council welcomes the current administration's pledges to; make every council home warm, dry and safe by 2014/15, and believes the new housing investment programme will help to secure a better future for our young people by bringing every Southwark home up to a decent standard, by letting tenants know when they can expect improvements and by being based on funding available to the council to ensure that it is actually delivered unlike the previous Liberal Democrat administration's disastrous programme.*

Southwark's Housing Investment Programme

RESOLVED:

That the motion referred from council assembly as a recommendation to cabinet, set out below in italics be agreed.

1. *That council assembly welcomes the council's key pledge to make every home in Southwark warm, dry and safe by 2014-2015.*
2. *That council assembly also welcomes the council's proposed new housing investment programme of major works to the value of £326.5m over the next 5 years which will ensure that the council's homes meet the government's decent homes standard and the reestablishment of a separate housing department.*
3. *That council assembly regrets the previous administration's wasteful and inefficient housing programme which created uncertainty among tenants and leaseholders about when their decent homes works would be done; was based on a commitment that could never be delivered within the funding available to the council and did not offer a solution for all of the council's housing stock or*

meet central government requirements.

4. *That council assembly also regrets that the Conservative/Liberal Democrat government has cut Southwark's housing revenue account by nearly £7 million this year, has only provided half the amount of decent homes funding that was bid for and that the allocation is back-ended in the final two years.*
5. *That council assembly notes that Southwark's housing revenue account will face a deficit as a result of Conservative/Liberal Democrat government cuts.*
6. *That council assembly calls on the cabinet and relevant cabinet members:*
 - a) *To ensure that all of the council's homes are made warm, dry and safe by 2014-15.*
 - b) *To develop a longer-term sustainable strategy for our housing stock.*
 - c) *To look at ways to maximise the level of resources available for investment, including savings through new major works contracts, limited disposal of voids, external funding sources and self-financing regeneration options.*

Protecting Southwark Park

RESOLVED:

That the motion referred from council assembly as a recommendation to cabinet, set out below in italics be agreed:

1. *That council assembly emphasises the significant environmental, social and community value of the green spaces in our borough.*
2. *That council assembly notes with regret and concern the suggestions over the last year for tunnels, holes and pipes in Southwark Park.*
3. *That council assembly and the cabinet clearly state to UK Power Networks that Southwark Park is not a suitable site for their proposals.*
4. *That councillors and the cabinet work with UK Power Networks to find an alternative brownfield site for their proposals.*

14. GATEWAY 2: CONTRACT AWARD APPROVAL - SUPPLY OF GAS TO SITES CONSUMING MORE THAN 25,000 THERMS

RESOLVED:

Decision of the Cabinet

1. That the award of the supply of gas to all sites consuming over 25,000 therms to LASER in the form of a tripartite agreement with Total Gas and Power using the Procurement Only Service Option (POSO) be approved. The estimated sum of

£7,120,840 for a period of four years (with effect from 1 October 2012) making a total contract value of £28,483,360. This includes management fees from LASER.

Decision of the Leader of the Council

2. That authority be delegated to the cabinet member for transport, environment and recycling, prior to, and throughout the duration of the contract (as detailed in the procurement project plan and timeline, paragraph 4 of the report) to;
 - approve the management option selected for the contract, and consider the flexibility to change the management option (detailed in paragraphs 25 – 32 of the report), and;
 - amend the purchasing solution (Purchase in Advance or Purchase within Period detailed in paragraph 8 of the report).

15. ENERGY AND CARBON REDUCTION STRATEGY

RESOLVED:

1. That the different drivers for carbon reduction in Southwark and the work undertaken to date including the green audits of the council be noted.
2. That the proposed interim carbon reduction targets set out in section 16 of the report be noted.
3. That the recommendations for further action set out in the body of the report and the carbon reduction action plan set out in Appendix One be approved.

16. OVERVIEW AND SCRUTINY COMMITTEE CALL-IN DECISION: PROCUREMENT STRATEGY AND PROCUREMENT AWARD OF LOCAL EDUCATION PARTNERSHIP TO DELIVER DESIGN WORK FOR THE ELEPHANT AND COUNCIL LEISURE CENTRE

Councillor Catherine Bowman, chair of the overview and scrutiny committee presented the report to cabinet.

RESOLVED:

1. That officers be instructed to consult with Sport England and England Squash and Racquetball regarding design solutions to re-provide the two squash courts in a multi-use sports facility at the new Elephant & Castle leisure centre.
2. Should this be impossible, that the option of providing an equivalent squash court provision elsewhere in the borough be seriously investigated.
3. That no later than the letting of the construction contract the cabinet satisfies itself that:
 - a "fixed price contract" as referred to in paragraph 24 of the report will be

entered into and

- the monitoring of "value for money" is genuinely robust and independent

17. AUTHORISATION OF DEBT WRITE-OFF OVER £50,000 FOR HEALTH AND COMMUNITY SERVICES

RESOLVED:

That agreement be given for the write-off of a £69,721.02 debt relating to 'Federation of Black and Asian Drug and Alcohol workers'.

18. 22 CHAMPION GROVE, SE5 AND 11 DESENFANS ROAD, LONDON SE21 - DISPOSAL OF FREEHOLD INTEREST

RESOLVED:

1. The head of property be authorised to dispose of the council's freehold interest in 22 Champion Grove, SE5 and 11 Desenfans Road, SE21 (the "Properties"), for a sum that in each case equates to the market value of the property.
2. That the earmarking of the capital receipts for the purposes of funding the housing investment programme be approved.

19. DISPOSAL OF 4 HEATON ROAD, LONDON SE15 3TH

RESOLVED:

1. That the disposal of the council's freehold interest in 4 Heaton Road, London SE15 3TH ("the Property"), as shown edged on the attached plan to the report, to London Mutual Credit Union ("LMCU") on terms set out in the accompanying closed agenda report be approved, subject to any further negotiations considered necessary by the head of property.
2. That should the sale not proceed to completion, the property be re-offered for sale on the open market on terms to be approved by the head of property for the best consideration that can reasonably be obtained.

20. AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - REVENUES AND BENEFITS

RESOLVED:

That approval be given for write off of the debt of £852,846.61 for 8 debts which are irrecoverable (the detail of one which was set out in the closed agenda.)

EXCLUSION OF PRESS AND PUBLIC**RESOLVED:**

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 1, 3 and 5 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution.

The following is a summary of the decisions taken in the closed section of the meeting.

21. MINUTES

The minutes of the closed section of the meeting held on 19 July 2011 were approved as a correct record and signed by the chair.

22. DISPOSAL OF 4 HEATON ROAD, LONDON SE15 3TH

The cabinet considered the closed information relating to this report. See item 19 for decision.

23. AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - REVENUES AND BENEFITS

The cabinet considered the closed information relating to this report. See item 20 for decision.

The meeting ended at 5.45pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, 28 SEPTEMBER 2011.

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.

Item No. 7.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		Housing Investment Programme – Confirmation of Five Year Programme and Update on the High Investment Need Estates Options Appraisal Project	
Ward(s) or groups affected:		All wards	
Cabinet Members:		Councillor Ian Wingfield, Deputy Leader of the Council and Cabinet Member for Housing Management and Councillor Fiona Colley, Cabinet Member of Regeneration and Corporate Strategy	

FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR HOUSING

It is a key priority of the council to make every home in Southwark warm, dry and safe by 2014-15. This report marks an important milestone in the achievement of that aim.

The previous Housing Investment Programme set unrealistic standards that could not be achieved within the resources of the Council. The huge funding gap of that programme unfairly raised expectations and resulted in tenants and leaseholders facing uncertainty as to when, what and how Decent Homes works would take place on their homes. Tenants and leaseholders were making regular complaints about the continually changing dates of the Housing Investment Programme and the lack of clear direction created winners and losers with some households benefiting from Decent Homes works while other blocks on the same estate were not. The net result in another 5 years of continuing with the same programme would have left Southwark with less homes meeting the Decent Homes standard overall. This was not a particularly desirable outcome.

As a council our priority for housing is clear: end this uncertainty by publishing a transparent programme detailing which estates/properties would have what works and when; ensure that the proposed programme covers the needs of our housing stock both in terms of our warm, dry and safe objective and our legal obligations as a landlord including lifts, roofs and communal security; and present a realistic and funded programme for the benefit of all of our residents living within the borough.

For the first time in Southwark we have prepared a Housing Investment Programme that covers a 5 year time span. This is more efficient in terms of asset management, planned preventative maintenance and for setting out a clear path in meeting the Government’s Decent Homes criteria and meeting our other statutory obligations as a landlord. It is also more helpful for residents. The programme will give tenants and leaseholders a clear view of when investment in their homes is planned to take place to deliver an acceptable standard to all within the limited resources available to us.

We have aimed to engage with residents in a more meaningful way and I am grateful for the role that they have played in developing the 5 year programme. A questionnaire was sent to every tenant and leaseholder seeking their views. Individual Residents

and Tenants' and Residents' Associations have assisted, as have Area Housing Forums, Tenants Council, Home Owner Council and their working parties.

At £326.5m (with the potential for further funding of tens of millions during the life span of the programme) ours is one of the most ambitious Housing Investment Programme in the country. However our investment has to be seen within the context of the reduced resources available to the Council. We only received half of the amount of Decent Homes funding we bid for from Government and the allocation spread over 4 years is back-ended in the final two years. Our tenants and leaseholders need that money now. They need to be assured that this money will be forthcoming as our Housing Investment Programme must be based on prudent financial planning and not on indicative funding or estimates. On top of this our Housing Revenue Account has been cut by nearly £7 million this year and next year the Government's subsidy regime will finish, and we will be totally dependant on the income we generate ourselves through rent, service charges, charges and sales. Officers have calculated that the Housing Revenue Account will face a deficit as a consequence. Already the largest item we have to pay each year accounting to nearly £85 million is debt charges, including depreciation. Although this will reduce under self-financing we must take action to control our level of debt repayments, at the same time as investing in our housing stock.

We are looking at ways to maximise the level of resources available for investment, including savings through new major works contracts, limited disposal of voids, external funding sources and self-financing regeneration options. We are confident that this will allow us not just to fund the Housing Investment Programme as stated but also allow us to bring forward many of the schemes scheduled to occur in the latter years of the programme.

I also want to highlight the progress in the option appraisal exercises at Abbeyfield Estate, Four Squares Estate and at Hawkstone Low Rise. Progress has not been as fast as we would have liked because we have followed the pace requested by the residents, but we resolved to keeping to the decision making timetable set out in this report. Again, I am grateful for the work put in by tenants and leaseholders in the Resident Steering Groups in place on each estate, and look forward to the point where we can reach clear and deliverable approaches for each estate.

As a Council, our Housing Investment programme is only one aspect of our housing strategy. We also must take a view about a longer-term sustainable strategy for our housing stock in a situation where due to Government policy adequate funding for our housing stock is bound to decline and financial incentives are likely to promote other options such as the transfer of a proportion of our stock to other social landlords. We give our firm commitment that it is not only our desire to preserve our housing stock in Council control but also to enhance it as far as possible.

I am therefore asking the cabinet, after consideration of the officers' report set out from paragraph 7 onwards to approve the recommendations below.

RECOMMENDATIONS

1. To note the outcome of the Stage 2 resident consultation on the draft Five Year Housing Investment Programme and to consider the feedback from the Area Housing Forums, Tenants Council, Home Owners Council and the Decent Homes Review working party on the proposals.

2. To note the advice from the government Department of Communities and Local Government that the £11m government backlog funding will be paid as a cash grant and to agree that officers will be requested to come forward with detailed proposals to allocate the £11m of additional resources. The grant is for social housing tenants only so any of the monies spent on communal repairs will be recharged to leaseholders. The resultant service charges could generate up to £4m of extra income should all the grant be spent on communal repairs.
3. To approve the Five Year Housing Investment Programme, revised in the light of the Stage 2 resident consultation, as set out in Appendix 1, and to instruct officers to proceed with the implementation of the Programme.
4. To note the impact of the Lands Tribunal decision on the deliverability of the programme; the risks associated with it, and the contingency arrangements in place to mitigate these risks.
5. That progress of the options appraisal project on Abbeyfield, Four Squares and Hawkstone estates be noted and the revised project plan outlined in paragraph 71 be agreed.
6. That the amendments to the option appraisal model's strategic fit objectives proposed in paragraph 75 be noted and agreed.

BACKGROUND INFORMATION

7. In December 2010, cabinet confirmed its commitment to making every home warm, dry and safe. Consultation arrangements were agreed to begin the process of engaging with residents on the strategy for housing investment in the borough over the next five years.
8. Consultation has been held in two stages, with an initial exercise covering the fundamental principles of a five year investment programme, the results of which were presented to cabinet in May 2011. This report set out the draft housing investment programme, designed to ensure that all of the council's homes would be invested in to meet the Government's Decent Homes Standard and make them warm, dry and safe through a minimum investment of £326.5m over the next five years.
9. The Stage Two consultation sought resident's views on the draft housing investment programme. The purpose of this report is to present the outcome of the further round of consultation and the outcome of this feedback which has been used to firm up a final housing investment programme for delivery over the next 5 years.
10. The 31 May 2011 report to cabinet also identified 6 high investment need estates, namely: Abbeyfield, Aylesbury, Brandon, Elmington, Four Squares and Hawkstone estates. Cabinet agreed that solutions were already in place for the Aylesbury, Brandon and Elmington estates and that officers should undertake options appraisals for the Abbeyfield, Four Squares and Hawkstone estates. Officers were asked to report back to cabinet in October 2011 with a preferred option. Cabinet also agreed that the options should be worked up in full consultation with residents and that an independent resident advisor be procured to ensure effective resident engagement.

Housing investment strategy

11. In July 2011 Council Assembly agreed a new Council Plan setting out ten promises to deliver the vision of a fairer future for all. Two key promises are:
 - To make every home warm, dry and safe; and
 - To bring the full benefits and opportunities of regeneration to all Southwark's residents and build new family homes on the Aylesbury Estate and at Elephant and Castle.
12. The five year programme is designed to ensure that all of the council's homes meet the Government's Decent Homes Standard and make them warm, dry and safe.
13. The key aspects of the council's housing investment strategy are:
 - To agree a minimum affordable standard based upon the known resources realistically available that will enable the council to bring all council homes up to the same agreed standard by March 2016
 - To ensure that all council homes which require investment benefit from the resources available
 - To agree the minimum budget envelope and to continue to work to bring in additional funding to bring schemes wherever possible in order to complete the programme more quickly and ahead of schedule
 - To develop a 30 year housing asset management plan which will be used to inform and shape future programmes
14. 5,500 council homes have become non decent this year, which reduces the decency figures from 70% to 56%, with 17,000 homes failing to meet the standard. This dramatic drop reflects both the age profile and the scale of the council's housing stock and reinforces the significance of the challenge that the council faces in meeting and retaining 100% of the council's housing stock as fully compliant with the government standard.
15. The council's stated intention is to make all council homes warm, dry and safe over the next 5 years. This delivery of this strategy will be underpinned by more robust contract management and improved arrangements for contract monitoring, including an annual progress report to cabinet, and this is set out in more detail from paragraph 45 onwards. The achievement of decency is in itself a moving target as every year homes fall out of decency; therefore, a long term strategy to tackle stock investment post 2015/16 is required to ensure that 100% decency is maintained and this will be co-ordinated through the development of a 30 year housing asset management plan.
16. The new warm, dry and safe programme incorporates all major works that will be required over the next 5 years to meet the council's housing landlord obligations and to achieve the government's decent homes standard.

17. The type of work that is typically covered by the programme may include work to:
- Roofs
 - Windows
 - The structure of the building
 - Electrics
 - Doors
 - Fire safety measures
18. It may also include some work to bathrooms and kitchens but only where this is needed due to poor condition.
19. The programme does not include full kitchen or bathroom replacements, unless on an exceptional basis, environmental improvements or block security works, such as door entry phones, with the exception of works to complete the security scheme at Four Squares, which is already partly completed. The inclusion of these types of works will be reviewed as part of future programmes and will be dependent upon the resources available at the time.
20. The programme has been put together based upon the following programme assumptions:
- Need – The housing stock condition survey told us which properties were in the worst condition and needed work most urgently
 - Affordability – We have looked at the total amount of money that we have available to spend in any one year to make sure that the funding is fairly distributed among those properties that are most in need
 - Practical considerations – For example, how blocks are grouped within the programme, taking account of the works that they need and their location
21. The five year programme forms part of a wider strategy to achieve this priority including the voids disposal strategy, hidden homes programme and high Investment needs estates. Three high investment needs estates are currently the subject of options appraisal work reported on below.
22. The housing investment strategy commits the council to delivering warm, dry and safe homes and reducing CO₂ emissions in its housing stock. Whilst the Government's Decent Homes Standard does not include a meaningful measure for thermal efficiency, the council has agreed a five year investment programme to make all homes warm, dry and safe by 2016. This includes roof renewal, insulation, window replacement and central heating upgrades.

Liaison with the Tenants Services Authority (TSA)

23. The Tenants Services Authority (TSA) requires social housing providers to consult with tenants about the services they would like delivered as local offers against the TSA's National Standard. This includes quality of accommodation and repairs and maintenance. The council is also required to consult the TSA and agree with them any extensions to the deadline for meeting the government's decent homes standard for all council homes. Discussions with the TSA are currently underway and the TSA has been fully briefed on the contents of this report. Initial feedback from the TSA has indicated that the TSA would prefer to see a programme which brings at least 85% of council homes up

to the government's decent homes standard by April 2015, which is the end of the current government spending round period. The council has responded to the TSA to indicate that the programme could be brought forward, however, this is dependent on the government confirming the backlog funding and making it available as a cash grant.

High investment need estates

24. In August 2010 the council's cabinet took a decision to rehouse the residents of Maydew House on Abbeyfield estate. Following investigations, it was shown that refurbishment works required to the block could not be undertaken with residents in occupation due to the design and composition of the block and major elements needing renewal. However, at that time, a decision was not taken on the future of the block or on the impact of any decision about its future on its neighbouring blocks, Thaxted Court and Damory House as well as the Bede Centre, which have physical links to Maydew House. Therefore, the objective of the options appraisal is to reach a preferred strategy for Maydew House and its neighbouring blocks; for this reason, it was agreed that the scope of the appraisal should exclude Bradley House on Abbeyfield estate.
25. On the Hawkstone estate, works have either been completed or are scheduled for the high-rise blocks (Addy House, Brydale House and John Kennedy House) but an appraisal of the 3 low-rise blocks (Canute Gardens, Jarman House and 22-88 (even) Rotherhithe Old Road) and in particular works to a pilot flat by the council's major works partnering contractor, Wates, concluded that works could not be done with residents in-situ. Therefore it was determined that the focus of the appraisal should be the three low rise blocks.
26. On the Four Squares (also known as New Place) estate, security works had been completed on New Place Square and Lockwood Square. The 31 May cabinet agreed that security works should be carried out on Marden Square and Layard Square. The scope of the options appraisal is the whole estate, and while the surveying work for the options appraisal will take account of the preparation for the security scheme, it will not interfere with the programme.

KEY ISSUES FOR CONSIDERATION

Housing Investment Programme Stage 2 consultation process

27. The Stage 2 consultation comprised a variety of methods of engagement and provided opportunities for groups and individual residents to raise issues concerning their own communities.
28. The consultation included a programme of meetings with Area Housing Forums, Tenants Council, Home Owner Council and their working parties. The Decent Homes Review Working Party was also given the opportunity to comment on the draft consultation material (primarily the presentation subsequently delivered to Area Housing Forums) as well as the detailed programme. The presentation (attached at Appendix 7) explained how the draft programme had been put together, based on need, affordability and practical considerations, the type of work being planned and not being planned, and the scope and method of delivery of the works.
29. The relevant details of the programme together with a Help Sheet and Explanation of Abbreviations were sent to the Chairs and Secretaries of all

Tenant and Residents' Associations (T&RAs) and Tenant Management Organisations together with a collective comment form for the group to return with their comments.

30. All tenants and home owners were sent a letter with their July rent or service charge statement alerting them to the consultation and explaining how they could participate. This included discussion with their T&RA and submission of a collective comment form, or completion of an individual comment form at their local Area Housing Office (where a full copy of the draft programme was made available to refer to), or completion of an online form. Residents could also email their comments directly to a dedicated mailbox at: warmdryandsafe@southwark.gov.uk. The online facility also enabled residents to search by address to find out the works planned for their block or estate and the proposed timetable for the work.
31. The draft programme did not include those properties already in the programme and approved by cabinet in May 2011. These were Hawkstone, Sceaux Gardens, St Saviours, Manor Phase 4, Consort, Rockingham (Ellington & Whitworth Houses), Cossall, Crystal Court, Camberwell street properties, Draper House, Elmington (Proctor/Brisbane/Flatman Houses), and Marchwood Close.

Results of the Housing Investment Programme Stage 2 consultations

Area Housing Forum comments

32. These are summarised in Appendix 3 which is attached and which includes all the responses from each forum.
33. The key findings from the Area Housing Forum consultation were:

Table 1: Area Housing Forum feedback

Feedback	Officer response
Area Forums raised many local queries regarding the inclusion or non inclusion of individual estates or blocks.	All of these queries were subject to further investigation and surveys, and, where necessary, the programme has been amended as a result.
That the planned preventative maintenance needs of the Aylesbury estate should be subject to further review and aligned with the revised regeneration plans for the area.	Agreed. This will be subject to further review.
Some forums felt that they would prefer for works to be carried out to kitchens rather than bathrooms.	Comments noted but not affordable at the current time. Work to kitchens will be reviewed as part of the development of a 30 year housing asset management plan.
Several forums highlighted the need for door entry systems and resources for communal decorations.	Comments noted but not affordable at the current time. This will be reviewed as part of the development of a 30 year

Feedback	Officer response
	housing asset management plan.
Forums strongly emphasised the importance of improved contract management, value for money, and quality of workmanship in the delivery of the programme.	Agreed and new arrangements are now in place for improved contract management.
Several forums asked whether the impact of potential cost inflation has been allowed for within the programme.	It was confirmed that price fluctuations are taken into account within the assumptions upon which the programme has been based.
Forums also requested further information on the criteria that would be used to agree boiler renewals.	It was confirmed that boilers will only be replaced where the annual inspection indicates that the appliance is no longer fit for purpose.
Several forums requested the housing stock condition survey results for their individual blocks or estates.	These were provided on request.
Several forums also indicated that they would have preferred to have had greater time to consult more widely with residents in their areas on the impact of the proposals.	Comments noted and will be taken into account in future consultation exercises.

Comments from tenants and residents associations & TMO

34. These are summarised in Appendix 4 which is attached and which includes all the responses from each T&RA and TMO that replied to the consultation. 24 TRAs and TMOs responded in total.
35. The key findings from the consultation with Tenants and Residents Associations and TMOs were:

Table 2: TRA and TMO feedback

Feedback	Officer response
Several forums and TRAs commented that blocks and estate designations in the draft programme were unfamiliar to them e.g. blocks showing against the wrong estate. In some cases this is explained by the council's management information being based on the original development rather than the current management arrangements or the grouping in terms of TRAs. This is particularly prevalent with the stock transferred to Southwark from	Although this does not create a risk of programming error because the programme and stock condition survey database is built up from individual unit information, with each property having a unique property reference in the database, it is recognised that information on the Council's property data base should tally with residents' perception of where they live and action is being taken to correct this on the

the GLC.	Council's property data base.
Some respondents expressed disappointment that kitchens were not included within the scope of the current works.	Comments noted but not affordable at the current time. Work to kitchens will be reviewed as part of the development of a 30 year housing asset management plan.
Many replies related to specific blocks.	In all cases, surveys were undertaken and the programme adjusted where necessary, with the respondents receiving written confirmation of the survey findings and any changes that were proposed to the 5 year programme as a result.
Some respondents highlighted the need for more external works and upgrades to internal communal areas.	Comments noted but not affordable at the current time. This will be reviewed as part of the development of a 30 year housing asset management plan.
Some leaseholders queried the inclusion of electrics within the programme.	It was confirmed that any electrical works included within the programme comprised internal rewiring to individual tenanted flats and did not include works to leaseholder properties.

Comments from individuals

36. These are summarised in Appendix 5. A total of 128 individual responses were received which included 154 comments.

37. The key findings from the consultation with individuals were:

Table 3: Individual feedback

Feedback	Officer response
The need for window works was the most frequently made comment Nearly one fifth of all responses mentioned windows.	Each individual query has been checked.
The second highest number of enquiries (12.3%) was received from Hawkstone residents.	It was clarified to residents in response to these enquiries that Hawkstone is included within the current programme, subject to the outcome of the options appraisal process.
The third highest number of responses (9% of responses) was about the need for better heating and or insulation.	All of these queries have also been individually checked and the programme amended, where necessary.
The fourth highest number of responses	Individual responses have been

Feedback	Officer response
(8.4%) was relating to requests for further information about how the programme had been prioritised and general queries about the housing stock condition survey.	provided.

Decent Homes Review Working Party comments - 24 August 2011

38. Table 4 summarises the key comments from the Decent Homes Review working party.

Table 4: Decent Homes Review Working Party feedback

Feedback	Officer response
The council should investigate the use of Community Payback and Princes Trust for external decorations for communal areas.	The council already uses the Community Payback scheme and will investigate other sources of external support for minor works to complement existing resources.
Medical and mobility needs should still be met via specific budgets set aside for specialist adaptation works.	Yes. This is agreed and these types of works are already covered under a separate budget and assessment process for housing aids and adaptations.
The final report to cabinet needs to show the carry over schemes in the programme which are not identified separately in the future WDS programme.	Yes. This is agreed and the report has been updated accordingly.
Adequate monitoring arrangements must be in place to ensure quality delivery on all contracts	Agreed. Please see paragraph 40 and onwards for further information about improved arrangements which have been put in place for contract management.
There must be an accurate measure of customer satisfaction for contracts.	Agreed. The head of major works will consult the Decent Homes Review working party on proposed measures to assess customer satisfaction with major works and customer satisfaction data will form part of all monitoring reports and will also be made publically available.
Specific co-ordination of any future regeneration schemes must be made alongside the WDS programme.	Agreed. The programme assumptions for the estates that are currently in the process of going through options appraisals are set out in detail in this report.

Tenant Council comments

39. Table 5 summarises the key comments from the Tenants Council.

Table 5: Tenant Council feedback

Feedback	Officer response
<p>That additional funding now available is used to provide double glazing to all homes, ensuring a reasonable level of thermal comfort.</p>	<p>This is not recommended as it is not the most economic method of renewing or replacing windows and may cause additional problems depending upon the construction of the dwelling, such as condensation and mould growth due to the effect of cold bridging.</p> <p>There is also no guarantee as yet regarding the possibility of the additional funding of £65m from government backlog funding, as this has not yet been confirmed. Additional funding via pooled contributions and commuted sums are still subject to finalising negotiations and development timetables and triggers.</p>
<p>That all income received from the sale of HRA assets are reinvested in the Decent Homes/Warm Dry Safe programme.</p>	<p>It is recommended that all income received from housing assets is reinvested in the housing investment programme for housing purposes but that this is kept under regular review and considered in line with wider council priorities.</p>
<p>That all additional funding received is used to supplement the existing £326 million budget to provide higher level /additional works.</p>	<p>The allocation of any additional funding is a cabinet and council assembly decision. The cabinet meeting which took place on the 31 May 2011 recommended that any additional funding should be used to bring forward work and to carry out schemes more quickly. A decision on how funding would be used would need to be made by cabinet at the time that any additional funding is received and in the light of the needs of the overall housing investment programme at that time.</p>
<p>Tenant Council is concerned about the low level of replacement of existing heating systems including radiators in the programme.</p>	<p>The proposed programme does include boiler and heating replacements where there is a proven need. No further adjustments to the programme are considered necessary but surveys will be carried out before any work takes place.</p>

Feedback	Officer response
<p>Tenant Council would like to see a comprehensive investigation into mould growth and condensation problems across the borough as part of the Decent Homes/Warm Dry Safe programme.</p>	<p>The head of major works will review this area in consultation with the head of repairs and compliance and prepare a report for the Decent Homes Review working party to consider.</p>

Home Owner Council comments

40. Table 6 summarises the key comments from the Homeowners Council.

Table 6: Home Owner Council feedback

Feedback	Officer response
<p>HOC Comments on the Investment Programme report.</p>	
<p>Please remove the statement in 13.1; that HOC was given the opportunity to comment on the draft report. It must be clear that HOC were not fully consulted with.</p> <p>At the HOC meeting 22/6/11 the council provided the consultation timetable, this showed the updated draft report to be completed 25-29/8/11 ready to be sent to TC members on 30/8/11 & HOC 1/9/11.</p> <p>In order to facilitate the council's timetable the Chair set the HOC meeting for 8/9/11.</p> <p>The report was not provided for the meeting 8/9/11, when we were told that the document that had been presented to TC should have been presented to HOC that night, but that it was far from finished and was undergoing a considerable re-write.</p> <p>Thus despite stating that we would have the opportunity to do so, HOC was not able to view and comment on the report prior to its presentation to cabinet.</p> <p>Thus we are only able to comment on the original draft 5 year programme, the updated 5 year programme provided</p>	<p>Officers have apologised for the late distribution of papers which was due to an administrative error. A copy of the final report has been forwarded to the Chairs of Homeowners Council and Tenants Council for information and any further feedback will be reported verbally at the cabinet meeting.</p>

Feedback	Officer response
after HOC on 8/9/11 and the almost unreadable spread sheet of changes to the programme that was presented at HOC on 8/9/11.	
Updated 5 year programme, App 1	
<p>The way the programme is formatted; separated up into WSD, Landlord Obligations, & things that cease to comply with DH in 2010 & those that cease to comply in 2011, made it much harder for the ordinary resident to understand the programme. This information may be important within the council, but such differentiation has little relevance to the residents who just want to know what you plan to do & when you plan to do it.</p> <p>The programme should have listed all works to be carried out, (no matter what heading they come under, WSD, DH, Landlords etc) and the year you plan to carry out the works, by all means then have a separate column that indicates the headings they come under, but make it simple.</p>	<p>The formatting was designed to provide maximum transparency by clearly separating the costs of meeting legal duties, our landlord obligations (such as fire safety and electrical works), from the budget available for other works where we have a degree of flexibility over extent and programming.</p> <p>When the draft version was published, a simplified document was produced for each Area, and was posted online for residents. Following cabinet approval, a similar version can be produced for wider circulation.</p>
<p>The programme is squarely aimed at enabling the Council to comply with the Decent Homes Standard for its tenanted properties, and thus prioritises internal works to tenanted properties, and thus communal works are a low priority, which will result in the continued deterioration of the blocks and thus the value of our homes.</p>	<p>In addition to meeting the council's legal obligations, the programme is aimed at meeting the Decent Homes Standard – this is a Government requirement with some of the council's funding dependant on compliance. However, the council's warm, dry and safe approach to meeting the standard is intended to ensure maximum benefit for all from the limited resources available.</p> <p>The programme seeks to protect the stock (including communal areas) from deterioration, for example through works to roofs and external wall finishes, but the limited resources available do not allow works to communal areas within this programme period.</p> <p>The highest priority works relate to windows and roofs, which will benefit tenants and leaseholders equally.</p>
We request that the council inform	Following detailed property inspections,

Feedback	Officer response
<p>home owners how much of the investment programme will be spent on their properties, when and where.</p>	<p>further information on the actual investment to properties will become available as individual schemes are developed and costed and progressed through the usual consultation arrangements.</p>
<p>The funding by Ward indicates a dramatic reduction in planned spend compared to the programme that was sent out to the Area Forums for consultation.</p> <p>It appears that there has been an attempt to hide this fact, in that the version dated 27/5/11 included 2011/12; the one dated 26/8/11 does not. Even taking this into account the planned spend from 2012-2016 has been reduced by over £119M.</p> <p>The figures show that the council plans to increase 2012/13 spend by approx £50k, the following years are reduced: 2013/14 by nearly £10M, 14/15 by nearly £6M, 15/16 by nearly £30M.</p>	<p>Funding by ward includes only the main Warm, Dry, Safe programme: it does not include the landlord obligations and other committed spending indicated in the 'Investment Programme – Overview' (page 3).</p> <p>The title of the page 'Funding by Ward (Non Landlord Obligations)' reflects this fact. Hence, there has not been a reduction in the planned spend.</p>
<p>Item 11 in the draft report, regarding Stage 2 consultation quotes a minimum of £326.5M investment over the next 5 years, please provide the over all figure for communal/external works over this period.</p>	<p>It is currently envisaged that over £110M of the total funding available will be spent on external or communal elements.</p>
<p>We would like Appendix 2 to indicate tenant only investment (ie internal) and communal investment separately, rather than combining them as at present.</p>	<p>The split is roughly calculated at round £216m internal, and £110m external/communal, although this is only an estimate at this stage.</p>
<p>App 6 appears to be further changes to the investment program dated 26/8/11.</p> <p>This indicates even greater reductions in planned spend.</p> <p>679 works are listed as being taken out of the programme, and 126 added.</p> <p>Those added tend to be lower value works than those taken out, e.g., Chimney & Roof Structure taken out,</p>	<p>The total spend will not be reduced. Where it is discovered that works are not required, the money will be used to bring forward other necessary works.</p> <p>Roof covering works are not of a lower value than roof structure works: roof covering entails renewal of the covering material, whereas roof structure may entail only repair works to the covering.</p>

Feedback	Officer response
Roof Covering added.	
<p>We are also concerned that Kitchen Replacements have been deleted from the investment programme; many of the tenants on our estates have very poor kitchens.</p>	<p>Whilst desirable, it is not necessary to replace kitchens to meet the Government's Decent Homes Standard and this approach will enable the limited resources available to be targeted on the council's priority of making every home warm, dry and safe and meet the standard.</p>
<p>We have a great concern about the number of TRAs & Forums that reported what seem to be major errors in the stock condition surveys. e.g. electrics listed for blocks that have been re-wired in recent years. Roofs on blocks which have recently been replaced.</p>	<p>Unfortunately, any stock condition survey based on a representative sample of properties has limitations, but is designed to provide the best indication of condition of the stock balanced against the cost of the survey. An ongoing programme of condition surveys by council surveyors is continuing to develop the accuracy of the information held in the stock condition database. Detailed pre-works inspections will be undertaken to specify the precise extent of the works required.</p>
<p>We are also concerned that works listed may be far less extensive than they would at first appear. When the actual stock condition reports are compared to the programme, one finds that: Where a block of 88 flats (63 tenanted) is listed for Electrics in the programme, in fact only 5 flats need an internal re-wire, NB where the tenants did not allow access when the block was recently re-wired.</p> <p>A block of 48 (32 tenanted) listed for HHSRS in the program, where only 2 flats actually failed due to insufficient room in kitchen, and the comments note that should the design of the block prevent suitable modification, then they will be deemed to comply anyway.</p> <p>A block with 10 tenanted flats listed for bathrooms in the programme, where only 4 actually failed, thus only 4 will be replaced.</p> <p>This leads us to conclude that there is a lot of smoke & mirrors, and that the programme has been constructed to make it look like the council have been able to carry out far more works than</p>	<p>The programme indicates what category/type of work is likely to be carried out at various locations over the coming years. The precise extent of any works will be specified following detailed pre-works inspections. Because of the limitations of the stock condition survey information (i.e. the information is based on a representative sample), works to individual blocks will be both under and over estimated in the programme. However, this is expected to balance out when the actual works are specified from pre-works inspections. If resources become available as a result of less works being required overall, this will enable further works in the programme to be brought forward.</p>

Feedback	Officer response
was actually the case.	
<p>We are also greatly concerned regarding the reliance on cloning of data in the stock condition reports.</p> <p>For one estate the covering email provided with the stock condition reports states that:</p> <p>Block A, 88 flats, 69 tenanted, 44 were surveyed but the data was cloned from 7 of the flats.</p> <p>Block B, 30 flats, 22 tenanted, 2 were surveyed & data cloned</p> <p>Block C, 24 flats, 13 tenanted, 1 surveyed & data cloned</p> <p>Block D, 12 flats, 6 tenanted, none surveyed, data cloned from the one on Block C.</p> <p>Block E, 14 flats, 10 tenanted, 5 surveyed, data cloned from these 5.</p> <p>Block F, 14 flats, 9 tenanted, none surveyed, data cloned from the one in Block C.</p> <p>Block G, 20 flats, 20 tenanted, none surveyed, data cloned from the one in Block C.</p> <p>Block H, 48 flats, 32 tenanted, 6 surveyed, data cloned from these 6.</p> <p>Further evidence that cloning of data is not acceptable, Block G suffers from damp & mould in the winter (which the tenants have reported many times) yet because the one flat surveyed in Block C does not, Block G is deemed to have no flats suffering from mould & damp.</p>	<p>It is not feasible to carry out a stock condition survey on every single property within the housing stock due to the cost and time involved in completing a 100% survey. Putting together a programme of planned works from a stock condition survey based on a representative sample of properties, with the results carefully cloned across to similar unsurveyed properties, is the only viable option available to the council: however, the limitations of the method are recognised. This is why an ongoing programme of condition surveys undertaken by an in-house team of council surveyors is continuing to improve the accuracy of the information held in the stock condition database by replacing cloned data with real survey data. The five-year programme will be refined as a result of these ongoing surveys, together with information obtained from other sources such as responsive repairs, and as a result of consultation responses. The final specifications of works are based on actual property inspections.</p>
<p>We note that many questions raised during the consultation have not been answered, eg of the 3 blocks on Adams Gardens, only two are listed to have bathrooms, why not the third?</p>	<p>All issues raised during the consultation are being investigated and addressed. As already stated, the final specifications of works would be based on actual property inspections, and therefore all relevant blocks included in a future major works scheme would be checked for decent homes compliance prior to works being undertaken.</p>
<p>On page 10 of App 7, the power point presentation, you plan to provide a quarterly progress report to Cabinet,</p>	<p>Agreed</p>

Feedback	Officer response
TC & HOC. This report should also be sent to the Area Housing Forums.	

41. The Liberal Democrat Group set out their response to the consultation in a letter to the Strategic Director of Housing dated 5 October 2011. The key comments of the Liberal Democrat Group are summarised in table 7:

Table 7 Liberal Democrat Group feedback

Feedback	Officer response
Liberal Democrat Comments	
<p>Consultation and data integrity – the response expressed concern regarding the inaccuracies in the naming of estates</p>	<p>The consultation process which formally ended on the 10th August 2011 has taken views from the following:</p> <ul style="list-style-type: none"> • Individual tenants and leaseholders • Home Owner Council • Tenants Council • Area Forums • Decent Homes Working Party • Tenants and Residents Associations <p>It is recognised that historic information on the council's property database should tally with residents' perception of where they live and action is being taken to correct this. To ensure that this is addressed immediately and since the consultation was carried out, a thorough review of the estate, block and ward information has been carried out by officers and the amended schedules are included in the appendices to the cabinet report.</p> <p>In addition, wherever possible, requests have been accommodated for officers to examine the database with individual councillors. Officers have welcomed the local knowledge of Ward Councillors, tenants and leaseholders to help us refine inaccuracies within the database</p>
<p>The Strategy has ignored residents – the response felt residents' priorities had been ignored and that the previous higher decent homes standard would result in higher standards for residents</p>	<p>The letter points out that the strategy has ignored residents because 40% of residents favoured kitchens to be included in decent homes work. The programme is based on the best use of</p>

<p>over a longer period of time.</p>	<p>resources to comply with the warm, dry and safe standard agreed by cabinet in May 2011. This decision reflected the anticipated level of resources that would be available for the programme and the need to target those resources in line with the council's priority of making all of its homes warm, dry and safe. Heating and window replacement were a higher priority for residents with 66% in favour of heating and 42% for windows and these have been prioritised within the programme.</p> <p>The council is required to meet the government's decent homes standard and the warm, dry and safe programme delivers this for all homes that require work within a reasonable period of time and with the resources available.</p>
<p>Use of Decent Homes Funding – the response questions why the report does not refer to the full £77m allocation of backlog funding.</p>	<p>It has always been clear that the government's Decent Homes backlog funding is outlined only for years 3 and 4. The council is awaiting confirmation from the TSA of the allocations for future years. Officers have recently been in dialogue with them regarding when we can expect to receive confirmation that the allocation is a cash grant and whether they are willing to bring forward funding. The cabinet report clearly states that £11m of the total £77m backlog allocation has been confirmed as a cash grant.</p>
<p>Concerns over Stock Transfer</p>	<p>Within the five year programme there is no provision or reliance to fund warm, dry, and safe with stock transfer. On the estates where option appraisals are currently being carried out in consultation with residents, programmes of works for those estates such as the one mentioned at Abbeyfield Estate have been included in the programme. These will remain in the programme until a decision on the future of these estates has been agreed by cabinet.</p>
<p>Concern over the selling of council housing</p>	<p>Void disposals are only used to generate resources for the housing investment programme. In recent years, approximately 25% of the housing investment programme has been funded by housing disposals, including voids.</p>

	<p>Voids disposals are monitored to ensure there is no geographical bias. Obviously there is a conflict between selling a higher number overall or fewer higher value properties. To address this, the forthcoming 30 year Asset Management Strategy will look at the whole issue of disposals, demand and investment needs.</p>
<p>Definition of Warm, Dry and Safe – the response questions whether damp prevention, electrics, fire safety, CCTV and external doors are included in the warm, dry, safe definition</p>	<p>The warm, dry and safe definition was agreed by cabinet as a description to cover both the government’s decent home standard and the council’s landlord obligations. Damp prevention is included in the investment strategy and would be dealt with by proposed works to the structure and exterior of properties. The investment programme also includes rewiring to properties and substantial fire risk assessment works, which will include external doors. Upgrading and adaptation of existing CCTV systems has been programmed and is being carried out by the council’s community safety team and ongoing maintenance will be picked up the repairs and compliance division of the housing department.</p>
<p>Prioritisation of estates – the response questions why some estates and properties are not included in the programme</p>	<p>Reference was made to the prioritisation of estates and the fact that some estates are not scheduled to have any works carried out at all, or until later in the programme. The programme is based on need. Stock condition surveys are continually refreshed and therefore are not documents that can easily be published, however we will be presenting the warm, dry and safe programme to the area housing forums so that the information is entirely open and transparent.</p>
<p>Energy efficiency – the response notes that insulation and energy efficiency are important in reducing residents’ fuel bills</p>	<p>The provision of new windows, re-roofing including the provision of insulation together with cavity wall insulation where required, continuing investment in our communal heating systems, more energy efficient individual boilers and new ventures in new forms of community heating schemes will help to reduce the impact of higher fuel bills for residents.</p>
<p>Specific Estates and Street Properties</p>	<p>All of these queries will be subject</p>

queries – the response made a number of queries about individual estates and properties	to further investigation and surveys. A full response to each query has been made by the strategic director of housing to the Liberal Democrat spokesperson for Housing Investment.
---	---

Changes to five year investment programme

42. The revised draft programme report is attached as Appendix 1. Following consultation with residents, further surveys and inspections were carried out and as a result of this, changes were made to the scope of works as identified in Appendix 6. Appendix 1 has been checked for accuracy using data direct from the master housing list in the Council's I-World system, and in addition from knowledge and local intelligence within the asset management team and staff in other departments. Data will continue to be updated as stock condition surveys are carried out and cloned data will be revised and adjustments to works made accordingly.
43. The scope of works excludes kitchens and other environmental works because these works are not affordable at the current time; this will, however, be reviewed if additional resources become available and will also be considered as part of the development of the 30 year housing asset management plan.
44. The majority of these programme adjustments were made following further investigations to properties which indicated that these properties did not require work as this work had in fact already been carried out, and this included both internal and external works of all types across the borough.
45. This has meant that, with the changes, some resources can be reallocated and this has enabled the programme to bring forward works in 2012/13 and include additional contingency resources in the programme in 2015/16.

Five-year investment programme delivery

46. Key to the successful delivery of the programme will be to ensure that the project teams within the major works division responsible for the delivery of projects are given clear milestones and targets to work to and provided with streamlined procedures within proper delegated authorities to enable them to deliver.
47. The new head of major works will be responsible for the delivery of the programme. Progress against targets will be monitored by the strategic director of housing on a monthly basis through the major works monitoring group. There will also be regular progress reports four times a year to the Tenants Council and the Homeowners Council and the Cabinet Member for Housing Management. The progress reports will include information on the budget, the timing of the programme, customer satisfaction, and recommendations on any changes that need to be made.
48. There will also be an annual review of the whole of the programme which will be reported to cabinet as part of the council's overall performance monitoring process. The certainty that is provided within a five year investment programme means that we will be able to work projects up at risk with greater certainty and plan the programme to ensure there is no slippage.

49. In the current economic climate the provision of a five year £326m programme gives us greater power to demand an excellent service from those working in partnership with us to deliver the programme. We will put in place robust performance monitoring processes with our contractors and technical advisors including our own in-house teams who will be scrutinised and benchmarked against their external competitors.
50. A key element of the council's strategy for delivering this programme of works is through the council's partnering contracts. However, as the council could not comply fully with the requirements of section 20 of the Landlord and Tenant Act 1985 (as amended) an application was made to the Leasehold Valuation Tribunal for a partial dispensation of the statutory consultation process. The application was refused, and the council appealed this decision to the Upper Tribunal. The Upper Tribunal agreed to hear the appeal by granting permission to appeal, and a hearing date has been set for 17 and 18 October 2011. It is possible that judgement will be given immediately after the hearing, but it is more likely that it will be reserved, in which case it should be delivered within three months of the hearing in accordance with standard court procedures.
51. The decision from the Lands Tribunal is a key risk in kick-starting the programme however if we were not successful officers are confident that we would still be able to achieve delivery of the programme by use of other more conventional methods of procurement. To some extent a balance between conventional tendering and partnering can give useful benchmarks on price and does focus partners' performance when added competition is brought into the equation. A verbal update will be given at the cabinet meeting on the progress of the appeal.
52. In terms of overall programme deliverability, this effectively means that, if the council receives the dispensation, the programme can be initiated but is unlikely to step up significantly until 2013/14 due to the length of time that is required to mobilise the contracts for the start on site of the work. In the event that the Land Tribunal decision is negative, and the council is then unable to rely on the use of its partnering contracts for these works, the council would initially have to use conventional small scale procurement to progress the programme as an interim measure, while a further procurement strategy is developed and a new full scale major works procurement takes place. Other contingency arrangements would also include the use of existing framework agreements for internal works, where statutory consultation with leaseholders is not required, to enable the necessary works to be carried out quickly.
53. Tenants and leaseholders satisfaction will be a key benchmark when reviewing the delivery of the programme and performance of our partners in providing a quality, timely and cost efficient service. We will monitor residents' satisfaction as well as delivery and cost. Recent service enhancements, such as the introduction of the major works review group, which is a resident service improvement group for the major works programme, will also help us to promote service excellence based on customer feedback.
54. The management of the delivery of the programme is underpinned by a robust risk assessment. The substantive risks to the programme are essentially around deliverability of programme, including the risk of a negative decision at the Lands Tribunal making the partnering contracts inoperable; failing to put in place a framework of robust contract management that delivers both value for money and high levels of resident satisfaction; funding risks around the availability of government backlog funding; and regulatory risks in connection with compliance

with requirements of the Tenant Services Authority.

55. The key risks are:

- Capacity to deliver the new major works programme; this is mitigated by improved contract management, regular and robust monitoring and accountability.
- Poor customer satisfaction resulting from weak contract management; this is mitigated by the new major works division which is now in place with regular and transparent performance monitoring arrangements.
- Negative decision from the Lands Tribunal; this is mitigated by a well evidenced and prepared case based on advice from leading Counsel to support the council's approach.
- Remaining backlog funding not confirmed or confirmed as borrowing; this is mitigated by the programme not being wholly reliant on backlog funding and opportunities for additional sources of income.
- TSA does not approve the strategy and agree an extension to the government deadline to 2016; this is mitigated by regular engagement with the TSA, well evidenced and clear proposals; and the fact that the initial feedback from the TSA has been highly supportive of the council's proposed approach.

56. For all risks, all necessary action has been taken to reduce the risks to the lowest level possible.

Development of a 30 year housing asset management plan

57. Following on from this report, the new head of major works will come back to cabinet with detailed proposals to develop and agree a 30 year housing asset management plan. The housing asset management plan will provide an integrated approach to capital and revenue investment planning; for example, through the introduction of shared supply chains between the major works partners and responsive repairs contractors.

High Investment need estates (HINE) options appraisals

58. The 5 year programme includes warm, dry and safe works to the homes on Abbeyfield, Hawkstone and Four Squares estates, which are subject to the outcome of the options appraisals that are currently underway.

59. Resident Steering Groups (RSGs) comprising tenants and leaseholders from the affected blocks have been established on the 3 estates. A methodology was established to work through all 3 of the appraisals simultaneously in time for the report back to cabinet in October. This was based on a standardisation of processes, consultant appointment etc and combining some of the resident consultation work. It soon became clear that residents had difficulty with this approach. RSG members expressed concern that they were not being given enough time to consider information, that insufficient information was available at the right time and, as such, their views were not being taken on board.

60. In response the initial consultation period was extended to allow individualised surveys and information events.

61. Open Communities have been appointed independent resident advisor for the

project. They have appointed an advisor to each of the estate and are fully engaged with the RSGs. Their appointment was also delayed by a week to accommodate a request from resident panel members to interview the tenderers.

62. Procurement of building surveying and architecture advisors has commenced. It is proposed that there will be separate appointments for building surveyors, to provide data for refurbishment elements, and architects to work on land capacity elements. The cost consultancy role will also be a separate appointment. Again representatives from the RSGs will be participating in the procurement process. It will be an important aspect of the commissions that the consultants will be required to review information that already exists, to make the best use of previous council surveys and records, and also local knowledge.

Abbeyfield estate

63. Some Abbeyfield RSG representatives, particularly those residing in Maydew House, have expressed concerns that the building-condition study and costings, which informed the Maydew cabinet decision in August 2010 did not go far enough. It is accepted that in assessing the refurbishment requirements of the block, that a sufficient number of properties are surveyed as part of the current exercise to provide as complete an assessment as is reasonably possible. This is in part to allay those residents' concerns, and in order to facilitate this, every effort will be made to ensure that residents are able to interrogate, with their independent advisor, the methodology and information that emerges from the building-condition study. The reliability of the condition information and costings will also help to ensure that any valuation work is robust. This will mean that for the Abbeyfield estate the technical aspects of the options appraisal and the requisite consultation with tenants and homeowners may be more resource and time intensive.
64. The works to the Abbeyfield estate are currently programmed for 2015/16.

Hawkstone estate

65. On Hawkstone estate, the council has instructed Wates to carry out two pilots in the Jarman House and Rotherhithe Old Road blocks to determine whether it is possible to safely carry out replacement of windows with residents' in-situ. Wates will monitor levels of asbestos within the flats throughout this process to ensure that carrying out these works would not pose a risk to residents. The outcome of the pilot, which will be reported by mid-October, will provide key information that will need to be incorporated into the options considered for the Hawkstone low rise blocks including whether works can be carried out with residents in occupation and the cost of carrying out those works.
66. The Hawkstone low rise works are provisionally programmed in for a start in 2012/13 as part of the current programme, however, the estimated cost of works is likely to be higher than the budgeted allocation in 2012/13. Therefore, in addition to this, and subject to the outcome of the housing options appraisal, a further £7m has been allowed for within the programme for 2015/16 which is the earliest date that additional resources are available for this purpose. This will be subject to further consideration by cabinet when the Hawkstone housing options review report is presented.

Four Squares estate

67. Generally, the council has undertaken not to explore options for their own sake, but stand little chance of being deliverable. On that basis the Four Squares appraisal will not consider demolition options because the initial costs and rehousing capacity render redevelopment impractical. Rather, the options have been limited to a Decent Homes refurbishment option against an enhanced refurbishment option with funding for example from infill development.
68. The Four Squares security works are programmed for 2012/13 and the warm, dry and safe works that had been scheduled for Four Squares have been brought forward from 2013/14 to start in 2012/13 to take place at the same time as the security work.
69. The final timing for all of these works is subject to the options appraisals.

HINE options appraisal timetable and approach alterations

Timetable

70. The architect and building surveyor procurements have, therefore, been delayed to enable greater resident involvement and to realign the appraisal with works to the pilot flats on Hawkstone. However, given the work already undertaken by Wates at Hawkstone, there is an opportunity to move ahead slightly more quickly, and a separate procurement exercise is being undertaken for the estate with a view to submitting a preferred option report to cabinet in December 2011.
71. The resulting project slippage is shown in table 8.

Table 8: Current project plan

Project Deliverables	Project Deadline	Date Achieved	Slippage (days)
Establish Resident Steering Groups	30/06/11	11/07/11	8
Appoint Independent Resident Advisor	08/08/11	15/08/11	6
Conduct initial residents consultation	30/07/11	30/9/11	45
Appoint option appraisal consultants	03/08/11	Awaited	
Appraise options	26/08/11	Awaited	
Consult on preferred options	09/09/11	Awaited	
Final Draft to Cabinet	07/10/11	Awaited	
October Cabinet meeting	18/10/11	Awaited	

72. Copies of the revised project plans for Hawkstone estate and Abbeyfield and Four Squares estates are attached in Appendix 8.1 and 8.2. It allows for greater RSG involvement in procuring and carrying out the building condition and land capacity studies as well as an extended period for consultation on the preferred option. As a result the preferred option report for Hawkstone is proposed to go to cabinet in December 2011 and the Abbeyfield and Four Squares reports are proposed to go to cabinet in January 2012. A summary of the revised plan is shown in table 9.

Table 9: Revised project plan

Project Deliverables	Start	End
Hawkstone Estate		
Appoint option appraisal consultants	12/09/11	11/10/11
Appraise options	12/11/11	11/11/11
Consult on preferred option	14/11/11	23/11/11
Report preferred options to Cabinet	11/11/11	29/11/11
December Cabinet	13/12/11	13/12/11
Abbeyfield and Four Squares Estate		
Appoint option appraisal consultants	12/09/11	4/11/11
Appraise options	19/09/11	15/12/11
Consult on preferred options	20/12/11	02/01/12
Report preferred options to cabinet	09/12/11	11/01/12
January Cabinet	24/01/12	24/01/12

Project decision making

73. In order to meet the project deliverable within the proposed timeline whilst allowing for effective resident involvement and transparency, a structured and resourced project delivery board will be established. The process to-date has been based on the project timetable and deliverables set in the May 2011 cabinet decision, which have been subject to some slippage.

Assessing strategic fit

74. The option appraisal model has 3 assessment criteria: strategic fit, net present value and risks. The strategic fit assessment is based on the objectives set in 2006/10 Corporate Plan. In July 2011, the Corporate Plan was replaced by the Council Plan, including the objective to deliver the first three years of our five year plan to make every council home warm, dry and safe.
75. Therefore, the strategic fit criterion needs to be updated to reflect the council's revised corporate priorities. The Council Plan strongly focuses on transparency and greater resident involvement in decision making. This is not currently reflected in the existing strategic fit assessment. Also, as residents are playing a greater role in the process; it would be useful to assess the degree of resident support for the options being considered.
76. In order to align the Strategic Fit assessment with the Council Plan, the following strategic fit criteria and weighting are proposed:

Table 10: Strategic fit criteria

Criteria	Weighting
1.0 Working with communities to come up with innovative solutions to local issues	
1.1 Aligns with the top priorities of local residents and stakeholders	12.50%
1.2 Addresses local issues and aspirations as defined by local residents and stakeholders	12.50%
1.3 Improves or fosters community cohesion	2.00%
1.4 Empowers the community to deliver where they are better able to do so	2.00%

Criteria		Weighting
2.0	Creating a Fairer Borough	
2.1	Creates an environment which provides opportunities to all Southwark's residents, businesses and organisations to engage fully in the community	5.00%
2.2	Brings the full benefits and opportunities of regeneration, such as employment, training and education, to all local residents	5.00%
2.3	Is a long term solution that is sustainable for future generations	5.00%
3.0	Making Southwark a place to be proud of	
3.1	Addresses quality of life issues such as anti-social behaviour, environmental improvement and access to shops and services	5.00%
3.2	Doubles recycling rates from 20percent to 40percent by 2014	5.00%
3.3	Improves public realm - e.g. helps keep streets clean	5.00%
3.4	Enables residents to live in homes that are warm, dry and safe by end of 5 year plan	5.00%
4.0	Realising potential	
4.1	Improves or creates better physical and social connections for local people to opportunities in Greater London	5.00%
4.2	Ensures residents are adequately housed	10.00%
4.3	Makes the borough a safer place so that individuals and families can flourish	5.00%
4.4	Encourages healthy lifestyles among individuals and families by having quality parks, open spaces and leisure services	5.00%
4.5	Encourages educational attainment and social mobility	5.00%
5.0	Transforming public services	
5.1	Promotes sharing services within the council and with other councils and local organisations where appropriate	2.00%
5.2	Takes a broader approach to tackling complex problems that individuals and families face in their everyday lives	2.00%
5.3	Improves our customer service (e.g. with more online services)	2.00%
Total		100.00%

HINE options appraisal consultation

77. In addition to regular engagement of the RSGs, an initial consultation survey was undertaken on the 3 estates to ensure the views and circumstances of residents were considered at the outset of the appraisal process.

78. There were 154 respondents to the Four Squares survey, which was developed with the RSG. A summary of the responses, which represent 22% of questionnaires sent out, is shown in table 11. A copy of the survey and the responses are shown in Appendix 9.1.

Table 11: Four Squares survey responses

Survey Questions	No. of Responses	Agree (%)	Disagree (%)	Unsure (%)
1 I would like my block refurbished to the Government's Decent Homes standard	144	81%	11%	8%
2 I would support redevelopment of open space if the money raised could be used for additional refurbishment	117	44%	27%	29%

Survey Questions		No. of Responses	Agree (%)	Disagree (%)	Unsure (%)
	on the estate.				
3	I am keen to see refurbishment of the estate subject to reasonable recharge costs. (LEASEHOLDERS ONLY).	54	69%	28%	4%
4	If the council had further resources to investment beyond the Government's Decent Homes Standard. My priorities would be:				
	a - Kitchen			3 (75 expressions)	
	b - Bathroom/WC's			2 (76 expressions)	
	c - Estate gardening/landscaping			5 (23 expressions)	
	d Security			1 (101 expressions)	
	e - Communal decorations			4 (54 expressions)	
	f & g - Communal other & any other	Windows		12 expressions	
		Lifts		4 expressions	
		Doors		3 expressions	
		Walk-ways and Balconies		3 expressions	
5	I would like the council to keep or improve the following area:	No. of Responses	Keep (%)	Improve (%)	Unsure (%)
	a – garages	98	51%	35%	14%
	b – open spaces	103	56%	35%	9%
	c – play areas	94	51%	34%	15%

79. The Hawkstone survey had two parts. The first were questions developed by the RSG and second part were questions from the council. The survey was distributed solely to residents in the low-rise blocks and was accompanied by separate letters from the RSG and the council. A total of 117 surveys were sent out. There were 34 respondents to the survey, a response rate of 29%. Although the response rate is reasonable for this type of survey, care should be exercised when looking at the findings as the numbers of respondents involved is small. A summary of the response is shown in table 11; more detailed processing is currently in progress.

Table 12: Hawkstone survey responses

Survey Questions		No. of Responses	Agree (%)	Disagree (%)
Part 1: Questions from the RSG				
1a	Would you prefer your block to be refurbished? – Canute Gardens	13	92%	8%
1b	Would you prefer your block to be refurbished? – Jarman House	10	70%	30%
1c	Would you prefer your block to be refurbished? – Rotherhithe Old Road	8	88%	12%
2a	Do you want a full refurbishment?	28	46%	54%

2b	Or do you just want new windows?	19	79%	21%	
2c	Or do you want your electrics updated?	17	59%	41%	
3	Does your property have mould/condensation problems?	28	61%	39%	
5a	Would you prefer your block to be demolished? – Canute Gardens	9		100%	
5b	Would you prefer your block to be demolished? – Jarman House	10	10%	90%	
5c	Would you prefer your block to be demolished? – Rotherhithe Old Road	10	30%	70%	
6	Would you consider a mixed solution?	29	41%	59%	
7	Do you want to stay a council tenant?	28	100%		
8	Would you give up your secure tenancy?	26		100%	
9	Would you like to take the opportunity to downsize?	30	20%	80%	
10	Would you be happy with a like for like resettlement?	27	48%	52%	
11 a	Do you want to remain in Rotherhithe as a council tenant	27	96%	4%	
11 b	Do you want to remain in Rotherhithe as a Private/Housing Trust tenant	9	44%	56%	
of					
		No. responses	Agree (%)	Disagree (%)	Unsure (%)
Part 2: Questions from the Council					
1	I would rather have my block refurbished to the Government's Decent Homes standard than have it sold and/or redeveloped	26	81%	12%	8%
2	I would prefer to be permanently rehoused (SECURE TENANTS) or bought-back (LEASEHOLDERS) than be refurbished.	22	27%	59%	14%
3	If I had to move, I would prefer to remain a council tenant. (SECURE TENANTS ONLY)	26	100%		
4	If I had to move, I would prefer an opportunity to part-own a housing association property rather than have to buy a new home on the open market. (LEASEHOLDERS ONLY)	14	14%	64%	21%
5	If I had to move, I would prefer to remain in the Bermondsey and Rotherhithe area rather than move elsewhere in Southwark	25	84%	4%	12%
6	I am worried that there are not enough of the right type of homes in Southwark to rehouse my household (SECURE TENANTS) or for me to remain an owner occupier (LEASEHOLDERS).	25	76%	8%	16%
7	I believe there is a high level of crime and	24	29%	42%	29%

a	anti-social behaviour in my block and its surrounding area				
7 b	I believe there is limited availability of services (like GP surgeries and community facilities) and shops	25	20%	76%	4%
7 c	I believe there is a lack of employment and training opportunities within Bermondsey and Rotherhithe	25	40%	32%	28%
7 d	I believe there is a high level of redevelopment happening in the Bermondsey and Rotherhithe area	24	71%	13%	17%

80. A two-part survey approach was also agreed with the Abbeyfield RSG. A copy of the survey is shown in Appendix 9.2. At the time of writing the survey has not been despatched because of a heating failure in the blocks which the RSG felt would bias responses. It is hoped that that the survey can be completed and responses processed in time to enable summary findings to be provided for the cabinet meeting.

81. Once preferred options have been devised, residents will be consulted again.

Policy implications

82. The authority delegated to the proposed HINE options appraisal project delivery board would be limited to setting and approving changes to project deliverables, scope, methodology and resources. The decision making on the preferred option would remain with the Cabinet. As such the proposal has no adverse constitutional or policy implications.

83. The proposed changes to the strategic fit assessment in the council's options appraisal model will align it with the fairer future promises and key supporting portfolio objectives and targets for delivery expressed in the Council Plan.

Community impact statement

84. A full equalities impact assessment has been carried out for the Housing Investment Programme which is set out in this report and is available on request. The programme will have a positive impact on all groups by delivering warm, dry and safe homes to all in council homes regardless of their age, disability, faith/religion, gender, race and ethnicity and sexual orientation. Southwark's Housing Requirements Study 2008 found that certain types of households are over-represented in the borough's social housing, e.g. lone parents and pensioner households. Of pensioner households, for example, 69.1% live in social rented housing. The study also found that 40% of council renters contain at least one person with a health problem. The study found that disadvantaged groups overall are more likely to be living in social housing- for example certain BME groups. For these groups the positive impact of the programme will be even greater.

85. There is increasing evidence of a link between poor housing conditions and ill health. The proposals in this report to make homes warm and dry are likely to have health benefits for tenants and residents.

86. Replacing single glazed windows with double-glazing and replacing older, less energy efficient heating systems, increasing the thermal efficiency of council homes will have benefits for all residents in the borough, through reducing carbon emissions.
87. Providing better thermal insulation, improving communal systems etc will be a priority item which will benefit all communities. The Housing Needs Survey 2003 found that certain ethnic groups were over represented in homes with poorer thermal comfort ratings. Furthermore groups on fixed incomes, e.g. pensioners, people on benefits and other groups suffering from fuel poverty will also benefit from more energy efficient homes.
88. The overall effect of the programme will be to promote equality by ensuring some of the most disadvantage groups living in the council's properties are given warm, dry and safe homes. This will not only have a positive impact on all the communities living in those homes but the wider community as it will address some of the imbalance in living conditions in the borough.
89. Demolition of council housing in poor condition, as is being considered in the options appraisals for Abbeyfield and Hawkstone, may have an effect on established communities but all communities having warm dry safe works done to their homes will benefit overall from eliminating non-decent homes.
90. Tenants, leaseholders and non-resident leaseholders are the main stakeholders in the options appraisal process and are represented on the RSGs.
91. In addition to residents of the estates, the outcome of the appraisal may also impact commercial licensees, non-residents who rely on the goods and services provided by the licensees, rent garages on the estate or use the play facilities. Depending on the outcome of the appraisal these stakeholders may need to be consulted.
92. On Abbeyfield estate, the outcome may also impact on the option-to-return for Maydew residents that have been rehoused. These stakeholders have been contacted regarding the appraisal.
93. Where redevelopment is the outcome of any of the option appraisals, consultation on design and development proposals will happen via the planning process.

Resource implications

94. The Housing Investment Programme (HIP) seeks to ensure that investment in the housing stock is targeted in line with the council's priorities, such as making all homes warm dry and safe, and its other obligations as a landlord. It is planned around the level of resources estimated to be available for the coming years. These include a number of different funding streams, which have varying degrees of certainty, making it essential that the programme has flexibility to respond to changing circumstances. The estimated resources and allocations have been refreshed following confirmation of the 2010/11 year end position, and included in the revised Five Year Programme at Appendix 2.
95. Please note the overall figure of £326m for the Warm, safe and dry programme, currently excludes the £11m of additional government backlog funding which will

bring a benefit of £11m to the housing investment programme in 2012/13 and which will be subject to a further report. Should any of this be used for communal repairs then it will also generate further income via the service charges to homeowners.

96. The remaining £65m of government backlog funding has yet to be confirmed and only part of this funding is currently allowed for within the programme. The government backlog funding is being made available for improvements to council's tenanted homes only and is not for use for funding improvements to the council's leaseholder homes, for which any eligible works would be chargeable under the terms of the lease.
97. The new homes bonus is a general fund resource to support council infrastructure provision and, for 2011/16, resources of £2.3m will be made available to the housing investment programme from these funds.
98. Resources and allocations will be regularly reviewed through the Investment Programme Group and the Housing Investment Board.
99. Revising the timeline for the options appraisals on Abbeyfield, Hawkstone and Fours Squares estates will require an extension of the independent resident advisor contract. The potential cost has been negotiated with Open Communities and results in additional spending of £21,787 if full services are needed on all 3 estates, generating a total contract sum of £40,309.
100. The estimated value of the options appraisal consultants' contracts is £175,000. Funding for the additional cost of options appraisals to the high investment need estates is available via Housing Regeneration Initiatives' HRA revenue budget.
101. Staffing for the options appraisal project is resourced by the Estate Regeneration Team in Housing Regeneration Initiatives, which is fully funded from existing revenue budgets within Regeneration and Neighbourhoods, with support from other officers within Regeneration and Neighbourhoods, Housing Services and Corporate Policy.

Legal implications

102. Residents involved in the options appraisal consultants' procurement sign confidentiality and declaration of interest undertakings.
103. RSG members sign code of conduct and declaration of interest undertakings. On Four Squares, RSG members have opted to sign an additional confidentiality undertaking.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

104. The report seeks approval for the proposed 5 year Housing Investment Programme (HIP) for the council's housing stock as set out in appendix 1 and for the revised project plan relating to the options appraisal of the high investment need estates (HINE) on Abbeyfield, Four Squares and Hawkstone.
105. It is good practice and in certain situations legally required for the council to consult with residents on matters of housing management and policy. Section

105 of the Housing Act 1985 provides that the council is required to consult with tenants on matters of housing management that represent a change in the policy of the landlord authority or a new programme of maintenance, improvement or demolition likely substantially to affect its secure tenants as a whole or a group of them and consider representations made during the process before making any decision on the matter.

106. The matters contained in this report engage the statutory requirement in section 105 of the Housing Act 1985. When considering and taking decisions on the recommendations, cabinet members should carefully consider the product of consultation.
107. As regards the HIP, consultation with residents, directly and via the bodies that form part of the council's resident consultative structure, on the proposals has been carried out as detailed in the report and appendices. The report confirms that the proposed programme has been revised, where considered appropriate, in light of consultation responses and further surveys and inspections arising.
108. As to the options appraisal of the HINE, the report sets out the consultation that has already taken place and confirms that further consultation will take place as options are developed following which the matter will be referred back to cabinet for consideration.
109. When considering the recommendations, cabinet members must also have due regard to the public sector equality duty contained within section 149 of the Equality Act 2010. That is the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between those who share a relevant characteristic and those that do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Cabinet members are referred to the communities' impact statement contained in this report.
110. Where procurement issues arise during the course of the HIP programme or option appraisal project, officers should seek advice from the procurement and contract legal teams as appropriate

Finance Director

111. This report notes the outcome of the stage 2 resident consultation on the draft five year housing investment programme and to consider the feedback from the Area Housing Forums, Tenants Council, Home Owners Council and the Decent Homes Review working party on the proposals. It also seeks cabinet's approval to the revised programme in the light of the stage 2 resident consultation, as set out in appendix 1, and to instruct officers to proceed with the implementation of the programme.
112. The report also notes the advice from Communities and Local Government that the £11m government backlog funding will be paid as a cash grant and to agree that officers will be requested to come forward with detailed proposals to allocate the £11m of additional resources.
113. This report further recommends that cabinet notes progress of the options appraisal project on Abbeyfield, Four Squares and Hawkstone estates, agrees

the revised project plan outlined in paragraph 72, notes and agrees the amendments to the option appraisal model's strategic fit objectives proposed in paragraph 76.

114. Paragraph 101 details the revised costs associated with these recommendations. These total £215,309 and comprise an extension of the independent resident advisor contract generating a total contract sum of £40,309 and an estimated value of the appraisal consultants' contracts of £175,000. These costs will be met by the housing revenue account.
115. Officer time to effect the recommendations will be resourced from the Estate Regeneration Team in Housing Regeneration Initiatives with support from other officers within Regeneration and Neighbourhoods and Housing Services and will be funded from existing approved revenue budgets.

Head of Home Ownership and Tenant Management Initiatives

116. Repairs and renewals to the communal elements of the block and or/estate will be rechargeable to leaseholders, and in some cases to freeholders who receive the services.
117. The £11m government backlog funding is for social tenants only. Should any of these monies be spent on communal repairs then homeowners will be recharged their due proportion as a service charge, which will generate additional income to the HRA.
118. Where works are rechargeable, and exceed the consultation limit of £250 per leaseholder, the council will serve the relevant statutory consultation notices in accordance with the landlord and tenant act 1985 (as amended). If the partnering contracts can be used then the statutory consultation will be carried out under schedule three of the regulations, which comprises a single notice being served prior to passing any order to the contractor. The notice will detail the works proposed, the justification for those works and the costs involved, including an estimated service charge. The individual leaseholders will be invited to make comments and observations on the proposed work and will be given a 30 day period to do so. Should the council revert to individual procurement for contracts then the consultation will be carried out under schedule four of the regulations, which would require two separate notices, one pre-tender and one post tender.
119. Home Ownership Services need to be provided with detailed elemental costings for work to individual blocks and estates in order to accurately construct the service charges, and to be given sufficient time to carry out the statutory consultation and give detailed responses to any observations made by home owners.
120. The repairs and renewals needed for individual blocks are in many cases extensive and this is likely to lead to high service charge bills for the leaseholders. The council does have a number of generous repayment options in place to assist leaseholders to pay their invoices.
121. In 2006 the Executive agreed that the council would inform leaseholders on an annual basis of where their block or estate appeared in the five year programme. This notification did take place over a number of years, but has not been possible recently as there was no agreed programme. As part of the statutory

consultation under section 20 of the landlord and tenant act 1985 (as amended) on the partnering contracts the council did include details of the two year programme available at the time. Once the new five year programme is agreed the council will restart the annual notification, giving leaseholders and freeholders maximum notice of when works are due to take place so that they can budget for them accordingly.

122. Where the council intends to carry out renewal of rising and lateral mains the wiring of individual properties (including leasehold properties) has to be tested. In some cases this leads to the council informing leaseholders that the wiring in their property needs to be renewed. It is important to ensure that leaseholders are made aware of this possibility at an early stage so that they can plan accordingly.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Report to Cabinet 14 December 2010 – Review of Housing Investment Strategy	Regeneration and Neighbourhoods Investment Strategy Team 160 Tooley Street London SE1 2QH	Sonia Esnard 0207 525 7743
Report to Cabinet 31 May 2011 – Housing Investment Programme and Revised Strategy	Regeneration and Neighbourhoods Investment Strategy Team 160 Tooley Street London SE1 2QH	Sonia Esnard 0207 525 7743
Report to Council Assembly 6 July 2011 – Council Plan	Corporate Strategy, 160 Tooley Street London SE1 2QH	Alex Irvine 0207 525 3672

APPENDICES (circulated separately)

No.	Title
Appendix 1	Revised Five year programme
Appendix 2	Summary of resources and allocations
Appendix 3	Summary of responses from Area Forums
Appendix 4	Summary of responses from Tenants and Residents Associations
Appendix 5	Summary of individual responses
Appendix 6	Summary of changes in scope of works
Appendix 7	Presentation to Area Forums
Appendix 8.1	Revised Hawkstone Estate Options Appraisal Project Plan
Appendix 8.2	Revised Abbeyfield and Four Squares Estates Options Appraisal Project Plan
Appendix 9.1	Summary of Four Squares Estate Survey Responses
Appendix 9.2	Summary of Abbeyfield Estate Survey Responses

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Housing Management and Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officers	Gerri Scott, Strategic Director of Housing Services Eleanor Kelly, Deputy Chief Executive	
Report Authors	Darren Welsh, Head of Community Housing Services David Markham, Head of Major Works Maurice Soden, Housing Regeneration Initiatives Manager	
Version	Final	
Dated	6 October 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINETMEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Homeownership and Tenant Management Initiatives	Yes	Yes
Cabinet Member	Yes	Yes
		7 October 2011

Item No. 8.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		Southwark Schools for the Future (SSF): Update to Cabinet and delegation of award of phase 3b contracts	
Ward(s) or groups affected:		Camberwell Green	
Cabinet member:		Councillor Catherine McDonald, Children's Services	

FOREWORD – COUNCILLOR CATHERINE MCDONALD, CABINET MEMBER FOR CHILDREN'S SERVICES

This report seeks to update Cabinet on the status of the Building Schools for the Future programme following the financial close of Phase 3a of the programme. Phase 3a involved a new school at Bredinghurst and investment at St Saviour's and St Olave's, The Charter and Notre Dame.

This report also seeks delegation from the Leader to the Cabinet Member for Children's Services to enter into contracts for the delivery of Phase 3b of the Building Schools for the Future programme – a new school at St Michael's and All Angel's in Camberwell and the co-location of Highshore Special School - subject to confirmation of funding from Partnerships for Schools and affordability.

The Cabinet and Leader are requested, after consideration of the officer's report, to note and approve the recommendations below.

RECOMMENDATIONS

Recommendation for the Cabinet

1. Cabinet note that Phase 3a of Southwark's SSF programme - investment at Bredinghurst, St Saviour's and St Olave's, The Charter and Notre Dame - has reached financial close within the affordability parameters previously approved by Cabinet.
2. Cabinet note the current status of the BSF programme.

Recommendations for the Leader of the Council

3. That the Leader delegates authority to the Cabinet Member for Children's Services in consultation with the Strategic Director of Children's Services to approve contract award for the contracts set out in Table 1, relating to the financial close of Phase 3b – a new Academy at St Michael's and All Angel's in Camberwell and the co-location of Highshore Special School, subject to:
 - confirmation of funding from Partnerships for Schools;
 - the council's financial contribution being within the parameters set out in Table 3.
4. That the Leader delegates authority to the Cabinet Member for Children's

Services in consultation with the Strategic Director of Children's Services to enter into the school interface agreements with the school counterparties set out in Table 2.

BACKGROUND INFORMATION

5. On 2 May 2007, Southwark Executive approved the Southwark Schools for the Future Outline Business Case (OBC). This OBC outlined a programme of investment in Southwark's secondary school estate enabled by funding from Partnerships for Schools (PfS) of £179m.
6. On 28 November 2006, Southwark Executive made available £20m in Southwark's capital programme for 2007 to 2016 for Southwark Schools for the Future. This was subsequently reduced to £17.5m in the Capital Refresh report in July 2011.
7. In May 2009 Southwark entered into a Strategic Partnering Agreement with 4 Futures to deliver the Building Schools for the Future (BSF) programme.
8. The BSF programme was to be procured in three phases. The £179m funding allocation is based at 1 Quarter 2008 and excludes VAT. It is subject to inflation and deflation over the life of the programme and to formal approval by PfS ahead of project development and financial close of individual schemes.

KEY ISSUES FOR CONSIDERATION

Phase 1

9. Phase 1 projects are Tuke Special School and St Michael's Catholic College. Tuke School was a design and build project and opened in September 2010. St Michael's Catholic College is a PFI project and opened in January 2011. Works for the second Phase of demolition and landscaping were completed in Summer 2011.
10. Both schools are now receiving facilities management and ICT services through 4 Futures.

Phase 2

11. Phase 2 projects (St Thomas the Apostle College, Sacred Heart and New School Aylesbury and Spa) reached financial close on August 17 2010.
12. The Spa and New School Aylesbury design & build contracts were fully funded by the BSF capital grant allocation and the PFI schemes at St Thomas the Apostle College and Sacred Heart were fully funded through agreed grant and school contributions.
13. An allocation has been made within the SSF Contingency against ongoing risks through the construction period.
14. Spa School completed in September 2011 and is now in the operational phase. The first phase of St Thomas the Apostle College is due to complete in January 2012 with New School Aylesbury due to complete in Summer 2012. Works at Sacred Heart are due to start in Autumn 2012.

Phase 3a

15. Phase 3a consists of projects at St Saviour's and St Olave's, Notre Dame, The Charter School and Bredinghurst schools. The contract for the delivery of works, ICT equipment and FM services, where relevant, and associated agreements between the Governing Bodies and the Council were entered into on 26th July 2011 following Cabinet consideration and Leader delegation in June 2011.
16. The liabilities arising from the contracts are fully funded from PfS grant, school contributions and the allocations made from within the SSF contingency to support the capital cost of St Saviour's and St Olave's and Notre Dame by Executive in March 2010.

Phase 3b

17. St Michael and All Angels (SMAAA) and the co-located Highshore were originally programmed to reach financial close in August 2010. This was deferred as a result of concerns over the viability of the proposed expansion of SMAAA considering evidence of falling rolls. A reduction in the size of the proposed school and alternative sponsorship arrangements have now been agreed between the Academy and the Department for Education and this project is now progressing to enable financial close in December 2011. The Academy is to be sponsored by ARK Schools.
18. The project is being redeveloped in line with the new sponsor's requirements and the reduced pupil cohort and to reflect changing requirements associated with the spectrum of need to which the facilities at Highshore are to respond.
19. The implications of the closure of SMAAA alongside its reopening with a reduced cohort have been factored into Pupil Place Planning.
20. Works at SMAAA are to include the replacement of the existing church, funded by the church and diocese.
21. Some enabling works have taken place over the summer holiday of 2011 ahead of construction starting in January 2012. This was progressed in order to minimise the disruption felt by the school at the point that construction starts. These works were delivered by 4 Futures and funded through the SSF Contingency. At contract close these funds will be reimbursed through PfS grant.
22. Highshore is to be granted a lease of that part of the site it will occupy for a term up to 125 years. In May 2007 Executive authorised the acquisition of a long term interest on or adjacent to the SMAAA site subject to a maximum value of £1.2m to be funded through the SSF Contingency.
23. The terms of lease are being negotiated and an agreement with the freeholder is being sought based on a revised valuation, the offsetting of council costs to date against the total lease premium and commute the remaining lease premium to an annual lease charge. Any annual lease charge would be funded from revenue which, by agreement, is expected to be met from the dedicated schools grant.

New School Rotherhithe

24. In April 2011 Southwark was invited by PfS to submit revised and current Pupil Place Planning data. This submission was made on the 18 April 2011 and it reiterated the need for investment to create new places in Rotherhithe.
25. This Pupil Place Planning submission concluded that new Year 7 places will be required boroughwide from September 2016, with 5 FE required by 2019/20. It is considered by the Council that these places should be provided in Rotherhithe to respond to and support the ongoing regeneration in the area.
26. No confirmation has yet been received from Partnerships for Schools or the Department of Education in regard to funding that will be made available to deliver the places required. Confirmation continues to be actively sought in order that the delivery of additional places can be progressed.

Key Stage 3 and 4 Southwark Inclusive Learning Services

27. In June 2011 Cabinet were advised that contractual close for KS3 Southwark Inclusive Learning Services (KS3 SILS) was to be deferred until that of SMAAA in consideration of the interlinked property and contractual issues. The proposals for KS3 SILS involve the refurbishment of the current Highshore site following completion and decant of Highshore School to the site of SMAAA. As such it is not appropriate to enter into a contract for the delivery of SILS 3 until after or simultaneously with that for Highshore.
28. In March 2010 the Executive approved a proposal to locate KS4 SILS in a refurbished element of Southwark College's Camberwell Site. The College now has alternative plans for the site and this proposal is no longer viable.
29. Consideration is now being given to the co-location of KS3 and KS4 SILS services. It is anticipated that any such co-location would result in improved value for money being achieved from the capital investment, the funding for which is a mixture of PfS grant and council's own funding.
30. Any revised proposal that is progressed would be on the basis of delivering the best outcomes for children and would require the approval of PfS. Subject to any necessary approvals these projects are anticipated to reach financial close in spring 2012. Works are not due to commence until 2013/14 on the conclusion of works at SMAAA and the decant of the existing Highshore to its new premises.

Phase 3b Financial Close – St Michael's and All Angels/Highshore

31. Approval is sought to delegate authority to the Cabinet Member for Children's Services to enter into the contracts and agreements outlined below. This delegation is required due to the short timescales from submission of costed proposals from 4 Futures, the review of Southwark's Final Business Case and confirmation of funding by Partnerships for Schools and the need to award the contract to enable the delivery of the works for the start of the school year in September 2013.
32. The contracts form a suite of inter-related agreements which are based on national standard form documentation. The contracts will be entered into concurrently, but have different initial terms and extensions. This documentation

will be subject to detailed review by Southwark Legal Services, with advice from external legal advisors (Trowers and Hamlins).

33. In order to secure agreement by the school counterparties (governing bodies, Academy sponsor, Church and diocese authority) to the obligations and financial contributions they will make towards the cost of the contracts, the Council will also enter into a series of school interface agreements (see table 2). These agreements:
- Allow the construction to take place on each school site (which are not in Council ownership);
 - Allow ICT equipment and a Facilities Management service to be delivered at the school sites;
 - Give warranties to the Council for property and human resources information that has been provided by the school; and
 - Secure agreement to the financial contributions they will make towards the costs in the contracts.
34. Table 1 summarises the contracts that are to be entered into at Financial Close of Phase 3b.

Table 1: Contracts to be signed simultaneously at Phase 3b contract award

Contract	Contract purpose	Parties	Initial term	Extension
Design & Build Contract – SMAAA/Highshore	Detailed design work & build of St Michael and All Angels and Highshore Special School	London Borough of Southwark and 4 Futures Limited	No term – dependent on completion of build and defects period (approx 3 years)	N/A
Phase 3b ICT Contract	ICT services including infrastructure work where applicable for St Michael and All Angels and Highshore Special School .	London Borough of Southwark and 4 Futures Limited	5 years	5 years
Deeds of variation relating to the Facilities Management Agreement	To join the umbrella contract for Facilities Management Services for the schools.	London Borough of Southwark and 4 Futures Limited	10 years	5+5+5 years
Agreement for lease for Highshore School	To agree a long term interest for the site of Highshore School following completion of the works	London Borough of Southwark, Academy Trust, Southwark Diocesan Board of Education	Term of lease shall be up to 125 years	N/A
Lease or underlease for Highshore School	The lease/underlease of Highshore School to be executed following completion of the works	The ARK Academy and/or the Diocesan Board of Education and the London Borough of Southwark	Underlease/Lease for a term up to 125 years	N/A

Contract	Contract purpose	Parties	Initial term	Extension
Associated documents and agreements	Other linked and associated documents and agreements relating to the headline contracts, e.g. collateral warranties	Various parties	Various	Various

35. Table 2 summarises the governing body agreements to be entered into with each school:

Table 2: School interface and other documents

School interface agreements for each school and counterparties		
Agreement	School counterparties	Agreement purpose
Governing Body Agreement – Development Agreement	Governing Body of each school and Diocesan Authority and Archbishop of Southwark where applicable	Agreement covering the construction period, given school is in possession of the site
Governing Body Agreement – FM services agreements	Governing Body of each non-PFI school and Diocesan Authority and Archbishop of Southwark where applicable	Agreement governing the FM services for each school taking the FM service
Governing Body Agreement – ICT services agreements	Governing Body of each non-PFI school and Diocesan Authority and Archbishop of Southwark where applicable	Agreement governing the ICT services for the phase 3a schools.
Associated documents and agreements	Other linked and associated documents and agreements relating to the headline contracts	Various

Financial implications

36. The funding associated with these contracts and agreements will come from:

- PfS – who will confirm their funding commitment following approval of an FBC, to be submitted to them and approved by both themselves and the Department for Education immediately prior to contract award. This is expected to be £31,246,720; and
- Diocesan Board of Education – are committing £500,000 for the cost of the provision of a new church on the site; and
- Schools – who will commit to any necessary revenue contributions in back-to-back governing body agreements to be signed prior to contract award.

37. For Design & Build community schools a commitment was made by Executive in May 2007 to meet an affordability gap for lifecycle and FM services across all D&B community schools in the programme estimated at £200,000 pa. In Phase 1 a subsidy for Tuke School of £40,000 in the first year of operation and reducing to £10,000 was committed to by the Council. No such subsidy was required at Phase 2.

38. There is not envisaged to be any call on this commitment for lifecycle and FM services for Phase 3b. Any liabilities arising from these contracts will be funded by the schools and this arrangement will be formalised between the Council and the schools in the governing body agreements.

39. For community schools the contribution to meeting these costs is expressed as a percentage of School Budget Share, which is roll driven funding. The Council bears a risk for community schools that should rolls drop and funding decline, it

will cover the amount by which the FM and lifecycle costs exceed the school contribution agreed. Highshore School is the only community school in Phase 3b. For Academies and Voluntary Aided schools the Council will require an absolute commitment to meet the cost of any FM service and the council does not bear the risk associated with falling rolls.

40. The overall anticipated contribution to Phase 3b by the Council is expressed in Table 3:

Table 3: Anticipated Council Investment in BSF Phase 3b

	Amount
Capital investment in construction	Nil
Revenue investment in ongoing services	Nil

Financial Status of BSF Programme

41. Capital commitments and identified liabilities relating to Phase 1, 2, 3a and 3b of the programme can currently be met from within BSF grant funding supplemented from within the SSF Capital Contingency. Further allowances have been made within this contingency for identified risks. Southwark's own funding to be made available to support unconfirmed projects will need to be considered in light of these commitments, risks and other priorities.
42. A full capital position statement will be reported to Cabinet following the closure of 3b to inform decision making in regard to options for the delivery of unconfirmed projects.
43. Ongoing revenue liabilities remain within the project office budgets for the delivery of the programme agreed in February 2009.
44. Value for money continues to be a priority and has been assessed at key stages through the development of Phase 3b using agreed protocols. A full value for money assessment will be carried out on the Phase 3b proposals prior to the award of the contracts.

Community impact statement

45. The community impact statement and equalities impact assessment were completed for the entire Southwark schools for the future project and approved by the Executive on May 2 2007. In summary, this project will have a significant impact upon the communities of Southwark. In particular:
- All schemes will ensure higher quality learning and teaching environments for young people.
 - All schemes are to be designed to facilitate community access to the buildings as part of the extended schools agenda.
 - All schemes are to be designed to provide a range of flexible spaces appropriate for the provision of integrated children's services.
46. The SSF programme has a robust performance management process in place to ensure that the outputs of the programme are effectively monitored and action taken where necessary to ensure that the wider benefits of the programme are

realised.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director (CS0182)

47. This report provides an update to Cabinet on the SSF programme, specifically noting that phase 3a reached financial close on 26th July 2011 and that phase 3b financial close is anticipated in December 2011. The report also seeks delegated authority from the Leader to the Cabinet Member for Children's Services in consultation with the Strategic Director of Children's Services for two activities. The first being to approve contract award for the contracts relating to the financial close of Phase 3b subject to confirmation of funding from Partnerships for Schools and the council's financial contribution being within the parameters set out in Table 3. The second being to enter into the school interface agreements with the school counterparties set out in Table 2.
48. Paragraph 36 confirms that the funding for the phase 3b schools construction and refurbishment works contracts is due to be met from BSF grants of £31.2m and a commitment of £500k from the Diocesan Board of Education to cover the full cost of the new church on the site. Table 3 in paragraph 40 shows that there is no anticipated council contribution to fund either construction or ongoing revenue costs within the 3b programme. Paragraph 38 confirms that facilities management contracts for the schools will be funded from contributions from the schools at nil cost to the council at financial close. Paragraph 39 explains that the council will retain an ongoing financial risk to fund any shortfall due to a reduction in school budget share at Highshore.
49. Paragraph 41 confirms that it is considered that the capital commitments and identified liabilities relating to phase 1, 2, 3a and 3b of the programme can currently be met from within BSF grant funding supplemented from within the SSF capital contingency. Paragraph 43 confirms that all revenue liabilities can be met from the project office budgets for the delivery of the programme agreed in February 2009.
50. Paragraph 42 notes that a full capital position statement will be reported to Cabinet following the closure of Phase 3b to inform decision making in regard to options for the delivery of unconfirmed projects.

Strategic Director of Communities, Law & Governance

51. This report is an update report and a report seeking the approval of the Leader to delegate the approval of the SSF Phase 3b contracts to the Cabinet Member for Children's Services following consultation with the Strategic Director for Children's Services.
52. Pursuant to section 14 of the Local Government Act 2000 (as amended) the Leader may discharge this function and may delegate this function to a member of the cabinet. This requires a decision from the leader, prior to the decision in this report being made and in accordance with Article 6 of the constitution circulated to all members.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Report to Executive: SSF Outline Business Case	160 Tooley Street, SE1 2QH	Rebecca Ashton 0207 525 4808

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Romi Bowen, Strategic Director of Children's Services	
Report Author	Sam Fowler – SSF Project Director	
Version	Final	
Dated	6 October 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Children's Services	Yes	Yes
Strategic Director for Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Procurement	No	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	6 October 2011	

Item No. 9.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		Library Service Review	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Veronica Ward, Cabinet Member for Culture, Leisure, Sport and Olympics	

FOREWORD: COUNCILLOR VERONICA WARD – CABINET MEMBER FOR CULTURE LEISURE SPORTS AND OLYMPICS

The outcome of our review is the clear recommendation that all libraries in Southwark remain open and none are to close. We believe libraries are a vital part of the community and a key service to help us deliver our vision of a Fairer Future for all. This is because they support learning and opportunity, open doors to work and are about enjoyment, information finding, thinking, and reading. In short, they help people realise their potential. While library services in some authorities are shrinking because of budget cuts and fewer users, Southwark Libraries show increasing levels of use year on year. Overall we will be spending more on libraries this coming financial year than we currently do due to the opening of a major new Library and Town Centre building at Canada Water. We've also ambitious plans to improve library provision in Camberwell and possibly Grove Vale. We believe that Southwark has invested more in its libraries over the last three years than any other London borough.

However, as elsewhere, we have been faced with a significant challenge to identify savings in the library service budget. The proposals coming before Cabinet are within the context of identifying savings of £397,000 plus £104,000 for the running of the Home Library Service from the library budget 11/12 and 12/13. The proposals also reflect the feedback we have received from users and residents in the extensive consultation we carried out this summer. Over 5,000 people responded to the survey and almost 300 attended public meetings along with discussion groups with young people. This listening process has been crucial to our thinking about how to make immediate savings and the budget proposals reflect what residents have told us they would like to see. The resounding message from the review was clear - people don't want their libraries to close. But residents have also provided many of the ideas and proposals that we will be taking forward, for example, reduced opening hours when libraries are quieter. We have therefore re-ordered opening hours in some of the smaller libraries providing more hours of opening overall. Many people also suggested that libraries should charge a little more for some of the services and all the meetings discussed at some length how to raise income.

The consultation also told us how much people love their local library. The survey indicated that nearly 80% of users still go to the library to borrow books. Significantly in many libraries, between 20 and 30 % of users visit the library to find job information. The availability of IT provides affordable access to expensive information sources and a quiet space to study both of which are very important in Southwark. Children and young people and their families use the libraries extensively after school and at the weekend.

The Report also sets out some indicators as to directions the service should be going in the future: this is in the context of increasing use of electronic transfer of information, the possibilities for joint use, the long standing national work of investigating joined services with neighbouring authorities to improve service and recognition that libraries are often the centre of a community.

There were long discussions in the meetings about the role of volunteers and this is reflected in the budget proposals. Already volunteers are adding value to the library service and some are gaining work experience at the same time. Many people offered to volunteer through the consultation process. Everyone also said how much they value the work of the library staff and their expertise and did not want to see dilution of the skilled core tasks carried out by staff. It is this balance we have tried to achieve in the proposals.

Southwark has a high quality library service and we want to continue to improve within budget constraints. That is why we are bringing forward these proposals following the review, so that we see the council and community working hand in hand together to keep open our precious libraries.

RECOMMENDATIONS

It is recommended that:

1. Cabinet considers the package of measures listed below in order to deliver £397,000 of savings from the library service budget in the financial years 2012/13 and 2013/14.
 - a) Use of volunteers £40,000
 - b) Reshaping of opening hours at smaller libraries to offer more days open but with less hours overall. This to be combined with an invitation for community management for the period of reduced hours £80,000
 - c) A staff reorganisation of £120,000
 - d) Sharing resources with other boroughs £50,000
 - e) Sharing space with Housing at Peckham Library and thereby reducing library costs by £57,000
 - f) New rental saving of £50,000 from the creation of the new Camberwell Library
2. That officers are instructed to bring forward proposals on a new delivery model for the Home Library Service as part of the 2012 /13 budget setting process to achieve a budget saving of £104,000.
3. Although additional income or fees and charges are not proposed within this report, Cabinet is asked to note that some minor changes to fees and charges arising from this will be brought forward as part of the annual fees and charges setting process. The service will continue to seek external funding and seek to improve its marketing in line with the recommendations from the libraries review consultation.
4. That officers continue to undertake further work on identifying possible future models of service to ensure the longer term viability of the library service in respect and / or savings. These should include:
 - a) Community management of libraries including assessing the offers for the community management

- b) Sharing services with other boroughs either through the MLA Future Libraries Programme pilot project or any cross borough negotiations.
 - c) Co-locating or integrating with other Southwark services
 - d) Working with the Customer Services division to support the emerging corporate customer services strategy
 - e) Seeking opportunities for resolving building issues through regeneration or other property opportunities
 - f) Reviewing the effectiveness of volunteer arrangements introduced as a result of this report.
5. Cabinet welcome the opportunity to replace Grove Vale Library as part of a new development adjacent to East Dulwich Station; notes that there are both revenue and capital implications for this and that these issues are being addressed as part of the Council's budget-setting process for the next three years.

BACKGROUND INFORMATION

6. Public libraries are a statutory service required by the 1964 Public Libraries and Museums Act. The Act requires local authorities to provide “a comprehensive and efficient service” for “all persons wishing to make use thereof”. The Act does not define the terms “comprehensive and efficient” but the Secretary of State does have powers of intervention should authorities be deemed not to be fulfilling their responsibilities.
7. The Act does not allow for charging for access to books and information. However, legislation does allow for charges to be made for the use of other materials and additional services not specified in the 1964 Act.
8. Libraries fall under the jurisdiction of the Government's Department for Culture Media and Sport (DCMS). The Museums, Libraries and Archives Council (MLA) the government agency formerly responsible for the sector ceased operations in March 2012 and some of its responsibilities for libraries have transferred to the Arts Council.
9. All local authorities are currently facing difficult decisions about reducing resources over the next three years and a variety of approaches have been taken. These include different models of governance including trusts, community ownership and use of volunteers; sharing buildings, or integrating with other services including one stop shops; reduction of non-frontline costs; library closures or reduced opening hours and reductions in stock fund.
10. The Council Plan sets out how the Council will create a fairer future for all. The priorities for libraries are stated as follows:
- “We will open a new state of the art library at Canada Water and a better library in Camberwell and ensure they provide good value for money, by being on time and within our reduced budget limits.
 - At the same time, we will review our provision of libraries in the borough, involving residents and service users in redesigning the service so it is modern, fit for purpose and a truly community orientated service that benefits residents, young and old. “

11. There are currently 12 libraries in Southwark – slightly above the average for inner London boroughs and more than in neighbouring Lambeth, where there are 9 libraries.

Libraries budget

12. The net revenue budget for Southwark Libraries for 2011/12 is £6,357,875. Details of the budget are set out in the document entitled 'Library service budget detail 2011/12,' which is available on the Council's website.

Recent investment in Southwark Libraries

13. Southwark Libraries have received significant investment in recent years to modernise and improve the access and physical condition of some buildings and to increase and improve range and quality of the service overall. The programme of investment includes:
- Upgrading the public ICT network to give the public better access to internet and online services to support their learning, cultural and information needs
 - Provision of free Wi-Fi in six libraries to support access to online services and to enhance our offer to students who make extensive use of libraries for study purposes
 - Extended opening hours at four libraries (within existing resources) to improve access throughout the week and beyond normal office hours
 - Complete refurbishment of John Harvard Library through a successful bid to the Big Lottery Fund. This awarded the Council £1.42m to implement a major building modernisation programme and enable wider community engagement
 - Approval for a new library for Camberwell supported by £1.4m capital funding
 - Delivery of a new £15.2m library and community facility at the heart of the Canada Water regeneration area.
 - Access improvements at Newington to relocate all services into refurbished and extended public space on the ground floor and provision of a fully accessible public toilet at Blue Anchor.

Take up of service

14. Use of Southwark libraries has increased in the last few years, with 2,041,117 visits in 2010/11, an increase of 14% on the previous year and loans of 1,395,347, an increase of 9% on the previous year. This is against the national trend which is showing a decrease in library use.
15. The CIPFA actual statistics for 2009 / 10 show that Southwark has the 3rd highest book issues in Inner London; and the 4th highest for overall issues which include music, film and other media. Southwark has the 6th highest level of visit to libraries in inner London.
16. The results of the 2011 Summer Reading Challenge are very encouraging in terms of the numbers of children who participated and completed the challenge. This scheme sets a challenge for each child to read 6 books and it is designed to keep children reading and engaged with books during the

summer break. In total, 5361 children participated and 2607 completed the challenge and this is an increase of 18% on the Challenge results for 2010.

Further and fuller details of library usage are set out in the document entitled 'Library Usage,' which is available on the Council's website.

Libraries Budget savings 2011 - 2014

17. At the Council Assembly held on 22 February 2011, approval was given to the Council's budget for 2011/12 and recommendations for 2012/13 and 2013/14 were noted. This included:
- The decision to cease provision of the Mobile Library service from March 31st 2011, saving £80,000
 - To reduce the revenue budget at Canada Water Library by £147,000
 - To increase the income target for Canada Water Library by £50,000 to £210,000.
 - To cease provision of the Home Library Service in 2013/14, saving £104,000 per annum
 - To make revenue savings of a further £397,000.
 - Officers were instructed to carry out a review of the library service in order to identify ways in which the £397,000 could be saved.

Southwark Libraries Review

18. The consultation for the Libraries Review was undertaken in June and July 2011.
19. The review focused on extensive public consultation and the methodology for the review included:
- Holding 13 public meetings in libraries with a total of 280 attendances
 - Writing to all the Tenants and Residents Associations
 - A hard copy survey in all libraries with over 5,362 responses
 - An on-line survey with 206 responses
 - Consultation with 264 young people as part of the library service summer activity programme
 - Member briefings were offered to all three political groupings and were taken up by two of the groups
 - Briefings with the Trade Unions
 - Meetings with Community Action Southwark regarding use of space by the voluntary sector
 - Attending all Community Council meetings during the September cycle to report back on headline findings

Feedback from the public meetings

20. The main messages from the consultation are as follows:
- There was no support for library closures. The consultation results indicated that library closures are not the preferred option for the majority of survey respondents (69%). However, some libraries showed higher levels of support for reducing the number of smaller libraries, particularly 49% of

- respondents at Peckham 43% of respondents at John Harvard 41% of respondents at Rotherhithe 41% and 39% of respondents at Newington
- There was general support for the use of volunteers but in order to enhance services rather than replace paid staff
 - Overall if reductions to opening hours are to be made the public preferred reductions in opening hours at smaller libraries.
 - There was some willingness to pay more for services already charged for, or to pay for some services that are currently free, but with caveats about affordability and concessions
 - There was broad support for making one stop shop style services available in libraries

The survey

21. The survey asked the public a series of questions to find out:

- What they use Southwark libraries for
- Their feedback on reducing costs and options for savings
- Their views on using volunteers in libraries
- Their views on charging for the use of ICT
- Preferred opening times for libraries and the opening times important to them

The most popular areas of activity amongst adults were identified as:

- Borrowing books 79%
- Reading 55%
- Borrowing films and music recordings 42%
- Finding information 41%
- Study 31%
- E-mailing 31%
- Printing and scanning 29%
- Browsing websites 27%
- Job hunting 21%

The main findings of the survey are set out in the document entitled 'Southwark Council Libraries Review – Public Consultation 2011 Combined Report.' Full details are available as background documents from the officer named at the end of this report and on the Council's website.

KEY ISSUES FOR CONSIDERATION

Options for Achieving Savings

22. Using Volunteers

- 22.1 Recommendation 1a does propose to supplement opening hours at smaller libraries using volunteers.
- 22.2 The idea of using volunteers in libraries is not a recent development. Several library services have used volunteers for many years in order to either enhance services, or in a few cases, to deliver core parts of the service. An example of this is the Home Library Service in Bexley, which is delivered by WRVS volunteers.

- 22.3 Libraries already use volunteers to add value to the mainstream service, primarily through helping with events, volunteers for the study support service and also through providing work experience for local people by working together with agencies such as Family Mosaic and St. Giles Trust.
- 22.4 The public meetings held as part of the Libraries Review identified a substantial amount of support for and interest in volunteering to support the work of the library service. However, there were also strong concerns that volunteers should not be used to replace paid staff, rather that they should be used to add value to the service instead of a means of making savings.
- 22.5 The survey undertaken as part of the review showed that 46% agreed with making more use of volunteers, 27% disagreed and a further 27% had no opinion.
- 22.6. 53% of respondents said they would not volunteer. However, 23% said they could offer up to five hours per month, 17% could offer between 5 and 10 hours and 5% between 10 and 20 hours. Responses across the libraries were fairly uniform with the exception of East Street where 10% of respondents said they could offer 10-20 hours per month.
- 22.7 From the survey returns, 78 people at Brandon expressed an interest in volunteering; 72 at Grove Vale, 88 at Nunhead and 61 at East Street. Although all potential volunteers would need to go through checking and training processes, this does indicate that there is some interest in these communities in giving time to the local library. Volunteers could also be used to supplement proposed opening hours at smaller libraries. With sufficient volunteers this could be achieved by spreading substantive staff across the week and augmenting them with volunteers.
- 22.8 The public consultation within the Libraries Review has shown that most volunteers are able to offer on average, between one and three hours per week for voluntary duties. Current patterns of working hours are organised in four hour tranches to allow for lunch and different start times. If the full £397,000 savings were to be made from relying on volunteers, then 594 hours would be needed.

The following number of volunteers would be required to maintain service at current opening hours.

- Volunteers giving average of one hour per week – 594 needed
- Volunteers giving average of three hours per week – 198 needed
- Volunteers giving average of four hours per week – 148.5 needed

Advantages associated with using volunteers

- 22.9 The advantages include there being much more direct community involvement in the running of the service; potential to recruit volunteers with skills and abilities not necessarily found elsewhere in the workforce and the possibility of providing new or additional services.

Risks and disadvantages associated with using volunteers

- 22.10 The risks associated with running services with a volunteer workforce include potential unforeseen closures if volunteers do not turn up for work; possibility of being unable to recruit sufficient volunteers and possible lapses in service quality and universality. Should these risks materialise and not be manageable the saving would have to be made by alternative means such as further reduction to opening hours.
- 22.11 Whilst it is believed it is possible that savings could be made from introducing some form of volunteer programme into the library service, it is important to note that this does not mean introducing a “no-cost” service. There would be a continuing need to manage, develop, recruit and retain volunteers. This would require paid management time to ensure efficiency and continuity. Other potential costs include expenses where appropriate, recruitment advertising and training costs. In addition to this, there would need to be rigorous safeguarding and checking of potential volunteers.
- 22.12 Authorities that are already using volunteers in their libraries report a need for very regular recruitment to take place. There is often a high turnover of volunteers with people moving into full time or permanent employment elsewhere, people’s personal circumstances changing or simply losing interest in volunteering.

Recommendation 1a.i

Volunteers to be introduced to support libraries and make a saving of £40,000. There are risks with the proposal, see 22.10-12, and the issues will be reviewed in six months. If the scheme cannot be made to work there will have to be further reductions in opening hours.

Recommendation 1a.ii

Options to increase the opening hours at the planned new Camberwell Library through the use of volunteers will be investigated together with the option to provide Sunday opening at John Harvard due to the high level of interest shown in the survey for Sunday opening for that library.

23. Reducing the opening hours

- 23.1 The consultation showed that 69% of respondents to the survey preferred to keep the number of existing libraries even if this means shorter opening hours. 31% of respondents preferred to keep existing opening hours even if this means fewer libraries. Some respondents showed higher levels of support for reducing the number of smaller libraries, particularly 49% of respondents at Peckham, 43% of respondents at John Harvard.
- 23.2 At the public meetings the public showed no support for library closures and voiced their concerns about local libraries being lost and the impact upon the community.
- 23.3 The consultation showed that there was the greatest support libraries for reductions in opening hours in smaller libraries to retain service overall.

Summary details are set out in the document entitled 'Southwark Council Libraries Review – Public Consultation 2011 Combined Report,' which is available on the Council's website, but the libraries showing most support for this option are as follows:

- Nunhead 90%
- Kingswood 88%
- Grove Vale 81%
- East Street 79%
- Brandon 78%

23.4 Reducing opening hours can result in reductions in levels of service use as customers may find it difficult to remember differing hours; this was borne out in the consultation where comments were received at some of the public meetings about the importance of opening hours being straight forward and easy to remember.

23.5 Other comments from the consultation meetings included the importance of access at weekends and in the evenings due to work and family commitments.

Table 1. Proposal for reduced opening hours at smaller libraries.

Library	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Total hours
Brandon Current	10-6	10-7	Closed	10-7	Closed	10-5	Closed	33
Brandon Proposed	2-7	2-7	Closed	2-7	10-3	10-5	Closed	27
East St Current	10-7	10-6	Closed	10-7	Closed	10-5	Closed	33
East St Proposed	2-7	2-7	Closed	10-3	2-7	10-5	Closed	27
Grove V Current	10-7	10-6	Closed	10-7	Closed	10-5	Closed	33
Grove V Proposed	2-7	2-7	Closed	2-7	10-3	10-5	Closed	27
Nunhead Current	10-7	10-7	Closed	10-7	10-6	10-5	Closed	42
Nunhead Proposed	10-3	2-7	2-7	2-7	10-3	10-5	Closed	32

23.6 The illustrative proposal above allows for staff savings at each of the libraries. Whilst the total number of hours offered at each library would reduce, the pattern of opening gives access over five days rather than four at Brandon, East Street and Grove Vale libraries and six days rather than five at Nunhead library. This may encourage a wider take up of services by the community and it ensures that the important after school hours are maintained, an additional 7pm closure is added at each library and one morning session per week is maintained in order to accommodate visits from school classes.

23.7 Should Cabinet decide to pursue this option, local schools would be consulted to ensure that the most appropriate day of the week would be selected for the morning session prior to implementation.

- 23.8 The suggested pattern of opening hours is based on responding to local patterns of use and need, including maintaining full day opening on Saturdays to allow for family visits. The services currently offered now would remain on offer, including access to library stock, use of ICT and a range of activities for adults and children. The four libraries used as examples are also all within one mile walking distance of another, larger library.

Recommendation 1b.i

As a result of the consultation it is proposed to reduce the opening hours by six per week at Brandon, East Street Grove Vale libraries and ten hours at Nunhead library. The opening hours at other libraries would remain unchanged. In order to maximise the access in the remaining hours in the smaller libraries, it is proposed that the pattern of opening hours at these libraries would be redrawn, rather than remove a full day's opening.

Recommendation 1b.ii

It may be possible to offer more hours at these libraries by inviting the community to deliver the service in partnership with the Council outside of the proposed opening hours. Invitations for the community management of libraries would be issued should Cabinet decide to pursue this option. This allows the council to begin to look into the longer term possible community management option as outlined in paragraph 28 of this report.

24. Staff reorganisation

- 24.1 Whilst there was much support expressed for the library staff during the consultation, it is important that the Council finds an efficiency saving through a reorganisation of staff to rationalise management, frontline and back office posts.

Recommendation 1c

A staff reorganisation will be undertaken to rationalise the number of posts at all levels and to deliver a more cost effective service.

25. Sharing services and buildings with others

- 25.1 The concept of libraries sharing services with other council departments and other councils was raised at the public meetings as part of the consultation and a positive response was received in terms of residents being able to access a wider range of services from their local libraries.

Recommendation 4b

Officers will take forward discussions with other London boroughs to seek opportunities for cross borough working, in effect, delivering a service on it behalf to generate an income for Southwark libraries.

- 25.2 There are firm plans to move some customer-facing elements of the Housing Service to the second floor of Peckham Library.

Recommendation 1e

Space at Peckham Library will be allocated to Housing to thereby reducing library costs by £57,000

- 25.3 Further details on sharing services are outlined in section 28 of this report

26. Options for future provision of libraries arising from regeneration or other property opportunities

- 26.1 A new scheme adjacent to the Magistrates court at Camberwell Green has been proposed and agreed in principle by Cabinet. Further information is given in paragraph 33.7.

Recommendation 1f

The options to re provide Camberwell Library and thereby achieve revenue savings of £50,000, will be progressed.

27. Income generation in Libraries

- 27.1 The 1964 Act allows libraries to earn income through charging for services, although it prevents charging for borrowing books or accessing printed information.

- 27.2 In common with most library services, Southwark libraries generate income from the following:

- Fines on overdue items
- Hire charges for film and sound recordings
- Charges for obtaining items not immediately available for loan
- Hire of space and meeting rooms
- Use of photocopiers
- Sales of publications and small items of stationery
- Replacing lost tickets

Details of fees and charges income for 2010 / 11 are given in the document entitled 'Libraries fees and charges 2010/11 – percentage income per income category,' which is available on the Council's website.

- 27.3 The current income targets for libraries are challenging. The income target for Canada Water is £210,000. In addition to these pressures, some of the main areas of income are in decline. This is particularly the case for hire of DVDs and music CDs. It is estimated that this income stream (32% of library service income in 2010/11) will have declined very significantly in five years' time, with income from the hire of CDs being particularly vulnerable. Libraries are responding to these challenges by introducing new formats such as Blu-ray and other new electronic media but these formats may also decline in income generating ability over time.

Charging for use of ICT

- 27.4 The library service currently provides free access to the internet and to a range of computer packages at all libraries. In addition to this, there is free Wi-Fi access at six libraries.
- 27.5 The public's access to ICT in libraries is known as the "People's Network," which was established in 2002, supported by the former New Opportunities Fund strand of the Lottery. The objective of the Network was to bring free access to the internet into all libraries in England and Wales and to address issues relating to digital deprivation.
- 27.6 Some authorities have now begun to charge for access to ICT, often offering the first hour of use free and then charging for subsequent hours. Others now levy a small annual subscription charge for use of ICT.
- 27.7 Charging for use of ICT in Southwark libraries was discussed at length in the public consultation meetings as part of the Libraries Review. There was some support for charging after the first hour of use and also some support for blanket charging from the first minute. However, issues were also raised about ability to pay and the risks of excluding poorer people from the service. It was suggested that there could be concessions for some categories of customer based on ability to pay.
- 27.8 The survey showed that overall, 37% of respondents were in agreement with implementing charges after the first hour of daily use. 48% of respondents disagreed with charging whilst 15% did not express an opinion.
- 27.9 There was some division of opinion between libraries in response to this question, with 57% of Peckham respondents being against charging and 42% at Dulwich and Kingswood being in favour.
- 27.10 If charging for ICT is to be implemented, significant investment would need to be made in the technology to collect monies owed. Purchase and installation of self-service payment kiosks across all libraries would cost approximately £125,000. This could be significantly reduced to £25,000 if kiosks were not used and staff took payments.

However this option is considered to be an ineffective use of staff time. At Dulwich for example, circa 100 bookings and payments would need to be taken each day leading to delays for customers using this and other parts of the service.

Increasing fees and charges

- 27.11 There was limited support for increasing fees and charges for some services, primarily DVD loans. Whilst it is recognised that there is a tension between raising fees and ensuring that use does not fall significantly, resulting in either no or very little additional income being made, there is some minor potential for further fees and charges.

Recommendation 3

Proposals for additional fees and charges will be brought forward as part of the annual fees and charges setting process. The libraries will continue to seek external funding and improve the marketing of service.

Sources of external funding and sponsorship

- 27.12 Throughout the consultation process, the possibility of obtaining sponsorship as a means of income was raised. Libraries are relatively successful at attracting small amounts of sponsorship for specific events or projects but potential sponsors are not attracted to sponsoring the ongoing revenue costs of statutory services.
- 27.13 Section 106 monies, Lottery funding and other external funding streams were raised. Southwark libraries have attracting a range of external funding over the last few years for specific projects. This includes £1.42 million from the Big Lottery Fund to make significant improvements to the John Harvard Library. Other funds have been secured to deliver ICT training to adults, to take ICT to housebound residents, to work with people from specific communities and to fund on-going work with very young children and their families through the Sure Start programme.
- 27.14 With the exception of Sure Start funding, all of these successes have been either for one off capital sums or for time limited project work. All of these developments are important and have introduced new people to the service but none bring ongoing revenue and most projects wind up once the time limited funding has ceased.

Recommendation 3a

The library service will continue to seek sponsorship and external funding.

Hire of space

- 27.15 Rooms are available for hire at Dulwich, Peckham and John Harvard libraries and the new library at Canada Water will also have rooms for hire.
- 27.16 Charges are made for rooms according to the nature of the booking, i.e. community groups pay less than commercial organisations, and charges also include any additional payment that needs to be made for staff if someone is needed to lock up after normal closing time.

27.17 As with other areas of service, there are tensions between generating income and creating barriers to use.

27.18 There is clearly scope for raising additional income from hiring out rooms and other spaces, including general library space on closed days. Discussions are taking place with Community Action Southwark (CAS) in relation to making additional use of space.

Recommendation 3b

A formal marketing strategy for use of library spaces will be drawn up to help maximise income in this area.

Cafés in libraries

27.19 During the consultation, a number of people suggested having cafes in libraries as a way of raising income. A café is planned for the new library at Canada Water and there is a café space at John Harvard Library, although this is currently unoccupied.

27.20 The arrangement for the café at Canada Water is for the space to be leased to the provider for a rental. Income from the café will belong to the provider. This arrangement guarantees income for the library from the café and is deemed to be the most appropriate arrangement based on experience from the John Harvard café space.

27.21 Procuring a suitable provider for the John Harvard Library café has proved to be a challenge, with two different providers having taken on the running of the space and having withdrawn due to being unable to make sufficient income.

27.22 All of the main coffee chains have been approached over the last year to measure their interest in providing coffee concessions in libraries. Although some expressed initial interest, none wished to pursue this due primarily to concerns about footfall and market profile.

27.23 Establishing cafes in other spaces would require additional investment with no guarantee of providers coming forward or of enough income being generated to sustain facilities once established.

Recommendation 3c

Options to pursue cafes in libraries will be investigated wherever possible.

FURTHER WORK ON FUTURE MODELS OF SERVICE PROVISION

28. Community management of libraries

28.1 The recent MLA report on Community Managed Libraries, published in July 2011 says that there is no one fixed definition for community management of libraries. A number of different models have been developed but there are some core similarities between them, including:

- Removal to a greater or lesser extent of the local authority's responsibility for and management of the service

- More flexibility to meet, or proportionately meet, the ongoing costs associated with maintaining a library building and service by passing it over to community groups, charities or social enterprises, sometimes including the transfer of assets of buildings. In many cases the authority still continues to subsidise the services either financially or by the provision of support services.
- Greater use of volunteers
- Greater use of partnership and shared use of buildings and assets
- Change of some, or all, of the library users from a role of straightforward consumption to a role that involves actively participating to some degree in the management and running of the service.

28.2 There are examples of community managed libraries in a range of authorities, including Hackney at Woodberry Down and in Lewisham where three libraries are now managed by a social enterprise organisation and a further service point is managed by a community group. There are also proposals in Camden for three smaller libraries to be offered for community management as an alternative to closure, with the understanding that should no suitable community management arrangement be agreed, then those libraries will close.

Recommendation 4a

Offers from the community to undertake the management of libraries as a result of Recommendation 1b will be assessed together with other opportunities for wider community involvement in local libraries such as supporting activities and events, assisting with reading help and community learning programmes. Officers will continue to track the developments in community management in other boroughs and assess

28.3 Options around the community management of libraries and use of volunteers were discussed as part of the consultation and there was some interest expressed for local residents to play a more proactive role alongside library staff.

Placing services in Trusts

28.4 Hounslow's library service was part of a wider leisure and culture trust during the early 1990's. This was recently replaced by a new trust, managed by Laing's and including leisure centres as well as libraries.

28.5 The Trust advises that significant savings have been realised from staff restructuring as a result of establishing the Trust and that new investment has been brought into the service to upgrade facilities.

Recommendation 4b.i

Discussions with possible providers regarding how such arrangements might benefit Southwark will be progressed on receipt of draft outline proposals in response to those discussions. Officers will continue to track and investigate developments in other boroughs.

29. Sharing services with others

- 29.1 Some authorities have chosen to invite formal tenders for the management of their services. Current examples of this include Slough, which is now managed by a company set up by Essex Libraries; Wokingham which has recently advertised for expressions of interest in running its service as well as Croydon and Wandsworth who are jointly advertising for expressions of interest for running their services.
- 29.2 The MLA sponsored Future Libraries Programme included seven discrete projects across the country to look at different ways of delivering services. One of these projects is amalgamating services across three London boroughs – Kensington and Chelsea, Hammersmith and Fulham and Westminster.
- 29.3 Bexley and Bromley library services are also in the process of amalgamation. Again the majority of savings are being realised through staff re-structuring including the rationalisation of management structures.
- 29.4 Other Future Libraries programme activities included examining a range of functions which may have scope for being provided and managed across borough boundaries.
- 29.5 Southwark has been involved in this particular project, together with six other south-east London boroughs: Bexley, Bromley, Croydon, Greenwich, Lambeth and Lewisham.
- 29.6 Areas for consideration included amalgamation of back office functions; amalgamation of mobile and or home library services; inter-lending; amalgamation of service specialisms (e.g. children's work, information services); integrating circulation systems as well as the potential for amalgamating management of the seven services, see the document entitled 'Future Libraries Programme Final reports from pilots March 2011,' which is available on the Council's website.
- 29.7 Some of this work is being taken forward. The inter-lending function is being led by Bromley and it is planned for Southwark to join several other authorities in the Bromley led "London requests" service next year. This will mean Bromley managing Southwark's inter lending service and staff savings being realised for Southwark.
- 29.8 Southwark already manages Lambeth's on-line community information service. This is possible due to the two authorities having the same IT circulation system. Southwark receives a fee from Lambeth for providing this service.

Recommendation 4b.ii

Officers will continue to take forward discussions with other London boroughs to seek opportunities for cross borough working, in effect, delivering a service on its behalf to generate an income for Southwark libraries. Work will continue on the MLA pilot projects with options for sharing aspects of services.

30. Co-locating or integrating with other Southwark services

- 30.1 Making more efficient use of library buildings has been investigated as part of the libraries review and significant public support for this was identified during the public meetings. The feedback from residents included their views and ideas on libraries being co-located with one stop shops, health services, the Police and other community organisations and how such arrangements would be of benefit.
- 30.2 Discussions have also been held with Community Action Southwark (CAS) about voluntary sector organizations making use of library space either during down time or possibly during normal opening hours, to make more use of the buildings and possibly to make a contribution to running costs. This discussion is continuing and officers are awaiting a firm proposal from colleagues at CAS.
- 30.3 Consideration is being given to shared premises to house Brandon Library alongside other community provision that would make better use of resources and options for alternative provision for the Aylesbury Estate as part of the overall improvements to this area.
- 30.4 Discussions are being held with the Council's Adult Social Care and other services to explore ways in which the library service can develop partnership arrangements to better support older people in their use of libraries and a range of models are currently being developed before firm decisions are taken on this matter

Recommendation 4c

Officers will continue to seek opportunities for sharing buildings to enable co-location of libraries with other services

31. Supporting the emerging customer services strategy

- 31.1 The Libraries service is one of the larger public points of public interaction within the Council and is ideally placed to act as an access point and gateway to other council services.
- 31.2 The co-location of services proposed in this report will assist residents by reducing travel time, providing access and assessment of their needs in one place and provide an opportunity for staff to signpost services of interest or benefit.
- 31.3 The library service will continue to review its communication and access channels and it is increasing and promoting its online transactional services, with a move to self-service where possible. The proposed changes to opening hours at some Libraries should not have an impact on the access to our services overall.
- 31.4 We continue to work closely with the call centre to ensure information about our services is clear and up to date, staff have been trained in providing a quality customer experience and we have clear processes in place to make sure our services are delivered responsively and appropriately.

- 31.5 There are already plans for other Council customer services to be housed at or delivered from the proposed new Camberwell Library and the new library at Canada Water. These initiatives are expected to produce rental income or shared funding of running costs of these buildings.
- 31.6 There are firm plans to move some elements of the Housing service to the second floor at Peckham Library. This will deliver a contribution of circa £57,000 to the running costs of the building through a rental and service charge arrangement.

Recommendation 4d

Continue to work on the emerging customer services strategy.

32. Options for the future provision of libraries arising from regeneration or other property opportunities

- 32.1 The library service currently operates from 12 public buildings and one non public building in Wilson Road, Camberwell, which houses stock services.
- 32.2 The consultation feedback on options for re-provision included positive comments from residents regarding plans for a new Camberwell Library and the proposals relating to a new Grove Vale Library. Residents wished to retain a local library in their communities and acknowledged the benefits around better buildings which can offer more flexibility and access to all.
- 32.3 Building costs form a significant part of expenditure in the library service, including £559,000 per annum for NNDR charges; £118,000 in rent (for Camberwell and Grove Vale libraries) and £133,000 for repairs and maintenance. These costs are difficult to reduce as for the most part, they are set by external agencies according to formulas, whilst the repairs and maintenance figure is insufficient to address all outstanding building issues.
- 32.4 These costs only reflect part of the ongoing requirement for building maintenance – both reactive and planned. Condition surveys have been undertaken on all of the library buildings (with the exception of Newington). Over the four year period from 2011/12 to 2014/15 inclusive, works to the current value of £1.9 million have been identified as being required. No provision is currently made for these costs. Details of costs for each library are set out in the table below.

Table 2: Known required planned maintenance works for libraries 2011/12 onwards

Library	2011/12	2012/13	2013/14	2014/15	2015 onwards	Total
	£	£	£	£	£	£
Peckham	201,543	2,875	87,533	46,460	1,777,407	2,115,818
Dulwich	51,234	39,219	150,714	159,093	552,432	952,692
John Harvard	806	0	0	0	613,017	613,823
Camberwell	284,090	19,320	0	59,000	166,551	528,961
Nunhead	157,591	39,267	6,383	89,245	41,519	334,005
Brandon	79,288	36,743	72,163	13,001	52,786	253,981
Blue Anchor	105,388	47,382	18,877	13,111	29,524	214,282
Grove Vale	31,092	40,455	18,574	23,406	20,586	134,113
East Street	30,757	3,450	24,102	0	40,323	98,632
Total	941,789	228,711	378,346	403,316	3,294,145	5,246,307

- 32.5 There are opportunities for some of this expenditure to be averted at Camberwell Library which is earmarked for replacement in 2012 and possibly also at Grove Vale library depending on the outcome of matters referred to in paragraphs 30.9 to 30.15 below.

Future options for Camberwell Library

- 32.6 Camberwell Library is currently located in three shop units in Camberwell Church Street. Whilst this is a prominent location, the building itself is not fit for purpose, is extremely cramped, lacks disabled access to the children's library in the basement and to access the staff provision on the upper levels, it is necessary to go into the street and then re-enter the building.
- 32.7 The Council currently pays an annual rental of £90,000 over the three shop units. There are three tenancies for the Council's occupancy of this site and the leases do not expire at the same time.
- 32.8 Several attempts, dating back a number of years, have been made to find a more suitable location for the library all without success until this year when a new scheme adjacent to the Magistrates Court at Camberwell Green has been proposed and agreed in principle by Cabinet. If this scheme progresses according to schedule, the new library is likely to open to the public by the end of 2012.

Recommendation 1f

Officers will continue to work with the Camberwell Project Team on the new library to achieve improved provision and an estimated £50,000 saving on rental and running costs.

Future options for Grove Vale Library

- 32.9 Grove Vale Library in East Dulwich is located in two small shop units on a parade of local shops. The Council does not own these units and pays annual rental of £27k to occupy them. This is subject to review by March 2012 when the current lease expires.
- 32.10 Grove Vale is a very small library, with no scope to develop upwards, to the rear or to the front due to the constraints of its location. Space is extremely limited and it is not possible to offer a full range of activity. Staff provision is also inadequate with an outside toilet.
- 32.11 The library is one mile walking distance from Nunhead Library and 0.9 mile walking distance from Dulwich Library. There is a significant degree of overlap in use between Grove Vale and Dulwich Library in particular. In the 12 months period to March 2011, 44.7% of people who joined at Grove Vale Library borrowed items from Dulwich Library and 24.3% borrowed items at Peckham Library. During the same period, 31% of people who borrowed items from Grove Vale Library were people who had joined the library at Dulwich.
- 32.12 An opportunity exists to replace the current library within a new development on the opposite side of the road to the current provision, adjacent to East Dulwich Station. Planning permission has already been obtained for this development which also includes residential and retail provision.
- 32.13 The offer from the developer is for a ground floor “shell” for the new library together with a Section 106 contribution of £134,000 towards fitting out. If this proposal is to go ahead, a further capital sum will be required to complete the fit out to an appropriate standard. It is estimated that a further £241,000 would be needed to provide appropriate ICT services and other improvements.
- 32.14 Planning officers are currently negotiating the Section 106 agreement on this project allowing three-six months for the Council to indicate whether or not it wishes to take up the option of a new library. Should this be the case, the Council would be expected to enter into an agreement to lease.
- 32.15 Most revenue costs for a new library would be covered from the existing revenue of the current Grove Vale Library, however it is anticipated that a further £70,000 per annum may be required due to the expected additional NNDR costs of a new building as well as extra running costs for additional access to ICT.

Recommendation 5

Subject to planning approvals and available resources it is recommended that work continues with the Grove Vale Project team.

33. Financial implications

- 33.1 The approved revenue budget for 2011/14 includes savings of £397k from review of libraries budget. This is profiled as £274k in 2012/13 and £123k in 2013/14. This report recommends the following package of measures to achieve the budgeted savings:
- a) Use of volunteers £40,000
 - b) Reshaping of opening hours at smaller libraries to offer more days open but with less hours overall. This to be combined with an invitation for community management for the period of reduced hours £80,000
 - c) A staff reorganisation of £120,000
 - d) Sharing resources with other boroughs £50,000
 - e) Sharing space with Housing at Peckham Library and thereby reducing library costs by £57,000
 - f) New rental saving of £50,000 from the creation of the new Camberwell Library
- 33.2 The use of volunteers in certain libraries (£40k): this will entail using volunteers in 4 smaller libraries (Brandon, East Street, Grove Vale and Nunhead), saving approximately 0.5 FTE Hay grade 3 library assistants at each of these libraries. The use of volunteers in council libraries is a new concept, and there are risks associated with achieving this saving, especially with regards to what it will cost to manage the volunteers, something that is very difficult to quantify at present.
- 33.3 Reshaping of opening hours (£80k): The calculation of the potential saving is based upon reducing opening hours by six per week at Brandon, East Street and Grove Vale and ten per week at Nunhead. This would reduce the need for 4.5 FTE Hay grade 3 library assistants.
- 33.4 Staff re-organisation (£120k): this will entail a restructuring of the library Service - an initial proposal has been compiled and managers are confident that this saving can be achieved for 2012/13.
- 33.5 Cross borough working (£50k): Southwark has been involved in the Future Libraries project together with six other south-east London boroughs – Bexley, Bromley, Croydon, Greenwich, Lambeth, and Lewisham. The project focuses on areas of potential cross borough partnerships including amalgamation of back office functions, amalgamation of home library services, inter-lending, and service specialisms (e.g. children's work, information services), integrating circulation systems and the potential for amalgamating management of the library services over the seven participating boroughs. Because this project is still being developed, the proposed £50k is a prudent estimate of saving that can be achieved in next two financial years starting from 2012/13.
- 33.6 Sharing of space at Peckham Library (£57k): this comprises potential additional income (in the form of a recharge) for the Library Service as a result of accommodating other parts of the council (parts of Housing Management and Revenues & Benefits) in Peckham library. A saving to the council will be achieved because the units being accommodated will be able to vacate premises either belonging to 3rd parties (and thus a rental saving), or belonging to the council (and could thus be disposed of). Although the figures are robust, there is still uncertainty whether the additional income will manifest, as final decisions have not been made yet. The potential amount to be saved is based upon calculations by the Property division indicating £25k rental for occupation

of the second floor of the library, with an annual service charge making up the rest of the £57k. Overall, the cost to Housing will be around £39k, and the cost to Revenue & Benefits of around £18k.

- 33.7 New Camberwell Library rental saving (£50k): the £50k saving is an estimate based upon the fact that annual rental cost of £90k (30% of the current total budget for Camberwell Library) will fall away as a result of moving the library. The achievement of this saving is however still uncertain, as it is subject to final approval being given for the new library to be built adjacent to the Magistrates Court at Camberwell Green. In addition, the quantum of the saving will only become clearer when more is known of the eventual scope and occupation of the building.
- 33.8 It is also recommended in paragraph 5 that Grove Vale Library is replaced by a new library that will be part of a new development adjacent to East Dulwich Station. It is estimated that the capital cost of this relocation will be £375k, of which it has been agreed that the developer will contribute £134k, and the council the remaining £241k. The capital cost is a result of fit-out costs, including ICT provision. A capital bid of £241k has been submitted as part of the 2012/13 to 2014/15 budget setting process. It has also been estimated that additional revenue costs of up to £70k per year may be required, mainly due to an expected increase in building related costs such as business rates. A revenue growth bid has been submitted as part of the 2012/13 to 2014/15 budget setting process.
- 33.9 The approved budget for 2011 /14 also included savings proposal of £150k by discontinuing Home Library Service in 2013/14. The latest estimate is that this will achieve only a budget saving of £104,000 and therefore alternative savings of £46k have been put forward as substitute. The proposal is to bring forward the £104k savings to 2012/13 but the likelihood of achieving this will depend on finding an alternative model of delivery by 31st March 2012.

34. Community impact assessment

- 34.1 The Council is mindful of its Public Sector Equality Duty and, in proposing the changes, driven by budgetary requirements, has attempted to mitigate the impact upon those individuals and groups whose protected characteristics, as defined by the Equality Act 2010 fall within one or more of the categories described as 'protected groups':
- age
 - disability
 - gender reassignment
 - marriage and civil partnership
 - pregnancy and maternity
 - race
 - religion or belief
 - sex
 - sexual orientation

- 34.2 A high level equalities assessment has been carried out on these proposals, which has identified that the alteration of opening hours, recommendation 1b and potential proposals for the home library service, recommendation 2 may have equalities implications. The other operational proposals have been assessed as having little or negligible impact. A full equalities assessment will now be carried out for these specific proposals as they are developed and consulted on. Details are given in the document entitled 'Library Service review – Equalities impact assessment [High level],' which is available on the Council's website.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

35. Strategic Director of Communities, Law & Governance

- 35.1 The constitution reserves to individual cabinet members the agreement of statutory and other strategies, in relation to their areas of responsibility, except where they relate to crosscutting issues; on such occasions the decision will be referred to a meeting of the full cabinet. This issue affect more that one portfolio so the cabinet is the appropriate decision maker.
- 35.2 As stated in paragraph 6, the Public Libraries and Museums Act 1964 ("the Act") provides that it is the duty of the local authority to provide a "comprehensive and efficient library service". The Act does not define the terms "comprehensive and efficient" but the Secretary of State does have powers of intervention should authorities be deemed not to be fulfilling their duty. In addition a failure to comply with this duty would be subject to judicial review.
- 35.3 The review of the library service as well as the options to deliver savings from the library budget in financial years 2012/13 and 2013/14 and the possible future models of service have been subject to consultation with service users and key stakeholders.

Details are contained in the Background Papers, which are available on the Council's website. For effective consultation to take place the following must apply

- consultation must be conducted when proposals are at a formative stage;
 - the decision maker must give sufficient reasons for its proposals to permit intelligent consideration and response;
 - adequate time must be given for consideration and response; and
 - the product of consultation must be conscientiously taken into account before making the relevant decision
- 35.4 Each of these elements must be considered separately, evidenced and documented. It is noted that the possible future models of service will be subject to a further report to Cabinet.
- 35.5. To understand the effect of the options to deliver savings on the community having regard to the council's equalities duties as set out in the Equalities Act 2010, an Equality Impact Assessment has been undertaken. The consideration given to the impact of the options to deliver savings is set out in paragraphs 148 to 158 of the report. A further Equality Impact Assessment should be undertaken

- in relation to the possible future models of service.
- 35.6. The various options proposed in Paragraph 1 of the report present a number of potential employment law implications.
- 35.7 With regard to the use of volunteers in the library service the proposed relationship of all volunteers should be analysed to ensure that they may not in fact be able to claim that they are in an employment relationship. To ensure safeguarding standards are met and avoid potential claims of discrimination by applicants, recruitment of volunteers must be conducted in compliance with the wider legislative framework of safer recruitment practices equalities legislation. If volunteers are to have access to personal data e.g. membership records/library management systems then measures will be needed to ensure compliance with the Data Protection Act 1998.
- 35.8 Current employees may be subject to changes to terms and conditions or dismissed by reason of redundancy or some other substantial reason (SOSR) where their termination does not satisfy the definition of redundancy but is required as part of the reorganisation. Whilst it is noted that it is not intended to use volunteers to replace existing employees, care must be taken lest it transpires that some employees are no longer required because volunteers will perform their duties instead. An analysis needs to be made in each case as to whether work of a particular kind has ceased or diminished. Should it be found that the transfer of duties to volunteers does not reflect a cessation or diminution of work of a particular kind then any dismissal of the employees will not be by reason of redundancy and therefore unfair, unless it comes under a fair dismissal for SOSR.
- 35.9 The staff reorganisation must be managed under the council's reorganisation, redeployment and redundancy policy and procedure and other relevant human resources procedures to ensure that the council acts in accordance with employment legislation and to minimise the risk of claims in the Employment Tribunal being brought by the affected employees.
- 35.10 With regard to Alternative/ Community Management and Shared Services, the transition from a direct delivery service to a service that is commissioned externally or shared with other boroughs may involve a relevant transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE 2006 Regs). Further analysis should be undertaken of the proposals to ascertain whether or not they will attract the application of the TUPE 2006 Regs and, if so, consideration given to any implications not least compliance with the statutory duties to inform and consult with all affected employees and the recognised trade unions as required under s13 of the TUPE 2006 Regs and, if more than 20 redundancies are proposed under sections 188 to 198 of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULR(C)A).
- 35.11 As noted above, one of the underlying principles is that equalities impact assessments are carried out at critical stages so that the council has due regard to the equalities implications of the proposed staffing changes and comply with its equalities duties.
- 36. Finance Director**
- 36.1 This report asks the Cabinet to consider the package of measures that will deliver £397,000 of savings from the library service budget, £274k in 2012/13

and £123k in 2013/14.

- 36.2 The Finance Director notes that these savings have been included in the Environment and Leisure Departments budget options for 2012/13 and 2013/14.

37. Head of Human Resources

- 37.1 The restructuring of the Libraries workforce is already underway and will be progressed in accordance with the Council's policy on Reorganisations, Redeployment & Redundancy. Signs are it will be implemented to timetable. This includes consultation with staff and Trade Unions.
- 37.2 In terms of the use of volunteers; the clear intention is not to use volunteers to replace substantive staff but as a supplement to maintain and enhance quality service. In recruiting volunteers it is vital that appropriate safeguarding checks are undertaken in accordance with guidelines and that proper induction is organised to include vital training on security, health& safety etc. Proper supervision needs to be put in place including availability of Council staff at all times, albeit not necessarily on site.

BACKGROUND DOCUMENTS

Background Papers Available on Southwark Website at

http://www.southwark.gov.uk/info/200062/libraries/2218/southwark_libraries_review

Background Papers	Held At	Contact
Public Library User Survey (PLUS) 2009	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Children's Public Library User Survey (CPLUS) 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Southwark Library Service Review survey (2011)	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library service budget detail 2011/12	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library Usage	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577

Background Papers	Held At	Contact
Ethnicity – number of borrowers April 1 2010 to March 31 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Gender – borrowers April 1 2010 to March 31 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Age ranges – percentage and number of borrowers April 1 2010 to March 31 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Registered Disabled people who used Southwark library service between April 1 2010 and March 31 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Southwark Council Libraries Review – Public Consultation 2011 Combined Report	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Total issues and visits to Southwark libraries April 1 2010 to March 31 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Cost per issue and visit to Southwark libraries April 1 2010 to March 31 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Libraries fees and charges 2010/11 – percentage income per income category	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of BLUE ANCHOR Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of BRANDON Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577

Background Papers	Held At	Contact
Library use by borrowers with a home site of CAMBERWELL Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of DULWICH Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of EAST STREET Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of GROVE VALE Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of JOHN HARVARD Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of KINGSWOOD Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of NEWINGTON Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of NUNHEAD Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of PECKHAM Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library use by borrowers with a home site of ROTHERHITHE Library	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577

Background Papers	Held At	Contact
Future Libraries Programme Final reports from pilots March 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Blue Anchor Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Brandon Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Camberwell Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Dulwich Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from East Street Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Grove Vale Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from John Harvard Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Kingswood Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577

Background Papers	Held At	Contact
Distance in miles from Newington Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Peckham Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Distance in miles from Rotherhithe Library to other libraries in Southwark	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Southwark Libraries Consultation with Children and Young People 8 August 2011 to 31 August 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Southwark Libraries Review: Public consultation meetings	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Inner London authorities: spend per resident 2008-2009	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Hours of use for public PCs and wireless internet in Southwark libraries April 1 2010 to March 31 2011	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577
Library Service review – Equalities impact assessment [High level]	Environment and Leisure, 160 Tooley Street	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure. Tel 0207 525 1577

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Veronica Ward, Cabinet Member for Culture, Leisure, Sport and Olympics	
Lead Officer	Gill Davies, Strategic Director for Environment & Leisure	
Report Author	Adrian Whittle, Head of Culture, Libraries Learning and Leisure	
Version	Final	
Dated	6 October 2011.	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Human Resources	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	7 October 2011	

Item No. 10.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		Cycling Policy Review	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Transport Environment and Recycling	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR TRANSPORT, ENVIRONMENT AND RECYCLING

Having been requested by Cabinet to oversee this review, I am pleased to introduce the report. Since the Cabinet meeting of 19 July I have had time to further consider and review our cycling policies. I have used the time to further consult with key stakeholders and explore in more detail the latest research on cyclist safety. I am confident that our transport plan is a robust document that has safety at its heart and our ambition to make Southwark a 20mph borough is the right one. Increasingly evidence shows that the way to improve safety on the road network is to reduce vehicle speeds.

The means to access to bikes and the confidence to cycle can be a life-changing opportunity for people. We, as a local authority want to make that appealing for more and more of our residents. We are doing this through a whole range of measures including cyclist friendly highways improvements, free cycle training and an expansion across the borough of secure cycle storage. All featuring as part of our three year local implementation plan (Lip2) programme.

To complement this, I have also allocated £26k in this year towards improving permeability for cyclists and welcome the input from key cycling stakeholders in identifying and delivering these improvements.

As portfolio holder with responsibility for transport matters I very much look forward to continuing working with key stakeholders like Southwark Cyclists to truly support cycling and cyclists, and work towards making all our borough’s streets and thoroughfare locations safe and a joy to cycle on.

RECOMMENDATION

That the cabinet

1. Notes the content of the council’s transport plan cycling policy review contained in this report.

BACKGROUND INFORMATION

2. This report considers the cycling policy contained within the council’s transport plan which incorporates the requirements of Southwark’s local implementation plan 2 (Lip2).

3. In May 2010, the Mayor of London published his revised transport strategy. Section 145 of the Greater London Authority Act 1999 (GLA 1999) requires each council in London to prepare a local implementation plan (Lip) to detail how the authority will assist in delivering the Mayor's transport strategy. Following the revision of the Mayor's transport strategy all boroughs are required to revise their Lip (also known as Lip 2) in response to the new strategy.
4. This transport plan incorporates the requirements of the borough's second Lip in responding to the revised Mayor's transport strategy. It replaces the current Lip which was approved by the Mayor of London on 21 February 2007 and adopted by the council's executive on 20 March 2007. Annually the cabinet has considered and approved the Transport for London (TfL) funding submission to deliver the improvements in the Lip.
5. The plan has been developed in accordance with the TfL guidance released in May 2010. As well as addressing these requirements the transport plan sets the future direction for improving transport in Southwark for the next 15 years and includes policies, schemes and initiatives to deliver sustainable, efficient and effective transport services and programmes.
6. When developing the transport plan an assessment of the 2006 cycling plan was undertaken and it was found that the delivery of the plan had not progressed as well as we had hoped. This was also generally true of the supporting policy documents attached to the Lip 2006. A different approach was proposed and the transport plan was developed to house all transport policies and integrate the needs of all road users.
7. When developing the transport plan we wanted to continue our commitment to encouraging more cycling in Southwark in recognition of the health, well being and environmental benefits. We also know that there is great potential for more people to cycle with approximately 40% of households in London having access to a bike, but as many as one in five of these are unused¹. In addition with 50% of residents living within 10km of work, Southwark is an ideal location for people to cycle to work.
8. The following table shows how the policies contained within the cycling plan 2006 have been considered, adapted and translated into the transport plan 2011.

Cycling plan 2006	Transport plan 2011
Cycling for all The benefits of cycling	Policy 1.7 – Reduce the need to travel by public transport by encouraging more people to walk and cycle. Policy 2.3 – Promote and encourage sustainable travel choices in the borough. Policy 4.1 - Promote active lifestyles Policy 4.2 – Create places that people can enjoy
Promoting cycling	Policy 1.7 – Reduce the need to travel by public transport

¹ Cycling revolution London 2010, Mayor of London

Cycling plan 2006	Transport plan 2011
	by encouraging more people to walk and cycle Policy 2.3 – Promote and encourage sustainable travel choices in the borough.
Improving the cycling environment Land use planning Transport planning Providing cycling infrastructure Improving streetscapes	Policy 1.10 – Improve the cycling environment and ensure that people have the information and confidence to use it. Policy 1.12 – Ensure that cycle parking is provided in areas of high demand and in areas where convenient. Policy 2.3 – Promote and encourage sustainable travel choices in the borough.
Improving links to recreational cycling	Policy 4.1 – Promote active lifestyles
Providing parking	Policy 1.12 – Ensure that cycle parking is provided in areas of high demand and in areas where convenient.
Improving cycling skills	Policy 2.4 – Continue to support improving skills and knowledge to travel sustainably
Making cycling safer Safety Enforcement	Policy 1.10 – Improve the cycling environment and ensure that people have the information and confidence to use it. Policy 5.1 – Improve safety on our roads and to help make all modes of transport safer Policy 5.3 – Target commuter cyclists in road safety campaigns. Policy 7.1 – Maintain and improve the existing road network making the best use of it through careful management and considered improvements.

9. An equality analysis and Strategic Environmental Assessment (SEA) were carried out for the transport plan, as required by the council's equality scheme and the SEA regulations. A health impact assessment was also carried out.
10. The transport plan and its assessments were agreed by the cabinet on 19 July 2011 subject to a review of cycling policies.

KEY ISSUES FOR CONSIDERATION

11. In July 2011, the cabinet considered the borough's transport plan which incorporated the requirements of the local implementation plan and sets out how the council works with partners to coordinate and improve its transport infrastructure and services in the borough.

12. A deputation to the cabinet at this meeting contested certain aspects of the plan relating to cycling, particularly the lack of provision of segregated cycle lanes. Therefore the cabinet agreed 'That the plan be reviewed in three months to take into account future representation from cyclists on cycling'
13. Since this meeting the cabinet member for transport, environment and recycling has met with Southwark Cyclists to discuss cycling and the development of the council's cycling policy.
14. The key issues common to all parties are;
 - That the planned growth of cycling levels is not ambitious enough: a mode share of 20% for cycling is proposed, rather than the 5% included in the transport plan (currently the mode share is 3%).
 - Support for a formal network of routes and approach to cycling infrastructure.

Cycling growth

15. Recent research has indicated that there has been a small increase from 2.9% average over 2006/09 in the number of trips being taken by bike to the current level among local residents of 3% in 2009/10. This has been against a backdrop of consistent financial support for cycling through the borough's transport improvement programme. Over the past five years the council has invested approximately £200k annually to improve cyclist skills and provide cycling infrastructure.
16. Considering the continuing investment in cycling by the borough and key developments such as the introduction of cycle hire, and the existing and planned cycle superhighways a 2013/14 target of 4% cycling mode share was set. This target is considered to be ambitious but achievable and translates into a 33% increase in cycling levels or 4,700 new trips by bike every day.
17. A longer term target of 5% cycling mode share by 2025/26 has been set by the council and this is in line with the London target. There is a clear commitment to review this target every three years, and should it prove apparent that initiatives such as the cycle superhighways and cycle hire scheme have created conditions for both accelerated and sustained growth the target will be increased. The council is committed to ensuring that the target remains challenging but achievable.
18. Southwark cyclists support a long term increase to 20% cycling mode share by 2025/26, while this is admirable, it is considered to be unachievable, given the available resources². A 20% increase would be a rise of approximately 90,000 trips per day by bike in the borough.

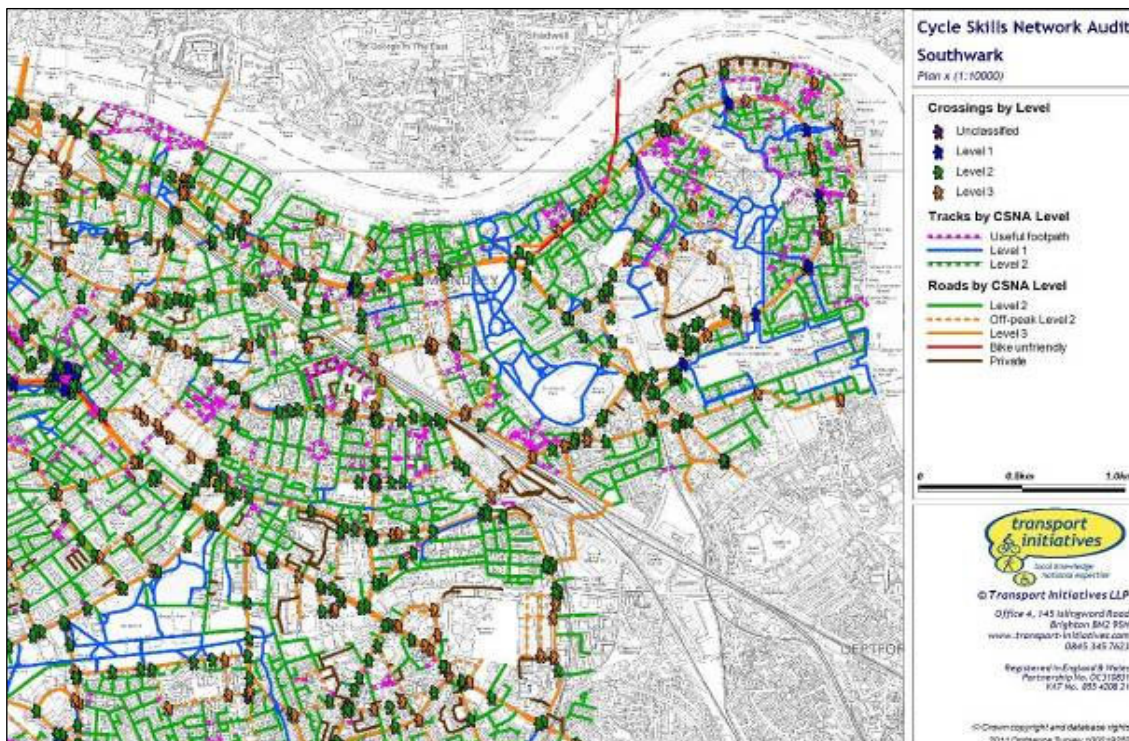
Delivery of improvements for cycling

19. The transport plan adopts a borough wide approach to improving conditions for cycling. To help us understand and therefore improve the cycling experience a cycle skills network audit has been undertaken encompassing all roads in the

² The transport plan's delivery plan identifies that investment in transport will fall from £24m in 2011/12 to £17m in 2013/14.

borough.

20. The audit classifies each road and cycle track by the cycle skill level needed for cyclists to use them in relative safety using a system based on the three core levels of the National Standard for Cycle Training (Bikeability).
21. The audit will enable the borough to identify roads needing further investment to improve the ease and safety of use. Through this process we aim to develop a more effective way of providing for cyclists, by focusing on “routes for cyclists”, rather than “cycle routes”.
22. There are further opportunities to use this information to inform and plan routes for cyclists training. This would help to build cyclists’ skills and confidence in a controlled environment.
23. The following figure provides a graphical representation of the audit outputs.



24. In recognition of the wide range of travel choices, destinations and origins the plan supports the general view that all streets should be suitable for cycling, that we should take a borough wide approach to provide for cycling. We will use whatever means are available to make roads safer for cyclists, we will take a pragmatic approach providing infrastructure on a case by case, street by street basis.
25. In delivering the objectives of the transport plan, the council has planned the following improvements which include improvements for cycling as well as programmes specifically dedicated to cycling. This approach is complemented by the council’s continuing programme of cycle education, training and promotion which is provided through going into the community, particularly schools, to give people the skills, awareness and confidence to cycle.

Scheme Title	Funding £000's			
	2011/12	2012/13	2013/14	Total
Peckham Rye south - Delivering a better environment for walking and cycling on streets adjacent to Peckham Rye Common. Yr 2 of 2.	538			538
Southwark Park Road/ Grange Road - Corridor management to regulate vehicle speeds, reduce collisions, improve pedestrian accessibility, improve park and school access, declutter and improve conditions for cycling. Yr 2 of 2.	386			386
Rotherhithe New Road - Area treatment to improve pedestrian and cycle permeability between Southwark Park, local schools and onward green links. Measures to reduce motor vehicle dominance and regulate speeds.		25	425	450
Cycle training - Provision of cycle training across Southwark.	163	156	134	453
Sustainable travel infrastructure - Identification and delivery of on street cycle parking, dropped kerbs and other measures to support sustainable modes of travel	60	70	70	200
Estate cycle parking - Installation of secure cycle parking on housing estates	50	50	50	150
Green links (East Walworth pocket parks) - Area scheme bounded by New Kent Road, Old Kent Road, Walworth Road and Albany Road. To improve links between green spaces to encourage local walking and cycling trips.		342		342
Cycle superhighway route 5 complementary measures - Permeability improvements for cyclists providing better access to the CSH5. Includes contraflow cycling and filtered priority measures.	34	150		184
Rotherhithe peninsula - Building on the Rotherhithe area smarter travel project, physical measures to facilitate higher levels of walking and cycling on local green links and beyond.		177		177
Green links (Camberwell) - Facilitating local walking and cycling trips in the Camberwell area. Access and environmental improvements to link green spaces and the town centre.		150		150

Scheme Title	Funding £000's			
	2011/12	2012/13	2013/14	Total
Walking and cycling permeability - Improving access and reducing travel times through small scale infrastructure changes such as dropped kerbs and cycle contraflows.		150		150

Policy implications

26. The confirmed policies and actions relating to cycling are consistent with the council's transport plan as well as the council's broader policy framework and various national and regional policies including the Mayor's Transport Strategy, as required by TfL.

Community impact statement

27. An equality analysis and a strategic environment assessment were undertaken as part of the development of the transport plan and the impact on the community was considered as part of this. That assessment incorporates the impacts of the council's cycling policy.
28. The transport plan seeks to actively assist the council in respect of its responsibilities to eliminate discrimination, promote equality of opportunity and promote good relations between the different groups. The equality analysis found that the transport plan objectives were consistent with these objectives.
29. As proposals are in accordance with both the equality analysis and the strategic environment assessment they should have a positive impact on all Southwark residents. However the council will undertake ongoing monitoring to ensure there are no adverse implications for the community, or that any identified are proportionate to the overall objective of the programme and are minimised where possible. This will be through an annual monitoring report collating all available data on the impacts of the plan and identifying general travel trends within Southwark. This will include an assessment of any variation of impacts across different groups.

Resource implications

30. The council's TfL funded work programme for 2012/13 and provisional programme to 2013/14 includes funding for those initiatives relating to the cycling review.

Consultation

31. The cycling policy review builds on the consultation carried out during the compilation of the transport plan, which underwent twelve weeks of community consultation, as well as statutory consultation in late 2010 / early 2011. As part of the transport plan consultation, the community were invited to comment via

community groups, community councils, the council's website, electronic newsletters and social media networks and via an online survey. In addition, the community had the opportunity to speak to officers directly through various community and stakeholder groups, local community councils and via two 'drop in' sessions. In response to the consultation Southwark Cyclists submitted a document setting out their vision for cycling in Southwark which was considered in the preparation of the transport plan.

32. Following the adoption of the transport plan the cabinet member for transport, environment and recycling has met with Southwark Cyclists to discuss cycling and the development of cycling policy. Transport for London has been advised that this element of the transport plan has been reviewed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

33. Cabinet are asked to note the content of a review of cycling policy requested at the meeting of 19 July 2011. That policy forms part of the transport plan, which in turn incorporates the council's local implementation plan.
34. The council is required to have a transport plan and has adopted the plan presented to cabinet on 19 July. Cabinet has requested a review of cycling policy.
35. This report follows up the original report of 19 July 2011 which was put before cabinet for a decision under Part 3B of the Constitution. Paragraph 4 of that Part which is headed "Policy" states that cabinet will be responsible for determining the council's strategy and programme in relation to the policy and budget framework set by the council. The following paragraph 5, states that cabinet is responsible for determining the authority's strategy and programme in relation to social, environmental and economic needs of the area. This report has been requested by cabinet following the original transport plan report.

Finance Director (NR/F&R/12/9/2011)

36. This report recommends that the cabinet notes the content of the council's transport plan cycling policy review. There is no intention to appoint external parties to undertake the review, and officer time required to undertake the review will be contained within existing budgeted revenue resources. Should the review show that changes in the transport plan financial profile are required, then this would be explained in a subsequent report.

Strategic Director of Environment

37. This report has been developed in conjunction with public realm design managers and the approach taken is consistent with the 'strategic design policies' within the emerging Streetscape Design Manual due to be adopted by cabinet at the end of the year and our existing Highway Network Management Policy.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Transport Plan	Planning and Transport, 5 th Floor, Tooley Street	Sally Crew on 020 7525 5564

APPENDICES

No.	Title
Appendix A	Southwark Cyclists consultation response to the Transport Plan

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Transport, Environment and Recycling	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Sally Crew, Group Manager Policy and Programmes	
Version	Final	
Dated	7 October 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Strategic Director of Environment	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	7 October 2011	

Southwark Cyclists

Response to the Southwark Transport Plan

Southwark Cyclists have the following comments:

1. As in the attached Vision document. The key message from this is that we aspire to more ambitious targets and actions to achieve them
2. On the Cyclist Casualty targets:

The strategy in the Plan relies on:

- A programme of tailored cyclist training and driver training and education.
- Working with the police on enforcement when no strategy for that appears in the plan.
- The requirement of the TLRN to deliver cyclist casualty reductions. Although the introduction of the east-west cycle superhighway may help improve cyclist casualties (equally it might make things worse if many novice cyclists are drawn to the TLRN), it is important to note that, across London, the TLRN has delivered **NO** reductions in the numbers of cyclists killed and seriously injured. 136 cyclists were killed or seriously injured on the TLRN in the 1994-98 baseline period. The number was the same in 2009. The trajectory on the TLRN has been one of increase in recent years. In 2005 there were 110 cyclists killed or seriously injured; in 2006 – 115; 2007 – 147; and in 2008 133. Clearly the TLRN is a place of increasing rather than decreasing danger for cyclists. Moreover, in 2009 cyclists accounted for 15% of all who are killed or seriously injured on the TLRN compared to just 8% in the 1994-98 baseline period. Policies to reduce danger along the length of the TLRN are needed.
- The TLRN will not deliver declines in cyclist casualties (as is required on page 108 of the Southwark Transport Plan). To achieve the Council targets, almost all of the reduction will have to come from borough roads. Across London borough roads had, according to data for 2009, delivered a 31% fall in pedal cyclist killed and seriously injured over the 1994-98 baseline.

We believe that stronger measures are needed to meet the casualty targets.

3. We strongly support the comments in the response by Southwark Living Streets.

Barry Mason, Co-ordinator, Southwark Cyclists
Alex Crawford, Southwark Cyclists Action Group

On behalf of Southwark Cyclists
February 16 2011

Item No. 11.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy 2012/13-2014/15: Scene setting report	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

This report sets out the key considerations and challenges for the council's policy and resources strategy and its budget over the next period. Of those challenges, the clearest is that arising from the significant further reductions in government funding in future years. We have an understanding of what that reduction will be for 2012/13 but a high degree of uncertainty surrounding grant funding for 2013/14 and 2014/15. Not least, these include the significant lack of clarity surrounding the impact of central government's proposed changes in how local government is financed from April 2013.

Other significant challenges include the low level of return on our investments due to low interest rates and inflation continuing to run well ahead of government targets: 4.5% at the time of writing, compared to 3.1% when the 2011/12 budget setting process began back in July 2010. The stalling of the economic recovery over the last year creates a high level of economic uncertainty. This makes it exceedingly difficult to plan for 2014/15 in a meaningful way.

In addition to these challenges, there are growing pressures on areas of council services that we will need to manage carefully in the budget-making process.

What is clear amongst this uncertainty is that there will be greater pressures on our finances for a number of years.

The Medium Term Resources Strategy that Cabinet agreed in June provides some local stability in the face of these challenges and our Fairer Future promises give a clear sense of direction on how we should address them. The extensive consultation in preparation for the 2011/12 budget also gives us a clear indication of the priorities of local residents and communities in our borough as the council determines what further efficiencies and savings will need to be made in our spending and services. It is also clear that we will need to utilise our existing reserves and balances to address the shortfalls in government funding.

RECOMMENDATIONS

1. That cabinet reaffirm their commitment to the ten fairer future promises as set out in the Council Plan and Medium Term Resources Strategy (MTRS) and the seven budget principles to guide and underpin the work of officers in arriving at a balanced budget proposal in February 2012.

2. That cabinet note that this is the second year of a three year budget framework, agreed in February 2011 which was supported by an extensive consultation undertaken in autumn 2010.
3. That cabinet instruct officers to continue to work on budget options for presentation to the cabinet in January 2012, for onward recommendation to council assembly.
4. That cabinet note the continuing uncertainty in the budget environment for 2013/14 and future years and that the government is currently undertaking a consultation on the future of local government finance (the "Local Government Resource Review").

BACKGROUND INFORMATION

A three year budget framework

5. The 2011/12 budget process was one of the most difficult that the council has had to face in recent years. The 2011/12 budget had to address issues arising from the national emergency budget, and the spending review of October 2010. These matters were extensively reported as part of the budget setting process.
6. The 2011/12 budget process also encompassed the setting of the seven budget principles, these are:
 - At a time of unprecedented cuts proposed by central government, the Southwark budget should continue to prioritise the commitments made in support of the vision to create a fairer future for all by promoting social and economic equality in an economically vibrant borough.
 - We recognise that some services currently provided by the council may be lost, and some may change. However, we will do all that we can to protect our front-line services and support our most vulnerable residents.
 - We will ensure that the services which the council delivers provide value for money, value for council tax payers and contribute towards delivering our vision of creating a fairer future for all in Southwark.
 - We will explore alternative ways of providing a service prior to proposing any cut or reduction. This will include talking to partner organisations, the voluntary sector, the trade unions, the business community and other local authorities.
 - We will be transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision as soon as possible and explore with them other ways to provide the service. We will conduct an equalities impact assessment for our budget proposals.
 - Before proposing any cut or reduction we will have a clear and comprehensive explanation for why that service should be cut, reduced or no longer provided by the council, and this explanation should be capable of being subject to robust challenge.
 - Budget proposals should be based on a three year approach (2011-14) and should have regard to innovative ways of providing services and maintaining employment in the borough.

7. In line with the budget principles above, the setting of the budget in February 2011 was supported by an extensive consultation process, a commitment to publish draft proposals, significant work by the overview and scrutiny committee, and a commitment to inviting and considering public comments on the draft proposals. These activities fed into the final budget setting in February 2011.
8. For the 2011/12 budget the council decided to, as far as possible, align the Housing Revenue Account (HRA) and General Fund (GF) revenue budget setting processes. This is considered especially important given the changes to HRA subsidy and a move to a self-financing position for all councils. For 2012/13 the HRA and General Fund reports will be considered together.
9. In July 2011, Council Assembly agreed the 10 year capital programme. This will also be refreshed as part of the 2012/13 budget setting process.
10. Council Assembly in February 2011 agreed a budget for 2011/12 and put in place a 3 year framework. The detail of the budget agreed for 2011/12 and indicative budgets for 2012/13 and 2013/14 is set out in table 1 below.

Table 1: 2011/12 budget, and indicative budgets for 2012/13 and 2013/14

	2011/12 budget £m	2012/13 indicative budget £m	2013/14 indicative budget £m
Formula grant	(232.8)	(214.8)	(214.8)
Council Tax income (<i>note 1</i>)	(90.2)	(93.5)	(96.8)
Council Tax freeze grant in 2011/12 (<i>note 1</i>)	(2.2)	(2.2)	(2.2)
Social care and benefit health grant	(4.3)	(4.1)	
Total income resources	(329.5)	(314.6)	(313.8)
Revised previous year's budget	349.6	332.9	317.4
Inflation	0.0	0.0	3.6
- Pay award – pay frozen for 2011/12 and 2012/13; 2% assumed for 2013/14			
- General inflation (running costs) allowed for 0% for 2011/12, 0% for 2012/13 and 2% for 2013/14	0.0	0.0	3.4
- Inflation based on contractual commitments (linked to industry specific rates)	3.5	3.6	2.6
Commitments	7.5	4.9	5.4
Growth	6.1	3.4	3.4
Efficiencies and improved use of resources	(22.3)	(13.7)	(12.7)
Income generation	(0.5)	(0.3)	(0.1)
Savings impacting on service delivery	(11.0)	(13.4)	(11.3)
Budget	332.9	317.4	311.7
Contribution (from) and to balances	(3.4)	(2.8)	2.1

Note 1: Government proposals on Council Tax freeze grant for 2012/13 were announced on 3rd

October 2011 and were not available for the report to Council Assembly in February 2011.

11. Following agreement of the budget in February 2011, the Medium Term Resources Strategy (MTRS) and Council Plan were also finalised. Both were presented to Cabinet in June 2011 and the Council Assembly agreed the Council Plan in July 2011.
12. The Council Plan sets out ten fairer future promises for the delivery. The plan sets out the most important actions that the council will be doing across all services and areas to deliver the vision of a Fairer Future for all. The promises are:
 - Provide improved value for money and keep council tax increases below inflation.
 - Work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing our new violent crime strategy.
 - Deliver the first three years of our five year plan to make every council home warm, dry and safe.
 - Improve our customer service with more online services, including delivery of a better housing repairs service, independently verified by tenants.
 - Introduce free healthy school meals for all primary school pupils, and champion improved educational attainment for our borough's children.
 - Support vulnerable people to live independent, safe and healthy lives by giving them more choice and control over their care.
 - Encourage healthy lifestyles by transforming Burgess Park, opening a new swimming pool at Elephant and Castle and awarding £2m to local projects to leave a lasting Olympic legacy.
 - Open Canada Water library in autumn 2011, open a library in Camberwell and conduct a thorough review of the library service.
 - Bring the full benefits and opportunities of regeneration to all Southwark's residents and build new family homes on the Aylesbury Estate and at Elephant and Castle.
 - Double recycling rates from 20 percent to 40 percent by 2014 and keep our streets clean.
13. It is important that the budget principles and ten fairer future promises, alongside the resource remit set out through the MTRS, continue to guide officers in the implementation of 2011/12 budget, preparation of the 2012/13 budget and refining proposals for 2013/14.

KEY ISSUES FOR CONSIDERATION

2011/12 budget

14. Over the three years (2011-14) the council will need to deliver in the region of £85m of savings. In 2011/12 alone the council is working to deliver some £34m worth of savings. This is three times the level of savings that were achieved in 2010/11. Savings on this scale present a significant and considerable challenge to the council, not only in identifying proposals but also in implementing such proposals.

15. The council is closely monitoring the implementation of the 2011/12 budget decisions, including agreed budget reductions, savings and efficiencies, and how these are being delivered. It is also essential to continue to manage and mitigate against rising demand pressures. Monthly monitoring and formal quarterly reporting is in place to ensure that the challenges in the delivery of the budget are addressed.
16. The 2010/11 outturn position had a positive variance and the council was able to move just over £3.9m into the modernisation reserve to pay for future costs arising from the need to redesign services to make the council fit for the future. This includes changes following reduced support from central government, redundancy and costs in 2011/12 and the future.
17. There are a number of new commitments emerging that will impact on the delivery of the 2011/12 budget and will require consideration in the setting of the 2012/13 budget. Some changes may require a level of further consultation and there is a possibility of new proposals arising from the need to address demand pressures and other unforeseen circumstances.
18. Likely cost pressures may come from the proposed fare increases for Transport for London of RPI plus 2%, which would increase average fares by around 7% from January 2012. London Councils estimates that London boroughs will have to pay an extra £22m towards the Freedom Pass scheme in 2012/13. The effect for Southwark in particular is not yet known, but given the council has a large number of Freedom Pass users, is likely to be considerable.

Future funding settlement

19. The government issued a final settlement for 2011/12 in January 2011, following the national spending review. This included a commitment to a minimum funding guarantee (the 'floor'). Southwark is one of many authorities where the settlement would have been significantly lower if there wasn't a minimum funding guarantee. Southwark experienced a total reduction in formula grant in cash terms of £29.7m for 2011/12 (a 11.9% reduction).
20. In January 2011 the government also presented an indicative formula grant for 2012/13, and it is anticipated that this will be the level of funding received. Southwark will experience a further £17.2m in 2012/13 (a 7.4% reduction). The minimum funding guarantee will continue to operate in 2012/13.
21. The government has not yet presented an indicative formula grant for 2013/14, and has made no announcements as to the future of the floor for 2013/14 and beyond. For the agreed indicative 2013/14 budget it is assumed that the same level of formula grant is received in 2013/14 as in 2012/13, but this is subject to a high level of uncertainty.
22. In looking beyond 2013/14, the government has not yet presented an indicative formula grant, and so any predictions would be highly speculative.

Inflation

23. Current inflation is 4.5% (CPI as at August 2011) with little indication from the key economic indicators that this rate will fall in the coming months. CPI, RPI and RPIX all rose between July and August 2011. The latest quarterly letter from the Governor of the Bank of England to the Chancellor of the Exchequer

was in August and reported that inflation (CPI) is expected rise to around 5% in the coming months, then fall back through 2012.

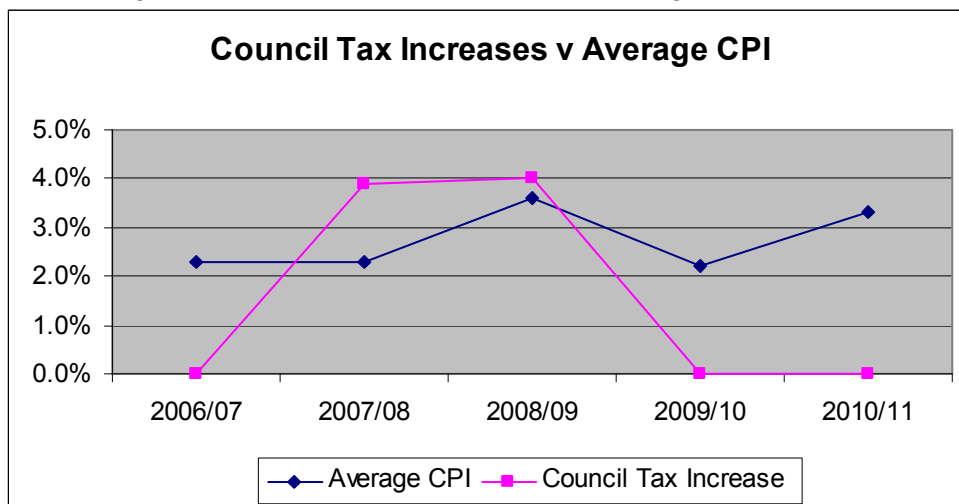
24. 2012/13 will be the second year of the public sector wage freeze, and as such salaries budgets will not be inflated. For 2013/14 pay inflation has been assumed at 2%. This assumption will be subject to clawback if the pay award is actually lower, and the costs will be met centrally if the award is higher. The central contingency will need to be maintained to mitigate the real risks presented by this planning assumption. The council is committed to ensure all staff employed by the Council are employed at or above the London living wage which will need to be considered in forward planning assumptions.
25. The Council has been reducing the numbers of agency staff used which will mitigate the financial impact. The Agency Workers Directive has a number of implications for the Council, first as at 1 October 2011 (when it comes into force) and more specifically 12 weeks later when the new terms have to be applied.
26. The Directive requires that any agency staff with assignments greater than 12 weeks have comparative pay rates, and many terms and conditions as for permanent staff. The major impact will be on low graded posts, such as street cleaners, who will receive a pay increase. It is estimated that the extra cost to the Council could be greater than £500k. This will be monitored through the second half of 2011/12. Efforts are underway to renegotiate agency prices and the full financial impact will be included in the budget report for 2012/13.
27. The 2011/12-2013/14 budget modelled non employees inflation (running costs) for 2012/13 at 0% and 2013/14 at 2%, this assumption will remain in place in order to deliver a balanced budget. However, subject to the outcome of the initial phase of budget planning, it may be necessary to cash limit budgets to base levels (that is, nil inflation), with final decisions dependant on available funding, savings and budget pressures identified.
28. Where there are contractual commitments there is an expectation that officers will continue to work with contractors and partners with a view to reaching joint agreement on variations required to contracts to operate within the Council's affordability constraints.

Council Tax

29. It is very likely that future spending reviews and grant settlements will require authorities to make an even greater level of efficiencies than ever before. These factors must be taken in the context of the fairer future promise to "provide improved value for money and keep council tax increases below inflation".
30. In 2011/12 council tax was frozen, and there was no increase. The council was in receipt of the funding made available to authorities from government which was to reflect the loss of resources that the council would otherwise have gained if council tax had increased by 2.5%.
31. At the time council tax was set inflation was running at 4% (CPI) and has now increased to 4.5% (August 2011), with expectation of further rises. Inflation rates are unlikely to fall until well into 2012/13.
32. Government grant meanwhile, is set to fall by 7.4% in 2012/13, with further falls anticipated in future years. This is outside of any impact of changes associated

with the wider review of local government resources which is currently underway by the government. The combination of average inflation at 4.5% and a loss in grant of 7.4% represents a significant cash loss and puts additional pressure on the achievement of additional savings whilst managing service demand pressures.

33. The graph below shows council tax mapped against CPI.



34. On 3 October 2011 the Chancellor announced that if an authority freezes council tax in 2012/13 (i.e. sets the basic amount of council tax in 2012/13 at a level which is no more than the basic amount of council tax in 2011/12) it will receive a one-off grant equivalent to a 2.5% increase. This grant is for one year only (2012/13) and will therefore 'fall out' and not be included in any financial settlement for the council in 2013/14 and beyond.

Housing Revenue Account (HRA)

35. All savings proposals that would impact on the service delivered to, or income received from the HRA must be identified gross and be netted off for the general fund savings proposals. Only the general fund element can be counted against savings contributing towards the general fund targeted budget savings, the HRA element must be used to reduce the recharge to the HRA. These should be discussed with the Strategic Director of Housing.
36. The current HRA subsidy system ceases on 31/03/12, and 'self-financing' will commence. Modelling undertaken indicates that there will be a loss to the HRA of around £26m in the first year.
37. There are a number of uncertainties over the debt adjustment which will occur at the end of March 2012, including the base data submission on stock numbers and inflation (based on September 2011 RPI).
38. The opening debt adjustment is assumed by the government to leave the HRA with debt which is affordable over 30 years. The provisional calculation reduces debt by £270m, with an annual debt charge saving of around £20m.
39. Overall, the self-financing is likely to create an initial budget gap in 2012/13, before other budget movements or changes of £14.9m. The HRA ringfence from the General Fund will remain in operation.

Capital Programme

40. In July 2011, Council Assembly agreed the recommendations of the cabinet for a refreshed 10-year general fund capital programme 2011-21 of £351m.
41. The general fund capital programme 2011-21 reflected new and emerging priorities, latest information on existing projects and a refreshed estimate of resources. The total programme included expenditure of £351.0m with projected funding of £414.8m. Within this there has been some £70m of new additions to the programme including;
- major works to roads,
 - a new leisure centre and improvements to existing centres,
 - projects to deliver an Olympic legacy,
 - creation of new places and improvements in local primary schools
42. The Housing Investment Programme is a substantial part of the capital activity of the council, and a report elsewhere on the agenda highlights the key aspects of the council's housing investment strategy as:
- To agree a minimum affordable standard based upon the known resources realistically available that will enable the council to bring all council homes up to the same agreed standard by March 2016
 - To ensure that all Council homes benefit from the resources available
 - To agree the minimum budget envelope and to continue to work to bring in additional funding to bring schemes wherever possible in order to complete the programme more quickly and ahead of schedule
 - To develop a 30 year housing asset management plan which will be used to inform and shape future programmes

New Homes Bonus

43. A report "The Housing Investment Programme – Confirmation of Five Year Programme" elsewhere on the agenda confirms that the new homes bonus is a general fund resource to support council infrastructure provision and, for 2011/16, resources of £2.3m will be made available to the housing investment programme from these funds.

Reserves and balances

44. Reserves and balances are maintained to finance expenditure for items that are difficult to predict and that are not included in revenue budgets or within the capital programme. They relate especially to invest to save opportunities that form part of the modernisation agenda and are expected to deliver future ongoing revenue savings. They are also held for investment in regeneration and development where spend may be subject to an unpredictable market and other influences. The position on reserves as at 31 March 2011 was fully reported in the Statement of Accounts presented to Audit and Governance Committee on 27 September 2011.

45. The budget approved by Council for 2011/12 included a planned release of reserve of £3.363m. This call on reserve provided some flexibility in terms of budget setting and the profile of savings that the council assembly agreed in February 2011.
46. The 2011/12 budget includes a planned contribution to reserves of some £1.3m. This included £300k set aside for the future costs that will arise through changes in the council's management structure as the modernisation agenda is taken forward, and £1m contribution to reserves to support the ongoing regeneration and development agenda within the borough.
47. The indicative 2012/13 budget as reported in February 2011 included a planned release of reserves of £2.8m. This will be kept under review in preparing for the setting of the 2012/13 budget.

Contingency

48. Contingency funds are different to reserves and balances in that these are held more specifically to mitigate the many different risks that the council carries in delivering services across the borough. Contingency funds also assist the council in planning effectively for the future, which is important when there is uncertainty attached to future income streams (such as is currently the case with future government grant beyond 2012/13).
49. In setting the 2012/13 budget the council will need to consider the sufficiency of its level of contingency, particularly given the scale of uncertainty currently attached to local government finance from 2013/14 onwards.

Impact of the recent civil disturbances

50. On Monday 8 August 2011 Southwark experienced disturbances across the borough. The disturbances were a difficult and challenging time for all concerned with pressure put on local resources.
51. In the days following the disturbances the Leader of the Council, Cabinet Members and senior officers met with community representatives and members of the public to listen, learn and respond to what needed to be done by way of help for local areas.
52. This series of community conversations were inspired from the community-led "Peckham Wall of Love", where local people set up a space to post their messages on what they thought of the disturbances and their affection for their local neighbourhood. The Wall has been retained by the Council as a symbol of the positive and constructive community response to the disturbances and the community conversations continue.
53. As an immediate response to the disturbances the council set up an emergency small business recovery fund of £100,000 to provide immediate, short-term support to small businesses in Southwark physically affected by the public disorder. The fund was covered from the Financial Risk Reserves. Other resources have also been set out by the government to support local areas to recover from the public disorder and the Council continues to pursue all opportunities to secure this funding for the borough.

54. It is impossible to draw conclusions as to the full impact of the disturbances at this time. There is a considerable amount of evidence that has not yet been fully assessed. In implementing the 2011/12 budget and setting the budget for 2012/13 the council will therefore need to consider the ongoing impact of the disturbances on the business and wider community.

Broader policy and financial implications

55. On 18 July 2011, the government published its Local Government Resource Review along with a consultation process that ends on the 24 October 2011. The review proposes that councils retain locally raised business rates, furthering government measures to reduce local government dependency on central government grant funding. The government's intention is for this to be in place by April 2013 so these proposals will take effect in the final year (2013/14) of the current three year budget framework put in place in February 2011; however it is important to note that full details are yet to be provided.
56. Local government funding for 2013/14 and 2014/15 will be driven by this local government funding review. This makes planning with any level of certainty more challenging. The council will therefore need to build sufficient capacity into its resource plans to be able to respond to any changes in funding arrangements both flexibly and in a way that ensures that frontline services to the most vulnerable remain as protected as possible. The importance of ensuring there is an appropriate level of contingency to deal with the uncertainty of future income streams is therefore key to future resource planning.
57. DCLG has published a consultation proposing to bring all aspects of the council tax benefit system together at local level, freeing local authorities to best support working age households and establish stronger incentives for councils to get people back into work. The changes to these benefits sit alongside the Government's wider welfare reforms. It is proposed that the changes will help to deliver a 10% reduction in the current £4.8 billion annual council tax benefit bill across Great Britain. The changes to the system will be introduced in 2013/14 and there may be costs associated with this. Officers are currently working through the details of the impact of the potential changes and any outcomes will need to be built into future planning considerations.
58. In the Open Public Services White paper the government proposes that for individual services, which are personal services such as education, adult social care or housing support, 'more power' will be put in the hands of users through mechanisms such as direct cash payments, personal budgets, vouchers, tariff payments, loans and entitlements.
59. For neighbourhood services, i.e. services provided locally and on a collective basis, such as maintenance of the local public realm, the government wants to put 'more power' in the hands of neighbourhood councils (parish, town and community councils) through mechanisms such as devolved functions and budgets. For commissioned services, i.e. local and national services that cannot be devolved such as tax collection or emergency healthcare, the government wants to 'open up' commissioning. Consultation is ongoing at a national level, with the impact on local government finances generally, and Southwark in particular still to be determined.

Community impact statement

60. As with last year's budget, each department will need to undertake "equality analysis" for its budget proposals. The 'Equality Impact Assessments', or EqIA from last year are now being referred to as 'Equality Analysis' in line with the guidance on the Equality Act 2010
61. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Council Plan. As with last year's budget, each department will undertake "equality analysis" on its budget proposals. Equality impact assessments are now being referred to as 'equality analysis' in line with guidance on the Equality Act 2010
62. Undertaking equality analysis will help the council to understand the potential effects that the budget proposals may have on different groups. The analysis will also consider if there may be any unintended consequences and about how these issues can be mitigated. Analysis will also be undertaken to consider any cross-cutting and organisation-wide impacts.
63. The equality analysis undertaken will build on previous analysis including the equality impact assessments carried out as part of last year's budget and the equality analysis undertaken on decisions to implement the budget this year. The development of equality analysis will commence now to ensure that it informs decision making at each stage of the budget process.
64. There a number of new requirements on local authorities through the public sector Equality Duty to publish equality objectives and equality information. A new approach to equality and human rights is being developed to reflect these new requirements.

Consultation

65. This report is an introduction to the planning for the second year of a three year budget framework, agreed in February 2011. The budget agreed in February 2011 was supported by an extensive consultation undertaken in autumn 2010.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

66. The constitution determines that cabinet consider decisions regarding the strategic aspects of the regulation and control of the council's finances. The council has obligations under Section 32 of the Local Government and Finance Act 1992 to calculate and agree an annual budget. The issues contained in this report will assist in the future discharge of that obligation.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Budget setting papers for 2011/12	160 Tooley Street	John Braggins 020 7525 7489
Statement of Accounts 2010/11	160 Tooley Street	Dennis Callaghan 020 7525 4375

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Duncan Whitfield, Finance Director	
Report Author	Jennifer Seeley, Deputy Finance Director	
Version	Final	
Dated	7 October 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Strategic Director of Communities, Law & Governance	Yes
	Finance Director	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional/Community Council/Scrutiny Team	7 October 2011

Item No. 12.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		Southwark 2012 Capital Legacy Group: Final recommendations for a £2m package of capital investment	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

This report is to inform the Cabinet of the decision that I have recently taken in awarding the £2 million Southwark 2012 Capital Legacy Fund to ensure that this borough has a lasting legacy from the 2012 Olympic and Paralympics games, that improves access to and increases participation in sports and physical activity.

I have taken this decision on the basis of the recommendations made by the capital legacy group, who received 40 proposals and have made judgements on these projects based on how well these projects met the legacy's objective, their deliverability within the desired timeframe, their cost and quality, and support from the community.

I would also like to take this opportunity to thank the panel and supporting officers for its hard work in assessing these proposals, and all those organisations that put forward proposals for consideration.

RECOMMENDATION

1. That the Cabinet notes that the Cabinet Member for Finance, Resources and Community Safety will take an October 2011 Individual Decision Maker (IDM) report in respect of the Southwark 2012 Capital Legacy Fund, which agrees £2m funding to ten capital projects.

BACKGROUND INFORMATION

2. 'Southwark 2012' is the name given to the project for delivering the Council's objectives in preparing for the upcoming London 2012 Olympic and Paralympic Games. Several distinct work streams exist in the Southwark 2012 project structure, one of which is the capital legacy group.
3. The capital legacy group was formed in November 2010 and is chaired by the Leader of the Council. The group is composed of external delegates from the local business community, London Southbank University and Sport England, the MP for Dulwich and West Norwood, Southwark Council cabinet members and senior Council officers.
4. The objective of the capital legacy group is to invest £2m in capital projects that

support a lasting Olympic and Paralympic legacy in Southwark from the 2012 games, improving access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities.

5. The capital legacy funding process was split over two stages. The first stage invited project proposals from Southwark residents and organisations based on the criteria agreed by the capital legacy group. The second stage centered on gaining more detailed information from applicants in order to make assessments for feasibility and risk.
6. From forty original and unique submissions at stage one, fourteen stage two applications with a combined value of £3.61m were considered by the capital legacy group for stage two.
7. The capital legacy group has recommended that ten of the fourteen stage two project proposals be funded either in full or in part. Four projects have been unsuccessful in their application for capital legacy funding.

KEY ISSUES FOR CONSIDERATION

8. The IDM recommendations are summarised in the table as follows:

#	Project name	Value of Bid (£000s)	Recommendation	Amount awarded (£000s)
1	Bethwin Road Playground's bid for a multi use games area in Bethwin Road	95	Full award	95
2	Southwark Tennis Club's bid for support for a BMX Track for Burgess Park	150	Full award	150
3	The Camberwell Baths Campaign's bid for a further phase of refurbishment to the Camberwell Leisure Centre Sports Hall	493.25	Part award	490
4	Herne Hill Velodrome Trust's bid for a contribution towards refurbishment of the Herne Hill Velodrome track	490	Part award	400
5	Athenlay Football Club's bid for a Sports Ground Development in Homestall Road	175	Full award	175
6	London Southbank University's (LSBU) bid for a new entrance to the LSBU sports centre	309.5	Unsuccessful	0
7	Outdoor disability multi-sports court	85	Full award	85
8	Peckham Pulse Pool Hoist	5.6	Full award	5.6
9	Peckham Rye Pitches & changing rooms	250	Part award	200
10	The Peckham Settlement's bid for a new 'Southwark run training facility' in the Peckham Settlement	70	Unsuccessful	0
11	Southwark Park Sports complex	500	Part award	370
12	Sustrans' bid for the 'Connect2' and 'South Bermondsey Link' projects	461	Unsuccessful	0

#	Project name	Value of Bid (£000s)	Recommendation	Amount awarded (£000s)
13	Tideways Sailability's bid for an ability centre and pontoon access to the River Thames	498	Unsuccessful	0
14	Trinity in Camberwell's bid for an outdoor sports area in Camberwell	30	Full award	30
TOTAL		3612.35		2000.6

9. Bethwin Road Playground's bid for a multi use games area in Bethwin Road is a relatively simple project that updates an existing facility that is recognised as tired and of poor quality. This low risk project included realistic timescales, costing and objectives, aiming to complete upgrade works by June 2012 and then to increase its user base by 150%. Match funding of £25K from the London Marathon Trust further helped this bid to secure the full amount applied that was for.
10. Southwark Tennis Club's bid for support for a BMX Track for Burgess Park proposed a cost effective, low risk and high impact project in an area of high demand. Having already attracted three independent sources of match funding and one other conditional offer of grant, this technically strong proposal offers very good value for money. This project provides a facility of national standard and quality with open access to the most recent sport to be added to the Olympic Games. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport.
11. The Camberwell Baths Campaign's bid for a further phase of refurbishment to the Camberwell Leisure Centre Sports Hall is a community driven proposal that upgrades a significantly under used facility located in an area of high demand. The sports hall forms the final phase in the wider refurbishment of the leisure centre and would greatly increase usable space. The bid offers minimum risk with achievable and realistic costs that afford good value for money. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport. For this reason, this project is recommended to be funded to 99% of the amount applied for.
12. The Herne Hill Velodrome is the last remaining structure from the 1948 London Olympic Games and the Herne Hill Velodrome Trust's bid for a contribution towards refurbishment of the Herne Hill Velodrome track was unique for this reason. The bid was technically very strong, focusing on increasing participation in sport by providing children's and family cycle tracks that aim to attract a broader spectrum of cyclist. While the construction works are not proposed to be on site until September 2012, the board felt the completed project would secure a very strong legacy from the London 2012 Olympic and Paralympic games and for that reason the project is recommended to receive part funding of £400K. £90K of the total cost was for a tarmac multi purpose area to be used for cycle polo and other activities. The board felt that this part of the project could be funded from elsewhere, leaving capital legacy funding to meet costs for the family and junior cycle tracks and secure a future for introducing young people to the sport of track cycling.
13. With £100K of match funding secured and a technically strong submission, Athenlay Football Club's bid for a Sports Ground Development in Homestall

Road is recommended to receive full funding. The project will offer a significant increase in usability of an existing and underused space that is currently unfit for purpose. Timescales and costs are realistic and the project offers good value for money. Following the proposed upgrades, the availability of the facility would increase dramatically allowing for 25,000 individual attendances per annum. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport.

14. Peckham Town Football Club's bid for an Outdoor disability multi-sports court is a community driven proposal, made in association with Peckham Town FC, aiming to improve access to football coaching for disabled people and people with special needs. The construction of an all-weather, flood lit and synthetic pitch is very likely to improve access to and increase participation in sport and physical activity thereby providing a strong legacy from the London 2012 Olympic and Paralympic Games.
15. Fusion's bid for a disability Pool Hoist for the Peckham Pulse Healthy Living Centre is a risk free, low value, high impact project that would serve to significantly increase access to the swimming pool for disability groups. The project offers excellent value for money, realistic and achievable objectives and a positive contribution to a strong legacy in Southwark.
16. The parks and open spaces' service bid for upgrading the Peckham Rye pitches & changing rooms, would almost double the capacity for pitch based sports in an area of high need. After clarification of costs post-submission, it was determined that the project could be completed for less than the £250k originally applied for, therefore the bid is recommended to be part funded with £200k. The project will increase participation in and access to sport within agreed timescales.
17. The Southwark Council sports services' bid for a contribution towards the redevelopment of the Southwark Park Sports complex (specifically the athletics track) is unique among submissions, and with a focus on athletics, would represent a special legacy from the Games. While match funding remains an issue, it is hoped that a £370K award will help to attract funding from external sources in a bid to get this once superb facility upgraded and available once again for public use.
18. Trinity in Camberwell's bid for an outdoor sports area in Camberwell is technically strong and provides a facility for children and young people in an area of high demand. It is a simple, low risk project that updates an existing facility that is acknowledged as tired and of poor quality and as a result is little used. The improved facility is very likely to improve access to sport and physical activity for its target users.
19. Four projects not recommended for funding are the following:

London Southbank University's (LSBU) bid for a new entrance to the LSBU sports centre: Focused on improving access to an existing LSBU facility rather than increasing the direct sporting legacy by providing new or refurbished sporting facilities.

The Peckham Settlement's bid for a new 'Southwark run training facility' in the Peckham Settlement: No attempts made for match funding and no

clear link between the 'Southwark Run' event and the facility proposed for construction.

Sustrans' bid for the 'Connect2' and 'South Bermondsey Link' projects: Difficult to measure and difficult to evaluate value for money. Not supported in favour of other projects of similar value that focused on sport.

Tideways Sailability's bid for an ability centre and pontoon access to the River Thames: High risk project, low deliverability and many hurdles to overcome. Well supported project with commendable objectives, however the bid was considered weak technically.

Community impact statement

20. The ten projects recommended for full and part award are evenly distributed across the borough.
21. The range of sports offered within those projects that have been recommended to be funded will offer a wider range of sport than is currently available, providing Southwark residents with a broader choice of physical activity to engage in.
22. Approval of this recommendation will not result in adverse impacts on any community in Southwark

Resource implications

23. The ten successful project applications have a combined value of £2,000,600. This is £600 over the allocated fund.
24. Staffing requirements in implementing projects following award are to be absorbed by existing resources in the Public Realm and Service Development divisions of the Environment & Leisure department.
25. Staffing requirements in monitoring the projects approved for award are to be absorbed by existing resources in the Public Realm, Culture, Libraries, Learning and Leisure and Service Development divisions of the Environment & Leisure department.
26. Grant funding is the chosen method of distributing funds to projects approved for award which are being led by external organisations. Existing and approved grant conditions will be edited to meet the specific details of each successful project and to mitigate risks posed by individual projects.
27. Value for money will be ensured through a combination of effective performance monitoring through a Southwark Council 'commissioning officer' and the use of specific grant conditions enabling claw back of funds should project specifications and targets not be met by the project applicants.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director (FS047-11)

28. This report asks Cabinet to note that the Cabinet Member for Finance, Resources and Community Safety will take a decision in respect of the

Southwark 2012 Capital Legacy Fund, which agrees how £2m funding will be allocated to ten capital projects.

29. A budget of £2m has been agreed within the current capital programme for the Olympic Legacy Fund.
30. Where funding is being paid as a grant to an external body, appropriate grant funding agreements are put in place alongside performance monitoring to ensure value for money and compliance with grant conditions.
31. Officers within Environment and Leisure will need to manage the tailored payment schedules to ensure that any change in the profile of budget required does not have adverse cash flow implications for the capital programme.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital Programme 2011 - 2021	Finance and Resources, 160 Tooley St, SE1 2QH	Sue Emmons 020 7525 7334
Southwark 2012 Olympic capital legacy fund: short listing stage 1 applications	Environment & Leisure department, 160 Tooley St, SE1 2QH	Ben Finden 020 7525 1289

APPENDICES

No.	Title
Appendix 1	Southwark 2012 Olympic capital legacy fund: final recommendations for a £2m capital investment: IDM report for Cabinet Member for Finance, Resources and Community Safety

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Gill Davies, Strategic Director of Environment & Leisure	
Report Author	Adrian Whittle, Head of Culture Libraries Learning and Leisure	
Version	Final	
Dated	6 October 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	Yes
Date final report sent to Constitutional Support		6 October 2011

Item No.	Classification Open	Date: 5 October 2011	Meeting Name: Cabinet Member for Finance, Resources and Community Safety
Report title:		Southwark 2012 Olympic Capital Legacy Fund: Final recommendations for a £2m capital investment	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATION

1. That the Cabinet member approves the recommendations of the capital legacy group for a £2m package of capital projects that seek to improve access to and increase participation in sport in the London borough of Southwark, as set out in paragraph 23 and appendix A of this report.

BACKGROUND INFORMATION

2. 'Southwark 2012' is the name given to the project for delivering the Council's objectives for the upcoming London 2012 Olympic and Paralympic Games. Several distinct work streams exist in the Southwark 2012 project structure, one of which is the capital legacy group.
3. The capital legacy group was formed in November 2010 and is chaired by the Leader of the Council. The group is composed of external delegates from the local business community, London Southbank University and Sport England, the MP for Dulwich and West Norwood, Southwark Council cabinet members and senior Council officers.
4. The capital legacy group was created to provide an expert and independent panel to consider bids submitted to the Council for the capital legacy fund and to make recommendations to the Cabinet Member for Finance, Resources and Community Safety in respect of applications.
5. The objective of the capital legacy group is to invest £2m in capital projects that support a lasting Olympic and Paralympic legacy in Southwark from the 2012 games, improving access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities.
6. The capital legacy funding process was split over two stages. The first stage invited project proposals based on the criteria agreed by the capital legacy group. The second stage centered on gaining more detailed information from applicants in order to make assessments for feasibility and risk.

7. Forty unique submissions were received by the Council for stage one the funding process. Seventeen of those projects, with a combined value of £4.51m were recommended by the capital legacy group to be successful at stage one.
8. The stage one recommendations were the subject of an Individual Decision Maker (IDM) report for the Cabinet Member for Finance, Resources and Community Safety. The recommendations were approved in June 2011.
9. Following the approval of the stage one IDM, the seventeen successful bids were invited to participate in stage two of the funding process. All were asked to complete a stage two application form and standardized risk log.
10. The stage two application form requested details of the bid ranging from specific project planning and costs to match funding and the last three years of financial accounts of the organisation submitting the proposal.
11. The deadline for completing stage two application forms was 5pm on Friday 22 July 2011.
12. Fourteen stage two applications with a combined value of £3.61m were received by the Council by the 22 July 2011.
13. Three of the seventeen bids successful at stage one did not submit applications at stage two. These were:
 - Urban Roots Active X (value = £150K)
 - Adizones (£491K)
 - Dulwich Park Multi sports Court (£20K)
14. It should be noted that some applicants altered their project value between stages one and two to reflect findings uncovered through further project scoping, further specification and/or research. Those changes are as follows:

Project	Stage 1 project bid value (£000s)	Stage 2 project bid value (£000s)	Increase / decrease	Reason for increase / decrease
Peckham Pulse disability pool hoist	4.3	5.6	↑	In order to minimise impact of installation on current pool activity, pool hoist is to be installed at night, thereby increasing installation costs.
Peckham settlement: "Southwark Run training facility"	350	70	↓	Further research by applicant into feasibility of original project scope, carried out between stage 1 and stage 2, revealed critical flaws. Applicant permitted to submit reduced application.
Trinity College Centre Outdoor sports area	60	30	↓	Applicant carried out further specification of project and eliminated risks that would have kept the bid value at £60K

15. A technical assessment of all fourteen of the submitted stage two application forms was carried out by the Public Realm division of the Environment and Leisure department. This assessment included an evaluation of risks associated with the project and feasibility of delivery.
16. Financial assessments of all projects submitted by external organisations have been carried out and all have been found to be sufficiently financially stable.
17. This report recommends a package of ten capital projects with a combined value of £2,000,600.

KEY ISSUES FOR CONSIDERATION

18. Recommendations are based on the extent to which each project met the criteria agreed by the capital legacy group and their feasibility of delivery (assessed via the stage two application form).

19. The stage one criteria are set out below:

Time:

- Is there a project plan and proposed completion date?
- Does the project plan to begin (on site or otherwise) by the summer of 2012?
- Does the project plan to complete by the end of 2013/14 financial year?

Quality:

- Will the project improve access and participation to sport and physical activity?
- Will the project encourage the Olympic and Paralympic values of respect, excellence, friendship, courage, determination, inspiration and equality in the local community?
- Are you clear that your bid is a capital project?

Cost:

- Does your bid cost less than £500,000?

20. The application form for stage two of the funding process is set out in appendix C.

21. When considering these recommendations due regard should be given to the public sector Equality Duty which requires public bodies to have **due regard** to the need to:

- **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
- **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
- **foster good relations** between people who share a protected characteristic and people who do not share it.
- Having **due regard** means consciously thinking about the three aims of the duty as part of the process of decision-making.

22. Ten of the fourteen projects submitted at stage two have been recommended for award, either in full or in part. Four projects were unsuccessful in their bid for grant funding. A summary is shown below.
- Six project applications are recommended to be awarded the full amount applied for.
 - Four project applications are recommended to be awarded part of the amount applied for.
 - Four projects have been unsuccessful and are recommended not to be funded.
23. Ten projects are recommended for full or part award. These are:
- Bethwin Road Playground's bid for a multi use games area in Bethwin Road for **£95K**
 - Southwark Tennis Club's bid for support for a BMX Track for Burgess Park for **£150K**
 - The Camberwell Baths Campaign's bid for a further phase of refurbishment to the Camberwell Leisure Centre Sports Hall for **£490K**
 - Herne Hill Velodrome Trust's bid for a contribution towards refurbishment of the Herne Hill Velodrome track for **£400K**
 - Athenlay Football Club's bid for a Sports Ground Development in Homestall Road for £175k
 - Peckham Town Football Club's bid for an Outdoor disability multi-sports court for **£85K**
 - Fusion's bid for a disability Pool Hoist for the Peckham Pulse Healthy Living Centre for **£5.6K**
 - The parks and open spaces' service bid for upgrading the Peckham Rye pitches & changing rooms for **£200K**
 - The sports services' bid for a contribution towards the redevelopment of the Southwark Park Sports complex for £370K
 - Trinity in Camberwell's bid for an outdoor sports area in Camberwell for **£30K**
24. Bethwin Road Playground's bid for a multi use games area in Bethwin Road is a relatively simple project that updates an existing facility that is recognised as tired and of poor quality. This low risk project included realistic timescales, costing and objectives, aiming to complete upgrade works by June 2012 and then to increase its user base by 150%. Match funding of £25K from the London Marathon Trust further helped this bid to secure the full amount that was applied for.
25. Southwark Tennis Club's bid for support for a BMX Track for Burgess Park proposed a cost effective, low risk and high impact project in an area of high demand. Having already attracted three independent sources of match funding and one other conditional offer of grant, this technically strong proposal offers very good value for money. This project provides a facility of national standard and quality with open access to the most recent sport to be added to the Olympic Games. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport.
26. The Camberwell Baths Campaign's bid for a further phase of refurbishment to the Camberwell Leisure Centre Sports Hall is a community driven proposal that upgrades a significantly under used facility located in an area of high demand.

The sports hall forms the final phase in the wider refurbishment of the leisure centre and would greatly increase usable space. The bid offers minimum risk with achievable and realistic costs that afford good value for money. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport. For this reason, this project is recommended to be funded to 99% of the amount applied for.

27. The Herne Hill Velodrome is the last remaining structure from the 1948 London Olympic Games and the Herne Hill Velodrome Trust's bid for a contribution towards refurbishment of the Herne Hill Velodrome track was unique for this reason. The bid was technically very strong, focusing on increasing participation in sport by providing children's and family cycle tracks that aim to attract a broader spectrum of cyclist. While the construction works are not proposed to be on site until September 2012, the board felt the completed project would secure a very strong legacy from the London 2012 Olympic and Paralympic games and for that reason the project is recommended to receive part funding of £400K. £90K of the total cost was for a tarmac multi purpose area to be used for cycle polo and other activities. The board felt that this part of the project could be funded from elsewhere, leaving capital legacy funding to meet costs for the family and junior cycle tracks and secure a future for introducing young people to the sport of track cycling.
28. With £100K of match funding secured and a technically strong submission, Athenley Football Club's bid for a Sports Ground Development in Homestall Road is recommended to receive full funding. The project will offer a significant increase in usability of an existing and underused space that is currently unfit for purpose. Timescales and costs are realistic and the project offers good value for money. Following the proposed upgrades, the availability of the facility would increase dramatically allowing for 25,000 individual attendances per annum. The board felt that this bid would afford a strong legacy and would very likely improve access to and participation in sport.
29. Peckham Town Football Club's bid for an Outdoor disability multi-sports court is a community driven proposal, made in association with Peckham Town FC, which aims to improve access to football coaching for disabled people and people with special needs. The construction of an all-weather, flood lit and synthetic pitch is considered very likely to improve access to and increase participation in sport and physical activity thereby providing a strong legacy from the London 2012 Olympic and Paralympic Games.
30. Fusion's bid for a disability Pool Hoist for the Peckham Pulse Healthy Living Centre is a risk free, low value, high impact project that would serve to significantly increase access to the swimming pool for disability groups. The project offers excellent value for money, realistic and achievable objectives and a positive contribution to a strong legacy in Southwark.
31. The parks and open spaces' service bid for upgrading the Peckham Rye pitches & changing rooms, would almost double the capacity for pitch based sports in an area of high need. After clarification of costs post-submission, it was determined that the project could be completed for less than the £250k originally applied for, therefore the bid is recommended to be part funded with £200k. The project will increase participation in and access to sport within agreed timescales.

32. The Southwark Council sports services' bid for a contribution towards the redevelopment of the Southwark Park Sports complex (specifically the athletics track) is unique among submissions, and with a focus on athletics, would represent a special legacy from the Games. While match funding remains an issue, it is hoped that a £370K award will help to attract funding from external sources in a bid to get this once superb facility upgraded and available once again for public use.
33. Trinity in Camberwell's bid for an outdoor sports area in Camberwell is technically strong and provides a facility for children and young people in an area of high demand. It is a simple, low risk project that updates an existing facility that is acknowledged as tired and of poor quality and as a result is little used. The improved facility is very likely to improve access to sport and physical activity for its target users.
34. Four projects are not recommended to be funded. These are:
 - London Southbank University's (LSBU) bid for a new entrance to the LSBU sports centre for £309.5K
 - The Peckham Settlement's bid for a new 'Southwark run training facility' in the Peckham Settlement for £70K
 - Sustrans' bid for the 'Connect2' and 'South Bermondsey Link' projects for £461K
 - Tideways Sailability's bid for an ability centre and pontoon access to the River Thames for £490K
35. London Southbank University's (LSBU) bid for a new entrance to the LSBU sports centre was not recommended to be funded. While the proposal had a measurable and worthy objective it was focused on improving access to an existing LSBU facility rather than increasing the direct sporting legacy by providing new or refurbished sporting facilities. The board felt that the strength of other bids involving new sporting provision meant this could not be supported.
36. The Peckham Settlement's bid for a new running / training facility in the Peckham Settlement was not successful because it did not demonstrate attempts to obtain funding from any other sources and because the link between the 'Southwark Run' and the training facility was not sufficiently clear. While the project objectives were admirable, it was felt that other proposals offered more value for money and a stronger legacy.
37. Sustrans' bid for the 'Connect2' and 'South Bermondsey Link' projects was unique among stage two projects due to its focus on physical activity generally rather than sport per se. Unfortunately the recommendation from the capital legacy was not to fund the project, in favour of other projects of similar value which concentrated on increasing participation in sport. The board also felt that it was difficult to measure the impact of the project on participation in physical activity, thereby making it hard for Southwark Council to measure value for money.

38. Tideways Sailability's bid for an ability centre and pontoon access to the River Thames had commendable and worthy objectives which, if achieved, would have afforded a strong legacy from the Games. However the project was viewed as very underdeveloped and was judged to be too high risk for a project applying for nearly the full grant permitted. The board did recommend that council officers work more closely with Tideways to develop a deliverable project as it was impressed by Tideways' achievements to date and ambition for the future.
39. The recommendations made by the capital legacy group are set out in appendix 'A' of this report.

Community impact statement

40. The ten projects recommended for full and part award are evenly distributed across the borough. A map showing the geographical distribution of projects recommended to be funded is in appendix B of this report.
41. The range of sports offered within those projects that have been recommended to be funded will offer a wider range of sport than is currently available, providing Southwark residents with a broader choice of physical activity to engage in.
42. Approval of this report will not result in adverse impacts on any community in Southwark

Financial implications

43. It should be noted that the final package recommended by the capital legacy group has a combined value of £2,000,600. This is £600 over the agreed budget of £2m.
44. The latest approved council capital programme has a total allocation of £2m for Olympic Legacy with £1.5m for 2011/12 and £0.5m in 2012/13. The profiling of the actual expenditure incurred will depend how stage payments are negotiated with successful applicants who will have till end of 2013/14 to complete the projects.
45. The total expenditure incurred and sources of funding for the proposed projects will be monitored and reported on as part of the overall capital programme.
46. Staffing requirements in monitoring the projects approved for award are to be absorbed by existing resources in the Environment & Leisure department.
47. Grant funding is the chosen method of distributing funds to projects approved for award which are being led by external organisations. In the case of these projects, grant agreements are being created for each grant and take account of the specific details of each proposal to mitigate risks posed by individual projects.
48. Value for money will be ensured through a combination of effective performance monitoring through a Southwark Council commissioning officer and the use of specific grant conditions enabling claw back of part or all funds should project specifications, agreed timescales and targets not be met by the project applicants.

49. Projects have been awarded on the basis of meeting two timelines, in terms of being on site by the summer of 2012 and works being completed by the end of the 2013/14 financial year. The project team will monitor compliance and should these timelines not be adhered to for no good reason action will be taken to rescind the allocation and return it to the capital legacy fund for further consideration by members.
50. Successful applicants will receive funding on a stage by stage basis. Stages will be designed and tailored around the specific details and requirements of each individual project. The tailored payment schedules will be discussed and agreed with successful applicants following approval of this report.

Consultation

51. Consultation has not taken place for capital legacy funding. Independent and objective recommendations have been made by the capital legacy group. Due to complexity, consultation on the funding process was not considered appropriate.
52. Consultation on the implementation of projects in the future will be considered as and when appropriate for each individual funded proposal.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (NC0911)

53. The Strategic Director of Communities, Law & Governance notes the content of this report.
54. Section 2 of the Local Government Act 2000 enables a local authority to do anything which it considers is likely to achieve the promotion of improvement of the economic, social or environmental well-being of the area. It is considered that overall objective of the capital legacy group to improve access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities is compatible with this statutory power.
55. In addition, section 19 of the Local Government (Miscellaneous Provisions) Act 1976 confers general powers to provide recreational facilities.
56. It must be noted that the funding of capital legacy was considered by Cabinet in June this year who decided that the refreshed capital programme for 2012-22 be formally reported to cabinet in February 2012 to ensure council priorities continue to be met and following announcement of the successful Olympic legacy bids.
57. As stated in paragraph 21 the public sector Equality Duty requires public bodies to have ***due regard*** to the need to:
 - **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
 - **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
 - **foster good relations** between people who share a protected characteristic and people who do not share it.

- Having **due regard** means consciously thinking about the three aims of the duty as part of the process of decision-making.

58. These recommendations appear to have taken due regard of this duty and particularly in advance equality of opportunity and foster good relations between people who share a protected characteristic and people who do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

Finance Director (FS048-11)

59. This report seeks approval to the recommendations of the capital legacy group for the allocation of £2m of funding for a number of capital projects that support a lasting Olympic and Paralympic legacy in Southwark from the 2012 games, improving access to and increasing participation in physical activity and encouraging the development of the Olympic values in the borough's communities.
60. Paragraph 44 confirms that a budget of £2m has been agreed within the current capital programme.
61. Paragraphs 47 and 48 confirm that where funding is being paid as a grant to an external body, appropriate grant funding agreements are put in place alongside performance monitoring to ensure value for money and compliance with grant conditions.
49. Paragraph 44 details the profile of the funding within the capital programme. Officers within Environment and Leisure will need to manage the tailored payment schedules to ensure that any change in the profile of budget required does not have adverse cash flow implications.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Capital Programme 2011 - 2021	Finance and Resources, 160 Tooley St, SE12TZ	Sue Emmons 020 7525 7334
Southwark 2012 Olympic capital legacy fund: short listing stage 1 applications	Environment department, 160 Tooley St, SE12TZ	Ben Finden 020 7525 1289

APPENDICES

No.	Title
Appendix A	Capital legacy group stage two recommendations (table)
Appendix B	Project geographical distribution map
Appendix C	Stage two application form

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Gill Davies, Strategic Director of Environment & Leisure	
Report Author	Ben Finden, Project Manager, Service Delivery, Environment & Leisure department	
Version	Final	
Dated	05/10/2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
		Comments included
	Strategic Director of Communities, Law & Governance	Yes
	Finance Director	Yes
	List other officers here	
	Cabinet Member	
	Date final report sent to Constitutional	05 October 2011

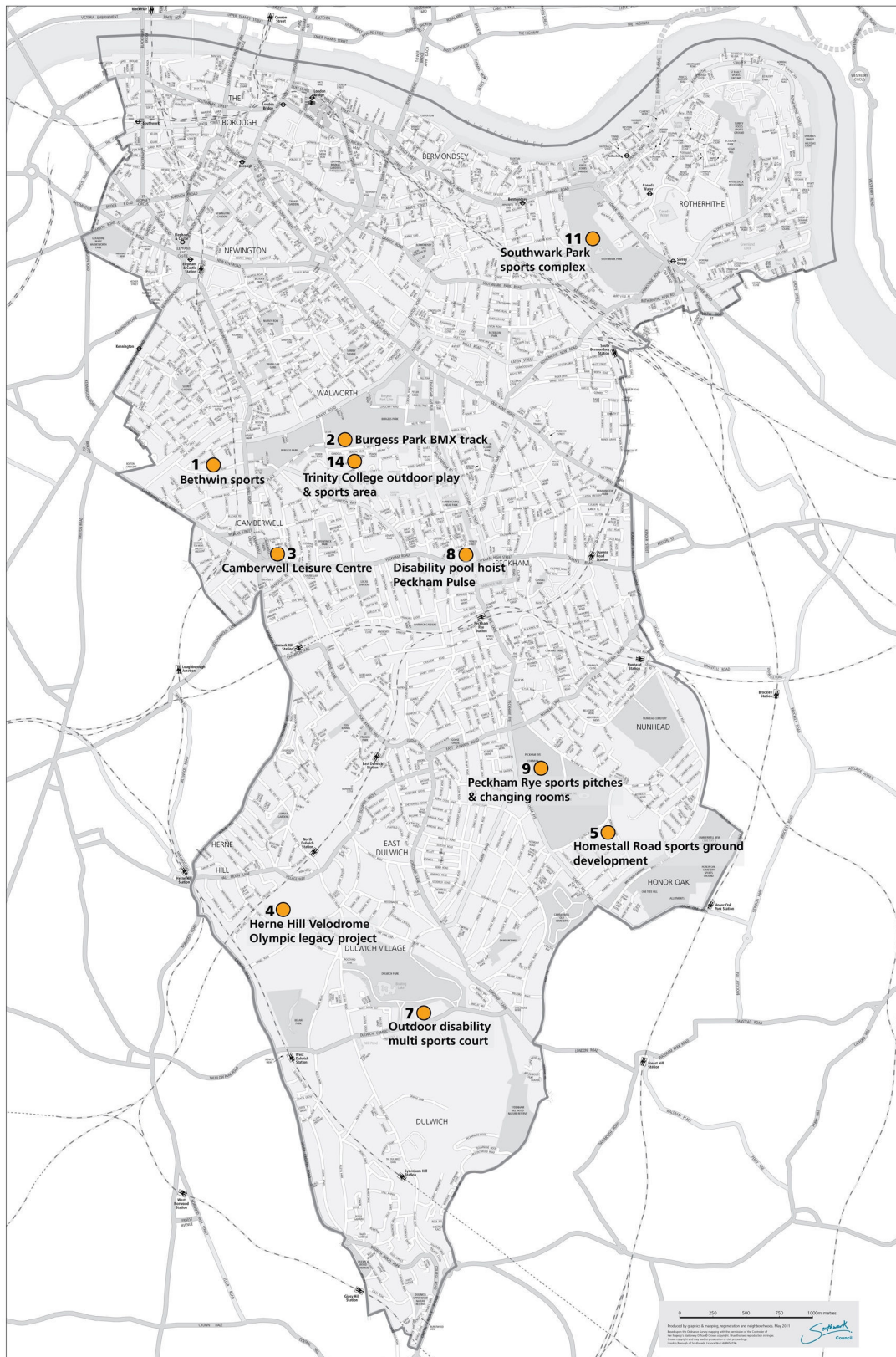
Appendix A

Capital legacy group stage two recommendations.

The table sets out the fourteen projects that were submitted at stage two of the funding process along with their respective bid values, recommendations from the capital legacy group and the amount recommended to be awarded.

#	Project name	Bidding organisation	Value of Bid (£000s)	Recommendation	Amount awarded (£000s)
1	Bethwin Sports	Bethwin Road Playground	95	Full award	95
2	Burgess Park BMX Track	Southwark Tennis Club: Tom Uclisak	150	Full award	150
3	Camberwell Leisure Centre Sports Hall	Camberwell Baths Campaign	493.25	Part award	490
4	Herne Hill Velodrome	Herne Velodrome Trust	490	Part award	400
5	Homestall Road Sports Ground Development	Athenlay Football Club	175	Full award	175
6	LSBU Sports centre	Phil Newman, sports centre manager, LSBU	309.5	Unsuccessful	0
7	Outdoor disability multi-sports court	Peckham Town FC	85	Full award	85
8	Peckham Pulse Pool Hoist	Peckham Pulse Healthy Living Centre	5.6	Full award	5.6
9	Peckham Rye Pitches & changing rooms	Southwark Council Parks and Open spaces	250	Part award	200
10	Peckham Settlement: "Southwark Run Training Facility"	Peckham Settlement	70	Unsuccessful	0
11	Southwark Park Sports complex	Southwark Council	500	Part award	370
12	Sustrans Connect2	Sustrans	461	Unsuccessful	0
13	Tideways Sailability +	Tideways Sailability	498	Unsuccessful	0
14	Trinity College Centre Outdoor sports area	Trinity in Camberwell	30	Full award	30
TOTAL			3612.35		2000.6

Map showing geographical distribution of capital legacy projects recommended to be funded.



Stage two application form**London 2012 Capital Legacy Group
Stage 2 Application Form**

Project title:

Applicant name:

Applicant address:

.....

.....

Applicant telephone number

How will stage 2 applications be assessed?

Stage 2 applications for the Southwark 2012 Olympic Capital Legacy Fund need to be emailed back to Ben Finden (benjamin.finden@southwark.gov.uk) by:

5pm on Friday July 22 2011

All applications will be presented to the capital legacy funding panel on August 31 2011, where the panel will make their final recommendations for shortlist of projects
The final decision on a £2m package of Olympic legacy projects however, will be taken by the Southwark Council Cabinet in October 2011.

Project planning and scope

1. Please supply a detailed project timeline / plan. *(Please include all stages from start to finish, illustrating key milestones, stage details, and other key information concerning the practical completion of the project. This can either be a separate document or filled in below the question)*

Contractors

2. Do you have a contract/contractor in place already? **(Yes/No)**
3. If you have answered 'Yes' to question 2, please provide the following details:
 - Name of contractor
 - Is the contractor sufficiently qualified and experienced?
 - Does the contractor have appropriate health and safety, equalities or other policies relevant to completing the project?
 - Does the contractor hold the appropriate insurances and indemnities?
4. If you have answered 'Yes' to question 2, please describe how you have ensured value for money and explain the tendering/procurement process that was involved.
5. If you have answered 'No' to question 2, please set out your contractor procurement process and timeline.

Permissions

6. Does the project require planning permission **(Yes/No)**
7. If you have answered 'Yes' to question 6, has planning permission been granted **(Yes/No, date and reference number)**
8. If you have answered 'No' to question 7, please state if you have applied for planning permission or not and/or when you expect to gain planning permission. Please provide time scales.

9. If you have answered 'No' to question 6, please state why the project does not need planning permission.

Costs

10. Please state whether the bid will part fund or cover all costs associated with completing the project. (*i.e. is the capital legacy fund funding a whole project or part of a wider project?*)
11. Should we be unable to meet the full bid value and could offer only a smaller figure, is there the possibility that the scope of the project could be reduced? How would this impact the project?
12. Please provide a detailed breakdown of all costs associated with the project (*only the elements to be funded by the Olympic Legacy Fund, not a wider project*). Please fill in the table below adding rows and cost types as relevant to your project. Feel free to amend the names of the example cost types.

Type of cost	£'s
Construction / contractor	
Consultant costs	
Planning application	
Technical Fees	
Contingency	
Site Surveys	
Consultation	
Other	
Other	
Other	
Total	

13. How were the figures arrived at? (*professional estimate, tendered quote?*)
14. If we are only part funding a project, please provide details of costs associated with the wider project. (*total cost; stage breakdown etc*)
15. Attached separately to this document is a '**risk log**' template. Please describe the risks associated with the project and how they will be mitigated.
16. Please describe any contingency plans you have should your project be completed over budget.
17. Have you included a contingency sum in your cost breakdown? **(Yes/No)**
18. Please confirm that you have considered technical and professional fees (non-construction fees) in your budget. **(Yes/No)**
19. Please confirm that you understand that should your project run over budget, that the Capital Legacy Fund will be unable to provide further funding. **(Understood / Not understood)**

Match funding

20. Please state if you have applied for match funding. **(Yes/No)**
21. If you have answered 'Yes' to question 20, please identify the applications you have submitted and provide contact details for the person who made the application.
22. If you have answered 'No' to question 20, please state if you have plans to apply for match funding? Which funds and when?
23. If you have already applied for funding from other sources, has the application been successful? **(Yes/No/Response not yet received)**
24. Will your match funding, if successful, be available by the time the project starts? **(Yes/No)**
25. What would be the impact on the project if the match funding was not received?

Technical details

26. State whether technical surveys are required for this project **(Yes/No)**
27. Please supply any technical drawings for the project (*please attach to your email response*)

Outcomes and performance

28. Please state if and how your project considers access to sport for vulnerable groups
- disabled;
 - BME;

- children under 16;
- over 60s
- general
- hard to reach groups
- other

- 29.** Describe how you will measure the return on investment. How will you know if the project has been a success? *(We need target figures to evaluate the return on investment and value for money of projects)*
- How will you evidence that your project has increased participation in sport and physical activity?
 - How will you evidence that your project has improved access to sport and physical activity?
 - What other target outcomes do you have?
 - How will you monitor performance against desired outcomes?
- 30.** Please describe any marketing / communication plans that are in place or you plan to have in place to help increase participation in sport at the facility?
- 31.** Describe your plans for community engagement. *(Marketing and communication plans describe how you will advertise your facility. Here we are asking if and then how you intend to engage the local community. How will you try to involve and enthuse the local community about your project)*
- 32.** Please describe in detail the level of accessibility to the public the project will afford once completed.
- 33.** Is there a charging policy/membership policy? **(Yes/No - how open is this?)**

Community support and engagement

- 34.** Please describe any local support for the project, naming any organisations.
- 35.** Please provide any letters of support. *(either attach to email separately or insert below)*

Running the facility (facility operation)

- 36.** Please describe how the facility will be maintained and/or operated.
- 37.** Please name any specific contracts and contractors associated with the running of the completed project.
- 38.** Please provide a detailed breakdown of revenue costs for the completed project and how you intend to fund them. Please use the table below to list revenue costs and how much you expect them to be on an annual basis.

Revenue cost type	£/year
Utilities (example)	
Staff (example)	
Other (example)	

Facility ownership

- 39.** Please state if you or your organisation **owns/leases/rents** the facility/land on which the capital investment is to be made.
- 40.** If you lease or rent the land, please confirm who the owner is and that you have their agreement. Please provide evidence of their agreement. If you do not have their agreement, please explain exactly how you intend to get it.
- 41.** If you lease the land/facility, how long is the lease?
- 42.** Please state if the bidding organisation has appropriate policies around child protection, equalities, health and safety or other relevant topics.
- 43.** Please state if the bidding organisation is VAT registered?

- 44.** Please state if the bidding organisation have public liability insurance, employers liability insurance and/or other necessary insurances to operate the facility. Please name the policies in place.
- 45.** Please provide 3 years of financial accounts. If you cannot provide 3 years, please give reasons why.

Item No. 13.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		Residential Design Standards Supplementary Planning Document 2011	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

FOREWORD – COUNCILLOR FIONA COLLEY, REGENERATION AND CORPORATE STRATEGY

The regeneration of Southwark continues to deliver high quality new housing including a high proportion of affordable housing much needed by the community. Clear planning guidance setting demanding standards for developers has been one of the council’s most important tools to achieve this. A Residential Design Standards Supplementary Planning Document (SPD) was adopted by the council in 2008.

The SPD needs to be revised to ensure that it maintains the high standards that we demand, in particular to reflect the larger internal room sizes that we are now requiring in new developments. Sadly we were prevented by the examination inspector from including these standards among our strategic policies in the Core Strategy by the examination inspector so we must take them forward in other documents.

Following the consultation on the draft I am recommending we now adopt this updated Residential Design Standards SPD.

RECOMMENDATIONS

That Cabinet

1. Note the comments of Planning Committee.
2. Adopt the final Residential Design Standards supplementary planning document (SPD) (appendix A), and note the consultation statement (appendix B) and equalities impact assessment (appendix C).

BACKGROUND INFORMATION

3. Our existing Residential Design Standards supplementary planning document was adopted in September 2008. Within section 2.3 of the SPD there is a table of minimum floor areas to ensure an adequate amount of space is provided in residential development. The 2011 draft SPD increases the minimum standards and replaces the overall floor areas within the 2008 SPD. Once adopted, the 2011 SPD will be a material consideration in determining planning applications.
4. The 2011 SPD also includes factual updates to reflect the adopted Core Strategy policies and an appendix on calculating density which was previously in the Southwark Plan (2007).

5. Cabinet agreed to consult on the 2011 Residential Design SPD on 22 March 2011.

CONSULTATION

6. The Planning and Compulsory Purchase Act 2004 (as amended by the Planning Act 2008) and our Statement of Community Involvement 2007 requires consultation to be ongoing and informal to guide the overall approach to consultation planning policy documents.
7. Consultation was carried out on the SPD in accordance with the consultation plan and the statement of community involvement (2008). The consultation statement (appendix B) provides a summary of the consultation carried out and the responses received.
8. Four representations were submitted on the SPD. Planning Committee also comments on the SPD. A summary of the representations and how we have taken these into account is set out below. These representations have been taken into consideration in preparing the final SPD.

Planning committee

9. The SPD was taken to Planning Committee for comment on 21 March 2011. Planning Committee were in favour of the proposals.

Greater London Authority

10. The Greater London Authority welcomed the new dwelling sizes, consistent with those in the draft replacement London Plan.

Other consultees

11. One consultee was concerned that the SPD did not provide enough flexibility. The council considers that the standards in the SPD provide a lot of flexibility by allowing for a range of different sizes for different occupancy levels, providing the overall average is met.
12. There was also concern that the two tables on minimum dwelling sizes contradicted each other. This has been corrected in the final version of the SPD.
13. One consultee welcomed the increase in dwelling sizes but felt that they should be larger and in accordance with the Parker Morris standards. The standards proposed in the SPD are in accordance with those in the London Plan and evidence underpins these standards to show that they are deliverable. In many cases the standards in the SPD meet or exceed the Parker Morris Standards.
14. One consultee expressed concern that larger dwelling standards could impact on existing open spaces. In the council's view, the Southwark Plan already protects many of the open spaces in Southwark, and new housing developments are also required to provide amenity space as part of the development.

KEY ISSUES FOR CONSIDERATION

15. The 2011 SPD amends the 2008 SPD by inserting a new table in section 2

setting out overall dwelling sizes based on occupancy levels to include an average requirement for different types of dwellings.

16. The Core Strategy sought to prescribe minimum flat sizes in order to drive up the quality and standard of residential development. However, the inspector deleted the minimum dwelling sizes, stating that the approach made no allowance for levels of intended occupancy within different dwelling types. The inspector also stated that floor space standards could be placed reasonably in a supporting development plan document. The inspector's binding report inserted new wording into the Core Strategy to say that development will be expected to meet the council's minimum overall floor sizes and the in the interim we will expect development to follow the standards within the council's Residential Design Standards SPD. This wording has now been adopted in the core strategy (2011).
17. The update to the SPD is therefore to reflect the core strategy by setting out the standards we expect development to meet or exceed. The new table makes an allowance for the intended occupancy within different dwelling types. The dwelling sizes relate dwelling sizes to occupancy levels, which is consistent with the London Plan.
18. The updated standards will ensure that all new development is built to a high quality of design with good living conditions. They will help to ensure that an adequate amount of space is provided to create pleasant and healthy living environments. It will ensure that there is sufficient space for everyone in the home to have space to play, work and study, and for privacy and quiet whilst also having sufficient space for storage and circulation within the home.
19. The new standards will replace the overall dwelling standards in the adopted 2008 SPD and will be used alongside the existing table on the minimum sizes of individual rooms.
20. Since consulting on the SPD, national government has released its draft National Planning Policy Framework. Whilst it is only a consultation document, and adoption is not likely until 2012, the Planning Inspectorate has stated that it should be acknowledged as a material consideration in determining planning applications. Paragraph 21 of the draft framework sets out that "Supplementary Planning Documents should only be necessary where their production can help to bring forward sustainable development at an accelerated rate, and must not be used to add to the financial burdens on development".
21. In the case of this SPD, the SPD continues to be necessary to ensure the policies and objectives of the Core Strategy can be met. As set out in Sustainable Community Strategy (Southwark 2016), the Housing Strategy 2009-2016 and the Core Strategy, the council is committed to delivering more and better homes. The SPD, especially the updated minimum dwelling sizes, will assist in delivering high quality new homes that meet the needs of residents and those wanting to live in Southwark. The evidence underpinning the Core Strategy and the London Plan supports this approach and will not have an unnecessary financial burden on development. In addition, by providing clarity on the required dwelling sizes, applicants will know from the outset what is expected in a planning application which can help to speed up the planning process.
22. An additional appendix has been inserted into the SPD to provide further guidance to core strategy strategic policy 5 on calculating density. This appendix is also part of the Southwark Plan.

23. The updated SPD has also been updated to reflect the new core strategy policies and London Plan. These are factual updates to ensure the SPD refers to the correct adopted policy.
24. Once adopted, the updated SPD will provide further guidance to Policy 4.2 (Quality of residential accommodation) of the Southwark Plan (2007), Strategic Policy 5 (Providing new homes) and Strategic Policy 7 (Family homes) of the Core Strategy (April 2011).

Community impact statement

25. The purpose of the Core Strategy is to facilitate regeneration and deliver the vision of Southwark 2016 in a sustainable manner, ensuring that community impacts are taken into account. The update to the Residential Design Standards SPD will help to facilitate this.
26. An equalities impact assessment (appendix C) has been carried out alongside the preparation of the SPD to assess the impact the update to the SPD will have on the different equality target groups.
27. We have tested the sustainability impacts of the minimum room sizes as part of the Core Strategy sustainability appraisal. The proposed change to the SPD will provide further guidance to the Core Strategy policy 7. As such a further sustainability appraisal of the proposed SPD amendment is not required.

Financial implications

28. This report is recommending cabinet to note and adopt the final (SPD) (appendix A), consultation statement (appendix B) and equalities impact assessment (appendix C).
29. There are no immediate financial implications from the adoption of the contents of the planning documents. Cabinet is at this stage being asked to simply note and adopt the planning document.
30. Furthermore, any additional work required to complete the Residential Design Standards supplementary planning document will be carried out by the relevant Policy team staff resources without a call on additional funding.
31. Any specific financial implications arising from the adoption of final Residential Design Standards supplementary planning document (SPD) will be included in subsequent reports for consideration and approval.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

32. This report is being brought before Members' of the Cabinet under Part 3C, paragraph 21 of the Southwark Constitution 2010/11.
33. The Residential Design Standards SPD is now at adoption stage, accordingly, Members' of the Cabinet are requested to consider the Residential Design Standards SPD together with the consultation plan and the Equalities Impact Assessment, taking into account comments from Planning Committee.

34. The development plan for Southwark comprises of the Core Strategy (2011), saved Southwark Plan (2007) policies Plan together with the adopted London Plan (with alterations) 2008. The emerging development plan comprises of the draft Canada Water Area Action Plan – and the draft Replacement London Plan (2010).
35. SPDs are local development documents under the new legislative framework established under the Planning and Compulsory Purchase Act 2004 and will form part of the planning framework for the borough. They may cover a range of issues, both thematic and site specific which expand upon policy or provide further detail to policies in development plan documents. They must not be used to allocate land. SPDs do not have development plan status and as such the presumption in favour of the development plan in section 38(6) of the 2004 Act does not apply to SPDs. This draft SPD complies with these principles.
36. SPDs have replaced supplementary planning guidance (SPGs) which were formerly adopted under PPG12 as informal non statutory guidance which set out more detailed guidance on the way development plan policies will be applied in particular circumstances. If consistent with the development plan and prepared in consultation with the public whose views are taken into account before the SPG was finalised, PPG12 advised that substantial weight could be placed on an SPG as a material consideration.

Procedural Requirements

37. Under the current system, a detailed procedure for the adoption of SPDs is set out in Part 5 of The Town and Country Planning (Local Development) (England) Regulations 2004. PPS12 (Local Spatial Planning) does not state how much weight should be given to new SPDs but given their preparation under the legislative procedures involves proper public consultation, once adopted substantial weight may be placed on SPDs as a material consideration, in the determination of planning applications where relevant.
38. SPDs are not subject to independent examination, however the legislation requires that they should be subjected to rigorous procedures of community involvement. PPS12 set out the criteria an SPD must conform with:
 - I. It must be consistent with national and regional planning policies as well as the policies set out in the development plan documents contained in the local development framework;
 - II. It must be clearly cross-referenced to the relevant development plan document policy which it supplements (or, before a relevant development plan document has been adopted, a saved policy);
 - III. It must be reviewed on a regular basis alongside reviews of the development plan document policies to which it relates; and
 - IV. The process by which it has been prepared must be made clear and a statement of conformity with the statement of community involvement must be published with it.
39. All the matters covered in SPDs must relate to and set out the further detail of policies in a development plan document or a saved policy in a development plan. They must therefore conform to the relevant development plan document (or saved policies), and thereby be consistent with national planning policy and generally conform, in London, with the spatial development strategy.

40. This SPD has been prepared in accordance with the Core Strategy (2011) and saved policies contained in the Southwark Plan 2007, which is the adopted development plan for Southwark and which has been prepared so that it is in general conformity with the London Plan – the Mayor’s spatial development strategy.
41. Local planning authorities must comply with European Union Directive 2001/42/EC which requires formal strategic environmental assessment of certain plans and programmes which are likely to have significant effects on the environment. The directive applies to local development documents where formal preparation began after July 21 2004. It also applies to all local development documents, as well as local plans/unitary development plans continuing under transitional arrangements whose preparation began before that date and, which are not adopted by July 21 2006. The directive has been incorporated into English law by virtue of the Strategic Environmental Assessment Regulations 2004. Local planning authorities must comply with these regulations as well as the regulations under Part 2 of the Act when preparing local development documents.
42. In addition, section 39 of the 2004 Act requires local development documents to be prepared with a view to contributing to the achievement of sustainable development. The 2004 Act requires regard to be had to national policies and guidance on sustainable development. The government’s four aims for sustainable development are set out in PPS1 Creating Sustainable Communities paragraph 1.13. These are:
- Maintenance of high and stable levels of economic growth and employment.
 - Social progress which recognises the needs of everyone.
 - Effective protection of the environment.
 - The prudent use of natural resources.

Sustainability Appraisal

43. The Planning and Compulsory Purchase Act 2004 and Regulation 17 of the above regulations also requires sustainability appraisal (SA) of all emerging DPDs. The Town and Country Planning (Local Development)(England) (Amendment) (Regulations) 2009 provide that a SA report is no longer required if the respective issues are addressed at a higher policy level. In this case the relevant higher level policies are:
- Strategic Policy 5 – Providing new homes
 - Strategic Policy 7 – Family homes
 - Strategic Policy 8 – Student homes
 - Strategic Policy 12 – Design and conservation
 - Saved Southwark Plan Policy 3.2 – Protection of Amenity
 - Saved Southwark Plan Policy 3.11 – Efficient Use of Land
 - Saved Southwark Plan Policy 3.12 – Quality in Design
 - Saved Southwark Plan Policy 3.14 – Designing out Crime
 - Saved Southwark Plan Policy 4.2 – Quality of Residential Development
 - Saved Southwark Plan Policy 4.3 – Mix of Dwellings
 - Saved Southwark Plan Policy 4.5 – Wheelchair Affordable Housing

- Saved Southwark Plan Policy 4.7 – Non Self-Contained Housing for Identified User Groups

44. SPDs must also be subject to Strategic Environmental Assessment (SEA) pursuant to the Environmental Assessment of Plans and Programmes Regulations 2004. This SPD has not been assessed as having significant environmental effects and a SEA has not been carried out as a result.

Procedural Requirements

45. These requirements are set out in Part 5 of the Regulations (Regulations 16, 17, 18 and 19 Town and Country Planning (Local Development) (England) Regulations 2004 (as amended by the 2008 Regulations) and must be complied with as soon as reasonably practicable after the date of adoption.

Human Rights Implications

46. The Human Rights Act 1998 imposes a duty on the council as a public authority to apply the European Convention on Human Rights and the council must not act in a way which is incompatible with these rights. The most important rights for planning purposes are article 8 the right to respect for home and article 1 of the First Protocol, the right to peaceful enjoyment of property. Article 6 is also engaged in relation to the principles of natural justice. In general, these principles are inherent in domestic law. As this SPD has been prepared in accordance with the statutory process, it is likely that it is in conformity with the Human Rights Act 1998. Any human rights implications will be considered throughout the application of the policies in the SPD through the development control process.

Equalities Impact Assessments (EqIAs)

47. The Equality Act 2010 introduced a single public sector equality duty (PSED). This duty requires the council to have due regard in our decision making processes to the need to:

- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
- (c) Foster good relations between those who share a relevant characteristic and those that do not share it.

48. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to (a) above.

49. There has been compliance with the council's Equalities and Human Rights Scheme 2008-2011 as well as the public sector equality duty as contained within section 149 of the Equality Act 2010. All six equality strands have been duly considered and assessed, this is evidenced at paragraph 25 above and in Appendix C.

Finance Director

50. There are no immediate financial implications arising from this report. Staff time to effect the recommendation will be contained within existing budgeted resources

BACKGROUND DOCUMENTS

Background paper	Held at	Contact
Core strategy April 2011	160 Tooley Street SE1 2QH	Sandra Warren 0207 525 5471
Residential Design Standards supplementary planning document 2008	160 Tooley Street	Sandra Warren 0207 525 5471
Statement of Community Involvement 2007	160 Tooley Street	Sandra Warren 0207 525 5471

APPENDICES

No.	Title
Appendix A	Draft Residential Design Standards Supplementary Planning Document (2011) (circulated separately)
Appendix B	Consultation statement (available on the website)
Appendix C	Equalities impact assessment (available on the website)

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Alison Squires, Team Leader Planning Policy	
Version	Final	
Dated	7 October 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director / Departmental Finance Manager	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 October 2011

Item No. 14.	Classification: Open	Date: 18 October 2011	Meeting: Cabinet
Report title:		Appropriation of Land for Planning Purposes of part of Silwood 4B site Rotherhithe SE16	
Ward:		Livesey	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY

Silwood site 4B includes a former housing depot and flats on Debnams Rd and Gillam House. It is the final part of the long standing Silwood Estate Regeneration Programme. Following a number of set backs this scheme has now obtained planning permission and the disposal of the site was agreed by Cabinet in April.

In order to prevent any further delays to this scheme I am now recommending that Cabinet appropriate this land to planning purposes. The effect of this will be to make any third party interests that might exist, subject to compensation only and prevent any injunction being sought that could prevent or further delay the regeneration from proceeding.

RECOMMENDATIONS

That Cabinet agrees:

1. The appropriation of the land, shown shaded blue on the plan in appendix 1 to this report (“the Plan”), from use for commercial purposes to planning purposes in accordance with section 122 of the Local Government Act 1972.
2. To note the land is no longer required for the purpose for which it is currently held.

BACKGROUND INFORMATION

3. The Site which is outlined in red on the Plan is the final part of Southwark Council’s Silwood Estate Regeneration programme with Lewisham Council. Disposal of the Site has suffered a number of set backs over several years from changes in planning policy by the GLA and from the Environment Agency. These have now been resolved and planning permission was granted by the London Borough of Southwark for a scheme of 127 units in April 2011.
4. A disposal report to Cabinet in April 2011 was approved giving the Head of Property the delegated powers to agree a sale on the terms set out in the report for the redevelopment of the Site to Higgins Homes, the developer.
5. A contract for sale in the form of a development agreement has been exchanged between the council and the developer Higgins Homes; completion of which is

subject to the council agreeing and obtaining Cabinet approval to appropriate the land shown shaded blue on the Plan (“the blue land”).

6. Appropriation for planning purposes will facilitate the carrying out of development that is likely to contribute to the economic, social and environmental wellbeing of the area.
7. If a third party is able to establish an easement then this could prevent development and ultimately regeneration taking place as a result of any potential rights claimed over the land shaded blue (the part of the Site between Debnams Road and Corbetts Passage) by resulting in the need to negotiate to acquire the interest claimed or perhaps a submission of a new planning application for a scheme reduced in size with fewer housing units which will have a negative impact regeneration proposals of the council for this area.

KEY ISSUES FOR CONSIDERATION

8. The Site comprises the former Debnams Road Housing Depot, two derelict housing blocks and the shaded land which links the two sites that are held within Housing. The land to be appropriated is held for commercial purposes and consists of a pavement area and an electricity sub station enclosed by bollards. The housing blocks are empty and their continued presence is a blight upon the area.
9. Higgins Homes applied for planning permission prior to exchange of the development agreement. However a third party has now made a claim for an easement in the form of a vehicular right of way to gain access to their premises on Corbetts Passage. This claim has not been substantiated or accepted however it is likely to considerably delay progress of this scheme. The third party can obtain access to their premises via Corbetts Lane.
10. It is believed to be in the interests of proper planning in the area that appropriation of the blue shaded land from its existing commercial purpose to planning purposes is achieved.
11. The present delay and uncertainty over re-development can be resolved relatively swiftly and satisfactorily if the shaded land (that is claimed to be the subject of the easement) is appropriated by the council from use as commercial purposes to planning purposes using its powers under S122 of the Local government Act 1972, in particular those purposes set out under S237 of the Town and Country Planning Act 1990.
12. The reason appropriation is required is to facilitate the re-development and improvement of the Silwood Estate, which is likely to contribute to the economic, social or environmental well being of the area. The effect of appropriation is to make any third party interests in the blue shaded land that might exist subject to compensation only and the third party cannot seek an injunction preventing the development proceeding. Therefore the development can proceed and the planning permission be implemented thus contributing to the economic, social and environmental wellbeing of the area.
13. The developer Higgins Homes will indemnify the council against the cost of any claims for loss of rights that can be substantiated.

14. The council does not accept that any third party has acquired any rights over the shaded land and maintains that any use of this land has been with the council's permission. Appropriation of the shaded land will ensure that the scheme for which planning permission has been granted will not be prevented from proceeding.
15. Without the appropriation of the shaded land there could be a significant impact upon the regeneration proposals for a derelict Site, with a further delay in providing 127 much needed new homes including 40 affordable homes.

Appropriation of the Site for purposes set out in s237 of the Town and Country Planning Act 1990

Background to appropriation

16. The appropriation of land and buildings refer to the process whereby a council alters its purposes for holding land and buildings. The general power to appropriate is contained within section 122 of the Local Government Act 1972.
17. Section 237 of the Town & Country Planning Act 1990 ["s237"] provides that where a council acquires land or appropriates land for planning purposes the development of the land may override third party rights enjoyed over the land. The beneficiaries of such rights may however claim compensation (equal to the loss in value of their property caused by losing the right) but cannot seek an injunction to delay or terminate the development.
18. If having appropriated or acquired land for planning purposes a council transfers that land to another party (perhaps a house builder), that other party will benefit from being able to override third party rights during construction work. This is important to those building or having construction work carried out because it gives them certainty that the work will not be stopped as a result of a third party obtaining an injunction from the court. Such an injunction could severely delay the construction project and give rise to considerable additional financial costs.
19. Prior to developing land it is practical to make prudent enquiries of what rights might exist over the land. This will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry or Land Charges Registry. The application of s237 therefore mitigates the risk of unknown interests existing.
20. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land but if that owner does not meet this obligation then the compensation claim can be enforced against the local authority.

Policy implications

21. The Site is identified in the Southwark Plan as a Regeneration site and is the final part of the Southwark owned Silwood Regeneration scheme with Lewisham Council. Cabinet, in April 2011 made the decision to sell the Site for re-development to Higgins Homes.

Community impact statement

22. The redevelopment of the Site will deliver 127 new homes and regenerate a derelict council owned site in Rotherhithe. Considerable public consultation was undertaken in the early years of the Silwood Regeneration scheme with Lewisham Council and further consultation has taken place in the recent planning application process with public exhibitions by Higgins Homes.

Financial implications

23. It is vital that the council's processes in appropriating the shaded land for planning purposes are without error or flawed to avoid the risk of judicial review.
24. If a third party were to prove an interest in the land and compensation were not paid to them by the developer, then the council would be liable to meet those costs. However, the developer will indemnify the council against the cost of any claims that are substantiated.
25. Whilst land appropriated from use for housing to a non-housing use may result in a transfer of debt charges from the housing revenue account to the general fund, land transferred from one non-housing use to another non-housing use, as is the case with this appropriation, does not cause any such issues.

Resource implications

26. The cost of effecting the recommendation can be accommodated within the existing budget for the disposal of the Site.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

27. Cabinet is advised that Section 122 of the Local Government Act 1972 provides that a council may appropriate land from one purpose to another if immediately before the appropriation the land is no longer required for the purpose for which it is held. The land is held under the Commercial Property Holding Account for commercial purposes but is now required for development for planning purposes.
28. Once appropriation has taken place, Section 233 of the Town and Country Planning Act 1990 ("the 1990 Act") enables the council to dispose of the land appropriated for planning purposes to such person in such manner and subject to such conditions as appear to the council to be expedient in order to secure the best use of the land or to secure the erection, construction or carrying out on it of any buildings or works appearing to be needed with the proper planning of the council's area. The consent of the Secretary of State is needed where the disposal is for less than the best consideration that can reasonably be obtained, except in the case of short leasehold interests. Before disposing of any land consisting of or forming part of an open space, the council will need to publish a notice of their intention to do so for at least two consecutive weeks in a newspaper circulating in the area and consider any objections.
29. The council's power to appropriate land for planning purposes is contained in s226 of the Town and Country Planning Act (TCPA) 1990. What a planning purpose is, is not expressly defined but under section 246 of the TCPA 1990 any

reference to appropriation of land for planning purposes is a reference to the appropriation of it for purposes for which land can be acquired under this section.

30. According to section 226 TCPA 1990 acquisition or appropriation for planning purposes means one that will facilitate the carrying out of development, re-development or improvement which is likely to contribute to the economic, social or environmental well being of the area, or which is required in the interests of proper planning in the area in which the land is situated.
31. Provided that the land is validly appropriated for planning purposes, then under section 237 of the TCPA 1990 (power to override easements and other rights) the erection, construction or carrying out or maintenance of any building or work on the land (by the council or any person deriving title from the council) is authorised if it is done in accordance with planning permission, despite the fact that it may interfere with certain private rights such as restrictive covenants and easements.
32. Appropriations of land are an executive function under the Local Government Act 2000 and so any decision to appropriate land would need to be taken by the Cabinet.

Finance Director

33. This report seeks approval to appropriate the shaded land shown on the plan in appendix 1 from use for commercial purposes to planning purposes. Paragraph 25 confirms that this appropriation will not result in a transfer of debt charges to the general fund.
34. Paragraph 26 confirms that the cost of undertaking this appropriation can be met from the existing budget for the disposal of the site.
35. The financial risks relating to this appropriation are set out in paragraph 24 and relates to potential compensation claims if a third party is found to have a right over the land. Paragraph 24 also confirms that the developer will take out an indemnity to protect the council against liability for any compensation claims.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Correspondence file	Property Services 160 Tooley Street SE1 2QH	Marcus Mayne 0207 525 5651

APPENDICES

No.	Title
Appendix 1	Site plan

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Marcus Mayne, Property Services	
Version	Final	
Dated	7 October 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 October 2011

Draft pdf source

TITLE.

Site 4B Silwood Estate.

APPENDIX 1



DRAWING No.

LBS_2677

DRAWN BY.

MMANKTELOW
Property Division

DATE.

8/9/2011

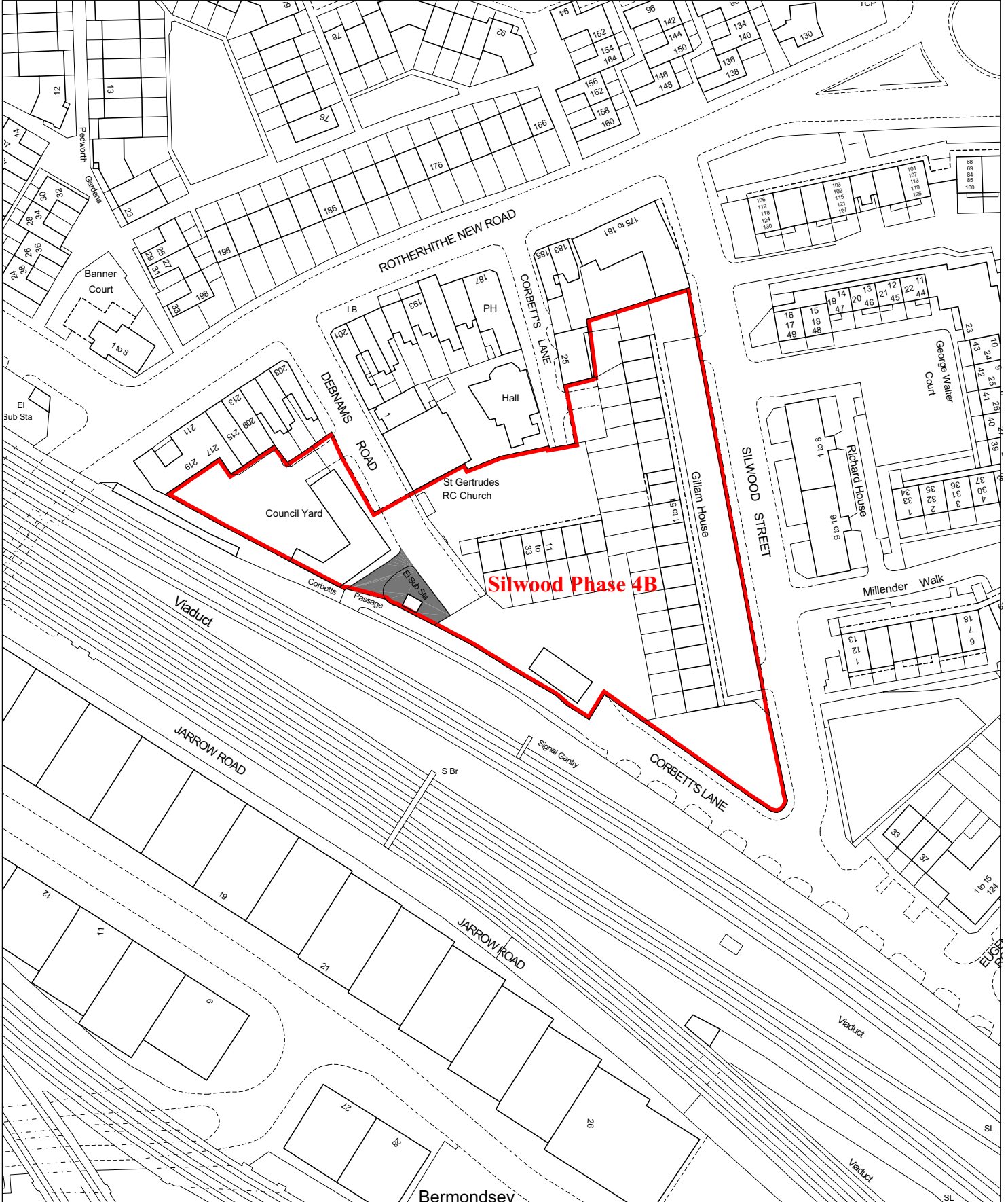
Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. (London Borough of Southwark / Licence No. LA086541).

Original Scale - 1:1250

Subject to variation when reproduced from an Adobe pdf source



NOT FOR LEGAL USE



Item No. 15.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		169 to 172 and 170a St Georges Mansions, Blackfriars Road and Pocock Street Garages, London SE1 8ER – Disposal of Freehold interest	
Wards affected:		Cathedrals	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE CABINET, MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

In 2005, the council agreed to the disposal of the Pocock Street garages, initially as one of the Elephant & Castle Early Housing Sites. In 2009, the council took the decision to remove this property from the early housing sites programme and market the site for sale. Hyde Housing also terminated their hostel programme in the neighbouring block at 169-172 Blackfriars Road in 2009, and so in July 2009 the council added this property to the garages site for sale.

This report recommends the sale of these premises, the details of which are set out in the closed report. This disposal would generate a considerable receipt that will contribute, through the housing investment programme, to make every council home Warm, Dry and Safe. It is also anticipated that the development will deliver on-site affordable housing.

RECOMMENDATIONS

That the Cabinet authorises

1. The disposal of the council's freehold interest in 169 to 172 and 170a St Georges Mansions, Blackfriars Road and Pocock Street Mansions, London SE1 8ER ("the site") in accordance with the terms and conditions set out in the closed report.
2. The earmarking of the capital receipts for the purposes of the Housing Investment Programme.
3. Authorise the Head of Property to agree any variations to these terms (within the scope of his delegated authority) that may be necessary to achieve the successful disposal of the site.
4. In the unlikely event that the sale to the preferred bidder does not proceed to exchange, the Cabinet authorises the Head of Property to agree the terms of a sale with any one or combination of the under bidders set out in the closed report and/or any other third party, provided that these terms conform with the council's legal obligation to achieve the best consideration reasonably obtainable.

BACKGROUND INFORMATION

5. The site is divided into two distinct sections. The front section of the site “169 to 172 Blackfriars Road” (cross hatched in the attached plan) is occupied by a five storey pre war era building with a yard at the back which is let to the adjacent pub (this pub is in private ownership). The ground and basement levels of the building are retail and associated storage space whilst the upper floors, known as 170a St Georges Mansions, are residential with each floor comprising a self contained 5 bed room unit. The retail units are currently let on long term commercial leases whilst the residential units are occupied by Camelot Ltd on a short term basis to provide security.
6. The rear section of the site “Pocock Street Garages” (hatched in the attached plan) is occupied by 45 single storey garages of which approximately 21 are let under licence.
7. Pocock Street Garages was designated as a Proposal Site for residential uses in the Southwark Plan 2007 and has retained this status with the adoption of the Core Strategy.
8. At the then Executive meeting on the 27 July 2005 it was agreed to dispose of the Pocock Street Garages site as part of the Elephant and Castle Early Housing Sites Programme. However on the 29 January 2009 the former Project Director of Elephant and Castle made a delegated decision to remove a number of sites including Pocock Street Garages from the Elephant and Castle Early Housing Sites programme and placed it on the council’s Disposal Register to support future council policies. The reason given for this decision was that it was no longer economically viable to develop the sites in accordance with the terms of the Elephant and Castle Early Housing Sites Programme due to the deterioration of the economy and property market.
9. The development team within the Property Division was tasked with identifying the most suitable way to dispose of Pocock Street Garages. During 2009 Hyde Housing’s lease of the upper parts of 170a St Georges Mansions expired and they vacated the property. Hyde had previously used the upper parts as short term hostel accommodation. The upper parts require significant investment to ensure they are fit for purpose and this will be expensive. Following Hyde’s exit it was determined that the most suitable way forward would be to include 169 to 172 Blackfriars Road in a disposal with the Pocock Street Garages site. This would enhance the chances of a more comprehensive and appropriate development occurring on the site.
10. Pocock Street Garages was declared surplus to requirements by the then Strategic Director of Regeneration and Neighbourhoods on the 19 June 2007. 169 to 172 Blackfriars Road was declared surplus to requirements by the Regeneration Director on the 14 September 2011.
11. BNP Paribas Real Estate was appointed following a competitive tender process to act as the council’s marketing agent with a brief to dispose of the site in line with the statutory framework.

12. Prior to advertising a comprehensive marketing pack was produced and accessed by interested parties via a web link. Within this pack was a brochure, site plan, report on title and service searches, existing leases, standard copy of a garage licence, topographical survey, asbestos register, desktop site survey, Rights of light survey, planning note, EPCs and a new homes market report.
13. The site was widely marketed with half page colour adverts appearing in the Estates Gazette for two consecutive weeks whilst another advert appeared in the Property Week. The agents contacted 141 parties prior to the adverts and there were another 183 requests for details following publication.
14. Offers were invited on a conditional on planning or an unconditional basis and the deadline was 12pm Friday 29 July 2011. In total 20 offers were received from 18 different parties. Six of the offers were on an unconditional basis, with 13 offers on a conditional on planning basis and one offer a hybrid of the two. Following submission the agents recommended short listing the top four bidders.
15. The four shortlisted bidders were then invited to review their offers and submit their best and final offers by the 19 August 2011. A total of 6 offers were received as one bidder submitted 3 different offers.
16. A detailed assessment of the offers was undertaken by the marketing agent and the development team. This assessment looked at the strengths and weaknesses of each offer considering factors such as the terms, funding, track record of the bidder and proposed schemes.
17. Based on this assessment the agents made their recommendation to select the offer outlined in the closed report.

KEY ISSUES FOR CONSIDERATION

Policy implications

18. The site is held for housing purposes and the provisions of section 32 of the Housing Act 1985 govern the terms of any disposal. The General Consents for the disposal of houses and land 2005 enables local authorities to dispose of land held for housing purposes provided that they received the best consideration that can be obtained. The Head of Property is satisfied that the recommended offer represents best consideration that can reasonably be obtained.
19. The site is currently under utilised and not fulfilling its potential. Disposal and subsequent development of this site will provide much needed new homes to help meet the council's housing targets as set by the Mayor of London. The site will be developed in accordance with current planning policy which will ensure that 35% of the units/habitable rooms will be affordable and all the units will be required to meet Code for Sustainable Homes Level 4.

Impact on tenants

20. The tenants occupying the ground floor retail units 169 & 170, 171 and 172 Blackfriars Road and the yard to the rear have been kept informed about the Council's proposal to dispose of the site. They will remain in occupation following the disposal in accordance with the terms of their lease agreements. Following completion of the contract the new owner of the site will become their landlord.
21. There are 45 garages on the site and less than 50% are occupied. It will be necessary to obtain vacant possession of the garages to enable development of the site. The occupiers will be given as much time as possible before notice is served requiring possession of their units. For those who require alternative garages attempts will be made to find available units on other council owned garage sites. However as mentioned the site has been earmarked for development for at least five years.

Community impact statement

22. The disposal of this site will lead to its development which will have a positive impact on the community. The site is under used and adds little to the surrounding area. A high quality residential development will improve the area, provide much needed new homes, increase the viability of neighbouring retail units, landscaping of the immediate site and provide a S106 payment to mitigate the impacts of the development.

Resource implications

23. The retail units, rear yard and garages generate an annual rental income that will cease to be payable to the council once the site is sold.
24. The disposal of the site will release revenue currently allocated towards security and maintenance of the site and buildings.
25. The disposal of the site will generate a capital receipt.
26. The disposal of the site will generate internal officer fees and external agent's fees that will have to be paid by the council. The preferred bidder has agreed to make a capped contribution towards the council's legal fees.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

27. As the site falls within the council's housing portfolio the disposal can only proceed in accordance with Section 32 of the Housing Act 1985 for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
28. A number of general consents have been issued in the General Housing Consents 2005.

29. Consent A 5.3.1 states:

A local authority may, subject to the provisions of this consent, dispose of a building held for the purposes of Part II to any individual for the best consideration that can reasonably be obtained, where:

- a) *The building was not constructed by or for any local authority for the purpose of providing housing accommodation; and*
- b) *The building consists of residential accommodation and non-residential accommodation; and*
- c) *All or most of the ground floor consists of non-residential accommodation; and*
- d) *The residential accommodation is vacant or let with the non-residential accommodation under a tenancy to which Part II of the Landlord and Tenant Act 1954 applies.*

30. The report confirms in paragraph 5 that the building forming 169 to 172 Blackfriars Road is a pre-war building consisting of non-residential accommodation on the ground floor and residential accommodation above, and that the residential accommodation is essentially vacant being occupied by Camelot Limited on a short term basis to provide security.

31. The report confirms at paragraph 10 that this part of the site was declared surplus to requirements by the Regeneration Director on the 14 September 2011.

32. General consent E3.1 states

A local authority may dispose of any land held for the purposes of Part II for the best consideration that can reasonably be obtained, provided that any dwelling-house included in the disposal

- a) Is vacant;
- b) Will not be used as housing accommodation; and
- c) Will be demolished

33. The disposal of the garages site to the rear does not include the sale of any dwelling but the land is held for housing purposes.

34. The closed report confirms that the offer for the site represents the best consideration that can reasonably be obtained.

35. If Cabinet is satisfied that the consideration being obtained for the site represents the best consideration that can reasonably be obtained and that the transaction represents value for money they may proceed with approval of the recommendation.

Departmental Finance Director

36. This report recommends that the Cabinet authorises the disposal of the council's freehold interest in 169 to 172 and 170a St Georges Mansions, Blackfriars Road and Pocock Street Mansions, London SE1 8ER, and the earmarking of the receipt for the housing investment programme. It also authorises the Head of Property to negotiate a variation to these terms and to agree the terms of a sale with any one or

combination of the under bidders set out in the closed report and/or any other third party if the sale to the preferred bidder does not proceed.

37. The Finance Director notes that best consideration will be obtained per paragraph 18. Paragraph 26 confirms that preferred bidder has agreed to make a capped contribution towards the council's legal fees.
38. Paragraph 23 identifies that there will be a loss of annual rental income to the housing revenue account, and paragraph 24 confirms that disposal of the site will release revenue currently allocated towards security and maintenance of the site and buildings.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Case file	Tom Kemp Development Team, Property Division, 160 Tooley Street, SE1 2QH	Tom Kemp on 020 7525 5529

APPENDICES

No.	Title
Appendix 1	OS plan, indicating the property – boundary highlighted in bold

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Tom Kemp, Surveyor	
Version	Final	
Dated	6 October 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Support Services	6 October 2011	

Draft pdf source

TITLE. 169 to 172 Blackfriars Road & Pocock Street Garages.

APPENDIX 1



DRAWING No. LBS_2554

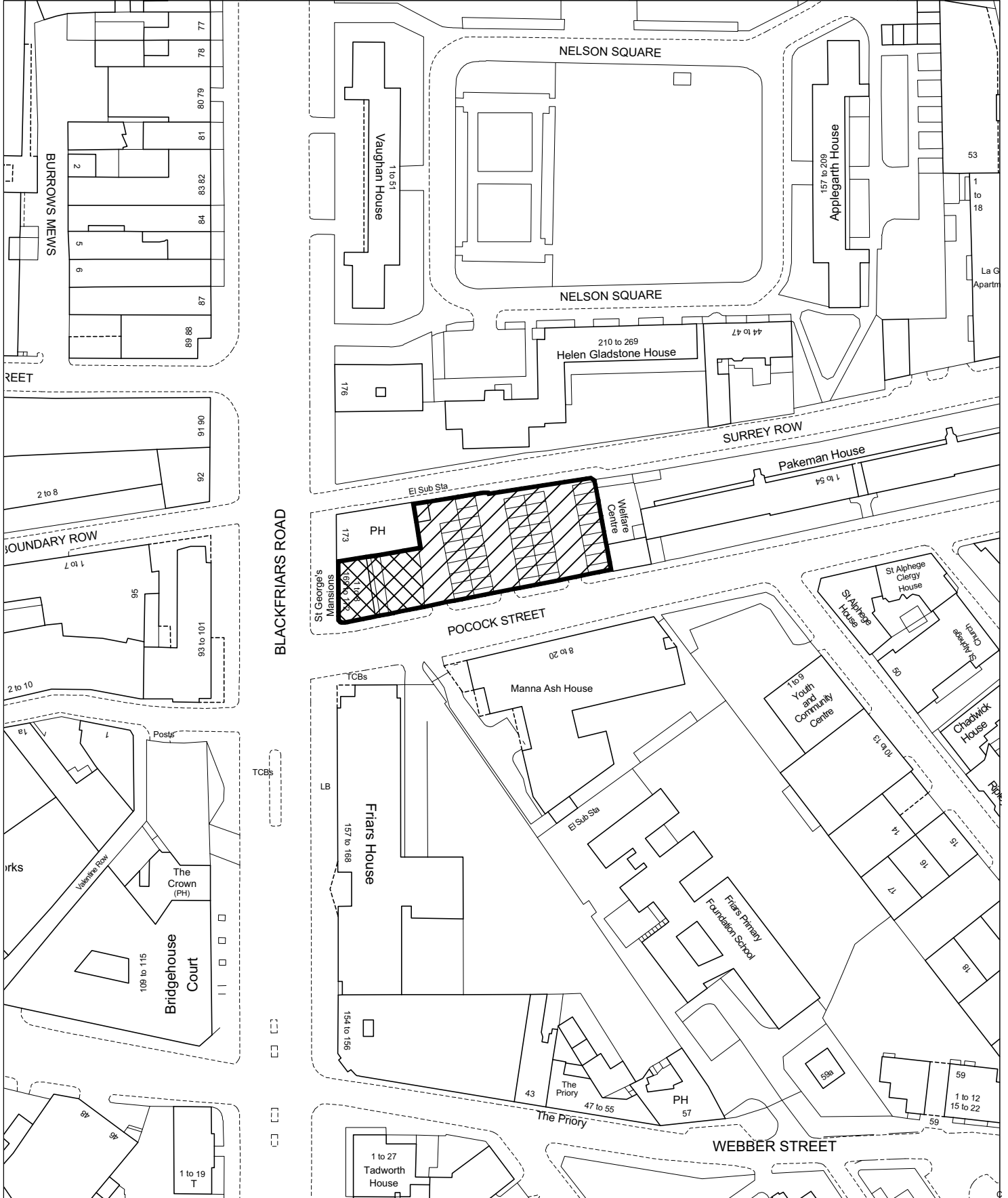
DRAWN BY. MMANKTELOW
Property Division

DATE. 25/1/2011

Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationary Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. (London Borough of Southwark / Licence No. LA086541).

Original Scale - 1:1250

Subject to variation when reproduced from an Adobe pdf source



Item No. 16.	Classification: Open	Date: 18 October 2011	Meeting Name: Cabinet
Report title:		65 Grosvenor Park, SE5 – Disposal of Freehold interest	
Wards affected:		Camberwell Green	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

This report proposes the sale of the council's freehold interest in 65 Grosvenor Park, SE5 with the capital receipts being earmarked for the housing investment programme.

The property is currently empty, and is at risk of deterioration and being squatted. Furthermore, it is in a state of deterioration that would require substantial investment to bring up to a lettable condition.

The sale of this property is consistent with both the council's void strategy agreed in March 2009 (as part of the report on Capital Income Generation for the Housing Investment Programme and Hidden Homes) and the May 2011 void disposal strategy.

RECOMMENDATIONS

That the cabinet authorises

1. The head of property to dispose of the council's freehold interest in 65 Grosvenor Park, SE5 (the "Property"), for a sum that equates to the market value of the property.
2. The earmarking of the capital receipts for the purposes of funding the housing investment programme.

BACKGROUND

3. On 17 March 2009 the then executive received a report from officers entitled 'Capital income generation for the Housing Investment Programme and Hidden Homes'. Amongst the recommendations of this report the executive noted the funding gap to meet its investment needs for its housing stock, to deliver a Southwark Decent Homes Standard for all tenanted homes. Further to this the executive noted the considerations for different funding options which were identified in the April 2008 executive report (Southwark's Decent Homes Standard), and agreed the disposal of empty homes (voids) – in line with paragraphs 16-25 of the March 2009 report.
4. Executive further resolved on the 17 March 2010 'that 100% of the receipts generated from the additional disposal of voids and land proposed by this report are

used to fund both the housing investment programme to deliver Southwark's Decent Homes Standard and to deliver new housing through a Hidden Homes strategy and potentially some new build'.

5. The Property has been identified as suitable for disposal as it meets the value requirements of the amended criteria set out in the 31 May 2011 cabinet decision which reviewed the void strategy, i.e. it is considered that the property has a value in excess of £300,000. The policy threshold before this decision was £400,000.
6. The property comprises a four storey Victorian mid terrace house. Internally the property is in a poor condition and requires comprehensive refurbishment. The property is identified in the attached ordnance survey extracts at Appendix 1.
7. The Property is held in the Housing Fund (HF).
8. Authority to sell is delegated to the head of property in individual cases where the sale price is below a set council threshold. The sale price of the property could exceed this limit and cabinet approval is therefore required.
9. The property has been declared surplus to the council's requirements by the deputy chief executive on 29 September 2011.

KEY ISSUES FOR CONSIDERATION

10. In accordance with the principles and policy of good asset management laid down by government, together with local authority regulations, councils are required to dispose of surplus property assets subject to best consideration and/or market value requirements. The sale of the property will comply with these requirements and the property will not be sold for less than best consideration as determined by the head of property.
11. The property is likely to be offered for sale at auction, the earliest being November 2011. However, if the head of property considers that another method of sale will yield a higher capital receipt, then he may use an alternative means of sale.
12. The sale of the property to owner occupiers, developers and/or investors should ensure that they are quickly brought back into beneficial use.
13. This report recommends that the receipt from the sale of the property be earmarked for the housing investment programme.

Policy implications

14. The disposal of the property will generate a substantial capital receipt, which will be used to provide capital funding in support of the council's key priorities. This includes the provision, refurbishment and redevelopment of affordable housing. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the 2009-2016 Southwark Housing Strategy.

15. The disposal of the property is consistent with the recommendations contained within the report considered by executive on the 17 March 2009 entitled 'Capital Income Generation for the Housing Investment Programme and Hidden Homes'. This policy was further endorsed by the 31 May 2011 cabinet report which noted the progress made to date and resolved to continue and extend the void strategy.

Effect of proposed changes on those affected

16. The sale of a property within the housing fund stock will have a negative impact on the number of council properties available to let. However, this will be offset by gains through the Hidden Homes programme and investment to retained stock, especially where decent homes have not yet been delivered.
17. Increased investment into Southwark's stock to provide warm, dry and safe homes will have a positive impact on disadvantaged and minority communities, who are statistically more likely to be council tenants than the general population as a whole.

Community impact statement

18. As this individual property sale is considered to be non-contentious, consultation is thought not to be appropriate.
19. The proposed sale of the property will have little or no impact on the immediate community.

Resource implications

20. This report recommends the disposal of the property on the open market for a sum that equates to the market value. The property has been declared surplus to the council's housing requirements.
21. The HF rent budget for 2011/12 allows for stock loss through void sales and we have requested that CLG take these into account in setting our self-financing debt level for 2012/13 onward. There is a loss of rental income for this property in 2011/12. There are no current recurring costs.
22. As the property is being disposed of under the void strategy, set out in the report to executive on 17 March 2009 and endorsed and extended at cabinet on 31 May 2011, the impact of loss of rental potential and on subsidy has been considered within the cumulative impact on the housing revenue account of this strategy.
23. Disposals expenditure would include reasonable incidental management and legal charges which would be reimbursed from receipts, as well as sales and marketing costs as a percentage of the value of the receipt which is standard.
24. There are no other risks or costs involved.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

25. As the property falls within the council's housing portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985 for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
27. A number of general consents have been issued in the General Housing consents 2005. Consent A5.1.1 of the general consent for the disposal of Part II dwelling-houses states that a local authority may, subject to the provisions of that consent, dispose of one vacant house or vacant flat or vacant converted house to any individual for a consideration equal to its market value, provided that the purchaser (alone or with others) has not, under the consent in the paragraph A5.1.1 acquired another dwelling-house from the authority previously in the same financial year.
28. The report confirms that the property is vacant. The head of property will need to ensure that the disposal price achieved for the property is equal to its market value.
29. In order to comply with Consent A5.1.1 the council will also need to ensure that the purchaser of the property confirms in the agreement for sale that they have not (alone or with others) purchased another property from the council in the same financial year.
30. The report indicates in paragraph 9 that the deputy chief executive has declared the property surplus to the council's requirements.
26. Provided that the council complies with the provisions of Consent A.5.1.1 in the disposal of the property, then the council has met its statutory obligations in relation to the disposal of land held for housing purposes.

Finance Director

27. This report seeks approval to the disposal of the freehold interest in 65 Grosvenor Park in line with the council's void strategy as explained in the report, and requests that the receipt be earmarked for funding of the housing investment programme.
28. Paragraph 11 confirms that the property will not be disposed of for less than best consideration. Paragraph 23 confirms that allowable expenditure connected with this disposal will be reimbursed from the capital receipt.
29. Paragraphs 21 and 22 explain that the impact of this disposal on the housing revenue account has been considered as part of the overall void strategy impact assessment.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
65 Grosvenor Park, SE5	Tom Kemp Development Team, Property Division, 160 Tooley Street, SE1 2TZ	Tom Kemp on 020 7525 5620

APPENDICES

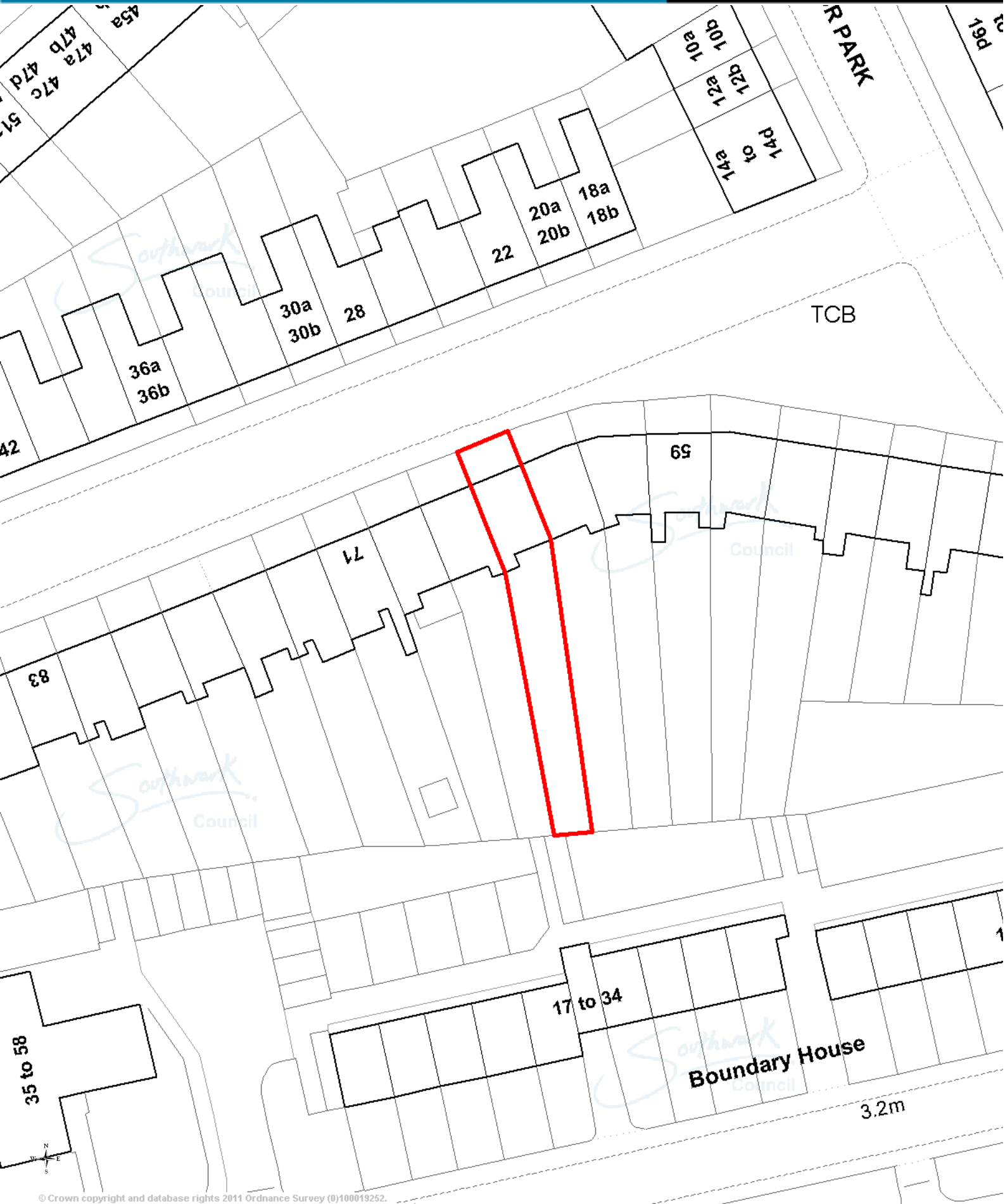
No.	Title
Appendix 1	OS plans, indicating the Property - highlighted in bold

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Cabinet Member for Finance, Resources and Community Safety	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Tom Kemp, Surveyor	
Version	Final	
Dated	6 October 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Support Services	6 October 2011	

Ordnance Survey

Date 15/9/2011



© Crown copyright and database rights 2011 Ordnance Survey (0)100019252.

CABINET AGENDA DISTRIBUTION LIST**MUNICIPAL YEAR 2011-12**

NOTE: Original held by Constitutional Team; all amendments/queries to
Paula Thornton/Everton Roberts Tel: 020 7525 4395/7221

To	Copies	To	Copies
Cabinet Members	1 each	Officers	
P John / I Wingfield / F Colley / D Dixon-Fyle / B Hargove / R Livingstone / C McDonald / A Mohamed / V Ward		Constitutional Team, Tooley Street	4
		Doreen Forrester-Brown	1
		Jennifer Seeley	1
Other Councillors	1 each	Trade Unions	
C Bowman / A Simmons / T Eckerseley / G Edwards / D Garfield / D Hubber / V Mills / D Noakes/ the Right Revd E Oyewole / M Williams / T McNally		Roy Fielding, GMB	1
		Mick Young, Unite	1
		Chris Cooper, Unison	1
		Tony O'Brien, UCATT	1
		Michael Davern, NUT	1
		James Lewis, NASUWT	1
		Pat Reeves, ATL	1
Group Offices		Sylvia Morriss, NAHT	1
Alex Doel, Cabinet Office	1	Irene Bishop, ASCL	1
Steven Gauge, Opposition Group Office	1		
Press		Others	
Southwark News	1	Shahida Nasim, Audit Commission	1
South London Press	1	Robin Campbell, Press Office	1
		Constitutional Officer	20
Members of Parliament		Total:	73
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		
Corporate Management Team			
Annie Shepperd	1		
Romi Bowen	1		
Deborah Collins	1		
Gill Davies	1		
Eleanor Kelly	1		
Gerri Scott	1		
Susanna White	1		
Duncan Whitfield	1		
Stephen Platts	1		
		Dated: 26 May 2011	